

LABOUR AGREEMENT

THIS MEMORANDUM OF AGREEMENT ENTERED INTO ON NOVEMBER 7, 2004 BETWEEN DANA CANADA INC. ST. MARYS FACILITY AND THE NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND GENERAL WORKERS UNION OF CANADA (C.A.W. -- CANADA).

DURATION OF THIS CONTRACT SHALL BE FROM
NOVEMBER 7, 2004 - NOVEMBER 5, 2007

A NEW COLLECTIVE AGREEMENT WAS BARGAINED BETWEEN THE TWO ABOVE PARTIES FOR THE DURATION OF NOVEMBER 7, 2004 – NOVEMBER 5, 2007.

1.0 RECOGNITION

1.01 The Company recognizes the Union as the sole and exclusive collective bargaining agent for all employees of Dana Canada Inc., in the Town of St. Marys, in the County of Perth, save and except supervisors, persons above the rank of supervisors and sales, office and clerical staff.

1.02 Supervisors and above shall not be permitted to perform work normally performed by an employee in the Bargaining Unit, except:

- (a) in the instruction and training of employees;
- (b) in the performance of necessary work when difficulties are encountered on a job;
- (c) safety;
- (d) in the development of a method or experimental work.

1.03 The Company may assign a reasonable number of full time employees of the Company to work at bargaining unit jobs for periodic exposure and training purposes. No bargaining unit employee shall be displaced or reassigned to duties other than those normally within the scope of his job as a result of this training. The Union shall receive 48 hours prior notification, which will include a plan for dates, times and purpose.

1.04 The Company shall advise the Union as soon as possible in advance of any contemplated plant closure that will affect the employees. Such notice shall be made in writing at least 60 days in advance. The Union and the Company will meet to discuss the contemplated shutdown. In the event of a closure the parties will negotiate a closure agreement that will include items for discussion of benefits, pensions, preferential hiring, skills analysis, job search and retraining.

2.0 GENERAL PURPOSE

2.01 The general purpose of this Agreement is to establish and maintain collective bargaining relations between the Company and the Union and to provide machinery for the prompt and equitable disposition of grievances, and to establish and maintain satisfactory working conditions, hours of work and wages for all employees who are subject to the provisions of this Agreement.

2.02 It is agreed that the word "employee" or "employees" wherever used in this Agreement shall be deemed to refer to only an employee or employees in the Bargaining Unit as defined in Article 1.01 and where the masculine is used in this Agreement it shall be deemed to include the feminine, and vice-versa, where the context so requires. Further, where the singular is used in this Agreement, it is agreed that the plural is an acceptable substitute where the context so requires.

2.03 The Letters of Understanding included within this Collective Agreement shall be considered to form part of this same Collective Agreement.

3.0 RESERVATIONS TO MANAGEMENT

3.01 The Union recognizes the right of the Company to hire, promote, demote, transfer, discipline, suspend, or discharge any employee for just cause, subject to the rights of the employee under the problem resolution procedure as provided in this Agreement.

3.02 The Union further recognizes the undisputed right of the Company to operate and manage its business in all respects in accordance with its commitments and responsibilities. The products to be manufactured, the schedules of production, the methods, processes, and means of manufacturing are exclusively the responsibility of the Company.

3.03 The Company also has the right to make and alter rules to be observed by all employees. Such rules shall not be inconsistent with the provisions of this Agreement. When rules are instituted or altered, the Union shall be notified prior to their effective date. Penalties arising out of the violation of plant rules will be subject to the rights of the employee under the grievance procedure as provided in this Agreement. Written Warnings and Suspensions for the violation of plant rules shall be removed from their record twelve (12) months after the date of issue except those issued relative to alcohol and drugs and absenteeism resulting from the abuse of alcohol and drugs which shall be removed from their record twenty-four (24) months after the date of issue.

Verbal Warnings (excluding those relative to alcohol or drugs) shall be removed from the record, after six months. Once removed from the record, a written disciplinary record will not be used at any point of the discipline procedure providing no active complaint or grievance is being processed at expiration time.

3.04 PRODUCTION STANDARDS

The Company and the Union agree that the establishment of work standards and the adjustment of work standards is essential for efficient and economic production as well as for the development of a good standard cost system, all of which is in the interest of both parties. THE COMPANY SHALL ESTABLISH PRODUCTION STANDARDS THAT ARE FAIR AND EQUITABLE TO THE COMPANY AND EMPLOYEES. PRIOR TO THE TIME STUDY THE COMPANY WILL DISCUSS WITH EMPLOYEES THE PURPOSE, LENGTH OF STUDY AND OTHER PERTINENT INFORMATION. PROPER CONSIDERATION WILL BE GIVEN TO DELAYS, PERSONAL TIME, FATIGUE AND OTHER FACTORS WHICH MAY AFFECT THE OPERATION.

When new production standards are established, either on new jobs or revision of old standards, due to element or process changes and an employee fails to meet such standards, after normal training, the Company will discuss the matter with the Union and supply pertinent data relating to the standard and will re-examine the standard in an attempt to correct the problem.

The Company further agrees that in the event of a disagreement between the Union and the Company as to the correctness of a production standard, a qualified Union time study man will be allowed to study the job in question, accompanied by the Company time study man.

The intent of this article is strictly to maintain an efficient and economic production and is not intended in any way to affect the earnings of employees.

LETTER OF UNDERSTANDING #1

October 19, 1999

Mr. Fergo Berto
National Representative
CAW -- Canada
310 Wellington Road S.
London, Ontario N6C 4P4

SUBJECT: TRAINING

During our negotiations, the parties discussed the possible need for considerable training of our people for the installation of our new manufacturing processes.

At the time of the writing of this letter, the details of the training has not been developed, but the type of training will include technical training on the new processes, safety, ergonomics, teamwork skills and environmental issues.

The parties have agreed to jointly approach the various government ministries for financial assistance for these efforts, should the Company determine this is required. The Union has agreed to support and assist in these efforts.

Through these efforts, both parties hope to enhance the knowledge, productivity and safety of our people.

Yours truly,

John Grieve
Plant Manager

** NON-DISCRIMINATION
** LETTER OF UNDERSTANDING
** SEXUAL HARASSMENT POLICY

4.0 NON-DISCRIMINATION

The Company and the Union agree there shall be no discrimination against any employee because of race, ancestry, place or origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offences, marital status, same-sex partnership status, family status, or disability.

LETTER OF UNDERSTANDING #2

October 27, 2004

Mr. Jamie Jacques
Bargaining Chairperson
CAW Local 27

Dear Jamie:

SUBJECT: SEXUAL HARASSMENT POLICY

Dana Canada Inc. fully supports efforts to eliminate all forms of sexual harassment in our facilities. Our posted policies certainly detail our prevention efforts.

We believe all types of sexual harassment including unnecessary touching, suggestive remarks, verbal abuse, compromising invitations, demands for sexual favours and physical assaults must be dealt with confidentially and immediately.

We also support the concept that discipline or relocation of the harasser, if necessary, not the person harassed; as the appropriate solution.

Chris Speece
Plant Manager

October 27, 2004

Sexual Harassment, Discrimination and Harassment Issues

Dana Canada Inc. and CAW Local 27 fully support to eliminate all forms of Harassment and Discrimination in the workplace.

The Company and the Union agree to fully cooperate in all efforts of education, training, and investigations involving Harassment and discrimination affecting people in our workplace.

For the Union
Fergo Berto

For the Company
Paul Teeple

**** UNION MEMBERSHIP AND DEDUCTION
OF DUES AND ASSESSMENTS
** STRIKES & LOCKOUTS**

5.0 UNION MEMBERSHIP AND DEDUCTION OF DUES AND ASSESSMENTS

5.01 The Company agrees to provide all new employees with a copy of a Union Fact Sheet provided by the Local and mutually agreed to by the Company. In addition, new employees will be introduced to the Committeeperson on their respective shift. The Company further agrees to provide an opportunity during orientation of new employees for the Union Bargaining Chairperson or his designate plus one other committee member to speak to new employees.

All employees presently employed, and all new employees covered by this Agreement shall become or remain a member of the Union to the extent of paying the amount of dues uniformly required as a condition of acquiring or retaining membership in the Union so long as he remains in the Bargaining Unit.

5.02 In accordance with Clause 5.01, the Company will deduct such amounts as are authorized in writing by the Financial Secretary of Local 27. Dues are payable after forty (40) hours worked in any one month. These amounts will be forwarded to the Union.

Special assessments, assigned by the Union, will be deducted from the employees in equal amounts from the employees' first week and third week pays payable in the first and third week.

5.03 Any employee who fails to comply with the foregoing provisions of Clause 5.01 and Clause 5.02 will be considered to have voluntarily quit.

5.04 No partial deductions or deductions of monies in arrears will be made under the provisions of Sections 5.01 and 5.02. All sums deducted under Section 5.02 will be remitted by cheque to the duly authorized official of the Union not later than the twentieth (20th) day of the month in which the deductions are made together with a list of the employee's deductions. Any deductions made in error by the Company will be refunded by the Union.

5.05 The Company may cease at any time to make such deductions and remittances if there is a breach of Section 5.06 by members of the Bargaining Unit. However, this right shall not apply if the Union, through its President or the National Union, through its Regional Director or his representative, repudiates in writing such a breach within forty-eight (48) hours of its commencement.

5.06 STRIKES AND LOCKOUTS

(a) The Union agrees that there shall be no strike, work stoppage, or slow down of work so long as this Agreement continues to operate.

(b) The Company agrees that there shall be no lockout so long as this Agreement continues to operate.

** STRIKES AND LOCKOUTS (CONT'D)
** UNION MEETINGS AND LITERATURE
** SENIORITY

(c) In the event of a strike involving members of the Bargaining Unit, the Union will assist in ensuring that visitors, foremen, those above the rank of foreman, tool designers, industrial security guard, staff trainees, salaried and office workers, and employees required for emergency repairs are permitted free and unobstructed passage into and out of the Company's premises. The Union will also assist in ensuring that the maintenance employees mentioned above report for work and perform vital duties to which they are assigned.

(d) If during a strike the Company attempts to use employees outside the Bargaining Unit to do work on operations usually performed by members of the Bargaining Unit who are on strike, or attempts to use maintenance employees mentioned in Section 5.06 (c) on work other than that for which they are permitted free and unobstructed passage into and out of the Company's premises, the Union shall no longer be bound by the provision of Section 5.06 (c). The Company will allow two accredited representatives of the Union to make tours of inspection at any time to ensure that this provision is not being violated. However, if the dispute is in violation of Section 5.06(a), the Company shall not be bound by the provisions of this Section.

(e) The Union further agrees it will assist in ensuring that no work stoppage will result in Company's plants from any dispute, which may arise between any other employer and his employees.

6.0 UNION MEETINGS AND LITERATURE

6.01 The Union agrees that none of its members will conduct Union activities or meetings on Company time, or on Company property, except as provided for in this Agreement.

6.02 The Union may, after receiving permission from the Company, conduct plant gate collections, providing a member of Local 27 is in attendance at the gate collection. The Company agrees that permission will not be unreasonably withheld.

6.03 Items of Union literature to be distributed or posted on Company premises must have the prior approval of the Plant Manager (or his designate). Union notices will be posted on the bulletin boards currently located in the Employee Cafeteria in the Plant and 221 Assembly line, provided by the Company, and maintained in an orderly and up-to-date manner by the Union.

6.04 The Company will provide to the Union a locking filing cabinet, a table, telephone, computer, fax machine and phone line for Internet access in the present location.

7.01 SENIORITY

A probationary employee is an employee who has not acquired seniority.

A probationary employee shall acquire seniority after fifty (50) calendar days of employment from the date of hire. Clock numbers will be assigned to multiple people being hired on the same day alphabetically by

their last name. The seniority date will be the date of hire with order of seniority governed by the clock number for those hired with the same seniority date. This applies only to those hired on or after March 20, 2000. A probationary employee may be released at the discretion of the Company and the union will be advised.

** SENIORITY(CONT'D)
** SURPLUS EMPLOYEES

Seniority and address lists will be maintained by the Company and be made available to the Local Union and National Union upon request.

Any reference to a person's seniority, in this Agreement shall mean plant seniority only.

An employee who accepts a position outside the Bargaining Unit will maintain but not accumulate seniority for a period of six (6) months following his transfer. The Company will notify the Union of any employee transferring in or out of the bargaining unit. This opportunity shall be available only once to an employee. Any employee returned to the Bargaining Unit shall displace the junior employee in his former department or within the Plant.

7.02 SURPLUS EMPLOYEES

- (a) If a surplus of employees exists in a department, the junior employee in the department will be surplusd and shall exercise seniority where available, first to their last department, and then to a junior employee in the Plant. If there is no junior employee in the Plant who can be displaced the junior employee will be laid off. If a surplus of employees exist in a classification in a department, the junior employee in the classification being reduced will choose to replace the junior employee in the department (or the opening from an unfilled internal posting) and assume that classification or leave the department and be subject to existing surplus language.
- (b) Any employee surplusd from a department shall have first rights to return to that department, according to seniority for 90 days, provided they had worked in that department a minimum of 90 complete shifts in the preceding six (6) months.
- (c) Regardless of seniority, members of the plant Negotiating and Grievance Committee will be maintained at work in their department, providing work is available that he is willing and able to do. If no such work is available in his department he shall have the same opportunity within the plant, by displacing the junior employee.
- (d) An employee surplusd from the robotics technicians department will first return to the department for which they did not have robotics technician status. If this department does not exist, the employee surplusd will replace the junior in the plant. If there is no employee in the plant junior to the surplusd employee, the employee will be laid off.

7.03 LOSS OF SENIORITY

An employee or a person with seniority rights to recall after layoff shall lose his seniority and employment for any of the following reasons:

- (a) if he quits;
- (b) if he is discharged and the discharge is not reversed;
- (c) if he is absent from work for more than two (2) scheduled work days without notifying the Company
- (d) if he fails to produce satisfactory evidence (when required) to justify absence of more than three (3) days;
- (e) if he fails to meet the recall procedures;
- (f) if he fails to report to work within three (3) work days following to the expiration of a Leave of Absence, unless he submits evidence satisfactory to the Company for his failure to report to work;
- (g) a person who is absent from work and on an authorized Leave for Workers Compensation, or Sickness or Personal Leave or any other Leave of Absence and is found to have taken other employment during such Leave shall be deemed to have voluntarily quit;
- (h) on retirement in accordance with the provisions of the Pension Agreement;
- (i) if an employee is absent from work for any reason (including layoff, illness, injury) except for authorized Leaves of Absence, and has not returned to work as an active employee, subject to the following limitations:

LENGTH OF SENIORITY AS OF LAST DAY WORKED	MAXIMUM PERIOD ON RECALL/SENIORITY LIST
< THAN 1 YEAR	1 YEAR
1 YEAR BUT < 2 YEARS	2 YEARS
2 YEARS BUT < 3 YEARS	3 YEARS
3 YEARS	4 YEARS
4 YEARS OR MORE	5 YEARS

* See additional letter of understanding #6 on page 14

** RECALL

November 3, 2004

Jamie Jacques
Bargaining Chairperson
CAW Local 27

7.03 (j) RECALL RIGHTS.

Dear Jamie:

The company agreed during the 2004 negotiations to temporarily extend the recall rights for those people on lay off as of November 1, 2004 that have less than one year seniority an additional 90 days. Therefore the maximum recall rights are 15 months. The purpose of this change is to extend recall rights only and shall not affect any other aspect of the collective agreement including, but not exclusively, pension and benefit issues.

Sincerely

Chris Speece
Plant Manager

*** See additional letter of understanding Cooling Off Period #39 page 81**

7.04 RECALL

Persons on layoff with seniority rights to recall after layoff shall be recalled in order of seniority.

The following steps and regulations will apply:

- (a) The Company shall notify the person of the effective date and time of the recall.
- (b) The person shall notify the Company of his intent to return within two (2) working days of the dispatch of the notice. (Proof of notice from the Company shall consist of a registered letter of a personal delivery to the address recorded in the plant files.)
- (c) The Company shall notify the Union Committee in writing of the names of employees recalled.
- (d) Within five (5) working days of the dispatch of the notice of recall the person shall return to work.
- (e) Persons who fail to meet the recall procedure will be deemed to have voluntarily quit and shall lose his seniority.

** RECALL (CONT'D)
** BY-PASS OF RECALL
** LETTER OF UNDERSTANDING
SELECTION FOR SHUT-DOWN

(f) It is the responsibility of the laid off employee to maintain updated address and phone number listings with the Company, as well as notifying the Company of extended periods of absence. The Company shall provide the Union with updated address lists quarterly.

(g) An employee who is recalled may request to be by-passed if they are in full time attendance of a recognized University or College. Employees should notify the Company of their attendance in advance and must supply proof of their attendance if requested. Should the by-pass last 90 days or less the employee will be returned to work and shall replace the junior employee in keeping with the seniority provisions at the conclusion of the by-pass. If the by-pass granted is in excess of 90 days (maximum 12 months) the employee shall be placed on the recall list at the conclusion of the by-pass in line with their seniority. During the by-pass the person will continue to accumulate seniority but will not accumulate or receive vacation pay, holiday pay nor shall the Company contribute to his insurance plan.

7.05 BY-PASS OF RECALL

When the Company considers the job to which the person on layoff has been recalled to fill, is of a temporary nature, the person may request to be by-passed, and will continue to be by-passed by the Company for all jobs considered to be temporary until he notifies the Company of his desire to return. Upon this notification he shall not be entitled to replace an active employee and will be recalled only when an opening occurs in line with his seniority.

LETTER OF UNDERSTANDING #3

October 29, 2004

Mr. Jamie Jacques
Bargaining Chairperson
CAW Local 27

Dear Sir:

**SUBJECT: EMPLOYEE SELECTION FOR SUMMER SHUTDOWN AND
CHRISTMAS OVERTIME**

During our negotiations we discussed the assignment of work during summer shutdown and overtime during the Christmas holidays.

Summer shutdown and Christmas overtime projects will be posted only in areas in which the work is to be completed, for example, clean up of the Paint Shop. Only people who normally work in this area, who are

capable of performing the job may sign up. Summer shutdowns of 2 weeks or more will be offered and assigned to employees on a weekly basis. Employees must commit to work at least the duration of one week.

** LETTER OF UNDERSTANDING
SELECTION FOR SHUTDOWN (CONT'D)
** LETTER OF UNDERSTANDING
STUDENTS

Where the number of signed up employees exceeds requirements for summer shutdown then seniority will determine who works. Should the number not meet requirements then the opportunity will be offered plant wide and seniority will be the determining factor.

During a summer shutdown period, employees who do not have sufficient vacation hours to fulfil the requirements of the shutdown period will not be allowed to exercise seniority into another department unless the resulting layoff is in excess of 5 days.

Determination of manpower for Christmas overtime will be based on low overtime hours, by the required department then plant wide if necessary.

Yours truly,

Chris Speece,
Plant Manager

LETTER OF UNDERSTANDING #4

October 19, 1999

Darcy Gunderson
Bargaining Chairperson
CAW Local 27

Dear Darcy:

SUBJECT: STUDENTS

At negotiations, the Company and the Union discussed the mutual advantage of employing students during summer vacation periods. June 1st to Labour Day. Students will not be employed while bargaining unit members on layoff are available to perform the work.

Students so employed will:

- (a) not have their work time credited towards the gaining of seniority;
- (b) be paid at 75% of the current Production Technician rate.

Yours truly,

John Grieve
Plant Manager

LETTER OF UNDERSTANDING #5

October 13, 2004

Mr. Jamie Jacques
Bargaining Chairperson
CAW Local 27

Dear Jamie:

SUBJECT: PREFERENTIAL HIRING

Should any employee with a minimum of one (1) year’s seniority covered by this Collective Agreement be laid off permanently, the Company will provide an opportunity for preferential hiring at other facilities of the Company on the following basis:

- (a) A permanently laid-off employee with a minimum of one (1) year’s seniority may complete a preferential hiring request at the Human Resources Department.
- (b) The Human Resources Department will forward the request to the designated facility.
- (c) The preferential hiring request will be given preference over non-Dana people at the designated facility in accordance with the date of receipt of the application, provided the person is qualified and available for work.
- (d) The request will be valid for a period of twelve (12) months from the date of filing, and the laidoff employee must re-apply to extend the twelve-month period.
- (e) When an applicant accepts a position at the new facility and completes the probationary period he/she will be considered to have resigned from the St. Marys facility.

Employees moving as a result of accepting employment through the preferential hiring procedure may apply for the following assistance within three (3) months of their move:

Kilometers Between

Plant Locations	Single	Married
100-174 Km	\$ 500	\$ 750
174-499 Km	750	1,000
500+ Km	1,000	1,500

Yours truly,

Chris Speece
Plant Manager

***See additional letter of understanding Preferential Hiring #34** page 76

LETTER OF UNDERSTANDING #6

November 4, 1995

Mr. Fergo Berto
National Representative
CAW Canada
310 Wellington Road S.
London, Ontario N6C 4P4

Dear Mr. Berto:

During negotiations for the current Collective Agreement, there was considerable discussion regarding the Union's proposal regarding Article 7.03(i) of the Collective Agreement due to the Union's concerns that our application may constitute a violation of the Ontario Human Rights Code.

In order to resolve this issue and in recognition of the Union's concern, the Company agrees that in the event the application of these articles is found to be a violation of the Ontario Human Rights Code, the Company shall indemnify and save harmless the Union from any losses, damages, costs, liability or expenses suffered or sustained by the Union as a result.

Yours truly,
Ron Gilmore
Plant Manager

** DEPARTMENTS

** LEADHANDS

8.0 DEPARTMENTS

8.01 A department shall be a collection of employees, as shown:

DEPARTMENT	SPECIFIC ASSIGNMENTS/ CLASSIFICATIONS
Quality Control	
Process Inspection	Line Inspection P221 Line Inspection U137 Line Inspection PN96 Incoming Verifiers
Shipping/Receiving	
Storekeepers	
Cycle Counters	
Janitor	
Maintenance	
Robotics Weld Technicians	P221 U 137 PN 96
Press	
Frame Assembly P221: Fronts, Rears, Mainline, Arbec (See letter Posting & Opportunities in P221 #18) (page #37)	- Line Stock Feeder - Repair - Final Verifiers
Frame Assembly PN96:	- Line Stock Feeder - Repair
Frame Assembly: U137	- Line Stock Feeder
Paint Shop (starts at Station #12, S.C. Gauge)	- Crane - Hyster - Tiedown - Trackmobile - Brakeman

Within some departments it is recognized that specific assignments are necessary for reason of continuity and safety. Designation of these functions does not conclude that individuals perform only the one function.

8.02 LEADHANDS

The Company may appoint employees as leadhands in their own departments. These employees may direct the activities, assist or act as leader for two or more employees. Employees classified as leadhands do not have the right to hire, fire, or discipline other employees, and shall not be classified as leadhands for a period of less than seven (7) days.

***See additional letter of understanding Lead Hand Selection #35 page 77**

LETTER OF UNDERSTANDING #7

November 4, 1999

Mr. Darcy Gunderson
Bargaining Chairperson
CAW -- CANADA
606 First Street
London, Ontario N5V 2A2

Dear Darcy:

SUBJECT: JOB ROTATION

During the negotiations the Company and Union discussed and agreed on the practice of job rotation at the St. Marys Plant. The Company has committed to the on going practice of job rotation to maintain flexibility, to reduce the repetitive nature of some jobs and to broaden the job content of assignments.

Job rotation will be continued within each department of the Plant in a manner that will ensure maximum safety, quality, productivity and job enrichment. The rotation sequence and timing may vary by and within departments to accommodate mutually acceptable requests of employees and management. Job rotation will occur in every area unless an unusual circumstance prevents the rotation. If there is a requirement to limit the rotation, the circumstances will be discussed with the Committee. Specific assignments as shown in Section 8.01 of this agreement will not normally rotate however alternates will be trained for every one of these assignments.

Yours truly,

John Grieve
Plant Manager

9.0 HOURS OF WORK

9.01 SHIFT HOURS

The shift hours will occur between:

- (i) first shift 7:00 a.m. - 5:00 p.m.
- (ii) second shift 3:00 p.m. - 1:00 a.m.
- (iii) third shift 11:00 p.m. - 9:00 a.m.

An employee's workday will consist of twenty-four (24) hours beginning at the start time of the shift to which he is assigned.

An employee's shift will consist of eight (8) consecutive hours exclusive of lunch periods without pay.

(a) Employees, groups of employees or departments will be scheduled to begin their shifts within the stipulated hours. Any changes to shift hours will be done for a period of at least one (1) week and will be discussed 48 hours in advance with the Negotiating and Grievance Committee. This clause will not apply if the change was to comply with employees' requests.

(b) A normal workday shall be eight (8) consecutive hours exclusive of a thirty (30) minute unpaid lunch. When applicable, the third shift operation will commence with the third shift at 11:00 p.m. Sunday night.

A scheduled one or two shift operation will consist of eight and one half (8.5) hours including a thirty (30) minute unpaid lunch. A three shift schedule may consist of eight and one half (8.5) hours with a thirty (30) minute unpaid lunch, on days and afternoons and an eight (8) hour shift scheduled on midnights to include a three tenths (.3) hour paid lunch, or three (3) eight (8) hour shifts with a three tenths (.3) paid lunch.

9.02 SHIFT ROTATION

When on a two or three shift rotation the basic plant shift rotation will be considered to be the same as the major production areas. Generally other departments will follow this same frequency and direction, so as to establish continuity and operating expertise as a group.

From time to time certain people within a department may be required to rotate differently than the basic shift in order to accommodate projects, maintenance schedules, emergencies etc. The Company will discuss these situations with the department concerned and the Bargaining Committee to determine mutually agreeable solutions.

*** See additional letter of understanding Shift Rotation, Production Departments #36 page 78**

9.03 LUNCH PERIODS

Employees shall be allowed lunch periods as follows:

(a) An employee scheduled to work eight (8) hours within 8 and one-half (8.5) consecutive hours shall be allowed a one half (.5) hour lunch break without pay.

(b) An employee scheduled to work eight (8) hours within eight (8) consecutive hours shall be allowed a three-tenths (.3) hour lunch period with pay at his regular rate. Eight-hour shifts scheduled on a weekend will have a three-tenths (.3) hour paid lunch.

All work performed during declared summer shutdown work will be 8-hour shifts with a 20 minute paid lunch.

Lunch period times may vary from department to department. The Company will notify the Union of the changes in times of lunch periods.

9.04 BREAKS

The Company will provide paid rest periods as follows:

(a) Two periods of ten (10) minutes, one in each half of the shift on a regular interval;

(b) A ten minute break at the conclusion of an employee's shift where overtime of two or more hours is required. The Company will meet the Employment Standards Act requirements.

9.05 WEEKEND CREWS See page 73

LETTER OF UNDERSTANDING #8

November 4, 1999

Mr. Darcy Gunderson
Bargaining Chairperson
CAW -- CANADA
606 First Street
London, Ontario N5V 2A2

Dear Darcy:

SUBJECT: CONTINUOUS AND OVERLAPPING SHIFTS

During our first contract negotiations we discussed the opportunities for the scheduling of continuous or overlapping shifts while working on a three (3) shift basis.

Discussions will be held with the Union Bargaining Committee prior to scheduling a three shift operation to review our options regarding hours of work, rotations, job assignments, productivity, customer schedules and other pertinent data.

However, after giving full consideration to these discussions and in cases where a three (3) shift operation is necessary the Company maintains the final decision to schedule continuous or overlapping shifts as may be dictated by production requirements, equipment and facility capabilities, and in keeping with contractual language.

Yours truly,

John Grieve,
Plant Manager

LETTER OF UNDERSTANDING #9

November 4, 2004

Mr. Jamie Jacques
Bargaining Chairperson
CAW Local 27

Dear Jamie:

SUBJECT: INDIVIDUAL SHIFT SCHEDULE CHANGES

The topic of individuals being required to change their normal shift schedule was discussed at length during negotiations. To clarify this issue the Company and the Union agreed that voluntary shift changes would take place as requested by an employee or the Company as long as the change is acceptable to both parties. No penalty will apply in this circumstance.

Where the Company requires an individual to change a shift in an emergency situation, every effort will be made to provide the employee with 2 (two) of his regular shifts advance notice. When this is not possible the applicable overtime language will apply for the first affected shift only.

The company and the union encourage skilled trades employees to take additional training and education in regards to their trades. When this occurs the company will endeavour to work with the employee to arrange shift schedules or shift changes that would be helpful for the individual to attend such classes and still meet the needs of the company.

Yours truly,

Chris Speece,
Plant Manager.

LETTER OF UNDERSTANDING #10

December 17, 2004

Mr. Jamie Jacques
Bargaining Chairman
CAW Local 27

Dear Jamie:

SUBJECT: PAID LUNCH & SHIFT ROTATION

As clarification to some practices in our facility the following will apply:

(1) Any reference to a three tenths (.3) of an hour paid lunch will be scheduled as a twenty (20) minute period.

(2) Should the plant return to a three (3) shift rotation, the rotation will be as follows, days and afternoons rotation with a steady midnight shift. (Excluding skilled trades, who will remain on their days, afternoons and midnight two-week rotation and continue to have rights to the April review of rotation).

The Company and Union Bargaining Committee will meet to determine how we can fairly organize this activity should the need arise, and consider other opportunities such as four, ten-hour shifts etc.

Yours very truly,

Chris Speece
Plant Manager

*** See additional letter of understanding Shift Rotation, Production Departments #36 page78**

LETTER OF UNDERSTANDING #11

October 26, 2004

Mr. Jamie Jacques
Bargaining Chairman
CAW Local 27

Dear Jamie:

SUBJECT: PLANT SHUTDOWN DUE TO WEATHER CONDITIONS

During our negotiations we discussed the possibilities of severe weather conditions causing a plant shutdown.

The Company agrees that in determining whether the Plant should attempt to operate during severe weather conditions, consideration shall be given to the severity of the conditions, actions of other employers in the area, and advice or decree issued by local or other authorities, and will provide notification by public announcement or by appropriate means.

Before issuing discipline for absenteeism the company will give consideration to weather conditions causing any absences.

Yours truly,

Chris Speece
Plant Manager

LETTER OF UNDERSTANDING #12

August 2, 2001

Mr. Todd Marple
Bargaining Chairperson
CAW Local 27
606 First Street
London, Ontario N5V 2A2

Dear Todd:

SUBJECT: SUMMER WEATHER

During our negotiations in August 2001, the Company and Union discussed the appropriateness of having a written policy for dealing with extreme heat conditions within the plant. The company has already been studying this concept and has engaged a professional outside firm to review our conditions and present recommendations.

The Company shall have a written policy for the facility by the end of 2001. The Company will present the policy to the Union Committee prior to issuing the policy for discussion and further recommendations. The policy will be posted in the facility and all employees will receive training in heat stress before the end of April 2002 and the policy will then be implemented.

It is the intent of the Company to ensure that our people are protected from extreme heat exhaustion, which could be hazardous to their health, and to recognize people who may be most susceptible to those conditions.

Yours truly,

John Grieve,
Plant Manager

- See additional letter of understanding Responding to Heat Stress Issues #37 page 79

** COMPUTING PAY

** RATES OF PAY

10.0 COMPENSATION

10.01 COMPUTING PAY

For the purpose of computing pay as provided in this Agreement an employee will be compensated on the basis of each workday. Each workday will be a complete unit and will stand on its own. Overtime rates of pay will not be pyramided. Premium rates of pay will not be pyramided. Straight time will be paid for the first eight hours worked in any workday, Monday through Friday except as otherwise provided for in this Agreement.

When an employee has a pay shortage of 3 hours or more, following an error not caused by the employee the discrepancy will be made up on the day following the regular pay.

(a) Time and one-half will be paid for:

- (i) All hours worked over eight (8) in the employee's workday except as in (iv).
- (ii) All hours worked on Saturday, as established by the employee's workday.
- (iii) All hours worked after recall when the Company sends an employee home before he has been permitted to work his eight (8) hour shift and then recalls the employee during his workday.
- (iv) All hours worked in excess of eight (8) hours when an employee through no fault of the Company fails to work his eight (8) hour shift and then is called in for additional work during his workday. He will be paid straight time for such work until he has worked a total of eight (8) hours in his workday.
- (v) Employees shall receive overtime premium for time worked outside of their regular shift if they are required by the Company to commence either earlier or later than the regular starting time of the shift. (as established Monday of each week).

(b) Double time will be paid for:

- (i) All hours worked on Sunday, as established by the employee's work day.
- (ii) All hours worked on a holiday as recognized by this Agreement.
- (iii) All hours worked on Saturday in excess of eight (8) hours.
- (iv) All hours worked on Monday through Friday in excess of eleven (11) hours.

10.02 RATES OF PAY

(a)

	Production Technician	Skilled Trades
November 8, 2004	\$22.09/hour	\$28.24
November 7, 2005	\$22.39/hour	\$28.59
November 6, 2006	\$22.74/hour	\$28.99

LETTER OF UNDERSTANDING #13

November 9, 2004

Jamie Jacques
Bargaining Chairperson
CAW Local 27

Dear Jamie

During our 2004 negotiations the parties talked about the need to attract future business to the St. Marys facility and the requirement to be productive, and competitive within the structures business. Dana has a desire to grow and prosper in St. Marys, which would provide security and stability to our people.

Dana will be quoting on new business opportunities in the Structures market over the life of this agreement. In an effort to insure that we have the best opportunity in being successful, the parties have agreed to a new starting wage for new hires (excluding skilled trades).

For any employee hired after November 7, 2004 the following rates of pay will apply.

80% of gross money earned on the job assigned plus full COLA.

- ◆ Increased 5% to 85% -- effective first full pay week following 6 months from date of hire
- ◆ Increased 5% to 90% -- effective first full pay week following 12 months from date of hire
- ◆ Increased 5% to 95% -- effective first full pay week following 18 months from date of hire
- ◆ Increased 5% to 100% -- effective first full pay week following 24 months from date of hire

Any employee who is laid off during his/her progression period will be given credit for time acquired if recalled prior to exhausting his/her seniority and will start back where he/she left off.

Any employee who is on authorized leave of absence shall upon his/her return from such leave, continue his/her progression period where he/she left off.

This scale does not apply to an employee with full recall rights who is recalled after November 7, 2004 (but whose original hire date was prior to Nov 6, 2004). This scale does apply to any employee rehired after November 7, 2004 who had previously lost his/her recall rights.

Yours truly,

Chris Speece
Plant Manager

10.02 RATES OF PAY continued...
 (b) C.O.L.A.

Effective November 7, 2004, and thereafter during the period of this Agreement, each employee shall receive a cost of living allowance as set forth in this section. The Cost of Living allowance provided for shall be paid to each employee for each hour worked.

The amount of cost of living adjustment (COLA) shall be determined in accordance with increases in the Consumer Price Index of the base 1992 = 100, hereafter referred to as the "1992 Consumer Price Index" or "1992 CPI".

One cent adjustments in the cost of living shall become payable for each 0.072 increase in the CPI.

Outstanding Cola, (except a float of \$.05) as of October 31, 2004 shall be rolled into the base rates effective November 7, 2004

In determining the three (3) month average of the indices for a specific period, the computed average shall be rounded to the nearest 0.1 Index Point (i.e., 0.05 and greater rounded upward and less than the 0.05 rounded downwards).

Cost of Living Adjustments will be made on a quarterly basis at the following times:

Effective Date of Adjustment	Based Upon Three-Month Average of the 1992 CPI Form
First pay period beginning on or after February 1, 2005 and at three (3) calendar month intervals thereafter.	October, November, and December 2004 and at three (3) calendar month intervals thereafter.

COLA payout will be considered only as an add-on and not incorporated into any base rate but will be included in computing vacation pay, holiday pay, call-in pay, bereavement pay and jury duty pay.

In the event Statistics Canada ceases monthly publication of the Consumer Price Index, or changes the form of the basis of calculating the Index, the parties agree to ask Statistics Canada to make available, for the life of this Agreement, a monthly index in its present form and calculated on the same basis as the Index for April, 1995.

Cola presently payable at \$.91 cents. \$.86 cents of which to be rolled in the first complete pay period following ratification of this agreement, and \$.05 cents float to remain as an add-on. All Cola payable as of November 7, 2004 will continue to be paid and added to the cola generated hereunder.

**SHIFT PREMIUM PAY
**LEADHANDS & ROBOT TECHNICIANS
**CALL-IN PAY
**REPORTING PAY

10.03 SHIFT PREMIUM PAY

Any employee scheduled to work in any one of these periods will be paid the shift premium in which the majority of completed hours are worked, in addition to the above mentioned rates of pay:

	Nov.8, 2004	Nov. 7, 2005	Nov. 6, 2006
(a) first shift	\$0.00	\$0.00	\$0.00
(b) second shift (afternoons)	0.70	0.75	0.80
(c) third shift (midnights)	0.95	1.00	1.05

10.04 LEADHANDS AND ROBOT TECHNICIANS

Employees appointed as leadhands or robot technicians will receive an additional \$.20 per hour.

10.05 CALL-IN PAY

An employee called in who reports for emergency work outside of his shift shall receive a minimum of two (2) hours emergency call-in pay at the overtime rate, and shall have the option of completing four (4) hours work providing call-in hours do not overlap the employee's shift hours.

10.06 REPORTING PAY

An employee reporting for work, unless previously properly notified not to report shall be guaranteed four (4) hours pay. The Company may use such employees on any work they are capable of.

Employees who are returning from an extended leave must notify the Company in advance to determine shift assignments.

In the event of adverse weather conditions or major catastrophic events, radio announcements at least two (2) hours in advance of the affected shifts or individual contacts shall constitute proper notice.

10.07 VACATION PAY

(a) The rate per hour for vacation pay will be the regular rate (straight time hourly rate). When the vacation pay calculated is less than that required under the regulations of the Employment Standards Act for the Province of Ontario, appropriate adjustments will be made.

YRS OF SERVICE PRIOR TO JULY 1	VAC. HR.	OPTIONAL HOURS	TOTAL VAC.	EARNINGS %
3 MONTHS - 1 YEAR	60	0	60	4%
1 YEAR but < 2 YRS.	80	20	100	4%
2 YRS. but < 3 YRS	80	20	100	5%
3 YRS. BUT < 5 YRS.	80	40	120	6%
5 YRS. BUT < 10 YRS.	100	40	140	7%
10 YRS. BUT < 15 YRS.	120	40	160	8%
15 YRS. BUT < 21 YRS.	140	40	180	8%
21 YRS. BUT < 22 YRS.	160	28	188	9%
22 YRS. BUT < 23 YRS.	160	36	196	9%
23 YRS. BUT < 24 YRS.	160	44	204	9%
24 YRS. BUT < 25 YRS.	160	52	212	9%
25 YRS. and over	160	60	220	9%

Employees with seniority shall be entitled to these hours of vacation and optional vacation in accordance with his service.

(b) The vacation year shall be from July 1 to June 30 of each year. Vacation shall be scheduled by the Company. Scheduling of vacation shall be determined by seniority until April 15th for the vacation year commencing the following July 1st. Approval for vacation scheduled by seniority will be authorized by May 1st. After this date, it shall be determined by first come, first served (the company will respond to these requests with an answer within 72 hours of the request being submitted). Employees shall have until January 15th of each year to submit vacation-scheduling requests for the remainder of the current vacation year based on the first come, first served procedure. Should the employee fail to submit such requests for unused vacation time by January 15th of each year, the Company will schedule the remaining unused vacation at the discretion of the Company. If vacation has been scheduled and an employee becomes ill prior to the start of his vacation, and will be disabled through his vacation, the vacation may be rescheduled if requested by the employee prior to the vacation. If an employee becomes ill during the vacation period, the employee may reschedule full weeks of any vacation remaining, following notification to the Company of the illness. The Company may require proof of illness. Vacation shut down period will be posted by May 15 each year.

(c) Vacation credits shall be accumulated by an employee with seniority or a retiring employee on the following basis; the above shall be credited with 5% of the maximum (100%) vacation credits to which he is entitled for each complete fifty (50) hours he has worked or earned in the vacation year, to a maximum of one thousand (1000) hours.

10.08 HOLIDAY PAY & QUALIFICATIONS

(a) Employees eligible shall receive without working, pay for the holiday equal to eight (8) hours pay at their base rate.

(b) An employee who has acquired seniority (subject to the Employment Standards Act), and who works his complete scheduled shift on the scheduled workday immediately preceding and immediately following the holiday shall be eligible for the holiday pay. Failure to do so will result in the loss of a maximum of one day's Holiday Pay.

REASONABLE CONSIDERATION WILL BE GIVEN FOR LATENESS AND SHORT ABSENCES FOR QUALIFICATION PURPOSES.

(c) An employee scheduled, and who has agreed to work a holiday, but fails to report shall forfeit his holiday pay, up to a maximum of one days holiday pay per absence, unless a satisfactory reason is given.

(d) An employee who has been granted a Personal Authorized leave or Bereavement leave on the day immediately preceding or immediately following the holiday will be paid for the holiday.

(e) A person with seniority who is on authorized leave of absence for Workers Compensation or non-occupational sickness or accident who commences or returns from such authorized leave within seven (7) work days of the holiday shall be eligible for holiday pay. The Company may require a doctor's certificate as verification of such illness.

(f) A person who is laid off with seniority rights to recall after layoff who commences or returns from such layoff within seven (7) work days of the holiday shall be eligible for holiday pay.

10.09 HOLIDAYS

The Company agrees to provide a fully paid Christmas Shutdown from December 24 through to January 1. The company will notify the union at least 60 days in advance of the date the July 1st holiday will be celebrated on, (either the Monday or Friday following or preceding the holiday).

YEAR 1	IS DEFINED AS EFFECTIVE NOVEMBER 7, 2004
YEAR 2	IS DEFINED AS EFFECTIVE NOVEMBER 7, 2005
YEAR 3	IS DEFINED AS EFFECTIVE NOVEMBER 7, 2006

UNLESS STATED OTHERWISE

***Designated Holidays**

YEAR 1		
1. Christmas	Friday	Dec. 24, 2004
2. Christmas	Monday	Dec. 27, 2004
3. Christmas	Tuesday	Dec. 28, 2004
4. Christmas	Wednesday	Dec. 29, 2004
5. Christmas	Thursday	Dec. 30, 2004
6. Christmas	Friday	Dec. 31, 2004
7. Good Friday	Friday	Mar. 25, 2005
8. Easter Monday	Monday	Mar. 28, 2005
9. Friday before Victoria Day	Friday	May 20, 2005
10. Victoria Day	Monday	May 23, 2005
11. Canada Day	Friday	July 1, 2005
12. Civic Holiday	Monday	Aug. 1, 2005
13. Friday before Labour Day	Friday	Sept. 2, 2005
14. Labour Day	Monday	Sept. 5, 2005
15. Thanksgiving Day	Monday	Oct. 10, 2005

YEAR 2		
1. Christmas	Friday	Dec. 23, 2005
2. Christmas	Monday	Dec. 26, 2005
3. Christmas	Tuesday	Dec. 27, 2005
4. Christmas	Wednesday	Dec. 28, 2005
5. Christmas	Thursday	Dec. 29, 2005
6. Christmas	Friday	Dec. 30, 2005
7. Good Friday	Friday	Apr. 14, 2006
8. Easter Monday	Monday	Apr. 17, 2006
9. Friday before Victoria Day	Friday	May 19, 2006
10. Victoria Day	Monday	May 22, 2006
11. Canada Day	Friday	July 3, 2006
12. Civic Holiday	Monday	Aug. 7, 2006
13. Friday before Labour Day	Friday	Sept. 1, 2006
14. Labour Day	Monday	Sept. 4, 2006
15. Thanksgiving Day	Monday	Oct. 9, 2006

YEAR 3		
1. Christmas	Friday	Dec. 22, 2006
2. Christmas	Monday	Dec. 25, 2006
3. Christmas	Tuesday	Dec. 26, 2006
4. Christmas	Wednesday	Dec. 27, 2006
5. Christmas	Thursday	Dec. 28, 2006
6. Christmas	Friday	Dec. 29, 2006
7. New Years Day	Monday	Jan. 1, 2007
8. Good Friday	Friday	Apr. 6, 2007
9. Easter Monday	Monday	Apr. 9, 2007
10. Friday before Victoria Day	Friday	May 18, 2007
11. Victoria Day	Monday	May 21, 2007
12. Canada Day	Monday	July 2, 2007
13. Civic Holiday	Monday	Aug. 6, 2007

14. Friday before Labour Day	Friday	Aug.31, 2007
15. Labour Day	Monday	Sept. 3, 2007
16. Thanksgiving Day	Monday	Oct. 8, 2007

** LETTER OF UNDERSTANDING
HOLIDAY PAY QUALIFICATIONS

LETTER OF UNDERSTANDING #14

November 4, 1999

Mr. Darcy Gunderson
Bargaining Chairman
CAW -- CANADA
606 First Street
London, Ontario N5V 2A2

Dear Darcy:

SUBJECT: HOLIDAY PAY QUALIFICATIONS

During our negotiations, we discussed Holiday Pay Qualifications. It was agreed that there may be circumstances which prevent an employee from being at work the day immediately preceding and immediately following a holiday in order to qualify for holiday pay. When such circumstances occur, consideration will be given to qualify the employee for holiday pay providing the reason for his absence is presented to the Human Resources Manager.

Employees with valid reasons who apply in advance for leave of absence for the day before or after a holiday may be granted such leave providing their supervisor approves of the leave and providing such leave does not impair the Company's commitments to customers.

The Company and the Union agree that the intent of the procedure is to recognize an employee who has a bona fide absence or is excused immediately preceding or following a holiday. It is not a procedure to recognize employees who are absent without cause on the qualifying days.

Yours truly,

John Grieve,
Plant Manager

LETTER OF UNDERSTANDING #15

November 4, 1999

Mr. Darcy Gunderson
Bargaining Chairperson
CAW -- CANADA
606 First Street
London, Ontario N5V 2A2

Dear Darcy:

SUBJECT: VACATION

During negotiations, we discussed at length the possibility of employees scheduling vacation during the months of July and August.

The Company agrees with the principle of employees having a vacation during the period they desire and the Company will endeavour to schedule employee's vacation at their request.

However, there will be times when, due to customer requirements, production schedules, equipment problems, etc. that scheduling vacation time during these months will be impossible. Should such a circumstance interfere with the employees' vacation schedules, the Company will attempt to give the employees concerned as much advance notice as possible. In the event an employee is unable to obtain a refund for a deposit for vacation plans of a previously approved vacation, the Company will reimburse the lost deposit to the employee to a maximum of one thousand dollars (\$1000) per employee, provided:

- (a) the vacation was approved in writing, and
- (b) the deposit was made after approval, but prior to notice of cancellation of vacation, and
- (c) the employee must have requested a refund from the tour operator, etc., within five (5) days from notice of cancellation of vacation and provide proof of non-refundability to the Company.

Yours truly,

John Grieve,
Plant Manager

11.0 SAFETY

11.01 GENERAL SAFETY

(a) At Dana Canada Inc., St. Marys it is our intention to provide a safe clean and organized workplace. Each employee is obligated to keep the workplace clean and free from Hazards.

To maintain the goal of ZERO accidents and a secure safe working environment, your understanding and co-operation in adhering to the basic Safety rules and Housekeeping principles are essential to continuing Safety. The St. Marys Plant is committed to complying with all laws and regulations set down by the Occupational Health and Safety Act and all other Federal and Provincial Safety regulations.

The Company will continue its present practice of supplying safety equipment and special protective clothing (e.g., welding sleeves and spats).

(b) The Company will continue the Health and Safety Committee and the monthly hazard inspection tour, monthly review meeting, and subsequent reporting procedures.

The Health and Safety Committee will receive prompt reports of work-related accidents, the investigation findings and the corrective action plan.

(c) If the Company employs the use of any designated substance, the applicable regulations will be followed.

(d) A worker may refuse to work or do particular work where he or she has reason to believe that: any equipment, machine, device or thing he or she is to use or operate or the physical condition of the workplace or the part thereof in which he or she works or is in contravention of the Occupational Health and Safety Act and Regulations for Industrial Establishments and such contravention is likely to endanger himself or herself.

No employee will be disciplined in the event that he/she has complied with the O.H.&S. Act.

If, the Ministry inspector deems that the work is safe, and the worker does not return to work, he or she shall be subject to the disciplinary procedure. The worker will retain his right to appeal the Ministry's decision and grieve the action taken by the Company.

(e) The Company agrees to make every effort to maintain three (3) Management Certified Members and three (3) Worker Certified Members active on the Health and Safety Committee. The Company will be responsible for all training costs relative to Certified Member training. Certification Training for the Worker Members will be provided by the Workers Health and Safety Centre if requested by the member.

(f) Upon mutual agreement of the Health and Safety Committee, the National Union and Safety Staff resources may be requested to lend assistance to the investigation of a fatality.

(g) Any new employees will be trained in lockout procedures, WHMIS and their obligations and rights under the occupational health and safety act.

** SAFETY GLASSES
** SAFETY SHOES
** INJURIES
** LIFT TRUCK OPERATION
** MAINTENANCE

11.02 SAFETY GLASSES

Dana Canada Inc. will provide safety glasses, which shall be worn at all times while in any posted areas of the Plant. Prescription safety eyewear will also be provided and will be authorized through a separate form obtained from H/R. The Company will continue to offer a multitude of choices of frames.

11.03 SAFETY SHOES

Safety shoes shall be worn at all times while in the Plant. Proper safety shoes are the responsibility of each employee, to purchase and keep in good condition and replace when necessary. The Company will provide a Safety Boot Allowance up to \$95 per person from Nov. 7, 2004 to Nov. 6, 2005. \$100 from Nov. 7, 2005 to Nov. 6, 2006. \$105 from Nov. 7, 2006 to Nov. 6, 2007.

A separate form available from H/R authorizing the re-imbursement must be obtained prior to the purchase and accompany the original receipt from the purchase to the Company for payment of the allowance.

11.04 INJURIES

No matter how small, any injury must be reported to FIRST AID.

The Company and the Union agree to recognize April 28 as a day to commemorate workers killed or injured on the job. One minute of silence will be observed at 11:00 a.m.

11.05 LIFT TRUCK OPERATION

All rules of safe lift truck operations will be adhered to according to the Company training procedures. All Lift Truck operators must be certified through the company training program. All certified fork lift truck operators actively required to operate a forklift truck will be required to participate in a Company-sponsored training review according to current Ministry of Labour requirements.

Lift trucks for the purpose of this Agreement are considered to be a tool used by any QUALIFIED and properly trained person, in areas where lift truck operation are required to perform their work duties.

11.06 MAINTENANCE

All QUALIFIED maintenance people during the normal course of their job function can use a lift truck to complete work assignments.

LETTER OF UNDERSTANDING #16

November 4, 1995

Mr. Ron Gilmore
Plant Manager
Dana Canada Inc.
500 James Street South
St. Marys, Ontario N4X 1B6

Dear Ron:

SUBJECT: EMPLOYEE WORK REFUSALS

The Union does not endorse the practice of using work refusals in a frivolous manner.

Yours truly,
Fergo Berto
National Representative
CAW – Canada

LETTER OF UNDERSTANDING #17-Positions in Quality Area

August 3, 2001

Todd Marple
Bargaining Chairperson
CAW Local 27

Dear Todd,

During our negotiations the Company and Union discussed how individuals obtain the positions in the Quality area.

The parties agree that employees who apply for the position will be selected based on seniority. Upon acceptance of the job, the employees will be required to attend company sponsored training programs (on company time) in Advanced SPC, CMM Operation, Part Layout, Weld Sectioning, Non-destructive Testing and other training as may be required. This training will take place over a period of time during which the successful candidate will be working in the Quality area getting valuable on the job training. Candidates who fail to successfully complete the training program and pass the required test from these classes will be returned to their previous department. All present Quality personnel are exempt from this process.

Sincerely,

John Grieve
Plant Manager

12.0 JOB POSTINGS

12.01 PROCEDURES

(a) An open job is one for which the Company requires an employee.

(b) A permanent open job shall be posted for seventy-two (72) hours, excluding weekends, statutory holidays, and Christmas shutdown and summer shutdown. All active employees may apply for an open job, in writing on forms provided.

Each active employee will have the opportunity for two (2) bids per calendar year. An employee must have a bid right to apply for any open job including a temporary job. Being successful in a posting for a temporary job does not cause an employee to lose a bid right.

The senior bidder upon signing and submitting a bid sheet shall be considered the successful candidate and will lose one bid right at that time.

There is no requirement to have a bid right for Apprenticeships, Robotic Technicians or Journeyperson. However the successful candidate must meet the criteria of the Joint Apprenticeship Committee.

Specific assignment job openings will be posted within the applicable Department first. If no successful bidder exists within the Department, the open job will then be posted plant-wide.

An employee on a Personal Leave of Absence or a Leave of Absence for W.S.I.B. (Workplace Safety & Insurance Board) or Accident & Sickness may bid on a posted job. This person must be able to return to work when required, by the Company, and have no restrictions that prevent him from performing all the functions of said job.

The Company and the Union may enter into an agreement from time to time to place a disabled employee into an open job where circumstances dictate (see letter Permanent Disabilities #19 page38).

(c) An open job which is known or anticipated to be less than 30 (thirty) working days shall be filled by the Company, and shall be considered temporary in nature.

(i)If the temporary assignment exceeds more than one shift of the thirty (30) workdays, the assigned employee may request to return to his former job (except if he is the junior person in his regular department) and he will be replaced. A senior employee will not be transferred from his department more than once in a pay period, for the purpose of this clause. A senior employee may be transferred more than once in a pay period if his job is not in operation. This clause will not be used by the Company to circumvent the job posting procedure nor will it be used in a capricious manner. This shall be subject to the problem resolution procedure.

(ii)Temporary job openings for assignment in excess of thirty (30) workdays due to medical or other reasons shall be posted for temporary positions.

(iii)Upon the return of an employee from a Leave of Absence or the conclusion of the temporary assignment, the successful bidder will be returned to their previous department, seniority permitting.

12.01 PROCEDURES continued...

(d) Open jobs not filled within thirty (30) days will be reposted.

(e) A second open job, which is created by filling a posting, shall be posted. The third open job created (unless it is in the Quality Department or Shipping/Receiving Department, job specific or steady day job) shall be filled by the Company.

(f) The successful bidder will be notified of the position and shift prior to starting the job. Upon reporting to the job the employee will be given training designed to assist the person to be successful at performing the tasks required.

An applicant deemed unsuccessful will be returned to his/her previous department provided the employee has been notified of the Company's intent within five (5) working days. For Job Specific this period is 20 working days and for Skilled Trades it is 50 working days either which can be extended by 10 working days by mutual agreement of the parties. An applicant wishing to voluntarily return to his/her previous department must notify the Company of his/her intent within five (5) working days. For Job Specific this period is 20 working days and for skilled trades this period is 50 working days. If an applicant returns to his/her previous job, all positions filled as a result of this posting will also be reversed.

Forklift training is not a prerequisite to posting, but the successful bidder must be trainable on a forklift.

LETTER OF UNDERSTANDING # 18

October 13, 2004

Jamie Jacques
Bargaining Chairperson
CAW Local 27

Dear Jamie

Postings and Opportunities in Department P221

During our 2004 negotiations the parties discussed at length the process of job opportunities and selection in department P221.

The following process will apply in this department.

**** POSTINGS AND OPPORTUNITIES IN
DEPARTMENT 221 (CONT'D)
** LETTER OF UNDERSTANDING
EMPLOYEES WITH PERMANENT
DISABILITIES**

The department will be divided into 4 areas for the purpose of job assignments.
These areas are, Fronts, Rears, Mainline and Arbec.

1.)When an opening occurs in one of these areas they will be posted inside the department.

The posting will contain the specific area and shift.

2.)When an opening occurs in the sub assembly areas (preferred area) of either the Fronts or Rears this job will be filled through a canvas of the senior people on that shift in that particular area. The resulting opening will be posted in the department (see #1) prior to the plant wide posting.

Opportunities for job specifics will continue to be filled as per clause 12.01.

If another assembly line or product line is added to the St. Marys plant the parties will meet during line installation to discuss how and when the above type of process can be achieved for the new department or line.

Sincerely

Chris Speece
Plant Manager

LETTER OF UNDERSTANDING #19

October 28, 2004

Jamie Jacques
Bargaining Chairperson
CAW Local 27

Dear Jamie:

SUBJECT: ACCOMMODATING EMPLOYEES WITH MAJOR PERMANENT DISABILITIES

During our negotiations the parties discussed at length, the process of returning to or maintaining in the workforce, employees who are suffering from a major permanent disability. While it is mutually agreed that seniority will prevail during workforce reductions, the parties agree that modification to the JOB POSTING Procedures in regards to seniority may be required to assist anyone fitting this definition in obtaining permanent work, which fits their limitations.

The parties agree to meet during the life of this Agreement, to review cases on an individual basis, during which a mutually agreed direction and solution for each particular case will be determined. In

doing so, consideration will be given to legal requirements, new legislation, the degree of disability, the opportunity for recovering and the individual's medical limitations.

** OVERTIME
** SCHEDULING

We also discussed people with disabilities, who from time to time may be limited in their ability to swing shifts, which restricts them from applying for jobs in departments with more than one shift. If this should come to the attention of either the company or union the parties agree to meet and look for a suitable solution. This will include seeking out people in the department who may wish to switch shifts or work a steady shift, which would allow the person with the disability to work in that department. Should a volunteer be found, a specific period of time will be agreed upon before the arrangement can be reversed.

Sincerely,

Chris Speece
Plant Manager

13.0 OVERTIME

13.01 SCHEDULING

It is agreed by both parties that Production requirements or operating conditions may require overtime to be compulsory, not to exceed more than forty-eight (48) hours in a normal work week and not to be scheduled more than twice in one calendar month, excluding the months of July, August and December, where NO compulsory overtime will be scheduled. In addition, no compulsory overtime will be scheduled during the weekends, which Victoria Day or Labour Day occurs.

Such overtime will not normally be applied to single departments and will be invoked only when normal voluntary requests do not meet production requirements. A minimum advance notice of three (3) working days will be given of the intent to schedule a compulsory overtime workday.

If a workweek consists of four (4) days, notice is reduced to two (2) working days (Refer to letter of understanding Customer Requirements #20 page 43).

When Monday is a holiday, Monday will be considered as part of the weekend. When asking for overtime, the overtime hours used to determine eligibility will be the same for all three days. The same will apply if Friday is a holiday.

**ALLOCATION OF OVERTIME HOURS

13.02 ALLOCATION OF OVERTIME HOURS

Equal opportunity shall be given to all employees normally performing the work to participate in the overtime providing this is consistent with the continuity of work.

Master overtime lists will be kept current on a weekly basis and posted by the second working day of each week.

Current overtime lists will be replaced on March 31 and September 30 of each year and the new lists will show all employees reduced to zero. Employees who have identical overtime hours will be assigned overtime by seniority.

Overtime will be generally allocated on the following basis:

- (a) Employees in the department concerned who have the lowest overtime hours recorded (provided they can perform the work).
- (b)(1) Employees having the opportunity to work daily or weekend overtime in departments other than their own will be asked and charged in the following manner. When the Company requires employees to work in a department where all employees have been asked, the Company will ask the individual plant wide with the lowest overtime hours on the corresponding shift, providing they can perform the job. Once a person has been asked, he/she will then be charged for all hours, refused or worked.
- (b)(2) Weekend overtime will be offered to the employee with the lowest overtime hours, as of 7:00 a.m. Monday on the shift performing the work or as mutually agreed by the parties. Daily (or emergency) overtime will be offered to the employee in the department with the lowest posted overtime hours, on the shift to which the overtime is assigned. When the Company is required to go outside the department, the procedure as described in (b) will be used.

Overtime hours will be recorded and charged as follows:

- (c) All overtime hours, either worked or refused or charged, will be on the basis of hours paid (i.e.-eight (8) hours at time and one half (1 1/2), posted as twelve (12) hours - 8 hours at double time posted as sixteen (16) hours).
- (d) An employee who refuses the overtime work will be charged with the pay hours available based on a maximum of eight (8) work hours.
- (e) Call in, outside of shift hours, will be considered overtime and posted as refused or worked based on the actual hours paid to the person called in. If the employee entitled to call in overtime cannot be contacted he will not be charged with overtime hours.

(f) A new employee, a transferred employee, or an employee recalled from an extended layoff will be charged with the highest number of overtime hours (excluding job specific and lead hand hours) in the department assigned.

(g) Employees absent will have all overtime hours that would have been available to them added as if they had been worked.

**ALLOCATION OF OVERTIME HOURS
(CONT'D)

(h) An employee scheduled to work eight (8) hours overtime who goes home at his own request prior to completing the eight (8) hours will be charged for a full shift at overtime hours. If he goes home at the Company's request he will be charged with the actual overtime hours paid.

(i) Employees who commit to overtime and do not show up will be treated as absent from work as if it were a regular scheduled workday.

(j) An employee with a Friday or Monday as an approved, scheduled day off will not be required to work the Saturday (if it is designated Mandatory Overtime) which immediately precedes the Monday or the Saturday (if it is designated Mandatory Overtime) which immediately follows the Friday as a scheduled day off.

(k) Employees accepting work for the company outside the plant and remaining in the bargaining unit will be charged the number of overtime hours worked outside the facility or the highest number of hours within their department upon their return, which ever is greater.

1 For weekend or daily overtime on dayshift ask low overtime in the classification in the department on the dayshift, providing they can do the job.



Overtime hours will be recorded and charged as in (a) & (b) above.

2 Not enough people: Ask low overtime in the classification in the department on afternoons, providing they can do the job.



Overtime hours will be recorded and charged as in (a) & (b) above.

3 Not enough people: Ask low overtime in the classification in the department on midnight, if applicable, providing they can do the job.



Overtime hours will be recorded and charged as in (a) & (b) above.



4. Not enough people; lowest overtime hours in the department on days, then afternoons and then midnights



5 Not enough people: Ask low overtime plant wide on dayshift, providing they can do the job.



Overtime hours will be recorded and charged as in (a) & (b) above.

6 Not enough people: Ask low overtime plant wide on afternoons, providing they can do the job.



Overtime hours will be recorded and charged as in (a) & (b) above.

7 Not enough people: Ask low overtime plant wide on midnight, if applicable, providing they can do the job.



Overtime hours will be recorded and charged as in (a) & (b) above.

13.03 INVENTORY

During the taking of inventory, the Quality Assurance employees, cycle counters and employees working in Shipping and Receiving will be given preference to perform the work. If other employees are required, volunteers will be solicited. The person with the lowest overtime of the volunteers will be given preference providing they are capable of performing the work. Should the taking of inventory occur during the Summer Shut-Down, volunteers will be given preference in order of seniority, provided they are capable of performing the work. Management will participate in the taking of inventories as auditors, coordinators.

LETTER OF UNDERSTANDING #20

October 4, 2004

Jamie Jacques
Bargaining Chairperson
CAW Local 27

Dear Jamie:

SUBJECT: CUSTOMER REQUIREMENTS

During the negotiations we discussed at length the necessity to develop methods to protect our customers' requirements.

At times when our customer demands exceed our ability to supply for various reasons, such as:

- (a) On short notice, our customer increases demands from numerous facilities, which exceeds our ability to respond as quickly as required;
- (b) When demand appears continuous over the long term, and during the process of hiring an additional crew we are unable to maintain supply;
- (c) On an occasion where an extended breakdown of a major or key piece of equipment, extreme weather conditions or power outages have shutdown the facility for an extensive period;
- (d) A component supplier has been unable to maintain supply causing customer schedules to be jeopardized.

When situations such as these occur and overtime is required it is the Company's intention to schedule overtime on a voluntary basis when it is obvious that voluntary overtime will meet the demand.

** LETTER OF UNDERSTANDING
CUSTOMER REQUIREMENTS (CONT'D)
** APPROVED LEAVE OF ABSENCE

However should voluntary overtime not be practical, or the response is insufficient to meet demand the Company would then after notifying and discussing with the Union Negotiating Committee schedule compulsory overtime as per Section 13.0, of this Agreement.

This overtime could take the form of four - ten hour shifts or eight (8) hours on the weekend depending upon our customers' schedules and suppliers' abilities. For example, the day shift may be scheduled between the hours of 7:00 a.m. - 4:00 p.m. to work Saturday for eight (8) hours and the afternoon shift where appropriate, may be scheduled for four - ten hour shifts (Monday to Thursday), plus their normal Friday shift. A rotation of compulsory overtime may occur such that on each Saturday, the day shift only may be scheduled, thereby equalizing the compulsory overtime over a longer period. In any case these decisions must be made at the time with full consideration given to customer needs, suppliers schedules and the effect on employees.

Compulsory overtime will not be used by the Company to avoid the recall of employees on lay-off.

Both the Company and the Union agree to explore alternative solutions to utilize any laid-off workers and to avoid compulsory overtime.

Yours truly,

Chris Speece,
Plant Manager

14.0 LEAVE OF ABSENCE

14.01 APPROVED LEAVE OF ABSENCE

(a) A person who is absent for work as a result of a compensable accident or compensable sickness incurred as an employee of the Company shall be considered to be a person on authorized leave of absence, who shall accumulate vacation credits and, effective July 1, 1997, vacation pay (provided he worked during the vacation year), and seniority to which he is entitled during such absence. For the purpose of this agreement "compensable" shall mean compensable under the Worker's Compensation Act.

(b) A person who is absent from work for more than three (3) consecutive scheduled working days due to illness shall be considered for the purpose of this Agreement to be a person on authorized leave, provided he provides a medical certification as supporting evidence, and shall accumulate vacation credits (provided he has worked during the vacation year). He shall be granted leave of absence if required for a period of

time equal to but not in excess of the amount of seniority he had at the commencement of such illness. Verification of continued illness shall be furnished to the Company upon request.

** APPROVED LOA (CONT'D)

(c) An employee shall be granted a paid leave of absence to perform the duties required when called upon to serve on Jury duty or subpoenaed witness who is not a defendant. The pay will be the difference between his regular hourly pay for the number of hours he normally works and the payment he received for providing the service. The employee will present proof of service and the amount of pay received.

(d) An employee shall be granted a leave of absence (one time only if the offence is illegal drug or alcohol related) for incarceration to a maximum of one hundred and eighty (180) days, due to a conviction of an offence arising out of the operation of a motor vehicle. He shall be returned to his former job at the expiration of such leave, provided he has the seniority. An application must be made within a reasonable time in advance of the commencement of the leave of absence, except application for compassionate reasons.

(e) An employee upon written application to the Human Resources Manager may request a leave of absence for advanced education. A person granted such leave will, during this absence, accumulate seniority, provided he reports for work at the expiration of his authorized leave. He shall not accumulate or receive vacation pay, holiday pay, nor shall the Company contribute to his insurance plan. Upon his return from such authorized leave in excess of 90 days, he shall be placed on the recall list, and shall be considered for the purpose of this Agreement, to be a person on layoff with seniority rights to recall after layoff.

(f) An employee elected to Public Office who submits a request for a leave of absence for such activity shall be granted a leave for the term for which he is elected and shall be considered a person on authorized leave of absence. He shall be re-employed in line with his seniority, at his request, at the expiration date of his leave, in line with his seniority. A maximum of one (1) person may request such a leave at any one time. Such leave of absence will only be granted for a time period equal to one term for the office he is elected.

(g) Employees may apply for a personal leave of absence to the Human Resource Department. Employees granted such a leave up to ninety (90) days shall be considered an employee for whom no work is scheduled. Employees granted such a leave in excess of ninety (90) days shall be considered at the conclusion of this leave to be a person on recall with seniority rights to recall.

In any case the Company will not contribute to his insurance plan for any personal leave of absence, which extends beyond thirty (30) days. The employee may contribute to his insurance plan for up to three months.

(h) An employee selected by the local or the National Union for any labour activity other than the Local Union shall be granted a leave of absence for such activity and shall be considered a person on an authorized leave of absence. Notice will be provided in writing by the Union to the Company in advance. At the expiration of such leave he shall be re-employed on his own or similar work.

A maximum of three (3) employees may request such a leave at one time, provided notice is received by the Company a minimum of one (1) week in advance. The Union may request five (5) employees be

absent no more than three (3) times per year to an overall maximum of five (5) working days per year, provided notice is received by the Company a minimum of one (1) week in advance.

- ** APPROVED LOA (CONT'D)
- ** BEREAVEMENT LEAVE
- ** PAID EDUCATION LEAVE

When the local union submits a request for a leave of absence for an employee for activity exclusively for the Local Union, which shall include the CAW Family Education Centre and/or the promotion to President or Financial Secretary for Local 27, shall be considered person on an authorized leave of absence. At the expiration date of his authorized leave, he shall be re-employed on his own or similar work. A maximum of two (2) employees from the plant may request such a leave at one time.

(i) The Union will be advised by the Company of all leaves of absence and the period for which they are granted, with the exception of personal leaves.

14.02 BEREAVEMENT LEAVE

The Company will grant to an employee who suffers a death in his immediate family, a paid leave of absence for five (5) working days, immediately following the death. The immediate family includes the employee's:

- | | |
|----------------------------------|-------------------------------------------|
| current spouse | brother (including step & half) |
| children (including step) | sister (including step & half) |
| parents (including step) | current spouse's parents (including step) |
| grandparents, great grandparents | current spouse's grandparents |
| grandchildren | current spouse's great grandparents |

A paid leave of absence for one (1) working day, to attend the funeral, will be granted for brother-in-law and sister-in-law.

Pay for Bereavement leave will be at his regular hourly rate.

An employee who suffers bereavement during a statutory holiday or scheduled vacation will:

- (a) extend the bereavement leave by one (1) day for the statutory holiday;
- (b) extend the scheduled vacation by up to five (5) days.

14.03 PAID EDUCATION LEAVE

During the life of this Agreement the Company agrees to pay three cents (\$0.03) per compensated hour per employee to a special fund. As agreed this fund is to be used for education purposes. Said moneys are to be paid on a quarterly basis into a trust fund established by the National Union, CAW Family Education Centre, Port Elgin, Ontario N0H 2C0.

Upon written application with the customary notice employees selected by the Union shall be granted a leave of absence without pay. Such leave will not exceed twenty (20) days over a twelve (12) month period. Normal rules as per the leave of absence clauses will apply.

LETTER OF UNDERSTANDING #21

November 3, 2004

Mr. Jamie Jacques
Bargaining Chairperson
CAW Local 27

Dear Jamie:

SUBJECT: PARENTAL LEAVE

During our negotiations, we discussed the changes in the Employment Standards Act regarding pregnancy and parental leave of absences. The company will adhere to the existing guidelines set by the ESA.

All benefits will be paid for during the period which you would be away from work on the above mentioned leave of absences, however no wages will be payable by the Company.

Yours truly,

Chris Speece,
Plant Manager

15.0 GROUP BENEFITS AND PENSION PLAN

The following is a brief description of the changes to your group benefit and pension plans, effective November 7, 2004. Please refer to your Benefits Handbook (which forms part of this Collective Agreement) for full details.

Increase in Basic Benefit rates are as follows:

	Current	Nov. 6, 2004	Nov 1., 2005	Nov.1, 2006
Amount	\$35.00	\$36.00	\$37.00	\$38.00

Increase the eligibility period for supplemental retirement pension from 25 years to 30 years of pension credited service and increase the supplementary benefit rate from \$16.25 to \$17.00 per year of pension credited service.

15.01 DOCTORS' NOTES

If, after receiving a doctor's note for a specific absence, and additional information is required for that absence by the Company, the Company will pay the fee for any additional notes required.

Employees are required to have the Company's applicable medical form completed for work-related injuries/illnesses. This form is the "first note" and forms are available in the First Aid Room or the Human Resources/Payroll office.

Reimbursement by the insurance carrier for 2nd and subsequent note/forms required (STD and LTD claims) up to a maximum of \$100 per calendar year per employee, as authorized by the Company for payment by the insurance carrier.

This provision excludes forms requested by the Workers Compensation Board, (W.S.I.B).

15.02 COMMON-LAW SPOUSE

The eligibility for Common-Law Spousal coverage is one (1) year from the date the company is notified in writing on the common law spouse form, or first of the month following notification, if the employee provides proof the common-law relationship has been in existence for at least one year and there has not been a registered common-law relationship during that one year period. Benefits coverage will apply to one spouse only.

** BENEFIT ELIGIBILITY
** CHANGES TO HEALTH CARE
** LIFE INSURANCE & AD&D

15.03 BENEFIT ELIGIBILITY

If you obtained seniority after November 5, 1995, you are eligible to join the Group Insurance Plan on the first of the month (12 months with respect to the dental plan) following the completion of your probationary period, provided you are actively at work on that date.

15.04 CHANGES TO HEALTH CARE

- (a) Vision Care -- effective November 7, 2004 maximum \$180 every 24 months
Vision Care -- effective November 7, 2005 maximum \$185 every 24 months
Vision Care -- effective November 7, 2006 maximum \$195 every 24 months

Employees can use vision care allowance towards cost of laser eye surgery.
Eye exam every 24 months max. \$75.

- (b) Hearing Aids -- effective November 7, 2004 maximum \$700 every 36 months
- (c) Contraceptive patches are covered.
- (d) Other Practitioners: Increase to \$25 per visit max \$350 combined calendar year maximum for Christian Science Practitioners, Chiropractor, Osteopath, Naturopath, podiatrist or chiropodist, massage therapist. An additional \$50/yr maximum for x-rays taken by a chiropractor.
- (e) Private Duty Nursing: Services of RN and RPN, when provided in patient's home, limited to \$10,000 lifetime. To be eligible, patients must require a level of expertise of an RN or RPN as evaluated by the insurance company.
- (f) Ontario Health Care Premium – The entire cost of OHIP paid by the Company is through payroll tax (EHT). Any new Ontario premiums/income taxes are the responsibility of the employee, retiree, or surviving spouse. Should the EHT be eliminated and replaced with an OHIP premium, then the Company shall be responsible for the new premium.
- (g) EAP – Employee Assistance Program : Include EAP program as part of the benefit booklet.

15.05 CHANGES TO LIFE INSURANCE & AD&D

- a) Life Insurance -- effective November 7, 2004 \$33,000
- Life Insurance -- effective November 7, 2005 \$34,000
- Life Insurance – effective November 7, 2006 \$35,000

** LIFE INSURANCE & ADD & D (CONT)

** CHANGES TO DENTAL PLAN

- b) AD&D -- effective November 7, 2004 \$16,500
- AD&D -- effective November 7, 2005 \$17,000
- AD&D -- effective November 7, 2006 \$17,500
- c) Retiree Life Insurance –Effective November 7, 2004 Life Insurance for Retirees increases by \$1,000 to \$5,000 policy or \$1,900 transferred to RRSP on date of retirement.
- d) Short Term Disability – Maximum weekly benefit of \$700, for claims incurred after November 7, 2004. The Employer shall meet with the union committee on a quarterly basis to discuss disability claims (S&A, LTD, and WSIB), and if requested by the Union, a representative(s) from the Insurance Carrier shall be present at the meeting
- e) Long Term Disability – Increase monthly maximum to \$3,200, for claims incurred after November 7, 2004.
- f) Benefits cheques -- (for S&A and LTD benefits) shall be mailed directly to an employee's home or deposited directly into the employee's personal financial account. However, should this more direct method of payment cause an overpayment due to timing, the employee agrees to have the overpayment amount withheld from any monies payable from the Company.
- g) Medical forms – Reimbursement by the Insurance Carrier for 2nd and subsequent notes/forms required (STD and LTD claims) up to a maximum of \$100 per calendar year per employee, as authorized by the Company for payment by the Insurance Carrier.

15.06 CHANGES TO DENTAL PLAN

- a) Overall Annual Maximum (Basic and Major combined) – the maximum payable from this plan is:
 - \$1450 per person per year (November 7/04-November 6/05).
 - \$1500 per person per year (November 7/05-November 6/06).
 - \$1575 per person per year (November 7/06-November 6/07).
- b) Orthodontic Lifetime Maximum -- the maximum payable is:

\$1350 per dependant child (November 7/04-November 6/05).
\$1400 per dependant child (November 7/05-November 6/06).
\$1475 per dependant child (November 7/06-November 6/07).

- c) Night guard up to a maximum of \$400 per lifetime

15.07 CHANGES TO I.P.P.

** I.P.P.
** PENSION PLAN

Entitlement benefits remain as are currently described in the Collective Agreement, payable to any laidoff employee who meets the qualifications.

Increase benefit eligibility period as follows:

- if 10 years but less than 11 years will receive max 28 weeks
- if 11 or more years, will receive max 30 weeks

Employees laidoff and wishing to, may elect to receive in lieu of their IPP entitlement, a payment equal to the value of their estimated IPP payments payable as a lump sum Enhanced Severance payment. This is in addition to any other Severance payments, if applicable. By electing this option employees would terminate their recall rights, and lose their seniority immediately.

15.09 CHANGES TO PENSION PLAN

The Pension Plan Agreement will be amended to permit amendments to the provisions of the Pension Plan during the period of the Collective Agreement between the Company and the Union, such amendments to be with the consent of both parties.

The Pension Plan text will be amended to provide that no surplus may be removed from the Pension Fund on an ongoing basis. This amendment will not exclude the utilization of contribution holidays by the Company when allowed by applicable pension legislation, nor the payment of appropriate pension expenses from the Pension Fund; as is currently allowed by the Pension Plan text.

Effective upon ratification of the Collective Bargaining Agreement:

(a) While on layoff, members will be allowed to accrue credited service of 40 hours per week to a total maximum credited service of 560 hours.

(b) The Date of Plan Entry for members of the Pension Plan will be their Date of Seniority, as listed in the Seniority List produced by the Company on October 26, 1995.

(c) The Plan will provide that the pension payable as an Automatic Survivor's Pension Option will be equal to 95% of the pension payable to a member without a spouse. The reduced monthly pension benefit payable to a member with a spouse under this Section will be:

- (i) decreased by one-half of one percent (0.5%) for each full year in excess of five (5) years that the spouse's age is less than the member's age, or
- (ii) increased by one-half of one percent (0.5%) for each full year in excess of five (5) years that the spouse's age exceeds the member's age.

The pension plan will reflect a change to allow the cancellation of the 95% Automatic Survivor Option should a Retired Member's Spouse pre-decease the retired member. Such restoration of a Pension shall

** PENSION PLAN (CONT'D)
** DISABILITY PENSION

become effective on the 1st day of the second month following the month in which the Company receives evidence of the spouse's death.

Effective November 7, 2004 the Basic Pension Benefit Rate will increase from \$35.00 per month per year of Credited Service to \$36.00 per month per year of Credited Service.

Effective November 1, 2005 the Basic Pension Benefit Rate will increase from \$36.00 per month per year of Credited Service to \$37.00 per month per year of Credited Service.

Effective November 1, 2006 the Basic Pension Benefit Rate will increase from \$37.00 per month per year of Credited Service to \$38.00 per month per year of Credited Service.

Effective November 7, 2004 the Supplementary Pension Benefit Rate will increase from \$16.25 per month per year of Credited Service to \$17.00 per month per year of Credited Service, to a maximum of 30 years of Credited Service.

DISABILITY PENSION

A member, who becomes partially disabled prior to his Normal Retirement Date, has attained the age of 55 and has completed 10 or more years of credited service, by mutual agreement of the member and the Company, may retire from active service of the Company. Such member shall be eligible to receive a Disability Retirement Pension if they, as certified by a medical doctor, are unable to satisfactorily perform his or her work, resulting in:

- 1) extended periods of disability or frequent short term disability payments
- 2) excessive absenteeism
- 3) decreased productivity

The amount of monthly Disability Retirement Pension will consist of the member's Basic and Supplementary Benefit amounts as determined on the member's disability retirement date, and reduced by ¼ % for each month that the member is under the age 62 at his or her disability retirement date. The Disability Retirement Pension Supplementary Benefit will also be reduced by any statutory benefit, related to the same disability payable to the member.

LETTER OF UNDERSTANDING #22

November 4, 1999

Mr. Darcy Gunderson
Bargaining Chairman
CAW -- CANADA
606 First Street
London, Ontario N5V 2A2

Dear Darcy:

SUBJECT: ASSISTANCE FOR EMPLOYEES ADDICTED TO ALCOHOL OR DRUGS

The Company agrees to meet with representatives of Local 27 to formulate a procedure to help the individuals who request assistance with substance abuse.

Your truly,

John Grieve,
Plant Manager

16.0 NEGOTIATIONS & PROBLEM RESOLUTION

16.01 NEGOTIATING AND GRIEVANCE COMMITTEE

(a) The Company will recognize and meet with a Plant Negotiating and Grievance Committee of three (3) people (at least one must be elected from the skilled trades area) including the Chairperson (who will be assigned to a day shift job), elected by the Union, in a manner determined by the Union.

An additional person may be elected and assigned to the Committee when the Bargaining Unit exceeds 200 employees and one (1) additional committee member for each 100 employees thereafter.

(b) Any member of the Negotiating and Grievance Committee who attends grievance meetings will be paid by the Company at straight time for the time spent, except when working assigned overtime. Every effort will be made to hold these meetings during regular working hours. Committee members attending weekly Union/Management meetings will be paid overtime for hours in excess of their normal scheduled shift.

(c) At any meeting with Management, the Negotiating and Grievance Committee may have present; a Representative of the National Union. The Company may have present persons other than Management personnel.

16.02 REPRESENTATION

(a) The Union may appoint an alternate committee person in the event that complete shifts are underrepresented, as well as one committee person to represent skilled trades on issues unique to skilled trades.

During vacation shutdown, should employees be required to work the Company will endeavour to ensure Union representation is available in the plant. When there are more than 50 people scheduled to work during the vacation shutdown the plant chairperson or his designate will also be asked to work.

(b) Plant Negotiating and Grievance Committee (or alternate) will be allowed reasonable time from their duties to investigate and process grievances after receiving approval of the supervisor. When the supervisor considers that the time so used is of more than reasonable duration, the Human Resources Manager will facilitate any disciplinary action. Payment for this will be at his appropriate rate.

(c) It is the Companies intent to provide Union representation to employees who request representation to be arranged by the Supervisor within a reasonable period of time. Generally this should occur within two (2) hours of the request, except during the last two (2) hours of a shift as stated in this article.

Should the request occur within the last two (2) hours of the shift, this may not occur until the next shift. When an employee is to be disciplined, he/she shall have a Union representative present during any meeting or portion of meeting in which discipline is to occur unless the employee requests otherwise. It is agreed by the parties that any discipline will be set out in writing and a copy will be provided to the Union unless the employee requests otherwise.

A Committee Person shall secure the permission of the supervisor when entering the department other than his own when acting in his Committee Person status.

16.02 REPRESENTATION continued...

The Bargaining Chairperson shall be a full time position and be maintained on the day shift. The Skilled Trades Representative will be maintained on the day shift. The Committee will be allowed 0.5 hour for a Union meeting every Wednesday prior to the start of the grievance/ Union/Management meeting.

(d) Any member of the Negotiating Committee after obtaining permission from Management may enter the plant at any time for any good reason relating to the performance or application of any of the provisions of this Agreement. The Committee member may be accompanied by a representative of the Company.

16.03 PROBLEM RESOLUTION PROCEDURE

In the event an unresolved concern (provided it is within 21 days of the event giving rise to the concern became known to the employee or the union or should have become known with the exercise of reasonable attention) exists between an individual and that person's immediate supervisor, the concern may then be submitted to the following procedure:

(a) The Individual and the Supervisor will attempt to resolve the concern and the Supervisor will give a verbal reply within two (2) working days.

(b) If still unresolved, within two (2) working days, the Individual may request a Step 1 meeting. This meeting is to be attended by the Individual, the Committeeperson and the Supervisor within two (2) working days. If there is no resolution at this meeting a written grievance may be submitted to the supervisor. The supervisor will provide a written answer within two working days of receipt of the grievance.

(c) If still unresolved, within two (2) working days, the Committeeperson may request a Step 2 meeting in writing. This meeting is to be attended by the Individual, the Committeeperson, the Supervisor and the Human Resources Manager within two (2) working days. The Human Resources Manager or the Plant Manager will give a written reply within two (2) working days following the meeting.

(d) The Company will schedule a regular grievance meeting, every Wednesday to discuss unresolved grievances and other labour-management issues. The union will submit a grievance agenda, 24 hours in advance of the meeting. This meeting will be attended by the grievance committee, Human Resources Manager and the Plant Manager or his designate. By mutual agreement the grievor may be asked to attend. The Company will reply within two working days to any grievance discussed.

(e) Failing settlement, the Union or the Company may notify the other in writing of its intention to submit the grievance to arbitration and shall nominate an arbitrator. If the two (2) parties do not agree upon an arbitrator within five (5) days of the notice, either party may request the Minister of Labour for Ontario to appoint an arbitrator.

16.03 PROBLEM RESOLUTION PROCEDURE continued...

If arbitration is to be invoked, the request for arbitration in writing will be made to the Company within ten (10) working days following the delivery of the decision to the Union following Step 3 of the grievance procedure.

Grievances referred to arbitration shall have priority in the following order:

- i. Discharge,
- ii. Suspension,
- iii. Policy,
- iv. Regular,
- v. Group.

Grievances involving discharges, suspensions or policy will begin the process at Step 2 of the Problem Resolution Procedure.

(f) A grievance shall not be arbitrable unless it involves the interpretation, application, administration, or alleged violation of the Agreement. The Arbitrator shall determine on this basis whether a grievance is arbitrable. The Arbitrator shall not alter, add to, subtract from, modify, or amend any part of this Agreement and shall make no finding which is not supported by interpretation of the specific words in this Agreement. In respect to penalties involved, he shall be entitled to modify or set aside such penalties if, in his opinion, it is just and equitable to do so.

(g) All decisions of the Arbitrator arrived at in accordance with the provisions of this Agreement shall be final and binding upon the Company, the Union, and all persons concerned.

(h) The expenses of the Arbitrator shall be shared equally by the Company and the Union.

(i) If a suspended employee or discharged person wishes to present a grievance against his suspension or discharge he shall, through the Committee, present it to Management at Stage 2, within two (2) scheduled working days after written notification to the employee or person and the Committee of his suspension or discharge.

(j) A grievance involving the suspension or discharge of any employee may be disposed of by the Company and the Committee, or by the Arbitrator, by confirming the Company's decision to suspend or discharge the employee, or by reinstating the employee or discharged person with full seniority rights and compensation of lost earnings, or by any other arrangement which is just and equitable.

(k) A person who has been laid off out of seniority in violation of this Agreement shall be paid for the time lost as a result of such layoff if he presents his grievance within five (5) working days after his layoff. If he fails to submit a grievance within five (5) working days he shall be paid only from the time of submitting the grievance.

16.03 PROBLEM RESOLUTION PROCEDURE continued...

(l) The Company shall not be required to pay any claims or make any adjustments retroactive for more than thirty (30) days prior to the date of the submission of a grievance.

(m) The Company agrees that the Negotiating and Grievance Committee may have present at the grievance meetings, if necessary, one grievor per grievance providing that the Company has received adequate notice of the employees attendance. Others that may be required will be by mutual consent.

PROBLEM RESOLUTION PROCEDURE

CONCERN: INDIVIDUAL & SUPERVISOR
(Verbal response by Supervisor within 2 working days)

STEP 1: -- Requested by Individual within 2 working days

(Meeting within 2 working days)
INDIVIDUAL + COMMITTEE PERSON + SUPERVISOR
(Written Grievance may be submitted at this meeting. Written response by Supervisor within 2 working days)

STEP 2: -- Requested in writing by Committeeperson within 2 working days

(Meeting within 2 working days)
INDIVIDUAL + COMMITTEE PERSON + SUPERVISOR
+ HR MANAGER
(Written response by HR Manager or Plant Manager within 2 working days)

STEP 3: (Regular grievance meeting every Wednesday)
GRIEVANCE COMMITTEE + HR MANAGER + PLANT MANAGER
(Written response by the Company within 2 working days)

STEP 4: -- Written notice of intention to arbitrate within 10 working days

LETTER OF UNDERSTANDING #23

October 19, 1993

Mr. Darcy Gunderson
Bargaining Chairman
CAW -- CANADA
606 First Street
London, Ontario N5V 2A2

Dear Darcy:

SUBJECT: CAW APPEALS PROCEDURE

During our negotiations, we discussed the CAW constitution appeals procedure.

It was agreed that when the resolution or withdrawal of any grievance is subsequently appealed through the appeals procedure established by the CAW constitution appeals procedure, and such appeal is upheld, the grievance shall be considered timely and shall be processed to the appropriate step of the grievance procedure.

It is agreed that the Company's liability shall not increase beyond the date the grievance was withdrawn as a result of this process.

Yours truly,

John Grieve,
Plant Manager

APPENDIX 1

17.0 SKILLED TRADES

17.01 GENERAL SKILLED TRADES

(a) The purpose of this Appendix is to define classification, wage rates, seniority provisions, transfers, apprenticeship requirements, and all other matters peculiar to the skilled trades' classifications. These shall include all commonly recognized apprenticeable trades.

(b) The provisions of the Collective Agreement shall apply to all employees in the skilled trades' classifications, except as altered by the provisions of this Appendix 1.

(c) The term "journeyman", as used in this Appendix, shall mean any person whom:

- (i) is presently an employee, a person with seniority rights to recall after layoff, or a person with seniority on authorized leave of absence, within a journeyman's classification in a skilled trades occupation;
- (ii) has served a bona fide apprenticeship;
- (iii) has eight (8) years practical experience in the skilled trades classification in which he claims journeyman's status and has documented proof from previous employers of such experience;
- (iv) has a recognized CAW journeyman's card.

(d) The provisions governing recognition, representation, and working conditions peculiar to the skilled trades classification shall apply to the following classifications:

APPRENTICEABLE TRADES

i.	Electrician	9,000 hours
ii.	Millwright	9,000 hours
iii.	Tool & Die	8,000 hours

(e) The Company may appoint journeymen as leaders. A leader is a journeyman who, while engaged in his regular occupation, coordinates the work of other employees in the trades. A leader shall not have the right to hire, fire, or discipline other employees in trades.

** ASSIGNMENTS
** ENTRY INTO TRADES
** SENIORITY

17.02 SKILLED TRADES – ASSIGNMENTS

Skilled trades employees will not be required to perform production work - except in a case of extreme emergency, subject to the grievance procedure.

Production and non-production employees will not be assigned trades work unless previously agreed to under the terms of this Agreement. Should any concerns arise the Company and Negotiating Committee will meet to resolve the issue.

17.03 ENTRY INTO SKILLED TRADES

(a) Entry into the Skilled Trades shall be governed by the conditions of Section 17.01(c) of this Appendix or through the Apprenticeship program set out in Appendix 2. The Skilled Trades Representative in the Plant will be informed within seven (7) days of the hiring of a skilled tradesman.

The Skilled Trades Representative in the Plant will be shown the tradesman's qualifying documents prior to his/her hiring and if necessary, may be called upon for assistance in verifying documents for an individual's acceptance as a Skilled Tradesperson.

(b) During a period when journeymen with the qualifications set forth in Section 17.01(c) of this Appendix are not available, the provisions of Section 17.01(c) shall be waived. Employees reclassified under such circumstances shall be known as supplementary employees in the Skilled Trades Classifications. However, the Company may temporarily utilize supplementary employees for a period not to exceed sixty (60) days unless a longer period is mutually agreed upon. Rates of pay, seniority and all other special conditions regarding supplemental employees will be established by mutual agreement in writing between the Company and the Plant Negotiating Committee.

17.04 SKILLED TRADES SENIORITY

(a) An employee in a Skilled Trades Classification shall acquire seniority as provided in Section 7.0 of this Agreement, and Skilled Trades seniority as provided in Section 17.04(b) and 18.06 of the Appendix.

An employee in a Skilled Trades Classification shall use his skilled trades seniority only as provided in Sections 17.05 and 17.06 in the event of layoff, recall, or transfer.

(b) An employee who transfers into a Skilled Trades Classification shall have skilled trades seniority from the date of entry into that skilled trades classification except as provided in Section 17.05 and 17.06. The employee who transfers into the Skilled Trades Classification shall maintain their company service for the purpose of determining the level of vacation and the scheduling of vacation.

** EXERCISING SENIORITY FOR
LAYOFF & RECALL
TRANSFERS

17.05 EXERCISING SKILLED TRADES SENIORITY FOR LAYOFF & RECALL

In the event of a layoff, a skilled trades person will:

(a) Exercise his skilled trades' seniority in the mechanical and electrical classifications, as outlined in the Collective Agreement.

In the event of a layoff an apprentice shall exercise his seniority as provided in Appendix 2, Section 18.06.

(b) Skilled trades' employees on layoff, with seniority shall be recalled in the reverse order of layoff and in accordance with other provisions of the Collective Agreement governing recall.

(c) A skilled trade's person may, once during his employ opt to exercise his plant production seniority to return to the production technician classification, providing such opportunity permits. The junior employee in the plant shall be displaced.

(d) The skilled trades classifications grouped under the heading of General Maintenance Trades will exercise seniority by their skilled trades classification with regard to layoff and overtime. However, when there is no other way to maintain Company schedules they may be permitted to assist in any of the skilled trades classifications in the General Maintenance Trades grouping, during this temporary period, providing there are no layoffs in the trade concerned.

17.06 TRANSFERS

(a) Temporary transfers between Skilled Trades Classifications may be made for a maximum period of ninety (90) days providing such transfers do not infringe on the skilled trades seniority rights of the employee regularly employed in the Skilled Trades Classification. The employee transferred shall be qualified and certified where necessary, to do the work in the classification he has been transferred to. Such transfers shall be limited to once a year in any one trade unless the Company and the Plant Negotiating Committee mutually agree to more frequent transfers.

(b) An employee temporarily transferred shall retain his skilled trades seniority in the Skilled Trade Classification from which he was transferred.

(c) Permanent transfers between Skilled Trades Classifications may be made upon request of the Company, or an employee, if such transfers are mutually agreeable to the Company and the Committee. An employee permanently transferred to another Skilled Trades Classification shall have skilled trades' seniority in the classification to which he is transferred, as of the date of his entry into the classification. The Company shall make such transfers subject to the Problem Resolution Procedure.

17.07 OVERTIME ASKED IN MAINTENANCE

For weekend overtime in the Maintenance Department, maintenance people will be asked by low overtime regardless of the shift they are on.

Daily (or emergency) overtime will be offered to the employee in the department with the lowest posted overtime hours, on the shift to which the overtime is assigned.

LETTER OF UNDERSTANDING #24

Darcy Gunderson
Skilled Trades Representative
CAW Local 27

Weekend Maintenance Overtime

Dear Darcy:

During our 2004 negotiations the parties discussed the application of clause 17.07 as it pertains to asking the maintenance employees for overtime on the weekends. Scheduling of overtime is made difficult by many outside influences such as the customer schedules, mechanical breakdown, drop in order, material shortages etc. However it is the intent of the company to improve our ability to give as much notice as possible to the maintenance people. The company will endeavour to ask for overtime opportunities beginning Wednesday of each week. The parties also agree to meet during the duration of this agreement to discuss any issues that may arise out of this effort.

Sincerely,

Chris Speece
Plant Manager

LETTER OF UNDERSTANDING #25

November 1, 1993

Mr. Darcy Gunderson
Bargaining Chairperson
CAW -- CANADA
606 First Street
London, Ontario N5V 2A2

Dear Darcy:

SUBJECT: POTENTIAL DEMARCATION

During our discussions at negotiations regarding Skilled Trades the subject of potential demarcation issues was brought forward.

The parties agreed that should such a problem arise the Union Bargaining Committee will meet with the Company representatives to resolve the issue. Consideration will be given to safety, productivity and traditional demarcation lines.

Yours truly,

John Grieve,
Plant Manager

LETTER OF UNDERSTANDING #26

October 29, 2004

Mr. Darcy Gunderson
Skilled Trades Representative
CAW Local 27

Dear Darcy:

SUBJECT: SUB-CONTRACTING

It is the policy of the Company not to contract out work when it has the people, skills, equipment and facilities to do such work - always provided that the Company do such work as economically and efficiently as it can otherwise be done.

The Company will not contract out or have outside contractors in at any time that there is a skilled tradesman on layoff who is available and has the qualifications and ability to do the work required.

There may, however, be times when the Company is obliged to contract certain work to outside contractors. The following procedure will be followed:

- (1) Certain work that may continue to be contracted out will be identified in discussion with the Skilled Trades Committee. It is also agreed that work that, at the signing of this Agreement, is contracted out will, wherever possible, be brought back into the Company's plant.
- (2) At least 4 days prior to skilled trades' work being contracted out, the Company and designated Union representatives will meet to discuss the nature, scope and approximate dates the work will be performed. The equipment, skilled tradesmen, facilities, etc. required and the reason why the Company is required to sub-contract will also be discussed.
- (3) In the event of an emergency situation during the off shift or on the weekend, the Company may have to contract out skilled trades' work to ensure the future continuity of employment for our employees and/or to fulfil our customer requirements. Should this occur, the Company representatives will meet with the designated in-plant Union representatives to explain the situation on the workday immediately following the emergency situation.
- (4) During a plant shutdown for vacation, the Company will utilize the skilled tradesmen wherever possible, within their respective trade and plant. The Company will maintain a ratio of not less than one Company skilled tradesman for every one contracting tradesman within the required trade.

Should the number of required Company skilled tradesmen not be attained, the Company will bring in additional outside tradesmen, as required.

** LETTER OF UNDERSTANDING
SUB-CONTRACTING (CONT'D)
** LETTER OF UNDERSTANDING
** CONTRACTORS SAFETY
** COMPLIANCE

In many instances it may be of our mutual advantage to utilize our own equipment and manpower. However, to do this, the Company will require assurances that the required manpower will be available, including overtime, and that continuity of individual skills will be fully considered.

(5) During weekends or holidays when there are outside contractors in the plant performing work normally performed by our skilled trades, or during the installation of equipment where trades are used an equal number of skilled trades employees of the appropriate trade will be offered work up to the hours worked by the outside trade (minimum 8 hours) and the balance of the skilled trade involved will be offered a minimum of 48 hours during that work week.

The Union can rest assured that the Company will keep contracting out and sub-contracting to a minimum and has no policy change in mind to reduce work available to our Skilled Tradesmen through the use of outside contractors. We will continue to be interested in maximum employment for all our people.

Yours truly,

Chris Speece
Plant Manager

LETTER OF UNDERSTANDING #27

October 29, 2004
Darcy Gunderson
Skilled Trades Representative
CAW Local 27

Darcy;
Re: Contractors Safety Compliance

It is the Company's policy to ensure all contractors entering our facility are aware of the safety rules for the plant. All contractors will be required to follow our rules, as all employees are required. Furthermore all contractors will be required to furnish proof of journey status (or apprenticeship status) prior to entry to our facility. The information will be made available to the skilled trade's representative upon request.

No contractor will be allowed to operate equipment he is not trained to operate. Outside contractors will not be allowed to enter the tool room and maintenance areas without supervision and prior notification of the skilled trades representative or alternate.

Sincerely,

Chris Speece
Plant Manager

**** LETTER OF UNDERSTANDING SKILLED
TRADES SAFETY TRAINING**

LETTER OF UNDERSTANDING #28

October 28, 2004

Darcy Gunderson
Skilled Trades Representative
CAW Local 27

Skilled Trades Safety Training

Dear Darcy:

During our 2004 negotiations, the parties discussed training as it pertains to Skilled Trades. The company has agreed that the skilled trades employees require specialized safety training. When training plans are designed, the company will look at this issue specifically and review them annually with the Joint Health and Safety Committee.

The company also recognizes the need for personal protective equipment, which is sometimes unique for Skilled Trades. This equipment will continue to be supplied as it has in the past.

Sincerely,

Chris Speece
Plant Manager

**** LETTER OF UNDERSTANDING
TECHNOLOGICAL CHANGE**

LETTER OF UNDERSTANDING #29

November 1, 1993

Mr. Darcy Gunderson
Bargaining Chairperson
CAW -- CANADA
606 First Street
London, Ontario N5V 2A2

Dear Darcy:

SUBJECT: TECHNOLOGICAL AND TECHNIQUE CHANGE

During negotiations, the Company and the Union discussed changes in technology and techniques that could possibly cause a change in the number of skilled workers in the Bargaining Unit.

While the Company and the Union realize the importance of keeping abreast of new methods of manufacturing that will allow us to remain competitive, we must also recognize the necessity of upgrading the skills of the workforce to keep any impact from new technology and techniques to a minimum.

The Company will notify the Union as far in advance as possible of any decision to apply new technology and techniques, which may substantially change the nature of the skilled workforce.

The Company will make the necessary training available for any skilled trades' employees to become qualified in the skills required because of technological change. This training may be done on site, at a community college or other facilities depending upon the circumstances.

When major training for new technology is required the Company and the Union will discuss the methods of training and the individuals most appropriate to receive the training.

Yours truly,

John Grieve,
Plant Manager

** LETTER OF UNDERSTANDING
TOOL REPLACEMENT
** WELD TRAINING FOR MILLWRIGHTS
ELECTRICIAN'S DUTIES

LETTER OF UNDERSTANDING #30

October 26, 2004
Mr. Darcy Gunderson
Skilled Trades Representative
CAW Local 27

Dear Darcy:

SUBJECT: TOOL REPLACEMENT FOR SKILLED TRADES & OTHERS

Any person in possession of tools, whether their own or belonging to the Company, is expected to be responsible for these tools, keeping them in a safe place and locked-up when left unattended. The Company will replace broken tools when such breakage occurs in the work place upon presentation of the broken piece to the appropriate Supervisor. The company will set up a process with a specific vendor to allow for easy replacement of the tool after appropriate approvals. The Company will replace tools lost or stolen in certain circumstances that occur beyond the control of the employee without unreasonable delay.

Production operators will be supplied with any tools required to perform their job by the Company and are expected to exercise responsibility for these tools.

Chris Speece,
Plant Manager

LETTER OF UNDERSTANDING #31

Darcy Gunderson
Chairperson CAW Local 27
November 3, 1999

Re: Weld Training for Millwrights

During our 1999 negotiations, the parties discussed the need to ensure that all millwrights are certified for structural welding duties for safety reasons.

The Company agreed during the life of this agreement to provide training, and education as required to all Millwrights and arrange the necessary certification procedures.

John Grieve
Plant Manager

LETTER OF UNDERSTANDING #32

October 27, 2004

Darcy Gunderson
Skilled Trades Representative
CAW Local 27

SUBJECT: ELECTRICIAN'S DUTIES

During our 2004 negotiations we discussed the activities of the electricians as it pertains to the duties of the Robot Weld Technicians.

It is not the Company's intent to use electricians to perform the duties of the Robot Weld Technicians, except in the case of emergencies, such as, to protect line and customer schedules, or for the purpose of insuring the safety of employees.

We also discussed the duties of the Controls Engineering Group and the Electricians and how their functions are inter-related.

The company agrees that the electricians are the first line of trouble shooting the electrical and electronic controls in the P 221 area. However, the parties recognize the need for productivity of the line and the urgency of response when downtime occurs. The role of the Controls Engineer Group in trouble shooting is to support the electricians. If the malfunction appears to be very complicated or time consuming the Controls Engineers may assist the electricians in getting the line back into production. The Controls Engineering Group are not a replacement for electricians but a support and supplement during urgent downtime situations.

Training has been provided to the electrical department in the past and will continue to be a priority in the future. Controls Engineering Group will continue to offer assistance, training, and guidance to the electrical department.

The parties both recognize that the productivity of our processes needs to be the key focus and the development of our people, their experience and education is key to making the St. Marys facility a leader in the assembly of structural products.

Sincerely

Chris Speece
Plant manager

APPENDIX 2

18.0 SKILLED TRADES - APPRENTICES

18.01 GENERAL APPRENTICES

(a) The purpose of this Appendix is to define the provisions governing registration, education, seniority, and all other matters peculiar to skilled trades' apprenticeships.

(b) Provisions of the Collective Agreement shall apply to all skilled trades' apprentices except as altered by the provisions of this Appendix 2, or by the apprenticeship standards as established by the Joint Apprenticeship Committee.

(c) A Joint Apprenticeship Committee shall be composed of an equal number of members, three (3) from Management and three (3) from the Skilled Trades Classification, one of which will be the Skilled Trades Chairperson.

In addition, the Bargaining Chairperson and the Human Resources Manager shall be ex officio members and shall act as Chairperson and Secretary or vice-versa.

The function of this Committee shall be to advise on all phases of the Apprenticeship Training Program. This Committee shall meet quarterly and as required. At least two (2) members of the Committee from the Union and two (2) members of the Committee from the Company must be present in order to administer the Apprenticeship Standards.

18.02 REGISTRATION

All apprentices may be registered with the appropriate Government of Ontario Ministry. All apprentices will sign a written Apprenticeship Agreement with the Company.

18.03 INITIAL EDUCATION REQUIREMENTS

An apprentice will be required to have all Ontario Academic Credits or equivalent. Exception to these requirements may be made by the Apprenticeship Committee.

** SCHOOL ATTENDANCE
** APPRENTICESHIP COMPLETION
** SENIORITY

18.04 SCHOOL ATTENDANCE

Apprentices will be required to attend classes for related instruction. Any time spent in the classroom instruction will be paid for by the Company if the apprentice loses time from his regular work schedule as a result of school attendance.

The Apprenticeship Committee will establish a related progressive training schedule for the apprentices similar to that recommended by the CAW Apprenticeship Standards, offering full exposure to all aspects of an apprentice's trade. The Company will arrange for the apprentices to attend such courses.

18.05 COMPLETION OF APPRENTICESHIP

An apprentice, upon completion of his apprenticeship, shall receive the journeyman's classification. No certificates will be issued by the Apprenticeship Branch, Ontario Department of Labour, unless approved by the Joint Apprenticeship Committee.

18.06 SENIORITY

The apprentices will exercise their seniority in their own classification. (For example, if there are four (4) apprentices in the Electrical Trade and a reduction in this number is required due to lack of work, the first hired shall be the last laid off and the last laid off shall be the first to be reinstated).

Upon satisfactory completion of the Apprenticeship Program, the apprentice will obtain skilled trades seniority as of the starting date of the apprenticeship, minus any time spent on layoff or in production due to exercising bumping rights due to layoff. Accumulation of production technician seniority is frozen and excluded time served in apprenticeship.

Employees who enter the Apprenticeship Training Program shall retain their relative plant seniority until such time as they complete their apprenticeship when the regular apprenticeship seniority rule shall apply. The apprentice will exercise his relative plant seniority at a time of layoff from the apprenticeship.

Upon graduation to journeyman status the employee will maintain production seniority, equal to the seniority while employed as a production technician.

** RATIO
** APPRENTICE TOOLS
** APPRENTICE'S RATE

18.08 RATIO

The ratio shall not be more than one (1) apprentice to six (6) journeymen. In the event of a layoff or recall, the ratio shall be one (1) apprentice to six (6) journeymen. The Company will endeavour to maintain these ratios.

The above mentioned ratio may be modified as the need arises upon approval of the joint Apprenticeship Committee.

Effective November 7, 2004 employees who begin an apprenticeship after November 7, 2004 will be subject to lay off before a journeyman in the particular trade is laid off. (The parties renewed their collective support of the apprenticeship program during the 2004 negotiations.)

18.09 APPRENTICESHIP TOOLS

At the commencement of an apprenticeship, the apprentice will receive a tool allowance for the purchase of tools if required.

Electrical Apprentices	will receive \$200.00
Mechanical Apprentices	will receive \$750.00

If requested, Management and/or the Apprenticeship Committee will assist the apprentice in obtaining tools. Where the Company purchases toolboxes or work benches for the tradesmen, this will not be part of the tool allowance. The apprentice may submit a receipt for the purchased tools, or submit a written request for the payment, to his respective Supervisor. The Apprenticeship Committee will review and advise the apprentice of the necessary tools.

Electrical apprentices will be provided with a meter.

18.10 APPRENTICE'S RATE

Apprentices in each of the Trades covered shall be paid a progressively increasing schedule of wages as follows:

1ST	1000 hr.	NOT less than 65% of the Journeyman's rate
2ND	1000 hr.	NOT less than 70% of the Journeyman's rate
3RD	1000 hr.	NOT less than 75% of the Journeyman's rate
4TH	1000 hr.	NOT less than 80% of the Journeyman's rate
5TH	1000 hr.	NOT less than 85% of the Journeyman's rate
6TH	1000 hr.	NOT less than 90% of the Journeyman's rate
7TH	1000 hr.	NOT less than 95% of the Journeyman's rate
8TH	1000 hr.	NOT less than 95% of the Journeyman's rate

Apprenticeships requiring hours in excess of 8000 will continue at the 8000 hour wage scale. An employee with seniority rights who enters the apprenticeship program will remain at his current hourly rate until such time as the percentage (%) of the journeyman's rate is greater of the two and will continue to progressively increase as per above chart.

A new hire placed directly into an apprenticeship will begin at 65% of the journeyman's rate and progress according to the apprentice wage schedule.

** PREGNANCY
** WEEKEND CREWS

Darcy Gunderson
Chairperson
CAW Local 27
October 19,1999

LETTER OF UNDERSTANDING #33

Dear Darcy,

Any employee who becomes pregnant while employed by the Company and is unable to continue her job because of chemical or biological agents in her area will upon recommendation of her physician be employed in other work on a job that is operating in the plant without regard to any seniority provisions of this agreement, except that such employee may not displace an employee with greater seniority, The above exceptions shall be made by agreement between the Company and the Union.

During the time period that she is employed on this new job she will continue to accrue seniority. Such employee will return to her original job upon termination of her maternity leave of absence consistent with her seniority.

John Grieve
Plant Manager

Weekend Crews

November 3, 1999

Part 1 – Hours of Work

Weekend crews will be scheduled for two 12-hour shifts for Saturday and Sunday. The shifts hours for a weekend crew will be one of the following two options:

Option A: 7:00a.m. to 7:00p.m

Option B: 11:00p.m. to 11:00a.m. – First shift
11:00 a.m. to 11:00p.m. – Second shift

The Company will select which option is to be used when implementing a weekend crew in a department.

Part 2 – Lunch and rest Periods

There will be one ten-minute break every two hours (total of four breaks) with a 0.3 hours paid lunch.

Part 3 – Rate of Pay

Rates of pay for weekend crews will be the same as those outlined in the collective agreement including shift premium and COLA. All weekend hours will be paid at time and one half, for the first eight (8) hours and double time for the next four (4) hours each day. Therefore forty (40) hours pay will be received for twenty-four (24) hours worked.

Part 4 – Overtime Opportunities

Employees working on a weekend crew will not be offered hours outside of their regular shift schedule until all other employees in the respective department have been offered overtime as per the collective agreement. When overtime is offered outside their weekend shift, time and one half will be paid for each hour worked except designated plant holidays.

Part 5 – Job Allocation

The Company will post a notice indicating that a weekend crew will be implemented. The notice shall remain on the bulletin board for seventy-two (72) hours. Employees wishing to participate on the crew will complete a posting form and submit it to the H/R department for approval. If more than the needed number of employees apply, seniority will prevail (skilled trades seniority will prevail for skilled trades positions). Any subsequent vacancies in the weekend crew will be filled in the same manner. Bidding on a weekend crew does not count as a bid restriction.

Part 6 – Pension and Vacation Credits

It is mutually agreed that an employee on a weekend crew will be given forty (40) hours of credits for pension and vacation purposes for each week on such a crew.

Part 7 – Plant Holidays and Vacation

Employees on a weekend crew will be paid for all statutory holidays outlined in the collective agreement, provided they qualify for such pay. Time off will not be granted for statutory holidays that are not celebrated on a weekend. When a weekend is not worked as a result of a plant holiday, each day missed will be paid at twenty (20) hours and the weekend is equivalent to five (5) days pay.

An employee who wishes to schedule vacation time will be charged forty (40) hours of vacation time for each weekend that is taken off work. If an employee books one day of a weekend he/she will be charged twenty (20) hours of vacation.

Part 8 – Probationary Period

If an employee on a weekend crew is probationary, each weekend worked will count as five (5) days of his/her probationary period. If an employee only works one (1) day – Saturday, he/she will be given two (2) days of credit towards his/her probationary period. If an employee only works one (1) day – Sunday, he/she will be given three (3) days of credit towards his/her probationary period.

Part 9 – Accident and Sickness Benefits

If an employee on a weekend crew goes off work and is accepted for coverage under the A&S plan, for each weekend of work missed, the employees shall be entitled to one (1) week of A&S coverage.

Part 10 – Misc.

P.E.L. will be paid at the rate of forty (40) hours per weekend worked.

Jury Duty and Bereavement Leave will be paid at the rate for Saturday and Sunday under this agreement for all hours lost as a result, to a maximum of forty (40) hours per week.

Other Issues

The Union and the Company recognize that situations may arise in the application of the weekend work crew schedule that will require ongoing resolution. The parties agree to work in a positive manner in addressing any problems that may arise. The Company agrees to involve the Union Committee on an ongoing basis in the development and application of this schedule.

LETTER OF UNDERSTANDING #34

November 3, 2004

Jamie Jacques
Bargaining Chairperson
CAW Local 27

Preferential Hiring

Dear Jamie:

During our 2004 negotiations, the company and the union discussed future hiring requirements for the St. Marys Plant. The company committed during the life of this agreement and following the exhaustion of the recall list that people, who were employed with the St. Marys plant, and were laid off and subsequently lost their recall rights will be considered for rehire prior to other people being considered.

Sincerely,

Chris Speece
Plant Manager

** LETTER OF UNDERSTANDING
** LEAD HAND SELECTION

LETTER OF UNDERSTANDING #35

October 29, 2004

Jamie Jacques
Bargaining Chairperson
CAW Local 27

Lead Hand Selection

Dear Jamie:

During our 2004 negotiation the parties discussed the process of selecting lead hands.

The company has agreed that when lead hands are required to be appointed that a notice will be posted asking for people who may be interested to submit their names. The Focus Factory Manager or Area Manager along with the supervisor will conduct interviews based on a predetermined criteria for the position. Seniority will be a consideration in the selection of the appropriate candidate.

Sincerely,

Chris Speece
Plant Manager

** LETTER OF UNDERSTANDING
SHIFT ROTATION, PRODUCTION
DEPARTMENTS

LETTER OF UNDERSTANDING #36

November 3, 2004

Jamie Jacques
Bargaining Chairperson
CAW Local 27

Shift Rotation, Production Departments

Dear Jamie:

During the 2004 negotiations, the parties discussed the rotation schedule when three shifts are required in a production department. The parties discussed the potential negative effects that a three shift rotation has on the family life and health of our people and the productivity of our plant. The company agreed with the union's proposal to allow the people to hold a vote on the rotation. The vote would be a choice between the present three shift rotation and a rotation that would include days and afternoons rotation and a steady midnight shift.

The parties agreed at the discretion of the union that a vote may be held between December 1, 2004 and January 31, 2005 to determine the shift rotation. Should a new rotation be implemented it would be in force by April 1, 2005.

The parties would devise a voluntary system that would allow opportunities for people to change from midnight shift to the rotation every 6 months providing there is another employee willing to also change. Seniority will be used to determine the order of change but seniority cannot be used to displace another worker in the department.

The parties also agree to meet and make the required adjustments to clauses 9.02 and letter of understanding Paid Lunch and Shift Rotation #10 page 21 to reflect the shift change schedule and the method of populating the steady midnights shift based on volunteers and seniority.

Sincerely,

Chris Speece
Plant Manager

**** LETTER OF UNDERSTANDING
RESPONDING TO HEAT STRESS
ISSUES**

LETTER OF UNDERSTANDING #37

November 4, 2004

Jamie Jacques
Bargaining Chairperson
CAW Local 27

Responding to Heat Stress Issues

Dear Jamie:

During the 2004 negotiations, the parties discussed in great detail the issues surrounding our heat stress policy, the safety of our people, productivity of the plant, supply of product to our customer and the need for a common, collective and standard response to this situation.

The company has committed to a number of initiatives that will assist in controlling the environment in the plant. The company will insure that all make-up, exhaust and HVAC systems are adjusted, repaired, cleaned and provide maximum air exchanges in the plant. Before March 1, 2005, the company will arrange for a full review of Personal Protective Equipment designed to assist in providing a cooling assist such as cooling vests, head and neck coolers for those workers in the appropriate jobs and also investigate the potentials of spot coolers, portable spot coolers, fans and other air movement devices. In addition, the company, along with the Joint Health and Safety Committee will set a process in place that will set trigger points for specific action to be taken. The specific action to be taken will be initiated by direction of the Health and Safety Manager, or his designate.

Further, the company will undertake additional education directives for our supervisors and people that will be focused on the understanding of the signs of heat stress.

Both the Company and the Union understand that every effort must be made to protect our people and our customer and are committed to these initiatives that keeps our plant in operation while finding solutions that allow our plant to be a world class productive facility.

Sincerely,

Chris Speece

Plant Manager

** LETTER OF UNDERSTANDING
HYDROFORM, TUBE BENDING

LETTER OF UNDERSTANDING #38

Hydroforming Press and Tube Bending

October 13, 2004

Jamie Jacques
Bargaining Chairperson
CAW Local 27

Dear Jamie:

During our 2004 negotiations the parties discussed the use of the Hydroforming Press and Tube bending operations for Research and Development purposes. It is the intent of the company to use these operations for development purposes for potential new business opportunities.

As a result, from time to time the company will require a production tech to handle the parts, work with the assigned engineers and to assist in machine operations. The company will choose available employees from those who have previous experience operating this equipment. Should this become a full time position for the production of saleable parts the job will be filled as per the collective agreement.

If the company is successful in obtaining new business for the St. Marys plant and once the processes are determined and manpower and jobs are set, the company will sit with the union and discuss manpower levels and needs, consider the need for job specifics and the safety and production training required for a successful launch.

Sincerely,

Chris Speece
Plant Manager

** LETTER OF UNDERSTANDING
COOLING OFF PERIOD

LETTER OF UNDERSTANDING #39

October 1, 2004

Jamie Jacques
Bargaining Chairperson
CAW Local 27

Cooling Off Period

Dear Jamie:

During our 2004 negotiations the union expressed concern regarding an employee who may quit in a hasty manner and later regret the decision.

The company agreed that in the event that an employee, quits in haste or under duress, without a letter of resignation, there shall be a 48 hour cooling off period before the release will be processed. This does not preclude the company from enacting disciplinary procedures. Should the employee rescind the quit a meeting must be held with the Human Resource Manager, a committee person and the employee before the return to work.

The cooling off period will not be allowed more than once for any employee.

Sincerely,

Don Millard
Human Resource Manager

** LETTER OF UNDERSTANDING
ANTI HARASSMENT TRAINING

LETTER OF UNDERSTANDING #40

October 28, 2004

Jamie Jacques
Bargaining Chairperson
CAW Local 27

Anti Harassment Training

Dear Jamie:

Both Dana Corporation and CAW Local 27 have a genuine mutual interest in creating a “Civil and Respectful Environment” for our people to work in. In a joint effort to create that environment the company has committed to train one member of Local 27 and one member of management in an Anti-harassment Training Program provided by the union. The company has committed to pay the wages while attending the training session as well as the cost of the trainer. These trainers will then jointly be responsible for delivering training to all employees of the plant.

The company has further committed that each active employee will receive a 3 hour and 30 minute training session, presented by the in house trainers during the first 24 months of the collective agreement. In the third year of the agreement an additional 1 hour follow-up training session will also be provided.

The parties believe that a workplace that allows all employees to feel respected and able to equally contribute will make our organizations stronger, more productive and more competitive.

Sincerely,

Chris Speece
Plant Manager

** LETTER OF UNDERSTANDING
WOMAN'S ADVOCATE

LETTER OF UNDERSTANDING #41

November 9, 2004

Jamie Jacques
Bargaining Chairperson
CAW Local 27

Women's Advocate

Dear Jamie:

During the 2004 negotiations, the parties discussed some of the special issues that face women in the workplace. The parties recognize and share the concern that women uniquely face situations of violence or abuse in their personal lives that may affect their attendance or performance at work. The parties agree that when there is adequate verification from a recognized professional (i.e.: doctor, lawyer, professional counselor) a woman who is in an abusive or violent personal or domestic relationship will not be subjected to discipline without giving full consideration to the facts in the case of each individual and the circumstances surrounding the incident otherwise supportive of discipline. This statement of intent is subject to a standard of good faith on the part of the Company, the Union, and the effected employees to subvert the application of otherwise appropriate disciplinary measures.

The Company agrees to recognize a women's advocate appointed by the union.

The role of the advocate is to:

- Take part in the investigation of harassment issues and be a member of the Joint Anti-harassment committee.
- To take part in collective bargaining for the issues relating to the women's advocate.
- To identify and make recommendations to the employer in regard to barriers which may have an adverse affect on female employees

The women's advocate will participate in the annual five day training program sponsored by the CAW-Canada at no cost to the company.

Yours truly,

Chris Speece
Plant Manager

**** LETTER OF UNDERSTANDING
EMPLOYEE ABSENTEEISM**

LETTER OF UNDERSTANDING #42

November 8, 2004

Jamie Jacques
Bargaining Chairperson
CAW Local 27

Employee Absenteeism

Dear Jamie:

Both the Company and the Union are aware of the serious concerns created by excessive levels of absenteeism in our facility. We held lengthy discussions on the issues and agreed that it presents a threat to the productivity of our plant, and the long term security of our people.

During the discussions, the union expressed that many factors may contribute to the high absenteeism we have experienced. Many of our people are new to the auto parts business and perhaps lack the understanding of the company and union's commitment to supplying our customer's products on schedule.

The union agreed to assist in addressing this issue by sharing with the members of Local 27 these concerns, the effects it has on the lives of our people, the major problems it creates for the company and the focus that a successful auto parts business must have.

Both parties agreed that a strong effort is required by both the Company and the Union to inform those in the St. Marys facility of the effects that absenteeism has on the plant. The union has committed to stress to all employees the need for the elimination of unnecessary and unplanned absences and stress the responsibility for good employee attendance and making a constructive contribution to the overall employee-union-management relationships.

The Company and the Union are committed to working towards making the St. Marys plant a competitive, productive and secure place of employment for all of our people.

Sincerely,

Chris Speece
Plant Manager

LETTER OF UNDERSTANDING #43

November 3, 2004

Jamie Jacques
Bargaining Chairperson
CAW Local 27

Selection of Customer Liaisons

Dear Jamie:

During our 2004 negotiations, the parties discussed the process of selecting liaisons that visit customer plants.

The parties agree that a selection process must reflect the professionalism needed to represent our facility at our customer's workplace. The company will set a predetermined criteria for selecting employees for the Liaison Positions that will also recognize years of service as part of the selection process.

The company will post a notice in the department where a liaison is required. The company will conduct interviews to select the liaisons. This process will be done on an annual basis.

Sincerely,

Chris Speece
Plant Manager

** LETTER OF UNDERSTANDING
RETURN TO WORK

LETTER OF UNDERSTANDING #44

Jamie Jacques
Bargaining Chairperson
CAW Local 27

During our 2004 negotiations we discussed and reaffirmed our intentions in regard to a comprehensive Return to Work Program.

If an employee is not able for medical reasons to perform their regular duties, the Company will make every reasonable effort to assign them temporary duties appropriate to their medical needs. It is understood that accommodation may not always be available and a physician's statement outlining the nature, extent and expected duration of their medical restrictions, may be required.

The Company commits that each case will be assessed on its own merits through the development of a Return to Work Program. A RTW Committee will comprise equal numbers of representatives from the Union and the Company, total number of members not to exceed four (4), including the Committee Chairperson who will be appointed by the Company.

Return to Work Policy

Statement of Philosophy

It is Dana Canada Corporation's goal to provide and maintain long-term, healthy and productive employment for all employees. Keeping the work environment in people's lives provides a sense of worth and earning power while giving emotional and financial stability to them.

We, at Dana Canada Corporation, will apply the principles of the back-to-work program to all who experience an occupational or non-occupational injury or illness.

Our primary focus is to return the injured employee to his or her own job. Reasonable changes, needed to overcome any physical restrictions for their own job, will be dealt with as quickly as possible. If physical restrictions prevent the employee from returning to his or her regular job, then every effort will be made to accommodate the employee's return to work through temporary light duty, modified duty, temporary accommodation or work hardening.

The foregoing is in no way to be interpreted as a reduction of the employee's rights under the Collective Agreement or any applicable Legislation of the Province of Ontario, e.g. WSIB or Human Rights Code. The Company and the Union agree to discuss any contractual problems associated with the placement of the injured employee.

A successful program, designed to protect our jobs, requires only a spirit of cooperation from all employees.

Goal

To return an injured employee to his or her own regular job as soon as possible.

Yours truly,

Chris Speece
Plant Manager

** LETTER OF UNDERSTANDING
OPPORTUNITIES FOR NEW
BUSINESS

LETTER OF UNDERSTANDING #45

November 9, 2004

Jamie Jacques
Bargaining Chairperson
CAW Local 27

Opportunities for New Business

Dear Jamie:

The parties spoke at length during our 2004 negotiations about the future of the St. Marys Plant and opportunities for new business. During the summer of 2005 the plant will lose the U 137 line when the product line comes to an end. That will provide space and potential for a new product to be introduced to the St. Marys Plant. Our present major product line is projected to run into 2008. As we discussed the Structures Market in North America is very competitive, with our customers demanding and often receiving lower and lower pricing. Dana continues to compete for business opportunities. The success in quoting for new business depends on many factors such as location, labour costs, expertise and knowledge, productivity and especially for St. Marys the exchange rate of the Canadian dollar.

During the life of this agreement Dana will be quoting on new business opportunities. The union has expressed a desire to be kept informed of these efforts and have agreed to meet in private and confidential talks with the company, if required to discuss these efforts. These discussions may include agenda items of productivity, contract extensions, wage and fringe costs, and training. While the parties have no specific agreement in this area the purpose of the talks is to allow the St. Marys plant to be as competitive in the bid process as possible and to allow the people of St. Marys to participate in determining their future.

Of course, the company understands that any issues discussed in these meetings would be subject to the collective agreement and ratification by the members of CAW Local 27.

Sincerely,

Chris Speece
Plant Manager