COLLECTIVE AGREEMENT

BETWEEN

MacDonald, Dettwiler and Associates Inc.

AND

SPATEA

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OCTOBER 26, 2009 - DECEMBER 31, 2012

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COLLECTIVE A GREEMENT BETWEEN

MacDonald, Dettwiler and Associates Inc., hereinafter referred to as the "Company" or "MDA",

AND

SPATEA hereinafter referred to as the "Association".

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OCTOBER 26, 2009 - December 31, 2012

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1.0 PURPOSE

This Collective Agreement contains provisions governing the terms and conditions of employment for employees in the bargaining unit represented by the Association. It also contains the rights, privileges, and duties of the Company, the Association and the employees represented by the Association.

The objectives of this Agreement are:

- to establish, maintain and enhance mutually satisfactory relations between the Company and the Professional and Allied Technical employees represented by the Association
- to establish and maintain satisfactory working conditions
- to establish and maintainfair and equitable terms and conditions of employment
- to provide for career opportunities and development
- to maintain effective collective bargaining relations
- to provide for the prompt and fair disposition of grievances, as described in this Agreement.

2.0 RECOGNITION AND SCOPE

It is understood that the Company employs personnel that are not part of the bargaining unit represented by the Association. To that end, for the purposes of this Agreement, the term Employee(s) shall mean Company Employees in the bargaining unit represented by the Association.

The Company recognizes that the Association is the sole and exclusive collective bargaining agent for all Employees of the Company employed as professional engineers, Members Technical Staff, engineers-in-training, scientists and allied technical Employees in:

- (a) the City of Toronto
- (b) at 9445 Airport Road, Brampton
- on work parties outside these facilities
- (d) on long term assignment

save and except employees reporting directly to Vice-presidents, or are Supervisors, Foremen, Managers, and Assistant Program Managers, and those above the rank of Supervisor, Foreman, Manager and Assistant Program Manager, persons covered by the collective agreements between MDA and Canadian Auto Workers (C.A.W.) Locals 673 and 112 and persons regularly employed for not more than twenty-four (24) hours per week and students employed during the school or university vacation or on work term assignment.

In view of the foregoing, the parties agree that all employees employed in the following classifications or occupations shall be excluded from the Bargaining Unit:

Auditors

Budget Administrators

Budget and Forecasting Analysts

Cashiers

Confidential Payroll Clerks

Confidential Systems and Procedures Analysts

Contract Administrators

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Financial Analysts
Forecast and Performance Analysts
Legal Advisors
Management Trainees
Human Resources Staff including Health Centre
Pricing Analysts
Public Relations
Secretaries
Security and Plant Protection Personnel
Sub Contract Administrator

3.0 MANAGEMENT RIGHTS

Subject only to the express provisions of Except as otherwise expressly provided in this Agreement, the Association agrees that the Company has the exclusive right to manage its operation including the right to plan, organize and staff for its operations, and to direct and control the required resources, and to make such reasonable rules and regulations as it considers necessary for the orderly and efficient conduct of its business. The Association recognizes that it is a function of the Company to hire, determine work assignments and methods, appraise performance, promote or transfer any Employee, and to discipline, demote or terminate the employment of any Employee for any justifiable reason, subject to the provisions of this Agreement and the Ontario Human Rights Code.

4.0 NO STRIKE OR LOCKOUT

During the term of this Agreement, the Association agrees that there shall be no strikes, walkouts, work stoppages, slowdowns or similar work interruptions.

During the term of this Agreement, the Company agrees that there shall be no lockouts.

5.0 TRANSFER OF OPERATIONS

Should the Company, during the life of this Agreement, transfer its operations, in whole or in part, from its existing Brampton location, the Company will provide as much advance notice as possible to the Association President of the intents and plans to transfer, but in no event less than thirty (30) days of these plans having become definite. In addition, every effort will be made to provide equivalent employment opportunities for Employees involved in the transfer.

This Collective Agreement shall be extended to any new location within the boundaries of Brampton or the City of Toronto, if at any time the Employees transferred form a majority of Employees at the new location, and if there is no Collective Agreement at the new location covering such Employees as are covered by Article 2.0 of this Agreement.

In the event the transfer is outside the boundaries of the City of Brampton and the City of Toronto, the terms of this Agreement shall continue to be applicable to the transferred Employees for a period of three (3) months, provided there is no Collective Agreement at the new location covering such Employees as are covered by Article 2.0 of this Agreement. If there is a Collective Agreement at the new location covering such Employees, the transferred Employees shall be covered by the Collective Agreement at their new location.

6.0 INTRODUCTIONS

New Employees, Employees returning to the bargaining unit, or Employees transferring from another Group in the Company shall, within their first week of work, be introduced by their supervisor to the Employee's Area Representative. Any ensuing conversation shall only be for a reasonable period of time without loss of pay. During the introduction, the Area Representative may provide relevant Association literature to the new Employee.

7.0 ACCESS TO FILES

An Employee shall have the right to see, upon request, the contents of both the Company's Human Resources file and the Company's medical file pertaining to the Employee.

The Employee, upon request, will be provided with one copy of any document in the files. Material related to disciplinary action will be removed from the Employee's Human Resources file two (2) years after the action following the date of the disciplinary action.

8.0 COLLECTIVE AGREEMENT

Each Employee shall receive a copy of this Collective Agreement with the then current salary scales from the Company. A copy will also be included with offers of employment to prospective Employees. A copy will also be posted on the company Intranet. The Company will also provide the Association with a soft editable copy of the collective agreement.

For the printing of this Agreement, the parties of this Agreement shall equally share the cost subject to mutual agreement on the total cost and quantity, and subject to a maximum of five hundred (500) dollars as the Association's share

9.0 DUES DEDUCTIONS

The parties agree to the following provisions covering Employees. :

- (a) The Company will deduct from the bi-weekly salary of each Employee the amount of Association dues.
- (b) From time to time, the Association's President will advise the Company in writing of any change in the amount of Association dues.
- (c) The Company will remit such deducted dues to the Association's Treasurer within ten (10) working days after the date of deduction.
- (d) The Company shall provide the Association's Treasurer with a list which indicates each contributing Employee's name, Employee number, date of hire, department number and total amount of dues deducted for the current pay period. The company shall provide an electronic copy of these lists on each pay period.
- (e) This Article shall not apply in the event and for the duration of any strike, walkout, lockout, slowdown, work stoppage or similar work interruption.

10.0 DISCRIMINATION, INTIMIDATION AND COERCION

The Company and the Association agree that there shall be no discrimination, coercion or intimidation in the workplace including interference or restraint by or on behalf of the Company or by or on behalf of the Association with respect to an Employee because of membership or non-membership in the Association, or participation or non-participation in lawful Association activities. It is recognized by both parties that disciplinary action per Article 19.6 is not discrimination, intimidation or coercion.

The parties agree that every Employee has the right to equal treatment without discrimination in accordance with the Ontario Human Rights Code or for reasons of political affiliation.

11.0 HEALTH AND SAFETY

The Company agrees to maintain adequate sanitary, safety and health conditions throughout its buildings and will provide protective clothing and safety equipment where necessary. No Employee will be disciplined for refusal to use any equipment which is not in safe operating order.

The Employees have a responsibility to carry out their work in a manner which is safe to themselves and fellow Employees, consistent with the Ontario Occupational Health and Safety Act.

The Company agrees to continue its present practice of having the Company doctor refer Employees with a personal problem that is impacting their work to an appropriate agency **on** a voluntary basis.

12.0 EYE PROTECTION

All Employees must wear Company-approved eye protection in areas as designated by the Company.

If an Employee should require prescription safety glasses in order to carry out his/her normal duties in the workplace, the Company will reimburse the cost of such prescription safety glasses every two years as follows:

- (a) approved safety frames to a maximum of one hundred and thirty dollars (\$130)
- (b) shatter proof lenses to a maximum of two hundred dollars (\$200.00).

Lenses and frames must be obtained from a safety optical company. Receipts will be required for all purchases.

Should the prescription safety lenses become worn or be accidentally broken during normal duties in the plant, the Company will bear the cost of repair or replacement Provided the cost of the replacement pair of safety glasses does not cost more than the caps provided above. The Company will contribute forty (40) dollars to the cost of replacement of prescription safety lenses owing to vision deterioration.

It shall be the responsibility of the Employee to take care of his or her safety glasses.

13.0 EMPLOYEES WITH DISABILITIES

Should an Employee become incapable of performing regular duties due to injury, disease or illness, the Company will continue its practice of attempting to place the Employee in other suitable work the Employee can perform if an opening exists.

The Company will allow handicapped Employees the opportunity of modified working hours where justified, to be determined by the Director, Human Resources or the Director's designee.

Notwithstanding anything else contained in this Agreement, where the handicapped Employee is certified by a doctor to be unable to work full time for an extended period, the Company may elect to pay such Employee for the actual time worked, at the Employee's basic hourly rate.

The parties recognize their respective responsibilities regarding handicapped Employees as outlined in the Ontario Human Rights Code.

14.0 MANAGERIAL LIST

The Company will supply the President of the Association with a list of Supervisors, Managers and Directors and any other Employees who have supervisory authority over members of the Association together with the name and title of their immediate supervisor.

The list will be supplied during the first regular work week of March, June, September and December.

The Company will supply the President of the Association with the MDA line and program organization charts down to the Employee level at the time they are issued.

15.0 BARGAINING UNIT LIST

The Company shall provide the President of the Association, or designee, electronic lists of all Employees within the first regular work week of April, August and December. One list will indicate name, classification, and service date and department number of each Employee and will identify term Employees and those on Long Term Disability. A second list will indicate name and current address of each Employee.

The Company will provide copies of the Company forms covering the employment, movement or release of persons covered by this Agreement specifying name, classification, service date, department number and release or transfer date, normally within 10 working days of notification to the Company of any change outlined above.

16.0 ASSOCIATION LITERATURE

The Company will provide space on Bulletin Boards at agreed locations throughout the Company's premises for the convenience of the Association in posting information related to the Association and its activities. All such notices must be signed by the President or Secretary of

the Association or their designee and submitted to the Director, Human Resources or his/her authorized representative for expeditious approval before being posted. The approval will not be unreasonably withheld.

In the event that the Company refuses to post an Association notice, the Company will advise the Association of the reasons for the refusal. If requested by the Association, the Company will discuss these reasons with the Association in an effort to reach mutual agreement to post. If, after discussion, approval to post is still withheld, the Company will provide its reasons to the Association in writing.

The Association will indicate post and remove dates on the notice which will not exceed a maximum of ten (10) working days without the agreement of the Director, Human Resources or his/her authorized representative.

The Association may distribute Association literature at the outside exits of the premises at quitting time. Refer to Article 30.1, Regular Work/Week day herein for quitting time.

Provision is made for the installation of a distribution box, size and type to be approved by the Company, at the outside exits of the premises. The Association shall ensure that information is removed from these boxes at least every five (5) days.

The Association shall have access to the Company's electronic mail system to give notice of Association business. All such notices must be submitted by the President of the Association or designee to the Director, Human Resources or his/her authorized representative for approval before being posted on the Company's electronic mail system.

17.0 ASSOCIATION REPRESENTATION

17.1 General Purpose Committee

The Company and the Association recognize that matters other than those subject to the Grievance Procedure or under the aegis of the Bargaining Committee will arise.

The Company acknowledges the right of the Association to select from its membership a General Purpose Committee of three (3) members, one (1) of whom shall be designated as the Chairman. In the event that the Chairman or a member of the General Purpose Committee is unavailable, another Employee may be selected.

The General Purpose Committee shall be involved in discussion of matters of interest to Employees covered by this Agreement.

17.2 Bargaining Committee

The Company acknowledges and agrees to the right of the Association to select from its membership a Bargaining Committee of five (5) members, one of whom shall be designated as the Chairperson. In the event that the Chairperson or a member of the Bargaining Committee is unavailable, another Employee may be selected from the Association membership as an

alternate. The Company may allow the attendance of another member of the Association at a meeting of the Bargaining Committee with the Company where the Association member can contribute to the discussion of a specific item because of particular knowledge or skill in that area.

The Company shall recognize and bargain with the Bargaining Committee on any matter requiring negotiation and mutual agreement of the parties, including negotiations for the renewal of the Collective Agreement. These discussions shall not include activities which are the responsibility of the Grievance Committee and the General Purpose Committee.

The Association may have consultants who are not Employees of the Company attend meetings of the Bargaining Committee with the Company, provided that the Company is advised of such attendance in sufficient time to arrange suitable venue.

17.3 Grievance Committee

The Company acknowledges and agrees to the right of the Association to form a Grievance Committee composed of the Chairperson who shall be selected from the Association Executive, the applicable Area Representatives, and one (1) member selected from the Association membership.

The sole function of the Grievance Committee is to participate at Step 2 of the Grievance Procedure as described in Article 19.0 herein and participation in arbitration, as required.

In the event the Chairman is unavailable for a Grievance Committee function, the Chairman may be replaced by an alternate selected by the Association from the Association Executive.

17.4 Staff Development Committee

The Company acknowledges and agrees to the right of the Association to select from its membership a Staff Development Committee of three (3) members, one of whom shall be designated as the Chairman. The functions of the Committee are to meet with the Company to discuss and advise on the administration of Article 22 hereof and on training programs.

17.5 Area Representatives

The Company acknowledges the right of the Association to select Area Representatives from its membership.

The Association has the right to select at least one (1) Area Representative in each location covered in Article 2.0 - Scope and Recognition. The Association may appoint one (1) Area Representative for every fifty (50) Employees or a portion thereof in any location. The Association and the Company may mutually agree to adjust the number of Area Representatives based on geographic and/or work-related factors.

The Association may appoint an alternate to act in the event of absence of an Area Representative.

The Area Representatives or their alternates shall be members of the Grievance Committee. The Area Representatives or their alternates shall assist in complaint discussions as required and process grievances as described in the Grievance Procedure.

17.6 Safety Representative

The Company will recognize an Employee as a Safety representative at 9445 Airport Rd. who may attend the meetings of the Joint Health and Safety Committee and may discuss concerns which may affect the safety of Employees, with either the respective supervisor, or the Company's Safety Officer. The Company will also recognize an identified alternate if the Safety representative is off-site and/or unavailable. Where the Company and the Association agree, a Safety representative shall be appointed for work outside of 9445 Airport Rd.

17.7 Company-Association Meetings

The necessity for a meeting will be indicated by way of a written notice by either the Company or the respective Committee to the other party containing an agenda of the subjects for discussion. Where possible, the Company and the respective Committee shall meet within ten (10) working days of receipt of the notice by the other party.

Each party agrees to respond to any unresolved matters to the other party within fifteen (15) working days following the meeting. Such time limits may be extended by mutual agreement.

17.8 Notification to Company

The Association will verbally inform the Company of the names of the members of the Bargaining Committee, the Grievance Committee, the General Purpose Committee, the Staff Development Committee, the Safety Representatives, the Area Representatives, and their alternate within one (1) working day of their selection, and will indicate who is to be recognized as the Chairman of each committee. The Company will recognize members of these committees upon verbal advice to the Director, Human Resources or his/her designee provided written notice by the Association is received within ten (10) working days.

18.0 ASSOCIATION BUSINESS

18.1 Area Representatives and members of the Grievance Committee shall be compensated for time spent during working hours in order to attend to the processing of grievances. They will use only such time as is necessary during working hours for this purpose.

Before leaving his/her regular Company duties to investigate or process a grievance or to attend a Grievance Committee meeting, permission from his/her immediate supervisor must be obtained, wherever practicable, with an indication of the length of time anticipated to transact the Association business. Such permission will not be unreasonably withheld. Such time must be booked on time cards as "Association Business With Pay".

18.2 The Association Executive, members of the General Purpose Committee, the Staff Development Committee and the Bargaining Committee shall be compensated for the time spent on meetings with the Company during regular working hours. Time off from work for negotiations meetings with the Company for renewal of the Collective Agreement shall be granted commencing at 9:00 am or such other time as agreed between the parties. The Bargaining Committee shall only be compensated for time spent on such

meetings during regular working hours held within sixty (60) days of the first negotiation meeting provided there has not been a strike or lockout during those sixty (60) days.

- 18.3 Permission for a Leave of Absence without pay may be granted by the Company; to an Employee(s) designated by the Association for other Association related activities. Provided that the Employee(s) can be released from his/her assignment, such permission shall not be unreasonably withheld.
- **18.4** No one shall conduct Association activities on Company premises during working hours except as permitted in this Agreement.

19.0 GRIEVANCE PROCEDURE

All grievances arising between the parties shall be dealt with as promptly and effectively as possible. Grievances shall define the circumstances in which the alleged violation occurred. Necessary information pertinent to the resolution of grievances shall be supplied by the Employee or the Area Representative and discussed. A positive effort shall be made for a settlement by the parties at all stages of the Grievance Procedure.

The parties will not be under any obligation whatsoever to consider or process any grievance which arose out of any action or conditions exceeding a reasonable period of time after the date the subject of such a grievance became known or should have become known to the griever. In no event will the above period of time exceed twenty-five (25) working days, nor the Company's financial liability exceed twenty-five (25) working days prior to the date that the grievance was first drawn to the attention of the Company.

The Company will produce such pertinent production, payroll, attendance records, disciplinary notices and each party shall supply information pertaining to the Employee(s) involved as may be necessary to the settlement of a grievance at each stage of the Grievance Procedure. During the Grievance Procedure, the parties shall have reasonable access to the office facilities to view the disputed operations or confer with necessary persons.

Except for the time limit provided above, at any stage of the Grievance Procedure, including arbitration, the time limits specified may be extended by mutual agreement. Such agreement shall not be unreasonably withheld.

Any grievance submitted by a party that is not processed by the other party within the time limits provided above shall be considered settled according to the remedy requested in the grievance. Such grievance, if not processed by the griever within the time limits shall be conceded to the other party. Any grievance settled under this provision will be without precedent or prejudice to any similar grievance.

19.1 Definitions

(a) Grievance

A complaint concerning the interpretation, application, administration or alleged violation of the provisions of this Agreement; or

a complaint that a disciplinary action other than discharge is without just cause; or

a complaint that the discharge of an Employee who has completed his probationary period is without just cause. For clarity, a discharge with or without just cause does not include lay-offs.

(b) Employee Grievance

A grievance concerning one (1) Employee only, or a grievance concerning more than one (1) Employee with the same complaint and under the jurisdiction of the same supervisor.

In the latter case, each Employee does not have to submit an individual grievance. However, each grieving Employee is required to sign the grievance.

(c) Group Grievance

A grievance concerning more than one Employee with the same complaint and under the jurisdiction of different supervisors.

In this case, each Employee must sign the grievance.

Should more than one Employee under the jurisdiction of the same supervisor have the same complaint, this will be considered an Employee grievance.

(d) Discharge Grievance

A grievance which claims that an Employee who has completed the probationary period has been unjustly discharged. Notwithstanding anything else contained in this Agreement, such grievance shall be filed at Step 2 of the Grievance Procedure within ten (10) working days following the claimed violation. Failing resolution, arbitration may then be invoked by either party.

(e) Policy Grievance

A grievance which could not otherwise be resolved at lower steps of the Grievance Procedure because of the nature or scope of the subject matter of the grievance.

19.2 Complaint Stage

An Employee(s) having a complaint, whether or not within the jurisdiction of the immediate supervisor, shall first discuss the complaint with his/her supervisor/manager. It is mandatory that the parties concerned fully discuss the complaint. The Employee may have the Employee's Area Representative or an alternate Area Representative in attendance if the Employee so desires.

The supervisor shall reply to the Employee no later than the fifth (5th) working day following the day on which the complaint was discussed.

19.3 Step 1

If the decision of the supervisor at the complaint stage is not satisfactory to the Employee, the grievance shall be reduced to writing on the prescribed form (where is the form?) and presented to the Employee's Area Representative or an alternate Area Representative. The Area Representative or alternate Area Representative will present same to the Employee's supervisor within five (5) working days of the supervisor's response to the complaint stage.

A meeting of the supervisor, the Employee and the Area Representative or an alternate Area Representative shall be convened within five (5) working days of the presentation of the written grievance to the supervisor.

The grievance shall be fully discussed and an answer given in writing to the Area Representative, an alternate Area Representative or the Employee by the supervisor within five (5) working days from the date of the meeting.

19.4 Step 2

If the decision of the supervisor is not satisfactory to the Employee, the grievance shall be submitted by the Employee in writing to the Area Representative or an alternate Area Representative who shall submit it to the Director, Human Resources or the Director's designee within five (5) working days following receipt of the written decision of the Supervisor at Step 1. An Employee on a work assignment at the time the written decision is given shall have ten (10) working days to accomplish the above purpose. The written grievance shall be on a prescribed form and must contain the nature of the complaint, the relief sought and all pertinent facts. The Company reserves the right to return any grievance to the Employee that does not contain complete information on the aggrieved situation.

The grievance shall be fully discussed at a meeting to be held within ten (10) working days after receipt of the grievance by the Company's Director, Human Resources or his designee from the Area Representative or an alternate Area Representative. At the meeting will be the Director, Human Resources or the Director's designee, the Employee or a representative of the Employees in case of a Group or Policy Grievance, and three (3) members of the Grievance Committee, one (1) of whom shall be the Chairman and one (1) of whom shall be the Area Representative or an alternate Area Representative of the Employee(s).

If the grievance cannot be resolved in discussion, the Company will provide the Chairman of the Grievance Committee with its written decision within five (5) working days of the Step 2 meeting.

19.5 Step Elimination

It is agreed that certain types of grievances cannot be resolved at either the complaint stage or at Step 1. These types of grievances include:

- (a) Policy Grievance
- (b) Group Grievance
- (c) Discharge Grievance
- (d) Any other grievance that is mutually agreed upon

The above grievances may, therefore, be filed at Step 2 of the Grievance Procedure.

19.6 Disciplinary Action or Discharge

Wherever practicable, a discussion of the issue will occur between the supervisor and the Employee prior to disciplinary action being taken. Otherwise, at the Employee's request, a discussion will occur following the action having been taken.

At any meeting between the Company and an Employee involving disciplinary action or discharge, the Area Representative or an alternate Area Representative shall be present unless the Employee requests otherwise. The Area Representative or alternate Area Representative will have the right to advise but not to obstruct the proceedings. If requested, time will be made available following the meeting for the Employee to consult the Area Representative or alternate Area Representative.

In any case of discharge, the Employee shall be advised of the reason(s).

20.0 ARBITRATION

- 20.1 If arbitration is to be invoked, the request for arbitration must be made in writing within five (5) working days after delivery of the Company's decision following Step 2 of the Grievance Procedure. The party seeking arbitration shall contact the arbitrators identified in Article 20.7 for a list of available dates to hear the grievance. This list of dates along with the name of the corresponding arbitrator shall be supplied to the other party, and the arbitrator available on the earliest acceptable date for both parties shall hear the grievance. Where practical, the selection of date and arbitrator shall be made within fifteen (15) working days of the list being received by the non-requesting party.
- 20.2 No matter may be submitted to arbitration which has not been considered under Step 2 of the Grievance Procedure. The grievance form and the decisions written thereon or attached thereto shall be presented to the arbitrator and the arbitrator's decision shall be confined to deciding the issues set out therein.
- 20.3 During arbitration, each party may have access to Employee(s)/employee(s) concerned and any documents or witnesses as may be reasonably required by the party. All reasonable arrangements will be made to permit the conferring parties to have access to

the relevant Company facilities to view the disputed operations or confer with the necessary witnesses.

- 20.4 When the parties desire or the grievance is of such a nature that due to the accessibility of the operations and witnesses the arbitration hearings should be held on the premises of the Company, the parties may mutually agree to do so.
- 20.5 The following Employees shall be paid at their basic hourly rate for the time they are required to spend during regular working hours travelling to and from and in attendance at arbitration hearings:
 - (i) the Chairman of the Grievance Committee or delegate;
 - up to two (2) other members of the Grievance Committee; (ii) (iii)
 - the grievor: and
 - witness(es) required to be present for testimony. (iv)
- 20.6 Grievances submitted to arbitration shall have the following priority at arbitration:
 - (1) Discharge
 - (2)Policy
 - (3)Discipline
 - (4) Leave of Absence
 - (5) Others
- 20.7 It is agreed that disputes which are carried to the arbitration stag is shall be heard before a single arbitrator. The Company and the Association, having expressed confidence in the ability of the following persons, agree that they shall be called to arbitrate at their earliest availability.
 - H.D. Brown (a)
 - (b) M. Picher
 - (c) T. Jolliffe
 - M. Mitchnick (d)
 - G. Simmons (e)
 - O. Shime (f)
 - any other arbitrator mutually agreed (g)
- 20.8 The arbitrator shall not have jurisdiction to alter or change any of the provisions of this Agreement, or to substitute any new provisions in lieu thereof, nor to give any decision inconsistent with the terms and provisions of this Agreement. The arbitrator, however, in respect of a grievance involving a penalty, shall be entitled to modify such penalty to one which in the opinion of the arbitrator is just and equitable.
- 20.9 The parties agree that the decisions of the arbitrator shall be final and binding on both parties and affected Employees.
- 20.10 The arbitrator's expenses shall be borne in equal shares by the Company and the Association.

20.11 Where a grievance has been properly referred to arbitration under Section 49 of the Labour Relations Act, the parties agree to confer with a Grievance Settlement Officer appointed by the Minister of Labour to endeavour to reach a settlement of the matter prior to a hearing.

21.0 CAREER PLANNING

- **21.1** During the performance appraisal process outlined in Article 40.1 hereof, the respective managers will discuss and record each Employee's:
 - (a) immediate and long term career goals; and,
 - (b) potential work assignments and training opportunities for the following year that will assist the Employee to achieve the identified goals.

21.2 The manager will also:

- (a) describe, discuss and record the manager's view of potential career paths for the Employee; and
- (b) review and record the Employee's progress towards the goals identified in the preceding year, particularly with respect to developmental work assignments and/or training programs in that period.

Promotion opportunities are linked to two criteria:

- 1) The readiness of an Employee to function well at the next level, and
- the availability of positions within the Company at that level

The first criterion is determined during the annual performance appraisal process. An assessment of readiness, or degree of readiness, is relayed to the Employee at his/her annual review.

The second criterion is highly dependent upon business conditions and upon staff turnover. For instance, if a senior engineer leaves the company to pursue another opportunity, it stands to reason that a senior engineering position has opened up as a result. Of course, this assumes no change in the business conditions; in a growing business, the expanding volume of work leads to more opportunities while in a shrinking business environment, the opportunity for advancement is limited as there will be more qualified people than positions.

The timing of a promotion is also tied to the business conditions. When the company identifies an existing or upcoming position opportunity, which can occur at any time throughout the year, the company will consider internal candidates for advancement. When a promotion does occur, both the individual and the Association are informed of the change in status.

21.3 As appropriate, the manager may discuss the Employee's career plans at times other than during the performance appraisal.

- **21.4** Periodically, the company will provide information on plans likely to affect employee's career planning.
- 21.5 It is understood and agreed that where the interpretation, application or administration of this Article is the subject of a grievance, such grievance shall not be submitted to arbitration.

22.0 STAFF DEVELOPMENT

22.1 The objective of staff development is to provide opportunity for and promote the development of the Employee's technical, administrative and leadership skills.

The parties agree that with the introduction of new technologies, it is important that new skills and required training be anticipated. Each Employee and the Company have a common interest in keeping the Employee's capabilities up to date with current developments.

The Company shall, wherever practicable, take the opportunity to provide guidance to the Employee to increase the Employee's knowledge and skill in order to meet the requirements of changing technology, as it applies to the Company's business.

Employees shall, whenever practicable, take the opportunity to apply themselves to increase their knowledge and skill, so they will keep current in their field of endeavour, or may become qualified for working at a different technology, or become qualified for promotion.

Where an Employee, with the prior approval of the Company, registers in a course or seminar which the Employee attends while on vacation or an approved unpaid leave of absence, the Company will reimburse the Employee for the registration fee and the cost of course materials.

- **22.2** The Company will continue its present practice for Continuing Education, subject to the following conditions for reimbursement:
- (a) The course must be approved in advance of registration by the Employee's supervisor/manager
- (b) The maximum annual reimbursement per Employee per year:
- (c) Refund of tuition fees will be:
 - i) One hundred percent (100%) for a pass
 - ii) No refund for fail or withdrawal.
- (d) Self study and course materials will be eligible for reimbursement under Continuing Education. The maximum reimbursement for such will be limited and is subject to the maximum set out in paragraph (b) above. The request for reimbursement must be approved by Management in advance of purchase.

- 22.3 The Company and the Association recognize the desirability of maintaining the technical expertise of the Company's staff. To this end, participation in staff development programs related to the Company's business is to take place on the following basis:
- (a) A minimum number of work days to attend staff development activities based on the average number of employees in the bargaining unit in a year will be calculated by multiplying the average number of employees in the bargaining unit by two (2) days. Participation in mandatory "orientation" type programs; such as WHMIS, ITAR, ESD, will not necessarily preclude an employee from participating in training over and above the average two (2) days.
- (b) Approximately one third (1/3) of these days are to be utilized for conferences and seminars away from the Company premises. Attendance for the purpose of marketing activities is not to be included.
 - In attending these conferences and seminars, the Company shall bear the cost of expenses such as travel and living and registration, and pay the Employee at basic salary for regular work days only.
- (c) Approximately two thirds (2/3) of these days are to be applied to in-house technical courses which are conducted on the basis that fifty percent (50%) of the time on the course is spent during normal working hours and the other fifty percent (50%) is spent during the Employee's own time.
- (d) Participation in these activities will be distributed as equitably as possible.
- (e) The Staff Development Committee shall meet as required to advise and assist Management in the recommendation of the selection of the most appropriate activities and candidates to attend courses.
- 22.4 The Company and the Association recognize the importance of professional certification and licensing and membership. To this end, the Company will reimburse the cost of registration and examination in connection with obtaining the following professional license, certification and membership: Professional Engineers Ontario (PEO). Additional licenses may be considered at Management discretion. For subsequent years, the Company will cover 100% of the annual fee where required by the Company and 50% where desired by the employee. Certification, licensing and membership fees will be eligible for reimbursement under Continuing Education. The maximum reimbursement will be limited to seven hundred fifty dollars (\$750) per year and is subject to the maximum set out in paragraph 22.2 (b). The request for reimbursement must be approved by Management in advance of registration.

22.5 Record Keeping

The Company shall maintain updated records of the following concerning Employees covered by this Agreement:

a) Participation in Continuing Education as per 22.2:

Name of Employee, course taken, date, amount of reimbursement and total cost per Employee per calendar year.

b) Attendance at conferences and seminars away from Company premises:

Name of Employee, place, purpose, date, duration and cost.

c) Attendance at in-house courses including:

Name of Employee, place, description, date and duration.

d) Copies of the tuition reimbursement forms

The Staff Development Committee shall have the right to review such records in a joint meeting with the Company.

The Company shall provide an electronic copy of these records to the Association by January 31st of each year.

Tuition reimbursement form will contain a field for Management to explain the reason for the rejection of the request. Copies of the completed form will be given to the employee, next level of Management, Human Resources and the Association further to Article 22.5 (d) Record Keeping

23.0 POSITION COMPETITIONS

Wherever practicable, the Company shall advise all Employees by way of posted notices of openings for positions within the Bargaining Unit. A copy of each such notice shall be provided to the Association's President or designee at the time of posting. In cases where the position is not posted, the Company shall advise the Association of the reasons for not posting. The notice will be posted for a period of five (5) working days and no decision to fill the position will be made for that period. The Company may, in its sole discretion, consider applications received after the posting has been removed from the Company notice boards but shall not be obliged to do so. If a posting is cancelled, a notice to this effect shall be posted and a copy provided to the President of the Association or designee at the time of posting.

A statement of qualifications, abilities and experience required to perform the duties will form part of each posted notice, and the appointee shall be selected on the basis of these criteria and such other factors as are relevant to the open position.

Applications for posted openings must be submitted to the Human Resources Department concerned, and must state the qualifications and experience of the applicants. An application by any Employee who has served the probationary period will be considered, provided that the applicant's present position did not result from acceptance on another posting dated within the thirteen (13) calendar week period immediately preceding the date of the posting on which the present application is made. The Company will provide the Association with a list of eligible applicants, for each posted position.

An applicant from the Bargaining Unit shall be selected, if qualified. The Company shall first consider qualified applicants whom are covered by this Agreement. Bargaining Unit members who are unsuccessful applicants shall normally be so advised within five (5) working days of the final selection decision, and the reason(s) thereof. Applicants not receiving a formal interview will be advised of the reasons by the responsible manager prior to the selection being made. Names of applicants accepted for posted positions shall be posted. The Company's normal hiring processes will apply

The Company will endeavour to transfer an Employee accepted on a posting to a new position within three (3) months from the date of acceptance.

Where the transfer occurs beyond the three (3) month period, the Employee will be advised of the reasons for the delay. Wherever practicable, in such a circumstance the Employee will be transferred but continue to support his previous position on an as required basis.

The Company recognizes that it is a manager's responsibility to support job mobility. It is the Employee's responsibility to manage his/her own career. Where an Employee has concerns regarding the status of his/her application and/or transfer to a new position, (s)he should discuss these concerns with a member of the Human Resources Department who will assist in resolving any issues that have arisen as a result of his/her application on a posting.

If no applicant from the Bargaining Unit is suitable, then the Company may take such other steps as may be necessary to fill the vacancy. Where an external search is conducted, late applicants on the original posting shall be considered on an equal basis with external applicants.

The Company shall maintain up to date information on open positions within the Bargaining Unit, and shall permit any Employee to review this information in the Human Resources Department concerned.

A summary of advertised positions will also be available through the Company Intranet.

24.0 POSITIONS OUTSIDE BARGAINING UNIT

- **24.1** No Employee covered by this Agreement will be transferred to a position outside the Bargaining Unit without the Employee's consent.
- 24.2 The Company shall endeavour to avoid the assignment of work within Bargaining Unit classifications to contract personnel, but shall not be restricted from making such arrangements where it finds that its recruiting efforts (including internal postings) fail to obtain the personnel required, in any classification, as regular Employees of the Company, or where it appears from current labour forecasts that the position(s) to be filled will have a duration of less than one (1) year.

25.0 PROBATIONARY EMPLOYEE

A probationary Employee is an Employee who has worked under the provisions of this Agreement for a period of less than three (3) calendar months. A former Employee re-hired within a period of six (6) months shall not be considered a probationary Employee. Probationary Employees who are absent for more than five (5) working days during the probationary period shall have such

absence in excess of the five (5) working days added to the three (3) calendar months for the purpose of determining their probationary period. Days off for plant holidays and vacation per Articles 38 and 39 herein will not be considered as days absent.

The discharge of a probationary Employee is at the sole discretion of the Company and no grievance shall be lodged. A probationary Employee may grieve on all other matters covered by this Agreement.

26.0 CLASSIFICATIONS AND SALARIES

26.1 Each Employee shall be classified in one of the classifications identified in Article 41.0 herein, or such other classifications as may be included in the Bargaining Unit under Article 27.0 herein.

The Company will supply to the President of the Association, or the President's designee two (2) copies of current classification descriptions for each classification in the Bargaining Unit.

- **26.2** The salary scale applicable to each classification and the salary administration procedure shall be in accordance with Article 41.0 herein.
- **26.3** Each year, by May 15, the Company shall provide to the President of the Association, the following information electronically without disclosing Employee names for each individual member of the Bargaining Unit:
 - a) Date of hire:
 - b) Year of graduation:
 - c) Classification;
 - d) Date of latest promotion;
 - e) Salary;
 - f) Actual maturity increases since July 1 of the previous year; (Suspended, See attached Letter of Understanding)
 - g) Performance ratings since the previous year;
 - h) Actual performance increases, taking into account the effects of salary constraints;
 - i) Overtime pay;
 - j) Overtime hours including flex and lieu;
 - k) All bonus information, and any other salary increases.

26.4 Term Employees

The Company and the Association agree that the Company may, from time to time, have a requirement to hire a limited number of Employees for a definite term or task as a result of manpower demands or a requirement for specific expertise not otherwise available. It is agreed that such term Employees should be included in the bargaining unit for the duration of their employment with the Company. The Association understands and agrees that nothing in this Article will be or will be deemed to be a limitation on the right of the Company to assign work to contract personnel pursuant to Article 3.0 Management Rights and Clause 25.2 of the Collective Agreement or to employ students during the school or university vacation or on work term assignment pursuant to Article 2.0 Recognition and Scope; such persons not to be covered by the terms of the Collective Agreement or this article.

The Company and the Association agree that the following terms and conditions shall apply to the employment of such Employees:

- a) Term Employees may be hired for a definite term or task for a period of up to twenty-four (24) consecutive months.
- b) The original term of employment may be extended by the Company for up to six (6) months.
- c) Save and except for articles listed below, the terms of this Agreement will apply to such Employees:
- Article 17.0 Association Representation
- Article 18.0 Association Business
- Article 21.0 Career Planning
- Article 22.0 Staff Development
- Article 28.0 Service Date and Continuous Service
- Article 29.0 Security of Employment
- Article 37.0 Sick Leave
- Article 39.0 Vacations with Pay
- Article 40.0 Performance Reviews
- Article 42.0 Salary Increases
- Article 43.0 Variable Payment Plan
- Article 44.0 Long Term Disability
 - Dental Plan
 - Retirement and Pension Plan
- Article 44.1 –PRB
- Article 44,2 RRSP
- d) Where the original term is reduced by the Company, the term Employee is entitled to the lesser of four (4) weeks' notice or four (4) weeks' pay in lieu of notice or the cash equivalent of what (s)he would have been paid to the end of the original term.
- e) A term Employee may not grieve the termination of his/her employment by the Company.
- f) The salary and salary review process (if any) that applies to term Employees will be specified in their offer of employment and will, insofar as practical and possible, be consistent with the terms of the Collective Agreement.
- g) Where a term Employee applies for and is accepted on a posting for a permanent position pursuant to Article 23.0 "Position Competitions" or where, at the end of his/her term, the Company decides to offer and the term Employee accepts a permanent position, the Employee's continuous service date shall be deemed to be the Employee's date of hire as a term Employee provided only that there has been no break in service; in such case, the most recent hire date will apply.
- h) Entitlement to paid sick leave will accrue at the rate of one (1) day per month of service to a maximum of ten (10) days in any twelve (12) month period. With the approval of his/her supervisor/manager, the Employee may be paid for sickness absence to the accrued total.

- i) The amount of vacation to which the term Employee will be entitled will be determined through the application, mutatis mutandis, of Article 39.0 Vacations with Pay. Where the term is twelve (12) months or more, it is expected that the vacation will be taken as time off with pay during the term of employment.
- j) It is understood and agreed that no regular, full time Employee may apply for or be employed by the Company as a term Employee.

27.0 NEW CLASSIFICATIONS

Should the Company introduce a new classification or position which should be included in the scope of the bargaining unit, the Company will discuss with the Association the reason for the introduction and work to be performed in the new classification or position and shall provide the Association President with the name of the classification and the salary scale related to same, prior to filling the position.

If a dispute arises between the Association and the Company relative to the exclusion of a new classification from the Bargaining Unit, all such disputes, if not resolved in discussion between the parties shall be the subject of the Grievance Procedure unless otherwise mutually agreed to by the parties.

Agreement to take the dispute to the Ontario Labour Relations Board shall not be unreasonably withheld by either party. Should the grievance proceed to arbitration, the arbitrator shall make a decision based on the comparison of the new classification with classifications within the scope of the Bargaining Unit.

The above shall be the general practice. However, during the term of this Agreement, the parties agree that any such disputes may be taken by either party to the Ontario Labour Relations Board without the need for mutual agreement.

28.0 SERVICE DATE AND CONTINUOUS SERVICE

28.1 An Employee's service date is the Employee's date of hire by the Company (or date of most recent hire in case of a re-hired Employee, see Clause 28.4) adjusted by any period of approved Leave of Absence, since date of hire, as stipulated in Clause 28.3.

For those Employees who were employed by Spar Aerospace Limited at the time of the sale of the business to MacDonald Dettwiler & Associates (MDA) in May 1999, their existing service date with Spar will continue to be recognized by MDA as the Employee's service date with the Company.

28.2 Continuous Service shall mean the total period of time since the Employee's service date.

For certain Employees, who were on the Company's payroll on or before March 27, 1980, certain periods of service with predecessor or other Companies, have been included in the Employee's Continuous Service, as described in the Company-published list dated April 8,

- 1980, by agreement between the Company and the individual Employees to whom this was applicable.
- 28.3 An Employee who is on approved Leave of Absence, and subsequently returns to active employment with the Company, shall be credited with the Continuous Service which the Employee had prior to the commencement of such leave, plus up to twelve (12) months of the approved Leave of Absence.
- 28.4 An Employee is considered to be re-hired if the Employee's previous employment was terminated by the Company or the Employee.
- **28.5** For clarity, it is understood that Hire Date as referenced through-out this Agreement, is considered to be the first day the Employee is actively at work. It is also understood and agreed that such individuals have no rights nor are they covered by the Collective Agreement until such time that they are actively at work.

29.0 SECURITY OF EMPLOYMENT

- 29.1 (a) Notwithstanding any other provision of this Agreement, where there is a forecast lack of work within six months, the Company shall have the unfettered right to lay off one or more than one Employee as it sees fit, subject only to sub-paragraph (e) below.
 - (b) The Company's right to lay off, as defined in sub-paragraph (a) above, shall, without limitation, include any decision concerning a lay-off, including whether to lay off Employees, the number of Employees to be laid off, the timing of such lay-offs, the location of such lay-offs and the individuals selected for lay-off.
 - (c) For clarity, and without restricting the rights of the Company under this Article 29.1, it is understood that the Company need not consider seniority or continuous service in selecting individuals for lay-off.
 - (d) For further clarity, it is understood that an Employee selected for lay-off from the Company shall not have the right to displace another Employee.
 - (e) Decisions relating to lay-off shall not be contrary to the Ontario Human Rights Code nor shall such decisions contravene Article 10 of this Collective Agreement.
 - In any arbitration challenging a Company decision to lay-off, or any aspect relating thereto, the inquiry shall be restricted to a determination of whether there is a forecast lack of work under subparagraph (a) or whether there is a contravention of Article 10 herein or the Ontario Human Rights Code under subparagraph (e) above. The burden of proof shall be on the Association to prove a violation on a strong balance of probabilities.

29.2 Lay-off Notice and Severance Pay (Lay-off Allowance)

An Employee who is to be laid off shall receive written notice of the proposed date of lay-off or pay in lieu of notice and severance pay based on the Employee's completed years of continuous service in accordance with the following table.

Severance pay and pay in lieu of notice amounts will be calculated by multiplying the number of weeks as determined from this table by the Employee's regular, non overtime, weekly wage.

Employees will receive credit for completed months of continuous service beyond the last completed year of service on the following basis:

- determine the difference in the number of weeks' severance pay between the Employee's completed years of service and the number of weeks' severance pay at the next higher completed years of service;
- multiply the number of weeks determined above by the completed months of service divided by twelve;
- add the result to the amount from the table for the Employee's completed years of service to determine the total severance payable.

Example: Employee's service - 5 years, 7 months, 1 week

Severance Pay at 5 years = 15 weeks Severance Pay at 6 years = 18 weeks

Total Severance Pay = 15 weeks x 1.75 weeks (3 weeks x 7/12) 16.75 weeks' pay

The above meets all requirements for payment under Employment Standards Act.

Should alternative employment within the Company become available and no interruption of work occur, no payments or allowances will be paid in excess of salary for hours worked.

Should alternate employment become available after the lay-off notice has been given to the Employee, but before the effective date of lay-off, the Employee shall have the option of not accepting the alternative employment with no loss of severance pay (lay-off allowance).

Completed Years of Continuous Service	Period of Notice or Pay in Lieu of Notice (Weeks)	Severance Pay (Weeks)
<1	1	7
1	2	6
2	2	6
3	3	9
4	4	. 12
5	5	15
6	6	18
7	7	21
8	8	24
9	8	28
10	8	32
11	8	36
12	8	40
13	8	41
14	8	41
15	8	42
16	8	42
17	8	43
18	8	43
19	8	44
20	8	44
21	8	45
22	8	45
23	8	46
24	8	46
25	. 8	47
26+	8	47

- **29.3** a) A laid off Employee shall be deemed conclusively terminated for the purposes of this Collective Agreement and the Ontario Employment Standards Act.
 - Nothwithstanding any other provision of this Agreement, upon lay-off an Employee shall immediately forfeit all seniority rights or rights of continuous service.
 - Once an Employee is laid off, he or she shall unconditionally be deemed to have abandoned any rights to be recalled, and no Employee shall have the right to be recalled.

30.0 HOURS OF WORK

30.1 Regular Work Week, Regular Work Day

The regular work week shall be forty (40) hours, consisting of five (5) consecutive regular work days of eight (8) hours each.

Starting and stopping times on each regular work day shall be 8:00 a.m. and 4:30 p.m., respectively. This schedule may be referred to as Day Shift.

In order to meet specific Company business requirements, the work week may start on any day of the calendar week as mutually agreed between the parties. The Association will not unreasonably withhold agreement. A normal work week commences on Monday.

30.2 Irregular Hours

In the event that the beginning of a work day on the Day, Evening or Night Shift has to be advanced by more than two (2) hours from an Employee's scheduled hours, the hours worked outside of the scheduled hours shall be called irregular hours.

30,3 Shift Work

A shift schedule shall be five (5) consecutive work days of eight (8) hours each, commencing after 1:00 p.m. or before 6:30 a.m.

Shifts commencing on or after 1:00 p.m. but before 8:00 p.m. shall be referred to as an Evening Shift.

Shifts commencing on or after 8:00 p.m. but before 6:30 a.m. shall be referred to as Night Shift.

30.4 Vacations and Shift Work

Unless otherwise mutually agreed to between the Employee and his/her supervisor/manager, the vacation period of an Employee regularly scheduled on shift work will commence not later than 2400 hours on the Friday preceding the vacation period if the first day of the vacation is a Monday, The Employee will be scheduled to return to work not earlier than 0001 hours on the Monday following the vacation where the last day of the vacation is a Friday. The preceding will apply only to vacation periods of five (5) or more consecutive days.

30.5 Change in Working Hours

Upon giving a minimum of one (1) week's notice, where practicable, to the Association and the individuals concerned, the Company may change the starting and stopping times of shift or regular work week by up to one (1) hour. This pertains to both a general change or a change for individuals or groups of individuals.

Any change in starting or stopping times not covered by the above will be made by mutual consent of the Company and the Association. Such consent shall not be unreasonably withheld.

30.6 Rest Between Work Periods

No Employee's work period shall commence prior to an eight (8) hour lapse from the end of the previous work period except in cases of emergency or with the Employee's consent.

30.7 No Guarantee of Work

The Company does not guarantee to provide work to any Employee for the regularly assigned hours or for any other hours.

30.8 Flexible Working Hours (Flextime)

Employees may participate voluntarily in the flexible working hours program with the agreement of their immediate supervisor, which agreement shall not be unreasonably withheld, subject to the following terms and conditions:

- (a) flextime is defined as time worked by the Employee outside the core hours on a regular work day at the Employee's option;
- overtime is defined as time required and pre-authorized by the Employee's supervisor in excess of eight (8) hours in a day or forty (40) hours in a week;
- (c) each participating Employee is required:
 - i) to record the Employee's starting and stopping times daily as required;
 - ii) to be at work for the core hours of 9:00 a.m. to 3:00 p.m.;
 - to be at work at such other times as are required by the Employee's supervisor for specific business reasons:

- iv) to obtain his/her supervisor's approval in advance for any time off during core hours:
- to obtain his/her supervisor's approval for all paid time worked in excess of forty (40) hours per week;
- vi) to notify his/her supervisor or designee of time off outside the core hours.
- (d) the Employee may bank up to a maximum of eighty (80) hours total in the bank;
- (e) the flextime bank of an Employee shall not be negative at the end of any one week period;
- (f) authorized travel time may be banked in the flextime bank as provided in Article 30.8;
- (g) paid leaves of absence will be counted as hours worked for the purposes of the application of flextime on the basis of eight (8) hours per regular work day;
- (h) should an Employee who is participating in a flextime program cease to be employed for any reason, the Employee will be paid at his/her then current rate of pay for any positive balance in his/her flextime account on the day of his/her termination;
- (i) the Employee shall ensure (s)he does not exceed the maximum number of hours listed in
 (d) above. Time charged to the flextime bank in excess of the maximum will not be compensated either by time off work or payment;
- (j) should an Employee persistently fail to follow the conditions set out in section (c) i) through vi) hereof, the Employee's participation in the plan may be cancelled at the sole discretion of the Company.

31.0 LUNCH PERIOD

The lunch period shall be one-half (1/2) hour and may be staggered.

32.0 OVERTIME COMPENSATION

Authorized time worked in excess of eight (8) hours in any one day or in excess of forty (40) hours in a week shall be considered overtime.

All authorized overtime worked up to a total of two and one half (2 1/2) hours per week shall be paid at the Employee's basic hourly rate. Work performed in excess of these two and one half (2 1/2) hours will be paid at one hundred and fifty percent (150%) of the Employee's basic hourly rate.

Authorized overtime on the sixth (6th) day of the week, normally Saturday, will be paid at one hundred and fifty percent (150%) of the Employee's basic hourly rate.

Authorized overtime on the seventh (7th) day of the week, normally Sunday, will be paid at one hundred and fifty percent (150%) of the Employee's basic hourly rate unless the Employee also worked authorized overtime on the sixth (6th) day of the same week in which case it will be paid at two hundred percent (200%) of the Employee's basic hourly rate.

Should an Employee be required to work on a recognized holiday, the Employee will be paid at the rate of two hundred percent (200%) for all authorized hours worked on the holiday and, in addition, be paid (1) regular day's pay for the holiday or, with the agreement of his/her supervisor, have a lieu day off with pay added to his/her next vacation period.

All authorized work performed during irregular hours will be paid at one hundred and fifty percent (150%) of the basic hourly rate.

An Employee's basic hourly rate shall be determined by dividing the basic annual salary exclusive of any pay supplements by two thousand and eighty (2080) hours.

Wherever practicable, authorized overtime hours shall be worked at the Employee's convenience. The final decision on when overtime is worked will be based on Company needs. Overtime shall not be compulsory. However, the employee's consent shall not be unreasonably withheld.

32.1 Overtime in Lieu Banking

To a maximum of forty (40) hours in a calendar year, Employees have the option of taking time off with pay at their regular hourly rate in lieu of being paid for authorized overtime worked. The amount of such time off will be determined on the basis of one (1) hour off for each hour of authorized overtime worked up to two and one half (2 1/2) hours per week and one and one half (1 1/2)hours off for each hour worked beyond that in a week.

An exception to the foregoing will be made in the case of an Employee who works in excess of two hundred (200) hours overtime in a period of six (6) consecutive months. In this case, the Employee will be entitled to exchange up to a maximum of forty (40) hours overtime in this six (6) month period and up to forty (40) hours for the balance of the calendar year.

The Employee is required to advise his/her supervisor/manager of the desire to exercise this option prior to working the overtime.

Such time off shall be taken in the calendar year in which it is accumulated as mutually agreed to by the Employee and the Employee's supervisor/manager, taking into account the operating needs of the Company.

Upon request, an Employee will be paid all or some of his/her overtime in lieu bank during the calendar year. The Employee shall be paid for this time at the premium rate in effect at the time the overtime was worked, calculated on the basis of the hourly rate in effect at the time it is paid out to the Employee. This payment shall be made to the Employee as soon as is practicable and, normally, within one month of the payout request being made.

If it is not possible to schedule such time off by the end of the calendar year due to operating needs of the Company, the Employee shall be paid for the accumulated overtime at the premium rate in effect at the time the overtime was worked, calculated on the basis of the hourly rate in effect at the time it is determined to pay for the overtime in lieu of time off.

Should an Employee's employment be severed for any reason, any outstanding accumulated overtime credits shall be paid as in the previous paragraph.

32.2 Shift Work Compensation

During the term of this Agreement, the Company shall compensate scheduled shift work as defined in Clause 31.3 herein as follows: Evening Shift will be compensated at one hundred and eight percent (108%) of the basic hourly rate, and Night Shift at one hundred and ten percent (110%) of the basic hourly rate.

32.3 Saturday and Sunday Premium

Employees whose regular work week includes Saturday and Sunday shall be paid an additional 1.2 hours' wages for Saturday and 2.4 hours' wages for Sunday.

The Saturday and Sunday Premium shall be paid to an Employee who works more than four (4) hours on the Saturday and/or Sunday. Saturday and Sunday are deemed to commence at 0001 a.m. (midnight).

33.0 MISCELLANEOUS ALLOWANCES

33.1 Call-Back Allowance

An Employee who returns to work outside the Employee's regular working hours for an unplanned work assignment shall receive a minimum of four (4) hours' pay at the appropriate overtime rate. The return to work shall be as a result of a Company request made subsequent to the end of the Employee's previous regular work period. Where such requested work can be performed remotely; i.e. does not require the Employee to physically return to the office, an Employee shall receive a minimum of one (1) hour's pay at the appropriate overtime rate.

33.2 Telephone Calls

In the event an Employee is contacted by telephone or a pager, which necessitates a return telephone call, outside the Employee's regular working hours in order to provide advice regarding a work related activity, the Employee shall receive one (1) hour's pay at straight time. Should the telephone call exceed one (1) hour, actual time consumed will be paid at straight time. Wherever possible, these telephone calls are to be made in such a way as to minimize inconvenience.

34.0 TRAVEL ON COMPANY BUSINESS

- 34.1 The Company agrees that time spent travelling on Company business during the Employee's normal working hours by the method of travel as authorized by the Company is to be considered as time worked.
 - Authorized travelling time outside normal working hours shall be considered as time worked but not as overtime.
- 34.2 An Employee required to work temporarily at another location, while still returning to his/her residence daily, shall be eligible for travel time from his/her normal place of work to the temporary work location in accordance with this article for the duration of the temporary work assignment, or until the location of the assignment is deemed to be the Employee's normal place of work.

34.3 During the regular work week, Employees may claim authorized travel time up to a maximum of three (3) hours per one way trip in excess of 1 hour outside the Employee's normal working hours. The travel time is considered to commence and terminate at either the Employee's residence or office location, whichever location is closer to the travel destination.

On the sixth (6th) and seventh (7th) day of the week or on recognized holidays, an Employee may claim up to a maximum of eight (8) hours for time spent travelling.

The Employee may elect to bank travel time in his/her flextime bank or be compensated at the Employee's basic straight time hourly rate.

- **34.4** For extended travel (e.g. Europe), the Company will provide that a reasonable period of rest is allowed from time of arrival until work activity commences. The foregoing will apply except in cases that are determined to be of an emergency nature by the Company.
- 34.5 Allowable travel and living expenses incurred in connection with authorized travel on Company business will be reimbursed as per Company procedure. Receipts and justification are required where meal expenses exceed the per diem rates. The Company will discuss with the Association substantive changes, excluding increases to the per diem and mileage rates, to the Travel and Living Policy in advance of such changes.

34.6 Automobile Business Liability Insurance

An Employee who is required to drive on Company business, and who requires additional automobile business liability insurance as determined by his/her insurance company must furnish a letter from the insurance company confirming the insurer's requirements relative to such insurance.

Subject to the Company's prior approval and to the subsequent provision of a receipt, the Company will reimburse the additional cost of automobile business liability insurance.

The Company's decision will be based on the cost effectiveness of reimbursing the cost of business liability insurance versus the cost of using a rental car.

35.0 FIELD ASSIGNMENTS AND ALLOWANCES

Prior to commencement of a field assignment, the Company and the Employee affected shall discuss the nature, scope, expected duration and the terms and conditions of the assignment in light of the Employee's present tasks, responsibilities and situation. Matters concerning visits to the Employee's normal place of work, relocation where applicable and expenses to be reimbursed will be discussed.

Such discussion shall take place as far in advance of the start date of the field assignment as possible. Insofar as practical and possible, the Company will notify affected Employees of the commencement of a field assignment in advance in accordance with the following schedule:

<u>LOCATION</u>	<u>DURATION</u>	NOTICE PERIOD
Domestic	2-6 months moe than 6 months	1 month 2 months
Foreign	2-3 months 3months or more	1month 2months

Subsequently, the Employee shall be informed in writing of the terms and conditions of the assignment.

Where an Employee who has accepted a field assignment requires a new passport or other documents to travel to or from work in the host country, the Company will reimburse the Employee for the fees paid for such passport or other required documents.

35.1 Definition of Field Assignment

Assignments which meet the following criteria will be considered field assignments:

(1) Require the Employee to travel to a place other than the Employee's normal work place and at least ninety-five (95) kilometres distant from such normal work place;

and EITHER

(2) Require the Employee to remain resident away from the Employee's normal place of residence for at least fifteen (15) consecutive calendar days;

OR

(3) Require the Employee to remain resident away from the Employee's normal place of residence for more than eighty percent (80%) of the days during any thirty (30) consecutive calendar day period.

35.2 Terms and Location

Field assignments shall be further defined as to term and location:

- (1) Domestic: requiring the Employee to locate and work at a place of work in Canada other than the Employee's usual place of work.
- (2) Foreign: requiring the Employee to locate and work outside of Canada
- (3) Hazardous: requiring the Employee to work in an environment where the Employee is exposed to a physical, chemical or biological agent to the extent that the normal physiological mechanisms are affected and the health of the Employee is impaired.

35.3 Salary and Salary Reviews While on Field Assignment

The Company will continue to pay an Employee on field assignment the base salary to which the Employee was entitled prior to that assignment. The Employee will become eligible for performance or salary reviews, as in Article 40.0 herein, as the Employee would have become, had the Employee not been given a field assignment.

35.4 Domestic Field Allowance

Whenever an Employee is on a domestic field assignment, a dislocation allowance equal to ten (10) percent of the Employee's base pay will be paid.

35.5 Expatriate Compensation

Employees on a foreign field assignment will be compensated in accordance with the Company's Expatriate Compensation Policy which may be amended from time to time. An expatriation allowance of not less than ten (10%) percent of the Employee's base pay will be paid to Employees while on a foreign field assignment.

35.6 Hardship Allowance

When a field assignment is carried out under conditions of work which differ substantially in terms of personal security, extreme isolation from society, hazardous living conditions from those that prevail at the Company's facilities, a hardship allowance will be paid to the Employee. The amount of such allowance as well as the determination of whether hardship conditions exist and to what degree will be determined by the Company.

35.7 Commencement and Termination of Allowance Payments

Field allowances, if any, will commence the day the Employee arrives on the site and will terminate upon the Employee leaving the site to return to the Employee's normal place of work.

35.8 Hours of Work While on Field Assignment

On any field assignment where the Company provides direct supervision and the hours of work can be controlled by the Company, the standard work week in effect at the Employee's home location will apply. Overtime provisions in effect at the Employee's home location will prevail.

On field assignments where direct supervision cannot be provided by the Company, and where the hours required to be worked are governed by the conditions of the location or facility of the field assignment, the Employee will be paid at the same hourly rate as the employee was entitled to prior to that assignment. Overtime provisions in effect at the Employee's home location will prevail.

35.9 Return Visits to Normal Place of Work

In deciding whether an Employee assigned to field work should be entitled to a return trip or trips to the Employee's normal place of work, the Company will take into consideration the nature of the Employee's assignment, the duration of the assignment and the conditions under which the assignment has to be carried out. An Employee will be informed prior to the commencement of the Employee's field assignment whether or not the Employee is being granted return visits to the Employee's normal place of work during the term of the assignment. The Company will discuss

with the Association substantive changes, with respect to Transportation, to the Company's Field Allowances Policy HR-POL.004 in advance of such changes.

35.10

Employees may decline hazardous field assignments. If alternative work is not available, the Employee will be eligible for severance in accordance with Article 29.0, Security of Employment herein.

36.0 LEAVE OF ABSENCE

36.1 Personal Leave

During the term of this Agreement, the Company agrees to continue its existing practice of granting Leaves of Absence for personal reasons where operational requirements permit, including intermittent leaves throughout the week for a limited period of time. The amount of salary deducted for a Leave of Absence will be calculated on the basis of the Employee's basic hourly rate. The Employee has the option of continuing benefits other than Long Term Disability at the Employee's cost for up to twelve months' continuous leave.

36.2 Pregnancy Leave

A pregnant Employee who commenced employment with MDA at least thirteen (13) weeks before the expected birth date will be granted pregnancy leave. Pregnancy leave may begin no earlier than seventeen (17) weeks before the expected date of birth. Pregnancy leave will be for seventeen (17) weeks, or where the mother is not entitled to take parental leave, for the greater of seventeen (17) weeks or six (6) weeks after the birth of the child.

An Employee who wishes to take pregnancy leave must give MDA no less than two (2) weeks' written notice of the date the leave is to begin and a certificate from her physician stating the expected date of birth. Unless an Employee on pregnancy leave gives MDA at least two (2) weeks' written notice that, at the conclusion of her pregnancy leave, she intends to commence parental leave, the Employee will be deemed to intend to take the maximum length of her pregnancy leave and return to work immediately thereafter. If an Employee on pregnancy leave wishes to return to work without having taken her full entitlement to pregnancy leave the Employee must provide the Company with at least four (4) weeks written notice of the date on which she wishes to return.

The benefits of an Employee on pregnancy leave will be continued by the Company at its own cost.

Where an Employee who has been granted pregnancy leave and parental leave and has exhausted the benefits available to her under Employment Insurance and presents a statement from her physician that she is unable to return to work, that Employee will be eligible to qualify for Sick Leave as provided for in 37.0 herein.

An Employee eligible to receive pregnancy leave under this article, who provides the Company with proof that she is in receipt of employment insurance pursuant to the Employment Insurance Act (Canada), shall be paid an allowance in accordance with the following:

- (a) for the first two weeks a weekly payment equivalent to 75% of the pre-leave basic weekly salary.
- (b) during the remaining 15 weeks, a weekly payment equivalent to 75% of the preleave basic weekly salary, less the amount of Employment Insurance payments to which the Employee would have been entitled to if she were completely eligible, as determined at the beginning of the pregnancy leave and any other earnings received by the Employee.

36.3 Parental Leave

An employee who has been employed by MDA for at least thirteen (13) weeks and is a new parent to a child will be granted a parental leave of up to thirty-five (35) weeks if the employee also took pregnancy leave and thirty-seven (37) weeks, otherwise. The employee is required to give MDA at least two weeks' written notice of the date the leave is to begin.

An employee who has taken pregnancy leave is required to begin her parental leave when the pregnancy leave ends unless the child has not yet come into the custody, care and control of a parent for the first time. The parental leave of an employee who has not taken pregnancy leave must begin no later than fifty-two (52) weeks after the child is born or first comes into the custody and control of a parent for the first time.

The benefits of an employee on parental leave will be continued by MDA at its own cost.

Unless otherwise advised by the employee, the employee will be deemed to intend to return to work thirty-five (35) weeks after the parental leave began, if the employee also took pregnancy leave and 37 weeks after it began, otherwise. In the event the employee wishes to return to work on an earlier date, the employee is required to give MDA at least four (4) weeks' written notice of that date.

36.4 Return from Pregnancy/Parental Leave

An Employee returning from pregnancy leave, parental leave and/or extended leave as provided for in Articles 36.2 and 36.3 herein may apply to the Company in writing for part-time work. Such application shall be made thirty (30) days prior to the date on which the Employee wishes to commence the part-time work. Where the Company, in its sole discretion, determines there is work available which can reasonably and effectively be performed on the part-time basis proposed, the Employee may return to work and continue in the bargaining unit subject to the following terms and conditions:

- (a) The total period of pregnancy leave, parental leave and the time spent working fewer than twenty-four (24) hours per week shall not exceed twelve (12) months from the date on which the Employee first commenced a leave.
- (b) The terms of the Collective Agreement shall apply except that the Company contribution to benefits shall be made on a pro-rata basis in the same proportion as the hours worked bear to the regular work week.

For the purposes of this Agreement part-time is defined as someone working fewer than 24 hours per week. While working part-time hours, benefits (i.e. Life Insurance, Long

Term Disability, Short Term Disability, Accidental Death & Dismemberment and Vacation) will be prorated accordingly.

36.5 Bereavement Leave

When a death occurs in an Employee's immediate family, the Employee shall, on request, be granted a Leave of Absence to make final arrangements and attend the funeral. The length of such Leave of Absence shall depend on the Employee's family circumstances. Leave of Absence with pay shall be limited to three (3) regular working days.

Immediate family means parents, parents-in-law, step-parents, guardian (provided the guardian acted in place of a parent), spouse or common-law spouse, children, step-children, children in guardianship, brothers or brothers-in-law, sisters or sisters-in-law, grandparents, grandchildren and relatives permanently residing in the Employee's household or those with whom the Employee permanently resides.

36.6 Jury Duty

Employees that are required to serve on Jury Duty or subpoenaed as witnesses to appear in Court shall be paid the difference between their normal day's salary and the amount they receive as fee for such services.

36.7 Educational Leave Credits

Subject to the operational requirements of the Company, individual Employees have the option of earning and using credits for a paid educational leave of three (3) to twelve (12) months' duration. Such credits will be earned before the leave commences by the method agreed between the Employee and the Director, Human Resources. Specific arrangements for the earning of the credits and the timing of the leave must be approved by the Group President or delegate in advance.

36.8 Observance of Religious Holy Days

The Company agrees that an Employee, having advised his/her manager, may be absent from work in observance of holy days celebrated by his/her religion. In order that the manager can schedule work, the Employee must provide a minimum of five (5) working days' notice of the dates for which time off is required. The Employee may take this time as vacation, flex or lieu time or as an unpaid leave of absence.

37.0 SICK LEAVE

37.1 Sick Leave

Employees absent from work as a result of sickness or accident will be paid for such time off at full or partial salary for up to six (6) consecutive months, the amount paid being related to length of continuous service in accordance with the following schedule:

DURATION OF BENEFIT AT FULL SALARY	DURATION OF BENEFIT AT 66% and 2/3 of % OF SALARY
1 week	3 weeks
1 month	5 months
2 months	4 months
3 months	3 months
4 months	2 months
5 months	1 month
6 months	
	1 week 1 month 2 months 3 months 4 months 5 months

- 37.2 Where an Employee is entitled to receive benefits under the Canada Pension Plan, Employment Insurance, Workplace Safety Insurance Board or other Company paid plan as applicable and as a result of the Employee's disability, the amount paid pursuant to Clause 37.1 will be reduced by the amount of such payment.
- 37.3 The Company may require an Employee to provide a medical certificate for absence due to sickness or accident either to confirm the cause of the absence or to substantiate the Employee's fitness to resume work.

38.0 RECOGNIZED HOLIDAYS

The Company will observe the following holidays. No Employee covered by this Agreement shall have the Employee's salary reduced by reason of observance of the following holidays, providing that the Employee is not absent from work on either the work day immediately preceding or the work day immediately following the holiday.

	RECOGNIZED HOLIDAYS			
	2009	<u>2010</u>	<u>2011</u>	<u>2012</u>
New Years Day Float	Jan. 1 Jan. 2	Jan. 1	Jan. 3	Jan. 2
Family Day	Feb. 16	Feb. 15	Feb. 21	Feb. 20
Good Friday	April 10	April 2	April 22	April 6
Victoria Day	May 18	May 24	May 23	May 21
Canada Day	July 1	July 1	July 1	July 2
Labour Day	Sept. 7	Sept. 6	Sept. 5	Sept. 3
Thanksgiving Day	Oct. 12	Oct. 11	Oct. 10	Oct. 8
Float	Dec. 23	Dec. 23	Dec. 22	
Float	Dec. 24	Dec. 24	Dec. 23	Dec. 24
Christmas Day	Dec. 25	Dec. 27	Dec. 26	Dec. 25
Boxing Day	Dec. 28	Dec. 28	Dec. 27	Dec. 26
Float	Dec. 29	Dec. 29	Dec. 28	Dec. 27
Float	Dec. 30	Dec. 30	Dec. 29	Dec. 28
Float	Dec. 31	Dec. 31	Dec. 30	Dec. 31

It is further provided that an Employee will be paid for such a holiday if the Employee can supply the Company with satisfactory reasons for the Employee's absence on either the work day before

or the work day after the holiday. Payment when the Employee is absent on both days will be at the Company's discretion. If an Employee is on an approved Leave of Absence or on vacation on the work day before and the work day after a holiday, the Employee will be paid for that holiday if the Employee is not absent on the work day immediately prior to and following the approved Leave of Absence or vacation.

For clarification, Employees on approved Leave of Absence shall be eligible to receive payment for any Recognized Holidays that occur within the period of twelve (12) months from the start of the Employee's leave. The Employee shall receive payment for these Recognized Holidays, as soon as practicable, upon returning to work from the approved Leave of Absence.

39.0 VACATION WITH PAY

39.1 Definitions

(a) Annual Vacation Entitlement

An Employee's annual vacation entitlement is calculated by multiplying the monthly rate at which the Employee earns vacation credits by twelve (12).

(b) Continuous Service for Vacation

For the purpose of determining the rate at which an Employee earns vacation credits when initially hired, the Employee's service date shall be deemed to be the first of the month in which he/she was hired if that was between the first (1st) and the fifteenth (15th) of the month and, if that was on or after the sixteenth (16th), the first of the following month.

(c) Vacation Period

The vacation period is the period of time during which the Employee takes vacation.

39.2 Vacation Credits

Each Employee earns vacation credits monthly in accordance with the following table on the basis of the Employee's service as defined in section 39.1 (b). Such credits are accrued at the end of each MDA accounting month. The MDA accounting calendar shall be posted at the beginning of the year.

ONTINUOL SERVICE	VACATION DAYS EARNED PER MONTH
Up to two (2) years	Five Sixths (5/6)
Two (2) less than nine (9) years	One & One Quarter (1 1/4)
Nine (9) less than nineteen (19) year	one & Two Thirds (1 2/3)
Nineteen (19) years or more	Two & One Twelfth (2 1/12)

Notwithstanding the above, Employees in the classifications Engineer, Senior Engineer, Staff Engineer, Senior Staff Engineer and their equivalents and in the equivalent Allied Technical classifications shall earn vacation credits at the rate of one and one-quarter (1 1/4) days per MDA accounting month for their first nine (9) years of continuous service.

An Employee who is on an approved Leave of Absence without pay for a period of thirty (30) consecutive days or more does not earn vacation credits during such Leave of Absence, parental leave excepted.

An Employee may earn up to a maximum of two (2) times the Employee's annual entitlement. No vacation credits may be earned beyond this amount. Should an Employee reach the maximum, the Employee ceases to earn further credits until such time as the Employee takes vacation thereby reducing the total credits. Any credits which would otherwise have been earned while the Employee's total is at the maximum are lost and may not be added later.

39.3 Vacation Pay

On July 1, 2006, 2007 and 2008, each Employee's gross earnings for the immediately preceding twelve (12) months will be calculated. This amount shall be multiplied by the percentage factor related to the Employee's continuous service shown below to obtain the Employee's vacation pay:

NTINU JS SERVICE	ERCENTAGE
Up to two (2) years	Four (4) Percent
Two (2) less than nine (9) years	Six (6) Percent
Nine (9) less than nineteen (19) years	Eight (8) Percent
Nineteen (19) years or more	Ten (10) Percent

Notwithstanding the above, the percentage factor used in calculating vacation pay for Employees in the Engineer, Senior Engineer, Staff Engineer, Senior Staff Engineer, equivalent classifications and in the equivalent Allied Technical classifications for each of the first ten (10) years of employment shall be six (6) percent.

Where the amount of vacation pay is greater than the cash equivalent of the Employee's annual vacation entitlement in days and parts of days multiplied by the Employee's rate of pay on July 1st of the year, the difference will be paid to the Employee as vacation pay in the Employee's regular pay as soon as practical and possible after July 1st.

In the case of Employees with less than twelve (12) months' continuous service on July 1, 2006, 2007 and 2008, the preceding calculations will be done on a pro-rata basis.

39.4 Scheduling of Vacation Period

Each Employee has the right to schedule desired vacation provided the Employee's supervisor is informed in a timely fashion. For a vacation of up to five (5) consecutive working days, the normal notice required will be five (5) working days. A one (1) month notice will usually be required for vacations exceeding five (5) consecutive working days.

Wherever practicable, the Company will accede to the Employee's request for vacation. However, in case agreement cannot be reached, the final decision will be based on Company needs.

In each year of employment, each Employee is required to take a vacation period of not less than five (5)consecutive days..

Provided the Employee complies with the provisions of the previous paragraphs, the Employee may take vacation when it is earned.

If a recognized holiday occurs during an Employee's vacation period, it is paid as a holiday and not deducted from the Employee's vacation credits.

If the Company withdraws the previously given approval of an Employee's scheduled vacation, the Company will reimburse the Employee for any non-refundable costs incurred for reservations for the Employee, spouse or the Employee's eligible dependents who are unable to go on such vacations that the Employee has been obliged to cancel.

40.0 PERFORMANCE REVIEWS

The Company and the Association recognize the performance appraisal as a valuable tool in motivating and retaining professional and technical Employees. Establishment of performance objectives, feedback and discussions relevant to career development form an integral part of the appraisal process.

Each year, on a schedule to be determined by the Company within a three month time frame from Jan. 1 to March 31 in 2010, 2011 and 2012, an annual performance appraisal will be conducted for each Employee who has more than six (6) months' service in the bargaining unit at that time. For Employees with less than six (6) months' service in the bargaining unit at the scheduled performance appraisal date as determined above, a performance appraisal will be conducted when the Employee completes six (6) months' service in the bargaining unit.

As part of the appraisal process, the Employee's supervisor/manager will:

- (a) obtain inputs from the Employee and others having direct knowledge of the Employee's work including the manager's own observations, advising the Employee when a subcontractor's input is sought;
- (b) make the appraisal taking only relevant factors into account;
- in making the appraisal, take into consideration the duties and responsibilities applicable to the Employee's classification;

- prepare a written appraisal of the Employee's performance and provide the Employee with an opportunity to review it prior to the appraisal discussion;
- (e) discuss the written appraisal with the Employee and, if it is factually incorrect, revise it normally within thirty (30) days of the Employee fully defining his/her concerns to the supervisor;
- (f) establish with the Employee performance objectives for the coming period;
- (g) conduct a career planning discussion in accordance with Article 21.0 hereof;
- (h) have the written appraisal, including the Employee's written comments, if any, placed in the Employee's Human Resources file; and,
- (i) if the performance summary is changed by the Company after the original summary is discussed with the Employee, discuss the change with the Employee.

Intermediate performance appraisals shall be conducted as follows:

- a) Prior to the end of the probationary period, a brief written review of the Employee's performance to date shall be discussed with the Employee and placed in the Employee's Human Resources file.
- At times considered to be especially significant by the Employee or the Employee's manager, an intermediate appraisal will occur providing that not more than one intermediate review will be done in any one year.
- Within six months of receiving a Needs Some Improvement (NSI) review, a brief written review of the Employee's performance to date shall be discussed with the Employee and placed in the Employee's Human Resources file.

No issue raised in connection with the contents of an Employee's performance appraisal, except in cases where it can be demonstrated that issues not relevant to the performance appraisal have been taken into account, shall be arbitrable.

The relevant classification descriptions shall be readily available in writing to the Employees. Grievances related to the Employee's classification will be arbitrable.

41.0 SALARY ADMINISTRATION

41.1 All adjustments to salary scales will be made by adjusting the annualized salaries in the appropriate Salary Scale Table by the applicable percentage rounding the result to the nearest dollar. The bi-weekly salaries are obtained by dividing annualized salaries by twenty-six (26) rounding the result to the nearest dollar.

The resultant salary scales in 41.1.1, 41.1.2, 41.1.3 and 41.1.4 below shall be considered an integral part of this Agreement.

The salary scales include a Minimum, Mid and a Maximum salary for each job classification.

- **41.1.1** Effective April 1, 2009, the salary scales will be as set out in Appendix 1. The resultant salary scales shall be referred to as Table 1: Salary Scales effective April 1, 2009 to March 31, 2010.
- **41.1.2** Effective April 1, 2010, the salary scales set out in Table 1, shall be multiplied by a factor. The resultant salary scales shall be referred to as Table 2: Salary Scales effective April 1, 2010 to March 31, 2011.
- **41.1.3** Effective April 1, 2011, the salary scales set out in Table 2, shall be multiplied by a factor. The resultant salary scales shall be referred to as Table 3: Salary Scales effective April 1, 2011 to March 31, 2012.
- **41.1.4** Effective April 1, 2012 the salary scale for each classification set out in Table 3 shall be multiplied by a factor. The resultant salary scales shall be referred to as Table 4: Salary Scales effective April 1, 2012 to December 31, 2012.

41.2 Performance Increases

Effective April 1, 2009, and effective on each of April 1, 2010, 2011 and April 1, 2012, performance increases will be calculated in accordance with the procedure set out in Article 42.1 hereof provided only that the resulting percentage increase in the total SPATEA payroll will be as set out below in Articles 41.2.1, 41.2.2, 41.2.3 and 41.2.4.

In calculating the total SPATEA payroll,

41.2.1 As soon as practical after October 26, 2009 (effective TBD date and retroactive to April 1, 2009), the increase in the SPATEA payroll will be as determined above.

The performance increase pool for April 1, 2009, will be determined by using the total base salaries of active employees at October 26, 2009, who were actively employed on March 31, 2009. Only current employees who were actively employed on April 1, 2009 will be eligible for pay increase and retroactive pay. Retroactive pay will be issued as soon as administratively possible. Retroactive pay will be calculated on all regular and overtime hours worked.

- 41.2.2 On April 1, 2010, the increase in the SPATEA payroll will be as determined above.
- 41.2.3 On April 1, 2011, the increase in the SPATEA payroll, will be as determined above.
- 41.2.4 On April 1, 2012, the increase in the SPATEA payroll, will be as determined above.

42.0 SALARY INCREASES

The salary adjustments at April 1, 2009, 2010, 2011 and 2012 shall be applied, as appropriate, in the following order:

- I) Any applicable Promotion or Progression process increase is applied first. This increase is outside the performance increase pool budget. Refer to Article 42.4 for specific details on this increase and 42.5 (Progression) for specific details on these increases.
- 2) If, following the Promotion or Progression process, the resultant salary is below the Minimum salary for the applicable classification, the salary is then adjusted to the salary scale Minimum. This increase is outside the performance increase pool budget.
- 3) For all other employees whose salary is below the Salary Scale Minimum for their applicable classification, the Employee's salary will be adjusted to the Salary Scale Minimum for their applicable classification. This increase is outside of the performance pool budget.
- 4) The discretionary portion of the performance increase pool is applied. Refer to Article 42.1 for details on the performance increase procedure.

42.1 Performance Increase Procedure

For 2010, 2011 and 2012, the intent is that salary increases and Variable Payment Plan (VPP) payments as defined in Article 43 herein will be issued on April 1 or the next available pay period. VPP payments that are being directed to an Registered Retirement Savings Plan (RRSP) will be processed as close to this payout date as practical.

- **42.1.1** The performance of Employees with more than six months in the bargaining unit, as of the twelve month performance appraisal date determined in accordance with Article 40.0 hereof, will be reviewed and, based on the Employee's demonstrated performance relative to his/her classification level. His/her performance will be summarized as one of the following:
 - a) Needs Some Improvement(NSI)
 - b) Meets Expectations (ME)
 - c) Exceeds All Expectations (EAE)
- **42.1.2** The performance increase budget will be determined using the total SPATEA payroll, excluding the salaries of those Employees who are not eligible for an increase (e.g. less than six (6) months service in the bargaining unit as of the relevant date), multiplied by the relevant percentage as set out in Articles 41.2.1, 41.2.2 and 41.2.3 for each of 2006, 2007 and 2008.
- **42.1.3** The full performance increase budget among Employees using the following process.

42.2 Six Month Service Increase

For Employees who, as of January 1st of the applicable year, have less than six (6) months' service in the bargaining unit, a performance increase pool contribution amount will be calculated by multiplying their prorated annual salary by the percentage amount indicated in

Articles 41.2.1, 41.2.2, 41.2.3 and 41.2.4 for each of 2009, 2010, 2011 and 2012. The resultant amount will be included in the overall SPATEA performance increase budget referenced in Article 42.1.2 and distributed accordingly. These employees will be eligible for the April 1 increase further to Article 42.0 Salary Increase process.

42.4 Promotion Increase Procedure

Although promotions normally occur on, April 1 as a result of the classification review that occurs as part of the performance appraisal process for each twelve month period, they may occur at any time during this period.

When an Employee is promoted to a position at the Senior, Staff or Senior Staff classification level, the Employee shall receive a promotion increase. Employees achieving a performance rating of ME or better for the year following the promotion, will receive and additional promotion increase. Employees promoted in 2005 or later, who achieve a performance rating of ME or better during their 2006 review, will also receive an additional promotion increase.

42.5 Progression to Engineer/MTS

Progression from the Junior to the Intermediate Engineer/Intermediate MTS classification and/or from the Intermediate to Engineer/MTS classification shall normally occur as per the following criteria. Such progression depends upon the appraised performance during the Employee's period of service in the bargaining unit and the years from bachelor's graduation of the Employee in accordance with the following:

- (a) Progression from Junior Engineer/Junior MTS to Intermediate Engineer/Intermediate MTS shall occur no later than thirty (30) days after:
 - two (2) years from graduation and twenty-four (24) months of service in the bargaining unit with all received performance summaries of Meets Expectations or better. If upon completing twenty-four (24) months of service in the bargaining unit, the Employee has not yet received two (2) twelve (12) month performance appraisals, an interim performance appraisal shall be performed within thirty (30) days. If an interim performance appraisal is performed, the Employee being appraised must receive a performance summary of Meets Expectations or better to remain eligible for progression;
- (b) Progression from Intermediate Engineer/Intermediate MTS to Engineer/MTS shall occur no later than thirty (30) days after:
 - forty-eight (48) months of service in the bargaining unit since date of hire or twenty-four (24) months of service in the bargaining unit, as an Intermediate Engineer/Intermediate MTS with all received performance appraisal summaries of Meets Expectations or better. If upon completing the required service, the Employee has not received two (2) twelve (12) month performance appraisals as an Intermediate, an interim performance appraisal shall be performed within thirty (30) days. If an interim performance appraisal is performed, the Employee being appraised must receive a performance summary of Meets Expectations or better to remain eligible for progression.

At the Company's sole discretion, an employee may be progressed earlier than provided for in this article, based on management's assessment of the level of work regularly performed by the employee and the employee's level of performance throughout the year."

The Company shall, retroactive to and effective January 1, 2009, progress to Intermediate Engineer/MTS all those members who, as of January 1, 2009, had at least two (2) years' experience at the Company with all received performance summaries of Meets Expectations or better at the Junior level. The Company shall also, retroactive to and effective January 1, progress to (Working Level) Engineer/MTS all those members who, as of January 1, 2009, had at least four (4) years' experience at the Company with all received performance summaries of Meets Expectations or better at the Intermediate level.

The Company shall, retroactive and effective to the Employee's hire date anniversary, progress to Intermediate Engineer/MTS all those members who, between January 2, 2009 and TBD the ratification date of this collective agreement, had a least two (2) years' experience at the Company with all received performance summaries of Meets Expectations or better at the Junior level. The Company shall also, retroactive and effective to the Employee's hire date anniversary, progress to (Working Level) Engineer/MTS all those members who, between January 2, 2009 and TBD the ratification date of this collective agreement, had at least four (4) years' experience at the Company with all received performance summaries of Meets Expectations or better at the Intermediate level.

All outstanding progressions include salary compensation adjustment to the appropriate post-progression level.

42.7 Reclassification to Member Technical Staff

Employees in positions classified as Senior Technologist may, at the sole discretion of the Company, be advanced to positions at the Member Technical Staff level either as a result of their having applied on a job posting and been accepted or as a result of management's assessment of the level of the work being performed by the Employee during the performance appraisals conducted for twelve (12) month periods of service in the bargaining unit provided that the Employee meets or exceeds the qualifications set out in article 42.8 and 42.9 hereof.

- **42.8** In order to be advanced to a position at the Member Technical Staff level, the Employee must have:
 - i) a three (3) year diploma in engineering technology or a Bachelor of Technology degree in engineering technology; or,
 - ii) in the case of Employees not possessing either a diploma in engineering technology or a Bachelor of Technology degree, the Company may, in its sole discretion, determine that the Employee has a combination of education, experience and demonstrated skills equivalent to the formal qualification; and,

- ten (10) or more years' acceptable experience working in engineering technology subsequent to graduation; and,
- three (3) or more years' experience with the Company in a Senior Technologist position.
- 42.9 Reclassification to positions at the Member Technical Staff level will require affected Employees to have demonstrated skills and abilities possessed by an engineer, particularly in the following areas:
 - i) problem identification and solving,
 - ii) know how,
 - iii) judgement,
 - iv) initiative, and
 - v) leadership,

such to be demonstrated by the continuing performance of tasks at the equivalent to engineer level.

42.10 Promotion to Staff Designer

Employees in positions classified as Senior Designer may, at the sole discretion of the Company, be promoted to positions at the Staff Designer level as a result of their having applied to a job posting and been accepted or as a result of the Company's assessment of the level of the work being performed by the Employee during the performance appraisals conducted for twelve (12) month periods of service in the bargaining unit provided that the Employee meets or exceeds the qualifications set out in Article 42.11 below.

- **42.11** In order to be advanced to a position at the Staff Designer level, the Employee must have:
 - i) a three (3) year diploma in engineering technology or a Bachelor of Technology degree in engineering technology or design; or,
 - ii) in the case of Employees lacking formal qualifications in engineering technology or design, the Company may, in its sole discretion, determine that the Employee has a combination of education, experience and demonstrated skills equivalent to the formal qualification; and,
 - ten (10) or more year's acceptable experience working in engineering design subsequent to graduation; and,
 - three (3) or more year's experience with the Company in a Senior Designer position.

43.0 VARIABLE PAYMENT PLAN

43.1 Overview

Variable payments are part of the total compensation package. The objective of providing variable payments is to directly link individual performance rewards to the Company's and the individual's performance. MDA performance is based upon the planned versus actual targets. The individual's performance is based on his/her demonstrated performance during the same year for which the Company's performance is being measured.

Within one month of approval of the MDA annual business plan by MDA executive management, or as soon thereafter as is reasonably practicable, the Company shall communicate the performance targets to the Employees.

All Employees whose performance Meets Expectations or better are eligible to receive variable payments, regardless of salary or placement in the relative salary scale. Such payments are paid as one-time awards and are not added to the Employee's base salary. Employees whose performance is summarized as Needs Some Improvement are eligible to receive a payment under this plan, solely at the Company's discretion. The total variable payment amount awarded to these Employees will also be solely at the Company's discretion.

The individual's assessed performance for the Company's performance year shall be used for purposes of determining the individual performance component of the variable payment. Any variable payment shall be pro-rated when an Employeejoins or leaves the plan during the year. An Employee must be actively employed at the end of the year in order to be eligible for a payment in respect of that year.

The dates for the Variable Payments are as follows:

	Emp l oyee
Organization Performan	ce Year Assessed Performance
2009*	2009*
2010	2010
2011	201 ■
2012	2012
	2009* 2010 2011

VPP payout will be issued on the first available pay period on or after April 1 of the subsequent year. In line with Company's current practices, the VPP payout will be prorated for a period of active employment.

44.0 BENEFITS

The Company will pay the premiums necessary to provide eligible employees and their dependents with the benefits summarized in the Employee Benefits Handbook. This Handbook references the applicable master policies, which shall prevail in the event of a dispute regarding the benefits provided. Employees should consult with Human Resources or the insurer prior to incurring an expense if they are unclear as to their coverage.

The Company has the right to change insurers or policies at any time provided that equivalent coverage is maintained.

During the term of this Agreement, the Company agrees to continue to provide a pension plan for eligible Employees.

Company will provide the Association with related information as required by current applicable pension legislation.

44.1 Post Retirement Benefits

Current Employees at October 26, 2009 (including any Employee who has accepted an offer of employment prior to October 26, 2009 but has not commenced active employment with the Company) will have one month from October 26, 2009 to decide to either retain Post Retirement Benefits (PRB) eligibility or instead opt out and participate in the RRSP program (as per Article 44.2). The decision to opt out of PRB is irrevocable.

For clarity individuals in the pension plan can opt out of the PRB plan and remain members of the pension plan.

After one month from October 26, 2009 the PRB plan will only be for those who elected (per the process described above) to retain the benefit. The PRB plan effectively is terminated for all other employees

PRB coverage will only be for dependents of record at the time of the Employee's retirement from the Company.

For clarification, at this time there are no proposed changes to members currently receiving PRB.

44.2 RRSP Program

The Company will provide personal or spousal RRSP contributions. Each year's RRSP contribution in February will be based on the Employee's December 31st base salary for the preceding calendar year. The Employee must be actively employed with the Company at the time of the payout in order to be eligible for the payout.

The employee will be responsible for ensuring that the RRSP contribution each February does not exceed that year's RRSP contribution room maximum for the Employee as determined by Revenue Canada. Any annual unused contributions under this program may not be transferred to the next year's RRSP contribution.

In addition to not being eligible for PRB, eligible Employees for the RRSP Program are only those Employees who are members of the bargaining unit and who have been employed by the Company for a minimum of twelve (12) months since their most recent date of hire with the Company as of December 31st of the preceding year.

For clarification Term Employees are not eligible for either PRB or RSP (Article 26.4 – Term Employees to be updated accordingly).

Employees must submit their signed RRSP form to Human Resources by January 25th, 2010, 2011, 2012 and 2013 in order to be eligible for the RRSP contributions. All cheques for contributions, payable to the institution, shall be issued to the Employee by February 20th, 2010; 2011, 2012 and 2013, respectively.

45.0 LIABILITY INSURANCE

The Company will continue to provide adequate liability insurance for Employees for acts done in the course of their employment except where such acts are malicious or criminal on the part of the Employee.

46.0 DURATION AND TERMINATION

This Agreement shall become effective as of October 26, 2009 unless otherwise specifically provided as to certain provisions, and shall remain in full force and effect until December 31, 2012 and from year to year thereafter, without change, unless written notice to amend or terminate is given by either party.

Notice that amendments are required or that either party intends to terminate the Agreement may only be given during the period of less than ninety (90) calendar days or not less than thirty (30) calendar days prior to the expiration date.

If notice of amendment or of termination is given by either party, then both parties shall thereupon within ten (10) working days, or such longer period as is mutually agreed to, enter into such negotiations in good faith and make every reasonable effort to secure such renewal or termination.

Each party shall present to the other party in writing any proposed modifications or revisions of this Agreement at the aforesaid meeting. It is understood by both parties that following this exchange, only counter-proposals arising out of or related to the original proposals may be presented unless otherwise mutually agreed to.

It is further agreed that if complete agreement cannot be reached by the expiration date of this Agreement, then either party at any time thereafter may terminate this Agreement by giving five (5) working days notice to the other.

AGREEMENTS

Telecommuting Pilot Program,

The Company and the Association agree to implement a Telecommuting Program for 2011

The parties agree to have an agreement in place by December 31, 2010.

Summer Hours Pilot Program

The Company and the Association agree to implement a Summer Hours Pilot Program, for the summer of 2010.

The parties agree to have an agreement in place by March 31, 2010.

Association Business - Office Facilities

The Association will be provided with an office as soon as practical, to be used for the purpose of the administration of this Collective Agreement. The office shall include, as a minimum, a desk, chair, telephone and filing cabinet as well as internet access. Requests by the Association for use of such office for special meetings of the Association will not be unreasonably withheld.

LETTER OF UNDERSTANDING

Company agrees to increase the Per Diem amount set-out in FIN.PR.002 within 30 days of October 26, 2009.

EXECUTED at Brampton in the	day of	2009.	
For the Company:	For the Association:		

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