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**COLLECTIVE /**

**AND**

**BENEFIT PLANS**

BETWEEN

**JOHN DEERE WELLAND WORKS**

OF

**JOHN DEERE LIMITED**

WELLAND, ONTARIO

AND

**THE NATIONAL AUTOMOBILE,  
AEROSPACE, TRANSPORTATION AND  
GENERAL WORKERS UNION OF  
CANADA (CAW-CANADA)  
and its Local 275**

**EXPIRES 30 SEPTEMBER 1998**

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# COLLECTIVE AGREEMENT

This agreement to be entered into as of the 15th day of  
October 1995

**BETWEEN:**

**JOHN DEERE WELLAND WORKS of  
JOHN DEERE LIMITED,  
Welland, Ontario**

(Hereinafter referred to as the "Company")

**AND - THE NATIONAL AUTOMOBILE,  
AEROSPACE, TRANSPORTATION  
AND GENERAL WORKERS UNION  
OF CANADA (CAW-CANADA)  
and its Local 275**

(Hereinafter referred to as the "Union")

## ARTICLE I - PURPOSE

### 1.01 .

The general purpose of this Agreement is to establish and maintain collective bargaining relations between the Company and the Union; to continue the cooperation and spirit of goodwill between the Company and its employees; to provide machinery for the prompt disposition of grievances arising under this Agreement, and to set forth negotiated conditions of employment for

all employees who are subject to the provisions of this Agreement. The Union **recognizes** that in order to provide a proper relationship between the parties the Company must be kept in a strong, competitive market position and be satisfactorily profitable consistent with fair labour standards, and by achieving continuing and ongoing improvement.

## **ARTICLE II - RECOGNITION**

### **2.01**

The Company recognizes the Union as the sole collective bargaining agent with respect to wages, hours of work, benefits and working conditions for all employees of the Company in Welland, Ontario save and except supervisors, persons above the rank of supervisor, office, clerical and technical staff, sales staff, security guards, students employed, during the co-operative training program with a university or community college, and students employed during the school vacation period.

For the purpose of clarity, the parties agree that the term "office, clerical and technical staff" includes plant office, clerical and technical staff such as set out hereafter: Engineer, Senior Engineering Analyst, Standards Engineer, Analyst Programmer, Advanced Engineering Analyst, Field Test Coordinator, Materials Engineer, Traffic Clerk, Clerk-Typist, Record Clerk, Shipping Coordinator, Secretary, Purchasing Expediter, Maintenance Planner, Production Scheduler, Experimental Scheduler, Buyer, Coordinator Production Scheduling, Computer Programmer, Key Punch Operator, Computer Terminal Operator, Standard Data Applicator, industrial Nurse, On-Line Computer Coordinator, Inventory Analyst, Engineering Analyst, and those "acting" in those positions.

## ARTICLE III - MANAGEMENT RIGHTS

### 3.01

Except as, and to the extent specifically modified by this agreement, all rights and prerogatives of Management are retained by the Company and remain exclusively and without limitation within the **rights** of the Company and its Management and may be exercised by Management as it, in its discretion, sees fit.

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

- (a) the right: *to maintain order, discipline and efficiency; to make, alter and enforce, from time to time, reasonable rules and regulations, policies and practices, to be observed by its employees; to discipline and discharge employees in accordance with Article VIII of this Agreement.*
- (b) the right: *to select and hire the working force and employees; to transfer, assign, promote, demote, schedule and classify employees; to retire employees in accordance with the Company's pension plan; to plan, direct and control its operations; to select and retain employees for positions excluded from the bargaining unit; to transfer employees into or out of the bargaining unit; to operate and manage the enterprise in all respects in order to satisfy its commitments and objectives.*
- (c) the right to determine: *the location and extent of its operations and their commencement, expansion, curtailment or discontinuance; the direction of the working forces; the work to be done; the products to be manufactured, merchandised and sold; the standards of performance; whether to perform or contract for goods and services; the schedules of work; the methods, processes and means of performing work; job content and requirements; the qualifications of employees; the use of improved or changed methods and equipment; the number of*

employees needed by the Company at any time and how many shall work on any job or assignment; the number of hours to be worked; starting and quitting time; methods to be used to ensure security of the Company's property; and generally, the right to manage the enterprise and its business without interference are solely and exclusively the right of the Company.

## **ARTICLE IV - NO DISCRIMINATION**

### **4.01 No Discrimination**

- (a) Neither the Company nor its representatives shall discriminate, coerce or restrain any employees because of such employees' membership or lawful activity in the Union. The Company and the Union recognize and support the Company's policy against workplace harassment.
- (b) The Company, the Union and the employees agree that they will not discriminate against any employee because of his race, ancestry, religion, marital status, family status, sex, creed, sexual orientation, handicap, colour, affiliation, place of origin, ethnic origin, citizenship, age or record of offenses, (as those terms are defined in the *Human Rights Code*), contrary to the provisions of the *Human Rights Code*.

### **4.02 intimidation**

The Company and the Union agree that there will be no intimidation or coercion exercised by either of them upon an employee because he or she is exercising any right conferred by the Ontario *Labour Relations Act* and the Union agrees that there will be no Union activity other than that which is expressly permitted by this Agreement.

### **4.03 Gender**

Whenever the masculine gender is used in this Agreement it shall include the feminine.

## **ARTICLE V - UNION SECURITY**

### **5.01 Deductions**

All present employees of the Company shall have deducted from their pay monthly Union dues as a condition of employment and shall have the option of joining or not joining the Union. All new employees shall, as a condition of employment, have deducted from their pay monthly Union dues and shall make application for membership in the Union. The Company also agrees to deduct from the pay of an employee who authorizes it in writing, the Union initiation fee and to forward such initiation fee to the Union. Union Form A230-86 shall be supplied by the Union to the Company and used for this purpose.

### **5.02 Remittance**

All dues and initiation fees deducted must be remitted to the Local Union Financial Secretary within fifteen (15) working days of the deduction along with a list of names from whom such deductions have been made and the amount of each deduction.

### **5.03 Notification of Change**

The Financial Secretary of the Local Union will notify the Company of any change in the amount of Union dues and/or initiation fees to be deducted in line with the constitutional requirement of the National Union.

### **5.04 Company Indemnity**

The Union agrees to indemnify and save the Company harmless against any and all claims or other forms of liability that may arise out of or by reason of deductions made or payments made in accordance with this Article V.

### **5.05 Part-time Employees**

All part-time employees who earn the equivalent of forty (40) hours pay or any hours which are equal to a normal full week's pay during a calendar month must have the regular Union dues of two hours', twenty minutes (2.33) pay deducted by the Company and then forwarded to the Local Union Financial Secretary. A part-time employee is defined as one who is normally employed for not more than twenty-four (24) hours per week. A part-time employee who completes the regular probationary period must pay initiation fees as established by the Local Union as a condition of further employment.

### **5.06 Method of Deduction**

The Union shall notify the Company by letter of the method upon which the deduction of Union dues is to be calculated detailing both amounts to be included and amounts to be excluded. In addition, the Union will advise the Company by letter under what circumstances dues are payable, e.g., when the employee is receiving vacation pay, holiday pay, etc. and under what circumstances dues are not payable, e.g., when the employee is receiving Weekly Indemnity or Workers' Compensation Benefits. The foregoing shall conform to the Constitution of the National Union and the By-Laws of the Local Union.

## **ARTICLE VI - UNION REPRESENTATION**

### **6.01 General Representation**

The Company acknowledges the right of the Union to appoint or otherwise select Committeepersons in accordance with this Article VI, for the purpose of representing employees in the handling of grievances. In order for an employee to be eligible to be a Committeeperson the employee must have successfully completed his probationary period.

## **6.02 Committeepersons, Chairpersons, Time Study Person**

The Company agrees to recognize five (5) Committeepersons and in addition, a Chairperson. A Committeeperson must be elected or appointed from the zone he represents. The Chairperson shall be elected plant-wide and will work on the first shift. The zones will be identified as zone 1 through zone 5. The departments, areas, or buildings designated in each zone will be determined by the union for the term of the agreement unless changes are mutually agreed to by the parties. No employee shall be represented by more than one Committeeperson.

Not more than five (5) Committeepersons including the Chairperson will be on the first shift and not more than one (1) Committeeperson will be on the second shift. Alternates will not be used on the opposite shift.

If a Committeeperson is going to be out of the plant for one (1) day or more, an alternate Committeeperson from his zone may act in his absence, provided the Union has given the Company advanced written notice of the name of such alternate Committeeperson.

Time used by an alternate Committeeperson is deemed to be time used by the Committeeperson for whom he is the alternate.

### **Time Study Person:**

To select a time study person who shall not be a Committeeperson the Union shall submit the names of five (5) employees who shall meet the qualifications established by the Company. From this group the Company shall select three (3) whom it deems to be suitable and qualified. The Union shall then select one (1) of these three (3) to receive training at Company expense.

Should the Company promote the Union time study person to a position outside the bargaining unit a replacement will be trained by the Company. If the Union

time study person needs to be replaced for a reason other than being promoted to a position outside the bargaining unit, the training costs shall be borne by the Union.

### **6.03 Negotiating Committee**

The Company agrees to recognize the National Representative, President of the Local Union if not a Committeeperson, Chairperson and five (5) Committeepersons as the Negotiating Committee for the purpose of negotiating the renewal of this Agreement.

### **6.04 Notification of Names**

The Union shall notify the Company in writing of the names of the Committeepersons and Chairperson, the effective dates of their appointments and the names of any Committeepersons they are replacing. The Company shall not be required to recognize any Committeeperson or Chairperson not so named.

### **6.05 Duties and Responsibilities**

Chairperson:

The Chairperson will have the right to devote full time to the discharge of his duties as Union Chairperson as specifically enumerated in this agreement. The Chairperson will report to the Manager of Employee Relations. When it becomes necessary to visit a department in the factory, he will obtain permission from the Manager of Employee Relations or his designated representative. He will advise the Manager of Employee Relations of the general nature of the matter he is dealing with, if requested. The Company agrees to not unreasonably withhold such permission and the Union agrees to keep the time spent to the minimum necessary.

Committeeperson:

The primary obligation of a Committeeperson is to perform his regular work for the Company; accordingly, no Committeeperson shall leave his work to administer this Agreement without requesting and obtaining the



permission of his supervisor. When returning to his regular duties he will report to his supervisor and advise the supervisor of the general nature of the matter he was dealing with during his absence, if requested. The Company agrees to not unreasonably withhold such permission and the Union agrees to keep the time spent to the minimum necessary. The jurisdiction of a Committeeperson is limited to the department or group of departments he represents.

#### **6.06 Allowance for Time**

The Company agrees that Committeepersons shall not suffer loss of pay up to a maximum of one (1) hour each per day, five days per week, for time spent in the processing of grievances during the Committeeperson's regular straight time working hours.

In addition, the Chairperson shall not suffer loss of pay up to a maximum of eight (8) hours per day, five days per week, for time spent in carrying out his duties herein.

The Union time study representative shall not suffer loss of pay up to a maximum of two hundred (200) hours per calendar year for time spent in carrying out his duties herein.

Payment provided for herein shall not apply to arbitration or time spent meeting with the Company for the purpose of negotiations.

#### **6.07 Committeeperson During Lay-off**

The Company agrees to retain the Plant Chairperson, Committeepersons and the Time Study Representative et work in their zone in the event of a lay-off or reduction provided they have the skill and ability to do the work required.

### **6.08 National Representative and President**

A National Representative and the President of the Local Union may be present and participate in any meeting of the Plant Committee and the Company.

### **6.09 Information Lists**

The Company will supply to the Chairperson the following information:

- (a) a seniority list, monthly, showing employees' classifications;
- (b) lay-offs and recalls subject to Article 12.08;
- (c) annually, names and addresses of bargaining unit employees and of bargaining unit employees who retire after 21 July 1989;
- (d) on a monthly basis, provided there is a change:
  - (i) employees on leave of absence: and transfers into and out of the bargaining unit,
  - (ii) employees on Workers' Compensation, Weekly Indemnity, Long-Term Disability, and last day worked,
  - (iii) notification of an employee who has lost seniority under Article 12.07 or is sent a Registered letter pursuant to Article 12.07;
- (e) managerial personnel who have jurisdiction over bargaining unit employees.

### **6.10 Union Office**

The Company agrees to provide the Union with an office, basic desk and chairs, filing cabinet and telephone. The Union shall pay all telephone charges other than the basic monthly charge.

## **ARTICLE VII - GENERAL**

### **7.01 Pay Day**

- (a) Pay day will be Thursday of each week for first and second shift employees and Friday for third shift employees unless a holiday falls on a pay day, then pay day will be on the day before the holiday. If a temporary change is necessary, employees will be notified.
- (b) Employees will be paid for services rendered during the previous workweek. All pay cheques will be distributed during regular work hours on the regular pay day.

### **7.02 Physical Examinations**

- (a) All applicants must take a physical examination at Company expense after being accepted for employment.
- (b) The Company may upon reasonable grounds require a medical examination of any employee which will be made at the Company's expense. A report thereof will be furnished to the personal physician of the employee, upon written request of the employee and his physician.

### **7.03 Bargaining Unit Work**

It is the intent of the parties that members of Management will not perform the functions of bargaining unit work to such a degree as causes the lay-off of bargaining unit members or an erosion of bargaining unit work or the loss of an overtime assignment.

This clause is being written in a broad, general manner to avoid nit-picking and conflict when members of Management perform such functions on the one hand, while preserving the integrity of the bargaining unit on the other hand.

#### **7.04 Non Traditional Work Assignments**

Employees covered by this Agreement may be assigned to certain functions which they traditionally have not performed or which have not exclusively been performed by members of the bargaining unit for not more than one (1) year unless by mutual agreement of the parties. Examples of such functions are:

- (a) Programming and maintenance of computers and robots;
- (b) Identifying training needs, developing training materials and conducting training;
- (c) Leading or participating in project teams or working individually on subjects covering a wide range of functional areas;
- (d) Special assignments given to employees to accommodate temporary medical restrictions; and
- (e) Evaluating, testing and/or analysing experimental, proved design and/or production parts, assemblies etc. in order to develop or prove engineering theory and design.

The performance of such functions by bargaining unit members shall not cause such functions to be bargaining unit work.

#### **7.05 Current Addresses, Etc.**

It is the obligation of every employee to keep the Human Resources Department advised of his/her current address, telephone number or change in marital or dependent status.

### **ARTICLE VIII - DISCIPLINE**

#### **8.01 Probationary Employee**

The discipline or discharge of an employee who has not completed his probationary period, hereinafter

referred to as a “probationary employee”, shall be at the sole discretion of the Company and shall not be grievable nor arbitrable.

### **8.02 Seniority Employee**

The discipline of an employee who has completed his probationary period, hereinafter referred to as a “seniority employee”, shall be for **just** cause and shall be subject to the grievance procedure.

### **8.03 Grievance on a Discharge**

A claim by a seniority employee that he has been discharged without **just** cause, shall be treated as a grievance and shall commence at Step No. 2 of Article 9.05 provided a written grievance signed by the employee and his Committeeperson is presented to the Manager of Human Resources or his designate within three (3) working days after the discharge. The National Representative of the Union will be permitted to attend the meeting held pursuant thereto, with Management.

### **8.04 Presence of a Committeeperson**

A Committeeperson will attend a meeting at which the Company is disciplining or discharging a seniority employee unless the employee states, in the presence of a Committeeperson, that he does not wish to have a Committeeperson present.

### **8.05 Private Interview**

(a) When a seniority employee is required to attend a disciplinary hearing, he will be given the opportunity, if he so desires, to have a private interview prior to the hearing of not more than fifteen (15) minutes with his Committeeperson.

(b) When a seniority employee is discharged from employment while at work he will be given the opportunity, if he so desires, to have a private interview of not more than thirty (30) minutes with the Plant Chairperson or his Committeeperson.

### **8.06 Record of Discipline**

In imposing discipline for causes other than absenteeism, the Company will not take into account any infraction of Company rules of conduct which occurred more than three (3) years prior to the date upon which the offense for which the employee is being disciplined occurred. Notwithstanding the foregoing, if an employee has a clean slate, i.e. no discipline for a continuous period of eighteen (18) months, discipline prior to such eighteen (18) month period will not be taken into account in imposing discipline. In addition, if a verbal or written reprimand has been on file for one (1) year without any intervening disciplinary action, this discipline will not be taken into account in imposing discipline.

## **ARTICLE IX - GRIEVANCE PROCEDURE**

### **9.01 Agreement**

The Company and the Union agree that the specifically designated grievance procedure shall be properly followed within the time limits provided.

Whenever the term "grievance procedure" is used in this Agreement, it shall be considered as including the arbitration procedure.

### **9.02 Definition**

"Grievance" shall mean a complaint or claim concerning the discipline or discharge of a seniority employee, or a dispute with reference to the interpretation, application, administration or alleged violation of this Agreement.

### **9.03 Discussion with Supervisor**

No employee shall have a grievance until he has discussed his complaint with his immediate supervisor. The immediate supervisor will respond to the employee within one (1) working day from such discussion. If the immediate supervisor does not settle the matter to the

employee's satisfaction, the employee's grievance may be submitted to Step No. 1 of the grievance procedure.

#### **9.04 Time Limit**

The Company shall be under no obligation to consider or process any grievance unless such grievance has been presented to the Company in writing at Step 2 of the grievance procedure within ten (10) working days from the time the circumstances upon which the grievance is based occurred.

#### **9.05 Steps**

##### **Step No. 1:**

If the employee's complaint is not settled under Article 9.03, a meeting will be held between the grievor who will be accompanied by his Committeeperson, and the grievor's supervisor and a representative of the Human Resources Department within three (3) days of the response of the supervisor under Article 9.03. The supervisor will give his reply to the Committeeperson by the end of the second working day following such meeting and the giving of such reply will terminate Step No. 1.

##### **Step No. 2:**

If the grievance is not settled at Step No. 1, the grievance shall be reduced to writing, signed by the grievor and the Committeeperson and submitted to the Manager of Employee Relations within the ten (10) working days specified in Article 9.04. A meeting of three (3) members of the Committee and the Manager of Employee Relations and other Management representatives shall take place on the fourth (4<sup>th</sup>) Thursday of the month unless mutually agreed otherwise. A National Representative of the Union may be present at the Step No. 2 meeting if requested by either party. A decision shall be rendered by the Manager of Employee Relations, in writing, within five (5) working days of such meeting.

**Step No. 3:**

In the event the grievance is not settled at Step No. 2, the party having carriage of the grievance may request arbitration of the grievance by giving notice in writing to the other party within ten (10) days from the delivery of the decision at Step No. 2, but not thereafter. The notice to arbitrate shall set out the nature of the grievance, the section or sections of the Collective Agreement claimed violated and the remedy sought. If a request for arbitration is not so given within such ten (10) day period, the decision at Step No. 2 shall be final and binding upon both parties to this Agreement, and upon any employee involved. A sole arbitrator shall be selected from among the following panel (except in the case of arbitration of a payment plan grievance):

Professor Earl E. Palmer

Ross L. Kennedy

Professor Gail Brent

Martin Teplitsky

Howard D. Brown

The party giving notice to arbitrate shall indicate in writing two (2) of the arbitrators who are not acceptable as arbitrator in the particular matter. The party receiving the notice to arbitrate shall indicate in writing two (2) of the remaining three (3) arbitrators who are not acceptable for the particular matter. The remaining arbitrator shall be the arbitrator in the current case. In the event of death or retirement from practice of any of the foregoing arbitrators, they shall be replaced in the following order (except in the case of arbitration of an incentive standard):

Professor Wesley B. Rayner

Mort Mitchnik

**9.05A Unresolved Payment Plan Grievances**

A special arbitrator who is an industrial engineer shall be selected by mutual agreement between the



parties to deal with an unresolved payment plan grievance. In addition to hearing evidence by the Union and the Company the industrial engineer arbitrator shall make such observation and study of the operation in question as is necessary to enable him to develop the true **facts** in the **case** and shall have access to any information pertaining to the dispute including standard data or plant data or study(ies) of the operation. Upon completion of his study the industrial engineer arbitrator shall render his decision in the matter.

#### **9.06 Arbitrator's Decision**

The arbitrator shall hear and determine the matter and shall issue a decision which shall be final and binding upon the parties and upon any employee or employees affected by it.

#### **9.07 Arbitrator's Authority**

The arbitrator shall not be authorized to make any decision inconsistent with the provisions of this Agreement or to add to, alter, modify or amend any part of this Agreement, nor to adjudicate any matter not specifically assigned to him by the notice to arbitrate.

#### **9.08 Costs of Arbitration Proceedings**

Each party hereto shall bear its own costs of and incidental to any such arbitration proceeding. The fees and charges of the arbitrator shall be borne equally by the two parties hereto. Each party has the right to require the attendance of the grievor at the arbitration hearing.

#### **9.09 Time Limits and Procedural Requirements**

The time limits and other procedural requirements set out in this Article IX are mandatory and not merely directory, therefore Section 45(6) of the Ontario *Labour Relations Act* or as it may be amended from time to time shall not apply. The parties may agree to extend time limits provided they do so in writing.

### **9.10 'Bound By' Requirements of Arbitrator**

It is agreed that any arbitrator appointed pursuant to Section 46 of the Ontario *Labour Relations Act* or as it may be amended from time to time will be bound by the requirements of the grievance and arbitration procedure set out herein.

### **9.11 Union Policy Grievance or Company Grievance**

A Union policy grievance or a Company grievance may be submitted to the Company or the Union, as the case may be, in writing within five (5) days from the time the circumstances upon which the grievance is based occurred. A meeting between the Company and the Union shall be held within five (5) days of the presentation of the written grievance or at such other time as is mutually agreed between the Union Representative and the Manager of Employee Relations and shall take place within the framework of Step No. 2 of Article 9.05 hereof. The Company or the Union, as the case may be, shall give its written decision within five (5) days after such meeting has been held.

If the decision is unsatisfactory to the grieving party, the grievance may be submitted to arbitration within ten (10) days of the delivery of such written decision and the arbitration sections of this Agreement shall be followed.

The provisions of this Article 9.11 shall not be used by the Union to institute a grievance directly affecting an employee or employees which such employee or employees could themselves institute and the provisions of Article 9.05 hereof shall not be bypassed.

## **ARTICLE X - NO STRIKES OR LOCKOUTS**

### **10.01 No Strikes or Lockouts**

The Union undertakes and agrees that while this Agreement is in operation neither the Union nor any

employee shall take part in or call or encourage any strike, picketing, sit-down, slowdown or any suspension of or stoppage of or interference with work or production which shall in any way affect the operations of the Company, and furthermore that there shall be no sympathy strikes nor secondary boycotts. The Company agrees that it will not engage in **any** lockout during the term of operation of this Agreement.

### **10.02 Discipline or Discharge**

Any employee who participates in any of the foregoing conduct shall be subject to discipline which may include discharge.

### **10.03 Definitions**

The word "strike" and the word "lockout" shall be deemed to have the meaning given to these words under the Ontario *Labour Relations Act*.

## **ARTICLE XI - ORIENTATION**

### **11.01 New Employees**

The Union and the Company will cooperate and participate jointly in a new employee orientation program including a discussion of the importance of quality work, safety, general factory operations, and the employee's responsibilities and benefits under the provisions of this Agreement.

## **ARTICLE XII - SENIORITY**

### **12.01 Acquiring Seniority**

An employee shall not have any seniority and shall be considered as a probationary employee until he has completed three (3) continuous months of employment with the Company. During such probationary period he will have no seniority rights. The discharge of a

probationary employee **shall** be in the sole discretion of the Company. Upon completion of the probationary period an employee's seniority will be backdated to the date of hire.

## **12.02 Reductions in the Workforce**

Recognizing that seniority is inherent to any employment security program a workable system must include minimal disruption and loss of productivity.

To this end, when a reduction in the workforce is required, other than lay-offs provided for in Articles 12.03 and/or 12.09(a)(iii), the following procedure will take place:

### **Step 1:**

The junior employee in the classification affected in the department will be reduced from his department and will exercise seniority to displace the most junior employee in his classification in the bargaining unit provided he is qualified to perform such junior employee's job.

### **Step 2:**

Such junior employee displaced from his classification will exercise seniority to displace the most junior employee in his seniority unit provided he is qualified to perform such junior employee's job.

### **Step 3:**

Such junior employee displaced from his seniority unit will exercise seniority to displace the most junior employee in the bargaining unit - hourly if hourly, or incentive if incentive - provided he is qualified to perform such junior employee's job.

### **step 4:**

Such junior displaced employee will exercise seniority to displace the most junior employee in the bargaining unit, if there is one, provided he is qualified to perform such junior employee's job.

The junior displaced employee will be laid off.

In each of the foregoing steps, if a vacant work assignment exists in the employee's classification, seniority unit or bargaining unit, as the case may be, which the employee is qualified to perform, then such employee will be assigned directly to such vacant work assignment rather than exercise seniority to displace the junior employee.

In each of the foregoing steps, when there are multiple reductions, the company will endeavour to place employees in assignments and/or departments in which they have prior experience.

When a focused factory is established the parties will meet to negotiate changes required in the foregoing.

### **12.03 Temporary Lay-Offs**

Notwithstanding anything contained in Articles 12.02 and 12.04 hereof, in the event of a temporary lay-off of a known duration, of more than five (5) working days but not exceeding six (6) continuous weeks at any time, the following will apply to those employees who are affected within a department, area or focused factory, as the case may be.

- (i) Employees with less than one (1) year's seniority in each affected group will be laid off first,
- (ii) Thereafter, if there are still more employees remaining in the affected group than are required, employees in such affected group shall be laid off in order of seniority with the most senior employees being laid off first,
- (iii) If, for some reason, the lay-off of an affected group exceeds six (6) weeks, the senior employees in such affected group will return in order of seniority with the most senior employees being returned first, and junior employees will be laid off in order with the most junior employees being laid off first, provided such senior employees are qualified to perform the work required.

#### **12.04 Recalls and Restorations**

When an increase in the workforce is required and employees are on lay-off, employees will be recalled to vacant work assignments in order of seniority subject to the following.

An employee will be recalled to work in his classification, if it is available, and if not then to other available work, provided that in either case he is qualified to perform the work required. The goal herein is to restore the employee to his classification and unit in line with his seniority as work becomes available which he is qualified to perform.

When an employee is recalled, restored or assigned to a job assignment that is caused by an employee's absence due to an accident or illness, upon the return of the absent employee, the most junior employee who filled the vacancy will be displaced.

#### **12.05 Job Posting**

(A) When it becomes necessary to add employees to any seniority classification within an area or focused factory, such vacancies, except those created by job bidding, will be subject to job bidding after the recall or restoration of all employees with recall or restoration rights to the seniority classification within the area or focused factory.

Any vacancy which in the best judgment of the Company is of a temporary nature, that is, of less than sixty (60) days' duration, shall not be listed as a vacancy and it shall not be posted for bidding.

(B) A vacancy created through an employee accident or illness and based on medical opinion that it will likely exist for sixty (60) calendar days or longer will be posted as a **'Special Duration Job Bid'**.

(i) The successful bidder will retain recall rights to his previous seniority classification.

- (ii) The successful bidder will return to his previous seniority classification when this assignment is completed providing his seniority will permit such return.
  - (iii) If the "Special Duration" status is removed from this job bid, the employee will lose recall rights to his previous seniority classification and retain recall rights to this classification.
  - (iv) Any vacancies created by a "Special Duration Job Bid" will in turn be filled under the provisions of paragraphs (i), (ii) and (iii) of this clause (B).
- (C) The Company shall post the vacancy including the labour grade or range of labour grades, to be filled on bulletin boards in the plant. No vacancy shall be posted during the annual inventory and vacation shutdown period. The posting shall list the seniority classification and department or area in which the vacancy exists and the qualifications for the work assignment. The Company has the right to prescribe the qualifications necessary for each posted vacancy.
- (D) Any employee with seniority, excluding those employees in the seniority classification within the department in which the vacancy exists, who is qualified or believes himself to be qualified, may apply for the vacancy by submitting a completed "Application For Vacancy" to the Department of Human Resources within the period specified. Any employee who is working in the department and within the same seniority classification in which the vacancy exists may request from the supervisor of the department, assignment to the vacancy. If more than one (1) employee requests assignment to the vacancy, the supervisor will assign the employee with the greatest Seniority, provided he is qualified to perform the work, and provided the employee's request has been made before the expiration of the posting date referred to in this Article 12.05.

- (E) The senior job bid applicant will be selected on vacancies in Labour Grade 8, 9 and 10 except where physical qualification and/or specific **skills** are necessary to perform the required work.
- (F) When the vacancy has been posted for three (3) working days (**seventy-two (72)** hours), the Company shall remove the posting from the bulletin board and accept no more applications for the vacancy. From the applications filed the Company shall determine those who are qualified, and from this group, if there is more than one (1), shall **fill** the vacancy under the following procedure:
- (i) The senior qualified employee from any department in the plant on the basis **of** the applicant's plantwide seniority.
  - (ii) If it is determined by the Company that there are no qualified applicants, then the Company may fill the vacancy by transfer or hire.
- (G) No employee selected to fill a vacancy by this procedure shall be required to be placed in the vacancy until the Company **has** secured a replacement for the vacancy caused by the applicant's transfer and the Company may **fill** the listed vacancy temporarily by any method until the replacement has been secured.
- (H) Any employee who fills a vacancy by this bidding procedure and who fails to perform the job satisfactorily shall be returned to the seniority classification he was in at the time he was transferred **as** a result of the operation of this bidding procedure, provided his seniority will permit such return.
- (I) Any vacancies created or caused by this procedure may be filled by the Company by recall or restoration before transfer or hire.

#### **12.06 Transfer from Bargaining Unit**

Any employee who has heretofore been, or may be promoted or transferred any time in the future to any



salary position and/or to any job not included and/or covered by this Agreement, and who later returns to the bargaining unit of employees covered by this Agreement shall have his seniority classification and plant-wide seniority accumulated and re-established.

### **12.07 Loss of Seniority and Employment**

A seniority employee shall lose his seniority standing and employment and his name shall be removed from the seniority list for any of the following reasons:

- (a) if the employee quits his employment with the Company;
- (b) if the employee **is** discharged for just cause and such employee is not reinstated;
- (c) if an employee who is recalled to work while on lay-off fails to notify the Company within three (3) working days that he accepts the recall, or fails to return to work or furnish a satisfactory reason for not doing **so** within five (5) working days after telephoned or notice of recall has been sent by registered mail, delivery or courier, to the **last** address that the Human Resources Department has in its files for the employee. It is the responsibility of an employee to ensure that the Company's employment files contain his correct name, address, telephone number and social insurance number. If the employee fails to do so the Company will be relieved of any obligation to the employee not fulfilled because of incorrect address or telephone number;
- (d) if the employee overstays a permitted leave of absence or vacation without securing extension of such leave **of** absence or vacation from the Manager **of** Employee Relations, unless the **employee** can establish that he has **a** verifiable bona fide reason and that he used **his** best efforts to return to work on time;
- (e) if the employee is absent from his duties for three (3) consecutive days, unless the employee can establish

that he has a verifiable bona fide reason and that he used his best efforts to be at work;

- (f) any absence from active employment except for a formal leave of absence, a plant incurred injury, Weekly Indemnity, Long-Term Disability Benefits, Total and Permanent Disability Retirement or military service for a period of time equal to the employee's seniority prior to such absence or for a period of five (5) consecutive years, whichever is the lesser. However, in no instance will an employee's seniority and employment be broken by an absence of less than two (2) years.

#### **12.08 Notice of Lay-Off**

In cases of an anticipated and planned lay-off which is expected to last more than five (5) working days and when notice is not required by the Regulations of the *Employment Standards Act* of Ontario the Company will endeavour to give employees affected by such lay-off five (5) days' notice thereof. The Committee Chairperson shall be provided with a list of employees to be so laid off or to be recalled from lay-off. Within five (5) days of being provided with such list the Chairperson shall inform the Manager of Human Resources of any seniority problems in such list that he is aware of. In addition, the Company will post up a list of the employees to be laid off. The Company shall not be responsible for any improper lay-off or recall from lay-off if the person affected does not notify the Manager of Human Resources within ten (10) working days of such list being posted. The notice of lay-off provided for herein need not be given to an employee who is ready to return to work after being on Workers' Compensation, Sickness or Accident leave, or any other leave of absence.

#### **12.09 Seniority Exceptions and Transfer of Daily Tasks**

The seniority provisions provided for herein shall not apply in the following circumstances:

- (a) (i) against apprentices or trainees;
  - (ii) during the annual inventory and/or vacation shutdown period;
  - (iii) in the case of any reductions or lay-off of five (5) working days or less;
  - (iv) in the case of restorations or recalls for a period of ten (10) working days or less.
- (b) When a major portion of a daily task is permanently transferred to another department within the factory, the senior employee(s) who normally performs such task(s) shall be given first opportunity to transfer with the work to the new department. When a specific machine is permanently transferred to another department then the senior employee on that machine shall be given the first opportunity to transfer with the machine.

#### **12.10 Definition of 'Qualification' and 'Vacant Work Assignment'**

- (a) The terms "qualified" and "qualifications" as used in this Agreement shall mean that the employee possesses the necessary experience, skill and ability to satisfactorily perform with normal supervision the work for which he is being considered.
- (la) The term "vacant work assignment" as used in this Agreement means a work assignment which is not required to be filled by job bidding, restoration, recall, or a work assignment which is created by the lay-off or reduction of an employee with less than one (1) year of seniority at the time of his lay-off or reduction.

#### **12.11 Accommodation for Incapacitated Employees**

An employee who has become permanently incapacitated for his regular work will be transferred by the Company to any other work he can perform in accordance with the following procedure:

- (a) The incapacitated employee will be placed in available work if such work exists, provided he is qualified to perform such work,
- (b) If there is no available work, and if there are no jobs held by probationary employees which the incapacitated employee is qualified to perform, then the plantwide seniority list will be checked with the employee with the least seniority upward until a job is found which the incapacitated employee is qualified to perform. It is understood that no employee will be displaced who has greater seniority than that of the incapacitated employee. The employee displaced will be assigned in accordance with the provisions of Article 12.02 of this Article XII. The Company will review the circumstances with the Union Chairperson before exercising this provision.
- (c) The rate of pay for any incapacitated employee transferred under this provision will be the rate of the job to which he is transferred as set out in Exhibit A.
- (d) If and when the incapacitated employee is, once again, on the basis of medical evidence, qualified to perform his former job, he shall be returned to his former classification provided his seniority will so permit.

## **ARTICLE XIII - INCOME SECURITY BENEFITS**

### **13.01 Eligibility and Duration of Income Security Benefits**

- (a) Eligibility for Income Security Benefits will arise:
  - (i) when an employee with one (1) year or more of seniority is subject to reduction from his seniority classification but is reassigned by the Company to a vacant lower rated work assignment.
  - (ii) when a laid-off employee with one (1) year or more of seniority at the time of his lay-off is

recalled by the Company to a lower rated work assignment in another seniority classification before the exhaustion of his period of eligibility for Income Security Benefits.

(iii) when an employee with one (1) year or more of seniority is restored to his home classification to replace an absent employee, the period of eligibility will be restarted after the employee has been restored for more than 10 working days.

**(b) Duration of Benefits**

The period of eligibility for Income Security Benefits for an employee with one (1) or more years of seniority will be the one hundred and four (104) weeks immediately following his lay-off or reduction from his seniority classification as provided in the Seniority Article.

**13.02 Limitations**

An employee will not become eligible for Income Security Benefits until he has acquired one (1) year of seniority.

**13.03 Computation**

(A) The computation rate for an hourly paid employee shall be established as the employee's average hourly rate of pay (excluding any premium or bonus of any kind) for all hours worked on hourly paid work assignments during the last four (4) pay periods he worked prior to his lay-off or reduction from his seniority classification. The Income Security Benefit shall be established as the difference, if any, between the use of his computation rate and the use of the hourly rate(s) received for each hour paid on the lower rated hourly paid work assignment(s) to which he is assigned or to which he is recalled during his eligibility period.

(B) The computation rate for an incentive paid employee shall be established as the employee's average

occupational rate (excluding any premium or bonus of any kind) for all hours paid for as hours worked on incentive paid work assignments during the last four (4) pay periods he worked prior to his lay-off or reduction from his seniority classification. The Income Security Benefit shall be established as the difference, if any, between the use of his computation rate and the use of the occupational rate(s) and/or guaranteed rate(s) for the work performed on the lower rated incentive work assignment(s) to which he is assigned or to which he is recalled during his eligibility period.

- (C) For such an hourly paid employee who is recalled or assigned to a vacant lower rated incentive work assignment(s), the Income Security Benefit will be the difference, if any, between the use of his computation rate and the use of the occupational and/or guaranteed rate(s) for the work performed on the lower rated incentive work assignment(s).
- (D) For such an incentive employee who is recalled or assigned to a vacant lower rated hourly paid work assignment(s), the Income Security Benefit shall be the difference, if any, between the rate range maximum for the hourly labour grade which corresponds to the labour grade of the occupational rate nearest his computation rate(s). For example, (disregarding increases to the rates listed in Exhibit "A") if the employee's computation rate is \$15.45 the nearest occupational rate on the incentive rate chart is \$15.870, which is labour grade 6. The maximum of labour grade 6 on the hourly rate chart is \$17.595, therefore, the Income Security Benefit would be the difference between \$17.595 and \$15.45 .
- (E) Paragraphs (C) and (D) of this Article 13.03 shall be interpreted as if they read:
- (i) for an hourly paid employee who otherwise qualifies, who is assigned or recalled to a vacant incentive work assignment(s), the Income

Security Benefit will be the difference, if any, between the use of his hourly computation rate as determined by the provisions of Article 13.03(A), and the use of the occupational and/or guaranteed rate(s) for the work performed on the incentive work assignment(s).

(ii) for an incentive employee who otherwise qualifies, who is recalled or assigned to a vacant hourly paid work assignment(s), his incentive computation rate as determined by the provisions of Article 13.03(B) will be converted to an hourly computation rate. Such hourly computation rate shall be the rate range maximum for the hourly labour grade which corresponds to the labour grade of the occupational rate nearest his incentive computation rate. The Income Security Benefit will be the difference, if any, between using such hourly computation rate and the use of the hourly rate(s) received for each hour paid on the hourly work assignment(s) to which he is assigned or recalled.

(a) For example, disregarding increases to the rates listed in Exhibit "A", if the employee's incentive computation rate is \$15.45, the nearest occupational rate on Exhibit "A", Incentive, is \$15.870 which is labour grade 6 and the maximum of labour grade 6 on Exhibit "A", Hourly, is \$17.595; therefore, \$17.595 would be the employee's hourly computation rate. In this example, if the employee is assigned to an hourly paid work assignment in labour grade 9 and if the employee qualifies for the maximum of the labour grade (he had been previously employed in the classification at the maximum of the labour grade) the Income Security Benefit for hours worked on such assignment would be the difference between \$17.595, his hourly computation rate,

and \$15.810, the rate appropriate for the work performed.

- (b) In the situation of an incentive employee being assigned or recalled to a vacant hourly paid assignment or an hourly employee being assigned or recalled to a vacant incentive work assignment, such assignment will be considered as a lower rated work assignment if there is a difference between using the employee's computation rate, as set out above, and using the **rate(s)** appropriate for the work being performed, i.e., if the **rate(s)** appropriate for the work being performed is lower than the computation **rate(s)**, as determined by the above provisions, the work assignment being performed will be considered a lower rated work assignment.
- (iii) An incentive employee who otherwise qualifies who is being reduced from **his** seniority classification or is being recalled and **is** being assigned to a work assignment in a different incentive seniority classification and where his seniority classification involved work in one labour grade, but the seniority classification to which he is being assigned covers work in more than one labour grade, the employee will be considered as working on a lower rated work assignment if any one or more of the occupational rates involved in the classification to which he is being assigned is lower than his computation rate when he is performing an operation to which such lower occupational rate is appropriate.
- (iv) For an incentive employee who otherwise qualifies for Income Security Benefits, who is being reduced from **his** seniority classification or is being recalled and assigned to a work assignment in a different seniority classification and where his seniority classification covered work in more than one labour grade, the



computation rate, as provided by Article 13.04(B), will be used to determine whether or not the work assignment to which he is being assigned is a lower rated work assignment, i.e., if the occupational rate(s) of the operation(s) of such work assignment is lower than his computation rate such work assignment will be considered a lower rated work assignment, as well as to compute his Income Security Benefit, if any.

- (F) The Income Security Benefit shall be paid on a pay period basis.
- (G) Income Security Benefit payments will be considered as a part of wages for the purpose of determining wage related benefits.

## **ARTICLE XIV - HOURS OF WORK AND OVERTIME**

### **14.01 General Provisions**

The provisions of this Article XIV are not to be interpreted as a guarantee of, or limitation upon, the hours of work to be done per day or per week or otherwise, nor as a guarantee of working schedules but shall serve to assist the parties in the computation of regular pay and overtime pay.

Any major change in established shift hours shall be discussed with the Union Committee as far in advance of any such change as reasonably possible.

### **14.02 Definitions**

#### **(A) Definitions**

- (1) "Workweek": For the purposes of straight-time and overtime pay for hours over forty (40) in a week, the workweek shall be a seven (7) day period Sunday midnight to Sunday midnight, with two (2) consecutive off-duty days. Except for employees on seven (7) day continuous

operations the **off-duty** days will be Saturday and Sunday. For employees on seven **(7)** day continuous operation the employee's work schedule will be such that he will have two **(2)** consecutive **off-duty** days though the two **(2)** **off-duty** days might fall in two **(2)** different workweeks.

- (2)** "Workday", "holiday" and "off-duty day": The period of **twenty-four (24)** consecutive hours from the time the employee normally or would normally begin his shift or the time the employee is required to report for work, whichever is earlier. In no case will specific hours worked be considered in more than one **(1)** day for purposes of determining overtime pay. The holidays celebrated are defined in Article XXI.
  - (3)** Saturday: Saturday shall be interpreted as the hours falling between midnight Friday and midnight Saturday except that third shift employees whose fifth day starts on Friday night shall be considered as working on Friday for the entire shift.
  - (4)** Sunday: Sunday shall be interpreted as the hours falling between midnight Saturday and midnight Sunday except that third shift employees whose sixth day starts on Saturday shall be considered as working on Saturday for the entire shift.
  - (5)** Overtime Pay: The payment required of the Company when an employee is worked under Article XIV.
  - (6)** Premium Pay: The Payment required of the Company when an employee is worked under Article XIV.
- (B)** Sunday Work Premium Pay
- An employee shall be paid time and one-quarter (1-1/4) for all hours worked on Sunday when Sunday is one of the employee's workdays for which straight-

time would be paid were it not for this clause, such as Powerhouse employees.

**(C) Holiday Work Premium Pay**

An employee shall be paid double **(2)** time for all hours worked on a holiday(s) as defined. This payment shall be in addition to the holiday pay provided for in Article XXI.

**(D) Off-Duty, Saturday and Sunday Overtime Pay**

**(1)** An employee shall be paid time and one-half (1-1/2) for all hours worked during the first off-duty day and double (2) time for all hours worked during the second off-duty day.

**(2)** Time and one-half (1-1/2) shall be paid for hours worked on Saturday except for employees working on seven **(7)** day continuous operations. Double (2) time shall be paid for hours worked on Sunday except for employees working on seven **(7)** day continuous operations.

**(E) Daily and Weekly Overtime Pay**

**(1)** An employee shall be paid time and one-half (1-1/2) for all hours worked in excess of eight (8) in one (1) day and hours worked in excess of forty **(40)** in the workweek.

**(2)** This clause **(E)** shall not apply to shift changes including changes in rotating shifts and/or continuous operations.

**(F) Overtime Compounding**

No employee shall receive overtime pay twice for the same hours. No employee shall receive overtime pay and holiday premium pay for the same hours. No employee shall receive overtime pay and Sunday premium pay for the same hours.

**(G) Shift Hours**

**(1)** Regular shift hours shall be as follows:

(i) First Shift - 7:00 a.m. until 3:30 p.m. with a thirty (30) minute unpaid lunch period.

- (ii) Second Shift - 3:30 p.m. until 12 midnight with a thirty (30) minute unpaid lunch period.
  - (iii) Third Shift - 10:30 p.m. until 7:00 a.m. with a thirty (30) minute unpaid lunch period.
- (2) When employees are working continuous operations the regular shift hours shall be as follows:
- (i) First Shift - 7:00 a.m. until 3:00 p.m.
  - (ii) Second Shift - 3:00 p.m. until 11:00 p.m.
  - (iii) Third Shift - 11:00 p.m. until 7:00 a.m.
- (3) Third Shift Starting Times:
- (i) It is understood that the third shift will start at 10:30 p.m. and/or 11:00 p.m. Sunday night, and it is agreed there will be no overtime pay for such hours worked on Sunday.
  - (ii) A holiday for third shift employees will begin at the start of the shift the day prior to the calendar holiday. The third shift may begin work following a holiday as early as 10:30 p.m. the calendar day of the holiday, and it is agreed there will be no holiday premium pay.
  - (iii) For third shift employees on non-continuous operations who start their week on Sunday night, that and each succeeding shift will be considered to have begun on the calendar day following.
- (4) When the Company designates a variation in shift hours from the above the Company will give notice to the employees affected thereby at least twenty-four (24) hours prior to the change but in no case shall such a notice be required if an employee is directed to report to work prior to his shift or to continue beyond the end of his shift.

**14.03 Paid and Unpaid Lunches and Number of employees on Continuous Shift**

- (a) An employee scheduled to work eight (8) hours within eight and one-half (8-1/2) consecutive hours shall be allowed a thirty (30) minute unpaid lunch period.
- (b) An employee scheduled to work eight (8) hours within eight (8) consecutive hours on a continuous shift operation shall be allowed a twenty (20) minute lunch period and will be paid at the employee's regular hourly rate for an hourly paid worker or the occupational rate if an incentive worker.

***Determination of Number of Employees on Continuous Shifts:***

- (1) When three (3) shifts are worked, the least number of employees within the same classification and department on any one (1) shift will be used to determine the minimum number of employees within the same classification and department who will be scheduled to work on a continuous shift basis on the other two (2) shifts.
- (2) The number of employees determined to be on a continuous shift under the provisions of this Article will be based on the number of employees on continuous shift on Monday of each week. Any change in the number of employees on continuous shift because of either an increase or decrease in the number of such employees shall only be made on Monday of each week, except that if an entire shift within the same classification and department is added or eliminated, then such change would be effective on the date the change is made.
- (3) First and third shift employees who are on a continuous shift will remain on a continuous shift when working their sixth (6<sup>th</sup>) working day. Employees who work second shift Saturday will remain on a continuous shift provided both the preceding third shift and first shift Saturday worked.

#### **14.04 Shift Premiums**

Employees scheduled to work the second shift will receive a shift premium of 48.6 per hour for each hour worked on such shift.

Employees scheduled to work the third shift will receive a shift premium of 72.2 per hour for each hour worked on such shift.

The foregoing shift premiums will be paid only to employees who are actually regularly scheduled to work such shifts and the 48.6 premium shall not be paid to employees on the first shift whose work continues into the second shift nor will the 72.2 premium be paid to employees on the second shift whose work continues into the third shift, unless such employee works two (2) full consecutive shifts.

#### **14.05 Rest Period**

The Company will allow a ten (10) minute rest period during each half (1/2) shift. Hourly-paid employees will continue to receive their regular hourly rate during such rest period.

#### **14.06 Personal Clean-Up Time**

All employees may discontinue productive work ten (10) minutes before the end of the shift to perform necessary clean-up, etc. and may leave their work area five (5) minutes before the end of the shift for personal wash-up, etc.

#### **14.07 Allocation of Overtime**

When overtime is required to be performed by employees of the same classification in a department, area or focused factory, the Company will endeavour as far as practicable to equitably allocate the overtime among qualified employees who presently and normally perform the major or dominant portion of the work required. A list shall be posted weekly showing the hours of overtime worked or offered but not worked by each

employee. New employees and employees entering a new classification, department or focused factory will be credited with the average overtime hours of the new group. New lists shall be started at the commencement of each calendar year. Employees who are absent from work for any reason shall be considered not available for the allocation of such overtime and shall not be entitled to be called in. When, upon the request of the employee, the Company excuses an employee from overtime work allocated to him, the employee will be considered to have worked for the purposes of this Article XIV. In the event the Company overlooks an entitled employee in making an overtime assignment such employee shall not be entitled to money payment for such missed overtime assignment **but** shall be entitled to preference in a future overtime assignment or assignments in order to enable him to make up the lost overtime opportunity.

#### **14.08 Overtime**

**(a) Daily Overtime:**

- (i) Except as provided in (ii) below, whenever possible an employee will be given twenty-four **(24)** hours prior notice of an overtime assignment.
- (ii) In a situation created by the absence of an employee on the succeeding shift, an employee may be asked to work one (1) hour of daily overtime without prior notification.

**(b) Saturday and First Off-Duty Overtime:**

When Saturday and first off-duty day overtime is considered necessary, the employees required to work will be given notice on the calendar Wednesday preceding the Saturday and first off-duty day overtime. No employee will be required to work overtime for more than three (3) consecutive Saturdays or first off-duty days. For no more than five (5) occasions during a year (1 June to 31 May), an employee required to work overtime under this paragraph will be excused from a Saturday or first off-

duty day overtime assignment provided he notifies the Company two (2) working days prior to the overtime day. Should the number of employees requiring time off under this provision on a given Saturday or off-duty day seriously interfere with production or maintenance requirements, the number of employees excused from overtime may be limited.

**(c) Saturday Preceding or Following a Holiday:**

The Company **will** not require an employee to work on a Saturday which immediately follows a Friday holiday or precedes a Monday holiday with the exception of employees who work in the Power House, Maintenance, Receiving or Repair Parts Shipping work areas.

**(d) Sundays, Holidays and Second Off-Duty Days:**

The Company will not require employees to work Sundays, holidays or second off-duty days as defined in Articles XIV and XXI, unless they are part of the employee's regularly scheduled workweek.

**(e) Exceptions:**

The provisions of Articles 14.08(a), (b), (c) and (d) hereof will not apply when overtime work is required to protect, maintain or repair the physical plant and/or equipment.

The foregoing does not change the Company's current practice of considering, wherever possible, personal plans that an individual employee may have that conflict with his ability to work overtime.

**14.09 Report-In Pay**

Any employee who has worked on the previous work day and who reports for work at his regular time on his regular shift unless he has been told in advance not to report, or unless notice to not report is broadcast over the designated radio station or stations, and whose regular work is not available, or whose regular work becomes unavailable prior to his completion of four (4) hours of



work from the start of his regular shift, shall be offered other work on the following basis:

- (1) If the employee is an incentive worker, he shall receive not less than four (4) hours' work which shall be paid for at the rate of the job assigned, but not less than the occupational rate of the work normally performed by the employee.
- (2) If the employee is a straight hourly paid worker, he shall receive not less than four (4) hours' work, which shall be paid for at the rate of the job assigned, but not less than his regular hourly rate.
- (3) If the employee's job is not in operation because of an occurrence beyond the Company's control, such as fire, flood, or other weather conditions, explosion or power failure, the above provisions shall not apply.

#### **14.10 Call-In Pay**

Any employee who, having left the plant after his regular shift, is recalled to perform additional work shall be given the minimum of four (4) hours' work on the following basis:

- (1) If the employee is an incentive worker, he shall receive not less than four (4) hours' work which shall be paid for at the rate of the job assigned, but not less than the occupational rate of the work normally performed by the employee.
- (2) If the employee is a straight hourly paid worker, he shall receive not less than four (4) hours' work which shall be paid for at the rate of the job assigned, but not less than his regular hourly rate.
- (3) An employee so recalled will be paid the appropriate shift premium, if any, determined by his starting time for the call-in period for the time he works.

Such part of the four (4) hours worked shall be paid at the appropriate overtime rate, if overtime, and the unworked time shall be paid at straight time.

#### **14.11 No Cancelling of Payment**

The straight-time provided under Articles 14.09 and 14.10 for unworked time, if any, shall not cancel out any payment for unworked time that may be due under Article XXI referring to holiday premium pay.

### **ARTICLE XV -WAGES**

#### **15.01 Basic Wage Rates**

The schedule of basic rates listed in Exhibit "A", Rate Schedule, and in Exhibit "B-1", Automatic Progression and Merit Rating Table, shall be effective during the term of this Agreement and subject to the provisions of this Article.

#### **15.02 Total Wage Rates**

- (a) All of the cents per hour cost-of-living adjustments as determined by the application of Article 15.03 shall be applied to the appropriate basic wage rates and the resulting total wage rates shall then be adjusted to the nearest one-half (1/2) cent.
- (b) Effective on the effective date of this Agreement the rates for incentive and hourly paid employees shall be as follows:
  - (1) In the case of incentive employees:

The basic occupational rate of all incentive paid occupations shall be the basic occupational rates as shown in Exhibit "A" attached hereto.
  - (2) In the case of hourly paid employees:
    - (a) The basic hourly rates of all hourly paid occupations shall be the basic hourly rates as shown on Exhibit "B-1" attached hereto.

- (b) The basic hourly rates of individual hourly paid employees shall be as determined by paragraph (15.02(c)) below.
- (c) The basic hourly rate of each hourly paid employee, as herein referred to, will **be determined by** placing it in the rate range as indicated in Exhibit "A" and in the same step in Exhibit "B-1" that it occupied in the corresponding rate range in the preceding Exhibit "B-1".

### **15.03 Cost of Living Adjustment**

- (a) A cost of living allowance as set forth in this section shall be effective on the effective date of this Agreement.
  - (1) The cost-of-living allowance effective as of the effective date of this Agreement shall be one hundred and fifty five one-thousandths percent (**0.155%**) and shall be applied as follows:
    - (a) In the case of incentive employees:

The cost-of-living allowance percentage shall be applied to the basic occupational rates for incentive paid occupations shown in Exhibit "A" attached hereto and the resulting cents per hour shall be applied **to** the appropriate total rates **as** provided under Section 15.02 above.
    - (b) In the case of hourly paid employees:
      - (i) The cost-of-living allowance percentage shall be applied to the basic hourly rates for hourly paid occupations shown in Exhibit "B-1" attached hereto and the resulting cents per hour shall **be applied to** the appropriate total rates as provided under Section 15.02 above.
      - (ii) The cost-of-living allowance percentage shall be applied to the basic hourly rates of individual employees and the resulting cents per hour shall be applied to the

appropriate total rates as provided under **Section 15.02** above.

**(2)** The cost-of-living allowance provided for in Section 15.03(a)(1) above shall be adjusted up or down during the term of this Agreement in accordance with succeeding provisions of this Section on the basis of changes in the official Canada Consumer Price Index (1981=100) published by the Statistics Canada for Canada and hereafter referred to as the Consumer Price Index.

**(a)** The cost-of-living allowance effective on the effective date of this Agreement is based on the average of the published Consumer Price Index for May, June and July 1995.

**(b)** Thereafter, during the term of this Agreement, adjustments in the cost-of-living allowance shall be as follows:

Effective Date of Adjustment	Based upon the average of the Consumer Price Index for:
---------------------------------	---

First pay period  
beginning on or  
after

1 December 1995 and at three- calendar-month intervals thereafter to 1 June 1998.	August, September and October 1995 and at three-calendar-month intervals thereafter to February, March and April 1998.
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**(c)** The amount of cost-of-living allowance which will be effective for any three-calendar-month period as provided in Paragraph 15.03(a)(2)

above, **shall** be made in accordance with the following table.

CONSUMER PRICE INDEX (1981=100) AVERAGE OF THE PUBLISHED INDEX FOR THE STATED THREE- CALENDAR MONTHS		COST-OF-LIVING ALLOWANCE
176.69	OR LESS	0.000%
176.70	176.79	0.031
176.80	176.89	0.062
176.90	176.99	0.093
177.00	177.09	0.128
177.10	177.19	0.155
177.20	177.29	0.186
177.30	177.39	0.217
177.40	177.49	0.248
177.50	177.59	0.279
177.60	177.69	0.310
177.70	177.79	0.341
177.80	177.89	0.372
177.90	177.99	0.403
178.00	178.09	0.434
178.10	178.19	0.465
178.20	178.29	0.496
178.30	178.39	0.527
178.40	178.49	0.558
178.50	178.59	0.589
178.60	178.69	0.620
178.70	178.79	0.651
ETC.	ETC.	ETC.

- (d) The cost-of-living allowance percentage provided for above shall be applied in accordance with Section 15.03(a)(1)(a&b).
- (e) In the event Statistics Canada does not **issue** the Consumer Price Index on or before the beginning of the pay period referred to in Paragraph 15.03(a)(2), any adjustments

required shall be made at the beginning of the first pay period **after** issuance of the Index.

- (f) No adjustments retroactive or otherwise, shall be made due to any revision which may later be made in the published figures of the Consumer Price Index.
- (g) The continuance of the cost-of-living allowance adjustments is dependent upon the availability of *the* official monthly Consumer Price Index (1981=100) in its present form and calculated on the same basis as the Index for September 1995.

#### **15.04 Productivity Bonus**

A Welland Works Productivity Bonus shall be paid to an individual employee for each actual hour worked, but not for hours paid. The Bonus will be effective on the effective date of this Agreement and shall be \$0.50 for the agreement period.

#### **15.05 Job Classifications and New Job Classifications**

- (a) The listing of job classifications and applicable labour grades of hourly paid and incentive occupations applicable on the effective date of this Agreement are contained in Exhibit "C" which is attached hereto and made a part hereof.

##### **(b) New Job Classifications**

When the Company establishes a new job classification coming within the scope of this Agreement the Company will notify the Chairperson of the rate established for such new job. Upon request the Company will meet with three (3) members of the Committee and discuss the basis upon which such rate has been established. If there is no agreement with respect to such rate, a Union policy grievance may be filed in accordance with Article 8.11 hereof. The mutually agreed upon

arbitrator shall have an industrial engineering background and shall have authority to determine what the rate shall be but in doing so shall be governed by the relative value of the other classifications covered by this Agreement.

#### **15.06 Establishment of Hourly Rates**

- (A)** The hourly rates of individual employees hired after the effective date of this Agreement shall be:
- (i)** determined by the hourly rate chart attached hereto as Exhibit "B-1"; and
  - (ii)** adjusted by the provisions of Articles 15.02 and 15.03 and any other adjustments in effect on the date of hiring or transfer.
- (B)** The hourly rate of an hourly paid employee who is transferred after the effective date of this Agreement shall be as follows:
- (i)** If transferred to a job classification in the same or higher labour grade:
    - (a)** if qualified, the employee's current rate or the minimum hourly rate of the new job classification, whichever is higher.
    - (b)** if not qualified, the minimum hourly rate of the new job classification.
  - (ii)** If transferred to a job classification in a lower labour grade:
    - (a)** the employee's current rate or the maximum hourly rate of the new job classification, whichever is lower.
  - (iii)** If transferred to an hourly rated classification in which he has been previously classified, his position in the rate range for the new job classification shall be the same as when he was last so classified. This shall not be applied if it would result in a lower rate than that determined in (B)(i) or (B)(ii) of this Article 15.06.

- (C) If an hourly paid employee is temporarily assigned to another hourly rated job classification in which he has been previously classified, he shall continue to receive his regular rate or the same rate position **as** when he was last so classified, whichever is higher. If not previously so classified, he shall continue to receive his regular rate or the minimum rate of the new job classification, whichever is higher.
  - (i) If an hourly paid employee is temporarily assigned to an incentive work assignment, he shall continue to receive his regular rate or the occupational rate or incentive earnings of the temporary incentive work assignment, whichever is higher.
- (D) Incentive or hourly paid employees may have multiple classifications (i.e., their regular assignment will include work covered by more than one incentive job classification (in the case of incentive employees) or will include work covered by more than one hourly paid job classification (in the case of hourly employees)). For example, in the case of an hourly paid employee, if the employee's regular assignment includes running an industrial truck and operating an overhead crane, he will be paid the appropriate hourly rate in each labour grade for the time **so** spent performing the work within each job classification, and will be fully accredited by progression and merit rating in both job classifications as if he were spending full time in each. In the case of an incentive employee, he will be paid the appropriate occupational rate for the work performed and for the time so spent within each job classification unless the assignment **is** a battery assignment **as** defined in the Standard Hour Plan, in which case he shall be paid in accordance with Article 15.09 hereof. If such an incentive or hourly paid employee is given a temporary assignment, the rate being received at the time of the temporary assignment will control.



- (E)** The hourly rate of an incentive employee who is transferred to an hourly rated job classification after the effective date of this Agreement shall be as follows:
- (i)** If transferred to a job classification in the same or higher labour grade:
    - (a)** if qualified, the occupational rate of the incentive operation last performed or the minimum hourly rate of the new job classification, whichever is higher.
    - (b)** if not qualified, the minimum hourly of the rate range of the new job classification.
  - (ii)** If transferred to a job classification in a lower labour grade, the occupational rate of the incentive operation last performed or the maximum hourly rate of the new job classification, whichever is lower.
  - (iii)** If transferred to an hourly rated job classification in which he has been previously classified, his position in the rate range for the new job classification shall be the same as when he was last so classified. This shall not be applied if it would result in a lower rate than that determined in (E)(i) or (E)(ii) of this Article 15.06.
- (F)** If an incentive employee is temporarily assigned to an hourly rated job classification in which he has been previously classified, he shall be paid not less than the occupational rate of the job last performed or at the same rate position as when he was last so classified, whichever is higher. If not previously so classified, he shall receive the occupational rate of the job last performed or the minimum hourly rate of the new job classification, whichever is higher.
- (G)** Definition - Temporary Assignment (not a transfer or formal reclassification): When, upon its completion, the employee is expected to return to his regular work assignment. Except for a Special Duration Job Bid

(12.05(B)) a temporary assignment will not exceed sixty (60) days.

(H) When an employee is temporarily incapacitated from performing his regular work assignment and is assigned by the Company to another work assignment, such other work assignment will be considered a temporary assignment under (G) above, but will not extend beyond the duration of the period the employee would have been eligible to receive Weekly Indemnity or Supplemental Workers' Compensation Benefits had the incapacity been temporary total. The employee will be paid as provided for in paragraphs (C) or (F) above, or as provided for in Article 15.11(B). If the employee is still so assigned at the end of the period of time for which he would have been eligible for Weekly Indemnity or Supplemental Workers' Compensation Benefits had the incapacity been temporary total, the employee will be transferred and reclassified to the work assignment and paid accordingly.

### **15.07 Adjustment of Hourly Paid Rates**

The rate of an hourly paid employee may be adjusted within the rate range because of:

- (i) application of automatic progression as set out in Exhibit "B-1".
- (ii) as a result of merit rating as set out in Exhibit "B" and in accordance with the table set out in Exhibit "B-1".  
The rate shall not be lowered by application of this paragraph.
- (iii) through the application of the provisions of Article 15.02 and Article 15.03.

### **15.08 Standard Hour Incentive Plan**

The Company's Standard Hour Incentive Plan set out in Exhibit "D" and made a part hereof will provide a premium for production hours above standard.

### **15.09 Occupational Rates**

The job classifications for the incentive occupations and their occupational rates shall constitute the basis for the computation of earnings under the Company's Standard Hour Incentive Plan. However, when two or more operations **are** performed simultaneously in a battery as defined in the Standard Hour Plan either on like parts or on different parts, the highest incentive rate applicable to any of the operations being performed simultaneously in the battery will apply for the computation of earnings to all of the operations being performed in that particular combination.

### **15.10 Guaranteed Rates**

- (a) The occupational rate or rates appropriate to the work performed shall be the minimum rates for incentive work except as otherwise provided in this Article XV. The minimum guaranteed earnings for the day for the incentive employee will **be** equal to hours worked times the occupational rate or rates appropriate to the work performed during the day. However, the incentive employee may, on notification to his supervisor, record his starting time on an assigned operation covered by an incentive standard as well as the time when the assignment is completed, and for such hours he shall receive not less than the occupational rate of the operation performed. The manner of recording shall be as specified by the Company.
- (b) If an incentive employee experiences mechanical or material difficulty on an assigned operation on which there **is** an established incentive standard, he shall call the attention of the supervisor to the condition. If the supervisor recognizes the difficulty and directs the employee to continue on the assigned operation, the employee will be paid not less than the occupational rate starting **at** the time the supervisor is notified and until the condition **is** corrected, unless an incentive standard is established for this temporary condition.

- (c) Downtime is the period of time an incentive employee is prevented from continuing on work covered by his incentive work assignment because of lack of material and/or equipment, power failure, or machine breakdown and he is required to wait until work on his assignment is again available, and the condition is not otherwise covered by this Article XIII or the Standard Hour Incentive Plan.

The occupational rate of the job being performed when the downtime occurs shall **also** be the rate for downtime. The downtime rate will also be the minimum guaranteed rate if the employee is assigned to other work during the downtime period.

### **15.1 ■ Incentive Work Assignments**

- (a) An employee's incentive work assignment is the classification or classifications of work to which he is assigned as his regular work and may, if so designated by the Company, involve a specific machine(s), equipment, and/or work area(s).
- (b) An employee taken from his incentive work assignment and given a temporary incentive work assignment when the condition is not otherwise covered, shall receive not less than the occupational rate of the operation last performed as his guaranteed rate.

When an employee is taken from his incentive work assignment (when he is not on downtime as defined in Article 15.10(c) hereof) and given a temporary incentive work assignment in a different seniority classification and when the condition is not otherwise covered by this Agreement, the occupational rate of the operation last performed shall also constitute the basis for the computation of earnings under the Company's Standard Hour Incentive Plan.

### **15.12 Incentive Standards**

- (a) All new incentive standards or changes in existing incentive standards will be established and issued by the Industrial Engineering Department under the provisions of the Standard Hour Plan.

When an operation is running in a manner acceptable to the Company and a study is made from which an incentive standard is subsequently calculated, then the resulting incentive standard shall be issued without undue delay. The incentive standard will, if the employee so desires, apply retroactively to the start of the work for which the incentive standard was issued.

- (b) New incentive standards will be established for existing operations for which incentive standards have not been previously established, for new added operations on old parts, and for all operations on new parts, except replacement parts.
- (i) The replacement part is defined as a new part (that replaces an old part on the same model of product). However, for the purposes of this Article a replacement part will be considered an old part. Therefore, the incentive standards on operations on the replacement part will be established as the incentive standards on the same operations on the replacement part subject to Article 15.12(d).
- (c) Elemental time values of an operation will be established by the use of acceptable industrial engineering techniques such as time study, standard data, plant data, video analysis, laboratory analysis, predetermined data systems, part family analysis or any combination thereof (e.g., MTS - Modular Time Systems).
- (d) No incentive standard will be reduced or increased except to:
- (i) correct clerical errors in the incentive standard when found.

- (ii) adjust the incentive standard for any change in design, equipment, material specifications or manufacturing methods, and where such change affects only part of the operation, incentive standard changes will apply only to the changed or affected element or elements.
- (iii) include a pro rata time value which has been covered by a separate standard, or vice versa.
- (e) Information on all incentive standards shall **be kept** in an accessible place for employee reference.

#### **15.13 Data**

- (a) No standard data now in effect will be changed except to reflect a change in equipment, material specifications or manufacturing methods, or to correct a clerical error.
- (b) Any standard data used in establishing incentive standards will be made available for inspection by employees. The data may be applied by computer through the use of formulas to establish incentive standards the results of which may or may not vary from manual application.
- (c) No data (either standard data or plant data) now in effect will be changed during the life of this Agreement except to reflect any change in equipment, material specifications, manufacturing methods, correction of clerical errors or, in the **case** of plant data, to achieve a consistent relationship with the standard data for like elements in various operations **as** developed and catalogued for use by plants at Deere and Company.

#### **15.14 Defective Work**

When an incentive employee makes defective work, and unless the responsibility therefore is assumed by the supervisor, the employee shall receive the occupational rate for the time spent on the job. Any time spent

reclaiming the work shall be paid at not less than the occupational rate of the job.

However, the Company may establish an incentive standard to cover the reclaim work.

### **15.15 Special Wage Provisions**

#### **(a) Group Incentive Work**

When an inexperienced workman is placed in a group operation covered by incentive standards, the following wage provisions shall apply provided the members of the group put forth their bona fide effort commensurate with receiving the pay provided for in this Article **15.15**:

(i) Compute the true pay performance of the total group. If the true pay performance equals or is greater than that which the experienced group has averaged over the last two (2) computed workweeks, then all members of the group will be paid on the true pay performance.

(ii) If the true pay performance, arrived at in (i) above is less than the average pay performance of the experienced group over the last two (2) computed workweeks, then the experienced employees will be paid at their average straight-time hourly earnings. The inexperienced workman will always be paid on the true pay performance arrived at in (i) above, but in no case less than the occupational rate. The length of time this provision shall be in effect will be predetermined by the supervisor but shall not exceed three (3) days.

#### **(b) Rate Range Maximum**

The hourly rate range maximum will be paid for incentive work as set out below;

(i) An incentive employee who works on an incentive Operation (a setup or job change will be considered as an incentive operation) for which

there is no established incentive standard shall be paid the maximum of the hourly rate range instead of the occupational rate in the same labour grade. Downtime encountered during this period will also be paid at the maximum of the corresponding hourly rate range instead of the occupational rate for the operation being performed.

**(c) Estimated Incentive Standards**

An incentive employee who works on an incentive operation for which there is an estimated incentive standard shall use the appropriate occupational rate for computation of incentive earnings. However, he shall be guaranteed the maximum of the hourly rate range instead of the occupational rate in the same labour grade provided he puts forth his bona fide effort to earn such maximum rate.

**15.16 Average Straight-Time Hourly Earnings**

**(A)** In the following special cases incentive employees will be paid at an hourly rate equal to their average straight-time hourly earnings provided he puts forth his bona fide effort commensurate with his receiving such average straight-time hourly earnings.

**(1)** When an employee experiences excess stock or hard stock which is outside the material specification, making it impossible to run an operation at machine speeds and/or feeds used in determining the incentive standard, and his supervisor having been notified, directs the employee to continue at work.

**(2)** When an employee is directed to:

(a) rework returned material; or

**(b)** reclaim his own work when such defective work is because of

i) improper part prints of operations, or



- ii) wrong instructions by the supervisor or other authorized instructor, or
  - iii) defective machines, machine tools, dies, or fixtures where specific alteration, modification or repair is required to produce satisfactory work.
- (3) When an employee is assigned to serve as an instructor.
  - (4) When an operation is performed at the direction of the supervisor on a machine other than one of the machines in the machine group on which the standard was established and it is impossible to run the operation at machine speeds and/or feeds established in the standard.
  - (5) If, due to failure of equipment, an operator is unable to continue his work and is directed by his supervisor to repair the equipment.
  - (6) When an employee is taken away from his regular incentive work assignment when such work is available, scheduled and can be performed, and is directed to rework another employee's defective work where circumstances prevent the rework operation from being performed by the original workman.
  - (7) When an employee is taken away from his regular incentive work assignment when such work is available, scheduled and can be performed, and is directed to perform work for and at the request of the Product Engineering and Engineering Services Departments.
  - (8) When at the request of management an employee is temporarily taken from his regular incentive work, when such work is available, scheduled and can be performed, to perform work of a trial nature to try out jobs, dies and tools for a new (or revised) product, job or process. The length of time spent or number of pieces to be run on a trial basis to be predetermined by the supervisor.

- (9) When an employee is taken away from his regular incentive work assignment when **such** work is available, scheduled and can be performed to perform the work of an absent employee.
- (10) When an employee is taken away from his regular incentive work assignment when such work is available, scheduled and can be performed, and is assigned a temporary non-incentive **job** of an emergency nature as defined herein: An "emergency" **as** applying to **work** assignments for incentive workers may be created by the development of an unforeseen situation, such as power, water, or electric trouble, heavy snowfall or rainfall, fire or explosion, that requires immediate additional help at a given location by an employee or employees from a different work classification.
- (11) If an incentive employee is temporarily assigned (when he is not on downtime as defined in Article 15.10(c) of this Agreement), out of line of seniority, in the classification, on the shift, within the department where the temporary assignment is made, to an hourly rate seniority classification, he will be paid at an hourly rate equal to his average straight-time hourly earnings computed in the manner set **out** in Article 15.20 of this Agreement.
- (B) A temporary incentive standard covering the conditions enumerated in (1), (2), (4) and (6) above may be established.
- (C) "Scheduled" is assumed to mean that the work is or would be normally machined, made, or used, as the case may be, and is required for use in succeeding operations within the current week.
- (D) "Such work is available and can be performed" is assumed **to** mean that the material is at hand, in position and condition to be worked upon, and it is

physically practical to perform the operations listed on the regular machines.

- (E) In all cases where a condition arises which calls for payment of average straight-time hourly earnings, the employee will notify the supervisor immediately. If the supervisor authorized the employee to perform such work, the time of starting and the time of stopping such work shall be recorded as directed by the Company and approved by the supervisor.

#### **15.17 Daily Work Record**

All work performed each day will be recorded by the employee in the manner prescribed by the Company and no work shall be recorded that was not performed on that day. There shall be no change made in such employee's record without his knowledge. The record shall, upon request, be available for employee reference.

#### **15.18 Inventory Rate**

When an employee is required to do inventory work, i.e., recording, counting, or work incidental to taking inventory, he will be paid as follows:

- (a) Hourly paid employees shall receive their regular hourly rate.
- (b) Incentive employees shall receive the occupational rate applicable to the job last performed prior to the assignment to inventory work.

#### **15.19 Computation of Average Straight-Time Hourly Earnings**

Average straight-time hourly earnings shall be computed by dividing the sum of money paid for all hours worked (excluding the shift differential premium and overtime penalty pay) during the last two (2) computed workweeks by the number of hours worked during that period. The annual inventory and/or vacation shutdown period will be disregarded in determining the last two (2) computed workweeks.

## **ARTICLE XVI - RETIREMENT BONUS**

### **16.01**

#### **(A) Eligibility**

Effective on the Monday following ratification of this Agreement, each employee while actively employed who possesses thirty (30) or more years of service credit as provided in Appendix "A", John Deere Pension Plan for Hourly and Incentive Paid Employees, Article 11, is an "eligible employee" thereafter for a Retirement Bonus under the provisions of this Article but ceases to be "an eligible employee" in the event and at the time of quit, death or discharge except as expressly provided for in this Article.

#### **(B) Bonus**

- (1) The Retirement Bonus will be paid to an eligible employee upon his retirement. The amount of Retirement Bonus will be \$5,008.00.
- (2) There shall be deducted from the Retirement Bonus any amount required by Revenue Canada (~~tax~~ Division).
- (3) In the event an eligible employee dies before receiving a Retirement Bonus, the amount of Retirement Bonus which such employee would have received if he had retired on the date of death will be paid in a lump sum to the person or persons designated in, and in the same manner as provided in, the John Deere Group Life and Disability Insurance Plan for Hourly and Incentive Paid Employees.

## **ARTICLE XVII - LEAVE OF ABSENCE**

### **17.01 General**

"Leave of absence" shall mean an absence from work requested by an employee in writing and consented

to by the Company in writing. All requests for personal leave of absence shall be made to the Manager of Human Resources in writing by the employee concerned and a letter shall indicate in full the reason for requesting the leave of absence. Any leave granted shall be in writing covering a specified period of time but in any case not to exceed one (1) month except in special circumstances. The granting or withholding of a leave of absence shall be in the sole discretion of the Company and shall be without pay or any other form of compensation. The employee shall not work in any other position during such leave of absence unless agreed to by the Company in writing. Upon the employee's return to work at the expiry of the leave of absence the Company shall reinstate such employee with accumulated seniority.

### **17.02 Disability Leave**

An employee who, because of illness or injury, whether work related or not, requires absence work shall furnish evidence of such illness or injury which may upon reasonable grounds include examination by a Company-appointed physician, if requested by the Company. The employee shall furnish supplementary medical evidence of disability, from time to time, as requested by the Company.

### **17.03 Union Business Leave**

The Company will grant leave of absence, without pay or loss of seniority, credited service or continuous employment to not more than six (6) delegated Union members to attend Union conventions or conferences provided the Company is given reasonable notice when the request is made. No person granted leave of absence pursuant to the provisions of this Article XVII shall be absent for more than one week at any given time nor shall any person granted leave pursuant to this Article XVII be granted more than an aggregate of thirty (30) days leave per calendar year unless elected as a

full-time President or Financial Secretary paid by the Local or appointed as a National Representative. Necessary leave **will** be granted to one **(1)** employee per year to attend the Labour College of Canada.

#### **17.04 Public Office Leave**

The Company will grant a leave of absence without pay or other form of compensation to a seniority employee who is elected to public office. The term "public office" **as** used in this Agreement shall mean a municipal, provincial or federally elected public office.

#### **17.05 Educational Leave**

The Company will grant a leave of absence without pay or any other form of compensation, for a period of not more than one (1) year, without **loss** of seniority, to an employee who has one (1) year or more of seniority **so** that the employee can attend a recognized college, university, trade or technical school full-time, provided that the **course** of instruction is acknowledged by the Company to be related to the employee's employment opportunity with the Company. Before receiving the leave, or an extension thereof, the employee shall submit *to* the Company satisfactory evidence that the college, university or school has accepted him as a student and on the expiration of each semester or other school term, shall submit proof of attendance during such term. Such leave may be extended for additional periods net to exceed one ~~(1)~~ year each.

#### **17.06 Pregnancy and Parental Leave**

A pregnancy leave of absence will be granted **to** any employee who becomes pregnant. A parental leave of absence will be granted to any employee upon the employee becoming a parent. Such leave of absence cannot exceed a twelve **(12)** month period. The employee shall give at least two **(2)** weeks' written notice of the date the leave is to begin, unless special circumstances (as defined in the *Employment Standards*

**Act)** exist. **An** employee who wishes to end his leave prior to the scheduled date must give at least two (2) weeks' written notice of that date. This provision is not meant to conflict with any obligations which the Company may have under applicable laws.

#### **17.07 Reinstatement at the end of all Leaves**

At the end of a leave of absence the employee will **be** reinstated in **his** former classification or a classification to which he **is** entitled by his seniority standing and for which he is qualified.

### **ARTICLE XVIII - JURY AND WITNESS DUTY**

#### **18.01 Payment**

An employee who **is** called for jury duty or who is subpoenaed and reports as a witness in court will be reimbursed the difference between his or her normal rate of pay (i.e., the regular hourly rate of the employee as a straight hourly paid worker or, if the employee is **an** incentive worker, his average straight time hourly earnings **on a** straight time, eight **(8)** hours per day, forty **(40)** hours per week basis excluding shift premium and **all** other premium pay), for necessary time lost because **of** such jury duty or service as a witness, and the amount of compensation received from other sources for such service. No payment will be made for any day he or she would not have been scheduled to work.

#### **18.02 Eligibility**

In order for an employee to be eligible the employee must:

- (i) immediately notify his supervisor of the receipt of summons for jury duty or service as a witness, and
- (ii) furnish his or her supervisor with proper evidence of jury duty or service as a witness.

### **18.03 First and Second Shift Employees**

If a first shift or second shift employee is excused from jury duty or service as a witness during the morning, the employee may report for work to finish the day. If the employee fails to report for work to finish the day, he or she will be reimbursed only for the actual hours lost from work up to the time he or she was excused from jury duty or service as a witness. If an employee is excused after 12:00 Noon, he or she will not be required to work that day.

### **18.04 Third Shift Employees**

A third shift employee will be excused from work on either the shift preceding his or her service, or the shift immediately following the completion of his or her service at the option of the employee. The employee **must** notify his or her immediate supervisor of such election at least twenty-four (24) hours prior to being absent from work whenever possible.

### **18.05 Purpose of Hours Paid**

Hours paid under this Article count as hours worked for purposes of determining when the employee has worked in excess of eight (8) hours in a day or forty (40) hours in a week.

### **18.06 Jury Duty During Vacation**

If an employee is entitled to receive jury duty make-up pay and the employee serves during a period of time when the employee is on vacation, the employee will receive both jury service make-up pay and vacation pay.

### **18.07 Definitions**

The term "witness" as used in this Article XVIII shall not include an interested party in a matter, and the term "court" as used in this Article XVIII shall include only a court of record and shall not include an administrative tribunal, arbitrator or arbitration board, or any proceeding including a court in which the Company is a party.



## **ARTICLE XIX - BEREAVEMENT LEAVE**

### **19.01 Eligibility and Duration**

When death occurs in his or her immediate family, i.e., grandmother, grandfather, granddaughter, grandson, father, mother, mother-in-law, father-in-law, brother, sister, spouse, son, daughter, son-in-law, daughter-in-law, stepchild, stepfather, stepmother, stepbrother, stepsister and also the employee's spouse's brother, sister and grandparents, or other relatives residing with the employee, an employee may request to be excused for any three (3) normal scheduled days of work (or for fewer days as the employee may be absent) during the three (3) calendar days (excluding Saturdays, Sundays and holidays) immediately following the date of death provided he or she attends the funeral.

### **19.02 Conditions of Payment**

After making written application the employee will receive pay for any scheduled days of work for which he or she is excused (excluding Saturdays, Sundays and holidays, or in the case of seven-day operations, the sixth and seventh days of the employee's scheduled workweek) provided he or she attends the funeral. Payment will be made at the employee's straight-time hourly rate on the last day worked (or in the case of incentive employees, the employee's average straight time hourly earnings) exclusive of shift and overtime premium. Time paid will not be counted as hours worked for purposes of overtime.

### **19.03 First Day of Bereavement**

An employee may elect to count the day of death rather than the day following death as the first day.

### **19.04 Delayed Burials**

In a delayed burial situation the employee may elect to take compensated days of bereavement so they can

attend the burial service. In this instance the days need not be consecutive but the compensated days may not extend beyond the day after the burial service. In order to use this the employee must receive prior approval of his or her supervisor.

#### **19.05 Memorial Services**

In the event the funeral is held outside Canada and if memorial services are held in Canada, an employee may elect to take compensated days of bereavement provided he or she attends the memorial services but the compensated days may not extend beyond the day after the memorial services.

#### **19.06 Multiple Deaths**

In **case** of multiple deaths, no **time** is allowed beyond three **(3)** days following the date, or last date of death.

#### **19.07 Cremation**

An employee will be eligible for bereavement pay in instances where the body is cremated if the employee attends a bona fide memorial service at a place of worship or a funeral home held in the same community area within one (1) week of the cremation.

#### **19.08 Bereavement During Vacation**

If an employee is entitled to receive bereavement pay and the excused days fall when the employee is on vacation, he or she will receive both bereavement pay and vacation pay.

### **ARTICLE XX - EXCUSED PERSONAL ABSENCE**

#### **20.01 Eligibility and Payment**

Beginning with the effective date of this Agreement and until the first Monday in October of each contract year, all employees with one (1) or more years of

continuous employment will be eligible for six (6) days at eight (8) hours per day of excused personal absence to be taken in individual increments of not less than two (2) hours, if the absence is for a reasonable cause and if the employee gives prior notice to his or her supervisor, where possible, and if the employee has worked some part of the (1 October to 30 September) year. An employee who, as of 1 October of each year thereafter, has not used the entire six (6) days will receive pay for the unused portion in lieu of time off.

An employee or his or her estate will be paid for unused portion as follows:

- (1) at his or her request in eight (8) hour increments; or
- (2) on the regular pay day preceding 1 October; or
- (3) at the time of retirement; or
- (4) at the time of death.
- (5) at the time of quit.

### **20.02 Computation**

The pay allowances for this time will be computed at the employee's regular hourly rate, if hourly paid, or at the employee's average straight time hourly earnings, if an incentive employee.

### **20.03 With Vacation and a Holiday**

Employees may take this six (6) days or any remaining unused portion of it off as additional time off in connection with their vacations. If a holiday falls within the combined period, it will be treated as a holiday falling during a vacation.

### **20.04 Personal Illness**

If an employee who is eligible for excused personal absence time with pay desires to do so he or she can take this time during a personal illness resulting from sickness or accident under the following circumstances:

- (1) If the circumstances permit (for example, a planned operation), the employee will notify his or her supervisor prior to leaving work that they are going to be absent and that they want to take **excused** personal absence time with pay beginning with the first day of such absence.
- (2) If it becomes likely that the employee's disability will prevent his or her return to work prior to 1 October, the employee will be paid in lieu of time off for any unused excused personal absence days.
- (3) Where an employee elects to take excused personal absence time with pay in connection with an illness, the employee is not disqualified from receiving Weekly Indemnity benefits for which he or she qualifies.
- (4) During a period of illness, if an employee is eligible to take vacation time and excused personal absence time with pay, such time must be taken consecutively and not concurrently.

## **ARTICLE XXI - HOLIDAYS**

### **21.01 Holidays Observed**

The Company will observe the following holidays:

New Year's Day  
Good Friday  
Victoria Day (first Monday preceding May 25<sup>th</sup>)  
Canada Day  
Civic Day (first Monday in August)  
Labour Day  
Thanksgiving Day  
Remembrance Day  
Christmas Eve Day  
Christmas Day  
Boxing Day  
New Year's Eve Day  
23 December 1996  
02 January 1998

## **21.02 Computation**

Employees (not suspended or discharged for good and just cause) will be paid for these holidays (as set out above) if they:

- (i) were scheduled to work in the workweek in which the holiday is observed, if they do not fail to work when requested on the holiday (except for a satisfactory reason), and
- (ii) if they work both the work day preceding and following the holiday unless absent for one of the reasons listed below:
  - (1) formal leave or absence for more than three (3) days as provided in Article 17.01 and Article 17.05, Leaves of Absence.
  - (2) plant-incurred injury.
  - (3) jury duty.
  - (4) confining illness of the employee or treatment by a physician or dentist, substantiated by a written statement from the attending physician or dentist.
  - (5) lay-off.
  - (6) death or severe illness in the employee's immediate family. (Immediate family is defined as grandmother, grandfather, granddaughter, grandson, father, mother, mother-in-law, father-in-law, brother, sister, spouse, son, daughter, son-in-law, daughter-in-law, stepchild, stepfather, stepmother, stepbrother, and stepsister; and also the employee's spouse's brother, sister, and grandparents.) If requested to do so, the employee will furnish substantiating evidence.
  - (7) a temporary condition of no work available due to such causes as material shortages or trouble with machines or equipment but not including cases arising from occurrences beyond the control of the Company such as floods, fire or other natural causes.

- (8) member of the Honour Guard.
- (9) subpoenaed as witness.
- (10) required to appear for examination by a jury commission.
- (11) attend a funeral.
- (12) involved in an accident.
- (13) wedding in immediate family.
- (14) graduation from senior high school, **college** or university of a member of immediate family.
- (15) riot situation other than labour disputes.

### **21.03 Criteria for 'Not Scheduled'**

An employee as set out in Article 21.02 above will be considered scheduled for the workweek during which a holiday occurs unless he fails to work any part of such workweek because he was:

- (1) on lay-off other than an unscheduled lay-off which does not exceed one (1) week;
- (2) in the military service;
- (3) absent because of an illness as set out in Article 21.02(ii)(4) above, including an accident or hospitalization which began more than ten (10) working days prior to the holiday;
- (4) on a leave of absence which began prior to the end of the preceding workweek.

### **21.04 Hours Paid**

Notwithstanding Article 21.02 above, employees who fail to work all or part of the work day preceding and/or following the holiday for reasons other than ~~set~~ out above will receive holiday pay in an amount determined by totalling the number of hours worked on each day and dividing the result by two (2) with a maximum of eight (8) holiday pay hours for each holiday.

### **21.05 Exceptions**

An employee absent on either the work day preceding or following the holiday (not both) because no work was available because of an occurrence beyond the control of the Company, such as floods, fire, or other natural causes, shall receive holiday pay.

### **21.06 Day of Observance**

All holidays falling on Sunday will be observed on Monday or Tuesday if Monday is also a holiday, and all holidays falling on Saturday will be observed on Friday or Thursday if Friday is also a holiday.

### **21.07 Computation**

Hourly rated employees who qualify will receive eight (8) hours holiday pay at their regular hourly rate, plus the appropriate night shift premiums; and incentive employees who qualify will receive eight (8) hours holiday pay at their average straight-time hourly earnings plus the appropriate night shift premium.

### **21.08 Weekly Indemnity or Workers Compensation Benefits**

If an employee qualifies for both holiday pay and Weekly Indemnity or Workers' Compensation Benefits for the same day, the payment for the holiday not worked will be reduced by the amount of such benefit.

### **21.09 Holidays at Christmas Shutdown**

Subject to the other qualifications of this Article XXI, employees not required to work on the first Christmas shutdown day and/or the second Christmas shutdown day will be deemed to have worked those days under this Article for purposes of qualifying for holiday pay for the Christmas Eve, Christmas Day, Boxing Day, New Year's Eve and New Year's Day holidays, provided, however, this provision will not apply if the employee failed to work or was absent for reasons other than those set out in Article 21.02 above on both the last scheduled work day

before the Christmas holidays and the first scheduled work day following the New Year holidays.

## **ARTICLE XXII - VACATION PLAN**

### **22.01 Vacation Year and Weeks of Vacation**

The vacation plan for a vacation year (May 1 of the current year to April 30 of the next year) is based upon the employee's earnings in the fifty-two (52) week period **preceding April 15** of the current year, and the length of the employee's continuous employment with the Company as of May 1 of the current year. Wherever in this Article XXII the date May 1 or April 15 appears it shall be deemed to mean the Monday nearest May 1 or April 15 as the case may be.

- (a) An employee having twenty (20) years or more of continuous employment as of 1 May of the current vacation year will receive a vacation of five (5) weeks, with vacation pay computed on the basis of ten percent (10%) of earnings as set out in Article 22.02 hereof.
- (b) An employee having fifteen (15) years or more but less than twenty (20) years of continuous employment as of 1 May of the current vacation year will receive a vacation of four (4) weeks, with vacation pay computed on the basis of eight percent (8%) of earnings as defined in Article 22.02 hereof.
- (c) An employee having ten (10) years or more but less than fifteen (15) years of continuous employment as of 1 May of the current vacation year will receive a vacation of three and one-half (3-1/2) weeks, with vacation pay computed on the basis of seven percent (7%) of earnings as defined in Article 22.02 hereof.
- (d) An employee having five (5) years or more but less than ten (10) years of continuous employment as of 1 May of the current vacation year will receive a vacation of three (3) weeks, with vacation pay



computed on the basis of six percent (6%) of earnings as defined in Article 22.02 hereof.

- (e) An employee having one (1) year or more but less than five (5) years of continuous employment as of 1 May of the current vacation year will receive a vacation of two (2) weeks, with vacation pay computed on the basis of four percent (4%) of earnings as defined in Article 22.02 hereof.
- (f) An employee having six (6) months or more but less than one (1) year of continuous employment as of 1 May of the current vacation year will receive a vacation of one (1) week, with vacation pay computed on the basis of four percent (4%) of earnings as defined in Article 22.02 hereof.

### **22.02 Computation**

- (a) In computing vacation pay, the employee's earnings will be the sum of his straight-time earnings for hours worked during the vacation earnings computation period, i.e., the fifty-two (52) weeks preceding 15 April of the current vacation year plus:
  - (1) any premium or overtime pay for hours worked during that period.
  - (2) any vacation pay based on hours worked during that period.
  - (3) any pay for unworked holidays during that period.
  - (4) any pay for bereavement and/or pay for excused personal absences during that period.
  - (5) any pay for Christmas shutdown during that period.
  - (6) any make-up pay received for jury service.
- (b) If during the vacation earnings computation period an employee has worked and received pay for at least 500 hours, the amount of the following benefits received, if any, during the vacation earnings computation period will be included in computing vacation pay.

- (1) any Supplemental Unemployment Benefits and any Unemployment Insurance Benefits received during the period of eligibility for **SUB**.
- (2) any Workers' Compensation Benefit arising out of or in the course of employment with the Company.
- (3) any Supplemental Weekly Indemnity - Occupational Benefits.
- (4) any Weekly Indemnity Benefits.
- (5) any payments received for Long-Term Disability.

### **22.03 Christmas Shutdown**

- (a) The Company will schedule a Christmas Shutdown, except for employees who are required to work, beginning on Christmas Eve Day (or the day observed as the Christmas Eve Day holiday) continuing through New Year's Day (or the day observed as the New Year's Day holiday). Employees on the active payroll on 1 December of the year of the shutdown or employees who return to work after 1 December and who **are** not scheduled to work during this period and who had six **(6)** months or more of continuous employment as of 1 May of the current vacation year, will be compensated for the two **(2)** regular work days during this period which are not observed as holidays.
- (b) Employees in the following work areas may be required to work during the Christmas Shutdown period, i.e., Powerhouse, Maintenance, Receiving and Repair Parts Shipping. In those instances where only part of the employees in the above work areas, i.e., Powerhouse, Maintenance Receiving and Repair Parts Shipping, are scheduled to work during this period, employees will be offered work on the following basis:
  - (1) First, to the senior employees in the classification within the department, before,

- (2) Employees within the classification and department are required to work on the basis of reverse seniority, i.e., the least senior first.
- (c) The compensation for the two (2) days will be on the basis of .83 of a percent of the employee's earnings as set out in Article 22.02, minus required Canada Pension Plan and Income Tax deductions, and will be paid on the regular pay day immediately preceding the Christmas Shutdown. Employees required to work during the two (2) days described above who are eligible for the .83 of a percent compensation will receive such compensation in addition to their earnings for hours worked during this period.

#### **22.04 Vacation Bonus**

- (a) Employees having six (6) months or more of continuous employment as of 1 May of the current vacation year and who are eligible for vacation pay will receive a vacation bonus of one hundred dollars (\$100.00) minus required Income Tax deductions and Canada Pension Plan deductions. The vacation bonus will be paid at the time the employee receives his or her vacation cheque.
- (b) The vacation bonus shall not be included as earnings for the purpose of computing vacation pay or any other benefits.
- (c) Employees who are attending school and their employment during the vacation year was limited to periods of school vacation or other periods of interruption in the student's school year will not be eligible to receive a vacation bonus.

#### **22.05 Terminated Employees**

In the case of an employee whose employment with the Company is discontinued prior to the eligibility date for vacations the provisions of the *Employment Standards Act* of Ontario will determine the amount of vacation pay, if any, to which he or she is entitled.

## **22.06 Deceased or Retired Employees**

An employee who dies or an employee who retires during the vacation year will receive vacation pay provided he has worked some part of the vacation year, and this vacation pay will not be less than the entitlement under the provisions of the *Employment Standards Act* of Ontario.

## **22.07 Continuous Employment**

The term "continuous employment" as used in this Article XXII means the period of time from the date on which the employee reported to work in his last employment.

## **22.08 Vacation Shutdown**

- (a) The Company may continue the practice of closing the plant sometime during the summer months for vacation. Because this period may vary from year to year employees will be given as much advance notice of the vacation period as possible, but never less than thirty (30) calendar days.
- (b) All employees will be expected to take their vacation during the vacation period. During this period employees may be required to take vacation up to a maximum of four (4) weeks. For example, if the plant is closed for six (6) weeks, employees will only be required to take the first four (4) consecutive weeks as vacation. If the plant is closed for three (3) weeks, then those employees who are eligible for four (4) or five (5) weeks' vacation will be allowed to take the fourth (4<sup>th</sup>) and fifth (5<sup>th</sup>) week at the discretion of management with due consideration being given to the wishes of the employee.
- (c) If an employee is laid off on or before the qualifying date, then the employee will have his or her vacation scheduled to begin on the qualifying date. If an employee is laid off after the qualifying date, then the employee will have his or her vacation scheduled to

begin on the date of his or her lay-off. If, however, the employee requests his or her vacation to be scheduled at a different period then the provisions of Article 22.10 will not apply.

- (d) An employee who is on lay-off at the time of the **qualifying date for vacation** may notify the Company prior to the start of the vacation year that he or she does not wish to take his or her vacation at the beginning of the vacation year. The employee's vacation will then be rescheduled.

#### **22.09 Pay in Lieu of Vacation**

An employee will not be entitled to vacation pay in lieu of vacation, except:

- (a) as provided by the *Employment Standards Act* of Ontario, or
- (b) if the employee has worked and received pay from the Company for less than 500 hours during the vacation earnings computation period, the employee at his or her option may elect to waive all or part of their vacation. This waiver must be in increments of not less than one (1) week, except that an employee eligible for three and one-half (3-1/2) weeks may waive the half (1/2) week. Upon receipt of written notice from the employee vacation pay will be paid in lieu of time off.

#### **22.10 Holidays With Vacations**

When one of the holidays found in Article 21.01 of this Agreement falls during an employee's vacation, then the employee's vacation will be extended by allowing one (1) additional day of vacation. This extra day of vacation will be the next scheduled working day following the end of the employee's vacation unless this extra day of vacation is re-scheduled at the discretion of the supervisor with due consideration being given to the wishes of the employee. There is no additional vacation pay for the extra day of vacation and the extra day of

vacation is fully compensated for by the payment of holiday pay for the unworked holiday falling during his vacation.

#### **22.11 Deductions**

On all vacation pay cheques Revenue Canada (Taxation Division) requires the deduction of Income Tax and Unemployment Insurance and Canada Pension Plan.

#### **22.12 Receipt of Vacation Pay**

Employees will receive their vacation pay on the regular pay day immediately preceding their vacation provided the employee has given one (1) week's prior notice.

#### **22.13 Vacation Pay - New Employees**

New employees starting work less than six (6) months prior to the qualifying day will have their vacation pay, if any, determined in accordance with the provisions of the *Employment Standards Act* of Ontario.

### **ARTICLE XXIII - BULLETIN BOARDS**

#### **23.01**

The Company agrees to permit the Union to use designated bulletin boards for the posting of notices of Union meetings, recreational, educational and social affairs of the Union, Union appointments and Union elections and results, but shall not include political material. All such notices must be signed by the proper officer of the Union and submitted to the Manager of Employee Relations for approval before being posted.

## ARTICLE XXIV - SAFETY AND HEALTH

### 24.01 Safety Rules and Regulations

The Company will make adequate provision for the safety and health of all employees during the hours of employment.

The Company will make every reasonable effort to comply in a timely manner with all relevant legislation pertaining to Occupational Health and Safety.

The parties agree to co-operate in promoting measures to protect the health and safety of employees.

### 24.02 Safety Committee

The Safety Committee will consist of no more than four (4) management members selected by the Company and no more than four (4) members selected by the Union. The duties of the members of the Safety Committee will be as set out in the *Occupational Health and Safety Act*. In addition thereto, the Safety Committee will:

- (1) Investigate all lost time accidents with one (1) Company and one (1) Union member of the Safety Committee and provide a summary of their investigation report and Workers' Compensation Board Form 7 to the Safety Committee. A complete Form 7 will be provided to the Chairperson or his designee upon receipt of a release form signed by the affected employee.
- (2) Be promptly notified of any fatalities, serious injuries or potential serious near misses, resulting from work-related accidents.
- (3) **Meet** monthly to review the factory safety performance and make recommendations to Management to improve the safety program.
- (4) Conduct a health and safety inspection of various areas of the factory in conjunction with the monthly Health & Safety meetings.

(5) Structure a training program for all new employees on safety and health including chemical hazard training.

One (1) Safety Committee member nominated by the Union will receive training to become certified as required by the Ontario Occupational Health and Safety Act. The Company will pay this member of the Committee for time spent in fulfilling the requirements for becoming certified.

#### **24.03 Physical Agents or Toxic Materials**

(a) The Company will disclose the identity of all known physical agents or toxic materials to which workers are exposed.

(b) The Company will provide to employees who are exposed to potentially harmful agents or toxic materials at no cost to them those medical services, physical examinations and other appropriate tests including audiometric and lung function examinations at a frequency and extent necessary to determine whether the health of such employees is being adversely affected.

(c) The Company will provide to each employee or his physician, upon written request of the employee, a complete report of the results of any such tests or examinations and will review the test results with the employee prior to release to his doctor.

#### **24.04 Protective Equipment**

The Company will continue to furnish special protective equipment such as special gloves for inert gas welders (not ordinary items of work clothing) and special safety devices (not safety shoes and metatarsals or prescriptions for safety glasses) where they are required by the Company.

#### **24.05 Reimbursement for Safety Shoes**

The Company will reimburse an employee for one (1) pair of safety shoes per year up to a value of Seventy



Five dollars (\$75) per year provided proof of purchase is supplied to the Company.

#### **24.06 Prescription Safety Glasses**

The Company will continue its current practice of supplying prescription safety glasses at no cost to the employee.

### **ARTICLE XXV - NEW TECHNOLOGY**

#### **25.01**

In the event of the introduction of new technology which is likely to have a major impact upon employees the Company will give the Union notice thereof and will discuss with the Union the implications of such new technology including ways of helping employees adjust to the change which it occasions.

When new or greater skills are required by affected employees training will be provided to the number of such employees required in accordance with their seniority and qualifications.

### **ARTICLE XXVI - APPRENTICES AND TRAINEES**

#### **26.01 Classifications**

Apprentices may be enrolled in the following skilled trades job classifications:

R-5	Machine Maintenance
R-20	Electrician
T-1	Tool and Die Maker
X-13	Instrumentation & Test Mechanic

Trainees may be enrolled in the following job classifications:

- R-09 Building Repair and Maintenance
- R-15 Repair Mechanic (Industrial Trucks)
- R-37 Pipe Fitting, Heating and Ventilating  
Maintenance
- T-10 Machine Hand

**26.02 Eligibility**

- (a) Selection of apprentices and trainees under these programs shall be made from qualified applicants. When openings exceed the number of qualified seniority applicants, the remaining openings will be filled by applicants from outside on the basis of qualifications.
- (b) Applicants must be physically qualified to perform the work required.
- (c) Applicants must have successfully completed Grade 12.

**26.03 Seniority Employees**

Notice of openings will be posted on the bulletin boards. Interested seniority employees may apply for the openings.

**26.04 Application and Standards**

(A) Eligible applicants will be selected through the application of the standards as set forth in (B) below.

(B) Qualifying Standards:

	Max. Points
(1) Aptitude test (GATB or its equivalent). If actual scores are used, grade in relation to minimum qualifying scores. If qualifying score alone is used, award maximum points to all qualifying	50
(2) Education. Courses successfully completed beyond Grade 12 pertinent to the opening	10
(3) Work experience and work habits.	
(a) Work experience in skills related to the schedule of work process in which the	16

opening exists.

- (b) **Work habits unrelated to skills in the schedule of work process, as determined in (F) of this Article 26.13 (or (G) if the applicant has no previous work experience).** 14
- (4) **Evaluation of interviewer. Applicant's interest, sincerity and attitude.** 10

(C) The apprenticeship or training opening(s) will be filled by the senior applicant who attains the designated minimum qualifications. The minimum qualifying point totals shall be as follows:

Minimum Qualifications -- 85 points

- R5 Machine Maintenance
- R9 Building Repair and Maintenance
- R15 Repair Mechanic (Industrial Trucks)
- R20 Electrician
- R37 Pipe Fitting, Heating and Ventilating Maintenance
- T1 Tool and Die Maker
- T10 Machine Hand
- X13 Instrumentation and Test Mechanic

- (D) It is understood that if none of the seniority applicants or applicants from outside possess minimum qualifications, the posted opening will not be filled.
- (E) The applicant will provide the Human Resources Department with the applicant's high school and post secondary school education transcripts.
- (F) In the determination of work habits in (B)(3)(b) above, the Human Resources Department will communicate with the Company supervisors of seniority applicants and with previous employers to determine competency on jobs, overall work record, attendance, attitude and ability to get along with people, etc.

- (G) The Human Resources Department will communicate with the individuals listed as references by the applicant to determine personal characteristics, desire, attitude and interests.
- (H) Qualified applicants will be interviewed individually by the Human Resources Department and one supervisor from the skilled trades area involved. The purpose of these interviews will be to determine and evaluate the applicant's motivation, vocational goals, stability and interests.
- (I) Applicants who were determined to possess minimum qualifications but were not selected for the opening in the Apprenticeship or Training Program will be considered for any future opening in the program for one (1) calendar year from the date of the original posting; and upon making reapplication, he will be considered for future openings in the second calendar year without requalifying through the selection procedure. Nothing herein will prohibit the Company from posting for applicants in advance of the need for apprentices or trainees,

#### **26.04A Number of Apprentices**

The number of apprentices and trainees enrolled in any one job classification shall be limited to fifteen percent (15%) of the total number of skilled workers employed and/or recorded on the plant-wide seniority list in the particular job classification wherein the employee is to be enrolled provided, however, that the Company may enroll a minimum of four (4) apprentices or trainees in each job classification listed in this Article XXVI. Fractional amounts resulting from the application of the above percentage may be increased to the next whole number.

#### **26.05 Seniority**

- (a) Enrolled apprentices and trainees will be exempt from the seniority provisions of the Agreement and there shall be no obligation on the part of the Company to

continue training, if, in the judgment of the Company, the progress of the apprentice or trainee is unsatisfactory.

- (b) When apprentices or trainees are removed from their training status for any reason, including graduation, and are assigned to other employment in the factory, they shall receive credit for seniority purposes for **the** time spent in the apprenticeship or training program.
- (c) Upon completion **of** the apprenticeship or training requirements the employee will be classified in the particular job classification in which the employee had been enrolled. In the event there is no need for an additional employee in the classification, any reduction in force will be handled in accordance with the provisions of the Seniority Article.
- (d) When it is determined by the Company that it is necessary to remove apprentices or trainees from a program **because** of a surplus in an apprenticeship or training program, the employee with the least number of credited hours will **be** removed first.
- (e) When it is determined by the Company that it is necessary to increase the number of employees in an apprenticeship or training program, the employee removed under paragraph (d) above will be returned **to** the program in the order of the employee with the highest credited hours first. Employees removed under paragraph (d) above will be returned to their program before adding additional employees to that program.
- (f) A **surplus** employee reduced under paragraph (d) of this Article 26.05 will be eligible for Income Security Benefits if he is otherwise qualified for such a benefit **as** provided in Article XIII.

#### **26.06 Rates**

- (a) Apprentices in each of the job classifications covered by these standards will be paid at a progressively increasing schedule of wages, as follows:

- |                               |  |
|-------------------------------|--|
| 1 <sup>st</sup> 1000 hours -- | 65% of the maximum wage rate of the classification |
| 2 <sup>nd</sup> 1000 hours -- | 70% of the maximum wage rate of the classification |
| 3 <sup>rd</sup> 1000 hours -- | 75% of the maximum wage rate of the classification |
| 4 <sup>th</sup> 1000 hours -- | 80% of the maximum wage rate of the classification |
| 5 <sup>th</sup> 1000 hours -- | 85% of the maximum wage rate of the classification |
| 6 <sup>th</sup> 1000 hours -- | 90% of the maximum wage rate of the classification |
| 7 <sup>th</sup> 1000 hours -- | 95% of the maximum wage rate of the classification |
| 8 <sup>th</sup> 1000 hours -- | 95% of the maximum wage rate of the classification |
- b)** Applicants who are given credit for experience shall be paid the wage rate for the period to which such credit advances them.
- (c)** Upon completion of the apprenticeship requirements, the hourly rate will be increased to the maximum of the rate range for the particular job classification in which the employee had been enrolled.
- (d)** Trainees in each of the job classifications covered by these standards shall be paid a progressively increasing schedule of wages, as follows:
- |                            |  |
|----------------------------|--|
| 1 <sup>st</sup> 1000 hours | 65% of the maximum wage rate of the classification |
| 2 <sup>nd</sup> 1000 hours | 75% of the maximum wage rate of the classification |
| 3 <sup>rd</sup> 1000 hours | 85% of the maximum wage rate of the classification |
| 4 <sup>th</sup> 1000 hours | 95% of the maximum wage rate of the classification |

- (e) Upon completion of the training requirements, the trainee's hourly rate will be increased to the maximum of the rate range for the particular job classification in which the employee had been enrolled.

#### **26.07 Credit**

- (a) The applicant may be granted credit for experience in his trade acquired before entering the program. For applicants from the outside, such a work experience must have been gained under an apprentice or other indentured program and not trade or vocational school work. Seniority employees may be allowed credit for previous applicable work experience.
- (b) The Company will at the completion of each 1000 hours determine if the employee possesses the necessary knowledge and/or skills required by the particular areas of training. Then the employee will be credited with the maximum hours assigned to that particular area of training and will not be required to complete all of the hours listed. Any hours so credited will count toward the total number of hours required for the classification for purposes of graduation. The employee's rate of pay, if necessary, will be adjusted at the time the hours are credited.

#### **26.08 Related Classroom Study**

- (a) Apprentices or trainees will be required to complete a related training course through classroom work or by correspondence. The Company will determine the type of classroom study applicable in each situation.
- (b) Time spent in related training shall be in accordance with the schedules of work processes referred to in this Article 26.08. The time and place of such training will be determined by the Company and such time, if used, shall be paid at the apprentice's or trainee's regular hourly rate.
- (c) In case of failure on the part of any apprentice or trainee to fulfill his obligation as to satisfactory

completion of related classroom study, the Company may suspend or revoke his apprenticeship or training.

### **26.09 supervision of Apprentices and Trainees**

- (a) Apprentices and trainees shall be under the general direction of the individual charged with coordination of apprenticeship or training programs and under the immediate direction of the supervisor of the department to which they are assigned. The Coordinator of Apprenticeship or Training Programs is authorized to move apprentices and trainees from one department to another in accordance with the predetermined schedule of work training. No apprentice or trainee may be retained on a scheduled work process for a period longer than the time scheduled for such work process.
- (b) Adequate record forms shall be prepared and will be filled in by the supervisor under whom the apprentices and trainees receive direct instruction and experience. Supervisors shall make a report at least every thirty (30) days to the Coordinator of Apprenticeship or Training Programs on the work and progress of the apprentices and trainees under their supervision.

### **26.10 Tools**

Apprentices and trainees shall procure the hand tools needed and as required and specified by the Company. Such tools may be purchased through the Company under a payroll deduction authorization.

### **26.11 Information**

A record will be kept by the Company of time spent on the various work processes. An apprentice and trainee may be required to work shift work. Overtime worked by an apprentice and trainee shall not reduce the period of apprenticeship unless it is work which is covered by the "Schedule of Work Processes" for apprentices or trainees, as the case may be.



## 26.12 Term of Apprenticeship and Training Programs

The terms of apprenticeship and training programs shall be as established in accordance with the schedule of work processes and related instructions as outlined herein.

## 26.13 Schedules of Work Processes

The Schedules of Work Processes are listed below. The sequence of the specific areas of training shall be determined by the Company on the basis of work available and the progress and needs of the apprentice or trainee. The continuity of the hours within an area may be broken and areas of training may be revised or replaced when in the opinion of the Company it is in the best interest of the apprentice or trainee to make such changes.

### SCHEDULE OF WORK PROCESSES FOR APPRENTICES

#### T-1 Pool and Die Maker

Bench Work and Optional (including layout, build and inspect)	2750 Hours
Grinder - Surface	300 Hours
Heat Treat	100 Hours
Lathe	1200 Hours
Metallurgy	100 Hours
Milling Machines	950 Hours
Shaping, Planer or Slotter	300 Hours
Power Saw—Contour	100 Hours
Drill Presses	250 Hours
Tool Crib	100 Hours
Tool Design and Follow Up	800 Hours
Tool Grinding	200 Hours
Welding	150 Hours
Related Classroom Study	700 Hours
TOTAL	<hr/> 8000 Hours

**R-20      EL trician**

Electrical Construction	2448 Hours
(including powerhouse, substations, power supply, machines and lighting) Electrical Design	<b>288 Hours</b>
Machine Maintenance (hydraulics)	216 Hours
Maintenance and Repair (including such things as machine controls, welders, heat treating equipment, power supply, <b>transformers</b> , motors, motor repair, generators, hoists, cranes, elevators and power tools) Related Classroom Study	<b>4348 Hours</b>
	<u>700 Hours</u>
TOTAL	8000 Hours

**R-5      Machine Maintenance**

Electrical Maintenance	108 Hours
Grinder (external, internal or surface)	324 Hours
Heat Treat	72 Hours
Hydraulics and Pneumatics	1728 Hours
Lathe	420 Hours
Milling Machines	418 Hours
Repair and Overhaul	<b>3592 Hours</b>
Shaper, Planer or Slotter	180 Hours
Tool Crib	108 Hours
Welding and Fabrication	350 Hours
Related Classroom Study	<b>700 Hours</b>
	<u>8000 Hours</u>
TOTAL	8000 Hours

**X-13      Instrumentation & Test Mechanic**

Build, Calibrate and Try Out Instrumentation & Test Equipment: Electronic	1300 Hours
Electrical	1300 Hours

Hydraulic	900 Hours
Mechanical	700 Hours
Maintain Instrumentation & Test Equipment	1600 Hours
Familiarization on Instrumentation & Test Equipment: Stress Coat and Strain Gage Tests	200 Hours
Dynamometer Tests	208 Hours
Environmental, Vibration, Sound Tests	200 Hours
Performance, Efficiency, Durability Tests	200 Hours
Related Classroom Study	1392 Hours
TOTAL	8000 Hours

**R-37 Pipe Fitting, Heating and Ventilating Maintenance:**

Pipe Fabrication	216 Hours
Installation and maintenance of high and low pressure process piping, including air, oil, gas, paint, steam, water, acid and ammonia	1195 Hours
Installation and maintenance of steam and hot water heating systems with high and low pressure	1195 Hours
Installation of piping, for waste, soil, sewage, vent and leaders.	432 Hours
Installation and connection of fixtures used in plumbing and drainage system.	288 Hours
Installation and maintenance of piping on air conditioning and refrigeration systems	144 Hours
Repairing of valves, steam traps, air vents and radiators.	180 Hours
Related Classroom Study	350 Hours
TOTAL	4000 Hours

**T-10 Machine Hand**

Boring Mill	288 Hours
Grinder (external, internal or surface)	720 Hours
Heat Treat	108 Hours

Jig Bore	216 Hours
Lathe	1008 Hours
Milling Machines	1008 Hours
Shaper, Planer or Slotter	252 Hours
Related Classroom Study	400 Hours
TOTAL	<u>4000 Hours</u>

**R-09 Building Repair and Maintenance**

Overhead Doors and Related Work	80 Hours
Concrete Work.	400 Hours
Maintenance and Repair	2880 Hours
Welding	80 Hours
Fabrication.	160 Hours
Related Study	400 Hours
TOTAL	<u>4000 Hours</u>

**R-15 Repair Mechanic (Industrial Trucks)**

Performs Repair and Maintenance of Internal Combustion Engines, Hydraulic and Electrical Systems and Controls	2140 Hours
Transmission, Clutches, Differentials.	540 Hours
Chassis, Suspension, Springs, Axles	200 Hours
Steering and Brakes	200 Hours
Fuel, Oil and Cooling Systems	160 Hours
Tires and Batteries.	40 Hours
Welding and Fabrication	160 Hours
Use and Operation of Specialized Equipment and Tools	160 Hours
Crib Functions—Location and identification of Supplies and Equipment.	40 Hours
Related Classroom Study	360 Hours
TOTAL	<u>4000 Hours</u>

## **26.14 Joint Apprenticeship Committee**

A Joint Apprenticeship Committee composed of two (2) persons appointed by the Company and two (2) persons appointed or elected by the Union shall meet once a month to discuss matters arising pursuant to the provisions of this Article XXVI provided that an agenda is submitted by either party to the other at least three (3) working days prior to the date of the requested meeting.

## **ARTICLE XXVII - PLANT CLOSURE**

### **27.01**

In the event of the permanent discontinuance of all or a substantial part of the business carried on by the Company at Welland, the Company will advise the Union of the decision as far in advance as is reasonably possible. Upon the request of the Union representatives of the Company will meet with the Union and discuss the reasons for the closing or discontinuance.

## **ARTICLE XXVIII -WAIVER**

### **28.01**

This Agreement constitutes the entire Collective Agreement between the parties and concludes collective bargaining for its term and can only be amended or supplemented by mutual agreement of both parties.

## **ARTICLE XXIX - APPENDICES**

A. The parties have provided the benefits contained in the following Appendices which are made parts of this agreement and subject to all the provisions of this Agreement.

Appendix "1" - Benefits Plans John Deere Limited

- Appendix "A" - John Deere Pension Plan for Hourly and incentive Paid Employees
- Appendix "B" - The Health Benefit Plan for Hourly and Incentive Paid Employees
- Appendix "C" - The Disability Benefit Plan for Hourly and Incentive Paid Employees
- Appendix "D" - Supplemental Unemployment Benefit Plan Preliminary Provisions
- Appendix "D-1" - Supplemental Unemployment Benefit Plan
- Exhibit "B" - Automatic Short Workweek Benefit Plan
- Appendix "F" - Tuition Refund Plan
- Appendix "G" - John Deere Group Life and Disability Insurance Plan for Hourly and Incentive Paid Employees
- Appendix "H" - Profit Sharing Plan

## ARTICLE XXX - DURATION

### 30.01 Effective Dates ✕

This Agreement shall become effective on the Monday following the week in which the Company received notification from the Union that the Agreement has been ratified and shall remain in force and effect and shall not be reopenable save and except as otherwise herein expressly provided until the 30<sup>th</sup> day of September, 1998, and shall continue automatically thereafter during periods of one (1) year each, unless either party notifies the other party in writing as provided for in clause 30.02 hereof of its desire to negotiate amendments to this Agreement.

### 30.02 Amendments

Notice that amendments are required shall only be given during the period of not more than ninety (90) days

and not less than sixty (60) days prior to the 30<sup>th</sup> day of September, 1998, or during similar annual periods thereafter. If notice of desire to amend this Agreement is given by either party in accordance with the foregoing, the other party agrees to meet for the purpose of negotiation.

**DATED AT WELLAND, ONTARIO THIS 15th DAY OF OCTOBER, 1995.**

FOR THE UNION:

Tom Delaney  
Bruce Currie  
Brian Ewart  
Reg Lamarche  
Bill MacDougall  
Don Romano  
Len Hirscu  
Mike Menicanin

FOR THE COMPANY:

Thomas O. Cooney  
James L. Williams  
Jim H. Walters  
Norm Thibodeau  
Frank Mattei

## LETTER OF UNDERSTANDING

B E T W E E N : JOHN DEERE WELLAND WORKS of  
JOHN DEERE LIMITED,  
Welland, Ontario

AND • THE NATIONAL AUTOMOBILE,  
AEROSPACE, TRANSPORTATION  
AND GENERAL WORKERS UNION OF  
CANADA (CAW-CANADA)  
and its Local 275

This letter will confirm our understanding on scheduling employees to work during the inventory and vacation shutdown. The Company will normally schedule junior employees who do not have sufficient vacation entitlement for the whole vacation shutdown. If additional employees are required, the Company will assign work to the senior employees possessing the skills and qualifications, who have signed the shutdown **work list**.

DATED AT WELLAND, ONTARIO THIS 15th DAY OF  
OCTOBER, 1995.

---

FOR THE UNION:

Tom Delaney  
Bruce Currie  
Brian Ewart  
Reg Lamarche  
**Bill MacDougall**  
Don Romano  
Len Hirscu  
Mike Menicanin

---

FOR THE COMPANY:

Thomas O. Cooney  
James L. Williams  
Jim H. Walters  
Norm Thibodeau  
Frank Mattei



## LETTER OF UNDERSTANDING

**B E T W E E N :** JOHN DEERE WELLAND WORKS of  
JOHN DEERE LIMITED,  
Welland, Ontario

**AND -** THE NATIONAL AUTOMOBILE,  
AEROSPACE, TRANSPORTATION AND  
GENERAL WORKERS UNION OF CANADA  
(CAW-CANADA)  
and its Local 275

The parties **recognize** the need to jointly promote training, re-training and personal development to meet the technological advances in the manufacturing environment and improve job skills for CAW represented employees. **To** this end, the parties agree to establish a **team** comprised of company and union representatives who will work through the John Deere Welland **Works** training process to identify, prioritize and participate in the delivery of training programs.

The objectives will be:

- provide opportunities for employees to upgrade their job skills
- improve opportunities for job placement and **job** retention for employees relative to their seniority
- contribute toward a goal of retaining senior employees at work
- contribute to the **competitiveness** and well being of the employees and the Company
- to jointly obtain funding for training purposes from various governmental agencies.

DATED AT WELLAND, ONTARIO THIS 15th **DAY** OF  
**OCTOBER, 1995.**

---

**FOR THE UNION:**

Tom Delaney  
Bruce Currie  
Brian Ewart  
Reg Lamarche  
Bill MacDougall  
Don Romano  
Len Hirsco  
Mike Menicanin

---

**FOR THE COMPANY:**

Thomas O. Cooney  
James L. Williams  
Jim H. Walters  
Norm Thibodeau  
Frank Mattei

## LETTER OF UNDERSTANDING

BETWEEN : JOHN DEERE WELLAND WORKS of  
JOHN DEERE LIMITED,  
Welland, Ontario

AND - THE NATIONAL AUTOMOBILE, AEROSPACE,  
TRANSPORTATION AND GENERAL  
WORKERS UNION OF CANADA (CAW-  
CANADA)  
and its Local 275

During the course of negotiations, the parties discussed the difficulties in continuity of pay for union officials when they are on leave of absence for 30 days or less for union business.

(a) The Company will pay the union officials during such short term leaves of absence as though they were working in the factory

(b) The Company will be reimbursed for the wages and related benefit costs of employees on union leave of absence by deducting those costs from the monthly payment of union dues. The related benefit costs include:

- vacation pay
- Christmas shutdown pay
- \*shift premiums
- \*productivity bonus
- Company portion of CPP and UIC deductions
- yearly profit sharing bonus (if any)

DATED AT WELLAND, ONTARIO THIS 15th DAY OF  
OCTOBER, 1995.

FOR THE UNION:

Tom Delaney  
Bruce Currie  
Brian Ewart  
Reg Lamarche  
Bill MacDougall  
Don Romano  
Len Hirsco  
Mike Menicanin

FOR THE COMPANY:

Thomas O. Cooney  
James L. Williams  
Jim H. Walters  
Norm Thibodeau  
Frank Mattei

<b>Eligible Bate</b>	<b>Amount</b>	<b>Payable during week</b>
30 Sept. 1996	Actual hours worked per individual employee for the period 02 October 1995 - 29 September 1996 times \$0.61 per hours worked.	27 October 1996
30 Sept 1997	Actual hours worked per individual employee for the period 30 September 1996 - 28 September 1997 times \$0.61 per hours worked.	26 October 1997

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**LETTER OF UNDERSTANDING**

**B E T W E E N : JOHN DEERE WELLAND WORKS of  
JOHN DEERE LIMITED,  
Welland, Ontario**

**AND - THE NATIONAL AUTOMOBILE,  
AEROSPACE, TRANSPORTATION  
AND GENERAL WORKERS UNION OF  
CANADA (CAW-CANADA)  
and its Local 275**

During the course of negotiations the Company agreed to pay a \$1,000 Ratification Bonus as soon as practicable after ratification if ratification occurs by 16 October 1995. **This** Ratification Bonus will be paid to all employees actively employed as of 02 October 1995.

DATED AT WELLAND, ONTARIO THIS 15th DAY OF OCTOBER, 1995.

---

FOR THE UNION:

Tom Delaney  
Bruce Currie  
Brian Ewart  
Reg Lamarche  
Bill MacDougall  
Don Romano  
Len Hirscu  
Mike Menicanin

---

FOR THE COMPANY:

Thomas O. Cooney  
James L. Williams  
Jim H. Walters  
Norm Thibodeau  
Frank Mattei

## LETTER OF UNDERSTANDING

**B E T W E E N :** JOHN DEERE WELLAND WORKS of  
JOHN DEERE LIMITED,  
Welland, Ontario

**AND -** THE NATIONAL AUTOMOBILE,  
AEROSPACE, TRANSPORTATION AND  
GENERAL WORKERS UNION OF CANADA  
(CAW-CANADA)  
and its Local **275**

Re: **Social Justice Fund**

During the course of the 1995 negotiations, the Company agreed to contribute \$0.01 (one cent) per actual hour worked to the Social Justice Fund effective with the signing of this Collective Agreement.

The Company agrees to forward the contributions quarterly to:

The Bank of Montreal  
Transit No. 2465  
Account No. 1018-788

Information about the contribution, including the Local Number, the Bargaining Unit covered, the number of actual hours used in the calculation and the time period covered will be included. This information will be mailed to the following addresses at the same time the contributions are made:

CAW-Social Justice Fund  
205 Placer Court  
North York, Ont.,  
M2H 3H9

CAW Local 275  
331 Major St.  
Welland, Ont.  
L3B 3T7  
attention: Ken Bassi

DATED AT WELLAND, ONTARIO THIS 15th DAY OF  
OCTOBER, 1995.

---

FOR THE UNION:

FOR THE COMPANY:

Tom Delaney  
Bruce Currie  
Brian Ewart  
Reg Lamarche  
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## LETTER OF UNDERSTANDING

**B E T W E E N :** JOHN DEERE WELLAND WORKS of  
JOHN DEERE LIMITED,  
Welland, Ontario

**AND -** THE NATIONAL AUTOMOBILE,  
AEROSPACE, TRANSPORTATION AND  
GENERAL WORKERS UNION OF CANADA  
(CAW-CANADA)  
and its Local 275

Re: Paid Education Leave

During the course of 1995 negotiations, the Company agreed to contribute \$0.02 (two cents) per actual hour worked, to the Union Paid Education Fund, effective with the signing of this Collective Agreement.

The Company agrees to forward a cheque quarterly, payable to the CAW Leadership Fund, to:

CAW Family Education Center

PEL Training Fund

R.R.#1

Port Elgin, Ontario

N0H2C5

Employees selected by the Union to attend courses will be granted a leave of absence without pay or loss of seniority for twenty (20) days time over a twelve (12) month period from the first day of leave.

DATED AT WELLAND, ONTARIO THIS 15th DAY OF  
OCTOBER, 1995.

---

FOR THE UNION:

FOR THE COMPANY:

Tom Delaney  
Bruce Currie  
Brian Ewart  
Reg Lamarche  
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## LETTER OF UNDERSTANDING

B E T W E E N : JOHN DEERE WELLAND WORKS of  
JOHN DEERE LIMITED,  
Welland, Ontario

AND • THE NATIONAL AUTOMOBILE,  
AEROSPACE, TRANSPORTATION AND  
GENERAL WORKERS UNION OF CANADA  
(CAW-CANADA)  
and its Local 275

During the course of negotiations, the parties discussed the inclusion of Labour Grade 1 through 3 hourly employees in CIPP applications. The parties agree that issues involving the inclusion of these employees in a CIPP application such as: changes in overtime groups and the selection of employees to be included in the plan will be resolved by mutual agreement of the parties.

DATED AT WELLAND, ONTARIO THIS 15th DAY OF  
OCTOBER, 1995.

---

FOR THE UNION:

Tom Delaney  
Bruce Currie  
Brian Ewart  
Reg Lamarche  
Bill MacDougall  
Don Romano  
Len Hirsco  
Mike Menicanin

---

FOR THE COMPANY:

Thomas O. Cooney  
James L. Williams  
Jim H. Walters  
Norm Thibodeau  
Frank Mattei

## LETTER OF UNDERSTANDING

**B E T W E E N :** JOHN DEERE WELLAND WORKS of  
JOHN DEERE LIMITED,  
Welland, Ontario

**AND -** THE NATIONAL AUTOMOBILE,  
AEROSPACE, TRANSPORTATION AND  
GENERAL WORKERS UNION OF CANADA  
(CAW-CANADA)  
and its Local 275

During the Agreement period ending 30 September 1995, the Company and the Union worked closely together to "pilot" new forms of compensation which encouraged employees to utilize their knowledge, training, experience and talent in initiating changes and managing their workplace on a daily basis to achieve continuous improvement.

During the course of these negotiations, both parties drew upon the knowledge gained from these pilot programs. To support a new culture that will allow the Company to remain competitive and provide premium wages to its employees, both parties agree that an orderly transition from the John Deere Standard Hour Incentive Plan described in Exhibit "D" to the new Continuous Improvement Pay System described in Exhibit "G" is crucial. The transition will be completed by the end of this Agreement period. To aid in this transition and obtain maximum employee support and involvement in this process, a Joint CIPP Steering Committee will be established. The Committee shall consist of three (3) or four (4) Company representatives and three (3) or four (4) Union representatives. The Company and Union will appoint their representatives to the Committee, however, one (1) of the Union representatives will be the Chairperson of the Shop Committee, and one (1) of the Company representatives will be the Manager of Employee Relations/Human Resources. The role of this committee is as follows:

### Factory Joint CIPP Steering Committee

1. Establish and/or review an overall plan for the transition from the John Deere Standard Hour Incentive Plan to the Continuous Improvement Pay System.
2. Commission and provide guidance to CIPP Implementation Teams for plan development and implementation.



3. Resolve Continuous Improvement Pay System issues.

Additionally, the parties agreed that each **CIPP** application will be developed by a Joint Implementation Team. The role of these teams is as follows:

**Joint CIPP Implementation Team**

1. Develop a **CIPP** application within the parameters established by the Factory Joint **CIPP** Steering Committee.
2. Identify communication and training requirements for plan participants.
3. Assist in implementing and maintaining the **CIPP** application.

Both parties believe this process will eliminate the issues normally associated with these types of significant changes. However, in the event that issues involving the Continuous Improvement Pay System, or the details of a **CIPP** application established within its framework, cannot be resolved through this involvement process, the Company may elect to implement the **CIPP** application. If the issues are not resolved the parties may utilize Article 9.05A. The Company implemented **CIPP** application will remain in effect unless changed by the outcome of these proceedings.

It is further understood that the application of the John Deere Standard Hour Incentive Plan established in accordance with Exhibit "D" will terminate upon the implementation of the **CIPP** application and will not be reinstated. Any remaining applications of the John Deere Standard Hour Incentive Plan described in Exhibit "D" will terminate at the end of this Agreement.

DATED AT WELLAND, ONTARIO THIS 15th DAY OF OCTOBER, 1995.

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FOR THE UNION:

FOR THE COMPANY:

Tom Delaney  
Bruce Currie  
Brian Ewart  
Reg Lamarche  
Bill MacDougall  
Don Romano  
Len Hirsco  
Mike Menicanin

Thomas O. Cooney  
James L. Williams  
Jim H. Walters  
Norm Thibodeau  
Frank Mattei

## LETTER OF UNDERSTANDING

**BETWEEN** JOHN DEERE WELLAND WORKS of  
JOHN DEERE LIMITED,  
Welland, Ontario

**AND -** THE NATIONAL AUTOMOBILE,  
AEROSPACE, TRANSPORTATION AND  
GENERAL WORKERS UNION OF CANADA  
(CAW-CANADA)  
and its Local 275

During the course of 1995 negotiations, both parties agreed that the mutually agreed to Department 46 Rotary Cutter pilot pay plan which preceded the development of the Continuous Improvement Pay Plan (CIPP) would continue in effect until it can be converted. At that time it will be converted to a CIPP plan in accordance with Exhibit "G". It is anticipated that the conversion will take place by June 1 1996

DATED AT WELLAND, ONTARIO THIS 15th DAY OF  
OCTOBER, 1995.

---

FOR THE UNION:

Tom Delaney  
Bruce Currie  
Brian Ewart  
Reg Lamarche  
Bill MacDougall  
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FOR THE COMPANY:

Thomas O. Cooney  
James L. Williams  
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Norm Thibodeau  
Frank Mattei

**EXHIBIT "A"**  
**RATE SCHEDULE**

Basic Rates

For incentive Paid And CIPP Occupations

LABOUR GRADE	OCCUPATIONAL RATES
1	\$19.060
2	18.555
3	17.705
4	17.105
5	16.420
6	15.870
7	15.320
8	14.905
9	14.505
10	14.505

For Hourly Paid Occupations

LABOUR GRADE	HOURLY RATE RANGES	
	MINIMUM	MAXIMUM
1	\$18.945	\$21.155
2	18.320	20.595
3	17.490	19.655
4	16.590	18.745
5	16.120	18.220
6	15.535	17.595
7	15.045	16.945
8	14.720	16.325
9	14.360	15.810
10	13.950	15.410

## **EXHIBIT "B" MERIT RATING PLAN**

This plan was developed to assist supervisors in accurately rating their employees with regard to progress or accomplishment and establishing equitable rates of pay, and is designed to cover employees on hourly paid work. It is based on paying employees for merit on a **job** as evidenced by their performance level on specific factors. Six factors were selected after a careful analysis of those requirements, characteristics, and attributes which demonstrate the differentials between employees. Each of the factors is broken down into five degrees, each degree representing a level of performance, these levels ranging from unsatisfactory performance to superior performance. The lowest degree, representing unsatisfactory performance is given 60% of the factor weight in points; the next degree, representing minimum requirements, is given 70%; the third degree, representing satisfactory performance is given 80%; the next degree representing good performance is given 90%; and the last degree, representing superior performance, is given 100%. A merit rating score of 65 points represents minimum acceptable performance. A merit rating score between 65 and 70 points inclusive represents acceptable performance. Ratings from 71 points up indicate an earned merit increase beyond the mid-point of the rate range. Failure at any one rating period to merit an increase does not, of course, preclude advancement at subsequent rating periods.

### **ADMINISTRATION OF MERIT RATING PLAN**

All merit ratings will be cleared through a Human Resources representative for Merit Rating Administration who will work closely with the supervisor making the rating, and with any other persons regularly reviewing the ratings. The Human Resources representative will be

responsible for the maintenance of merit rating procedures and for maintaining all merit rating records.

#### **FREQUENCY OF RATING**

All employees will be merit rated at six month intervals dating from the time of hire provided they are at the mid-point of the rate range or beyond. After reaching the Maximum of the Rate Range, appraisal interviews will be scheduled annually.

**EXHIBIT B MERIT RATING FACTORS**

<b>QUALITY</b>	This factor appraises the employee's performance in meeting established <b>quality standards</b>	Consider the <b>accuracy</b> and thoroughness of the employee's work, the degree to which he conforms to standards and specific orders, with consideration as to amount of waste.
<b>QUANTITY</b>	This factor appraises the employee's output of satisfactory work	Consider the amount of acceptable work produced, the employee's application to <b>the</b> job, speed of work, and <b>effectiveness</b> of effort.
<b>JOB KNOWLEDGE</b>	This factor appraises how well the employee knows his <b>job</b>	Consider the extent to which the employee fills the experience, training, and skill requirements of the job as set forth in the <b>job</b> description. Consider only that part of his background which <b>contributes</b> to <b>his</b> knowledge of his <b>job</b> .
<b>DEPENDABILITY</b>	This factor appraises the individual's reliability as an employee	Consider how well the employee handles all phases of the <b>job</b> with normal supervision. consider his reliability, conscientiousness, punctuality, and attendance.
<b>COOPERATION</b>	This factor appraises the employee's tact and willingness to cooperate with others	Consider how well employee receives new suggestions and improved methods, the extent to which he does his part, gets along with others. and shares helpful information.
<b>ADAPTABILITY</b>	This factor appraises the employee's ability to meet changed conditions and the ease with which he <b>learns</b> new duties in his classification	Consider the employee's <b>versatility</b> in the classification, <b>his</b> ability to perform work outside his normal <b>routine</b> and to learn new phases of the <b>classification</b> .

**DEERE & COMPANY - MERIT RATING SCORE SHEET**

Clock No. \_\_\_\_\_ Employee \_\_\_\_\_ Dept. No. \_\_\_\_\_ Rating Date \_\_\_\_\_  
 Occ Code \_\_\_\_\_ Job Classification \_\_\_\_\_ Rate Range Min \_\_\_\_\_ Max \_\_\_\_\_  
 Present Rate \_\_\_\_\_ Indicated Merit Rate Above Min \_\_\_\_\_ Proposed Rate \_\_\_\_\_

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		Deg.	Score	Merit Score
QUALITY	Poor quality - Inaccurate - Work often below standard - Careless and slipshod worker - Frequent errors	5	18	
	Minimum acceptable quality - Fairly accurate - Requires close check for quality and accuracy	4	21	
	Good quality - Accurate - Generally meets quality and accuracy standards	3	24	
	Above average quality - Accurate and thorough - Few errors	2	27	
	High quality - Very accurate - Consistently meets high standards	1	30	
QUANTITY	Very slow worker - Loses considerable time - Low output or accomplishment	5	12	
	Slow or spotty worker - Inconsistent producer - Below average output or accomplishment	4	14	
	Competent worker - Accomplishes a satisfactory amount of work	3	16	
	Efficient worker - Good output or accomplishment	2	18	
	Fast, efficient worker - Output or accomplishment consistently high	1	20	
JOB KNOWLEDGE	Has very little knowledge of job - Requires constant assistance or coaching	5	12	
	Has limited knowledge of job - Requires further training	4	14	
	Has working knowledge of job - Adequate for normal performance	3	16	
	Has above average knowledge in most phases of job - Requires little assistance or coaching	2	18	
	Has full knowledge of all phases of job - Has fine background and experience and knows how to use it	1	20	
DEPENDABILITY	Not dependable - Shirks duties - Punctuality or attendance poor - Requires constant checking on quitting early and loafing	5	8	
	Needs close check for dependability on regular duties - Requires follow up - Requires some checking on quitting early and loafing	4	7	
	Generally dependable - Normal supervision sufficient - Punctuality and attendance good	3	8	
	Dependable - Handles regular duties very well - Requires some supervision - Does not quit early or loiter	2	9	
	Thoroughly dependable - Handles unusual circumstances well - Requires a minimum of supervision - Reliability, conscientiousness, punctuality and attendance very good	1	10	
COOPERATION	Quarrelsome and antagonistic - Habitually complains, criticizes or argues - Not receptive to suggestions	5	6	
	Tactless and opinionated - Poor team worker - Reluctant to consider suggestions	4	7	
	Generally cooperative in regular duties - Conservative in dealing with others - Generally considers suggestions	3	8	
	Good team worker - Gets along well with others - Usually applies constructive suggestions	2	9	
	Splendid cooperation and tact in all dealings - Always applies constructive suggestions	1	10	
ADAPTABILITY	Very slow to learn and understand new duties - Indifferent towards improving	5	6	
	Limited as to variety of duties - Slow to adjust to new situations - Learns slowly	4	7	
	Able to do closely related work satisfactorily - is best if kept on same duties, but can learn new work with normal supervision	3	8	
	Able to adapt to new duties, methods, or situations better than average - learns fairly well	2	9	
	Able to adapt quickly to new duties, methods, or situations - Learns new duties quickly	1	10	
Rated by _____	Date _____	Total Score: _____		
Approved by _____	Date _____			

### EXHIBIT "B-1" AUTO PROGRESSION & MERIT TABLE

John Deere Welland Works Basic Hourly Rates

(Hourly Rates for each step in the ranges are subject to the provisions of Article 15.02 and 15.03)

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AUTOMATIC PROGRESSION AND MERIT RATING TABLE											
AUTOMATIC PROGRESSION INTERVALS AND RATES									MERIT RATINGS POINT SCORE RANGES AND RATES		
L/ G	MIN	AFTER 1 MO.	AFTER 2 MO.	AFTER 3 MO.	AFTER 4 MO.	AFTER 5 MO.	AFTER 6 MO.	AFTER 9 MO.	SCORE 71-80	SCORE 81-90	SCORE 91-100
1	18.945			19.320			19.690	20.045	20.420	20.795	21.155
2	18.320			18.710			19.065	19.455	19.845	20.200	20.595
3	17.490			17.855			18.215	18.555	18.925	19.315	19.655
4	16.590		16.975		17.325		17.655		18.035	18.360	18.745
5	16.120		16.435		16.780		17.165		17.530	17.885	18.220
6	15.535	15.860		16.225		16.545			16.900	17.225	17.595
7	15.045	15.375		15.685		15.995			16.305	16.630	16.945
8	14.720	14.980	15.245	15.515					15.755	16.050	16.325
<b>AUTOMATIC PROGRESSION FROM MINIMUM TO MAXIMUM</b>											
9	14.360	14.720	15.095	15.470		15.810					
10	13.950	14.415	14.890	15.410							

When rate is at mid-point, merit rate at each (6) month anniversary of hire.

NOTE: When an Employee is transferred to an hourly paid job classification under the provisions of Article 15.06, at a rate which does not appear for the applicable labour grade in the above table, he shall be given the next higher rate, if any, that does appear in the above table for the applicable labour grade.



**EXHIBIT "C" SENIORITY CLASSIFICATIONS**

HOURLY AND INCENTIVE PAID OCCUPATIONS AND SENIORITY CLASSIFICATION				
OCC CODE	L/ G	CLASSIFICATIONS	SENIORITY CLASS NUMBER	
			HOURLY	INC
B-25	5	PUNCH PRESS OPERATOR - HOT		419
C-60	6	METAL FABRICATOR		425
D-82	5	MACHINE TOOL OPERATOR		875
D-83	6	MACHINE TOOL OPERATOR		876
D102	6	MANUFACTURING CELL OPERATOR		794
D102	6	MANUFACTURING CELL OPERATOR		795
F-1	5	MANUAL ARC WELDER		463
F-1	5	ROBOTIC WELDER OPERATOR		492
F-50	5	SETUP - WELDING	91	
K-8	6	ASSEMBLER		

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HOURLY AND INCENTIVE PAID OCCUPATIONS AND SENIORITY CLASSIFICATION				
OCC CODE	L/ G	CLASSIFICATIONS	SENIORITY CLASS NUMBER	
			HOURLY	INC
K-9	7	ASSEMBLER		
K-10	8	ASSEMBLER		
K-11	9	ASSEMBLER		
		ASSEMBLY-BUNDLING-PACKAGING CHECK CHART(10 SEPT. 1976)		
		ASSEMBLER-BUNDLER-PACKAGER		755
K-13	6	ASSEMBLY SETUP	93	
L-5	6	SPRAY PAINTER	97	
L-9	7	FLOW COAT PAINTER	140	
L-14	9	TRANSFER APPLIER		648
M-30	7	PRODUCTION PARTS RECLAIMER	141	
N-4	9	SNAG GRINDER AND DEBURRER		853
N-6	6	FLAME CUTTER OPERATOR		860
N-21	2	LAYOUT AND/OR CHECKER	358	

HOURLY AND INCENTIVE PAID OCCUPATIONS AND SENIORITY CLASSIFICATION				
OCC CODE	L/ G	CLASSIFICATIONS	SENIORITY CLASS NUMBER	
			HOURLY	INC
Q-1	2	POWER HOUSE OPERATOR AND/OR MAINTENANCE	38	
R-5	2	MACHINE MAINTENANCE	20	
R-9	4	BUILDING REPAIR & MAINTENANCE	64	
R-15	3	REPAIR MECHANIC (INDUSTRIAL TRUCKS)	40	
R-19	7	MAINTENANCE OILER	273	
R-20	2	ELECTRICIAN	9	
R-25	3	COMBINATION WELDER	41	
R-37	2	PIPE FITTING, HEATING & VENTILATING MAINTENANCE	42	
R-38	7	PIPE FITTING, HEATING & VENTILATING MAINTENANCE	142	
R-62	5	PORTABLE TOOL REPAIR	76	
R-90	8	MAINTENANCEHELPER	275	
T-1	1	TOOL AND DIE MAKER	3	
T-9	3	TOOL AND DIE REPAIR	45	

HOURLY AND INCENTIVE PAID OCCUPATIONS AND SENIORITY CLASSIFI				
OCC CODE	L G	CLASSIFICATIONS		
			HOURLY	INC
U-1	5	INSPECTOR	75	
U-12	4	INSPECTION- SPECIAL INVESTIGATOR	50	
V-2	8	INDUSTRIAL TRUCK OPERATOR	210	
V-3	6	SEMI-TRAILER TRUCK DRIVER	104	
V-13	7	OVERHEAD ELECTRIC CRANE OPERATOR	158	
V-15	7	STEEL STORAGE STOCKER	220	
V-17	9	MATERIAL HANDLER	268	
W-1	6	WAREHOUSE OR SHIPPING CHECKER	110	477
W-2	7	WAREHOUSER OF SHIPPER	161	525
W-11	8	STORES AND TOOL CRIB ATTENDANT	223	
W-30	8	MATERIALS STOCKER	320	
W-50	8	CRATE AND BOX PALLET REPAIRER AND/OR ASSEMBLER	213	608
X-7	3	MECHANIC	51	

HOURLY AND INCENTIVE PAID OCCUPATIONS AND SENIORITY CLASSIFICATION				
OCC CODE	L/ G	CLASSIFICATIONS	SENIORITY CLASS NUMBER	
			HOURLY	INC
X-8	5	MECHANIC	114	
X-13	2	INSTRUMENTATION AND TEST MECHANIC	19	
X-26	7	FIELD TEST EQUIPMENT OPERATOR	165	
X-45	3	WELDER	52	
Z-14	8	STOCK CHASER	228	
Z-20	10	JANITOR	313	
Z-22	9	MECHANICAL FLOOR CLEANER - DRIVER	286	
Z-30	7	PRODUCTION TOOL SERVICE	170	
Z-32	3	MACHINING SETUP	26	
Z-34	3	WELDING TRYOUT (METHODS DEPARTMENT)	54	
Z-43	8	INVENTORY COUNTER OR CHECKER	230	

## **EXHIBIT "D"**

### **STANDARD HOUR INCENTIVE PLAN**

#### INDEX

Section 1	Outline of Plan
Section 2	Performance Rating
Section 3	Personal and Fatigue
Section 4	Operator Waiting Time (Machine or Process)
Section 5	Job Delay
Section 6	Terminology with Definitions

#### **Section 1 Outline of Plan**

**A.** The Standard Hour Incentive Plan is operated on the principle that the normal non-incentive performance expected of average employees skilled in their assigned tasks is 100% performance.

**B.** Performance beyond 100% is compensated for on a one-for-one principle and potential earnings on incentive work time where the operator is not limited or restricted by process or machine time is expected to average thirty (30) percent above occupational rate.

**C.** The unit of measurement in this Standard Hour Incentive Plan is standard hours per 100 pieces or units.

1. Standard hours per 100 pieces or units is the unit of time measuring the quantity of work that must be produced in order to earn the equivalent of the occupational rate.

2. "Standard hours per 100 pieces or units" are referred to as "incentive standards" or "standards".

**D.** To compute incentive earnings under this plan the following steps are required. First, multiply the production in pieces or units on each operation by the appropriate standard and then divide by 100 to arrive at

earned hours. Earned hours are then multiplied by the occupational rate to calculate incentive earnings. The formula:

<b>1<sup>st</sup> Step</b>			
No. of	<b>X</b>	Inc. Std.	/ 100
Pieces	Multiply	Expressed	Divide
Produced		In Std. Hrs.	-
		per 100 Pcs	Equals
<b>2<sup>nd</sup> Step</b>			
Hours	<b>X</b>	Occupational Rate	= Money Earned
Earned	Multiply		

**E.** The standard hours per 100 pieces or units are established from time study or from data (either standard data or plant data) at the level of 100% performance as explained in Section 2 and include the allowances explained in Sections 3, 4 and 5.

**F.** The incentive earnings of an employee on any given job will be in direct proportion to his rate of production except that the minimum pay for incentive employees shall be the occupational rate. The employee is guaranteed earnings for the day equal to hours worked times the occupational rate or rates appropriate for the work performed during the day.

**G.** Where an incentive standard is found to be in error due to arithmetical errors in calculation of the incentive standard or clerical errors in the transferring and posting of the incentive standard, such errors shall be corrected.

**H.** When standard hours per 100 pieces or units for an operation are to be charged on the basis of changes in the operation, time studies may be made of the complete operation, but any revision either by the time study or by the application of data shall apply only to the changed or affected part of the operation.

**I.** There shall be no ceiling on earnings.

**J.** In the event of a **complaint** with respect to the correctness of a standard the Company will recheck the standard and provide the employee with the results.

If the employee is not satisfied the Union time study person will be provided the opportunity to verify the results of the recheck.

If the dispute is not resolved internally a representative of the National Union trained in industrial engineering will be provided with the results **of** the recheck **and** be permitted to view the operation.

If the matter is not resolved the Union may proceed to arbitration pursuant **to** Article 9.05A by giving the Company notice in writing within ten (10) days of the date upon which the representative of the National Union views the operation. The arbitrator shall determine whether or not the standard is correct.

## **Section 2. Performance Rating**

**A.** It **is** recognized that it is impractical to select an operator to be time studied who will be the average skilled operator. It is also recognized that any operator may possess varying degrees of skill on various work elements and also may work with varying degrees of performance during the time study.

**B.** It is the principle of this plan to adjust observed time to normal time. The time study engineer through special training and experience adjusts the observed time by means of factors (as illustrated below) applied from observation of the work elements performed by the employee.

**C.** These factors will be shown on the time study according to a scale in which 100% indicates normal performance. 105%, 110%, 115%, etc. would indicate progressively higher performance while 95%, 90%, 85%, etc. would indicate lower performance. If the actual time in decimal minutes of an element is given a performance rating of 110%, it means that in computing his study the time study engineer will increase the actual minutes 10%



to arrive at the **normal** time for the operation. Actual time with a **90% performance** rating will be reduced to 90% of the actual time to arrive at the normal time.

**D.** Where time values are established by time study, the performance rating will be made during the observation and the time study engineer will, upon request, indicate the performance rating to the employee.

### **Section 3. Personal and Fatigue**

**A.** Standard hours per 100 pieces or units include percentage factors to provide for necessary personal and fatigue delays. Because an individual tends to recuperate from fatigue during time taken from work for personal needs, it is impossible to separate the allowance for personal needs from the allowance for fatigue where both are present. Therefore, these are combined into one percentage factor.

**B.** The personal and fatigue percentage factors cover such items as rest or recuperation, the ten (10) minute rest period in each half shift, getting a drink, preparing the Daily Work Record, using the toilet, etc. The minimum personal and fatigue percentage factor applied on work elements (not on waiting time) is 10% and provides approximately 44 minutes per eight (8) hour day.

**C.** The personal and fatigue percentage factor covers the general range of motions included in work elements for factory operations and is based on experience and judgment as conditioned by the findings of various tests and experiments made to determine fatigue factors adequate for an average operation. Beginning with a minimum of 10%, the personal and fatigue percentage factors increase depending upon the **type** of work being performed.

**D.** This minimum of 10% coupled with a minimum of 3% job delay equals a minimum delay factor of 13.3% on any work element.

**Section 4. Operator Waiting Time (Machine or Process)**

A. The amount of time that an operator must wait for his machine(s) or process(es) after he has completed the work that can be performed during the machine element or process cycle of the operation may be computed by either the Inherent Delay Formula or the Work Assignment Factor Formula.

**1. INHERENT DELAY**

The Formula:

	<b>Machine</b>		
Inherent	<b>Elementor</b>		(Std. Min.)
<b>Delay=</b>	<b>ProcessCycle</b>	<b>x *1.08</b>	<b>minus</b>
<b>(I.D.)</b>	<b>Time*MT</b>		<b>*R* Work Element Time</b>
			<b>**1.30</b>

\*The Machine Element of Process Cycle Time and the "R" Work Element Time must be converted to standard minutes. To convert Machine Element or Process Cycle Time to standard minutes, it is multiplied by 1.08. Since there is limited fatigue in a machine element or process cycle time, only an 8% personal and fatigue percentage factor is allowed instead of the 10% minimum personal and fatigue percentage factor for work elements mentioned under Personal and Fatigue.

"The application of this Inherent Delay formula provides for incentive earnings on work elements performed during the running time of the machine or process. When an operator performs work elements ("R" Work Element Time) during the running time of the machine or process ("MT" Machine Element or Process Cycle Time) the time to be subtracted from the Machine Element or Process Cycle standard minutes will be the same of the "R" Work Elements Time (Std. Minutes) divided by 1.30. This gives the operator an extra allowance for the work he performs during the Machine element of Process Cycle. An allowance of 10% is added to the inherent delay to provide a minimum incentive possibility of 110%. The total standard minutes is then the sum of the total standard work minutes and inherent delay minutes.

## 2. WORK ASSIGNMENT FACTOR (WAF)

The Work Assignment Factor primarily provides a guide in scheduling combination work assignments that will most fully utilize the operator's time and thereby eliminate or reduce an operator's waiting time. The Work Assignment Factor allows a continuation of incentive opportunity if one or more of the machines in a battery becomes inoperable or if a combination of operations is changed for any reason, including the assignment to it of one or more untimed operations.

WAF FORMULA

$$\text{WAF} = \frac{\frac{D + R}{1.30}}{\frac{D}{1.30} + MT * 1.08 * 0.9(U.F.)}$$

Payment for Waiting Time

For payment purposes the Work Assignment Factors for a particular combination of operations are totalled. This total WAF is used with the following **WAF** Multiplier Table to obtain a multiplier for the combination. The multiplier is then multiplied by the number of hours that an operator runs a particular combination of operations and the resultant hours are paid for at the applicable occupational rate.

No multiplier is to be applied for setups and other full work operations such as burring and hand drilling.

If the sum of the Work Assignment Factors for the combinations of operations run in a particular battery is less than .55 for a continuous period of five days, the Company shall investigate the reasons for this condition and will make a concerted **effort** to correct the condition.

The Union will be informed of the findings of this investigation and of the corrective action being taken.

**EXHIBIT D—SECTION 4**

**WAF MULTIPLIER TABLE**

Total WAF	Multiplier	Total WAF	Multiplier	Total WAF	Multipliers*
.01	1.09	.40	.63	.79	.22
.02	1.08	.41	.62	.80	.21
.03	1.07	.42	.61	.81	.21
.04	1.06	.43	.60	.82	.20
.05	1.04	.44	.58	.83	.19
.06	1.03	.45	.57	.84	.18
.07	1.02	.46	.56	.85	.17
.08	1.01	.47	.55	.86	.16
.09	1.00	.48	.54	.87	.16
.10	.98	.49	.53	.88	.15
.11	.97	.50	.52	.89	.14
.12	.96	.51	.51	.90	.13
.13	.95	.52	.49	.91	.12
.14	.93	.53	.48	.92	.12
.15	.92	.54	.47	.93	.11
.16	.91	.55	.46	.94	.10
.17	.90	.56	.45	.95	.10
.18	.89	.57	.44	.96	.09
.19	.88	.58	.43	.97	.08
.20	.86	.59	.42	.98	.08
.21	.85	.60	.41	.99	.07
.22	.84	.61	.40	1.00	.07
.23	.83	.62	.39	1.01	.06
.24	.82	.63	.38	1.02	.06
.25	.81	.64	.37	1.03	.05
.26	.80	.65	.36	1.04	.05
.27	.78	.66	.35	1.05	.04
.28	.77	.67	.34	1.06	.04
.29	.76	.68	.33	1.07	.03
.30	.75	.69	.32	1.08	.03
.31	.74	.70	.31	1.09	.02
.32	.72	.71	.30	1.10	.02
.33	.71	.72	.29	1.11	.02
.34	.70	.73	.28	1.12	.01
.35	.69	.74	.27	1.13	.01
.36	.68	.75	.26	1.14	.01
.37	.67	.76	.25	1.15UP	0
.38	.66	.77	.24		
.39	.64	.78	.23		

## **Section 5. Job Delay**

**A.** Job delays refer to unmeasurable, miscellaneous work or interruptions not directly related to the number of pieces or units produced. Each such delay which equals or exceeds six (6) minutes (.1 of an hour) will be paid for at the occupational rate of the job being performed provided the delay is recorded on the Daily Work Record, or other approved form, and is approved by the supervisor. Job delays of less than six (6) minutes are not accumulative throughout the day.

**B.** The job delay factor is applied to the total standard minutes in determining the standard hours per 100 pieces or units for an operation. These factors are used to compensate for job delays of less than six (6) minutes.

1. The following list illustrates the types of delays covered by these job delay factor percentages. This list, of necessity, does not include all delays but illustrates the type of delays covered by our job delay factors.

- a. Change from one operation to the next; contact supervisor, clerks, inspectors, etc., about job; check orders and order stock; prepare and arrange work area and material: remove or replace protective equipment; put on and remove items such as apron, gloves, glasses, leggings, paint protection, etc.; start or stop equipment; get and aside supplies, tools, prints, etc.; check work and equipment, sort, count, and record parts: punch job clock and/or record time, get tools, job, trucks, tractor, stock, oiler, supplies, etc.; move skids, change loads.
- b. Attention to equipment and process—Adjust and make minor repairs to tools and equipment: get oil, oil equipment; mechanical or electrical difficulties; add coolant, thinners, and processing materials; check and maintain setup—alignment of jigs, fixtures, gages, resetting stops, remove shavings.



## **Section 6. Terminology with Definitions**

**A. Battery Combination Work Assignments** are described as:

**1. Machine Tool Batteries:**

Two or more machine tools operated by one operator as a combination work assignment. **At** least one of the machine tools must continue the machining cycle while the operator works or waits at the other machine tool or **performs** any other work.

**2. Other Batteries:**

- a.** Where the operator of a machine tool performs work **at a** machine or performs any other work during the machine tool machining cycle.
- b.** Where the operator of a machine performs work at another machine or performs any other work during the machine cycle.
- c.** Where the operator of processing equipment performs work at a machine or performs any other work during the processing cycle time.

**B. Other Combination Work Assignments:**

Where one operator performs two or more operations, none of which continue its machining or processing cycle while the operator works at the other operations.

**C. "MT" Machine Element of Process Cycle Time:**

Elapsed running time for the machine or process controlled elements.

**D. "R" Work Element Time:**

Standard time in minutes for the elements of work that may be performed during the running time of the machine or process.

**E. "D" Work Element Time:**

Standard time in minutes for the elements of work that must be performed while the machine or process cannot be in operation.

**F. (I.D.) Inherent Delay:**

The amount of time in standard minutes that an operator must wait for his machine or process **after** he **has** completed the work that can be performed during the machine element or process cycle of the operation.

**G.** "WAF" Work Assignment Factor:

The percentage that the manual work is of the floor-to-floor cycle modified by utilization factor.

**H.** Machine Tool:

A non-portable power driven machine for milling, planing, turning, grinding, boring, drilling, sawing, or otherwise changing the material or parts by removing metal in the form of chips, fragments, spiral shavings or the like.

**I.** Machine (Other than Machine Tools):

A non-portable power driven device for cutting, shearing, punching, straightening, forming or otherwise working on and modifying material or parts.

**J.** Processing Equipment:

Powered equipment that subjects material or parts to a process or treatment in the course of manufacture that is not intended to change the size or shape of the material or part. Examples are heat treat furnaces, wheelabrators and flow coat painting.

**K.** "UF" Utilization Factor:

Compensates for the additional operator waiting time which results from two or more machines being ready to be serviced simultaneously or of no machine being ready to be serviced because of variations in the floor-to-floor cycle time of the different operations run in the combination.



**EXHIBIT "E"**  
**ESTIMATED INCENTIVE STANDARDS**

- A. The company may estimate standard hours for untimed incentive standards.
- B. The resultant estimated incentive standard will be issued and will be effective unless changed or withdrawn due to method changes and/or design changes, or replaced by the Company **with an** incentive standard for the operation established under the terms of the Standard Hour Plan.
- C. in the development of the estimated standard under the Standard Hour Plan, **as** referred to above, the Company will not be bound by any estimated time values.

**EXHIBIT "F"**  
**SENIORITY UNIT LIST**

(WITH SENIORITY CLASSIFICATION NUMBERS)

Unit No.	Class No.	Occ. Code	Seniority Classification
900	3	T-1	Tool and Die Maker
	45	T-9	Tool and Die Repair
901	170	Z-30	Production Tool Service
	223	W-11	Stores & Tool Crib Attendant
902	9	R-20	Electrician
	20	R-5	Machine Maintenance
	38	Q-1	Power House Operator and/or Maintenance
	40	R-15	Repair Mechanic (Industrial Trucks)
	41	R-25	Combination Welder
	42	R-37	Pipe Fitting, Heating and Ventilating Maintenance
	64	R-9	Building Repair and Maintenance
	76	R-62	Portable Tool Repair
	147	R-38	Pipe fitting, Heating and Ventilating Maintenance
	273	R-19	Maintenance Oiler
903	275	R-90	Maintenance Helper
	50	U-12	Inspection—Special Investigator
	75	U-1	Inspector
904	358	N-21	Layout and/or Checker
	19	X-13	Instrumentation and Test Mechanic

Unit No.	Class No.	Occ Code	Seniority Classification
	51	X-7	Mechanic
	52	X-45	Welder
	114	X-8	Mechanic
	165	X-26	Field Test Equip. Operator
905	104	V-3	Semi-Trailer Truck Driver
	110	W-1	Warehouse or Shipping Checker
	161	W-2	Warehouser or Shipper
907	228	Z-14	Stock Chaser
	320	W-30	Materials Stocker
908	97	L-5	Spray Painter
	140	L-9	Flow Coat Painter
909	210	V-2	Industrial Truck Operator
910	286	Z-22	Mechanical Floor Cleaner - Driver
	313	Z-20	Janitor
911	230	Z-43	Inventory Counter or Checker
	268	V-17	Material Handler
912	141	M-30	Production Parts Reclaimer
913	158	V-13	Overhead Electric Crane Operator
	220	V-15	Steel Storage Stocker
914	26	Z-32	Machining Setup
915	91	F-50	Setup Welding
916	93	K-13	Setup Assembly
918	54	Z-34	Welding Tryout
950	419	B-25	Punch Press Operator - Hot
	425	C-60	Metal Fabricator
956	860	N-6	Flame Cutter Operator

Unit No	Class No	Occ Code	Seniority Classification
957	875	D-82	Machine Tool Operator
	876	D-83	Machine Tool Operator Machine Tool Check Chart (20 Sep/79)
	a53	N-4	Snag Grinder & Deburrer
959	463	F-1	Manual Arc Welder
	492	F-1	Robotic Welder Operator
960	648	L-14	Transfer Applier
961	755	K-8)	<b>Assembly-Bundling-Packaging</b>
		K-9)	Check Chart (10 Sept/76)
		K-10)	Assembler-Bundler-Packager
		K-11)	
962	477	W-1	Warehouse or Shipping Checker
	525	W-2	Warehouser or Shipper
	609	W-50	Crate, <b>Box</b> & Pallet Repair and/or Assembler
963	794	D-102	Manufacturing Cell Operator
	795	D-102	Manufacturing Cell Operator

## **EXHIBIT "G"**

### **CONTINUOUS IMPROVEMENT PAY SYSTEM**

The Continuous Improvement Pay System is a framework for the development and application of Continuous Improvement Pay Plans (CIPP) which reward teams of employees for helping achieve continuous improvement of the operations to which they are assigned. This framework recognizes that continuous improvement requires a cooperative effort from all employees, and provides employees the opportunity to both increase their earnings by sharing in these improvements and maintain a consistent weekly pay level.

#### **Section 1. Outline of the Continuous Improvement Pay System**

**A.** A Continuous Improvement Pay Plan provides incentive compensation to a team of employees for achieving continuous improvement on a weekly basis above the Base performance metric(s).

**B.** Weekly Plan Performance is a team's calculated weekly earnings level expressed as a percent. It is determined by increasing (or decreasing) the 115% weekly pay level for the team for the week by 67% of the percentage change in weekly results achieved, compared to each Base performance metric(s). When multiple metrics (e.g., quality, productivity, schedule performance, etc.) are used, each metric will be assigned a percentage weighting factor with the sum of the weighting factors equaling 100%. A Weekly Plan Performance is calculated for each metric as described above and then multiplied by its respective metric weighting factor. These individual metric calculations are

then added together to **arrive** at the total Weekly Plan Performance.

**C.** Pay for an employee's attendance hours while participating in a **CIPP** application (input hours) within a given week is computed by multiplying the employee's **CIPP** base rate(s) times the Weekly Pay Level for the week. Weekly Pay Level for each **CIPP** application will be determined as follows:

1. The maximum Weekly Pay Level for a **CIPP** application is 115%. Weekly hours earned in excess of 115% will be allocated to the **CIPP** application's Reserve Fund.
2. When Weekly Plan Performance for a **CIPP** application is between 100% and 115%, the hours required **to** build-up earnings to the maximum Weekly Pay Level for the plan's participants will be provided equally from the **CIPP** application's Reserve Fund Hours and the Company, if hours are available in the Reserve Fund.
3. When a **CIPP** application's Weekly Plan Performance provides an earnings level that is less than 100% of an employee's input hours times their **CIPP** base rate(s), the Company will provide build-up hours **to** a weekly pay level of 100% of their **CIPP** base rate(s) for a plan participant's input hours in the plan. Weekly earnings **will** be built-up further **to** the maximum Weekly Pay Level according to Section 1.C.2.

**D.** An Average Semester Plan Performance for each **CIPP** application, weighted by the plan participants' weekly input hours, will be calculated for each Base metric at the end of 26 consecutive calendar weeks (Plan Semester) from the start of the plan and each 26 consecutive calendar week period, thereafter.

1. When the Average Semester Plan Performance for a metric is less than the Base Adjustment Level **of** 120%, **its** Base performance metric will not **be** changed for the next semester.

- 2.** When the Average Semester Plan Performance for a metric equals or exceeds the Base Adjustment Level of 120%, its Base performance metric will be adjusted so that the weekly results which generated a Weekly Plan Performance of 120% during the semester will provide a Weekly Plan Performance of 115% during the next Plan Semester. In return for this adjustment, the Company will distribute a Base Adjustment Allowance of additional paid hours to the plan participants equivalent to 5% of the plan input hours, factored by the Base metric's weighting.
- 3.** If a Base Adjustment Allowance is earned for a metric as provided in D-2 above during a current semester and there was a Base Adjustment, as provided in D-2 above, for that metric in one or two of the immediately preceding semesters, then an additional premium equal to the current Base Adjustment Allowance for that metric will be paid.
- 4.** Remaining Reserve Funds Hours (accumulated weekly Reserve Fund Hours less hours used for build-up) will be distributed to the plan's participants at the end of the Plan Semester. The Reserve Fund Hours and the Base Adjustment Allowance, if earned, will be distributed to the plan's participants based on a ratio of each participant's plan input hours to the total plan input hours during the semester.
- 5.** In the event the number of plan workweeks within a semester is less than twenty-two (22) workweeks the Base Adjustment Allowance, if earned, will be paid based on employee input hours factored up to the equivalent of twenty-four (24) workweeks.
- E.** Each Base performance metric will be established using historical data, when available, or through comparative data and/or appropriate engineering techniques, such that weekly results equal to the Base performance metric will yield a Weekly Plan Performance of 115%.

**F.** Employees' time for the following situations should be excluded when establishing the Base performance metric and not **be** included as plan input hours when they occur.

1. Paid Lunch Hours
2. Authorized Union Business
3. Training outside of the plan of eight hours or more
4. Catastrophic downtime
5. Special projects/assignments outside of plan operation

**G.** All attendance hours not included as plan input hours will be paid for at the appropriate CIPP base rate.

## **Section 2. Maintenance of CIPP Applications**

**A.** In addition to Base adjustments described in Section 1.D.2, adjustments to Base performance metric(s) and/or output standards will be made for the following conditions:

1. The Company invests greater than \$50,000, or \$5000 per plan participant, whichever is less, in a CIPP application area.
  - a. When an investment results in improved performance the adjustments will account for only 80% of the calculated improvement to allow employees time to adjust to the change.
  - b. When an investment results in deteriorating performance the adjustments will account for the full affect of the deterioration.
2. Both parties agree that a change is necessary to assure the on-going competitiveness of the operation.
3. Work is moved into the plan from another area or out of the plan to another area.
4. Direct Labor is added to or deleted from the operations.
5. Introduction of new or revised products. When new or revised products are introduced into a



plan, output standards for the new and revised products will be established based on the design and methods of manufacture for the new or revised product. At this time, the Company may update the output standards of all products produced by the plan participants. In this case, the ratio of output hours produced to the plan participants' input hours (Base performance metric) will be adjusted to produce the same Weekly Plan Performance for this metric that was achieved prior to the change in the output standards.

**B.** Output Standards in CIPP applications will be established using procedures such as timestudy, standard data, plant data, video analysis, laboratory analysis, predetermined data systems, part family analysis or any combination thereof.

**C.** In the event that a CIPP application is not producing the desired results, the parties agree to meet, determine the extent of the problem, and develop solutions within the framework of the Continuous Improvement Pay System.

### **Section 3. Other Contract Provisions**

**A.** For the purposes of Article XV, Section 15.20, the term money paid will be interpreted to mean money earned for CIPP input hours.

**B.** Work covered by any job classification listed in Exhibit C may be included in a CIPP application.

**C.** Where Occupational Rate appears in the contract, it will be interpreted to mean the CIPP rate.

**D.** Employees assigned to a CIPP application will be considered as incentive employees for pay system purposes.

**E.** The provisions of Article XV, Sections 10, 12, 13, 14, 15, & 16 will not apply during input hours of employees assigned to a CIPP application.

## ATTACHMENT TO EXHIBIT "G"

### STANDARD HOUR INCENTIVE PLAN BUYOUT

During the course of these negotiations, the Company agreed to buy out the Standard Hour Incentive Plan. This will be accomplished by providing eligible employees with a Standard Hour Incentive Plan (SHIP) Conversion Factor to be applied when working in the new Continuous Improvement Pay System. The intent of this factor is to allow employees to preserve a comparable earnings opportunity. An employee's SHIP Conversion Factor will be used for computing earnings in a Continuous Improvement Pay Plan (CIPP) application as well as any successor pay plan that does not provide earnings opportunity comparable to the Standard Hour Incentive Plan.

- A. Employees classified as incentive employees on 30 September 1995 who worked during the computation period will have their hours of pay determined by multiplying their hours earned in CIPP applications by their SHIP Conversion Factor.
1. The computation period for the calculation of the SHIP Conversion Factor is 31 October 1994 through 30 September 1995.
  2. The SHIP Conversion Factor for an employee who worked during the computation period is calculated as follows:

Weighted Average Straight Time Hourly Earnings

Weighted Average Occupational Rate

----- = SHIP Conversion Factor

1.15

3. No employee will have a SHIP Conversion Factor less than 1.000.

- B.** Any employee **who** was classified **as** an hourly employee and had restoration rights to an incentive classification on **30** September 1995 will have **a** SHIP Conversion Factor determined according to paragraph A above. If such employee had no incentive earnings **during** the computation period, the factor will be calculated **by** dividing the last appropriate Average Incentive Earnings rate by the appropriate average Occupational Rate, and dividing the result by 1.15.
- C.** An employee classified **as** an hourly employee on **30** September 1995 who does not have **a** SHIP Conversion Factor will **be** guaranteed his weekly attendance hours times his hourly rate of pay as the minimum weekly pay when initially assigned to a CIPP application. This guarantee will extend for 6 months from the date of this permanent assignment.

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## BENEFITS PLANS

### ARTICLE 1 JOINT COMPANY-UNION PENSION BOARD

#### Section 1. Members

- A. A Joint Company-Union Pension Board, Hereinafter called the Pension Board, shall be established, consisting of six members, three of whom shall be appointed by the Company and three of whom shall be appointed by the Union from among the employees in the bargaining unit represented by the Union. The Company shall compensate each Union appointee for **work** time lost in any regular meeting of the Pension Board, as herein provided, up to **but** not in excess of two hours per month, and, in the event of a special meeting requested by the Company members, the Company shall compensate each Union appointee for work time lost in such special meeting, **as** herein provided, up to but not in excess of two hours per month, in each case computed on the same basis as pay for grievance time. The parties shall complete the appointment of their respective members within thirty (30) days from the date of signing the Collective Bargaining Agreement
- B. Either party may at any time remove a member appointed by it and may appoint a new member to **fill** any vacancy among its appointed members. Each party shall notify the other party in writing of the members or replacements that they appoint before such member or replacement may serve on the Pension Board and before such appointment shall become effective.
- C. The members appointed by either party may, by giving prior notice to the members appointed by the other party, have one advisor attend any meeting to

advise them and to assist in presenting their views to the Pension Board as hereinafter provided. In such an event, the members appointed by the other party may also have one advisor present in the same capacity. Neither advisor shall be considered a member of the Pension Board nor shall have a right to cast a vote.

## **Section 2. Secretary**

- A. Immediately upon the appointment of the Pension Board members by the parties, the Company shall appoint a Secretary to the Board who shall serve until such time as he or she may resign, or die, or until removed by a majority vote of the Pension Board. The Secretary shall attend all Pension Board meetings, but shall not be a member of the Board and shall not have any right to vote at any Board meeting.
- B. In the event of the removal of the Secretary by resignation, death, or written notice of removal by the Pension Board, the Company shall appoint a new Secretary.
- C. The duties of the Secretary shall include the following:
  - (1) To receive on behalf of the members of the Board, the information to be furnished to the Pension Board by the Company as hereinafter provided.
  - (2) To receive on behalf of, and at the next regular meeting to distribute to the members of the Pension Board, a copy of any notice by the Company to an employee of that employee's normal or postponed retirement date.
  - (3) To receive on behalf of the Pension Board any written pension applications filed in triplicate (as set out in Exhibit "P-4," Application for Pension, on forms furnished by the Company) concerning any member(s) of the bargaining unit represented

by the Union for review at the next regular Board meeting. A copy of Exhibit "P-4," Application for Pension, and a pension calculation estimate will be furnished to the Union members at least five working days in advance of the regular Board meeting.

- (4) To receive and present to the Pension Board at the next regular meeting, employee requests for review (as set out in Exhibits "P-6" and "P-2" on forms furnished by the Company) which are appealed to the Board.
- (5) To secure additional information requested by the Pension Board for the review and disposition of cases presented to it.
- (6) To notify employees and to authorize the Trustee to make pension payments in the detailed amounts as directed by the Pension Board. Such notice and authorization will be in the amounts as set forth on "P" Exhibits.
- (7) To take the official minutes and keep all official Pension Board records, such minutes being subject to approval by the members of the Pension Board, sufficient copies of which will be furnished to the members of the Pension Board. "Sufficient" shall mean six copies for the three members appointed by each party.
- (8) To notify the Pension Board members prior to any monthly meeting date, when there is business to be considered by the Pension Board. Written notice of meetings, including copies of all "P" Exhibits to be acted upon, will be furnished to Pension Board members at least **five** working days in advance of the regular Board meeting.
- (9) To furnish to the Union members one copy of all "P" Exhibits signed by Pension Board members.



(10) Notify the Chairman, at the direction of the Board, of any meeting at which a tie vote is to be resolved.

(11) To perform such other incidental duties as the Pension Board, within its powers, directs.

### **Section 3. Authority and Jurisdiction**

A. The Pension Board, in connection with employees in the bargaining unit represented by the Union, shall have, but be limited to, the following authority and jurisdiction:

(1) To consider any dispute involving the correctness of any determination of service credit, as hereinafter provided which is challenged within the prescribed time limits.

(2) To consider employee pension applications and employee requests for review as to (1) the employee's amount of service credit, (2) age, (3) the average annual earning for the purpose of computing the amount of monthly pension payable, (4) the amount of monthly pension benefit, if any, payable and (5) disapprove or approve for payment or make the corrections necessary for such approval of payment. Disapproval by the Board of pension applications shall be recorded on the form as set out in Exhibit "P-5" "Notice of Rejection of Application for Pension," and a copy shall be transmitted to the employee by the Secretary of the Board.

(3) To consider notice of employees terminations under Article III, Section 6, of the John Deere Pension Plan for Hourly and Incentive Paid Employees and to determine and notify such employees of their vested rights under Article III, Section 6, of the John Deere Pension Plan for Hourly and Incentive Paid Employees on the form as set out in Exhibit "P-3."

- (4) To direct the Secretary to secure any additional information required for the review and disposition of cases presented to it.
  - (5) To direct the Secretary to forward the authorization to make pension payments in the detailed amounts as directed by the Pension Board to the Trustee and to forward to the employee the "Notice of Retirement." Such transmittal shall **be** made **by** the Secretary **on** the form as set out in Exhibit "P-8."
- B. The members of the Board, by mutual agreement may appoint a physician or an approved clinic or the staff of an approved hospital who will determine any dispute between the members of the Board over whether or not any employee in the bargaining unit represented by the Union is, or has remained totally and permanently disabled as defined by the Plan.
  - C. The Pension Board shall have no authority to alter, change, detract from or add to any of the provisions of the John Deere Pension Plan for Hourly and Incentive Paid Employees or this Appendix "1" and must interpret and apply the provisions of the John Deere Pension Plan for Hourly and Incentive Paid Employees only insofar as such interpretation and application are necessary to make a determination of the individual case under consideration.
  - D. The Pension Board's determination of matters properly referred to it as herein provided shall **be** final and binding on both parties to this Collective Bargaining Agreement and the employees affected thereby.
  - E. The Board may, from time to time, review **its** forms, methods of distribution of necessary information to employees and its operations, such **as** evidence for verification of age, birth certificate, employment records, etc., and make changes therein consistent with all other provisions of the Plan and this Agreement with the approval of the Union and the

Company. The review provided for in this Section shall not be within the jurisdiction of the Chairman, and he or she shall have no authority to vote upon such matters.

#### **Section 4. Procedure**

- A.** Two Company members and two Union members shall constitute a **quorum** of the Pension Board, and no business of the Pension Board may be transacted without a quorum. **At** all meetings of the Pension Board, the Company members shall have a total of three votes and the Union members shall have a total of three votes. The vote of any absent member shall be cast by the members present who were appointed by the same part that appointed the absent member.
- B.** Decisions of the Pension Board shall be by a majority vote of the Pension Board.
- C.** In the event of a tie vote by the members, the Pension Board shall direct the Secretary, as hereinafter provided, to notify the Chairman of the tie vote and to request his or her attendance at the next regular meeting. However, if it is impossible for the tie vote to be resolved before the pensioner's **payment(s)** become due, the applicant will be paid or not paid as originally determined (in the case of an employee request for review); and in other cases, after disposition of such cases by the participation of the Chairman and effective as of the date of retirement as determined by the Board.
- D.** The Pension Board shall meet once each month **at** a time to be agreed upon by the members of the Board in an office to be furnished by the company, unless there is no business for the Board to consider.
- E.** Although there is no official business to be considered, a regular monthly meeting of the Board can still be held, or a special meeting of the Board may be called by unanimous vote of the members.

### **Section 5. Chairman of the Board--Selection of**

- A.** Within thirty (30) days after their selection, the members of the Board, by unanimous vote, shall appoint an impartial umpire who shall act as a member and Chairman of the Board in connection with those issues **on** which that person has been notified to attend, and who shall serve until such time as he or she may resign or dies or until **he or she** may be discharged by any three (3) members of the Board. In the event the Chairman is discharged, the discharging members shall do **so** by notifying the Chairman and the other three (3) members in writing, stating the reasons therefor.
- B.** The fees and expenses of the Chairman shall be shared equally by both parties to this Agreement.

### **Section 6. Chairman of the Board -- Duties**

The Chairman of the Board shall function as follows:

- A.** In the event of a tie vote by the members, the Board Chairman shall attend meetings, be considered a member of the Board and have the right to cast the deciding vote, and then only in connection with issues within the authority and jurisdiction of the Board.
- B.** The Chairman shall have the same authority and jurisdiction **as** other members of the Board on issues properly to be considered by such chairman, except that he or she shall also act **as** Chairman of the Board during its consideration of such issues.
- C.** The Chairman of the Board, before voting on such issues, shall give the members of the Board who **so** desire an opportunity to present their claims and views in such manner as they may elect.
- D.** The Chairman, in considering such issues, may determine the relevancy of any evidence presented.
- E.** The decision of the Chairman shall be reduced to writing, and the concurring and/or dissenting votes of

the members shall be noted thereon. Any dissenting member may file an explanation of the minority vote with the Chairman's decision.

- F. The Chairman's decision shall set out his or her vote, and shall also explain it **by** citing the provisions of the Plan, the facts, and reasoning on each issue involved.
- G. The Chairman's decision, along with the explanations of the minority votes, if any shall on such issues constitute the decision of the Board and a copy shall be furnished to each member of the Board, the Board secretary, and to each party to this Agreement.

### **Section 7. Request for Review**

- A. Employee request for review over eligibility may be referred to the Pension Board **as** follows:

- (1) Such requests for review over the eligibility of an employee to receive a pension, or over the amount of such pension, must be referred in writing and signed by the employee affected. It must be referred to the Secretary of the Pension Board at the office of the Company within thirty days from notice to the employee by the Secretary of the Pension Board as to the employee's retirement, or within thirty days from the Secretary's notice of the Pension Board's decision on any application for pension. Such requests for review must be filed with the Secretary on Exhibit "P-6" furnished by the Company.

- B. Employee requests for review over total and permanent disability may be referred to the Pension Board as follows:

- (1) Such requests for review may be filed by any employee over whether he or she is totally and permanently disabled as defined by the John Deere Pension Plan for Hourly and Incentive Paid

Employees and as **determined** by the Pension Board, Such requests for review must be in writing, signed by the employee, and filed with the Secretary of the Pension Board within thirty days from the date of the Company's written notice on the matter to the employee, on Exhibit "P-6" furnished by the Company.

- C. Employee requests for review of service credit may be referred to the Pension Board as follows:
- (1) Any employee **who**, upon receiving from the Company a notice, "Statement of Service Credit Not Earned," on Exhibit "P-1" and **as** provided for in Article II of the John Deere Pension Plan for Hourly and Incentive Paid Employees may within thirty days from receipt of such notice file with the Secretary of the Pension Board **a** Request for Review of such statement on Exhibit "P-2" furnished by the Company.
  - (2) Any employee **who**, upon receiving from the Company a, "Notice of Denial of Re-establishment of Service Credit," on Exhibit "P-14" and **as** provided for in Article II of the John Deere Pension Plan for Hourly and Incentive Paid Employees may within thirty days from receipt of such notice file with the Secretary of the Pension Board **a** Request for Review of such statement on Exhibit "P-2" furnished by the Company.
- D. Questions concerning pensions, including any requests for review, shall be handled only as outlined in this Appendix "1" in place of the review procedure provided in the John Deere Pension Plan for Hourly and Incentive Paid Employees, Appendix "A", Article I, Section 16-B and shall not be filed or handled **as** grievances or be subject to arbitration under the terms of the Collective Bargaining Agreement between the parties, and no arbitrator shall have authority to undertake consideration of any such questions or request.

- E. in the event the seniority and employment of any employee is broken under the terms of the Collective Bargaining Agreement; and if there is any complaint on the part of the employee, the issue, including any question of the employee's inability to perform efficiently work for the Company, will be determined through the Grievance Procedure (including arbitration) as provided for in the Collective Bargaining Agreement. However, the employee being so removed may be eligible for benefits under the John Deere Pension Plan for Hourly and Incentive Paid Employees; and any questions within the jurisdiction of the Pension Board shall be determined by the Pension Board.

### **Section 8. Reports to the Board**

- A. The Company will furnish to the Secretary for transmittal to the Pension Board the following information with respect to the operation of the John Deere Pension Plan for Hourly and Incentive Paid Employees:
- (1) monthly statement showing the name, age and amount of service credit of employees in the bargaining unit represented by the Union, if any, who have filed pension applications with the Secretary since the last meeting of the Pension Board.
  - (2) The complete annual report of the actuarial valuation of the plan prepared by the enrolled actuary for the plan.
  - (3) An annual report from the Administrator showing the names of retired employees of the bargaining unit and the total of the disbursements to each during the year.
  - (4) Such information as to the age, sex, earnings, and service of employees covered by the John Deere Pension Plan for Hourly and Incentive Paid

Employees, and amount of pensions and supplemental allowances by age groups as the Board may reasonably require, but in no event shall the Company be required to furnish the Board with any data not furnished by the Company to the actuary.

- B. The Company will provide the Pension Board with such clerical assistance and office supplies as the Pension Board Secretary may require in the performance of his or her duties.



## **ARTICLE II UNION OFFICIALS**

### **Section 1. Service Credit**

- A. In the event that any regular full-time National Union Representative on leave from the Company or a Company employee who serves as a Local President, Financial Secretary, Chairperson, Shop Committeeman, or Union Time Study Representative does not work 500 hours in any anniversary year, as provided for in Article II of the John Deere Pension Plan for Hourly and Incentive Paid Employees, then any leave from active employment for such National Union business or for Local Union business, under the provisions of Article XVII, Section 17.03, "Leaves of Absence" of the Collective Bargaining Agreement between the parties shall be treated as time worked for purposes of qualifying for a year of service credit for such year.

### **Section 2. Pension Benefits**

- A. The Local Union representatives listed above who lose time during regular scheduled work hours (not to exceed eight hours in any scheduled workday or forty hours in one scheduled workweek) for conducting Union business and for which they are not paid by the Company, but are paid by the Union, will, only for the purpose of computing pension benefits, be credited with such earnings on the basis of their regular rate if hourly paid and average straight-time hourly earnings if incentive paid. The procedure for administering this provision will be determined by the Company.
- B. Any regular full-time National Union Representative on leave from the Company, who retires on or after 1 November 1989, and who has accrued service credit as provided in Section 1-A above, shall at retirement have his or her average monthly earnings, as determined on the effective date of such leave, as

defined in Appendix A, Article III, Section 1-C, adjusted on the effective date of each applicable cost-of-living allowance(s) and general wage increase(s), if any, which become effective immediately after commencement of such leave and prior to the date of retirement.

### **Section 3. Life Insurance**

- A. A** Local Union representative listed above who is absent from work for Local Union business as set out in Article XVII, Section 17.03, "Leaves of Absence" of the Collective Bargaining Agreement between the parties may request that such absence be treated as time worked for the purpose of earnings brackets and qualifications under the John Deere Life and Disability Insurance Plan for Hourly and Incentive Paid Employees.

## **ARTICLE III PART-TIME EMPLOYEES**

### **III Part-Time Employees**

Employees covered by the Collective Bargaining Agreement that work not more than 24 hours per week are considered Part time employees and will be eligible for only the minimum amount of benefits allowed by law.

**APPENDIX "A"**  
**JOHN DEERE PENSION PLAN FOR**  
**HOURLY AND INCENTIVE PAID**  
**EMPLOYEES**

**ARTICLE I ESTABLISHMENT OF PLAN**

**Section 1. Purpose**

The purpose of this Plan, which is to be known as the John Deere Pension Plan for Hourly and Incentive Paid Employees is to promote the mutual interests of John Deere Limited and its subsidiaries, hereinafter designated as the Company, and the Hourly and Incentive Paid employees of the Company, except employees of retail establishments in Canada.

**Section 2. Object**

The object of this Plan is to provide disability and retirement benefits for employees, supplementing benefits payable under the Old Age Security Act or other statutory benefits. The benefits payable under this Plan are at all times subject to the requirements, minima and maxima imposed by the Ontario Pension Benefits Act RSO 1990 and regulations there-under, the Income Tax Act (Canada) and regulations thereunder and any other legislation, binding directive or administrative rules of any governmental authority to which the Plan is or may become subject as the same may be amended from time to time. Hereinafter such legislation and regulations will be referred to as "Applicable Legislation".

John Deere Limited shall be the Administrator of this Plan.

### **Section 3. Cost of Benefits**

Except as hereinafter provided, the cost of providing benefits under this Plan will be borne by the Company.

The expenses incurred in the operation of this Plan shall be paid from the Trust Fund unless by the Company.

### **Section 4. Effective Dates**

The effective date of this Plan shall be 1 April 1955, with respect to employees of the Company in active service on or after such date. Except as otherwise provided, the Plan as amended herein shall be effective from 1 October 1995.

The Fiscal Year of this Pension Plan commences on the 1<sup>st</sup> day of January and ends on the 31<sup>st</sup> day of December.

### **Section 5. Statutory Benefit Defined**

"Statutory benefit" as used in this Plan means unreduced benefits from the Old Age Security Act, the Canada or Quebec Pension Plan or any equivalent federal or provincial law providing old age benefits." The statutory benefit under each act or law providing statutory benefits shall be considered to commence on the date on which the retired employee first receives or shall become eligible to receive statutory benefits under such act or law. Any changes in the amount of the statutory benefit under such act or law after the retired employee first receives or becomes eligible to receive such statutory benefits shall not affect benefits under this Plan. Any reduction or cessation of statutory benefits because the retired employee has disqualified himself or herself shall be disregarded, and the amount of statutory benefit considered under this Plan shall be the amount that would have been payable to the retired employee except for such disqualification.

## **Section 6. The Trust Fund and the Trustee**

A trustee shall be designated by the Company and a Trust Agreement executed between the Company and such Trustee, under the terms of which a Trust Fund will be established to receive, hold, invest, and reinvest contributions made by the Company, interest and other income, and to pay the retirement benefits provided for in Article III, Article IV, Article V and Article VI of this Plan.

The Company will determine the form and terms of any such Trust Agreement, may remove any Trustee or select any successor Trustee, and may modify, amend or alter any such Trust Agreement at any time.

The investments of the Trust Fund shall be restricted to the securities and loans prescribed by Applicable Legislation and all investments shall be made in accordance with the terms of the Trust Agreement and the Statement of Investment Policies and Goals.

## **Section 7. Payments to the Trust Fund**

The Company will, as specified below, contribute such amounts, as are determined by an actuary or firm of actuaries chosen by the Company and qualified through Fellowship of the Canadian Institute of Actuaries, hereinafter referred to "the Actuary", necessary to provide the pension, ancillary and other benefits in accordance with Applicable Legislation.

In particular, such amounts include payments made in respect of the normal cost of benefits under the Plan and such special payments for the liquidation of any going concern unfunded actuarial liabilities and solvency deficiencies in accordance with and within the limits permitted by Applicable Legislation.

Contributions required in respect of the normal **cost** of benefits shall be paid into the Trust Fund in monthly installments within thirty days after the month for which contributions are payable.

Special Payments towards any going concern actuarial liabilities or solvency deficiencies shall be paid into **the** Trust Fund in monthly installments.

#### **Section 8. Administration and Termination**

Except as otherwise specifically provided, this Plan shall be administered by the Company and shall be subject to amendment, modification or termination by action of the Board of Directors of the Company **at** any time. If this Plan **is** ever terminated, the assets comprising the Trust Fund shall be used and applied first towards the provision of pensions and other benefits of employees, former employees, pensioners, spouses, dependents and estates accrued in accordance with these provisions **with** respect to **service** up to the date of such termination in an equitable manner determined by the Company, based **on** the advice and recommendation of the Actuary and subject to compliance with applicable legislation as the same may be amended from time to time. If those assets on the date of such termination exceed the amount required to provide for all such accrued pensions and other benefits, the excess shall revert to the Company. In no event shall any part of those assets revert to the Company until provision has been made for all such accrued pensions and other benefits, and in no event shall such provision be made that would result in benefits to an employee being in excess of the maxima determined in accordance with Article VII.

#### **Section 9. Nonencumbrance of Benefits**

Assignment, pledge or encumbrance of any benefits under this Plan will not be permitted or recognized and benefits shall not **be** subject to attachment, execution, garnishment, or other legal process, provided, however, that an employee's interest in monies payable under the Plan are subject to assignment **by** an order under the Ontario Family Law Act, 1986 or by a domestic contract

as defined in that Act or any such similar legislation of another province of Canada, if appropriate.

#### **Section 10. Service Credit**

All service credit will be determined in accordance with the Company's Service Credit Plan as set forth in Article II.

#### **Section 11. Vesting**

No employee shall acquire a vested interest (except as provided by Section 5 of Article III) under the pension provisions of this Plan until retirement or eligibility therefor, and in either case, such interest shall be only as defined in Article III, Article IV and Article V.

#### **Section 12. Nonparticipation**

No employee who is first hired after attainment of his or her sixty-fifth (65) birthday shall become a participant in or acquire rights to any benefits under this Plan.

#### **Section 13. Denial of Benefits**

- A. When benefits provided by this Plan are denied in full or in part, the employee or eligible beneficiary shall receive a written notice of the reason or reasons for such denial.
- B. Except as otherwise specifically provided, a request for review of the denial of benefits may be submitted within 60 days of such denial, in writing, to the Plan Administrator. The Plan Administrator will reply to such request within 60 days.

#### **Section 14. Administration**

The Administrator shall provide every employee covered by this Plan a written explanation of the terms and conditions of the Plan and amendments thereto, and information concerning his rights and duties under the



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Plan, together with a description of the benefits available to him under the terms of the Plan and any other information required by Applicable Legislation.

A copy of all documents and any other information prescribed by Applicable Legislation may be examined by any employee covered by the Plan at any reasonable time at such place as the Company may designate.

Except as otherwise specifically provided, in order for any employee to receive pension benefits pursuant to any provisions of the Plan, he must file a written pension application on forms furnished by the Administrator. Such pension application shall state the reason for retirement and the date upon which the proposed retirement is to become effective and shall be made not less than sixty days in advance of such date.

## **ARTICLE II PLAN FOR COMPUTING AND MAINTAINING EMPLOYEES' SERVICE CREDIT**

### **Section 1. Company / Employee Defined**

#### **A. Company Defined**

Only for the purpose of determining service credit hereunder the word "Company" as used herein shall include John Deere Limited and its subsidiaries, its parent Deere & Company, a Delaware Corporation, and the various domestic and foreign subsidiaries of Deere & Company

#### **B. Employee Defined.**

For the purposes of this and subsequent Articles, "Employee" should be taken to mean all hourly and incentive paid employees of the Company. All reference to male gender shall be taken as applying on an identical basis to the female gender.

### **Section 2. Plan Participation and Starting Date**

The starting date of any employee's participation in the Plan shall be the date on which the employee first reports to work for the Company in his or her last continuous employment with the Company.

### **Section 3. Service Credit Records**

A present employee's participation in the Plan, continuous employment and service credit shall be as established by the Company's service credit records.

The service credit record for the individual should indicate both his Past Credited Service, this being service credited prior to 1 January 1992, and his Future Credited Service, this being service credited after 31 December 1991.

The sum of the **Past** Credited Service and Future Credited Service of an individual is his Service Credit.

The remaining sections of this Article deal only with the calculation of Future Credited Service; the Past Credited Service in respect of each individual having been accrued in accordance with the Plan Text and legislative restrictions as they applied prior to 1 January 1992.

#### **Section 4. Service Credit Defined**

When an employee's starting date for participation and service credit have been established in accordance with the provisions of Section 3 (or are established under Section 2 in the case of an employee hired after the date of this Plan), then on each succeeding anniversary of his starting date he will be credited with one year of continuous employment and one year of participation, and will also be credited with one year of service credit, provided he has worked 500 hours or more for the Company in that anniversary year; however, no service credit shall be credited after the employee attains age 70.

When total hours worked within an anniversary year are less than 500, he will not receive service credit for that year, and this fact shall be recorded in writing and a copy will be furnished to the employee.

#### **Section 5. Time of Crediting**

Five hundred or more hours worked within an anniversary year will not be credited to the employee as a year's service credit until the end of that anniversary year.

#### **Section 6. Partial Year's Service Credit**

- A. For the purpose of computing pension benefits, an employee retiring or attaining age 70 prior to the end of an anniversary year shall receive service credit at the rate of  $8\frac{1}{3}$  percent of one year's service credit for each month from the employee's last anniversary

date to the date of retirement or to the date the employee attains age 70, whichever is earlier, providing such time would have been creditable had the employee's continuous employment continued to the next anniversary date.

- B.** For the purpose of computing pension benefits, an employee whose employment with the Company is terminated on or after 1 January 1977 and prior to the end of an anniversary year shall receive service credit at the rate of 8-1/3 percent of one year's service credit for each month from the employee's last anniversary date to the date of termination or to the date the employee attains age 70, whichever is earlier, providing such time **would** have been creditable had the employee's continuous employment continued to the next anniversary date.

### **Section 7. Occupational Injury**

Time lost due to injury sustained in the active employment of the Company will be credited as time worked subject to the following conditions:

- a) the injury sustained prevents the employee from performing the same work that he was doing immediately prior to becoming disabled,
- b) the Administrator is satisfied, on the basis of written certification from a medical doctor, licensed to practice under the laws of a province of Canada, that the period is a period of disability,
- c) the period of time credited is equal to that which the employee would have worked but not to exceed a maximum of forty (40) hours in any work week and, in any event, not beyond the date that the individual attains Normal Retirement Age.

### **Section 8. Nonoccupational Injury or Illness**

- A.** Time lost on or after 1 April 1971 and prior to attainment of Normal Retirement Age due to non-

occupational injury or illness and subject to the conditions imposed by Article II, Section 7, Paragraphs a) and b), for which the employee receives:

- (1) a weekly indemnity benefit, will be credited as time worked but not to exceed a maximum of forty **(40)** hours in any one work week; and
  - (2) a long term disability benefit, will be credited at the time the employee becomes eligible for a normal or early retirement benefit as time worked in an amount equal to that which the employee would have worked **but** not to exceed a maximum of forty **(40)** hours in any one work week.
- B. An employee receiving benefits as described in A(2) above or under Section 3-C of Article III who recovers and is subsequently re-employed shall be credited with the service credit he had when the disability commenced. In addition, for the period of such disability, such employee will at the date of re-employment receive credit as time worked in an amount equal to that which the employee would have worked but not **to** exceed a maximum of forty (40) hours in any one work week.

### **Section 9. Layoff**

Time lost on or after 1 January 1971 due to layoff for which the employee receives a Supplemental Unemployment Benefit will be credited **as** time worked in an amount equal to that which the employee would have worked, but not to exceed a maximum of 40 hours in any one workweek. The maximum period of time will be determined on **the** basis of one month for each four credit units the employee was credited with as of the date of his layoff, but not to exceed 12 months. Further limitations on the total amount of additional service credit which can be accrued under this section are imposed by Section 7 of Article VII.

### **Section 10. Military Service**

An employee who left his employment with the Company and immediately entered the service of the Armed Forces of Canada, will be considered as having been employed and his military service will be credited toward service credit up to a maximum of 40 hours per week and in the same manner as set out in Section 4, provided he has reemployment rights under any existing law, and does become reemployed under the provisions of the law. Further limitations on the total amount of additional service credit which can be accrued under this section are imposed by Section 7 of Article VII.

### **Section 11. Accumulation in Any Unit**

Participation in the Plan and service credit may be accumulated by an employee in any unit of the Company, subject to all the provisions herein.

### **Section 12. Transfer**

When an employee is formally transferred from one unit of the Company to another unit of the Company, the unit from which the employee is being transferred **will** furnish to the new unit a written statement of the employee's service credit status and the new unit will furnish a copy of same to the employee.

### **Section 13. Crediting Time Spent at Other Units**

An employee working for one unit of the Company who is on layoff and subject to recall to another unit of the Company shall, when recalled and reemployed by the original unit, receive credit for time spent at the other unit, or units, for the purpose of participation, continuous employment and service credit in accordance with the provisions of the Plan. If the employee is not recalled to the original unit within the period in which the employee is subject to recall, or having been recalled, he notifies both the original unit and the current employing unit,

within five working **days**, that he has elected to remain in the current employing unit and thereby forfeit recall rights to the original unit, then the employee will be considered a formal transfer to the new unit as set out in Section 12.

**Section 14. Termination of Participation, Continuous Employment and Service Credit**

An employee's participation in the Plan, continuous employment and service credit will **be** terminated by any one of the following occurrences:

- A.** Death or retirement or determination of permanent and total disability **as** specified in Article III, Section 3, of this Plan and Article II, Section 4 of the John Deere Group Life and Disability Insurance Plan for Hourly and Incentive Paid Employees, except that an employee who has been determined to be totally and permanently disabled shall receive service credit as provided in Section 8-A-(2) and further provided in the event such employee recovers and is subsequently reemployed shall have continuous employment reinstated as though he had been continued on leave of absence during the period of total and permanent disability.
- B.** Quitting the job, either with or without notice.
- C.** Discharge, provided, however, if it is later determined that the employee was discharged without good and just cause and the employee is reinstated, then service credit will also be reinstated.
- D.** Failure on the part of the employee to return to work on the required date after **a** leave of absence.
- E.** Failure on the part of **a** laid-off employee to return to work within five working days when notified to do so by the Company at the last known address, unless prevented from doing so by a reason satisfactory to the Company.

- F. Failure to return to work from military service within the period during which he has reemployment rights under any existing law.
- G. Subject to Section 14 above, any absence from active employment other than formal leave or absence in writing granted by the Company, military service as set out in Section 10, or plant-incurred injury as set out in Section 7, for a period of time equal to the employee's employment prior to such absence, or for a period of five consecutive years, whichever is the lesser, provided, however, that no employee who has completed the probationary period will lose continuous employment and service credit unless such absence exceeds two years.

#### **Section 15. Re-establishment of Service Credit**

- A. Subject to Paragraph C below, any present employee or any employee hired after 1 January 1988 whose participation, continuous employment and service credit is terminated will, if rehired, have the service credit held at the time of termination reestablished.
- B. Subject to Paragraph C below, any former employee who is rehired after 1 January 1988 whose participation, continuous employment and service credit was terminated will have the service credit held at the time of termination reestablished.
- C. Notwithstanding the foregoing Paragraphs A and B, service credit of a former employee who is rehired will not be reestablished if the former employee requested a transfer payment in accordance with Section 5-G of Article III and such transfer payment was made. Furthermore a former employee, who is rehired shall not be credited with additional service credit while in receipt of a pension benefit.



**Section 16. Original Unit Defined**

The words "original unit" as used in Section 13 shall mean the unit at which an employee's starting date for participation, continuous employment and service credit was established as set out in Section 2 or the last unit to which he has been formally transferred.

## ARTICLE III ELIGIBILITY FOR RETIREMENT AND AMOUNT OF PENSIONS

### Section I Normal Retirement - Age 65

- A. An employee on attaining the Normal Retirement Age of age 65 in the employment of the Company and having at least 2 years of participation in the Plan is eligible for normal retirement benefits.
- B. The amount of benefits allowed monthly upon retirement will be the formula pension in (1) below, but not less than the minimum pension in (2) below and subject to the maximum limits imposed by both Section 3 (A) and Section 5 of Article VII.

**(1) Formula Pension.** The sum of:

- a. 0.5 percent of the first \$350 or less of the average monthly earnings as defined in Paragraph C of this Section for each year of service credit up to and including 25.
- b. 1.5 percent of the excess over \$350 of the average monthly earnings as defined in Paragraph C of this Section for each year of service credit up to and including 25.
- c. 1.5 percent of the average monthly earnings as defined in Paragraph C of this Section for each year of service credit in excess of 25.

**(2) Minimum Pension.**

- a. For retirements on or after 30 September 1995 and prior to 30 September 1996, \$33.45 per month for each year of service credit.
- b. For retirements on or after 30 September 1996 and prior to 30 September 1997, \$34.45 per month for each year of service credit.

c. For retirements on or after 30 September 1997, \$35.45 per month for each year of service credit.

C. The average monthly earnings figure used for the purpose of computing a formula pension shall be the total of all straight-time wage payments plus vacation pay, personal absence pay and pay for unworked holidays, received in the highest 5 consecutive anniversary years during the 10 anniversary years immediately prior to the earlier of retirement or attainment of age 70 in each of which service credit was received, divided by 60, but in no event shall the average monthly earnings figure exceed \$2,750.

If, in this 10-year period, there is any full anniversary year (or years) in which service credit was not received, that year shall be omitted and the 11<sup>th</sup> year preceding retirement, or any additional anniversary years in the same order, i.e., the 12<sup>th</sup> year, etc., shall be used to obtain 10 anniversary years in which service credit was received.

In the event service credit was received on account of time lost due to compensable accident in one or more of the 10 years as outlined above, the amount of temporary total, partial permanent and total permanent compensation will be considered as earnings.

In the event service credit was received on account of military service in one or more of the 10 years as outlined above, such years shall be omitted and the 11<sup>th</sup> year preceding retirement, or any additional anniversary years in the same order, i.e., the 12<sup>th</sup> year, etc., shall be used to obtain 10 anniversary years in which service credit was received for other than military service. In the event such employee has less than 5 years of service credit where earnings are credited, the average monthly earnings to be used in determining retirement benefits shall be determined by using the earnings in the years of service credit

wherein earnings are credited, divided by the number of months in these years.

## **Section 2. Early Retirement**

- A.** An employee may retire at his or her option, if such employee
- (1) has attained age 55 but not 65 and who at that time has at least 2 years of participation in the Plan, or
  - (2) has 30 or more years of service credit.
- B.** In such event, an employee retiring on or after 01 January 1992 shall be entitled to benefits in a reduced amount based upon service credit and earnings prior to such retirement and computed in accordance with Section 1 of this Article. Subject to the maximum limits imposed by both Section 3 b) and Section 5 of Article VII, such reduced amount shall be the greater of:
- (1) The formula pension as determined in Section 1-B-(1) of this Article, reduced by 1/3% for each month the employee is under age 62 at the date of retirement.
  - (2) The minimum pension as determined in Section 1-B-(2) of this Article, reduced by 1/3% for each month the employee is under age 62 at the date of retirement except that an employee who retires with 30 years of service or whose age and service credit total 85, such reductions shall not apply.
- C.** An employee retiring prior to Normal Retirement Age under Section 2-A of this Article may elect, at the time of retirement, to receive benefits commencing at any time up to Normal Retirement Age, in lieu of the benefits under Section 2-B of this Article. The amount of such benefits will be computed in accordance with Section 2-B of this Article subject to the minimum pension as determined in Section 1-B-(2) of this Article with appropriate reduction under

Section 2-B based upon the date benefits commence. The date these benefits are to commence after retirement but prior to Normal Retirement Age, as herein provided, shall be designated by the employee at the time of retirement and is subject to change by the employee provided notice is received not less than 60 days prior to the designated commencement of benefits.

- D. An employee retiring prior to age 62 on or after 31 October 1989 and before 1 January 1992 who has 30 or more years of service credit or whose combined years of age and service credit total at least 85 shall, upon reaching age 62 have his or her minimum pension, which was determined in accordance with Section 1-B-(2) and reduced in accordance with Section 2-B-(2), redetermined without reduction because of age.
- E. An employee retiring on or after September 30, 1995 who does not elect to receive a Supplemental Allowance under Article V, Section 2A or 2B, shall receive a Supplemental Transitory Benefit commencing at the date of commencement of benefits under Section 2-C of this Article III and payable until attainment of age 65, of \$13 per month for each year of service credit, not to exceed \$390.

The Supplemental Transitory Benefit shall be reduced by, 1/2% for each month the employee is under age 62 at the date of commencement of benefits, except that for an employee with 30 years of service, or whose age and service credit total 85, such reductions shall not apply.

### **Section 3. Total and Permanent Disability Retirement**

- A. An employee shall be eligible upon retirement to receive disability benefits hereinafter provided, if such employee becomes totally and permanently disabled

on or after 1 May 1987, has not attained age 65 and has at least 10 years' service credit.

- B. An employee shall be deemed to be totally and permanently disabled when the Administrator is satisfied, on the basis of a written certification from a medical doctor, licensed to practice under the laws of a province of Canada or of a place where the member resides, that the employee is suffering from a physical or mental impairment that prevents him from engaging in any employment for which he is reasonably suited by virtue of his education, training or experience and that can reasonably be expected to last for the remainder of his lifetime.
- C. In the event of retirement because of total and permanent disability, an employee shall be entitled to receive benefits in the following amounts:
  - (1) Total and Permanent Disability Benefit: the formula pension in accordance with Article III Section 1, Paragraph B(1) but not less than the minimum pension in Article III Section 1, Paragraph B(2), based upon service credit at the time of such retirement including time not credited the employee while on Long Term Disability.
  - (2) An Additional Temporary Benefit commencing at early retirement until attainment of age 65 or eligibility for an unreduced statutory benefit, whichever first occurs, and subject to maximum limits imposed by Section 4 of Article VII as follows:
    - a. For retirements on or after 30 September 1995 and prior to 30 September 1996, \$28.25 per month for service as defined in (1) above, not to exceed, \$847.50,
    - b. For retirements on or after 30 September 1996 and prior to 30 September 1997, \$28.85 per month for service as defined in (1) above, not to exceed, \$865.50,

- c. For retirements on or after 30 September 1997, \$29.50 per month for service as defined in (1) above, not to exceed \$885.00,

reduced, but not below zero, by the excess, if any, of the formula pension over the minimum pension as calculated for the preceding paragraph (1).

- D. An employee retired because of total and permanent disability under the 1955 Plan and the 1955 Plan as amended thereafter shall have the benefit redetermined in accordance with Section 1 of this Article at age 65.

Service credit applicable to this redetermined benefit shall for employees who became totally and permanently disabled prior to 01 January 1992 include service credit for the anniversary years during which disability benefits were received. For employees who became totally and permanently disabled after 01 January 1992, service credit applicable to this redetermined benefit shall exclude service credit for the anniversary years during which disability benefits were received. The average monthly earnings shall be for the highest 5 consecutive anniversary years during the 10 anniversary years (in each of which service credit was received) immediately prior to the last day of work preceding total and permanent disability.

- E. Benefits under this Plan on account of total and permanent disability shall be payable and retirement shall commence as of (1) the first day of the seventh month following the commencement of the employee's continuous incapacity to work because of such disability, or as of (2) the first day of the month after the employee is found to be totally and permanently disabled as set out in Section 3-B of this Article, whichever is later.

#### **Section 4. Automatic Retirement**

- A.** Any employee shall be deemed to retire on the **last** day of the month in which his or her 70<sup>th</sup> date of birth occurs and benefit payments shall commence in accordance with Section **6-A** of this Article whether or not such employee ceases active employment.
- B.** In the event of Automatic Retirement hereunder, such employee shall cease to receive service credit or accrue further benefits under this Plan.

#### **Section 5. Deferred Vested Pension**

- A.** Any employee whose employment shall terminate on or after 1 January 1988 and who is not eligible for any other type of retirement benefit under this Plan shall be eligible upon making application therefor to receive a deferred vested pension benefit if **at** the time of such termination the employee has 2 or more years of participation in the Plan.
- B.** The former employee shall be entitled to benefits computed in accordance with Section 1 of this Article except that the average monthly earnings shall be for the highest 5 consecutive anniversary years during the 10 anniversary years (in each of which service credit was received) immediately prior to termination.
- C.** The earliest commencement date of this pension shall be the first day of the month following the month in which such former employee attains age 55. The pension shall be payable on the first day of the month following the month in which such former employee makes application on or after the earliest commencement date. If application is made at age 65 or later, the pension will be computed on a normal retirement basis. If application is made before age 65, the pension will be the greater of
  - (i) the pension computed on the normal retirement basis and reduced by ½% for each month the former employee is under age 65; or



(ii) a reduced pension the commuted value of which is equal to the commuted value of the pension deferred to age 65 and payable on the normal retirement basis.

However, the resulting pension shall be limited to the pension computed on the normal retirement basis and reduced in accordance with the requirements of Regulation 8503(3)c of the Income Tax Act.

- D. The provisions for the Survivor Benefit in Section 1 of Article IV shall be applicable to a former employee who is eligible for deferred vested pension benefits as defined in this Section. Such Survivor Benefit shall not be effective prior to the date of application for deferred vested pension and in no event, earlier than the earliest commencement date as defined in Paragraph C above.
- E. The application must be submitted not earlier than 60 days prior to the earliest commencement date. The Company will mail notices to former employees who would be eligible to receive deferred vested pension benefits but who have not made applications. The notice to such former employee will be sent on or about the 90<sup>th</sup> day prior to the employee's 55<sup>th</sup>, 65<sup>th</sup> and 70<sup>th</sup> birthdays, and will be mailed to the last address shown on the Company record.
- F. If an employee terminates employment with a deferred vested pension and is later reemployed, he will not be eligible for a deferred vested pension benefit during any such period of reemployment. Unless the employee requested a transfer payment in accordance with Paragraph G below and such transfer payment was made, upon any such reemployment service credit shall be reestablished, and eligibility for retirement benefits shall be determined upon the basis of the remaining sections of this Article rather than upon this Section (unless the employee shall again be terminated upon the

circumstances described in this Section, i.e., prior to qualification for early retirement).

**G. Commutation of Vested Retirement Benefit**

An employee who is entitled to a deferred vested pension benefit pursuant to this Section and who has not attained age 55 may elect in full settlement of such entitlement to have that benefit commuted and transferred to

- (i) the registered pension plan of the employee's new employer,
- (ii) a registered retirement savings plan designated by the employee, provided such plan includes any locking-in restrictions or other provisions required by applicable legislation, or
- (iii) an insurance company for the purchase of a life annuity that will commence not earlier than the employee's 55<sup>th</sup> birthday.

**Section 6. Commencement and Termination of Pension Benefits**

- A. Benefit payments shall be made monthly. The first payment will be payable as of the first day of the month following retirement.
- B. The last payment will be made on the first day of the month of the retired employee's death.

## ARTICLE IV SURVIVOR BENEFITS

### Section 1. Survivor Benefits for Retired Employees

- A. For the purposes of this Article, the term "Spouse" will mean a person who is residing or co-habiting with the Employee, former Employee, or retired Employee, at the date of his death, or earlier retirement, provided that:
- (a) the person is of the opposite sex to the Employee, former Employee or retired Employee; and
  - (b) (i) the person has been married to, and residing with, the Employee, former Employee or retired Employee for at least one year, or
  - (ii) the person and the Employee, former Employee or retired Employee have been residing together and cohabiting for a continuous period of not less than 3 years or, such person and the Employee, former Employee or retired Employee have a natural born or adoptive child.
- B. For an Employee retiring under Sections 1, 2, 3 and 4 of Article III on or after 1 January 1988, a Survivor Benefit shall be payable on the Employee's death after retirement to his spouse during such person's further lifetime. The Survivor Benefit for an employee who retired through Total and Permanent Disability incurred prior to 1 January 1992 is payable following redetermination of the Employee's pension as described in Section 3-D of Article III. Should such Total and Permanent Disability retirees die before their pension benefit is redetermined then they are entitled to alternative survivor benefits calculated in accordance with Sections 2 and 4 of this Article IV. The provisions of this paragraph will be effective on the first day of the month following retirement.

For Employees retired prior to 01 October 1995, the Regular Surviving Spouse's benefit shall **be** 55% of the monthly benefit (excluding any Additional Temporary Benefit or Supplemental Allowance) payable to the retired employee except that the survivor Benefit payable to the surviving Spouse **of** an employee who retired prior to age 62 on or after 31 October 1989 and who had completed 30 or more years of service credit or whose combined years of age and service totaled at least 85 at retirement shall be not **less** than 55% of **the minimum** pension calculated in accordance with Article III Section 1-B-(2) without reduction in accordance with Article III Section 2-B-(2).

For Employees retiring on or after 30 September 1995, the Regular Surviving Spouse's benefit shall be 60% of the monthly benefit (excluding any Additional Temporary Benefit, Supplemental Transitory Benefit or Supplemental Allowance) payable to the retired employee except that the survivor Benefit payable to the surviving Spouse of an employee who retired prior to age 62 and who had completed 30 or more years of service credit or whose combined years of age and service totaled at least 85 at retirement shall be not less than 60% of the minimum pension calculated in accordance with Article III Section 1-B-(2) without reduction in accordance with Article III Section 2-B-(2).

The retired employee's monthly benefit, however, shall **be** decreased by  $\frac{1}{2}\%$  for each full year in excess of 10 years that such Spouse is younger than the retired Employee."

- C. In the event that the retired employee has elected deferral of benefits in accordance with Section 2-C **of** Article III, the surviving Spouse may elect to have the Survivor Benefit redetermined as though the retired employee's benefits were to commence **on** the first of the month following such retired employee's death.

## **Section 2. Survivor Benefits for Employees**

- A. The surviving Spouse will be eligible for a monthly Survivor Benefit, provided the employee
- (1) dies on or after 31 December 1979, and
  - (2) had met **the age and service requirements** for pension benefits under Section 1, 2 or 4 of Article III on the date of death.
- B. The Survivor Benefit will be equal to the amount which would have been paid to the employee's surviving Spouse had the employee retired on the date of death but calculated on the basis of the employee's accumulated service credit as at December 31, 1986. Service credit as applicable to this paragraph B and the following paragraph C includes credit for any period, prior to 31 December 1986, during which the individual was a Total and Permanent Disability retiree who became disabled prior to 1 January 1992 and whose benefit had not been redetermined, in accordance with Section 3-D of Article III, at the date of his death. Benefits will commence as provided in Section 3 of this Article.
- C. A surviving Spouse who is not eligible for benefits under Paragraph A of this Section will be eligible for a monthly Survivor Benefit provided that the Employee dies on or after 30 April 1987 with 10 or more years of service credit.

The Survivor Benefit will be equal to the amount which would have been paid to the surviving Spouse had the employee lived and retired at the employee's earliest retirement date but calculated on the basis of the employee's accumulated service credit as at December 31, 1986. The earliest retirement date shall be determined by the total service credit attained at the time of death plus the employee's projected age at which such employee would first be eligible to retire under Sections 1, 2 or 4 of Article III.

### **Section 3. Commencement and Termination of Survivor Benefits**

A. Benefit payments shall be made monthly. The first payment will be payable as of the first day of the month following:

- (1) the retired employee's death in the case of benefits under Section 1;
- (2) the death of an employee in the case of benefits under Section 2-A;
- (3) the month in which the employee's earliest retirement date occurs in the case of benefits under Section 2-C.

B. The last payment will be made on the first day of the month of the Spouse's death.

### **Section 4. Death Benefits for Employees and Former Employees.**

A. In addition to the monthly Survivor Benefit described in Section 2 above, a Death Benefit will be payable upon the death on or after 1 January 1988 of

- (1) any employee who has 2 or more years of participation in the Plan; or
- (2) any former employee whose employment terminated after 1 January 1988 provided such employee was entitled to a deferred vested pension under Section 5 of Article III and who did not elect Settlement of such entitlement by a transfer payment under paragraph G of the said Section.

B. The Payee of the Death Benefit will be the Spouse, if any, of the Employee or former Employee, otherwise the beneficiary designated in writing by the Employee or former Employee, otherwise the estate of the Employee or former Employee.

- C. If the payee of the Death Benefit is the Spouse of the employee or former employee, the form of the payment of the Death Benefit will be, according to the election of the Spouse either
- (1) a lump sum payment; or
  - (2) an immediate annuity payable for the lifetime of the Spouse; or
  - (3) a deferred annuity commencing on a date selected by the Spouse but not later than the 65<sup>th</sup> birthday of the Spouse and payable for the subsequent lifetime of the Spouse.

If the payee of the Death Benefit is the designated beneficiary or estate of the employee or former employee, the form of the payment of the Death Benefit will be a lump sum.

- D. The amount of the Death Benefit if paid in a lump sum will be the commuted value of the vested deferred pension payable to the former employee or which would be payable to the employee in accordance with Section 5 of Article III if his employment had terminated on the date of death, calculated on the basis of the service credit accumulated during the period from 1 January 1987 to the date of death. Service Credit, as applicable to this paragraph, includes credit for any period after 1 January 1987 during which the individual was a Total and Permanent Disability retiree who became disabled prior to 1 January 1992 and whose benefit has not been redetermined, in accordance with Section 3-D of Article III, at the date of his death. If the Death Benefit is paid in the form of an immediate or deferred annuity to the surviving Spouse, the monthly annuity payments shall be such that the commuted value of the annuity is equal to the lump sum payment described above.

## **ARTICLE V SUPPLEMENTAL ALLOWANCE**

### **Section 1. Eligibility for Supplemental Allowance**

- A. An employee who on 30 April 1987 is eligible to retire and shall subsequently retire before age 65 under Section 2 or Section 3 of Article III may elect to receive a monthly Supplementat Allowance in addition to other retirement benefits under this Plan hereinafter provided in Section 2-A, 2-B or 2-C of this Article V.
- B. An employee who subsequent to 30 April 1987 but prior to September 30, 1998 is eligible to retire and shall retire before age 62 under Section 2 or Section 3 of Article III may elect to receive a monthly Supplemental Allowance in addition to other retirement benefits under this Plan hereinafter provided in Section 2-B or 2-C of this Article V.
- C. An employee who subsequent to September 30, 1995 becomes eligible to retire and shall retire before age 60 under Section 2 or Section 3 of Article III may elect to receive a monthly Supplementat Allowance in Addition to other retirement benefits under this Plan hereinafter provided in Section 2-C of this Article V.

### **Section 2. Amount of Supplemental Allowance**

- A. Subject to both the provisions of the other Sections of this Article V and the maximum limits imposed by Section 4 of Article VII, the Supplemental Allowance of an employee eligible under Section 1-A of this Article V shall be a monthly amount which when added to benefits payable under Article III of the Plan shall equal a Total Monthly Benefit of \$950.00 for an employee retiring with 30 or more years of service credit on or after 30 April 1987.



B. Subject to both the provisions of the other Sections of this Article V and the maximum limits imposed by Section 4 of Article VII, the Supplemental Allowance of an employee eligible under Section 1-A or 1-B of this Article V shall be a monthly amount which when added to benefits payable under Article III of the Plan shall equal a Total Monthly Benefit for an employee retiring with 30 or more years of service credit as follows:

For Retirement On or After	For Retirement And Prior To	Total Monthly Benefit
30 September 1995	30 September 1996	\$2,050.00
30 September 1996	30 September 1997	\$2,080.00
30 September 1997	-----	\$2,100.00

C. Subject to both the provisions of the other Sections of this Article V and the maximum limits imposed by Section 4 of Article VII, the Supplemental Allowance of an employee eligible under Section 1-A, 1-B or 1-C of this Article V shall be a monthly amount which when added to benefits payable under Article III of the Plan shall equal a Total Monthly Benefit for an employee retiring with 30 or more years of service credit as follows:

For Retirement On or After	For Retirement And Prior To	Total Monthly Benefit
30 September 1995	30 September 1996	\$2,050.00
30 September 1996	30 September 1997	\$2,080.00
30 September 1997	-----	\$2,100.00

D. For an employee retiring with less than 30 years of service credit under Paragraph A or B or C of this Section, the Total Monthly Benefit shall be determined by:

- (1) Dividing the applicable Total Monthly Benefit as determined in Paragraph A or B or C of this Section by 30,
- (2) If the employee is under age 60 at the time of retirement, the amount determined in (1) above shall be reduced by 1% for each month he is under age 60, and
- (3) The result shall be multiplied by the employee's service credit which for the purposes of benefits provided in Section 3 of Article III shall include time not credited the employee while on Long Term Disability.

### **Section 3. Assumptions and Adjustments in Computing Amount of Supplemental Allowance**

- A. In the case of an employee who retires at his or her option under Article III, Section 2-A of the Plan, the monthly Supplemental Allowance shall be computed in accordance with the provisions of Section 2 of this Article on the assumption that the retirement benefits under Article III of the Plan would commence immediately after retirement; and the amount so computed shall be reduced for any month prior to age 65, in the case of benefits under Section 2-A of this Article or to age 62 in the case of benefits under Section 2-B of this Article or to age 60 in the case of benefits under section 2-C of this Article, for which the employee becomes or could have become eligible for an unreduced statutory benefit. The amount of the reduction shall be as follows:
- (1) For retirements on or after 30 September 1995 and prior to 30 September 1996, \$28.25 per month for each year of service credit, not to exceed \$847.50.
- (2) For retirements on or after 30 September 1996 and prior to 30 September 1997, \$28.85 per

month for each year of service credit, not to exceed \$865.50.

(3) For retirements on or after 30 September 1997, \$29.50 per month for each year of service credit, not to exceed \$885.00.

B. In the case of an employee retiring under disability retirement under Section 3 of Article III of the Plan, the monthly Supplemental Allowance shall be computed in accordance with Section 2 of this Article except that service credit shall be as defined in Section 3-C-(1) of Article III and on the assumption that the monthly benefit under Article III of the Plan includes a temporary benefit provided under Section 3-C-(2) of Article III whether or not it actually includes the temporary benefit.

#### **Section 4. Payment of Allowance**

The Supplemental Allowance of an employee entitled to such allowance shall become payable on the first day of the first month after (1) employment shall have terminated, and (2) he shall have filed application for a retirement benefit, and shall be payable on the first day of the month in each month thereafter until and including the first day of the month in which the retired employee attains age 65 in the case of benefits under Section 2-A of this Article to age 62 in the case of benefits under Section 2-B of this Article, or to age 60 in the case of benefits under Section 2-C of this Article, dies, is reemployed by the Company, or the retirement benefits under Article III of the Plan cease for any other reason, whichever shall occur first.

#### **Section 5. Discharged Employees**

A discharged employee shall not be eligible to receive the Supplemental Allowance, unless the Company finds, in the case of an employee eligible for regular early retirement under Article III, Section 2-A, that such discharge was for reason which should not result in his or

her being ineligible to receive the Supplemental Allowance.

## ARTICLE VI RETIRED EMPLOYEES

### Section 1. Minimum Benefits

A. The minimum benefits payable on or after 1 October 1995, to an employee or to the surviving spouse in the event of survivor benefits retired in accordance with the provisions of the 1955 Plan and the 1955 Plan as amended thereafter, will be continued on the basis of the following amounts per month per year of service credit:

<b>FOR RETIRED EMPLOYEES</b>		
Prior To		\$16.00
31 December 1973		
On or After	For Each Year of Service	17.75
31 December 1973	Credit Through 30	
And Prior To	For Each Year of Service	16.00
31 December 1976	Credit in Excess of 30	
On or After		
31 December 1976		19.50
And Prior To		
31 December 1979		
On or After		
31 December 1979		20.00
And Prior To		
31 August 1983		
On or After		
31 August 1983		22.00
And Prior To		
31 October 1989		
On or after 31		29.30
October 1989		
and prior to 30		
September 1992		
On or after 30		32.35
September 1992		
and prior to 30		
September 1995		

- B. The Minimum Benefits payable to such pensioners retired on or after 30 September 1995 will be increased as follows:

Monthly Minimum Pension Benefit	
For Benefits Payable Commencing	Amount Per Year of Service Credit
1 October 1996	\$34.45
1 October 1997	\$35.45

In the event the pension benefit above has been adjusted for early retirement or survivor benefits, such adjustment shall be taken into account in this redetermination. The early retirement adjustment will be based on the employee's age at the date of the increase, or in the case of surviving spouse benefits on the age the employee would have attained on the date of the increase.

- C. An employee who exercised the election provided in Article III, Section 6-C of the 1974 Plan shall be deemed to have retired under the provisions of the 1971 Plan for the purposes of continuing benefits under this Article.

## Section 2. Formula Pensions

- A. The Formula Pension benefit payable on or after 1 October 1995 to an employee, or to the surviving spouse in the event of survivor benefits, retired prior to 30 September 1995 will be continued on the same basis as they were payable prior to 1 October 1995.
- B. In the event of early retirement or survivor benefits, the benefits provided in Paragraph A shall be adjusted as provided for minimum benefits in Section 1-B of this Article.

## Section 3. Disability Pensioners

- A. The benefits payable on or after 1 October 1995 to disability pensioners retired prior to 30 September 1995 in accordance with the provisions of the 1955

Plan and the 1955 Plan as amended thereafter will be continued on the basis of the applicable amount shown in the table in Section 1-A of this Article and service credit at the time of disability retirement.

- B.** The benefits payable on or after 1 October 1995 to disability pensioners retired on or after 30 September 1995 in accordance with the provisions of the 1955 Plan and the 1955 Plan as amended thereafter will be redetermined on the basis of the applicable amount **shown** in the table in Section 1-B of this Article and service credit at the time of disability retirement.
- C.** The Additional Temporary Benefit payable on or after 1 October 1995 for disability pensioners retired prior to 30 September 1995 who are currently ineligible for statutory disability benefits will be redetermined as follows:

<b>Additional Temporary Benefit</b>			
<b>For Retirements On or After</b>	<b>For Retirements And Prior to</b>	<b>Per Mnth/PerYr of ServiceCredit</b>	<b>Subject to A Max of</b>
	31 Dec 1980	\$14.00	\$350.00
31 Dec 1980	31 Dec 1981	\$15.00	\$375.00
31 Dec 1981	31 Aug 1983	\$16.00	\$400.00
31 Aug 1983	31 Apr 1987	\$16.00	\$480.00
30 Apr 1987	31 Oct 1989	\$18.00	\$540.00
31 Oct 1989	30 Sep 1992	\$23.60	\$708.00
30 Sep 1992	30 Sep 1995	\$27.25	\$817.50

- D.** The Additional Temporary Benefit payable to disability pensioners retired on or after 30 September

1995 who are currently ineligible for statutory disability benefits will be redetermined as follows:

For Benefits Payable Commencing	Per Month Per Year of Service Credit	Subject to A Maximum of
1 October 1996	\$28.85	\$865.50
1 October 1997	\$29.50	\$885.00

**Section 4. Restoration of Pension Benefits After Death of Retired Employee's Spouse**

- A. An employee who retired under the provisions of Section 1, 2, 3 or 4 of Article III of the Plan prior to 31 December 1970 and who elected a Joint and Survivor Option at the time of such retirement but whose designated spouse predeceased or shall predecease the retired employee may have the monthly basic pension benefit increased effective the first day of the month following the month in which the Company receives satisfactory evidence of the spouse's death. Such increase will be computed as follows:
- (1) For employees who retired on or after 1 June 1968 and prior to 31 December 1970 - \$0.34 per month per year of service credit:
  - (2) For employees who retired prior to 1 June 1968 - \$0.31 per month per year of service credit.
- B. In the event that a retired employee who is receiving the basic pension benefit increase provided in Paragraph A of this Section makes an election under Section 7 of this Article, such increase shall be discontinued on the effective date of such election. If the designated spouse under the election under Section 7 shall predecease the retired employee, the provisions of Paragraph A shall again be effective.



### **Section 5. Election of Pension Benefit Increase in the Event of Divorce**

In lieu of receiving a reduced amount of any increase in benefits otherwise payable under this Article VI, on or after 1 January 1977, in order to provide an increase in the amount of joint and survivor benefit otherwise payable, an employee who retired prior to 31 December 1970, and who is divorced by court decree from the designated spouse for whom the joint and survivor option is in effect, may elect to receive the full amount of such increase adjusted for early retirement. To make such election the retired employee must complete a form approved by the Company and file such form with the Company, accompanied by evidence satisfactory to the Company of a final decree of divorce, in which case such election shall become effective with respect to benefits falling due for months commencing the first day of the month following the month in which the Company receives such completed election form and final decree of divorce. In the event of such effective election, the benefit payable on 1 July 1982 and thereafter shall be continued.

### **Section 6. Survivor Benefit Election After Retirement**

- A. An employee who retired prior to 31 December 1979 under the 1955 Plan or the 1955 Plan as amended thereafter and for whom no survivor option is in effect may elect a Survivor Benefit option by filing a written application with the Company provided:
- (1) The employee was not married at retirement and has subsequently married, or
  - (2) The employee has had a Survivor Benefit provision in effect and has remarried.
- B. An employee who retires on or after 31 December 1979 for whom no Survivor Benefit is in effect may file

written application with the Company for a Survivor Benefit provided:

- (1) The employee was not married at retirement and has subsequently married, or
  - (2) The employee has had a Survivor Benefit provision in effect and has remarried.
- C. Such Survivor Benefit shall become effective with respect to benefits falling due for months commencing with the first day of the month following the month in which the Company receives **an** application, but in no **event** before the first day of the month following the month in which the retired employee has been married to the designated spouse for one year. **No** Survivor Benefit under Paragraph **A** of this Section shall become effective for a retired employee whose application form is received by the Company after the first day of the month in which the retired employee has been married to the designated spouse for one year. The Survivor Benefit under this Section shall be provided under the terms of the Plan in effect at the time of the employee's retirement.
- D. For an employee retiring on or after January 1, 1992, election of the option shall not result in any change to the amount of pension payable to the retired employee.

#### **Section 7. Supplemental Allowance of Retired Employees**

- A. The Supplemental Allowance payable to **a** retired employee on or after 1 October 1995 will be provided as **an** amount which when added to the benefits payable under Section 1 or Section 2 of this Article, adjusted for early retirement, shall equal the Total Monthly Benefit as follows:
- ~~C~~ **For** an employee who retired prior to 30 September 1995 with 30 or more years of service

credit, the Total Monthly Benefit will be continued as follows:

FOR EMPLOYEES RETIRED	BENEFITS PAYABLE 1 NOVEMBER 1989 AND THEREAFTER
Prior To 31 December 1976	\$830.00 Payable to Age 65
On or After 31 December 1976 And Prior To 31 December 1978	\$855.00 Payable to Age 65
On or After 31 December 1978 And Prior to 31 December 1979	\$890.00 Payable to Age 65
On or After 31 December 1979 And Prior To 30 April 1987	\$920.00 Payable to Age 65
On or After 30 April 1987 And Prior To 31 October 1989 if Eligible to Retire On or Before 30 April 1987	\$950.00 Payable to Age 65
On or After 30 April 1987 And Prior To 31 October 1989 if Eligible to Retire After 30 April 1987	\$1,200.00 Payable to Age 62
On or after 31 October 1989 and Prior to 30 Sept. 1992 if Eligible to Retire After 30 April 1987	\$1700.00 Payable to Age 62
On or after 01 October 1992 and Prior to 30 Sept. 1995 if Eligible to Retire After 30 April 1987	\$2000.00 Payable to Age 62

(2) For an employee who retired on or after 30 September 1995 and elected to receive a

Supplemental Allowance provided in Section 2-C of Article V of this Plan, with 30 or more years of service credit, the Total Monthly Benefit will be redetermined as follows:

<b>Total Monthly Benefits Payable</b>	
October 1996 thru September 1997	October 1997 and Thereafter
\$2,080.00	\$2,100.00

(3) For an employee who retired on or after 31 December 1973 with less than 30 years of service credit, the Total Monthly Benefit shall be determined by:

- a. Dividing the applicable Total Monthly Benefit as determined in A-(1) or (2) of this Section by 30,
- b. If the employee was under age 60 at the time of retirement, the amount determined in (2)-a shall be reduced by 1% for each month he was under age 60, and
- c. The result shall be multiplied by the employee's service credit.

## **ARTICLE VII MAXIMUM BENEFITS PAYABLE UNDER THE PLAN**

### **Section 1. General**

Benefits payable under the Plan are, at all times, subject to the constraints and limitations imposed on it by Applicable Legislation. In particular, the Income Tax Act **and** Regulations restrict the amount that any individual may receive from a registered pension plan by way of benefits. This article sets out the maximum benefits which may be paid from the Plan.

### **Section 2. Definitions**

For the purposes of the Article, the following definitions will apply. Terms not defined in this Section but appearing in the body of this Article should assume the meanings prescribed to them in previous Articles of this Plan Text:

“Bridging Benefits” are retirement benefits provided to a Member under the Plan, for a period ending no later than a date determined at the time benefits commence to be paid, and provided under Article III, Section 2-E, Section 3C(2) and Article V of this Plan.”

“Compensation” means the total of all straight-time wage payments plus vacation pay, personal absence pay and pay for **unworked** holidays received during an anniversary year. For periods of unpaid service **credit**, Compensation shall be assumed to be not less than the rate of Compensation in effect immediately prior to commencement of the unpaid period.

“Defined Benefit Limit” for a calendar year means \$1,722.22 for years before 1999 and, for years after 1998, one-ninth **of** the Money Purchase Limit for the year.

"Highest Average Compensation" is, the average of the highest 3 consecutive anniversary years Compensation paid to the employee by the Company during the 10 anniversary years immediately prior to the earlier of retirement or attainment of age 70.

"Lifetime Retirement Benefits" provided to a Member of the Plan are retirement benefits which, are provided under Sections 1B, 2B, 3C(1), 5B and 5C of Article III of this Plan Text, and once they commence to be paid, are payable to the Member until the Members death, unless the benefits are commuted or payment of benefits is suspended.

"Member" is an employee of the Company who is eligible to receive benefits provided under the Plan.

"Money Purchase Limit" for a calendar year is defined by Section 147.1(1) of the Income Tax Act.

"Pensionable Service" of the Member of the Plan means the sum of his Past Credited Service up to 31 December 1991, not to exceed 35 years, plus his Future Credited Service, on or after 1 January 1992, as determined under Article II, Section 3.

"Public Pension Benefits" means amounts payable on a periodic basis under the Canada Pension Plan, a provincial plan as defined in Section 3 of the Canada Pension Plan, or Part I of the Old Age Security Act, but does not include disability, death or survivor benefits provided thereunder.

"Year of Commencement" is the calendar year in which the member's retirement benefits commence to be paid.

### **Section 3. Lifetime Retirement Benefits**

- A. The amount (expressed on an annualized basis) of Lifetime Retirement Benefits payable to the Member must not exceed the amount determined by the sum of:

(I)  $F \times G$

where

**F** is the lesser of

- (a) 2% of the Members Highest Average Compensation, and
- (b) The Defined Benefit Limit for the Year of Commencement, and

**G** is the Pensionable Service of the Member after 31 December 1991 and:

(ii) the lesser of 1 or 2 as follows:

- 1. 2% of the average of the highest 3 consecutive years' remuneration paid to the employee by the Company multiplied by the number of years of his pensionable service, subject to a maximum of 35 years, prior to 1 January 1992;
- 2 the Defined Benefit Limit multiplied by the number of years of pensionable service, subject to a maximum of 35 years, prior to 1 January 1992.

**B.** If Lifetime Retirement Benefits commence to be paid to a Member before age 60, then the amount (expressed on an annualized basis) of Lifetime Retirement Benefits payable for each calendar year may not exceed the sum of:

(i) the amount determined by the formula:

$$X \times (1 - .0025 \times Y)$$

where

**X** is the amount (expressed on an annualized basis) of Lifetime Retirement Benefits payable to the member for the year if the benefits were determined without a reduction computed by reference to the member's age, duration of service, or both, and without any similar reduction

but based on pensionable service after 31 December 1991.

**Y** is the number of months in the period from the particular day on which lifetime benefits commence to be paid to the Member to the earliest:

(A) the day on which the Member attains 60 years of age,

(B) the day on which the Member has 30 years of Service Credit, (calculated as if the Member had continued in employment with the company)

(C) the day on which the aggregate of the Member's age (measured in years including any fraction of a year) and years of Service (calculated as if the Member had continued in employment with the company) is equal to 80 and

(D) the day on which the member became Totally and Permanently Disabled.

and

(ii) the amount of pension which, is Actuarially Equivalent to the unreduced pension calculated in accordance with A (ii) above if payable from the earlier of age 60 and age at date of disability as a single life annuity with a guaranteed period of payment of ten years or a 60% joint and last survivor annuity, which ever is appropriate,.

#### **Section 4. Bridging Benefits**

The amount of the bridging Benefits may not exceed the greatest of:

A. The amount determined by the formula:

$$A \times (1 - 0.0025 \times B) \times C/10$$



where

- A** is the amount (or a reasonable estimate thereof) of Public Pension Benefits that would be payable to the Member for the month in which the Bridging Benefits commence to be paid to the Member if
- (a) the member were 65 years of age throughout that month.
  - (b) that month were the first month for which Public Pension Benefits were payable to the Member.
  - (c) the Member were entitled to the maximum amount of benefits payable under the Old Age Security **Act**, and
  - (d) the Member were entitled to that proportion, not exceeding one, of the maximum benefits payable under the Canada Pension Plan (or a provincial plan as defined in section 3 of the Canada Pension Plan) that the total of the Member's remuneration for the three calendar years in which the remuneration is the highest is of the total of the Year's Maximum Pensionable Earnings for those three years (or such Pensionable Earnings as is acceptable to the Minister),

**B** is,

- (a) except where clause (b) is applicable, the number of months, if any, from the date that the Bridging Benefits commence to be paid to the Member to the date that the member attains 60 years of age, and
- (b) where the Member is totally and permanently disabled at the time at which the Bridging Benefits commence to be paid to the Member, nil.

C is

- (a) except where clause (b) is applicable, the lesser of 10 and the aggregate of all amounts each of which is the duration (measured in years, including any fraction of a year) of a period that is Service Credit of the Member under the Plan, and
- (b) where the member is Totally and Permanently Disabled at the time at which the Bridging Benefits commence to be paid to the member, 10,

B. the amount determined by the formula:

$$[(D \times E/F) + (G \times (E/F))]$$

where:

D is the amount determined for A under Section 4(A) of this Article based on the terms and conditions of the Plan on January 1, 1992.

E is the Member's Past Credited Service.

F is the Member's Service Credit

G is the amount determined under Section 4(A) of this Article but limited to the amount of Bridging Benefits payable in accordance with the terms and conditions of the Plan as they existed on December 31, 1991.

C. Bridging Benefits vested in a member as of December 31, 1991.

### **Section 5. Retirement Benefits Before Age 65**

From the time at which the benefits commence to be paid to the time at which the member attains 65 years of age, hereinafter referred to as the "Bridging Period", the amount (expressed on an annualized basis) of retirement

benefits payable to the member for the Bridging Period in respect of service after 31 December 1991 must not exceed the amount determined by the formula:

$$(A \times B) + (0.25 \times C \times D / 35)$$

where

- A** is the Defined Benefit Limit for the Year of Commencement,
- B** is the aggregate of all amounts each of which is the duration (measured in years, including any fraction of a year) of a period that is Pensionable Service of the member, subsequent to 31 December 1991.
- C** is the average of the Year's Maximum Pensionable Earnings for the Year of Commencement and for each of the two immediately preceding years, and
- D** is the lesser of 35 and the amount determined for B.

#### **Section 6. Benefit Accrual Rate**

"The benefit accrual rate or the equivalent benefit accrual rate, as the case may be, must not exceed 2% per annum of the Members' Compensation.

#### **Section 7. Sewice Credit**

Periods treated as time worked for Future Credited Service purposes in accordance with Sections 9 and 10 of Article II shall be limited for each employee to 5 years with an additional 3 years in respect of periods of parenting defined as a period within 12 months of the birth or adoption of a child.

## **APPENDIX A-1 SPECIAL EARLY RETIREMENT PROGRAM**

As it is deemed desirable to encourage voluntary early retirement, a Special Early Retirement Program shall be offered to all eligible employees as follows:

- A. The Program will be in effect only for employees who are **at** least age 50 with no less than 30 years of Service Credit or age and Service Credit totaling 80 on or before 31 May 1996.
- B. Each eligible employee shall receive notice of the Program before 31 December 1995, and general notice to all members shall be posted in appropriate locations.
- C. Employees may elect to participate in the program at any time on or after 31 December 1995 and on or before 31 May 1996.
- D. Payments and amounts of benefits under the Program will be calculated in accordance with Article III Section 2-B and 2-E and Article V, except that:
  - (1) the reduction specified in Article III Section 2-B(1) shall be computed as 1/4% for each month under age 60.
  - (2) the reduction specified in Article III Section 2-B(2) shall be computed **as** 1/4% for each month the employee **is** under age 60 at the date of retirement except that an employee who retires with 30 years of service or whose age and service credit total 85, such reductions shall not apply.
  - (3) the Supplemental Transitory Benefit specified in Article III Section 2-E shall be \$18.
  - (4) the Supplemental Allowance specified in Article V Section C shall be \$2100.
- E. Article VII should apply to all amounts calculated in accordance with D of this Appendix.

**APPENDIX "B"**  
**THE HEALTH BENEFIT PLAN FOR**  
**HOURLY AND INCENTIVE PAID**  
**EMPLOYEES**

**ARTICLE I GENERAL PROVISIONS**

**Section 1. Preamble**

John Deere Wetland Works of John Deere Limited, hereinafter referred to as the Company, will provide the Health Benefit Plan for Hourly and Incentive Paid Employees, hereinafter referred to as the Plan. The Plan shall make available Medical, Surgical and Hospital Insurance under the Ontario Health Insurance Plan and shall also make available John Deere Insurance to cover semi-private hospital accommodation expense, prescription drug expense, dental expense, vision care expense and hearing aid benefit insurance -- nonoccupational as herewithafter set forth.

**Section 2. Effective Dates of Coverage**

- A. Employees who are hired on or after 1 April 1971 shall have John Deere Supplemental Health Insurance coverage effective the first day of the month following date of hire, unless otherwise stated in this Collective Bargaining Agreement. Coverage under the Ontario Health Insurance Plan is effective the first day of the third month following date of hire.
- B. Employees shall notify the Company within thirty (30) days of the date their dependency status changes (unless prevented from doing so because of reasons satisfactory to the Company) between "employees with no dependents" and "employees with one or more dependents" in order to be properly insured and classified. Upon such proper notification, coverage

shall be deemed effective from the date the employee acquired the dependent.

### **Section 3. Termination**

- A. Employee insurance referred to in Section 1 of this Article will terminate when the employee's employment terminates subject to the provision of this Plan.
- B. Insurance on any dependent will cease automatically:
  - (1) The date the dependent becomes insured as an employee of the Company, or
  - (2) if the dependent is a spouse, on the date of divorce, or
  - (3) if the dependent is a child when any such child fails to meet the definition of dependents as set forth in Section 9 of Article I or,
  - (4) on the date of termination of employee insurance.

### **Section 4. Cost of Benefits**

Except as otherwise specifically provided, the cost of providing benefits under this Plan will be borne by the Company and no contribution to the Plan shall be made by any employee, retired employee or beneficiary.

### **Section 5. Amendment, Modification, and Termination**

Except as otherwise specifically provided, John Deere Limited may at any time amend, modify, or terminate the Plan, provided however, that no change shall reduce the amount of any benefit to which an employee, retired employee, or beneficiary shall be entitled in respect to claims incurred prior to the effective date of such change.

## **Section 6. Funding**

Except as otherwise specifically provided, benefits shall be provided through an insurance company selected by John Deere Limited, a fund established by John Deere Limited, or from the general assets of John Deere Limited.

## **Section 7. Claim for Benefits**

In order for any employee, retired employee or beneficiary to receive benefits pursuant to any provisions of this Plan, such employee, retired employee or beneficiary must file a written claim. The necessary form(s) for such purpose will be supplied by the Company.

## **Section 8. Denial of Benefits**

When a claim for benefits is denied in full or in part, the claimant shall receive a written notice of the reason or reasons for such denial.

## **Section 9. Definitions**

The term "Dependent" as used herein is limited to:

- A. The employee's wife or husband, as the case may be.
- B. The employee's unmarried children under nineteen years of age, and
- C. The employee's unmarried children
  - (i) over nineteen years of age but under twenty-five years of age, and
  - (ii) at any age if permanently and totally disabled (proof of such disability will be required at such time a claim is submitted) legally residing with and dependent upon the employee for more than one-half their support.

D. Unmarried children shall include natural born, legally adopted, those for whom legal adoption proceedings have been initiated and step-children. Unmarried children shall also include children dependent on the employee for more than one-half of their support who reside in the household of which the employee is the head, and who are related by blood or marriage to the employee or are under such employee's legal guardianship.



## **ARTICLE II CONTINUATION OF INSURANCE**

### **Section 1. Leave of Absence**

- A. An employee not actively at work due to leave of absence except maternity leave of absence (See Section 3), may continue Other Insurance for a maximum of twelve **(12)** months on the following basis:
- (1) During the first (6) months of such leave, the employee will pay fifty (50) percent of the premium and the Company will pay the remaining fifty (50) percent of the premium. During the subsequent six (6) months of the leave, the employee will be required to pay the full premium.
  - (2) Employees not actively at work due to leave of absence for Local Union business may continue this insurance **beyond** twelve **(12)** months for the duration of the leave by paying the full premium by the first of each month.
- B. If an employee is granted a leave of absence due to a clinically anticipated disability based on the natural course of the employee's diagnosed condition and if such employee continues Other Insurance during such approved leave of absence as provided in Paragraph A - (1) of this Section, upon medical certification satisfactory to the Company from the employees attending physician that the employee is totally disabled, Other Insurance for the employee will be continued as provided in Section 3 of this Article.

### **Section 2. Layoff**

- A. An employee with seniority but not actively at work due to layoff will have the Other Insurance subject to the Nonduplication of Benefits provision of Section 2 of Article VII of this Plan continued for a period time

which will be determined by the number of credit units credited to the employee at the date of layoff, in accordance with the provisions of the Supplemental Unemployment Benefit Plan, but in no event will such period be less than six (6) months or exceed twelve (12) months from the date of layoff. One month's coverage will be provided for each four (4) credit units the employee is credited with as of the date of layoff but not to exceed twelve (12) months.

- B.** Following the expiration of the maximum number of months for which the insurance was continued under (A) above, the employee may continue the Other Insurance for a period of twelve (12) additional months by payment of the full premium.
- C.** Notice will be given to employees at least sixty (60) days prior to termination of their insurance notifying them of the date Other Insurance will terminate as provided in Paragraph A above and of the provisions for continuation of Other Insurance as provided in Paragraph B above.

### **Section 3. Illness, Accident or Maternity Leave of Absence**

The Other Insurance of an employee not actively at work because of illness, accident or maternity leave of absence will be continued at no cost to the employee during such illness, accident or leave of absence or for a period of time equal to the employee's continuous employment, whichever is lesser, but in any event not less than fifty-two (52) weeks. An employee or a retired employee will have Insurance continued while eligible to receive Long-Term Disability Benefits as set forth in the John Deere Disability Benefit Plan for Hourly and Incentive Paid Employees.

#### **Section 4. Employee Receiving Life Insurance in Monthly Installments**

An employee receiving Life Insurance in monthly installments under the John Deere Group Life and Disability Insurance Plan for Hourly and Incentive Paid Employees will have the benefits outlined in this Plan continued by the Company without cost to the employee. While such benefits are in effect for such employee, they will be continued for the employee's eligible dependents.

#### **Section 5. Retirement**

An employee retiring under the John Deere Pension Plan for Hourly and Incentive Paid Employees will have the benefits outlined in this Plan continued by the Company without cost to the employee. While such benefits are in effect for the retired employee, they will be continued for the employee's dependents without cost.

#### **Section 6. Surviving Spouse**

- A. The surviving spouse of an employee not eligible to retire under the John Deere Pension Plan for Hourly and Incentive Paid Employees at the time of death and who is receiving a Transition Survivor Income Benefit and not eligible for a Bridge Survivor Income Benefit will have the Other Insurance coverage continued without cost while eligible to receive such Transition Survivor Income Benefits.
- B. The surviving spouse of an employee not eligible to retire under the John Deere Pension Plan for Hourly and Incentive Paid Employees at the time of death and who is eligible to receive both a Transition and Bridge Survivor Income Benefit will have the other insurance coverage continued without cost while eligible to receive such Transition and Bridge Survivor Income Benefits.
- C. The surviving spouse of a retired employee or the surviving spouse of an employee who was eligible to

retire under the John Deere Pension Plan for Hourly and Incentive Paid Employees at the time of death will have the benefits outlined in this Plan continued by the Company without cost provided such spouse was covered under the Health Benefit Plan. While such benefits are in effect for the surviving spouse, they will be continued for such spouse's dependents.

- D. If an employee dies as a result of a work incurred accident or illness, the surviving spouse not eligible under Paragraph C above, will have the benefits outlined in this Plan continued by the Company without cost. Such benefits will cease on the first to occur of the surviving spouse's remarriage, or death.
- E. If an employee dies as a result of a work incurred accident or illness and there is no surviving spouse, the legal guardian of the employee's eligible dependent children may continue the benefits outlined in this Plan for such dependents by payment of the full monthly premium.
- F. For the purpose of A, B, C, and D above, coverage will apply to the surviving spouse and the employee's or retiree's eligible dependents as defined in Article VII, Section 1. No benefit will be payable with respect to a pregnancy commencing after the death of the employee.

## **ARTICLE III**

### **Section 1 PREMIUM RATES**

When an employee is required to make premium payments to continue insurance, such payments must be **made** prior to the first **of** the month for which it is paid.

## **ARTICLE IV MEDICAL, SURGICAL AND HOSPITAL EXPENSE BENEFITS UNDER ONTARIO HEALTH INSURANCE PLAN (OHIP)**

### **Section I. O.H.I.P**

Ontario Health Insurance is a comprehensive Government-sponsored plan of health insurance for residents of Ontario. It provides a wide scope of benefits for medical and hospital services, plus additional benefits for the services of certain other health practitioners. Any portion of a medical or surgical bill covered by OHIP is not insurable under the John Deere Supplemental Insurance Plan. The only exception to this is ambulance services. John Deere Supplemental Insurance Plan will insure the difference, but **only** up to and including the amount shown in other sections of the John Deere Limited Health And Accident Insurance Plan.

## **ARTICLE V SUPPLEMENTAL HOSPITAL, EXPENSE BENEFITS EMPLOYEES AND THEIR DEPENDENTS**

### **Section 1. For Daily Room and Board Expense**

- A. Benefits will be paid to an employee if an insured employee or an insured employee's dependent shall be confined upon the recommendation of a physician as a resident patient in a hospital on account of accidental bodily injury or sickness for an amount equal to the difference between the regular direct cost for standard ward and semi-private accommodation.

Charges will be paid by the plan for up to 365 days for each continuous period of disability. Successive periods of confinement for the same or related **causes** will be considered one period - unless they are separated by a return to work (or by 60 days in the case of a retiree).

- B. Benefits will not be paid for any confinement following the date the attending physician and the employee or the employee's dependent determine that such confinement is no longer necessary.
- C. **No** payment shall be made under this section for any confinement in a chronic care bed or unit of a hospital or in any other bed or unit by whatever name called where patients do not require active medical treatment for the acute phase of illness or disability.

### **Section 2. Chronic and Convalescent Care**

If an insured employee or an insured employee's dependent shall have been eligible for benefits under Section 1-A of this Article because of confinement in a hospital on account of accidental bodily injury or disease for a period of five (5) days or more and transferred on orders of a physician within seven (7) days of release

from such hospital on account of the same bodily injury or sickness to a chronic or convalescent care bed of a hospital or any other bed by whatever name called where patients do not require active medical treatment, but do require continued medical supervision, benefits will be paid to an employee for the direct charges for room and board for any day of such confinement for which the insured employee or insured employee's dependent is not eligible for benefits under Section 1 of this Article. The amount of such charges not to exceed the regular charges for accommodations at its standard **semi-private** level provided that benefits shall be paid for not more than one hundred twenty days (120) during any one (1) period of disability.

### **Section 3. Exclusions and Limitations**

No payment shall be made under Section 2:

- A. For any day of confinement for which the employee or employee's dependent is not eligible for services under a Hospital Insurance Act.



## **ARTICLE VI ADDITIONAL TREATMENT EXPENSE BENEFITS EMPLOYEES AND THEIR DEPENDENTS**

### **Section 1. Hemodialysis Treatment**

Payments will be made to provide hemodialysis benefits for employees and their dependents equal to the reasonable and customary charges for certain items of expense resulting from the use of an artificial kidney machine in a hospital outpatient department, an approved hemodialysis centre on an ambulatory basis or in the employees home or dependents home.

### **Section 2. Prosthetic Device Benefits**

#### **A. Eligibility**

Prosthetic device benefits will be payable if a prosthetic device is received on or after 1 October 1975 by an insured employee or an insured employee's dependent as a result of accidental bodily injury or sickness on the order of a physician when payment for such device is not otherwise covered under the Program. Payment will be made for the actual amount charged for such device up to the reasonable and customary charge. Payment may be made directly to the provider or supplier of such device.

#### **B. Definition**

(1) "Prosthetic Device" means a device which replaces all or part of a body organ (including contiguous tissue) or a diseased, malformed, or injured portion of the body or replaces all or part of the function of a permanently inoperative or malfunctioning bodily organ, or portion of the body, including, but not limited to, leg, arm, back and neck braces, trusses and artificial legs, arms, and eyes, and terminal devices such as hand

hooks furnished on the order of a physician. Replacements of unusable prosthetic devices or repairs of these devices when furnished on a physician's order, and supplies and equipment not having any use other than in connection with the use of the prosthetic device and which are necessary for the effective use of the prosthetic device will also be covered.

(2) The term "Prosthetic Device" includes post-surgical lenses customarily used during convalescence from eye surgery in which the lens of the eye **was** removed, or used to replace a congenitally absent lens of the eye. In addition, combinations of prosthetic lenses are covered when determined to be medically necessary by a physician to restore essentially the vision provided by the crystalline lens of the eye.

(3) "Prosthetic Device" shall include colostomy supplies such **as** bags, belts, tubing, and *stoma* adhesive except for colostomy supplies not having any use other than in connection with the use of the prosthetic device.

**C. Exclusions**

Dentures, other dental appliances, hearing aids and glasses and contact lenses prescribed to correct visual defects are excluded. **Also** excluded are nondurable items such as support garments, special shoes, (unless an integral part of a leg brace), and elastic support bandages.

**Section 3. Durable Medical Equipment**

**A. Eligibility**

Durable Medical Equipment Benefits will be payable if durable medical equipment is received on or after **■** October 1975 by an insured employee or an insured employee's dependent as a result of accidental bodily injury or sickness on the order of a physician for use,

when not confined **as** an inpatient in a hospital, nursing home, or any other institution for the treatment of such accidental bodily injury or sickness, or to improve the functioning of a malformed body member when payment for such equipment is not otherwise provided for under *the* Program.

**B. Payment**

Payment will be made for the actual amount charged for the rental of such equipment up to the reasonable and customary charge. Payment may be made directly to the provider or supplier of the equipment. The company may approve purchase of such equipment if it can reasonably be assumed that the duration of need is such that the rental price would exceed the purchase price, or **said** items cannot be made available on a rental basis.

**C. Definition**

"Durable Medical Equipment" means medical equipment which **(1)** can withstand repeated use, **(2)** is primarily and customarily used to serve a medical purpose, **(3)** generally is not useful to **a** person in the absence of illness or injury, and **(4)** is appropriate for medical treatment in the home and includes, but ~~is~~ not limited to, such items used for treatment **as** an iron lung, oxygen tents, hospital-type beds and equipment, wheelchairs, crutches, canes, walkers, inhalators, traction equipment, nebulizers and suction machines, toilet aids, circulatory aids and neuromuscular stimulants, and glucose monitors for insulin dependent type I diabetes is required, where there is documentation by the physician of poor control (i.e., widely fluctuating blood sugar before mealtime, frequent episodes of insulin reactions, evidence of frequent ketosis) or dependent type I diabetes millitus complicated by pregnancy". Benefits will not be paid for special features or equipment such as motor drive beds and wheelchairs requested

by the patient for personal comfort or convenience unless medically necessary.

**D. Exclusions**

"Durable Medical Equipment" does not include dentures; hearing aids; eyeglasses; contact lenses or equipment which is primarily and customarily used for nonmedical purposes such as heat lamps; air conditioners and other devices and equipment used for environmental control or to enhance the environmental setting in which the patient is placed such as room heaters, humidifiers, dehumidifiers and other equipment which basically serve comfort or convenience; special pad or mattress to prevent decubitus ulcers, (except in case of advanced neurological disorders) and bed bath types of equipment which basically are utilized for hygienic purposes; prosthetic devices; any other item or device which does not stand repeated use such as elastic stockings, face mask, irrigating kits, ace bandages, orthopedic shoes, (or other devices that do not serve a meaningful and necessary therapeutic purpose) in the care and treatment of the patient.

**Section 4. Ambulance**

Benefits will be paid to an employee on behalf of an insured employee or an insured employee's dependent for payment of any portion of the charge for ambulance service to or from a hospital in the local area on account of accidental bodily injury or sickness not covered under the Ontario Health Insurance Plan.

**Section 5. Licenced, Certified Practitioner**

Benefits will be paid to an insured employee for charges made by a Licenced, Certified Practitioner (a Homeopath, a Naturopath, a Napropath, a Chiropractor) or a Christian Science Healer for necessary treatment of himself or an insured dependent on account of accidental bodily injury or sickness, or examination to determine if

suck a condition exists, an amount equal to the actual expense to the employee **up to \$4.00** for each visit for such treatment with a maximum of **\$350.00** for one person during any one period of disability.

### **Section 6. Special Duty Nursing**

- A.** Benefits **will** be paid to an employee if an insured employee or **an** insured employee's dependent shall receive care and treatment rendered by a graduate registered nurse when such care and treatment is determined medically necessary and is ordered by the attending physician.
- B.** Benefits provided under this Section will be subject to the following conditions:
- (1)** The graduate registered nurse is not a member of the employee's family.
  - (2)** The employee shall pay the first \$100 of charges for such care **and** treatment incurred in each calendar year.
  - (3)** Benefits shall be paid in an amount not to exceed 80% of the first \$10,000 (after the \$100 deductible) of the reasonable and customary charge for such care and treatment, and 100% of the reasonably and customary charge for such care and treatment in excess of \$10,000, subject to **a** maximum total benefit under this Section of **\$50,000** for **any** person for his or her lifetime.

## **ARTICLE VII CATASTROPHIC MEDICAL EXPENSE BENEFITS**

### **Section 1. Eligibility**

- A. Benefits will be paid to an employee if an insured employee or an insured employee's dependent incurs Catastrophic Medical Expense as hereinafter provided.

### **Section 2. Effective Date**

- A. The benefits provided in this Article shall be effective for disabilities commencing on or after 6 June 1983.

### **Section 3. Covered Catastrophic Medical Expense**

- A. Subject to the limitations and provisions hereinafter contained, if an insured employee or an insured employee's dependent shall be necessarily confined as a resident patient of a hospital after exhaustion of the benefits under Article V, Section I-A of this Plan, benefits will be paid to the employee for the following necessary health care services in respect to such continuing disability on account of accidental bodily injury or sickness:
  - 1. In-patient hospital care beyond 365 days for an illness or injury;
  - 2. Necessary services of a graduate registered nurse.
- B. If an insured employee or an insured employee's dependent necessarily receives services of a graduate registered nurse, subject to the limitations and provisions hereinafter contained, benefits will be paid to the employee for charges for such services to the extent that such charges are reasonable and customary for the area and type of service, are not

rendered by a member of the employee's family, and the first \$100 of such charges in a calendar year are paid by the employee.

**Section 4. Indemnity Limits**

- A. Payment for charges for health care services described in Section 3 shall be 80% of the first \$10,000 of such charges in respect of any one (1) disability, and 100% of such charges in excess of \$10,000, subject to a maximum total benefit under this Article of \$50,000 for any person for his or her lifetime.

**Section 5. Exclusions and Limitations**

- A. No payment shall be made under this Article in respect to charges for services for which benefits are otherwise provided under any health benefit program provided through the Company to employees and their dependents.

**ARTICLE VIII EXCLUSIONS AND  
LIMITATIONS APPLICABLE TO ALL  
ARTICLES OF THE PLAN**

**Section 1. Exclusions and Limitations**

- A. No payment shall be made in any event with respect to:
- (1) Charges incurred for which benefits are payable in accordance with the provisions of any Workers' Compensation law.
  - (2) Charges incurred for which benefits are provided under any Governmental programs.
  - (3) Charges which would not have been made if no insurance had existed or for charges the employee is not legally required to pay.

**Section 2. Nonduplication of Benefits**

- A. This provision shall apply to an employee whose insurance is continued during a period of layoff provided he is entitled to benefits as an insured employee of another employer.
- B. If any benefit shall be provided under any other group insurance policy, or any other group plan by whatever name called, on account of hospital, surgical and medical expenses covered under this Plan and in connection with any injury, sickness or pregnancy an amount equal to the sum of (1) the total benefits provided through such policy or plan and (2) the total cash value computed on an equitable basis of all services and supplies furnished through such policy or plan under provisions thereof which provide for the furnishing of services and supplies rather than payment in cash shall be deducted from the amount which otherwise would be payable under this Plan on account of such injury, sickness or pregnancy.



- C. If any benefit shall be provided under any other group insurance policy or any other group plan by whatever name called to which the employee is required as a condition of employment to make premium contributions, such benefits that are attributable to the employee's contribution shall not be deducted under Paragraph "B" above.

### **Section 3. Coordination of Benefits**

#### **A. Coordination**

- (1) Notwithstanding any provision of this Plan to the contrary, benefits for covered expenses shall be coordinated as set out below with "other group plans" **as** defined.
- (2) When benefits payable under any other group plans are also payable under this Plan, the benefits otherwise payable during any "claims determination period," **as** defined, under this Plan in the absence of this Co-ordination provision are subject to reduction to the extent necessary to make such benefits, together with the benefits payable or **the** value of the services available under all such other group plans, equal to the total amount of "allowable expenses" **as** defined.
- (3) Upon receipt of satisfactory evidence that an individual covered under this Plan contributed, with respect to the month in which expense for covered services was incurred, fifty percent (**50%**) or more of the monthly premium or subscription charge for coverage under another group plan, the benefits of such other group plans will not be considered for the purposes of determining the benefits under this Plan.
- (4) When the total amount of benefits provided by this Plan and other group plans exceeds one hundred percent (100%) **of** the allowable expenses incurred during a claim determination period and,

as a result of this provision, a portion of benefits otherwise payable under this Plan is not paid, a benefit credit in the amount of such portion will be established. The benefit credit may be used to pay up to one hundred percent (100%) of allowable expenses when another claim (or claims) for a service which is covered under this Plan is incurred in the same claim determination period during which the benefit credit was established. Any benefit credit established during a claim determination period will be canceled at the end of that calendar year,

- (5) Any benefit limits set forth in this Plan will be applicable only to the benefits actually paid under this Plan, exclusive of any amount paid out of an established benefit credit.

**B. Effect on Benefits**

The benefits of another group plan will be ignored for the purposes of determining the benefits under this Plan if the Coordination provision of the other group plan requires such other group plan to determine its benefits after the benefits of this Plan, and the rules set forth in Paragraph C below would require this Plan to determine its benefits before such other group plan.

The Benefits of another group plan will be considered for the purposes of determining the benefits under this Plan for dependent spouses even though such spouse has not enrolled in such group plan and such group plan is available at no cost. Such dependent spouses will be given the opportunity to enroll for the benefits of another group plan before this provision is applied.

**C. Order of Priority of Payments**

- (1) If the other group plan does not contain a Coordination of Benefits provision, such plan shall be considered primary.

(2) If the other group plan contains a Coordination of Benefits provision:

- a. The plan of the employer of the covered person on whose behalf the expenses were incurred shall be primary.
- b. In the **case** of a covered dependent who is the spouse of a covered person, if "a" above does not establish which plan is primary, the plan under which **he** or she is a dependent shall be primary.
- c. In the **case** of a covered dependent who is the child of a covered person, expenses should be submitted first to the plan of the parent whose birthday falls earlier in the calendar year. If both parents share the same birthday, expenses should be submitted in alphabetical order of the parents' first names. If the parents are separated or divorced, child claims should be submitted first to the plan of the parent with custody of the child.
- d. When "a", "b" and "c" above do not establish which plan is primary, the plan which has covered the person on whose behalf the expenses were incurred for the longer period of time shall be primary.

**D. Right of Recovery**

Whenever benefit payments have been made under this Plan and by the other group plan which are in excess of the amount of allowable expenses, the Company shall have the right to recover such overpayments. Recovery of overpayment, if any, may be made at a later date from any person to, for or with respect to whom such payments were made, any insurance companies and any other organizations.

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**E. Release of Information**

Any person claiming benefits under this Plan **must** authorize the release of such information as may be necessary to implement this Section 3.

## **ARTICLE IX PRESCRIPTION DRUG EXPENSE BENEFITS EMPLOYEES AND THEIR DEPENDENTS**

### **Section 1. Eligibility**

Prescription drug expense benefits as set out herein will be payable if an insured employee or an insured employee's dependents incur expenses for covered prescription drugs and medicines as a result of an injury not entitling him to benefits under any Workers' Compensation or occupational disease law, or of sickness not entitling him to benefits under any such law, and for, conditions of pregnancy and obesity, and such prescription drugs and medicines are provided, upon the written order of a physician, by any pharmacy or a physician.

### **Section 2. Amount of Benefit**

- A.** Payment shall be made for such drug or medicine expense incurred during any twelve consecutive month period which exceeds the deductible specified below to the employee, subject to the provisions hereinafter contained, an amount not to exceed the actual charge to the employee for the reasonable and customary charge for such drugs and medicines incurred during such twelve consecutive month period which are in excess of the deductible. An expense or charge shall be deemed incurred as of the date of the purchase and for which payment is made.
- B.** The deductible in respect of each person covered under each twelve consecutive month period is ten dollars (\$10.00), provided that not more than twenty dollars (\$20.00) shall be applied each twelve consecutive month period to an employee and all his dependents.

- C. The term drugs and medicines as used herein shall mean drugs and medicines as defined in the Pharmacy Act of the Province of Ontario.

**Section 3. Exclusions and Limitations**

- A. No payment shall be made in any event with respect to charges for drugs and medicines administered or obtained while the employee or dependent is confined to a hospital.
- B. No payment shall be made for charges for any prescription refill in excess of the number specified by the Physician or any refill dispensed after one year from the date of the Physician's latest order.

## **ARTICLE X DENTAL EXPENSE BENEFITS EMPLOYEES AND THEIR DEPENDENTS**

### **Section 1. Eligibility**

- A. Benefits will be paid to an employee if an insured employee or an insured employee's dependent incurs Dental Expenses as hereinafter provided and such expenses are incurred on or after the effective date of coverage for such insured employee.
- B. Notwithstanding any other provision of the Health Benefit Plan, an employee who was hired on or before 31 December 1979 will be insured for the benefits provided in this Article.
- C. Any employee hired on or after 1 January 1980 will be insured for benefits provided in this Article on the first day of the month following one (1) year of continuous employment.

### **Section 2. Effective Date**

The Benefits provided in this Article will become effective 1 January 1980.

### **Section 3. Hospital Expenses**

- A. If an insured employee or an insured employee's dependent is confined as a resident patient in a hospital for necessary treatment in connection with injuries or disease of a dental nature, the daily room and board and miscellaneous fee expenses incurred during such confinement will be payable under the provisions of Article IV and V.

### **Section 4. Indemnity Limit**

- A, The maximum benefit payable in any one (1) calendar year for benefits under this Article, except benefits described in Section 5-A-(1)-b through x and

(3)-d will be one thousand, two hundred dollars (\$1,200).

- B. The maximum benefit payable in connection with orthodontic treatment will be one thousand, three hundred dollars (\$1,300 ) for all such expenses incurred during the life time of the insured. The one thousand, three hundred dollars . (\$1,300 ) is applicable only to treatment on or after 01 October 1995.
- C. The maximum benefits payable in Paragraphs A and B above will apply separately to each insured employee and to each insured employee's dependent.

### **Section 5. Covered Dental Expenses**

- A. Benefits will be paid to the employee subject to the limitations and provisions hereinafter contained in an amount equal to the actual expense to the employee of the reasonable and customary charge of a dentist for the dental services and supplies received by an insured employee or an insured employee's dependent for the necessary treatment as hereinafter listed.

(1)One hundred percent (100%) of the reasonable and customary charge for:

- a. Oral examinations including prophylaxis (scaling and cleaning of teeth), **but** not more than one (1) examination in any period of **six** (6) consecutive months.
- b. The excision of partially or completely unerupted or impacted teeth.
- c. Surgical removal of an erupted tooth (must require incision of tissue).
- d. Gingivectomy procedures, if performed in connection with the treatment **of** diseased gums.



- e. Initial emergency care and treatment as a result of an accident, but not to exceed fifteen dollars (\$15).
- f. Alveolectomy, **but not the** extraction of teeth preceding such alveolectomy at one sitting.
- g. Apicoectomy or apicoectomy combined with single stage.nerve extirpation and canal filling.
- h. Incision and drainage of abscess.
- i. Removal of retained or residual roots totally covered by bone.
- j. Removal of cysts and neoplasms.
- k. Frenectomy.
- l. Biopsy.
- m. Excision of hypertrophied or hyperplastic tissue.
- n. Tooth transplantation or implantation or reimplantation.
- o. Sulcoplasty.
- p. Oral antral fistula closure and/or antral root recovery.
- q. Exostosis.
- r. Osteoplasty or Ostectomy or Osteotomy.
- s. X-rays required for treatment or diagnosis of accidental injury.
- t. Fracture of facial bones.
- u. Neurectomy -- not associated with root canal therapy.
- v. Sialolithotomy and associated diagnostic procedures.
- w. General anesthesia administered as an outpatient which renders a patient totally unconscious in connection with the removal of impacted teeth.

- x. Surgical exposure of impacted or unerupted teeth for orthodontic treatment.
- (2) One hundred percent (100%) of the reasonable and customary charge for:
- a. Topical application of sodium or stannous fluoride.
  - b. Dental X-rays, **but** not more than one (1) full mouth X-ray or **panorex** in any period of thirty-six (36) consecutive months; and supplementary bitewing X-rays **but** not more than once in any period of ~~six~~ **(6)** consecutive months; and such other dental X-rays as are required in connection with diagnosis of a specific condition requiring treatment.
  - c. Routine extraction's (removal of teeth uncomplicated).
  - d. Restorations -- other than restorations used for retaining prosthetic devices.
  - e. Treatment of periodontal and other diseases of gums and tissues of the mouth **but** not surgical procedures covered in A-1 above. (Bridgework required in connection with such treatment is subject to the fifty percent (50%) rate of payments.)
  - f. Injection of medication, other than local anesthetic by the attending dentist.
  - g. Repair or recementing of crowns, inlays, bridgework or dentures, or relining of dentures.
  - h. Space maintainers.
  - i. Inlays; gold fillings; crowns (including precision attachments for dentures).
  - j. Root canal therapy -- without an apicoectomy.
  - k. Oral surgery procedures not included in A-(1) above.

- I. General anesthesia administered as an outpatient which renders a patient totally unconscious in connection with a covered dental service other than as specified in A-(1)-w.
  - m. Nuva Seal when used as a direct result of medical treatment.
- (3) Fifty percent (50%) of the reasonable and customary charge for:
- a. Initial installation of fixed bridgework (including inlays and crowns to form abutments).
  - b. Initial installation (including adjustments during the six (6) month period following installation) of partial or full removable dentures.
  - c. Replacement of existing partial or full removable denture or fixed bridgework by a new denture or by new bridgework, or the addition of teeth to an existing partial removable denture or to bridge work, but only if satisfactory evidence is presented that:
    - (i) the replacement or addition of teeth is required to replace one (1) or more teeth extracted after the existing denture or bridgework was installed; or
    - (ii) the existing denture or bridgework was installed at least five (5) years prior to its replacement and the existing denture or bridgework cannot be made serviceable; the five (5) year period shall not be applicable to appliances provided before 1 October 1974; or
    - (iii) the existing denture is an immediate temporary denture which cannot be made permanent and replacement by a permanent denture takes place within twelve (12) months from the date of

installation of the immediate temporary denture.

Normally, dentures will be replaced by dentures, but if achieving a professionally acceptable course of treatment requires bridgework, such bridgework will be a Covered Dental Expense.

- d. Orthodontic treatment, appliance therapy, and functional/myofunctional therapy. However, general anesthesia and x-rays required in connection with orthodontic treatment **shall** be covered under Paragraph **A-(2)** of this Section. Extractions which are required for and which are a part of the orthodontic treatment plan will be payable under this provision.

#### **Section 6. Treatment Plan.**

- A. If a course of treatment can reasonably be expected to involve Covered Dental Expenses of more than one hundred twenty-five (\$125), a description of the procedures to be performed and an estimate of the dentist's charges should be filed with the Company prior to the commencement of the course of treatment. The Company will notify the employee and the dentist of the benefits payable based upon such course of treatment and of the expenses not covered. The expenses to be paid will be certified by the Company as payable under this Article.
- B. In determining the amount of benefits payable, professional consideration will be given to procedures, services, or courses of treatment that are customarily provided by the dental profession in conformity with good professional practices and standards that may be performed for the dental condition concerned. The amount included as Certified Covered Dental Expenses will be based on the approved Provincial Dental Fee Schedule. In the

event alternate procedures or services are to be certified, no certification will be issued until the dentist has been contacted and requested to provide an explanation for the procedures or services in question.

- C. If a description of procedures to be performed and an estimate of the dentist's charges are not submitted in advance, the Company reserves the right to make a determination of benefits payable under this Article taking into account procedures, services or courses of treatment which will provide a professionally adequate result.
- D. This Treatment Plan will not apply to courses of treatment under one hundred twenty-five (**\$125**) or to emergency treatment, oral examinations, X-rays or prophylaxis. A course of treatment is one (**1**) or more treatments in a planned series resulting from a dental examination.

### **Section 7. Limitations**

#### **A. Restorative:**

1. Gold, baked porcelain restorations, crowns and jackets. If a tooth can be restored with a material such as amalgam, appropriate payment for that procedure will be made toward the charge for another type of restoration selected by the patient and the dentist. The balance of the treatment charge will remain the responsibility of the patient.

2. Reconstruction

Appropriate payment will be made toward the cost of procedures necessary to eliminate oral disease and to replace missing teeth. Appliances or restorations necessary to increase vertical dimension or restore the occlusion will be considered optional and their cost will remain the responsibility of the patient.

**B. Prosthodontics:**

**1. Replacement of Existing Dentures.**

An existing denture will be replaced only if it is unsatisfactory and cannot be made satisfactory. Services which are necessary to render such appliances satisfactory will be provided in accordance with the Agreement. Prosthodontic appliances will be replaced only after five (5) years have elapsed following any prior provision of such appliances by any group program. The five (5) year period shall not be applicable to appliances provided before 1 October 1974.

**C. Orthodontics:**

1. If orthodontic treatment is terminated for any reason before completion, the obligation to pay benefits will cease with payment to the date of termination.
2. The monthly benefit payment obligation under the orthodontic benefits provision shall cease on the termination date of this Agreement unless renewed or extended.

**Section 8. Exclusions**

Covered Dental Expenses do not include and no benefits are payable for:

- A. Charges for which benefits are otherwise provided under this Health Benefit Plan.
- B. Charges for treatment by other than a dentist, except that scaling or cleaning of teeth may be performed by a licensed dental hygienist if the treatment is rendered under the supervision and guidance of the dentist.
- C. Charges for services and supplies that are solely cosmetic in nature, including charges for personalization or characterization of dentures.

- D. Charges for prosthetic devices (including bridges and crowns) and the fitting thereof which were ordered while the individual was not insured for Dental Expense Benefits or which were ordered while the individual was insured for Dental Expense Benefits but are finally installed or delivered to such individual more than sixty (60) days after termination of insurance.
- E. Charges for the replacement of a lost, missing or stolen prosthetic device.
- F. Charges set forth in "Exclusions" applicable to all Articles.
- G. Charges for failure to keep a scheduled visit with the dentist.
- H. Charges for replacement or repair of broken orthodontic appliance.
- I. Services provided by dental laboratories or expanded dental auxiliaries unless such dental laboratories or dental auxiliaries are licensed in accordance with the requirements of the jurisdiction in which it is located.

### **Section 9. Definitions**

- A. The term "Dentist" means a legally licensed dentist practicing within the scope of his license. For the purposes of this Article, the term "Dentist" also includes a legally licensed physician authorized by his license to perform the particular dental services he has rendered.
- B. The term "Orthodontic Treatment" means the preventive and corrective treatment of all those dental irregularities which result from the anomalous growth and development of dentition and its related anatomic structures or as a result of accidental injury and which require repositioning of teeth to establish normal occlusion.

**Section 10. Coordination With Other Dental Expense Benefits**

- A. The Company shall follow the same procedures with respect to the Dental Expense Benefits concerning coordination of benefits as is set forth for Hospital, Surgical and Medical Benefits, except that only **other** dental expense benefits provided either **by** a **group** Dental Benefit Plan to which an employer contributes at least fifty percent (50%) of the **cost**, or **a** comprehensive medical plan providing dental benefits *which* meets the same qualifications will be considered.



## **ARTICLE XI VISION CARE EXPENSE BENEFITS EMPLOYEES AND THEIR DEPENDENTS**

### **Section 1. Eligibility**

- A.** Benefits will be paid to an employee if an insured employee or an insured employee's dependent incurs **Vision Care Expense as** hereinafter provided **and** such expenses are incurred on or after the effective date of coverage for such insured employee.
- B.** Notwithstanding any other provisions of the Health Benefit Plan, an employee who has attained seniority as of **31 December 1979** will be insured for benefits provided in this Article.
- E.** Any employee hired before **31 December 1979** who had not obtained seniority by **31 December 1979** will be insured for benefits provided in this Article on the first day of the month following attainment of seniority.
- D.** Any employee hired on or after **1 January 1980** will be insured for benefits provided in this Article on the first day of the month following one (1) year of continuous employment.

### **Section 2. Effective Date**

The benefits provided in this Article shall be effective 1 January 1980.

### **Section 3. Covered Vision Care Benefits**

- A.** Benefits will be paid to the employee subject to the limitations and provisions hereinafter contained for charges by an Ophthalmologist, Optometrist or Optician as follows:
  - (1)** Necessary materials and professional services to order, prepare, fit and adjust single vision, bifocal,

trifocal, lenticular or contact prescription lenses once during any period of 24 consecutive months. Once during any period of 12 consecutive months for dependents age 16 and under.

- (2) Frames once in any period of 24 consecutive months from the last receipt of frames, and then only if new lenses are prescribed,

#### **Section 4. Indemnity Limits**

- A. The maximum benefit payable in any period of 24 consecutive months for materials and professional services as provided in Section 3-A-(1) shall be the actual charge for two (2) lenses, but not more than:
- (1) \$17.50 per lens -- single vision;
  - (2) **\$26.25** per lens -- bifocal;
  - (3) \$35.00 per lens -- trifocal;
  - (4) \$43.70 per lens -- lenticular;
  - (5) **\$26.25** per contact lens.
- B. The maximum benefit payable in any period of 24 consecutive months for frames as provided in Section 3-A-(2) shall be \$24.80 , and then only if new lenses are prescribed.
- C. The limitations provided in this section shall apply whether or not a claim for benefits are for replacement of **lost**, stolen or broken lenses, contact lenses or frames.

#### **Section 5. Exclusions**

- A. Covered Vision Care Expenses do not include and no benefits are payable for:
- (1) Lenses which do not require a prescription.
  - (2) Charges for which benefits are otherwise provided under this Health Benefit Plan and the Ontario Health Insurance Plan.
  - (3) Procedures determined to be special or unusual, such **as**, but not limited to, orthoptics, vision

- training, subnormal vision aids and aniseikonic lenses.
- (4)** Vision examinations or materials furnished for any condition, disease, ailment, or injury arising out of and in the course of employment.
  - (5)** Services rendered and materials ordered:
    - (a)** before the employee became eligible for this benefit;
    - (b)** after termination of the insured employee's employment; except for materials ordered while covered by this Plan and delivered within thirty (30) days after the date of termination;
    - (e)** for which the employee is not charged or is not obligated to pay.
  - (E)** Charges for failure to keep a scheduled visit with the Ophthalmologist, Optometrist or Optician.

## **ARTICLE XII HEARING AID EXPENSE BENEFIT PLAN FOR EMPLOYEES AND THEIR DEPENDENTS**

### **Section 1. Eligibility**

- A. Benefits will be paid to an employee *if* an insured employee or an insured employee's dependent incurs Hearing Aid Expense as hereinafter provided and such expenses are incurred on or after the effective date of coverage for such insured employees.
- B. Notwithstanding any other provisions of the Health Benefit Plan an employee hired on or before 31 December 1979 will be insured for benefits provided in this Article.
- C. Any employee hired on or after ■ January 1980 will be insured for benefits provided in this Article on the first day of the month following one (1) year of continuous employment.

### **Section 2. Effective Date**

The benefits provided in this Article shall be effective 1 April 1980.

### **Section 3. Covered Hearing Aid Expense Benefits**

- A. Benefits, subject to certain limitations will be paid in an amount based on the actual charge for the service or hearing aid supplies. Benefits under the plan are:
  - (1) Hearing aids designed for in-the-ear, behind-the-ear or on the body use and only if the hearing aid prescribed is based upon the audiometric examination and hearing aid evaluation test and the hearing aid provided is the make and model prescribed by the otologist, otolaryngologist or clinical audiologist.

#### **Section 4. Indemnity Limits**

- A. Benefits for services summarized in Section 3-A-(1) are limited to one (1) hearing aid in any period of thirty-six (36) calendar months after the most recent hearing aid for which benefits were payable under the Plan.
- B. The benefit covered under the Plan will be the actual charge, but not more than:
  - (1) For the hearing aid Manufacturer's list price, but not more than \$225.00
  - (2) For the Rearing aid dispensing fee, necessary ear mold, initial batteries and a minimum of six (6) months necessary follow-up care. \$125.00

#### **Section 5. Coordination of Benefits**

The Company shall coordinate payment for services and supplies provided by the Hearing Aid Expense Benefit Plan with other group plans which provide hearing aid benefits and for which the employee or insured dependent contribute less than 50 percent of the premium. Generally, if you are covered by more than one plan, your expenses will be shared between the plans, up to the full amount of actual cost.

#### **Section 6. Services Not Covered**

Covered hearing aid benefit expenses do not include and no benefits are payable for the following:

- A. Audiometric examinations and/or hearing aid evaluation tests.
- B. Medical or surgical treatment.
- C. Examinations, tests and hearing aids provided under Worker's Compensation law.
- D. Drugs or other medications.

- E.** Hearing aids ordered before a person became eligible for benefits under this plan or after termination of coverage.
- F.** Hearing aids ordered while covered by the plan, but delivered more than 60 days after termination of coverage.
- G.** Charges for hearing aids for which no charge is made to the patient or for which no charge would be made in the absence of this plan.
- H.** Charges for hearing aids which do not meet professionally accepted standards or practice, or which are not recommended or approved by the otologist, otolaryngologist or clinical audiologist.
- I.** Charges for hearing aids received as a result of ear disease, defect or injury due to an act of war declared or undeclared.
- J.** Charges for hearing aids provided by any governmental agency which are obtained without cost by compliance with any federal, provincial, municipal or other governmental body law or regulation, or any charges to the extent they are payable under any health care program supported in whole or in part by funds of the federal government or any provincial or political sub-division thereof.
- K.** Replacement of hearing aids that are lost or broken unless, at the time of such replacement, the covered person is otherwise eligible as described in Section 4-A.
- L.** Charges for the completion of any insurance forms.
- M.** Replacement parts for and repairs of hearing aids.
- N.** Eyeglass-type hearing aids, to the extent the charge exceeds the covered hearing aid expense for one hearing aid.
- O.** Charges for failure to keep a scheduled visit with an audiologist.

**APPENDIX "C"**  
**THE DISABILITY BENEFIT PLAN FOR**  
**HOURLY AND INCENTIVE PAID**  
**EMPLOYEES**

**ARTICLE I ESTABLISHMENT OF PLAN**

**Section 1. Preamble**

John Deere Welland Works of John Deere Limited, hereinafter referred to as the Company, will provide the Disability Benefit Plan for Hourly and Incentive Paid Employees (hereinafter referred to as the Plan). This Plan shall make available "Weekly Indemnity for Total Disability Insurance -- Nonoccupational (hereinafter referred to as Weekly Indemnity), Layoff Disability Benefits Insurance, Long-Term Disability Benefits Insurance -- Occupational and Nonoccupational, and Supplemental Weekly Indemnity Benefits-- Occupational" as hereinafter set forth.

**Section 2. Claims Covered Under New Plan**

The benefits provided in this Plan shall be payable with respect to any claims initially incurred on or after January 1 1987. With respect to claims initially incurred prior to 1 January 1987 benefits will be payable as provided in the 1983 Program.

**Section 3. Effective Dates of Coverage**

Employees who are hired on or after 1 April 1971 shall have coverage effective the first day of the month following date of hire.

**Section 4. Physical Examinations**

The Company, at its own expense, shall have the right to require an employee to submit to an examination by an

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independent physician designated by it for the purpose of determining continuing disability. The Company shall have the right to examine the employee as often as it may reasonably require during an extended disability.

#### **Section 5. Termination**

Employee insurance referred to in Section 1 will terminate when the employee's employment terminates subject to the provisions of this Plan.

#### **Section 6. Cost of Benefits**

Except as otherwise specifically provided, the cost of providing benefits under this Plan will be borne by the Company and no contribution to the Plan shall be made by any employee, or retired employee.

#### **Section 7. Amendment, Modification, and Termination**

Except as otherwise specifically provided, the Company may at any time amend, modify, or terminate this Plan, provided however, that no change shall reduce the amount of any benefit to which an employee or retired employee shall be entitled on account of disability incurred prior to the effective date of such change.

#### **Section 8. Funding**

Except as otherwise specifically provided, benefits shall be provided through an insurance company selected by the Company, a fund established by the Company, or from the general assets of the Company.

#### **Section 9. Application for Benefits**

In order for any employee to receive benefits pursuant to the provisions of this Plan, such employee must file a written application. The necessary form(s) for such purpose will be supplied by the Company.



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**Section 10. Denial of Benefits**

When application for benefits provided by this Plan is denied in full or in part, the employee shall receive a written notice of the reason or reasons for such denial.

## **ARTICLE II CONTINUATION OF INSURANCE**

### **Section 1. Leave of Absence**

Weekly Indemnity Insurance may be continued by the Company for thirty-one (31) days in the event of a leave of absence, including maternity leave of absence.

### **Section 2. Layoff**

- A.** Weekly Indemnity insurance will be continued for thirty-one (31) days in the event of a layoff.
- B.** If an employee becomes disabled while on layoff, after thirty-one (31) days, the employee may be eligible for a Layoff Disability Benefit as set forth in Article IV, Section 3. An employee with seniority who has **at** least one credit unit under the SUB Plan will have Layoff Disability Insurance continued subject to the Nonduplication of Benefits provision in Article V, Section 2 for a period of time which will be determined by the number of credit units credited to the employee at the time of layoff in accordance with the provisions of the Supplemental Unemployment Benefit Plan. One month's coverage will be provided for each four **(4)** credit units the employee is credited with as of the date of layoff but not to exceed twelve (12) months.

## ARTICLE III AMOUNT OF BENEFIT

### Section 1. Determination of Earnings Bracket

A. The Hourly Earnings Bracket in which each employee falls and upon which his Weekly Indemnity for Total Disability Insurance and Long-Term Disability Insurance is based shall be determined as follows:

(1) Hourly Employees: The individual hourly paid employee's hourly earning rate, excluding overtime penalty pay, as of the 1st day of each January, April, July and October shall determine the benefit for each three (3) months' period beginning the following February, May, August and November. Newly hired hourly paid employees or employees transferred from salaried payroll to hourly payroll shall have their benefit based upon their starting rate on the hourly payroll until the next regular period for benefit determination as outlined above.

Your hourly earning rate on these dates	1 Apr.	1 Jul.	1 Oct.	1 Jan
Determines Weekly Indemnity Benefits for claims commencing in these months	May Jun.	Aug. Sep	Nov. Dec.	Feb. Mar Apr.

(2) Incentive Employees: The individual incentive paid employee's hourly earning rate shall be his average straight-time hourly earnings as of the first day of each January, April, July and October which shall determine the benefit for each three (3) months' period beginning the following February, May, August and November. The method of computing the incentive employee's average straight-time hourly earnings as of the 1st day of each January, April, July and October shall be as follows:

- a. Divide the sum of all money paid during the three (3) calendar months preceding such date for hours worked, excluding overtime penalty pay, by the total of such hours worked. Newly hired incentive employees or employees transferred from salary payroll to incentive payroll shall have their benefit based upon the occupational rate of the classification to which they are first assigned until the next regular period for benefit determination as outlined.

Your average earnings in these months	Jan Feb. Mar	Apr. May Jun.	Jul. Aug. Sep.	Oct. Nov. Dec.
As determined on these dates	1 Apr.	1 Jul.	1 Oct.	1 Jan
Determines Weekly Indemnity Benefits for claims commencing in	May Jun. Jul.	Aug. Sep. Oct.	Nov. Dec. Jan	Feb. Mar Apr.

- B. An employee classified as an hourly employee who has worked as an incentive employee during the period that would be used to determine the Earnings Bracket for incentive employees shall have his average earnings computed as an incentive employee. The Earnings Bracket will be the higher of his hourly earnings rate or his average earnings rate.
- C. In determining the Earnings Bracket on and after 1 October 1995 the cost-of-living allowance provided through June 1995 shall be included for employees at work on or after 1 November 1995.

**Section 2. Benefit Amount**

A. Weekly Indemnity and Long Term Disability Benefits for claims commencing on or after 1 November 1995 will be as follows:

<u>Earnings Bracket</u>	<u>Employee Weekly Indemnity Benefit</u>	<u>Monthly Long-Term Disability Benefit</u>
Less than \$13.70	305.00	1150.00
\$13.70 but less than \$14.00	311.00	1175.00
\$14.00 but less than \$14.30	317.00	1200.00
\$14.30 but less than \$14.60	323.00	1225.00
\$14.60 but less than \$14.90	329.00	1250.00
\$14.90 but less than \$15.20	335.00	1275.00
\$15.20 but less than \$15.50	341.00	1300.00
\$15.50 but less than \$15.80	347.00	1325.00
\$15.80 but less than \$16.10	353.00	1350.00
\$16.10 but less than \$16.40	359.00	1375.00
\$16.40 but less than \$16.70	365.00	1400.00
\$16.70 but less than \$17.00	371.00	1425.00
\$17.00 but less than \$17.30	377.00	1450.00
\$17.30 but less than \$17.60	383.00	1475.00
\$17.60 but less than \$17.90	389.00	1500.00
\$17.90 but less than \$18.20	395.00	1525.00
\$18.20 but less than \$18.50	401.00	1550.00
\$18.50 but less than \$18.80	407.00	1575.00
\$18.80 but less than \$19.10	413.00	1600.00
\$19.10 but less than \$19.40	419.00	1625.00
\$19.40 but less than \$19.70	425.00	1650.00
\$19.70 but less than \$20.00	431.00	1675.00
\$20.00 but less than \$20.30	437.00	1700.00
\$20.30 but less than \$20.60	443.00	1725.00
\$20.60 but less than \$20.90	449.00	1750.00
\$20.90 but less than \$21.20	455.00	1775.00
\$21.20 and over	461.00	1800.00

B. Any Weekly Indemnity Benefits due for periods less than a full week shall be paid on the basis of one-fifth (1/5) of the weekly benefit for each day of an employee's regular five (5) day work-week.

## ARTICLE IV COMMENCEMENT AND DURATION OF BENEFITS

### Section 1. Weekly Indemnity -- Nonoccupational

- A. If an insured employee shall be totally disabled as a result of accidental bodily injury or sickness not hereinafter excepted, or as a result of pregnancy, childbirth or miscarriage, and provided such disability shall commence while the employee is insured under this Section, benefits will be paid to the employee for the period of such disability subject to the indemnity limits hereinafter set forth, in an amount determined as herein outlined.
- B. Employees hired on or after 1 October 1973 will be eligible for Weekly Indemnity Benefits for a period of time equal to their continuous employment at the time the disability commences but in any case for not more than fifty-two (52) weeks. If such employee is confined in a hospital at the date of expiration of his Weekly Indemnity Benefits and such benefits were payable for less than fifty-two (52) weeks, benefits shall continue to be paid while he continues to be confined but in no case beyond fifty-two (52) weeks.
- C. Weekly Indemnity Benefits will be paid for not more than fifty-two (52) weeks during any one period of disability, commencing with (1) the eighth day of disability caused by accident except that if during the first seven days of disability the employee, because of such accident, becomes confined to a hospital or is treated by a duly qualified physician, there shall be no waiting period; or (2) the first day the employee is confined in a hospital; or (3) the eighth day of disability caused by sickness; or (4) the day on which the employee undergoes a surgical procedure, including an oral surgical procedure, for which the employee was not hospitalized and for which a benefit of twenty-five (25) dollars or more is payable

under Article **IV** or Article **XI** of the Health Benefit Plan for Hourly and Incentive Paid Employees, whichever first occurs.

- D.** for the purposes of the insurance under this Section, successive periods of disability separated by less than two **(2)** weeks of active work on full time shall be considered one period of disability unless the subsequent disability is due to an injury or sickness entirely unrelated to the cause of the previous disability and commences after return to work.
- F.** No change in class which will provide an increase or decrease in amount of insurance shall become effective during any one period of disability.
- G.** The amount of Weekly Indemnity Benefits for the first and last day of disability will be determined on the following basis:
  - (1)** If the employee has worked or has been paid for less than three **(3)** hours, the full Weekly Indemnity Benefit amount will be paid for that day.
  - (2)** If the employee has worked or has been paid for three **(3)** or more, but less than six **(6)** hours, one-half the Weekly Indemnity Benefit amount will be paid for that day.
  - (3)** If the employee has worked or has been paid six **(6)** or more hours, no Weekly Indemnity Benefit will be paid for that day.
- H.** Benefits under **this** Section will not be payable if the disability is due to a concurrent existing occupational disability for which he is eligible to receive benefits payable under Workers' Compensation laws.
- I.** Benefit payments for disability caused by sickness will not commence prior to the date the employee is treated by a duly qualified physician.
- J.** A disabled employee who is released to return to work by the attending physician, but is temporarily prevented from returning to his/her regular job

because of medical restrictions and there are no vacant jobs the employee is capable of performing, will be continued, if eligible, on Weekly Indemnity status.

**K.** When an employee has been totally disabled as the result of accidental bodily injury, returns to work and subsequently experiences any recurrence of total disability within 180 calendar days of that return, there shall be no waiting period for Weekly Indemnity Benefits, provided medical evidence indicates the total disability is due to the same injury. When such total disability commences after 180 calendar days following the first day of return to work subsequent to the initial period of disability.

(1) Such subsequent periods shall be considered a disability due to sickness, and

(2) The waiting period shall be applied to such period or periods of disability as provided under this Section.

**L.** Exclusions and Limitations

The insurance under this Section shall not cover disability resulting from:

a. Sickness, pregnancy, childbirth, or miscarriage for which the employee is not treated by a duly qualified physician.

b. An injury or sickness due to war or any act of war, whether war is declared or not, or due to any act of international armed conflict, or conflict involving the armed forces of any international authority.

**M.** An employee may waive irrevocably any right he may have to receive Weekly Indemnity Benefits with respect to any period of disability by completing a waiver form furnished by the Company for that purpose. No Weekly Indemnity Benefits shall be payable for any period of disability covered by such waiver.



## **Section 2. Supplemental Weekly Indemnity -- Occupational**

- A.** Except as provided in **B** of this Section, if an employee shall be entitled to any Workers' Compensation benefit for temporary total or temporary partial disability from the Company or for total or partial permanent disability from the Company, or entitled to any compensation for future loss of earnings from the Company, the Company will supplement such compensation to equal the amount and with the time limits to which the employee would have been entitled **as a** Weekly Indemnity Benefit for nonoccupational accident or sickness as provided in Section 1 of this Article and Article III.
- B.** If an employee would have been entitled to less than **fifty-two (52)** weeks of Weekly Indemnity by reason of his continuous employment, such employee shall be entitled to Supplemental Weekly Indemnity -- Occupational for **up to fifty-two (52)** weeks.
- C.** Where there is a dispute as to whether or not an injury suffered by an employee grew out of his employment with the Company, the following procedure will be followed:
  - (1)** The employee shall receive an amount of money equal to his current Weekly Indemnity rate, but this benefit will not be considered either Weekly Indemnity or Workers' Compensation until such time **as** the dispute is finally resolved.
  - (2)** The employee will be required to sign a reimbursement form which will provide that any Workers' Compensation judgment in favour of the employee which duplicates a payment previously made by the Company will be returned to the Company by the employee, or deducted from any final settlement the Company may be required to make.

It is understood that any of the above actions taken while the dispute is pending will in no way impair the rights of the employee or the Company nor be used to prejudice the position of either.

### **Section 3. Layoff Disability Benefits**

- A.** The benefits provided in this Section shall be payable with respect to weeks of disability to any employee who is entitled to continue the coverage provided in Section 1 of this Article.
- B.** The Layoff Disability Benefit shall be equal in amount to the Weekly Indemnity Benefit under Section 1 and 2 of Article III, subject to the provisions of Paragraph C below.
- C.** Qualifications for Benefits

**(1)** as a result of disease or accidental bodily injury for which the employee is not entitled to benefits under any Workers' Compensation Law, an employee becomes totally disabled while on a qualifying layoff as defined in Appendix "D", "Supplemental Unemployment Benefit Plan", a Layoff Disability Benefit shall be paid for each week of disability while on layoff provided, however, that:

- a.** The employee must have been eligible for a Regular Benefit under the SUB Plan or have been employed by another employer immediately prior to his having become disabled;

- b.** No Layoff Disability Benefit shall be payable for any

week which the employee **does** not have to his/her credit at least one (1) credit unit under the SUB Plan:

- c. No Layoff Disability Benefit shall be payable for any week during which the employee is not under the care of a physician;
  - d. No Layoff Disability Benefit shall be payable for any week during which **the** employee receives Weekly **Indemnity** Benefits or Long-Term Disability Benefits under this Article;
  - e. The Layoff Disability Benefit for any week shall be reduced by the amount *of* any Disability Benefit he receives for the same week under any plan financed in whole or in part by another employer;
  - f. Layoff Disability Benefits start on the first day following the last day for which **a** SUB Plan Regular Benefit was payable to the employee if he was receiving such Regular Benefits immediately prior to **his** becoming disabled, otherwise on the first day of **the** qualifying disability;
  - g. No Layoff Disability Benefit shall be payable beyond the time the employee no longer satisfies the disability requirement except that if he remains on a qualifying layoff under the SUB Plan, benefits shall be payable for the remaining days in the same week as **defined** in the SUB Plan for which he does not receive a Regular Benefit;
  - h. In no event will there be any duplication of Layoff Disability Benefits and SUB Benefits.
- D. An employee may waive irrevocably any right he may **have** to receive Layoff Disability Benefits with respect to any period of disability by completing a waiver form furnished by the Company for that purpose. **No** Layoff Disability Benefits shall be payable for any period of disability covered by such waiver.

**Section 4. Long-Term Disability Benefits --  
Occupational and Nonoccupational**

**A. Eligibility**

(1) If an employee at work on or after 1 October 1973 shall become totally disabled as a result of bodily injury or sickness not hereinafter excepted and such disability continues beyond the period for which he is entitled to Weekly Indemnity under Section 1 of this Article, Supplemental Weekly Indemnity -- Occupational under Section 2 of this Article, or Layoff Disability under Section 3 of this Article, will be entitled during the continuation of such disability, subject to the provisions hereinafter set forth, to a monthly Long-Term Disability Benefit for the period set out below.

**B. Commencement and Duration of Benefits**

(1) Benefits will commence the day following the last day of disability included in the maximum number of Weekly Indemnity Benefits, Layoff Disability Benefits, or Supplemental Weekly Indemnity -- Occupational and will be paid for not longer than the time specified below:

- a. If the employee has less than two (2) years of continuous employment at the commencement of the disability -- one (1) year.
- b. If the employee had two (2) or more years of continuous employment at the commencement of disability -- one (1) year plus the number of full months by which the employee's continuous employment at the commencement of the disability exceeded twenty-four (24) months.
- c. The date of death.
- d. If disability commences prior to attainment of age 60, until attainment of age 65.

- e. If disability commences on or after attainment of age 60, until the first to occur of:
    - i. attainment of age 70 or
    - ii. the end of a period of 60 months less periods of Weekly Indemnity.
  - f. The date he no longer satisfies the disability requirements.
- (2) If an employee's return to work with the Company is not of sufficient duration to qualify him for a new period of Weekly Indemnity Benefits or Supplemental Weekly Indemnity -- Occupational, his period of disability shall not be deemed interrupted by such return but his Long-Term Disability Benefit for the month shall be reduced proportionately for the period of return to work.
- (3) If an employee while receiving Long-Term Disability Benefits engages in any substantial gainful activity, his Long-Term Disability Benefits will be suspended for the period of such employment. After termination of such employment, Long-Term Disability Benefits will again be paid if the employee is then qualified as totally disabled.
- (4) Benefits accrued under this Plan during any calendar month will be payable as of the first day of the next succeeding month. Benefits payable for a period of less than a full month shall be prorated on the basis of the ratio of calendar days of eligibility to total calendar days in the month.
- (5) For the purpose of determining the maximum period for monthly Long-Term Disability Benefits any month in which such benefits are partially or wholly offset by benefit payments from sources listed below or because of return to work, i.e., not of sufficient duration to qualify him for a new period of Weekly Indemnity Benefit or Supplemental Weekly Indemnity-Occupational,

such month shall be counted as a full month. Fractions of the **first** month and the last month shall be counted as fractions of a month.

- (6) The cumulative total number of months during any previous periods of eligibility for Long-Term Disability Benefits will reduce the maximum number of monthly benefit payments for which the employee is otherwise eligible when Long-Term Disability Benefits again commence.

### **C. Amount of Benefit**

- (1) The monthly Long-Term Disability Benefit will be the applicable amount based upon the employee's hourly earnings bracket which established the amount of his Weekly Indemnity or Layoff Disability Benefit. The monthly Long-Term Disability Benefit shall be reduced by an amount equal to the monthly equivalent of the total of the following benefits:
  - a. All disability retirement benefits for which the employee is eligible under any Company Pension Plan.
  - b. Early or normal retirement benefits the employee is receiving under any Company Pension Plan.
  - c. Lost-time benefits for which the employee is eligible under Workers' Compensation laws or other laws providing benefits for occupational injury or disease including lump sum settlements for future loss of earnings but excluding specific allowances for **loss**, or one hundred percent (100%) loss of use, of bodily member and any compensation for non-economic **loss**.
  - d. Unreduced "Statutory Benefits" to which the person is entitled under the Old Age Security Act, the Canada Pension Plan, Federal or Provincial Law providing Old Age or Total or

Permanent Disability Benefits or any future laws providing similar benefits.

- e. If the employee is not entitled to disability benefits described in (1)-d above, the amount of any temporary benefit which was payable under any Company Pension Plan prior to attainment of age 65 commencing when the employee is entitled to unreduced "Statutory Benefits" as described in (1)-d above.
  - f. Benefits for which the employee is eligible under any Provincial or Federal law providing benefits for working time lost because of disability.
- (2) For employees at work on or after 1 April 1971 the amount of any increase in Paragraphs(1)-c, d or f above subsequent to the first day for which Long-Term Disability Benefits are payable (or, if later, the first day on which the amount of such governmental benefits for which reduction is made is initially determined) shall be disregarded for purposes of determining the amount of Long-Perm Disability Benefit. Such increase shall not be disregarded if it represents an adjustment in the original determination.
- (3) The Company may require each employee eligible for Long-Term Disability Benefits to certify or furnish verification of the amounts of his deductible benefits from the sources listed above. The amount of any Long-Term Disability Benefit payments in excess of the amount that should have been paid after reduction for such benefits will be deducted from future Long-Term Disability Benefits.
- (4) In determining the amount by which Long-Term Disability Benefits shall be reduced, the monthly equivalent of benefits paid on a weekly basis shall be computed by multiplying the weekly benefit rate by 4.33. In the case of lump sum settlements under Workers' Compensation laws the deduction

shall be the monthly equivalent of the amount of Workers' Compensation Benefit to which the employee would have been entitled under applicable law had there been no lump sum payment, but not to exceed in total the amount of settlement.

- (5) Long-Term Disability Benefit computations shall presume eligibility for Canada Pension Plan Disability Benefits and if the employee has ten (10) years of service, **total** and permanent disability pension benefits. Deductions from Long-Term Disability Benefits will be made on this basis unless the person receiving benefits presents satisfactory evidence that these benefits were applied for and denied.
- (6) Increases in the Total and Permanent Disability pension benefits provided under Article VI of the John Deere Pension Plan for Hourly and Incentive Paid Employees, which become effective for such benefits payable on or after 1 January 1980 shall be disregarded for purposes of determining the amount of Long-Term Disability Benefit. Such increase shall not be disregarded if it represents an adjustment in the original determination.

#### **D. Rehabilitation**

An employee will not be ineligible for Long-Term Disability Benefits because of work which is determined to be primarily for training under a recognized program of vocational rehabilitation.

#### **E. Proof of Disability**

The Company may require an applicant **as** a condition of eligibility to **submit** to examination **by** a physician designated by it for the purpose of determining his initial or continuing disability.

#### **F. Temporary Disability**

A disabled employee who is released to return **to** work by the attending physician, but is temporarily



prevented from returning to his/her regular job because of medical restrictions and there are no vacant jobs the employee is capable of performing, will be continued, if eligible, on Long-Term Disability status.

**G. Exclusions and Limitations**

(1) The insurance under this Section shall not cover disability

- a, resulting **from an** injury or sickness due to war or any act of war, whether war is declared or not, or due to any act of international armed conflict, or conflict involving the armed forces of any international authority;
- b. resulting from services in the Armed Forces (unless he has been in employment with the employer **at least ten (10) years** after separation from such service).

## **ARTICLE V EXCLUSIONS AND LIMITATIONS**

### **Section 1. Exclusions**

No payment shall be made under this Plan in any event with respect to benefits which are payable by any employer in connection with injury or sickness and in accordance with the provisions of any Workers' Compensation or similar law except as provided in Article IV, Section 2 and Section 4 of this Plan.

### **Section 2. Nonduplication of Benefits**

- A. This provision shall apply to an employee whose insurance is continued during a period of layoff provided he is entitled to benefits as an insured employee of another employer.
- B. If any weekly disability benefits shall be provided under any other group insurance policy, or any other group plan by whatever name called, in connection with any injury, sickness or pregnancy, an amount equal to the total benefits provided through such policy or plan shall be deducted from the amount which otherwise would be payable under this Plan on account of such injury, sickness or pregnancy.
- C. If any benefit shall be provided under any other group insurance policy or any other group plan by whatever name called to which the employee is required as a condition of employment to make premium contributions, such benefits that are attributable to the employee's contribution shall not be deducted under Paragraph B above.
- D. The term "Other Group Plan" means any plan of another employer providing benefits or services for or by reason of medical care or treatment which benefits or services are provided on an insured or uninsured basis in connection with an employee's or an

employee's dependent's employment, occupation or profession.

**APPENDIX "D"**  
**SUPPLEMENTAL UNEMPLOYMENT**  
**BENEFIT**

**ARTICLE I PRELIMINARY PROVISIONS**

**Section 1. Continuation and Amendment of the Plan**

- A. The Supplemental Unemployment Benefit Plan in effect from 19 September 1983 to 18 January 1987 shall be contained as set forth in Appendix "D-1", Supplemental Unemployment Benefit Plan, as attached and effective 19 January 1987 except as otherwise specified herein and in the Plan.
- B. Provision for payment of benefits under the Supplemental Unemployment Benefit Plan referred to in A above, and in effect until 18 September 1983 shall be kept in full force and effect in accordance with the conditions, provisions, limitations, and amendments of such Supplemental Unemployment Benefit Plan, as constituted, until the effective date, as defined in the Plan.
- C. No adjustments will be made, for whatever reason, in Benefits paid prior to the effective date, as defined in the Plan.

**Section 2. Term of Preliminary Provisions**

- A. These preliminary provisions and the Plan incorporated herein shall remain in full force and effect without change until the expiration date of the Collective Bargaining Agreement, except as there may be a termination under Section 2 above. **As of** that date these preliminary provisions may be terminated, modified, changed, or continued, subject to and in accordance with the provision of Article XXX

of the Collective Bargaining Agreement of which these preliminary provisions are a part.

- B. It is understood that termination of these preliminary provisions shall not have the effect of automatically terminating the Plan.

### **Section 3. Governmental Rulings**

- A. The Amendments to the Plan which are provided for in Section 1 of these preliminary provisions and incorporated in Appendix "D-1" hereof shall not be effective prior to receipt by the Company from a Canadian Department of National Revenue -- Taxation and the Unemployment Insurance Commission of Canada rulings that amendments will not have any adverse effect upon the favorable rulings previously received by the Company that:
  - (1) The Plan qualifies for exemption from the Canadian Income Tax Act, Chapter 148, R.S.C. 1952 as amended and now in effect.
- B. The Company shall apply promptly to the appropriate agencies for the rulings described in Subsection A of this Section.
- C. Notwithstanding any other provision of these preliminary provisions or of the Plan, the Company, may, during the term of these preliminary provisions make provisions in the Plan not inconsistent with the purposes, structure, and basic provisions thereof which shall be necessary to obtain or maintain any of the rulings referred to in Subsection A of this Section 3 or in Section 2 of Article VII of the Plan. Any such revisions shall adhere as closely as possible to the language and intent of the provisions outlined in Appendix "D-1".

**APPENDIX "D1"**  
**SUPPLEMENTAL UNEMPLOYMENT**  
**BENEFIT PLAN**

**ARTICLE I ELIGIBILITY FOR BENEFITS**

**Section 1. Eligibility for a Regular Benefit**

- A. An employee shall be eligible for a Regular Benefit for any week beginning on or after the approval has been received from the Government of Canada, in Ottawa, if with respect to such week he:
- (1) Was on a qualifying layoff, as described in Section 2 of this Article, for all or part of the week.
  - (2) Received an Unemployment Insurance Benefit not currently under protest by the Company or was ineligible for an Unemployment Insurance Benefit only for one or more of the following reasons:
    - a. He did not have prior to layoff a sufficient period of employment or earnings covered by Unemployment Insurance;
    - b. Exhaustion of his Unemployment Insurance Benefit rights;
    - c. He was serving a "waiting week" or a partial "waiting week" of layoff under Unemployment Insurance;
    - d. He was denied an Unemployment Insurance Benefit and it is determined, with the concurrence of the Canada Employment and Immigration Commission, that under the circumstances it would be contrary to the intent of the Plan and Commission Policy to deny him a benefit.

- (3) Has met any registration and reporting requirements of an employment office of the Unemployment Insurance Commission.
- (4) Had to his credit a credit unit or fraction thereof.
- (5) Did not receive an Unemployment Benefit under any contract or program of another employer or under any other "SUB" Plan of the Company (and was not eligible for such a benefit under a program of another employer with whom he has greater seniority than with the Company nor under any other "SUB" Plan of the Company in which he has credit units which were credited earlier than his oldest credit units under this Plan.)
- (6) Has made a benefit application in accordance with procedures established by the Company hereunder, and if he was ineligible for an Unemployment Insurance Benefit only for the reason set forth in Item b of Section I-A-(2) of this Article, is able to work, is available for work, and has not failed:
  - a. to maintain an active registration for work with the Unemployment Insurance Commission,
  - b. to do what a reasonable person would do to obtain work, and
  - c. to apply for or to accept available suitable work of which he has been notified by the Unemployment Insurance Commission or by the Company.
- (7) Qualifies for a benefit of at least \$2.00.
- (8) Was not eligible for an automatic short week benefit.

**Section 2. Conditions with Respect to Layoff**

- A. A layoff for purposes of the Plan includes any reduction in force such as a temporary layoff, a layoff resulting from the discontinuance of a plant or

operation, or a layoff occurring or continuing because the employee was unable to do the work offered by the Company, although able to perform other work in the plant to which he would have been entitled if he had had sufficient seniority.

- B.** An employee's layoff for all or part of any week will be deemed qualifying for Plan purposes only if:
- (1) Such layoff was from the factory-wide unit;
  - (2) Such layoff was not for disciplinary reasons, and was not a consequence of:
    - a. Any fault attributable to the employee;
    - b. Any war or hostile act of a foreign power (but not government regulation or controls connected therewith);
    - c. Sabotage or insurrection, or
    - d. Any act of God; provided, however, that this Sub-paragraph "d" shall not apply to the first two (2) weeks of layoff resulting from such cause.
  - (3) Has not refused to accept work when recalled pursuant to the Collective Bargaining Agreement and has not refused an offer by the Company of other available work at the plant.
  - (4) With respect to such week the employee was not eligible for and was not claiming:
    - a. Any statutory or Company accident or sickness or any other disability benefit (except a benefit which he received or could have received while working full time); or
    - b. Any Company pension or retirement benefit; and
  - (5) With respect to such week the employee was not in military service, or on a military leave.
- C.** If an employee is ineligible for a benefit by reason of



Sub-paragraph B-(2) or B-(4) above, with respect to some but not all of his regular work days in a week, and is otherwise eligible for a benefit, he will be entitled to a reduced benefit payment as provided in Section I-C of Article II.

### **Section 3. Disputed Claims for Unemployment Insurance Benefits**

- A. With respect to any week for which an employee has applied for a benefit and for which he:
- (1) Has been denied an Unemployment Insurance Benefit, and the denial is being protested by the employee through the procedure provided therefor under Unemployment Insurance, or
  - (2) Has received an Unemployment Insurance Benefit, payment of which is being protested by the Company through the procedure provided therefor under the Unemployment Insurance Act, and such protest has not, upon appeal, been held to be frivolous, and the employee is eligible to receive a benefit under the Plan except for such denial, or protest, the payment of such benefit shall be suspended until such dispute shall have been determined.
- B. If the dispute shall be finally determined in favor of the employee, the benefit shall be paid to him if he had not exhausted credit units subsequent to the week to which the Unemployment Insurance Benefit in dispute is applicable.

## ARTICLE II AMOUNT OF BENEFITS

### Section 1. Regular Benefits

- A, During any single continuous period of layoff, the Regular Benefit payable to an eligible employee on or after the effective date shall be an amount which when added to his Unemployment Insurance Benefit and other compensation will equal 95% of his weekly after tax pay but in no case more than \$130.00, and will be paid for the number of weeks equivalent to the employee's number of credit units at the time of layoff.
- B. The Regular Benefit payable to an eligible employee for any week shall be an amount which when added to his Unemployment Insurance Benefit and other compensation, will equal 95% of his weekly after-tax pay, minus \$12.50 to take into account work-related expenses not incurred, but in no case more than \$130.00.
- C. An otherwise eligible employee entitled to a benefit reduced because of ineligibility with respect to part of the week, as provided in Section 2-C of Article I will receive one-fifth (115) of a Regular Benefit computed under Paragraphs A or B of this Section for each workday of the week for which he is otherwise eligible.

### Section 2. Unemployment Insurance Benefit and Other Compensation

- A. An employee's Unemployment Insurance Benefit and Other Compensation for a week means:
  - (1) The amount of Unemployment Insurance Benefit received or receivable by the employee for the week, plus
  - (2) All pay received or receivable by the employee from the Company (including holiday payments,

payments for scheduled vacations), and the amount of any pay which could have been earned, computed **as if** payable for hours made available by the Company but not worked, after reasonable notice has been given to the employee for such week: provided that if wages or remuneration from employers other than the Company or any military pay are received or receivable by the employee and are applicable to **the same period as hours made** available by the Company but not worked, only the greater of

- (a) such wages or remuneration from other employers in excess of the greater of ten dollars (\$10.00) or twenty percent (20%) of such wages or remuneration or military pay in excess of ten dollars (\$10.00); or
  - (b) any amount of pay which could have been earned, computed, **as if** payable, for hours made available by the Company but not worked, shall be included;
- (3) All wages or remuneration, as defined under the Unemployment Insurance Act in excess of the greater of ten dollars (\$10.00) or twenty percent (20%) of such wages or remuneration received or receivable from other employers for such week (excluding such wages or remuneration which were considered in the calculation under A-(2) above); plus
- (4) The amount of **all** military pay in excess of ten dollars (\$10.00) received or receivable for such week excluding such military pay which was considered in the calculation under A-(2) of this Section.
- B. If **the** Unemployment Insurance Benefit actually received by an employee for an Unemployment Insurance Week shall be for less or more than a full Unemployment Insurance week (for reasons other

than the employee's receipt of wages or remuneration for such Unemployment Insurance week),

(B) Because he has been disqualified or otherwise determined ineligible for a portion of his Unemployment Insurance Benefit for reasons other than those set forth in Section I-A-(2) of Article I, or

(2) Because of an underpayment or overpayment of a previous Unemployment Insurance Benefit, or the amount of the Unemployment Insurance Benefit which would otherwise have been paid to the employee for such Unemployment Insurance Benefit week shall be used in the calculation of "Unemployment Insurance Benefit and Other Compensation" for such Unemployment Insurance week.

### **Section 3. insufficient Credit Units for a Full Benefit**

If an employee has to his credit less than the full number of credit units required to be cancelled for the payment of a benefit for which he is otherwise eligible, he shall be paid the full amount of such benefit and all remaining credit units or fractions thereof to his credit shall be cancelled.

### **Section 4. Benefit Overpayments**

A. If the Company determines that any benefit(s) paid under the Plan should not have been paid or should have been paid in a lesser amount, written notice thereof shall be mailed to the employee receiving the benefit(s) and he shall return the amount of overpayment to the Company; provided, however, that no repayment shall be required if the cumulative overpayment is three dollars (\$3.00) or less, or if notice has not been given with 120 days from the date the overpayment was established or created,

except that no such time limitation shall be applicable in **cases** of fraud or **willful** misrepresentation.

- B. If the employee shall fail to return such amount promptly, the Company shall arrange to reimburse the Plan for the amount of overpayment by making a deduction from any future benefits otherwise payable to the employee, or by requesting the Company to make a deduction from compensation payable by the Company to the employee, or both. The Company is authorized to make such deduction from the employee's compensation.
- C. If the Company determines that an employee has received an automatic Short Week Benefit for any week for which he has received an Unemployment Insurance Benefit, and it was not deducted, the amount of such automatic Short Week Benefit or a portion of such benefit equivalent to the Unemployment Insurance Benefit, whichever is less, shall be treated **as** an overpayment and deducted in accordance with this Section from future benefits or compensation payable by the Company.

#### **Section 5. Withholding Tax**

The Company shall deduct from the amount of any benefit any amount required to be withheld by the Company by reason of any law or regulation for payment of taxes or otherwise to any Federal, Provincial, or Municipal Government. In determining the amount of any applicable tax entailing personal exemptions, the Company is required to rely on the official form filed by the employee with ~~the~~ the Company for purposes of Income Tax Withholding on regular wages.

## ARTICLE III CREDIT UNITS AND DURATION OF BENEFITS

### Section 1. General

Credit units shall have no fixed value in terms of either time or money, but shall be a means of determining eligibility for and duration of benefits.

### Section 2. Accrual of Credit Units

A. Credit units shall be credited at the rate of one-half (1/2) of a credit unit for each workweek for which an employee (1) receives any pay from the Company, (2) was on a military leave of absence, or (3) was absent from work because of occupational injury or disease incurred in the course of such employee's employment with the Company and on account of such absence received Workers' Compensation.

(1) For the purpose of accruing credit units under this Section 2:

- a. Pay in lieu of vacation shall be considered as pay for the workweek in which it is paid; and
- b. Back pay shall be considered as pay for each workweek to which it may be allocable.

(2) No employee may have to his credit in the aggregate at any one time more than fifty-two (52) credit units under this Plan and under any other SUB Plan of the Company. However, any employee who has at any time to his credit in the aggregate a total of fifty-two (52) credit units under this Plan or under any other SUB Plan of the Company and who would otherwise accumulate additional credit units, may direct that such additional credit units shall be credited to him and a corresponding number of credit units accumulated under this Plan or under any other

**SUB** Plan of the Company, shall be cancelled as long as the aggregate of his credit units at any time does not exceed ~~fifty-two~~(52).

- B.** No employee shall be credited with any credit unit prior to the first day as of which he:
  - (1) Had at least one (1) year of seniority, and
  - (2) Is in active employment (or was in such active employment within thirty (30) days prior to such **first day**); **but as** of such day he shall be credited with credit units based upon his workweeks occurring while he is an employee.
- C.** An employee who has credit units as of the last day of a week shall be deemed to have them for all of the week; provided, however, that an employee who has credit units during part of a week but forfeits them due to breaking seniority during such a week by reason of death or of retirement under the John Deere Pension Plan For Hourly and Incentive Paid Employees shall be deemed to have credit units for all of such week.
- D.** At such time as the amount of any benefit overpayment is repaid to the Plan, except as otherwise provided in the Plan, the number of credit units, if any, theretofore cancelled with respect to such overpayment of benefits shall be restored to the employee, except to the extent that such restoration would raise the number of his credit units at the time thereof above fifty-two (52), and except as otherwise provided with respect to credit unit forfeiture under Section 3 of this Article.
- E.** An employee with ten (10) or more years of seniority **at** the time of layoff who is subsequently recalled, will thereafter be credited with one (1) credit unit for each workweek as provided for in Section 2 of this Article III.

### **Section 3. Forfeiture of Credit Units**

- A. An employee shall forfeit permanently all credit units which he has to his credit in a Unit if he:
- (1) Incurs a break in seniority in such Unit unless such a break in seniority results from:
    - (a) breaking seniority by retirement under the total and permanent disability provisions of the John Deere Pension Plan for Hourly and Incentive Paid Employees and he shall subsequently have his seniority reinstated, the credit units previously forfeited shall again be credited to him;
  - (2) ~~Is~~ on layoff from the Company for a continuous period of twenty-four (24) months, except that is at the expiration of such twenty-four (24) month period he is receiving benefits his credit units shall not be forfeited until he ceases to receive benefits, or;
  - (3) Wilfully misrepresents any material fact in connection with an application by him for benefits under the plan.

### **Section 4. Cancellation of Credit Units**

- A. The number of credit units to be cancelled for any benefit **shall** be one per week, except that:
- (1) No credit units shall be cancelled when an employee receives an Automatic Short Week Benefit.
- B. If an employee receives a Layoff Disability Benefit paid in accordance with the Health and Accident Insurance Program, with respect to any week, there shall be cancelled the number of credit units which would have been cancelled if he had received a Regular Benefit for such week. If an employee receives such Layoff Disability Benefit for a portion of a week and **does** not receive a Regular Benefit with



respect to any **part** of such week, only one-half **(112)** the number of such credit units shall be cancelled for the Layoff Disability Benefit. If an employee receives a Layoff Disability Benefit for a portion of **a** week and also receive **a** Regular Benefit under Article I, Section 2-C for such week, **no** credit units will **be** cancelled for the Layoff Disability Benefit.

### **Section 5. Armed Services**

An employee who enters Her Majesty's Forces directly from the employ of the Company shall while in such service be deemed, for purposes of the Plan, to be on leave of absence and shall not be entitled to any benefit, and all credit units credited to the employee at the time of his entry into such service shall be credited to him upon *his* reinstatement as an employee. In addition, all credit units for which he is entitled to **be** credited with in respect to the period of his military service **will** be credited to him.

## **ARTICLE IV APPLICATION, DETERMINATION OF ELIGIBILITY, AND APPEAL PROCEDURES FOR BENEFITS**

### **Section 1. Applications**

#### **A. Filing of Applications**

- (1)** An application for a Benefit may be filed, either in person or by mail, in accordance with procedures established by the Company.
- (2)** No application for a Benefit shall be accepted unless it is submitted to the Company within thirteen (13) weeks after the end of the week with respect to which it is made; provided, however, that if the amount of the employee's Unemployment Insurance Benefit is adjusted retroactively with the effect of establishing a basis for eligibility for a Benefit or for a Benefit in a greater amount than that previously paid, he may apply within thirteen (13) weeks after the **date** on which such basis for eligibility is established.

#### **B. Application Information**

- (1)** Applications filed for a Benefit under the Plan will include:
  - a.** In writing, any information deemed relevant by the Company with respect to other benefits received, earnings and the source thereof, dependents, and such other information as the Company may require in order to determine whether the employee is eligible to be paid a Benefit and the amount thereof.
- (2)** With respect to **a** Regular Benefit, the exhibition of the employee's Unemployment Insurance Benefit check or other evidence satisfactory to the Company of either:

- a. his receipt of or entitlement to an Unemployment Insurance Benefit, or
- b. his ineligibility for an Unemployment Insurance Benefit only for one or more of the reasons specified, in Section 1 of Article I; provided, however, that in the case of Unemployment Insurance Benefit ineligibility by reason the period worked in the week or pay received from the Company or from any other employer(s) or because of full-time employment with an employer other than the Company (Item c of Section 1-A-(2) of Article 1), Unemployment Insurance evidence for such reason of ineligibility shall not be required.

## **Section 2. Determination of Eligibility**

### **A. Application Processing by Company**

- (1) When an application is filed for a Benefit under *the* Plan and the Company is furnished with the evidence and information required, the Company shall determine the employee's entitlement to a Benefit.

### **B. Notice of Denial of Benefits**

- (1) If the Company determines that an employee is not entitled to a Benefit, it shall notify him promptly, in writing, of the reason(s) for the determination.

## **ARTICLE V ADMINISTRATION OF THE PLAN**

### **Section 1. Powers and Authority of the Company**

- A. The Company shall have such powers and authority as are necessary and appropriate in order to carry out its duties under this Article, including, without limitation, the following:
- (1) To obtain such information as the Company shall deem necessary in order to carry out its duties under the Plan.
  - (2) To investigate the correctness and validity of information furnished with respect to an application for a Benefit.
  - (3) To make initial determinations with respect to Benefits.
  - (4) To establish reasonable rules, regulations and procedures concerning:
    - a. The manner in which and the times and places at which applications shall be filed for Benefits, and
    - b. The form, content and substantiation of applications for Benefits.
  - (5) To establish appropriate procedures for giving notices required to be given under the Plan.
  - (6) To establish and maintain necessary records, and
  - (7) To prepare and distribute information explaining the Plan.
- B. Nothing contained in this Plan shall be deemed to qualify, limit or alter in any manner the Company's sole and complete authority and discretion to establish, regulate, determine, or modify at any time levels of employment, hours of work, the extent of

hiring and layoff, production schedules, manufacturing methods, the products and parts thereof to be manufactured, where and when work **shall** be done, marketing of its products, or any other matter related to the conduct of its business or the manner in which its business is to be managed or carried on, in the same manner and to the same extent as if this Plan were not in existence.

## **Section 2. Determination of Dependents**

In determining an employee's dependents for purposes of Regular Benefit determinations, the Company shall be entitled to rely upon the official form filed by the employee with the Company for Income Tax Withholding purposes, and the employee shall have the burden of establishing that he is entitled to a greater number of Withholding Exemptions than he shall have claimed on such form.

## **Section 3. To Whom Benefits Are Payable in Certain Conditions**

Benefits shall **be** payable only to the eligible employee, except that if the Company shall find that the employee is deceased or is unable to manage his affairs for any reason, any Benefit payable to him shall be paid to his duly appointed legal representative, if there be one, and, if not, the spouse, parents, children, or other relatives or dependents of the employee as the Company in its discretion may determine. Any Benefit so paid shall be a complete discharge of any liability with respect to such Benefit. In the case of death, no benefit shall be payable with respect to any period following the last day of layoff immediately preceding the employee's death.

## **Section 4. Nonalienation of Benefits**

No Benefit shall be **subject** in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution or encumbrance of any kind and any attempt to accomplish the same shall be void. **In** the event that the

Company shall find that ~~such~~ an attempt has been made with respect to any Benefit due or to become due to any employee, the Company in its ~~sole~~ discretion may terminate the interest of the employee in such Benefit and apply the amount of the Benefit to or for the benefit of the employee, his spouse, parents, children, or other relatives or dependents as the Company may ~~determine~~ and any such application shall be a complete discharge of all liability with respect to the Benefit.

**Section 5. Applicable Law**

The Plan and all rights and duties thereunder shall be governed, construed and administered in accordance with the laws of the Province of Ontario, except that the eligibility of an employee for and the amount and duration of Unemployment Insurance Benefits shall be determined in accordance with the Unemployment Insurance **Act** of Canada.

## ARTICLE VI MISCELLANEOUS

### Section 1. General

#### A. Purpose of Plan

It is the purpose of this Plan to supplement Unemployment Insurance Benefits and not to replace or duplicate them.

#### B. Receipt of Benefits

Any Benefit paid by the Company under the Plan shall not be considered a part of any employee's wages for any purpose. No person who receives any Benefit shall for that reason be deemed an employee of the Company during such period, and he shall not thereby accrue any greater right to participate in, accrue credits or receive benefits under any other Employee Benefit Plan to which the Company contributes than he would if he were not receiving such Benefit.

### Section 2. Amendment and Termination of the Plan

A. So long as the Collective Bargaining Agreement of which this Supplemental Unemployment Benefit Plan as amended **is a part** shall remain in effect, the Plan shall not be amended, modified, suspended, or terminated, except as may be proper or permissible under the terms of the Plan or the Collective Bargaining Agreement. Upon the termination of the Collective Bargaining Agreement the Company shall have the right to continue the Plan in effect and to modify, amend, suspend, or terminate the Plan, except as may **be** otherwise provided in any subsequent Collective Bargaining Agreement.

B. Upon any termination of the Plan, the Plan shall terminate in all respects except to pay benefits to eligible employees for a period of one (1) year following termination, if not sooner.

## ARTICLE VII DEFINITIONS

As used herein:

- A. "Active Employment" -- An employee is in active employment in any pay period for which he draws pay, except that an employee on disciplinary layoff, vacation, personal leave of absence, or sick leave will, be considered as in active employment and if subject to layoff during such period his layoff will be considered **as** becoming effective **at** the end of such period.
- B. "Base Hourly Rate" (excluding all premiums and bonuses of any kind) means:
  - (1) With respect to a Regular Benefit, the employee's straight-time hourly rate on his last day of work; except, that
    - a. if he had a higher straight-time hourly rate of record within one hundred eighty (180) calendar days immediately preceding his last day worked, base hourly rate shall be such higher rate; or
    - b. For an employee on incentive, base hourly rate is the average earned hourly rate for the last four (4) pay periods, or lesser number if that is all that he worked, in which he worked, or, if higher, the employee's average earned hourly rate for the first four (4) pay periods worked subsequent to the one hundred eightieth (180th) calendar day immediately preceding his last day worked.
    - c. If an employee claims and it is established that he worked on incentive in at least four (4) consecutive pay periods within one hundred eighty (180) calendar days immediately preceding his last day worked, base hourly rate shall be the employee's average earned hourly rate for the last four (4) pay periods in



which he worked and for which he had any incentive earnings or, if higher, the employee's average earned hourly rate for the first four (4) consecutive pay periods worked and for which he had any incentive earnings subsequent to the one hundred eightieth (180th) calendar day immediately preceding his last day worked.

i. In no case will his base hourly rate, as defined in b, c or d exceed one hundred fifty percent (150%) of his average occupational rate(s), as defined and calculated in Article XIII, Section 13.03, Computation, of the Collective Bargaining Agreement.

d. Where an employee during the four (4) pay periods prior to layoff has been classed as both hourly rated and incentive, then his base hourly rate shall be computed in the same manner as for incentive employees. Such average earned hourly rate shall be computed by dividing the employee's total straight-time hourly earnings (excluding any premiums or bonuses of any kind) for all hours worked during the applicable four (4) pay periods by the total number of straight-time hours worked during such pay period.

(2) The base hourly rate determined under (1) above shall be adjusted to include:

a. The amount of any applicable cost-of-living allowance in effect with respect to the week for which the benefit is paid, and

b. With respect to benefits, the amount of any general wage increase which became effective (pursuant to the Collective Agreement) after the day or period used to establish his base hourly rate. In such event the amount of general wage increase shall be the amount applicable to the job classification

in which the employee worked either on the day, or the last day of the period for which his base hourly rate was determined under (1) or (2) above. The base hourly rate adjustment due to the general wage increase shall be effective with respect to benefits which may be payable for and subsequent to the week in which such general wage increase became or becomes effective.

- C. "Collective Bargaining Agreement" means the currently effective Collective Bargaining Agreement of the Company which incorporates this Plan by reference.
- D. "Compensated or Available Hours" for a week shall be the sum of:
  - (1) All hours for which an employee receives pay from the Company (excluding pay in lieu of vacation) with each hour paid at premium rates to be counted as one (1) hours; plus
  - (2) All hours scheduled for or made available to the employee by the Company but not worked by him after reasonable notice has been given to the employee (including any pay period on leave of absence); plus
  - (3) All hours not worked by the employee because of any of the reasons disqualifying a period of layoff under Section 2-B(2) and 2-B-(4) of Article I; plus
  - (4) Provided, however, that the hours referred to in the foregoing shall include only hours in an employee's shift on his regularly scheduled workday(s).
- E. "Continuous Period of Layoff" means successive periods of layoff separated by less than two (2) weeks of continuous active work.
- F. "Credit Units" means the units determining duration of an employee's benefits which are credited to him generally by reason of his weeks of active service

and cancelled at specified rates for the payment of certain benefits.

- G. "Dependent" means a spouse or a person recognized as a dependent under the Canadian Income Tax Act for establishing the employee's Withholding Tax Exemptions.
- H. "Effective Date" means **the** date approval of the Plan is received from the Government of Canada in Ottawa.
- I. "Employee" means an employee in the Bargaining Unit covered by the Plan.
- J. "Plan" means the Supplemental Unemployment Benefit Plan as set forth in this Appendix "D-1".
- K. "Factory" means a location or locations in, or out of, which an employee works.
- L. "Seniority" means seniority status as defined in the Collective Bargaining Agreement;
  - (1) "Break in Seniority" means any break in or loss of seniority pursuant to the Collective Bargaining Agreement;
  - (2) "Years of Seniority" solely for the purpose of Section 4-B of Article III, the term "Years of Seniority" means continuous employment as defined in Article XII, of the Collective Bargaining Agreement.
- M. "Unemployment Insurance" means any system or program established pursuant to Canadian law for paying benefits to persons on account of their unemployment under which a person's eligibility for benefit payments **is** not determined by application of a "means" or "disability" test; excluding, however, any such system or program established for the primary purpose of education or vocational training, even though such program may provide for subsistence allowances or benefits to individuals not employed while undergoing such training. "Unemployment

Insurance Benefit" means an unemployment benefit payable under an Unemployment Insurance, except that it does not include benefits in excess of the normal period under the Unemployment Insurance which are payable only because the recipient is undergoing approved training.

- N. "Supplementation" means recognition of the right of a person to receive both an Unemployment Insurance Benefit and a Weekly Supplemental Benefit under the Plan for the same week of layoff at approximately the **same time** and without reduction of **the** Unemployment Insurance Benefit because of the payment of the Weekly Supplemental Benefit under the Plan.
- O. "Week" when used in connection with eligibility for and computation of benefits with respect to an employee means a period of layoff equivalent to a workweek or a short workweek, or a workweek other than a short workweek during which an employee is on layoff part of the week. "Short workweek" means a workweek during which an employee has less than forty (40) compensated and available hours and meets the eligibility requirement for an Automatic Short Week Benefit.
- P. "Weekly After-Tax Straight-Time Pay" means the amount of an employee's weekly straight-time pay reduced by the sum of all Federal taxes and contributions which would be required to be collected, deducted, or withheld by the Company from a regular weekly wage of such amount if paid to him for the last pay period he worked.
- Q. "Weekly Straight-Time Pay" means an amount equal to an employee's base hourly rate (as determined for a Weekly Supplemental Benefit) multiplied **by** forty **(40)** (or, in the case of part-time employee, by the number of hours he is regularly scheduled to work during a workweek).

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**R. "Workweek" or "Pay Period" means seven (7) consecutive days beginning on Monday at the regular starting time *of the* shift to which the employee is assigned immediately prior *to* being laid off.**

**EXHIBIT B**  
**AUTOMATIC SHORT WORK WEEK**

**ARTICLE I**

**Section 1. Automatic Short Week Benefits**

- A. The Automatic Short Week Benefit payable to an eligible employee for any week beginning on or after the effective date shall be an amount which when added to his Unemployment Insurance Benefit, if any, will equal to the product of the number by which forty (40) exceeds his compensated or available hours computed to the nearest tenth of an hour multiplied by eighty percent (80%) of his base hourly rate.
- B. An employee who breaks seniority during a week by reason of death or Retirement under the provisions of the John Deere Death, Disability and Pension Plan and is eligible for an Automatic Short Week Benefit with respect to certain hours of layoff during the week prior to the date his seniority is broken, will receive an amount computed as provided in Paragraph A of this Section, based on the number by which the hours for which the employee would regularly have been compensated exceeds his compensated or available hours with respect to that part of the week prior to the date his seniority is broken.
- C. "Base Hourly Rate" with respect to an Automatic Short Week Benefit means the highest straight-time hourly rate paid the employee during the pay period for which this benefit is applicable, and, for an employee who worked on incentive during the pay period in which the benefit is applicable, his average straight-time hourly earnings as computed in accordance with Article XV of the Collective Bargaining Agreement.

## **Section 2. Eligibility for An Automatic Short Week Benefit**

- A. An employee shall be eligible for an Automatic Short Week Benefit for any workweek beginning on or after the effective date if:
- (1) During such workweek he had less than forty (40) compensated or available hours, and
    - a. He performed some work for the Company, or
    - b. For such workweek he received some jury duty pay, bereavement pay, excused personal absence pay, vacation or military pay from the Company, or
    - c. For such workweek he received only holiday pay from the Company and for the immediately preceding week he either received an Automatic Short Week Benefit or had forty (40) or more compensated or available hours, or
    - d. For such workweek he was on a disciplinary suspension for some but not all of the workweek.
  - (2) He had at least one (1) year of seniority as of the last day of such workweek or during some part of such workweek he had at least one (1) year of seniority and broke seniority by reason of death or of retirement under the provisions of the John Deere Death, Disability and Pension Plan for Hourly and Incentive Paid Employees;
  - (3) He was on a qualifying layoff, as described in Section 2 of Article I of the **SUB** Plan for some part of such workweek or he was ineligible, as defined in the Collective Bargaining Agreement, for pay from the Company for all or part of a period of jury duty, bereavement or short-term active duty of thirty (30) days or less because he

was called to active military service or similar unit by provincial or federal authorities in case of public emergency during the workweek and during all or part of such period he would otherwise have been on a qualifying layoff under the Plan; and

- (4)** He received an Unemployment Insurance Benefit not currently under protest by the Company or was ineligible to receive an Unemployment Insurance Benefit because;

  - a.** His pay and any pay which he could have secured for hours scheduled for or made available to him but not worked was sufficient to disqualify him for an Unemployment Insurance Benefit or waiting week credit;
  - b.** He was serving a waiting week or partial waiting week of layoff under Unemployment Insurance; or
  - c.** He had exhausted his Unemployment Insurance Benefit rights, and did not have prior to layoff a sufficient period of employment or earnings under the Unemployment Insurance.
- B.** No application for an Automatic Short Week Benefit shall be required of an employee. However, if an employee believes himself entitled to (1) an Automatic Short Week Benefit for a week which he does not receive on the date when such benefits for such week are paid, or (2) an Automatic Short Week Benefit in an amount greater than he received, he may file written application therefor within sixty (60) calendar days after such date in accordance with procedures established by the Company.
- C.** An Automatic Short Week Benefit payable for a week shall be in lieu of any other benefit under the SUB Plan for that week.



## **APPENDIX "F"**

### **TUITION REFUND PLAN**

#### **Section 1. Purpose**

The purpose of this Plan is to provide financial assistance to employees who take educational courses outside regular working hours on a voluntary basis for self-improvement.

#### **Section 2. Eligibility**

- A. Tuition aid will be granted to employees who have completed one (1) or more years of continuous employment. Employees who are laid off will also be considered eligible for tuition aid unless eligible for tuition aid elsewhere. An employee who is otherwise eligible but who does not have one (1) year of continuous employment will be permitted to participate in the Plan, but tuition aid will be withheld until one (1) year of continuous employment has been completed. If an employee's employment is terminated prior to completion of a course, he will not be eligible for tuition aid.
- B. To be eligible, the employee may enroll only in such courses which meet the following requirements:
  - (1) They are job related; that is, they will tend to improve the employee's performance on work covered by his seniority classification, or;
  - (2) They will help to prepare him for future assignments with the Company for which he might reasonably be expected to qualify, or;
  - (3) They are part of a curriculum leading to a degree in a field which is job related.

### **Section 3. Approved Schools and Courses**

- A. Employees will be permitted to enroll in either credit or non-credit regular extension, or correspondence courses offered by accredited and approved colleges and universities. Enrollment in high schools, technical schools and area community colleges will also be accepted.
- B. Since only off-work-hour courses are eligible for approval under the Plan, a schedule will be approved only when it is reasonably certain that the course work will not affect the employee's health or job performance, and not to exceed nine (9) credit hours per semester.

### **Section 4. Application for Approval**

- A. An application form may be obtained from the Human Resources Department or the employee's supervisor. The form must be completed and submitted to the employee's supervisor at least one (1) month prior to the first meeting of the class.
- B. To be approved, the course must be recommended by the employee's supervisor, department head, and local administrator of the Plan.

### **Section 5. Amount of Tuition Aid**

- A. The Company will provide tuition aid in an amount equal to sixty-six and two thirds percent (66-2/3%) of the total tuition and laboratory, registration, and activity fees expense, if any, normally required for an approved course in accordance with the following procedure:
  - (1) The Company will advance one-third (1/3) of the total tuition and laboratory, registration and activity fees to the employee upon approval of the course, and;

- (2) Upon satisfactorily completing the course, the Company **will** reimburse the employee for the second one-third ( $1/3$ ) of the total tuition, laboratory, registration and activity fees.
- B. Under no circumstances will tuition aid be granted for covering the **costs** of **textbooks**, materials, examination fees, or transportation. No tuition aid will be granted for courses for which any part of the expenses are met by scholarships or eligibility for Veterans.

### **Section 5. Funding**

Except as otherwise **specifically** provided, benefits shall be provided through an insurance company selected by the Company, a fund established by the Company, or from the general assets of the Company.

### **Section 6. Application for Benefits**

In order for any employee or beneficiary to receive benefits pursuant to any provisions of this Plan, such employee or beneficiary **must** file written application supplying information required to verify such application. The necessary form(s) for such purpose will be supplied by the Company.

### **Section 7. Denial of Benefits**

- A. When application for benefits provided by this Plan is denied in full or in part, the employee or beneficiary shall receive written notice of the reason or reasons for such denial.
- B. A request for review of the denial of benefits must be submitted within sixty (60) days of such denial, in writing, to the Company. The Company will reply to such request within sixty (60) days.

**APPENDIX "G"**  
**JOHN DEERE GROUP LIFE AND  
DISABILITY INSURANCE PLAN FOR  
HOURLY AND INCENTIVE PAID  
EMPLOYEES**

**ARTICLE I ESTABLISHMENT OF PLAN**

**Section 1. Preamble**

John Deere Welland Works of John Deere Limited, hereinafter referred to as the Company, will provide Group Life, Accidental Death, ~~Dismemberment~~ and Disability Insurance, hereinafter referred to as the Plan, for its hourly and incentive paid employees as hereinafter set forth.

**Section 2. Cost of Benefits**

The cost of providing benefits under this Plan will be borne by the Company and no contribution to the Plan shall be made by an employee or retired employee except as hereinafter provided.

**Section 3. Nonencumbrance of Benefits**

Assignment, pledge or encumbrance of any benefits under this Plan will not be permitted or recognized. Benefits shall not be subject to attachment, execution, garnishment, or other legal process.

**Section 4. Amendment, Modification and Termination**

The Company may at any time amend, modify or terminate the Plan, provided, however, that no change shall reduce the amount of benefit to which an employee, retired employee or beneficiary shall be entitled in respect to claims incurred prior to the effective date of such change.

## **ARTICLE II ELIGIBILITY AND AMOUNT OF BENEFIT**

### **Section 1. Eligibility of Employees and Commencement of Insurance**

- A. Except as hereinafter provided, an employee
- (1) hired prior to 1 October 1995 shall be eligible and insurance shall commence on such date, except that if an eligible employee is not actively at work on 1 October 1995, the employee shall not be insured under this Plan until the date such employee returns to work;
  - (2) who is eligible, but not actively at work on 1 October 1995 shall be covered under the terms and conditions of the Group Life and Disability Insurance provided by the 1987 Plan if the employee is otherwise eligible for such insurance;
  - (3) hired on and after 1 October 1995 shall be eligible and insurance shall commence on the date the employee first reports for work.

### **Section 2. Group Life Insurance**

- A. Prior to retirement, an employee will be covered by the following life insurance:
- (1) Less than one month of continuous employment
    - a. Basic Life insurance \$ 5,000
    - b. Accidental Death insurance \$ 4,000
    - c. Accidental Dismemberment insurance
      - one member \$ 2,000
      - two members \$ 4,000
  - (2) At least one month but less than one year of continuous employment
    - a. Basic Life insurance \$10,000
    - b. Accidental Death insurance \$ 9,000

**c. Accidental Dismemberment insurance**

one member \$ 4,500  
two members \$ 9,000

- (3) One or more years of continuous employment  
- an amount determined in accordance with  
the following table:

Earnings Bracket	Basic Life Insurance Amount	Accidental Death Insurance	One Member	Two or More Members
Less than 13.70	\$29,900	\$28,900	\$14,450	\$28,900
13.70 but less than 14.00	\$30,500	\$29,500	\$14,750	\$29,500
14.00 but less than 14.30	\$31,100	\$30,100	\$15,050	\$30,100
14.30 but less than 14.60	\$31,700	\$30,700	\$15,350	\$30,700
14.60 but less than 14.90	\$32,300	\$31,300	\$15,650	\$31,300
14.90 but less than 15.20	\$32,900	\$31,900	\$15,950	\$31,900
15.20 but less than 15.50	\$33,500	\$32,500	\$16,250	\$32,500
15.50 but less than 15.80	\$34,100	\$33,100	\$16,550	\$33,100
15.80 but less than 16.10	\$34,700	\$33,700	\$16,850	\$33,700
16.10 but less than 16.40	\$35,300	\$34,300	\$17,150	\$34,300
16.40 but less than 16.70	\$35,900	\$34,900	\$17,450	\$34,900
16.70 but less than 17.00	\$36,500	\$35,500	\$17,750	\$35,500
17.00 but less than 17.30	\$37,100	\$36,100	\$18,050	\$36,100
17.30 but less than 17.60	\$37,700	\$36,700	\$18,350	\$36,700
17.60 but less than 17.90	\$38,300	\$37,300	\$18,650	\$37,300
17.90 but less than 18.20	\$38,900	\$37,900	\$18,950	\$37,900
18.20 but less than 18.50	\$39,500	\$38,500	\$19,250	\$38,500
18.50 but less than 18.80	\$40,100	\$39,100	\$19,550	\$39,100
18.80 but less than 19.10	\$40,700	\$39,700	\$19,850	\$39,700
19.10 but less than 19.40	\$41,300	\$40,300	\$20,150	\$40,300
19.40 but less than 19.70	\$41,900	\$40,900	\$20,450	\$40,900
19.70 but less than 20.00	\$42,500	\$41,500	\$20,750	\$41,500
20.00 but less than 20.30	\$43,100	\$42,100	\$21,050	\$42,100
20.30 but less than 20.60	\$43,700	\$42,700	\$21,350	\$42,700
20.60 but less than 20.90	\$44,300	\$43,300	\$21,650	\$43,300
20.90 but less than 21.20	\$44,900	\$43,900	\$21,950	\$43,900
21.20 and over	\$45,500	\$44,500	\$22,250	\$44,500

- B. The Earnings Bracket for each covered employee shall be determined as follows:**

**(1) Hourly Employees:**

The individual hourly paid employee's hourly earnings rate, excluding overtime penalty pay, as of the first day of each January, April, July and October shall determine the amount of insurance for each three (3) month period beginning the following February, May, August and November. Employees transferred from salary payroll to hourly payroll shall have their insurance amount based upon their starting rate on the hourly payroll until the next regular period for benefit determination as set forth above.

**(2) Incentive Employees:**

The individual incentive paid employee's hourly earnings rate shall be his or her average straight-time hourly earnings as of the first day of each January, April, July and October which shall determine the amount of insurance for each three (3) month period beginning the following February, May, August and November.

The method of computing the incentive employee's average straight-time hourly earnings as of the first day of each January, April, July and October shall be by dividing the sum of all money paid during the three (3) calendar months preceding such date for hours worked, excluding overtime penalty pay, by the total of such hours worked. Employees transferred from salary payroll to incentive payroll shall have their insurance amount based upon the occupational rate of the classification to which they are first assigned until the next regular period for benefit determination as set forth above.

**(3) An employee classified as an hourly employee who has worked as an incentive employee during the period used to determine the Earnings Bracket for incentive employees shall have his or her average straight-time earnings computed as**



an incentive employee. The Earnings Bracket applicable shall be the higher of his or her average straight-time earnings computed as an incentive employee. The Earnings Bracket applicable shall be the higher of his or her hourly earnings rate or average earnings rate.

- (4) In the event an employee, with one or more years of continuous employment, does not have an hourly earnings rate or average earnings rate as determined above, the last preceding Earnings Bracket determination for such employee shall be used to determine such employee's insurance amount under A-(3) above.

### **Section 3. Accidental Death and Dismemberment Insurance**

- A. If death results within one year from a nonoccupational injury, there will be paid to the beneficiary of the insured employee an additional amount equal to the Accidental Death Insurance as set forth in Section 2 of this Plan.
- B. If death results within one year from an occupational injury, there will be paid to the beneficiary of the insured employee an additional amount equal to one-half of the Accidental Death Insurance as set forth in Section 2 of this Plan.
- C. Accidental dismemberment benefits will be paid for dismemberments occurring within one year of the date of the accident as follows:
  - (1) The Accidental Dismemberment Insurance-Two Members as set forth in Section 2 of this Plan is payable for the loss of both hands, both feet, one hand and one foot, sight of both eyes, either hand or foot and the sight of one eye.
  - (2) The Accidental Dismemberment Insurance-One Member as set forth in Section 2 of this Plan is

payable for the **loss** of one hand, one foot, or the sight of one eye.

- D. Loss shall mean, with regard to hands and feet, dismemberment by severance through or above wrist or ankle joints; with regard to eyes, entire and irrecoverable **loss** of sight.
- E. Only one of the amounts so specified above (A, B, C-(1) or C-(2)), the largest, will be paid for all injuries resulting from any **one** accident.
- F. Exclusions

The insurance under this Section shall not cover any loss

- (1) caused or contributed to by bodily or mental infirmity, disease or medical or surgical treatment therefore, or infection (except pus-forming infection which shall occur through an accidental cut or wound), even though the proximate and precipitating cause of the loss is accidental bodily injury;
- (2) caused or contributed to by war or any act of war, whether war is declared or not, or by any act of international armed conflict, or conflict involving armed forces of any international authority;
- (3) resulting from suicide or any attempt thereat (sane or insane).

#### **Section 4. Total and Permanent Disability**

- A. An employee who becomes totally and permanently disabled prior to attainment of age 70 (an employee shall be deemed to be permanently and totally disabled when, on the basis of medical evidence satisfactory to the Company, he or she is found to **be** totally and permanently prevented from performing any and all work for the Company as a result of any medically demonstrable and determinable physical or mental condition resulting from bodily injury or mental

or physical disease, either occupational or non-occupational in cause) and who does not qualify for normal, early or disability retirement benefits under the John Deere Pension Plan for Hourly and Incentive Paid Employees, will receive the Basic Life Insurance in 50 monthly installments at the rate of \$20 per each \$1,000 of life insurance in lieu of the death benefit. The first of such installments shall be payable as of (1) the first day of the month after the submission of the required proof of such disability and monthly thereafter, or (2) the first of the month coinciding with or immediately following the date the employee has ceased to be eligible to receive weekly disability benefits and monthly long-term disability benefits, if any, as the case may be, whichever is later.

- B. If an employee should die while the monthly installments are being paid, the remaining installments will be paid to the beneficiary in a lump sum. The lump sum shall not be less than \$1,500. If an employee should die after all the installments have been paid, the beneficiary will receive \$1,500.
- C. If after payment of installments to which an employee is entitled under A above, such employee shall return to active work with the Company, the amount of insurance shall be the amount to which the employee is entitled under the provisions of the Plan then in effect.

#### **Section 5. Transition Survivor Income Benefit and Bridge Survivor Income Benefit**

- A. Upon the death of an active employee who was at work on or after 1 January 1971, and who had at least one month of continuous employment, who was covered for life insurance, or upon the death prior to age 55 of an employee who was retired under the provisions of Article III, Section 2, of the John Deere Pension Plan for Hourly and Incentive Paid

Employees, a Transition Survivor Income Benefit is payable to the survivor or survivors as defined herein provided there are such survivors living to receive it, commencing on the first day of the month following the death of the employee and continuing for not more than 24 months. The Transition Survivor Income Benefit is also payable to the survivor or survivors of an employee retired prior to 1 January 1992 on total and permanent disability pension under Section 3 of Article III, whose disability pension has not been redetermined in accordance with Section 3-D of Article III of the John Deere Pension Plan for Hourly and Incentive Paid Employees, or of an employee who retired after 1 January 1992 on total and permanent disability pension who has not attained age 65 and who dies while insured by Group Life Insurance under this Program. The Transition Survivor Income Benefit shall be \$350 for any month the eligible survivor or survivors are not eligible for any survivor's, disability or retirement benefit under the Canada Pension Plan or any Old Age Security benefit, as now in effect or as hereafter amended and otherwise \$200. The Transition Benefit shall be reduced by the survivor's pension benefit entitlement as provided under Article IV of the John Deere Pension Plan for Hourly and Incentive Paid Employees. For months in which two or more survivors share a benefit, each survivor's share is computed as a fraction of the benefit that would be paid to a sole survivor according to such survivor's own eligibility for benefit under the Canada Pension Plan or any Old Age Security benefit as now in effect or as hereafter amended.

(1) For purposes of this paragraph

a. A "Class A Survivor" means:

i. the surviving spouse of a deceased employee, but only if the surviving spouse was legally married to the deceased employee for

at least **one** year immediately prior to the employee's death; or

**ii.** the surviving common law spouse of the deceased employee.

**b.** A "Class B Survivor" means the employee's child who at the employee's death and at the time a survivor income benefit first becomes payable to such child is both unmarried and either (1) under 21 years of age or (2) at least age 21 but under age 25 or (3) totally and permanently disabled at any age over 21; provided, however, that a child under clause (2) or (3) must have been legally residing with and dependent upon the employee at the time of his death. A child ceases to be a Class B Survivor upon marrying or if not totally and permanently disabled, upon reaching his or her 25th birthday. To qualify as the employee's child, the child must be one of the following:

**i.** The employee's own child born prior to the first of the month following the employee's death.

**ii.** The employee's legally adopted child or a child with respect to whom the employee had initiated legal adoption proceedings which were terminated by death.

**iii.** The employee's stepchild who resided with the employee at the time of death.

**c.** A "Class C Survivor" means a parent of the deceased employee for whom the employee had, during the calendar year preceding the employee's death, provided at least 50 percent of the parent's support.

**(2)** This Transition Survivor Income Benefit shall be paid as follows:

- a. If the employee is survived by a Class A Survivor, the monthly income shall be payable to such survivor. If the employee is not survived by a Class A Survivor, the monthly income shall be payable in equal shares to the employee's Class B Survivors, but if the employee is not survived by a Class B Survivor, in equal shares to the employee's Class C Survivors;
- b. If a Class A dies while monthly income payments are still payable, any remaining payments will be made, in **equal** shares, to the employee's then surviving Class B Survivors, but if none are then surviving, in equal shares to the employee's then surviving Class C Survivors but if none are then surviving, no further monthly income payments shall be made;
- c. If a Class B Survivor dies while monthly income payments are still payable, and if another Class B Survivor(s) is still alive, the living Class B Survivor(s) Benefit(s) shall be redetermined according to each Class B Survivor(s) eligibility for Social Insurance Benefits.
- d. If a Class B Survivor dies while monthly income payments are still payable, and **is** not survived by another Class B Survivor, any remaining payments will be made, in equal shares, to any Class C Survivors then surviving, but if no Class C Survivor is then surviving, no further monthly income payments shall be made:
- e. If a Class C Survivor dies while monthly income payments are still payable, and **is** survived by another Class C Survivor, the monthly amount which the living Class C Survivor had been receiving shall be

redetermined according to the Class C Survivor's eligibility for Social Insurance Benefits, and

- f. If a Class C Survivor dies while monthly income payments are still payable, and is not **survived by** another Class C Survivor, no further monthly income payments shall be made.

**B.** A Bridge Survivor Income Benefit of \$350 per month reduced by a survivor's pension benefit entitlement **as** provided under Article IV of the John Deere Pension Plan for Hourly and Incentive Paid Employees and **by** a survivor's or disability benefit under the Canada Pension Plan as now in effect or as hereafter amended, is payable to the Class A Survivor as defined in Section 5-A above who was 45 years of age or more on the date of the employee's or retired employee's death or whose age (determined to the nearest month **as** of the date of the employee's or retired employee's death) when combined with the employee's or retired employee's service credit, including partial year's service credit, as of the date of death, totals 55 or more and who has received 24 monthly payments of the Transition Survivor Income Benefit provided in Section 5-A.

**(1)** The Bridge Survivor Income Benefit will become payable commencing with the first month following the month for which the 24th monthly payment of the Transition Survivor Income Benefit is paid.

**(2)** The Bridge Survivor Income Benefit will not be paid beyond the earlier to occur of the following:

**(a)** the death or remarriage of the Class A Survivor or

**(b)** attainment by the Class A Survivor of such age at which Old Age Security benefits become payable other than on a "needs"

basis under any Federal or Provincial legislation as now in effect or hereafter amended.

- (3) The Bridge Survivor Income Benefit will also be payable as outlined above to the Class A Survivor as defined in Section 5-A above who is not eligible above, who has received 24 monthly payments of the Transition Survivor Income Benefit provided in Section 5-A, and who is severely disabled. A Class A Survivor shall be deemed severely disabled if, at the date of the employee's death and on the date any Bridge Benefit becomes payable, the survivor is suffering from a chronic disease, impairment, or deformity which wholly prevents the survivor from performing normal home responsibilities or any gainful work.

#### Section 6. Continuance of Insurance

- A. An employee who retires under Section 1 or Section 4 of Article III of the John Deere Pension Plan for Hourly and Incentive Paid Employees shall have the Basic Life Insurance reduced as provided in Section 7.
- B. An employee who retires under Section 2 of Article III of the John Deere Pension Plan for Hourly and Incentive Paid Employees shall have the Basic Life Insurance continued until attainment of age 65 in the amount that was in force at the time of the retirement and thereafter the insurance will be reduced as provided for in Section 7.
- C. An employee who retires under Section 3 of Article III of the John Deere Pension Plan for Hourly and Incentive Paid Employees shall have the Basic Life Insurance continued at the value it bore on the last day worked until the employee's disability pension is redetermined as provided in Section 3-D of Article III of the John Deere Pension Plan for Hourly and



Incentive Paid Employees, and thereafter the insurance will be reduced as provided for in Section 7.

### **Section 7. Reduction of Insurance**

- A. On the first day of the calendar month following the month in which an employee reaches age 65 or retires, whichever is later, but in no event later than attainment of age 70, Accidental Death and Dismemberment coverage shall terminate. The remaining Group Life Insurance in force shall be reduced by 2 percent and further reduced by the same amount the first day of each succeeding month to a minimum of 1-1/2 percent of the insurance in force at age 70 or the date of retirement (if earlier), multiplied by the years of service credit at age 70 or the date of retirement (if earlier), but in no case will the amount be reduced to less than \$5,000.

### **Section 8. Termination of Insurance**

- A. Except as provided in Sections 6 and 7 above, insurance provided for an employee in this Article shall terminate as follows:
- (1) Upon discharge or quitting, insurance will terminate 31 days from date employment terminates.
  - (2) Upon leave of absence, insurance will continue for the remainder of the month in which the leave **became** effective plus 31 days. During the balance of such leave the employee may continue the insurance in force by payment of 60¢ per month per \$1,000 of Group Life Insurance in force.
  - (3) In case of layoff, insurance will continue for the remainder of the month in which the layoff commenced plus 31 days plus:
    - a. For employees under SUB plans, a period of time which will be determined by the number

of SUB credit units credited to the employee at the date of the layoff. One month's coverage will be provided for each four credit units the employee is credited with as of the date of layoff but not to exceed twelve months.

- b. For employees not under SUB plans, one month's additional coverage for each year of service credit, but not to exceed twelve months. Following the expiration of the maximum number of months for which the insurance is continued without cost to the employee, the employee may continue the insurance for up to an additional twelve months by paying 60¢ per month for \$1,000 of Group Life Insurance in force. If a laid-off employee whose insurance had not terminated is employed by another unit of the Company, the employee shall be covered by the amount of Group Life and Disability Insurance in effect with the prior employing unit of the Company.
- (4) In case of sickness or injury which has not resulted in total and permanent disability, insurance coverage will continue for the period of sickness or injury or for a period equal to the amount of the employee's continuous employment, whichever is the lesser, but in any event not less than 52 weeks.
  - (5) Upon entering Military Service, insurance will continue for the remainder of the month in which the leave becomes effective plus 31 days.
  - (6) Upon absence from work for any other reason, insurance will terminate after 31 days from date employment terminates.
  - (7) An employee whose insurance is terminated under Paragraph (2) above and who retires under Sections 1, 2, 3 or 4 of Article III of the John Deere Pension Plan for Hourly and Incentive Paid

Employees will have \$1,500 insurance upon such retirement.

(8) An employee whose insurance is terminated under Paragraph (2) or (3) above and is unable to return to work when recalled because of sickness or injury will have insurance coverage reinstated for a period of time as provided in (4) above.

(9) An employee whose insurance is terminated under Paragraph (3) or (4) above and who retired under Sections 1, 2, 3 or 4 of Article III of the John Deere Pension Plan for Hourly and Incentive Paid Employees will have insurance coverage reinstated upon such retirement.

### **Section 9. Exclusions**

- A. Temporary employees, namely (1) employees hired for a specific job with the understanding that the work is temporary and that they will not be continued in the employment of the Company after the job is completed or (2) employees hired for a specific period of time of less than three months, and
- B. Part-time employees shall not be entitled to the insurance provided for in this Plan.

### **Section 10. Designation of Beneficiary**

- A. The beneficiary shall be designated by the employee in writing and filed with the Company.
- B. The right to change of beneficiary is reserved to the insured employee.
- C. An employee, insured under the provisions of this Plan, may at any time designate a new beneficiary for the indemnity for loss of life by filing with, and on forms provided by, the Company a written request for such change. Upon receipt of such request by the Company, the change shall take effect as of the date the employee signed such request.

- D. Upon receipt of such request by the Company the change shall relate back to and take effect as of the date the employee signed such request whether or not the employee is living at the time of the receipt of such request but without prejudice to the Company on account of any payment made by it before such request shall have been received.

### **Section 11. Privilege of Obtaining Individual Insurance**

- A. In case of the termination of any insurance under this Plan
- due to termination of an employee's employment, such employee shall **be** entitled to have issued without further evidence of insurability upon application within thirty-one days after such termination of employment, and upon the payment of the premium applicable, an individual policy of life insurance. Such policy will become effective following 31 days after the date employment terminates. Such individual policy shall be without disability or other supplementary benefits in one **of** the forms, except Term Insurance, customarily issued and in an amount equal to or, at the option of the employee, less than, the amount of such terminated insurance.
- B. Any employee, eligible for benefits specified in Section 5 of this Plan on the day immediately preceding the first date such employee is entitled to make application for an individual policy as outlined in **A** above, may increase such amount of insurance by an amount equal to the total survivor income benefit that would have become payable with respect to such employee under the provisions of Section 5 of this Article if such employee's death had occurred on such day.
- C. Information as to the coverage available and premium rates can be obtained from the Company when insurance terminates.

## **Section 12. Physical Examinations**

The Company, at its own expense, shall have the right to require an employee to submit to an examination by an independent physician designated by it for the purpose of determining continuing disability. The Company shall have the right to examine the employee as often as it **may** reasonably require.

## **Section 13. Common Law Spouse**

The Term "common law spouse" **as** used in the Plan with respect to an employee means a person who is residing and cohabiting with the employee, provided that:

- (1) the person is of the opposite sex of the employee;
- (2) the employee is not legally married to any other person: and
- (3) the person and the employee have been residing together and cohabiting for a continuous period of not less than 3 years.

## **APPENDIX "H"**

### **JOHN DEERE PROFIT SHARING PLAN**

#### **Section 1. Type of Plan and Purpose**

- A.** This Plan is a profit sharing plan. The purpose of the Plan is to provide contingent benefits to employees to reflect their efforts in contributing to the profitability of the Company and to serve as an incentive for the employees further to contribute to the continued and further financial success of the Company and to its ability to provide continued employment opportunities to its employees.
- B.** It is understood and agreed by all parties hereto that the duty of the Company, its Board of Directors, and the management they select is to provide the Company's shareholders protection of, and a maximum return on, their investment, consistent with retention in the business of such profits as the Board of Directors of the Company deems prudent, and with fair and competitive prices, wages, benefits and other terms of employment; no provision of this Plan shall be construed as altering that objective or in any way limiting management or such Board of Directors in the performance of their duties.

#### **Section 2. Definitions**

- A.** "Company" means Deere & Company and its various U.S. and Canadian subsidiaries and affiliates that adopt or have adopted the Plan.
- B.** "Effective date" of the Plan means 01 November 1995.
- C.** "Employee" means any person who on or after the effective date is in the regular full-time employ of the Company and is employed for work on the prevailing schedules of the department to which he is assigned, and who is included in a group to whom the Plan has

been made available by the Collective Bargaining Agreement or by extension by the Company and includes any such person while absent from work under circumstances which do not break continuity of service.

- D. "Company Service" means the total period elapsed subsequent to an Employee's first date of hiring as an employee by the Company, exclusive of any period during which an employee is not, or was not, in active service as an employee of the Company (whether resulting from discharge, suspension, resignation or quit, or any other cause) except that there shall be included in such total period of service all periods of absence pursuant to leave of absence granted by the Company, all periods of layoff after the employee's last date of hiring as an employee by the Company and for up to twelve (12) months of each prior period of layoff which commenced after 1 December 1976. Upon reemployment following any break in service,
- (a) prior service shall be reinstated regardless of duration of such break in service in accordance with the preceding sentence; and
  - (b) if the employee is reemployed by the Company after 1 December 1976 within one year from the day he last performed an hour of service for the Company, he will receive additional service for his period of absence from active service with the Company equal to the lesser of
    - (i) his period of absence, or
    - (ii) one year less any period of absence otherwise credited.

The term "first date of hiring" means the first day an employee performs one hour of service with the Company. The term "break in service" means the period which begins on the date he severs his service with the Company and ends if an employee is reemployed by the Company on the first day the

employee performs one hour of service following such reemployment. An employee "severs his service" on the date he quits, retires, is discharged, dies, or otherwise terminates his employment with the Company. The records of the Company with respect to an employee's service will be conclusive unless shown to the Plan Administrator's satisfaction to be incorrect.

- E. "Participant" means any employee who becomes eligible to be covered by the Plan pursuant to Section 3-A.
- F. The first "plan year" will begin on the effective date and will end on the first 31 October thereafter. Each subsequent plan year will end on the next following 31 October.
- G. The "fiscal accounting year" means the period commencing on a Monday immediately following the Sunday nearest to or coincident with 31 October and ending on the next following Sunday nearest to or coincident with the next following 31 October.

### **Section 3. Eligibility and Participation**

- A. Each employee of the Company who is a member of a group of employees to whom the Plan has been extended by the Company or by any applicable Collective Bargaining Agreement then in effect shall be eligible to be covered by the Plan and become a participant as of the later of the effective date or the first day of any payroll period on or after the date he has completed one or more years of Company service.
- B. Any participant shall be eligible for a profit sharing benefit under the Plan for any plan year which commences after 31 October 1995 provided that he is an active employee of the Company on 31 October of that plan year or is on leave of absence or layoff from the Company on such 31 October; except that any



otherwise eligible employee who died, retired, or was employed at a facility of the Company which was sold during such year shall also be covered as if he were an active employee on 31 October of that year. An otherwise eligible employee who becomes reemployed prior to 15 December of a year **shall also** be eligible for a benefit for the preceding year even though he was not an active employee on 31 October of that year.

#### **Section 4. Amount of Benefit**

**A.** The amount of the benefit which shall accrue for a participant for any fiscal year shall be computed by multiplying the following three elements:

- (a)** the number of hours worked in that accounting year by the participant;
- (b)** the straight-time hourly rate of pay for an hourly paid participant or the average straight-time hourly rate of pay for an incentive paid participant plus (in either case) any cost of living and general wage increase allowances as of the last day of the fiscal accounting year (or as of the last day of active work of the employee if earlier); and
- (c)** The Profit Sharing Benefit Percent(s) determined in Paragraph B below times 50%. The total benefit will equal the addition of the 50% benefit determined from the combined Worldwide Agricultural and Worldwide Lawn & Grounds Care rate schedule plus the 50% benefit determined from the Worldwide Consolidated rate schedule.

The maximum profit sharing benefit amount payable to any employee shall be \$400.00. A participant's number of hours worked shall include only the actual number of hours that the participant was actively at work in such fiscal accounting year and shall not include any hours for which the participant was paid but during

which he performed no work for the Company; except that

(i) in the case of a Union representative who was exercising the privileges and/or performing the legitimate duties of his office, there shall also be counted the hours for which he was paid wages pursuant to the collective agreement; and

(ii) there shall also be counted any hours for which a participant is awarded back pay as a result of a final resolution of a grievance pursuant to the Collective Bargaining Agreement. The applicable "profit percentage" for any plan year shall be determined as follows:

1. Divide (a) Combined Worldwide Agricultural and Worldwide Lawn & Grounds Care profit by (b) the sum of the Worldwide Agricultural and Worldwide Lawn & Grounds Care Business Segment month end asset balances from October to October, excluding November divided by twelve (12). Assets are defined in accordance with Financial Accounting Standards Board Statement 14 and represent the identifiable assets of the Worldwide Agricultural and Worldwide Lawn & Grounds Care operations.
2. Divide (a) Worldwide Consolidated profit by (b) the sum of the Worldwide Consolidated month end asset balances from October to October excluding November divided by twelve (12). Assets are defined as the Equipment Operations assets with the Financial Services subsidiaries included on an equity basis.

Profits in calculations 1 and 2 are the total net income after taxes before deducting:

1. bonus payments to salaried employees (net of tax),
2. profit sharing benefits under this plan or benefits under **any** similar profit sharing plan (net of tax); and
3. extraordinary gains or losses, as defined under generally accepted accounting principles (net of tax).

For purposes of 1, 2, and 3 above, taxes shall be calculated using the effective tax rate determined from the respective statements of income. The profit and assets values in this section shall **be** prepared using generally accepted accounting principles. The profit percentages and underlying profits and assets shall **be** audited by the Company's independent certified public accountants, **whose** opinion shall be final and conclusive. The amount of benefit shall not be a part of the participant's hourly rate of pay and shall not be included in the calculation of any amount of other **pay**, allowance or benefit under any other agreement or plan covering such participant.

**B. Payment Schedule**

The following schedule **shall** be used to determine the applicable Profit Sharing Benefit Percent.

Worldwide Consolidated Return on Assets		Profit Sharing Benefit	Worldwide Agricultural and Worldwide Lawn & Grounds Care Return on Assets		Profit Sharing Benefit
At Least	But Less Than	Percent	At Least	But Less Than	Percent
0.00%	2.92	0.00%	0.00%	2.09	0.00
2.92	3.10	0.12	2.09	2.30	0.12
3.10	3.29	0.25	2.30	2.52	0.25
3.29	3.47	0.37	2.52	2.73	0.37

Worldwide Consolidated Return on Assets		Profit Sharing Benefit	Worldwide Agricultural and Worldwide Lawn & Grounds Care Return on Assets		Profit Sharing Benefit
At Least	But Less Than	Percent	At Least	But Less Than	Percent
3.47	3.65	0.50	2.73	2.95	0.50
3.65	3.84	0.62	2.95	3.16	0.62
3.84	4.02	0.75	3.16	3.38	0.75
4.02	4.20	0.87	3.38	3.59	0.87
4.20	4.39	1.00	3.59	3.81	1.00
4.39	4.57	1.12	3.81	4.02	1.12
4.57	4.75	1.25	4.02	4.24	1.25
4.75	4.94	1.37	4.24	4.45	1.37
4.94	5.12	1.50	4.45	4.67	1.50
5.12	5.30	1.62	4.67	4.88	1.62
5.30	5.48	1.75	4.88	5.10	1.75
5.48	5.67	1.87	5.10	5.31	1.87
5.67	5.85	2.00	5.31	5.53	2.00
5.85	6.03	2.12	5.53	5.74	2.12
6.03	6.22	2.25	5.74	5.96	2.25
6.22	6.40	2.37	5.96	6.17	2.37
6.40	6.58	2.50	6.17	6.39	2.50
6.58	6.77	2.62	6.39	6.60	2.62
6.77	6.95	2.75	6.60	6.82	2.75
6.95	7.13	2.87	6.82	7.03	2.87
7.13	7.32	3.00	7.03	7.25	3.00
7.32	7.50	3.12	7.25	7.46	3.12
7.50	7.68	3.25	7.46	7.68	3.25
7.68	7.86	3.37	7.68	7.89	3.37
7.86	8.05	3.50	7.89	8.11	3.50
8.05	8.23	3.62	8.11	8.32	3.62
8.23	8.41	3.75	8.32	8.54	3.75
8.41	8.60	3.87	8.54	8.75	3.87
8.60	8.78	4.00	8.75	8.97	4.00
8.78	8.96	4.12	8.97	9.18	4.12
8.96	9.15	4.25	9.18	9.40	4.25
9.15	9.33	4.37	9.40	9.61	4.37
9.33	9.51	4.50	9.61	9.83	4.50
9.51	9.70	4.62	9.83	10.04	4.62
9.70	9.75	4.75	10.04	10.25	4.75
9.75	and	4.87	10.25	and above	4.87

### **Section 5. Payment of Benefit**

- A.** Any benefit amount which is payable for any year shall be paid **to** an eligible participant not later than 15 January of the year following the fiscal year for which the benefit amount is computed. The amount of such benefit shall be paid by a separate payment less union dues and required withholding for federal and provincial taxes. In the event a benefit amount is calculated to be less than \$10, the amount of such benefit amount may be included with, and if included shall be identified **on**, the employee's Earnings Statement which is paid during the payroll period in which such benefit amount is due and payable.
- B.** If a participant is deceased at the time any benefit is payable to him, the amount of such benefit shall be payable to the same person or persons and in the same proportionate amount **as shall** be payable to the beneficiary or beneficiaries designated under the John Deere Group Life and Disability Insurance Plan.

### **Section 6. Miscellaneous**

- A.** Administration of the Plan. Except as otherwise expressly provided in an applicable Collective Bargaining Agreement, the Plan shall be administered by the Company who shall be the Plan Administrator and shall be authorized to
  - (a)** determine all questions arising in the administration of the Plan,
  - (b)** establish rules and procedures to carry out its duties and responsibilities,
  - (c)** delegate such duties and responsibilities to employees of the Company, and
  - (d)** do all other acts which in its judgment are necessary for the proper administration of this Plan.

B. Facility of Payment. If the Plan Administrator shall receive satisfactory evidence that any participant or other person entitled to receive a benefit under this Plan is physically or mentally incompetent to receive such benefit and to give a valid release therefore, the Plan Administrator shall have the discretion to make payment in one or more of the following ways:

- (a) directly to such participant or person,
- (b) to his legal guardian or conservator, or
- (c) to his spouse or to any other person to be expended for his benefit.

The decision of the Plan Administrator shall be in each case final and binding on all persons in interest.

C. Employment Rights. Participation in the Plan will not give any employee of the Company any right to be retained in the service of the Company nor any right to claim any benefit under the Plan unless such right or claim has specifically accrued under the terms of the Plan.

D. Nonassignability. The interests of participants and their beneficiaries under the Plan are not in any way subject to their debts or other obligations and may not be voluntarily or involuntarily sold, transferred or assigned by them except with respect to indebtedness owing to the Company. Any amount alienated or assigned to the Company shall not exceed 10% of the amount payable under the Plan to the participant or beneficiary and such alienation or assignment shall be revocable at any time by the person making such alienation or assignment.

E. Denial of Benefits. In the event that a conflict of opinion arises between any employee and the Company with respect to the payment of benefits under this Plan, such conflict shall be resolved according to the provisions of the Grievance

Procedure as set out in the Collective Bargaining Agreement.

- F. Action by the Company. Any action required or permitted to be taken by the Company hereunder may, except as otherwise expressly provided, be taken by persons designated by the Company.
- G. Gender and Number. Where the context admits, words in the masculine gender shall include the feminine gender, the plural shall include the singular, and the singular shall include the plural.
- H. Waiver of Notice. Any notice required under the Plan may be waived by the person entitled thereto.
- I. Limitation of Liability. To the extent permitted by law, neither the Plan Administrator, nor the Company nor any director, officer, or employee of the Company, shall have any personal liability of any nature for any act done or omitted to be done in good faith, under or in connection with the Plan.
- J. Amendment and termination of Plan. Deere & Company shall have the power at any time and from time to time, by action of its board of directors, to amend or terminate this Plan; provided, however, that no amendment or termination, under any circumstances, with respect to any employees that are represented by a collective bargaining unit may be adopted without the consent of the appropriate collective bargaining representative during the term of the applicable collective bargaining agreement which extends this Plan to such employees.