

AGREEMENT

BETWEEN:

NAILOR INDUSTRIES INC.

62 Arrow Road Toronto, Ontario
Hereinafter called the "COMPANY"
of the first part

and

SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION LOCAL UNION #30 PRODUCTION

WORKERS Hereinafter called the "UNION"
of the second part

ARTICLE 1 - GENERAL PURPOSE

1.01. The general purpose of this agreement is to secure for the Company and the Union the full benefit of orderly and legal collective bargaining in respect to hours, wages and working conditions. To ensure, to the utmost extent possible, the safety and physical welfare of the employees, the economy of the operation, the quality and quantity of output, and the protection of property. This Agreement also seeks to provide for the fair and peaceful adjustment of all disputes that may arise between the parties and all employees of the Company covered by this agreement. The parties hereto agree to co-operate fully, individually and collectively for the advancement of the conditions set forth herein.

ARTICLE 2 - PERIOD

2:01. The Company and the Union agree, one with the other, that they will abide by the Articles of this Agreement from the 1st day of November, 1999 to the 31st day of October, 2002 inclusive and from year to year thereafter unless either party desires to change or terminate this agreement, in which case the party desiring the change or termination shall notify the other party, in writing, within the period of ninety days prior to the 31st of October of that particular year, that such is its desire. Either party opening the agreement in the manner provided above shall notify the other party in writing as to the changes desired.

ARTICLE 3 - RECOGNITION

3:01. The Company hereby recognizes the Union as the sole and exclusive bargaining agent for all employees save and except persons above the rank of supervisor, office staff, clerical staff, engineering staff and such employees who are covered by a current Collective Agreement between the Toronto Sheet Metal and Air Handling Group and the Sheet Metal Workers' International Association Local Union #30.

**In this agreement wherever the pronoun he appears it shall be construed as meaning an employee, male or female.*

ARTICLE 4 - UNION SECURITY

- 4:01. Every employee covered by this Agreement presently employed by the Company shall, from the effective date of the agreement, as a condition of continued employment become and remain a member in good standing of the Union, and every employee whose employment commences hereafter shall, upon the completion of thirty (30) working days from the commencement of his employment become and remain a member in good standing of the Union. Upon the completion of this thirty (30) day period, every new employee will be required to authorize the Company in writing, to deduct monthly the regular Union dues.
- 4:02. The dues of every member in the bargaining unit will be deducted from the first pay in each calendar month and will be remitted to the Financial Secretary of the Union by the fifteenth (15th) day of the month together with a list showing the names of the employees on whose behalf the deductions were made and the amount of each deduction.

ARTICLE 5 - NO STRIKES OR LOCKOUTS

- 5:01. The Company agrees that it will not cause or direct any lockouts of its employees and the Union agrees with the understanding that to respect an authorized picket line will not be considered as a breach of this agreement, there will be no strikes or other collective action which will stop or interfere with production and that if such collective action should be taken it will instruct it's members to carry out the provisions of this Agreement and to return to work and perform their duties in the usual manner. The Union agrees that it will not involve any employees of the Company in the plant, covered by this Agreement, or the Company itself in any dispute which may arise between any other employer and the employees of such other Company.

ARTICLE 6 - MANAGEMENT RIGHTS

- 6:01. The Union acknowledges that it is the exclusive function of the Company, subject always to the provisions of this Agreement, to hire, promote, demote, classify, assign, transfer, suspend, discharge or otherwise discipline any employee for cause, provided that a claim by any employee that he has been discharged or disciplined without reasonable cause may be the subject of a grievance and dealt with as herein provided.
- 6:02. The Union also acknowledges that the Company has certain other rights prominent among which, but by no means wholly inclusive, are the rights to decide the number and location of its plants, its machines and tool equipment, the products to be manufactured, the method of manufacture, the schedules of products and the general control and direction of the business of the company. It is further recognized by the Union that the Company may from time to time apply rules and regulations to be observed by the employees so as to assure proper direction, discipline and safety for the work force.
- 6:03. The Union acknowledges that the Company may appoint working supervisors from the membership of the bargaining unit. Such supervisors will be, from time to time, required to perform work normally performed by other classifications in the bargaining unit for training purposes, to overcome production difficulties and where deemed expeditious.
- 6:04.

The Union acknowledges and the Company agrees that any employee promoted to supervisor shall be advanced without loss of seniority. Further, any employee promoted to supervisor and subsequently demoted may return to his previous position and retain continuous seniority.

ARTICLE 7 - STEWARDS AND COMMITTEES

7:01. The Company agrees that the Union may appoint and the Company will recognize a Steward and Grievance Committee to consist of up to three employees one of whom shall be the Steward. In the interest of sound relationship, the Union agrees that this Committee, so as to be completely representative of the working force within the bargaining unit, shall consist of employees of each department in the plant.

ARTICLE 8 - GRIEVANCE PROCEDURE

8:01. It is the mutual desire of the parties hereto that complaints of any employee shall be adjusted as quickly as possible and it is understood that an employee has no grievance until he has first given his immediate supervisor an opportunity of adjusting his complaint. If an employee has a complaint, he shall discuss it with his immediate supervisor within five (5) calendar days after the circumstances giving rise to the complaint have occurred, or have or ought to have reasonably come to the attention of the employee. Failing settlement within one (1) working day thereafter, it shall then be taken up as a grievance in the following manner and sequence:

Step 1 - The employee may present his grievance to his immediate supervisor. The grievance shall be in writing on a grievance form supplied by the Company, and shall include the remedy sought, and specify the alleged violation of the agreement. The employee may be accompanied, by his Steward, when taking up the matter with his supervisor. A decision shall be rendered by the supervisor within two (2) working days.

Step 2 - Failing settlement under the procedure in Step 1, the matter shall be taken up within three (3) working days between members of the Grievance Committee and the Plant Manager, or his representative(s). A decision shall be rendered within three (3) working days.

Step 3 - Failing settlement under Step 2, the matter shall be taken up within five (5) working days with the Union Representative and the Plant Manager or his representative(s). A decision shall be rendered within four (4) working days.

8:02. If, after exhausting the grievance procedures under Section 8:01, the grievance has not been satisfactorily settled, either party may notify the other party in writing within thirty (30) calendar days of its desire to submit the dispute to arbitration and the procedure shall be as follows:

- (a) The recipient of the notice shall within five (5) working days, contact the other party to attempt to agree on a mutually acceptable arbitrator.
- (b) If the recipient of the notice fails to contact the other party or if the two parties fail to agree on an arbitrator within five (5) days either party may request that an appointment be made by the Minister of Labour
- (c)

Arbitrator shall adjudicate the dispute and his decision shall be final and binding upon both parties and on the employees or employee affected by it, but shall not be retroactive prior to the initiation of this grievance.

(d) The Arbitrator shall not be authorized to alter, modify or amend any part of this Agreement, nor make any decision with provisions of this Agreement.

(e) The Parties to the Agreement shall share equally the cost of the remuneration and expenses of the Arbitrator chosen. The decision of the Arbitrator shall not be unduly delayed.

ARTICLE 9 - BULLETIN BOARD

9:01. A bulletin board will be provided by the Company and placed in a suitable location for the use of the Union to post notices relating to its meetings and other Union news. No notice shall be posted unless it has first been submitted to the Company.

ARTICLE 10 - DISCHARGE CASES

10:01. Employees when first hired shall be considered as probationary employees for a period of sixty (60) working days, and if they are discharged during this period they will not be entitled to file a grievance in respect of this discharge through the grievance procedure.

ARTICLE 11 - SENIORITY AND PROBATIONARY EMPLOYEES

11:01. An employee is on probation and will not be placed on the seniority list until after he has worked for a total of sixty (60) working days for the Company.

11:02. On hiring, the Company will contact the Union office to see if members are available in the classifications required. In the event of layoff, the Company will notify the Union of the names and rated classifications of the employees laid off. Lay-off notification will be posted one day prior to lay-off date.

11:03. In all cases of increase and reduction of the working force the principle of seniority will apply so long as the application of this principle does not prevent the Company from maintaining a working force of employees who are qualified and willing to do the work which is available.

11:04. In the event of a lay-off should an employee be reclassified the Company agrees to inform him of his wages and benefits in his new classification.

11:05. Lay-off

(a) Temporary lay-off will be restricted to individual plant locations with bumping rights confined within the plant affected by lay-off.

11:06 Seniority rights of an employee shall cease if:

(a) An employee quits or is discharged for justifiable cause.

(b) An employee is absent for twelve (12) consecutive months of lay-off.

(c) An employee is laid off and within three (3) working days after receipt of a written notice to return to work is sent to him by registered mail, he fails to notify the Company of his intention to return to work.

(d)

employee fails to report for work within seven (7) calendar days after the notice to return to work has been mailed by registered mail to his last known address on the Company records.

- (e) An employee, without just cause, fails to report following the expiration of a leave of absence.
- (f) An employee is absent from work for three (3) working days without prior permission, or without notifying the Company during that time of a just cause for absence.
- (g) An employee is discharged and is not reinstated through the grievance procedure or arbitration.
- (h) An employee has not worked for the Company for a continuous period:
 - i) Equal to length of service if such service is less than six (6) months
 - ii) Equal to six (6) months if length of service is six (6) months or more but less than five (5) years.
 - iii) Equal to twelve (12) months if length of service is five (5) years or more.

ARTICLE 12 - SCHEDULE POSTING

12:01 The Company agrees that job posting is recognized for the higher paid jobs in each classification and that employees in the next lower paid group will be given first opportunity to apply for the job. The Union recognizes that it is the exclusive function of the Company to determine the ability of any person who shall apply for the job.

12:02 The Company will notify the Union Steward before filling any job that has been posted and is willing to discuss the complaint of any employee who feels he has not been given a proper opportunity to obtain the posted position.

12:03 During the 60 day period, the employee may return or be returned to his previous job if:

- (a) He does not wish to continue in the job.
- (b) The Company is satisfied that he does not have the skill or ability to perform the job efficiently.

12:04 In the event of an employee returning to a previous position, another employee may be bumped out of that position back to his previous position.

12:05 Any grievance of the Union or any employee arising from the filling of a position by the job-posting procedure will not be subject to the Arbitration procedure and the decision of the Company shall be final.

ARTICLE 13 - SCHEDULES

13:01. Attached hereto and forming part of this Agreement are the following schedules:

Schedule 'A' - Wages, Job Classifications and Job Descriptions

Schedule 'B' - Hours of Work and Working Conditions

Schedule 'C' - Welfare Fund

Schedule 'D' - Vacation with Pay

MUTUALLY AGREED AND DULY EXECUTED BY THE PARTIES HERETO

THIS _____ DAY OF _____ 19 ____.

SIGNED ON BEHALF OF
NAILOR INDUSTRIES INC.

SIGNED ON BEHALF OF
SHEET METAL WORKERS'
INT.ASSOC. LOCAL UNION
#30 PRODUCTION WORKERS'

B. SHEPHARD

AL BUDWAY

J. DOLLIMORE

JOHN COLLINS

**NAILOR INDUSTRIES
AIR DISTRIBUTION
SCHEDULE 'A'
WAGES & JOB CLASSIFICATION
EFFECTIVE NOV. 1, 1999**

| <u>CLASS 1A</u> | <u>GROUP</u> | | | |
|---|---------------------------|---------------------|---------------------|----------------------|
| Tool & Maintenance Team Leader | A | Journeyman | | 21.95 |
| Maintenance/Repair | B | Journeyman | | 17.95 |
| Machine Set-up & Repair | C | | | 15.40 |
| | | <u>GRADE</u> | | |
| <u>CLASS 1</u> | <u>TEAM LEADER</u> | | <u>SKILL</u> | <u>60 DAY</u> |
| | | | A | B |
| Special Part Fab. Painter Auto Spray Systems Co-ordinator | 1.00 | | 14.80 | 14.42 |
| | | | | C |
| | | | | 14.15 |
| <u>CLASS 2</u> | | | | |
| Welder 'A' Painter Shipper Receiver Linear Trim Saw Standard Machine Operator 'A' Production Worker 'A' | 1.00 | | 14.09 | 13.79 |
| | | | | 13.49 |
| <u>CLASS 3</u> | | | | |
| Welder 'B' Material Handler Standard Machine Operator 'B' Production Worker 'B' | 1.00 | | 11.99 | 11.59 |
| | | | | 11.19 |
| <u>CLASS 4</u> | | | | |
| General Production Worker and Helper | | | 11.14 | 10.20 |
| | | | | 9.70 |
| TIER 2 HIRED PRIOR TO NOV. 1991 | Tier 2 Class 3 | | 13.33 | 12.94 |
| | | | | 12.22 |

**NAILOR INDUSTRIES
AIR DISTRIBUTION
SCHEDULE 'A'
WAGES & JOB CLASSIFICATION
EFFECTIVE NOV. 1, 2000**

| <u>CLASS 1A</u> | <u>GROUP</u> | | | | |
|---|---------------------------|---------------------|---------------------|----------|----------------------|
| Tool & Maintenance Team Leader | A | Journeyman | | 22.30 | |
| Maintenance/Repair | B | Journeyman | | 18.30 | |
| Machine Set-up & Repair | C | | | 15.75 | |
| | | <u>GRADE</u> | | | |
| <u>CLASS 1</u> | <u>TEAM LEADER</u> | <u>GRADE</u> | <u>SKILL</u> | | <u>60 DAY</u> |
| | | A | B | C | |
| Special Part Fab. Painter Auto Spray Systems Co-ordinator | 1.00 | 15.15 | 14.77 | 14.50 | |
| <u>CLASS 2</u> | | | | | |
| Welder 'A' Painter Shipper Receiver Linear Trim Saw Standard Machine Operator 'A' Production Worker 'A' | 1.00 | 14.44 | 14.14 | 13.84 | |
| <u>CLASS 3</u> | | | | | |
| Welder 'B' Material Handler Standard Machine Operator 'B' Production Worker 'B' | 1.00 | 12.34 | 11.94 | 11.54 | |
| <u>CLASS 4</u> | | | | | |
| General Production Worker and Helper | | 11.49 | 10.55 | 10.05 | |
| TIER 2 HIRED PRIOR TO NOV. 1991 | Tier 2 Class 3 | 13.68 | 13.29 | 12.57 | |

**NAILOR INDUSTRIES
AIR DISTRIBUTION
SCHEDULE 'A'
WAGES & JOB CLASSIFICATION
EFFECTIVE NOV. 1, 2001**

| <u>CLASS 1A</u> | <u>GROUP</u> | | | | |
|---|---------------------------|---------------------|---------------------|---------------|--|
| Tool & Maintenance Team Leader | A | Journeyman | 22.65 | | |
| Maintenance/Repair | B | Journeyman | 18.65 | | |
| Machine Set-up & Repair | C | | 16.10 | | |
| | | <u>GRADE</u> | | | |
| <u>CLASS 1</u> | <u>TEAM LEADER</u> | | <u>SKILL</u> | 60 DAY | |
| | | A | B | C | |
| Special Part Fab. Painter Auto Spray Systems Co-ordinator | 1.00 | 15.50 | 15.12 | 14.85 | |
| <u>CLASS 2</u> | | | | | |
| Welder 'A' Painter Shipper Receiver Linear Trim Saw Standard Machine Operator 'A' Production Worker 'A' | 1.00 | 14.79 | 14.49 | 14.19 | |
| <u>CLASS 3</u> | | | | | |
| Welder 'B' Material Handler Standard Machine Operator 'B' Production Worker 'B' | 1.00 | 12.69 | 12.29 | 11.89 | |
| <u>CLASS 4</u> | | | | | |
| General Production Worker and Helper | | 11.84 | 10.90 | 10.40 | |
| TIER 2 | Tier 2 Class 3 | 14.03 | 13.64 | 12.92 | |

HIRED PRIOR TO NOV. 1991

**NAILOR INDUSTRIES
DAMPERS
SCHEDULE 'A'**

**JOB DESCRIPTIONS FOR
U.L. DAMPERS, LOUVRES AND ASSOCIATED PRODUCTS DEPARTMENTS**

EFFECTIVE NOVEMBER 1, 1999

TEAM LEADER/SHEET METAL ASSEMBLER - 1

| | | | |
|-------|---------------|---------------|---------------|
| | November 1999 | November 2000 | November 2001 |
| RATE: | 17.95 | 18.30 | 18.65 |

Must be experienced to carry out the following:

- * Capable of working from blue prints and producing layouts with the use of the appropriate layout tools.
- * Accomplished at set-ups and capable of operating all equipment used in the manufacture of products within the respective department.
- * Provide training and technical assistance to all personnel in lower classifications

SHEET METAL ASSEMBLER - 2

| | | | |
|-------|---------------|---------------|---------------|
| | November 1999 | November 2000 | November 2001 |
| RATE: | 14.09 | 14.44 | 14.79 |

Must be capable of performing the following:

- * Proficient in the set-up and operation of all equipment used in the manufacture of products within the respective department.
- * Provide instruction to all personnel in lower classifications, within the respective department.

SHEET METAL ASSEMBLER - 3

| | | | |
|-------|---------------|---------------|---------------|
| | November 1999 | November 2000 | November 2001 |
| RATE: | 12.20 | 12.55 | 12.90 |

Must be capable of performing the following:

- * Skilled and proficient in the operation of all equipment used in the manufacture of products within the respective department.
- * Provide instruction to all personnel in lower classifications, within the respective department.

NAILOR INDUSTRIES JOB DESCRIPTIONS AIR DISTRIBUTION

TEAM LEADERS

In addition to regular job functions within their classification, Team Leaders will be experienced and versatile workers chosen to:

- (a) Plan and direct work functions of a group to maintain a high level of output and quality production.
- (b) Provide technical assistance to other workers within a group in, and below his classification.

When the company determines that it is necessary to appoint a Team Leader and the employees under consideration are equal as to the requirements set forth in (a) and (b) above preference will be given to seniority.

Employees assigned to Team Leader positions may be removed, at the Company's discretion, if they fail to maintain a high level of output, quality production and meet the full job requirements.

The Company shall determine the circumstances under which Team Leaders are required, and employees will receive Team Leader rates only when assigned to that position.

PLANT MAINTENANCE/REPAIR 'B'

- (a) Must be familiar with automatic punch presses, shears, brakes, welders and all other related machines, to repair and overhaul.
- (b) Have full understanding of a paint line system which includes all controls, testing, adjustments on phosphating/wash stations, bake oven and automatic spray equipment, repair equipment when required.
- (c) Must be able to operate and have knowledge of arc welding, oxy-acetylene, cutting, TIG and brazing.
- (d) Repair and maintain all material handling equipment such as fork truck and hand pump trucks.
- (e) Able to install electrical wiring, trouble shoot electrical problems, familiar with P.L.C. and pneumatics.
- (f) Maintain and install all plumbing requirements.
- (g) Repair and maintain all general building maintenance.
- (h) Repair and sharpen dies when needed.
- (i) Able to operate a lathe, milling machines and surface grinders.
- (j) Able to read blueprints, use precision tools and measuring devices.
- (k) The employee must work within minimal supervision and perform all other related duties.

MACHINE SET-UP MAN/REPAIRMAN 'C'

Operators who set-up automatic punch presses and related machines and make minor repairs as required, such as:

- (a) Replacing broken springs, punches, pilots etc.
- (b) Make machine adjustments and may replace worn parts.
- (c) Perform other work related to employee's classification.
- (d) May instruct new employees in proper operation of assembly machines.
- (e) Precision work involving extremely close adjustments on dies.

This work requires the ability to make close adjustments to machines without the use of precision instruments, as adjustments are made by feel and observation of trial pieces. Read blueprints for more than one dimension, coding sheets and tooling specifications. Check parts to determine accuracy of set-up and dimensions. Uses precision tools and measuring devices.

PAINTER/AUTOMATIC - SPRAY SYSTEMS CO-ORDINATOR - CLASS I

In addition to fulfilling the painter requirements must have knowledge of and experience in overall paint line operation. This includes control, testing and adjustments on phosphating/wash systems, bake oven and automatic spray equipment, and waste treatment system. Performs other duties related to employee's classification, if qualified.

SPECIAL PARTS FABRICATOR - CLASS I

Operators are to fabricate pilot units or make modifications to existing units. Performs other duties related to the employee's classification. Works from sketches, rough prints or general verbal instructions, to make actual assembly, sub-assembly or part. May make up short run orders for which standard tooling is not available. Set-up and operate all machines and sheet metal equipment necessary to lay-out, fabricate and assemble units. This work requires performing close tolerance hand and machine operation. Requires knowledge of all sheet metal operations. Read complex blueprints and coding sheets, set-up and operate shears, brakes, punch press, welding equipment, drills, saws, etc.

PAINTER - CLASS 2

Performs the application of paint to products according to specification. Requires knowledge and experience in the use of paint spray equipment, preparation of paints, thinners and solvents. Performs other duties related to the employee's classification, if qualified.

WELDER 'A' - CLASS 2

This classification defines a worker who is required to have a complete knowledge of arc welding on ferrous metals and oxy-acetylene cutting and welding and brazing on all ferrous metals and brazing and TIG welding on non-ferrous metals and to carry out operations without direct supervision.

SHIPPER/RECEIVER - CLASS 2

Operations are to receive materials and verify material count and/or weight against purchase order or route cards. Deliver materials received to proper department. Forward materials received to office. Place materials in stock and records location. Fill requisition as necessary. Check boxes against bills of lading for accurate shipment. Move shipment to dock and separate for correct carrier. Help load trucks effectively, communicate with outside trucking companies and customers. Perform duties related to all employees' classifications.

This job requires the ability to read accurately many types of handwriting and a general knowledge of the business forms used in shipping and receiving. Must write legibly. Count by means of a hand count, computing scale, weighing and/or measuring. Operate lift truck.

LINEAR RADIAL ARM TRIM SAW (Speciality Mitering & Trimming) - CLASS 2

Must be a highly experienced machine operator who has demonstrated the ability to set up and operate all similar machines or equipment. Required to read and interpret breakdowns and drawings on all products and to plan their work so that operations are performed in their proper sequence with a high degree of accuracy and efficiency without any supervision.

STANDARD MACHINE OPERATOR 'A' - CLASS 2

Must be a highly experienced machine operator who has demonstrated the ability to set up all machines or equipment within the same classification. Required to read and interpret break-downs and drawings on all products and to plan their work so that operations are performed in their proper sequence.

NOTE: Standard machines include the following:

- Presses over 5 tons but not more than 50 tons
- Power Shears

PRODUCTION WORKER 'A' - CLASS 2

Works from blueprints to lay-out, cut, form bend, fit, insulate, weld, solder and assemble sheet metal in fabricating parts and complete units. Performs other work related to the employee's classification. Makes own set-ups. May direct the work of lesser skilled sheet metal fabricator.

This work requires the use of blueprints or written instructions. Uses lay-out tools, brakes, shears, presses, both hand and power operated lock former, measuring instruments, spot welder, hand tools, etc.

WELDER 'B' - CLASS 3

This classification defines a worker who is required to carry out detailed operations after instruction on production and repetitive welding on all ferrous and non-ferrous metals.

STANDARD MACHINE OPERATOR 'B' - CLASS 3

Experienced machine operators who have completed ninety (90) days of work on a given class four (4) job, be paid this rate, and these workers will be required to function with a high degree of efficiency and accuracy on all standard production.

PRODUCTION 'B' - CLASS 3

Operations are to drill, roll, brake, punch, fit, insulate, spot weld, and assemble sheet metal in fabricating parts and complete units. May work as helper to Production Worker 'A' - Class 2 Precision involves making each unit to proper specifications within relatively close limits. Performs duties related to all employee's classifications.

GENERAL PRODUCTION WORKER AND HELPERS - CLASS 4

To include, by way of example but not limited to any of the following: assemblers, packing and wrapping, shop helpers, powered hand tools, table saw, foot shear, riveter, sander, spot welder etc.

A-2 Employees presently being paid the scheduled rate and all new employees shall be entitled to and shall receive the rates herein stipulated.

A-3 An employee may be temporarily transferred to another job for a period of not more than five (5) working days without the Company being required to change his rate of pay.

A-4 If the Consumer Price Index, published in July of 1997 should be more than 12% higher than the index published in July 1996, the wage rates effective November 1, 1997 shall be adjusted upwards by the amount which the increase in the index exceeds 12% (e.g. if the index increase is 14%, the wages shall be increased a further 2%).

A-5 Students or temporary vacation help will be paid 75% of the general helpers rate.

A-6 Workers hired under terms of this contract will be paid 80% plus all benefits or 100% of the rate without benefits when hired in appropriate classification.

A-7 No employee's present rate will be reduced as a result of the new Schedule 'A' introduced into the contract November 1, 1996.

NAILOR INDUSTRIES
SCHEDULE 'B'
HOURS OF WORK AND WORKING CONDITIONS

B-1 The regular work week shall be from Monday to Friday inclusive.

B-2 The regular working day shift shall be Monday to Friday 8 Hours

The regular working afternoon shift shall be Monday to Friday 8 Hours:

When an area is working on one or two non-rotating shifts the shift hours will be:

Day Shift 7:15 a.m. to 3:45 p.m. ½ hour unpaid lunch

Afternoon Shift 3:45 a.m. to 12:15 a.m. ½ hour unpaid lunch

Shipping Dept.

The regular working day shall be eight (8) hours Monday to Friday. Starting times of employees may vary to cover operating hours from 7:15 a.m. to 6:00 p.m.

Employees will be at their workstation at their regular starting time. Anyone punching in more than three (3) minutes after regular starting time will be docked in ¼ hour increments.

All full time work performed during these hours shall be paid for at the regular hourly rate specified herein.

Where overtime work becomes necessary, it shall be distributed in an equal and impartial manner among the employees on both Day Shift and Afternoon Shift as follows:

(a) Overtime will be offered to employees, who work in the department requiring the overtime, providing they are qualified to do so.

(b) If additional employees are required, the work will be offered to employees, in the rest of the plant, providing they are qualified to do so.

Overtime may be offered prior to or following either shift Monday to Friday and/or on weekends.

B-3. When it is agreed that overtime is to be worked, each employee selected shall be notified of such overtime during the working hours of the day previous to the day the overtime is required. If the overtime work required is of an unexpected nature, precluding opportunity for advance notice, in addition to the wages specified in Schedule 'B', the Company shall pay each employee that agrees to work overtime, a meal allowance in the amount of four dollars and fifty cents (\$4.50) if he is required to remain at his place of employment in excess of five hours after his regular lunch break.

B-4. Overtime hours shall be all hours worked in excess of forty hours in a calendar week. Overtime hours, except Sunday, will be paid at a rate of one and one-half (1-1/2) times their straight time hourly rate of pay. All hours worked on Sunday shall be paid at a rate of two (2) times their straight time hourly rate of pay. All mandatory overtime will be paid at overtime rates.

B-5.

Statutory holidays are as follows:

| | |
|---------------|--|
| New Years Day | Civic Holiday |
| Good Friday | Labour Day |
| Victoria Day | Thanksgiving Day |
| Dominion Day | Christmas Day |
| Boxing Day | Heritage Day (Effective Nov. 1, 1997 to be taken on individual's birthday) |

An employee does not qualify for a paid holiday if the employee:

- (a) is employed for less than three months.
- (b) does not earn wages on twelve (12) days of the four work weeks preceding the holiday.
- (c) does not work his or her regularly scheduled shift immediately before and after the statutory holiday, exceptions being made for absence due to illness, death in the immediate family or jury duty. (satisfactory proof required)
- (d) having agreed to work on a public holiday, does not report for and perform the work without reasonable cause.

An employee may work make-up hours to bring his weekly pay up to 40 hours per week in those weeks that include Statutory Holidays.

Statutory Holidays will be paid as 8 hours.

- B-6 A shift premium of fifty five (.55) cents per hour shall be paid for all regular afternoon shift hours worked.
- B-7 Employees will be permitted to stop work five (5) minutes before quitting time at the end of each shift so that they may wash-up and punch out. Those employees leaving their work stations prior to the five minutes wash-up period without good reason will be stopped 15 minutes pay.
- B-8 A ten (10) minute rest period shall be scheduled near the middle of any one-half ($\frac{1}{2}$) shift that will last for three (3) hours or longer. Employees may have coffee during the rest period if they desire to do so.
- B-9 Four (4) hours work or four (4) hours pay, as the Company shall decide, shall be given to every employee who reports for his scheduled work shift and is not put to work, unless the failure to supply work was caused by conditions over which the Company had no control, or if the employee had been instructed not to report for work. If the employee is instructed not to report to work, this notice shall conform to either of the following:
- (a) If the employee is working during regular hours he shall be notified the previous day;
 - (b) If the employee is working shift-work he shall be notified a minimum of four (4) hours before his shift is scheduled to start.

B-10

Discipline Policy: Discipline Stages:

1. Verbal warning
2. Written warning
3. Three day suspension
4. Dismissal

Shall be removed from personnel records after three (3) years from date of entry.

B-11 H & S Company Duties:

The premises, tools and equipment of the Company shall be maintained so as to continue to meet the requirements of all legislation pertinent to the Company's industrial operation and no employee shall be required to work in any area or use any machines, tools or equipment contrary to or below the standards required by such legislation.

B-12 H & S Supervisors Duties:

Without restricting the generality of the foregoing, the Company shall require that supervisory personnel be supplied with a copy of the current Occupational Health and Safety Act and instruct them to do all in their power to maintain the whole industrial operation in compliance with its safety requirements.

B-13 H & S Employee Duties

(1) Safety Shoes

| | | |
|--------------|--------------------|--------------------------------|
| | Paid 1st Nov. 2000 | Paid 1 st Nov. 2001 |
| Safety Shoes | \$75.00 | \$75.00 |

The Company agrees to make payments as noted above to all employees who have completed the probationary period at November 1st each year. This payment is to be used for the purchase of safety footwear. Proof of purchase must be provided to the Plant Manager.

The purchase of safety footwear will be the responsibility of the employee. New footwear must be purchased within 30 days from date payment is made.

It is understood that the wearing of Safety Footwear is compulsory and is a condition of employment and is a pre-requisite to hiring.

New employees who have completed 30 days employment on November 1st will be entitled to this payment on completion of the probationary period.

(2) Personal Protective Equipment

If an employee is instructed by the Company to wear appropriate protective head, hand, foot, respiratory, or hearing protective equipment and fails or neglects to wear them without undue delay, they will be subject to discipline as noted.

(3) Eye Protection:

The Company shall supply and the employee use, all other personal protective devices and clothing required to protect the employee from injury.

(4) Clothing and Protective devices:

Any employee, after being adequately instructed in the use of such protective devices and/or clothing, who by failure or neglect to use the protective devices and/or clothing supplied, exposes him/herself or others to injury by such failure or neglect, shall be subject to instant dismissal without prior notice.

(5) Housekeeping:

Each employee is responsible for good housekeeping within their work area, lunchroom and washroom. An employee who fails or neglects without undue delay to clear up area when instructed to do so will be subject to discipline as noted.

(6) Smoking:

The Company will enforce a No Smoking Policy. Smoking is permitted only in designated areas, and at designated break times. (See letter page 29)

B-14 **Absence Notification**

(1) Time Off:

Employees will notify employer the day prior to a request for time off from work for any reason except emergency situations. Failure to notify the Company the day previous will result in a four (4) hours suspension. Continued time off without just cause and proper notification will be cause for termination. Employees must complete standard form for time off.

(2) Injury Reporting:

In all cases of injury, employees have to sign a form of Treatment Memorandum and agree to give consent to the treating physicians to discuss their treatment rehabilitation progress with the contracted nurse.

All workplace injuries must be reported. If Medical Aid is obtained, the Company must be informed immediately, giving the name and address of treating physician.

If absence from work (lost time) is required, regular contact with the Company will be continued. Modified work will be arranged, in co-operation with the Doctor and the Workplace Safety & Insurance Board, for an early and safe return to work.

(3) Absence due to illness:

Must be reported to the Company as soon as possible. Regular contact with the Company should be continued, with Doctor's notes provided as requested to prove the necessity of the absence. An employee who, without just cause, fails to report his/her absence, will be subject to discipline.

Modified work will be arranged, when possible, to accommodate an employee's safe return to work as early as possible.

**NAILOR INDUSTRIES
SCHEDULE 'C'
WELFARE FUND**

C-1 EMPLOYER HEALTH TAX

The Company will contribute as required to the Ontario Health Plan.

C-2 BEREAVEMENT

An employee who suffers the bereavement of a member of his immediate family shall be granted a leave of absence with pay up to two (2) working days subject to the following conditions:

- (a) The employee must be permanent.
- (b) The employee must attend the funeral.
- (c) The days eligible for payment shall be consecutive and shall include the day prior to the funeral. Such days shall be scheduled working days of the employee which, but for the bereavement he/she would have worked.
- (d) Such days shall not be considered as days worked for the purpose of computing overtime or any other purpose.
- (e) The employee will be paid eight (8) hours pay for each day of bereavement leave. "A member of his immediate family" shall be restricted to Father, Mother, Husband, Wife, Son, Daughter, Brother, Sister. A multiple bereavement due to the same circumstances shall be treated as one bereavement.

C-3 SICK DAYS

- (a) ANNUAL SICKNESS ENTITLEMENT commencing on the fourth day of sickness, providing Doctor's note as outlined below has been received, the Company agrees to pay eighty percent (80%) of the employees full wages, based on 8 hours per day, for the following periods per year.

| | |
|-----------------------------|--|
| After 3 months to 1 year | 1 day per month to a maximum of 6 days |
| 1 to 5 years | 10 days |
| Over 5 years | 15 days |

Anyone taking ten (10) or more days off five (5) years in a row will have their annual sickness entitlement reduced five (5) days.

Any employee taking ten (10) or more days off in the previous year on account of sickness or unapproved absence will have one (1) day deducted from their annual sickness entitlement. These reductions may be offset by taking less than 10 days off on account of sickness, or unapproved absence in a year

- (b) Effective November 1, 1991 all employees, who have worked 12 consecutive months, with annual sickness entitlement of 10 days or more who take off less than 9 days in the year on account of sickness, injury, or unapproved absence in the previous year will receive a cash payment of \$75.00 on December 1st of each year.

- (c) Eligible employees are, by definition, those who have completed their probationary period with the Company.
- (d) If an employee is or will be absent for eight (8) or more consecutive days the Company may ask the employee to visit the Company doctor. Payment of sickness pay is conditional on the employee doing so.
- (e) In all cases of illness, employees will furnish an explanation from a Doctor, in English, providing information which states whether the worker is fit for work, not fit for work, or fit for work with restrictions, and estimating the possible length of absence. These may be requested on a regular monthly basis to substantiate the absence.
- (f) Abbreviated prescription type notes will not be accepted. Failure to comply will forfeit the employees entitlement to sick days' pay.

A form is available - cost to prepare will be the responsibility of the employee.

- (g) Accumulated sick days to terminate at the end of each contract year.

EMPLOYEE PERSONNEL

Personnel will send a letter to each employee expected to be off longer than his/her sick benefit period, to ask for regular contact with the Company, continuing medical excuse notes as requested by the Company, and to remind them that they must continue to pay their portion of the benefits while off.

A standard form Doctor's note similar to that following a WSIB injury will be available for use to seek this fitness information from the physician, and that it be required as necessary, at approximately one month intervals (see sample letters and form).

C-4 **BENEFITS**

- (a) **DEATH BENEFIT**

\$10,000 Life Insurance plus \$10,000 A.D.&D. The Company agrees to pay full cost and any increased cost during the term of the Agreement of Life Insurance & A.D.&D. Plan underwritten by the Equitable Life Insurance Company of Canada which provides an eligible employee with insurance as noted.

- (b) **LONG TERM DISABILITY**

\$500.00 per month. The employee agrees to contribute the full cost and any increased cost during the term of this Agreement of the Long Term Disability Plan underwritten by the Equitable Life Insurance Company of Canada. The Company agrees to deduct \$1.85 per week for the current cost.

- (c) **DENTAL PLAN**

The Company agrees to pay the full cost and any increased cost during the term of this Agreement of the Dental Plan underwritten by the Equitable Life Insurance Company of Canada. This plan will be updated every year to the current Dental Schedule for eligible employees with insurance as noted.

(d) PRESCRIPTION DRUGS

The Company agrees to pay the full cost and any increased cost during the term of this Agreement of the Prescription Drug Plan underwritten by the Equitable Life Insurance Company of Canada which provides an eligible employee with insurance as noted:

- 1) Drugs: - Use generic drugs if available
- 2) Pharmacies - Use pharmacies that have lower dispensing fees, a list will be supplied to employees. If you use pharmacies outside this list employees pay the dispensing fee. [As this will mean lower prescription costs, the employees cost (deductible) will also be lower.]
- 3) Maintenance drugs -To be ordered in reasonable quantities.

In section C-4 (a), (b), (c) and (d) eligible employees are by definition those who have completed sixty (60) working days in the employ of the Company. Employees will become eligible for the benefits on the first of the month following.

(e) DISABILITY OR LEAVE

When an employee is not working due to disability or leave:

- 1) The Company will continue to pay for Life Insurance and LTD for up to 6 months. The LTD premiums which are payable by employees will be deducted from any claims payable to the employee or from their wages when they return to work.
- 2) The Company will pay for health benefits for one calendar month.

(f) VISION CARE

The Company agrees to provide up to \$150.00 (with a \$25.00 deductible) per individual every two years for the cost of prescription glasses required because of a new prescription. A claim must be accompanied by a signed Optician's note, and a copy of the prescription, in English, indicating the glasses were for a new prescription.

(g) PENSION PLAN

Employees may contribute part of their wages to an R.S.P. The Company will administer the plan.

NAILOR INDUSTRIES
SCHEDULE 'D'
VACATION WITH PAY

D-1 The Vacation Pay and duration of vacation will be as follows:

VACATION WITH PAY

(a) For employees with seniority from November 1, 1999:
at July 1st

| | | |
|---------------------------------------|----|---|
| Prior to the completion of 5 years | 4% | 1 day per month of service to a maximum of two (2) weeks |
|---------------------------------------|----|---|

| | | |
|------------------|----|-----------------|
| 5 years and over | 6% | 3 weeks maximum |
|------------------|----|-----------------|

(b) For employees with seniority prior to November 1, 1999:
at July 1st

| | | |
|---------------------------------------|----|---|
| Prior to the completion of 5 years | 4% | 1 day per month of service to a maximum of two (2) weeks |
|---------------------------------------|----|---|

| | | |
|--|----|-----------------|
| 5 year or more but less than 10 years | 6% | 3 weeks maximum |
|--|----|-----------------|

| | | |
|-------------------|----|-----------------|
| 10 years and over | 8% | 3 weeks maximum |
|-------------------|----|-----------------|

D-2 Each employee shall receive his vacation allowance by the 14th of July in the amount which is agreed, calculated on the percentage of gross earnings since the last Saturday in June of the previous year until the first Monday of July in the current year.

Vacation pay will be calculated as per arbitrator's decision of November 29, 1999.

Should an employee desire, the Company agrees to pay entitlement at any time of the year with four weeks written notice. Vacation time must be scheduled.

D-3 The employee's holiday period will be scheduled by the Company, and if possible, will be granted during the months of July and/or August.

D-4 The Company shall draw up the vacation schedule by the 31st day of March in each year.

D-5 The Company may close the plant for the vacation period if it desires. If during shut-down period a skeleton staff is maintained the vacation of the employees who work during the shut-down period will be granted at a time mutually agreed.

D-6 At the Company's option and with agreement of a majority of Employees, the Christmas holiday may be extended to allow a continuous plant closing from December 24th until January 2nd. The employees will be given an opportunity to make up the lost time at straight time rates.

ADDENDUM

MODIFIED DUTIES AVAILABLE AT ARROW ROAD

UPDATED OCTOBER 1998

Please discuss with the Supervisor, which of these are available. At times it is expected that a worker will rotate through several workstations dependent on production needs and the worker's restrictions. The following jobs all require handling of light, small pieces of paper, insulation or metal.

1) Installing a spring on diffuser clips: (not always available)

- a) Place a small spring into a 1 x 1.5 inch clip and slide the two through a tool to join them.
- b) Job can be done with right hand or left hand, or both hands.
- c) No heavy lifting, bending or twisting.
- d) May alternate sitting and standing.

2) Installing deflectors on perforated panels:

- a) Place a smaller square over a larger square panel and secure it with 4 springs.
- b) No lifting over 10 pounds.
- c) Sit or stand as required.
- d) Slight pressure on spring, with quarter turn to catch hook onto panel.
- e) Can be done with either one hand or both hands.

3) Punch press operator:

- a) Sit or stand as able, at punch press machine.
- b) Feed metal material into the machine to shape, cut or perforate.
- c) Material size usually about 2-4 inches wide and varying lengths.
- d) No lifting over 10 pounds.
- e) No bending or twisting.
- f) Use of 2 hands usually necessary.

4) Prepare screws for painting:

- a) Place 1.5 – 3 inch screws into holes in a perforated panel, and remove them when painted.
- b) Sit or stand to work as desired; no twisting or bending.
- c) No lifting over 10 pounds (non-essential – all lifting can be assisted).
- d) Job can be done with either one hand or both hands.

MODIFIED DUTIES AVAILABLE AT WESTON ROAD
UPDATED OCTOBER 1998

Please discuss with the supervisor, which of these is available. At times it is expected that a worker will rotate through several workstations dependent on production needs and the worker's restrictions. The following jobs all require handling of light, small pieces of paper, insulation or metal.

- 1) **Writing V.A.V. tag labels:**
 - a) requires use of dominant hand for writing.
 - b) done sitting at desk or table, able to stand if necessary.
 - c) no heavy lifting, bending or twisting required.
- 2) **Setting pneumatic controls (Calibration):**
 - a) units weigh 15 grams, controls are adjusted by hand.
 - b) either hand can be used, as fine control is not necessary.
 - c) no heavy lifting, bending or twisting.
 - d) may alternate sitting and standing.
- 3) **Installation of flow measuring stations:**
 - a) requires 2 hands, one to hold the part, one to fasten 3 screws into the grommets using a screwdriver.
 - b) no heavy lifting, bending or twisting.
 - c) may alternate sitting and standing.
- 4) **Wiring of electric component parts:**
 - a) requires 2 hands.
 - b) no heavy lifting, bending or twisting.
 - c) may alternate sitting and standing.
- 5) **Installing a spring on diffuser clips: (not always available)**
 - a) job can be done with right or left hand.
 - b) no heavy lifting, bending or twisting.
 - c) may alternate sitting and standing

MODIFIED DUTIES AVAILABLE AT 108 ARROW ROAD
UPDATED OCTOBER 1998

Please discuss with the supervisor, which of these is available. At times it is expected that a worker will rotate through several workstations dependent on production needs and the worker's restrictions. The following jobs all require handling of light, small pieces of paper, insulation of metal.

1) **Cutting chain for access doors:**

- a) use of a tool to cut required length of light chain.
- b) job can be done with right hand or left hand.
- c) no heavy lifting, bending or twisting.
- d) may alternate sitting and standing.

2) **Riveting lugs on radial damper collars:**

- a) sit or stand as required.
- b) use both hands to place material on rivet machine.
- c) use either foot to operate foot pedal.

3) **Assembling radial dampers:**

- a) sit or stand as required.
- b) work at table to assemble round dampers from several smaller parts.
- c) requires use of both hands, some gripping, fingering, use of a hammer.

IN CASE OF ABSENCE DUE TO ILLNESS

Date: _____

Dear _____

Re: _____

The above named person is:

Fit to return to regular work as of _____

Fit to return to modified work as of _____

Restrictions:

Not fit to return to work now _____

Estimated return to work date: _____

Physician name and signature:

Please have your doctor complete this form or a similar note to indicate your readiness to return to work.

Date:

Dear

Please be advised that Nailor Industries intend to follow the Workplace Safety & Insurance Board policy for Rehabilitation of injured workers. If you are not too badly hurt, and we can give you an alternate job that will not aggravate your injuries, we will do so. You must return to work when suitable modified work is available.

The doctor will tell us what your restrictions are and we will try to find a job within those restrictions. If we do not have a job to fit your restrictions, we will discuss this with you and your doctor.

Your responsibility is to provide the doctor with the information that modified work is available, and to inform us of the restrictions given by your doctor. We have forms available for this at the plant. Your doctor is welcome to phone and discuss this with us.

While you are off, please give us the name and phone number of your doctor, and your current phone number where you can be reached. Remember that you must contribute to your portion of the Long Term Disability benefits even though you are off.

We do not like to see workers injured, therefore we count on you to participate in the investigation of your accident and tell us of any unsafe acts or conditions in the work place so that they can be corrected.

Thank you for your co-operation.

NAILOR INDUSTRIES

Date:

Dear

It is unfortunate that you are ill, we hope you have a speedy recovery.

Please remember when you are off that you should maintain regular contact with the company. This can be through the Nurse, your Supervisor, the Plant Manager or Personnel. A doctor's note will be requested from time to time to verify the reason for your absenteeism.

Also remember that you should pay your portion of the benefits for Long Term Disability. Your Health Care Benefits will continue for one month only.

Should you require Long Term Disability, please phone Mary Lewis in good time so that the insurance forms can be obtained and completed for submission to the insurance company.

We hope you can return to work soon.

NAILOR INDUSTRIES

November 1, 1999

To: All Staff
From: Mary Lewis
Re: Smoking Policy

Smoking will be allowed only in the designated Smoke Room or east of the fence (outside of the compound to be away from any fumes from chemicals on the paint line or Van Waters.) Anyone caught smoking in any other areas of the plant will be disciplined according to the contract.

Office staff is asked to take their breaks outside of the plant break and lunch periods.

Plant breaks are as follows:

| | | | | |
|-----------------|-----------------|------------|----|------------|
| Day Shift | First break | 9:00 a.m. | to | 9:10 a.m. |
| | First Lunch | 11:30 a.m. | to | 12:00 noon |
| | Second Lunch | 12:00 noon | to | 12:30 p.m. |
| | Afternoon Break | 2:15 p.m. | to | 2:25 p.m. |
| Afternoon Shift | First break | 6:00 p.m. | to | 6:10 p.m. |
| | Lunch | 8:00 p.m. | to | 8:30 p.m. |
| | Second break | 10:30 p.m. | to | 10:40 p.m. |