

COLLECTIVE AGREEMENT

BETWEEN

**HITACHI
CONSTRUCTIONTRUCK
MANUFACTURING LTD.**

-and-

**C.A.W. - Canada
NATIONALAUTOMOBILE, AEROSPACE,
TRANSPORTATIONAND GENERAL
WORKERS, UNION OF CANADA,
AND ITS LOCAL 1917**

RECEIVED
FEB 24 2005
ENTERED

FEBRUARY 24, 2004

1159103

CONTENTS	page
PURPOSE OF AGREEMENT	1
PREFACE	1
ARTICLE 1 - RECOGNITION	2
ARTICLE 2 - MANAGEMENT RIGHTS	3
ARTICLE 3 - NO STRIKE OR LOCKOUTS	5
ARTICLE 4 - UNION SECURITY	6
ARTICLE 5 - UNION REPRESENTATION	9
ARTICLE 6 -GRIEVANCE PROCEDURE	11
ARTICLE 7 - DISCHARGES, DISCIPLINARY SUSPENSIONAND WARNINGS	17
ARTICLE 8 - SENIORITY	19
ARTICLE 9 - HOURS OF WORKAND OVERTIME	30
ARTICLE 10 - SAFETY AND HEALTH	38
ARTICLE 11 - LEAVES OF ABSENCE	42
ARTICLE 12 - VACATIONS	46
ARTICLE 13 - COMPANY PAID HOLIDAYS	51
ARTICLE 14 - FUNERAL LEAVE	53
ARTICLE 15 - PAID EDUCATION LEAVE	54
ARTICLE 16 -JURY / CROWN WITNESS PAY	54
ARTICLE 17 - COVERALLSAND GLOVES	54
ARTICLE 18 - TOOLS	55
ARTICLE 19 - SAFETY SHOE ALLOWANCE	55
ARTICLE 20 - PRESCRIPTION SAFETY GLASSES	56
ARTICLE 21 - SAFETY COMMITTEE	56
ARTICLE 22 - TUITION REFUND	56
ARTICLE 23 - BULLETIN BOARDS	58
ARTICLE 24 - WAGES	58
ARTICLE 25 - BENEFIT PLANS	60
ARTICLE 26 - SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN	67
ARTICLE 27 - SEVERANCE PAY	70
ARTICLE 28 - GENERAL PROVISIONS	71
ARTICLE 29 - CONTRACTING OF SKILLED TRADES WORK	72
ARTICLE 30 - DURATION & TERMINATION	73
APPENDIX A - PENSION PLAN	76
LETTERS OF UNDERSTANDING	79-102

COLLECTIVE AGREEMENT

This AGREEMENT is made the 24th day of
February, 2004 BETWEEN:

HITACHI Construction Truck Manufacturing
LTD.
(hereinafter referred to as the "Company")

- and -

C.A.W. - Canada
NATIONALAUTOMOBILE, AEROSPACE,
TRANSPORTATION AND GENERAL
WORKERS, UNION OF CANADA.
AND ITS LOCAL 1917.

(hereinafter referred to respectively as the
"Union" and the "Local Union")

Purpose of Agreement

The purpose of this agreement is to provide a mechanism for the prompt and equitable disposition of grievances and to establish and maintain working conditions, hours of work and wages for all employees who are subject to the provisions of this agreement.

Preface

It is the policy of the Company not to discriminate in its employment practices against any employee because of his/her membership or non-membership in the Union nor violate the Ontario Human Rights Code.

ARTICLE 1 - RECOGNITION

- 1.01(a) The Company hereby recognizes the (CAW-Canada) National Automobile, Aerospace, Transportation and General Workers, Union of Canada as the sole bargaining agent of all employees of Hitachi Construction Truck Manufacturing, Ltd. in the City of Guelph save and except supervisors, persons above the rank of supervisor, office staff and sales staff.
- 1.01(b) The word "employee" or "employees" wherever used in this agreement shall mean all the employees in the bargaining unit referred to in 1.01(a) above except where its context otherwise provides. In this agreement words using the masculine gender shall be considered to include the female gender as well.
- 1.02 Supervision, management and other non-bargaining unit employees will not perform the work normally assigned to employees except as such work may be performed incidental to training, pilots, tool proveouts, programming proveouts, emergency situations and to such extent that it does not result in eliminating the need for an employee. Before any non-bargaining unit employee does bargaining unit work, the Company

will discuss with the Union the nature and scope of the work to be done as well as the expected duration of the assignment.

ARTICLE 2 - MANAGEMENT RIGHTS

- 2.01 The Union recognizes the right of the Company to hire, promote, transfer, demote, retire under the provisions of the Pension Plan and lay off employees and to suspend, discharge or to otherwise discipline employees for just cause subject to the right of any employee to lodge a grievance in the manner and to the extent as herein provided. An employee who has not completed his probation may be discharged if Management determines that he is unsuitable for employment with the company.
- 2.02 The Union further recognizes the right of the Company to operate and manage its business in all respects, to maintain order and efficiency in its plants and to determine the location of its plants, to add, alter or discontinue any department or operation, to determine the products to be manufactured, the scheduling of its production and its methods, processes and means of manufacturing.

- 2.03 The Union further acknowledges that the Company has the right to make and alter, from time to time, rules and regulations to be observed by employees, which rules and regulations will be discussed with the Bargaining Committee before publication.
- 2.04 Nothing in this agreement shall be deemed to restrict the Management in any way in the performance of all functions of management except those specifically abridged or modified by this agreement.
- 2.05 The Company's management rights shall not be exercised in a manner inconsistent with the terms of this agreement.
- 2.06 The Company shall fix the wage rate for any new classification which it creates at an amount which the Company considers to be in line with the wage rates in effect under this agreement on the date when fixed. If the Local Union believes that the wage rate so fixed is not in line with present rates, then it may discuss such new rates with the Personnel Manager if a request to do so is made within thirty (30) days of the installation of the new rate. If within five (5) days of initiating the discussion of the new rate the parties cannot agree, the Local Union may submit the dispute to arbitration in

accordance with section 6.07, Step III. In its submission to the arbitrator, the Local Union shall state the rate it proposes for the new classification and the reason it believes the Company new rate is out of line with the present rates. If the arbitrator is satisfied that the new rate is out of line, then he may set the rate at such rate as he deems appropriate and consistent with the existing rate, but in no event higher than the rate submitted by the Local Union.

ARTICLE 3 - NO STRIKE OR LOCKOUTS

- 3.01 The Company agrees that it will not cause or direct any lockout of the employees covered by this Agreement during the term of this Agreement or any extension thereof.
- 3.02 A lockout shall be defined as a suspension of work or refusal by the Company to continue to employ a number of employees to compel employees to accept terms of employment.
- 3.03 The Union agrees that there shall be no strike during the term of this agreement or any extension thereof.
- 3.04 For the purpose of this Agreement, a strike shall be defined as an intentional slow-down in the rate of production, or any intentional interruption of production or suspension of work.

ARTICLE 4 - UNION SECURITY

- 4.01(a) All employees after the date of ratification of this Agreement by the Local Union and all employees hired after such date shall become members of the Union as a condition of employment.
- 4.01(b) All employees who were members of the Union on such date of ratification shall continue to be members of the Union as a condition of employment.
- 4.01(c) The Company will deduct from the second full pay in each month of each employee the regular monthly Union dues and any initiation fees and general assessments authorized by the constitution of the Union, such dues to be deducted after an employee has worked forty (40) hours in any one (1) month or received pay equivalent to forty (40) hours worked and such initiation fees and assessments to be so deducted after the employee has completed his probation. At the request of the Union the Company will deduct the monthly dues in weekly allotments rather than once per month. In such case the dues are deductible in each pay period for which an employee receives pay, except where such pay is insufficient to cover dues deduction in which case the omitted deductions will be recovered in the next pay period in which there is sufficient pay.

- 4.01(d) The Union will advise the Company in writing of any changes to existing deductions two (2) weeks prior to the first full pay period of the month in which the change is effective.
- 4.01(e) Employees who are not at work for the reason of illness or injury for the full month will not be required to pay dues for that month, such dues will not be deducted by the Company.
- 4.02(a) A list of the total number of employees along with all sums deducted as above shall be remitted by the Company to the Financial Secretary of the Local Union by the 15th of the month following the end of the month in which the deductions were made. A copy will also be sent to the Plant Chairperson.
- 4.02(b) The list will contain the members' names and numbers along with the amount of such deductions and the reasons, if any, why no deductions were made from certain members. The list will also indicate any member terminated, transferred out of the bargaining unit, on layoff, leave of absence which has resulted in no deduction of dues or has died.
- 4.02(c) The Financial Secretary of the Local Union shall notify the Company in writing of the corrections to be made to sums deducted.

Three (3) lists showing the members' names and numbers, last address and telephone number (if any) on file, will be sent by mail every three (3) months to the Financial Secretary of the Local Union hall and a copy to be sent to the Plant Chairperson.

- 4.03** The recording in the books of the Company of the amounts so deducted shall constitute such amounts as moneys held by the Company in trust for the Union.
- 4.04** Any dispute as to an alleged breach of the provisions of this article or as to the interpretation of any of the terms or conditions thereof shall be dealt with under the grievance procedure beginning at Step II.
- 4.05** Unless prohibited by the law, the Company shall include on an employee's T4 slip for income tax purposes the total union dues paid for the year.
- 4.06** The Union shall indemnify and save the Company harmless against any and all claims, demands suits or other forms of liability that may arise out of or by reason of any action taken or not taken by the Company for the purpose of complying with any of the provisions of this article or in reliance on any list, notice or assignment furnished under any such provisions.

ARTICLE 5 - UNION REPRESENTATION

- 5.01(a) The Company shall recognize a Plant chairperson and three (3) committee persons, two (2) of which shall be from the first shift and one (1) from either the second or third shift, who shall form the grievance committee and shall be recognized as the bargaining committee for the purpose of contract negotiations and meetings with the Company in the administration of this agreement. Such representatives shall be appointed or elected by the Union and shall have completed their probationary period.
- 5.01(b) In addition if the second shift has fifty (50) or more employees there shall be one (1) steward for the second shift. For every additional fifty (50) employees there shall be an additional steward. The third shift shall have a steward for each fifty (50) or less employees. In addition the Union has the right to have a first shift steward. Such representatives may be appointed or elected by the Union and shall have completed their probation.
- 5.02 The Union may designate an alternate who will function in the event of any absence from the plant. Notice of such alternate shall be given in writing before such alternate functions.

- 5.03 The plant chairperson will be retained on the day shift as long as work which he/she can perform is available.
- 5.04 The Local Union shall notify the Company in writing of the names of the committee persons and stewards and the classifications and shifts each represents, together with the names of other officers of the Local Union and the Chairperson before the Company shall be required to recognize them.
- 5.05 A committee person or a steward shall represent the grievor at Steps One and Two of the grievance procedure. The Chairperson shall co-ordinate Step Two meetings with Management, he shall be present at Step Two meetings with his committee and steward (if applicable or designated committee person.)
- 5.06 The privilege of committee persons including the chairman and steward to leave their work without loss of basic pay to discuss with Management matters arising out of the administration of this agreement, or grievances, or for a reasonable length of time to prepare for Step II grievance meetings with Management is granted provided:
- a) the time shall be devoted to handling of necessary Union / Management business.

b) the Union representative will request and obtain the permission of his supervisor before leaving his work area, and if entering another work area, must obtain permission from that area supervisor; such permission shall not be unreasonably withheld but the Union recognizes that cases may occur where the Company may need a reasonable period of time to provide a replacement and;

c) the time away from work shall be reported in accordance with the timekeeping methods of the department in which the committee person or steward is employed.

- 5.07 The election of Local Union representatives shall be held on Company premises provided the Company has been informed in writing with reasonable notice of any such election to be held. Such elections shall not be held on Company time. Locations of ballot boxes shall be agreed upon by the parties.

ARTICLE 6 - GRIEVANCE PROCEDURE

- 6.01 The parties recognize that it is of the utmost importance to adjust grievances as quickly as possible. Grievances are defined to mean a claim concerning unjust discipline or discharge or any dispute arising out of the interpretation, application or

administration of or compliance with the provisions of this agreement. Any grievance not carried to the next step, including arbitration by the aggrieved party within the time limits prescribed herein, or within such extensions as may have been agreed to in writing, shall automatically be settled on the basis of the last decision given on the grievance form.

6.02 All grievances shall be filed within five (5) working days of the alleged violations to the agreement and no claim, including claim for back wages, whether for an employee or by the Union against the Company, shall be valid for any period prior to the date the claim was first filed in writing, unless the circumstances of the case made it impossible for the employee or the Union, as the case may be, to know that he or the Union had grounds for such claim prior to that date, in which case the claim shall be limited retroactively to a period of thirty (30) days prior to the date the claim was first filed in writing.

6.03 Any complaint shall promptly be taken up orally by the employee and his immediate supervisor. If the complaint is not resolved at this point, the employee will be granted a reasonable period of time to discuss the complaint with his Committee person or steward. The employee may request his

Committee person or steward to be present at meetings related to performance and may request them in subsequent meetings concerning the same issue if not resolved.

6.04 Step I: If no agreement is reached at under 6.03 above, the steward and/or committee person will present the grievance in writing to the superintendent/department head on the form provided by the Company. Where possible, all grievances shall specify the Article or Section(s) of the Agreement which are claimed to have been violated. The superintendent I department head or designate will date and initial the grievance. A meeting time and date will be set by mutual agreement within one working day and the grievance will be taken up in an office within *two* working days with:

- a) the department head or his/her designate
- b) the supervisor
- c) the grievor, if requested by either party
- d) the steward or committee person

The department head will review the grievance and render his decision within three working days after the

meeting to the committee person or his/her designate.

6.05 Step II: If no agreement is reached with the appropriate department head, the Chairperson, or designate may appeal the grievance to the Human Resources Manager, or designate, not later than five (5) working days after department head's deposition in Step I. The grievance will then be discussed at a meeting arranged between the grievance committee, steward, if applicable, and management and will include the appropriate department head(s). At this step, the Local Union may request the presence of a national representative of the Union. Such meeting will be held within two (2) weeks or as may be agreed upon. An agenda listing the grievances will be submitted by the Local Union forty-eight (48) hours prior to the scheduled meeting date, excluding Saturday and Sunday. Within five (5) working days after such meeting, at which the grievance will be discussed, the Human Resources Manager or designate shall give a written answer to the grievance to the Chairperson or designate.

6.06 Step III. Any grievance not satisfactorily settled at Step II, may be appealed to an arbitrator within fifteen (15) working days of receipt by the Local Union of the written decision of

the Company provided for in Step II. If the parties fail to agree to the selection of an arbitrator within ten (10) days after the receipt by the Company of notice to appeal, then the parties shall request the Office of Arbitration of the Province of Ontario to appoint an arbitrator.

- 6.07 The arbitrator shall not have jurisdiction to alter, modify or amend any part of this agreement, to substitute any new provisions in lieu thereof, to give any decision inconsistent with the provisions of this agreement, to establish subject to section 2.06 a new rate or change the existing wage rate structure, to establish new jobs or to change existing job content. The arbitrator shall have the right to modify penalties in suspension, discharge and other forms of discipline.
- 6.08 No person shall be selected as an arbitrator who has been directly involved in attempts to negotiate or settle this grievance.
- 6.09 Each of the parties hereto will bear jointly the fees and out-of-pocket expenses of the arbitrator; however, the cost of any stenographic record made and any transcript thereof shall be paid for by the party requesting same.

- 6.10 The Local Union may withdraw, without precedent or prejudice to any other case, a grievance which has been referred at any step of the grievance procedure including arbitration, and the Company *may* settle, without precedent or prejudice to any other case, a grievance which has been referred at any step of the grievance procedure including arbitration.
- 6.11 Time may be extended upon mutual agreement between both parties in writing. Saturdays, Sundays and holidays shall be excluded from the computation of time in Article 6 and 7.
- 6.12 Up to and including Step II, no employee will suffer a loss of basic pay due to time spent on the grievance procedure.
- 6.13 If there is more than one grievance concerning the same matter, such grievances may be treated **as** a group grievance and heard or considered together as one grievance in the normal manner commencing at Step I.
- 6.14 The Plant Chairperson or designate will have the right to file a policy grievance with the Personnel Manager or designate. A policy grievance is defined and limited to one which alleges a misinterpretation or violation

of this Agreement, and which could not otherwise be resolved at a lower step of the grievance procedure as an individual or group grievance. Such policy grievance will be referred to the grievance procedure commencing at Step II and shall be dealt with at a special meeting to be arranged by the parties but in any event no later than two (2) weeks following the date the grievance was filed. When a policy grievance claiming redress has been upheld, the Company will be required to pay redress, if any, subject to Section 6.02.

- 6.15 The Company has the right to file a grievance against the Union and/or Local Union to commence at Step II of the grievance procedure.
- 6.16 The parties will meet every other Thursday, if necessary, to discuss unresolved grievances. Nothing in this provision is intended to change the time periods for the grievance process required under this article.

ARTICLE 7 - DISCHARGES, DISCIPLINARY SUSPENSION AND WARNINGS

- 7.01(a) The Company will take any required disciplinary action as soon as possible, after reviewing all of the available information from the date any alleged incident became known to the Company. In the event the

Company indefinitely suspends an employee while investigating the matter, it is agreed that such indefinite suspension will be no longer than three (3) working days and if the Company finds that the three days are not sufficient to complete the investigation the time will be extended by mutual agreement.

- 7.01(b) Any employee at work who is to receive a verbal recorded warning, written warning, suspension or discharge shall be removed from his work station and taken to an office. He may, if he so desires, request and obtain the presence of his committee person or steward to represent him during such an interview. During such interview, the employee will be informed of the offence committed.
- 7.02 Grievances involving suspension or discharges not filed in writing within the five (5) working days immediately following the day on which such discharge or suspension was effected shall not be valid. Such grievances shall be initiated at Step II of the Grievances Procedure. Grievances involving warnings not filed in writing within the five (5) working days immediately following the day on which such discharge or suspension was effected shall not be valid.
- 7.03 An employee and his committee

person or steward will be tendered a copy of any warning, suspension, or discharge at the implementation of 7.02 which will state the dates of the penalty to be served.

- 7.04 If and when an employee is warned orally or in writing by the company for any reason, and this warning is to become a part of his personnel record, then a note or copy of such warning will be supplied promptly to the Chairperson or the Grievance Committee or a committee person. In imposing discipline on a current charge, Management will not take into account any prior warnings or suspensions which occurred more than one (1) year previously. Where an employee has been absent on layoff for twelve (12) consecutive months or longer his/her disciplinary record will be backed down one step upon their recall to active work. An employee, upon being recalled following twelve (12) consecutive months or longer of layoff, shall be credited with the amount of time which he/she had worked prior to layoff towards the one (1) year.

ARTICLE 8 - SENIORITY

- 8.01 The term "seniority" shall be defined as that status of an employee based upon his established unbroken length of service with the Company from the date of last hiring by the Company.

- 8.02 An employee will be considered probationary for his first sixty (60) days worked in a period of six (6) months and will have no seniority rights during that sixty (60) day period. A probationary employee may be discharged for just cause at any time during his probationary period if Management determines that he is unsuitable for continued employment with the Company. After such sixty(60) days worked his seniority shall date back to his first date of hire with the Company within such six (6) months. When two (2) or more employees start work on the same day, they are to be placed on the seniority list after completion of probation in the order of their respective employee numbers.
- 8.03 No new employee will be hired while employees with seniority and ability to do the work required, based on previous in-plant experience, are on layoff. Such employee (s) will be expected to meet performance requirements with minimal orientation.

LOSS OF SENIORITY AND TERMINATION OF EMPLOYMENT

- 8.04 Seniority shall terminate and an employee shall be deemed to be no longer an employee when an employee:

- (a) quits for any reason;
- (b) retires under the Pension Plan;
- (c) is absent from work in excess of three (3) consecutive working days without prior leave from the Company or without reasonable excuse;
- (d) is discharged and is not reinstated through the grievance procedure including arbitration;
- (e) is on layoff for a period of time equal to his accumulated seniority at the time of layoff or four (4) years, whichever is less; with the exception that employees with six (6) to twelve (12) months service will have one year's recall rights.
- (f) fails to return to work from layoff within five (5) working days of receipt of notice sent by registered mail to his/her last address on file with the Department. The five (5) working days may be extended up to an additional five (5) working days if the employee so requests the additional time within the original five working day recall period.
- (g) fails to pick up registered notice described in (f) without providing an acceptable reason.

(h) fails to return to work at the end of an authorized leave of absence without a reasonable excuse or utilizes a leave of absence for a purpose other than that for which the leave was granted.

(i) Accepts severance pay in accordance with Article 27.

8.05 An employee shall accumulate seniority under the following conditions:

(a) while he is at work for the Company, after he has completed his probationary period as set out in section 8.02;

(b) while on lay-off status subject to recall.

8.06 An employee's return to work after sick leave will be conditional on his supplying when requested, a certificate from a physician stating that he is recovered from the illness or injury which caused his absence. The Company may require that the employee obtain such a certificate from a physician selected by the Company. Differences of opinion between the employee's personal physician, and a physician designated by the Company, will be resolved by a third physician or surgeon selected on mutual agreement by the Company and Union. The Company will pay the

total cost of any Company requested third physician's certificate/report and/or specialist certificate/report and such reports required in the application for long term disability.

- 8.07 In the event an employee is unable to perform satisfactorily the job to which he is assigned solely as a result of a documented health defect, he shall be placed in a vacant job which he is able to perform but if such a job is not available, he will be provided with modified work, if available. An employee so assigned will be re-evaluated every three (3) months to determine whether he should be continued in such assignment.
- 8.08 The Company will post and update the master seniority list monthly and forward a copy to the Local Union.
- 8.09 Employees who were promoted to the position of supervisor prior to June 12, 1986 will be eligible to exercise seniority rights to transfer into the bargaining unit in a layoff situation with all seniority accumulated with the Company as of June 12, 1987. Employees transferred or promoted out of the bargaining unit, after the effective date of this agreement, shall retain the seniority previously acquired Effective March 7, 1994 any employee subsequently transferred to a non-bargaining unit position will

maintain his/her previously acquired seniority in the bargaining unit for a period of one **(1)** year. The Employee may return to his previous position at the option of Management within this one **(1)** year period, thereafter he/she may only return to the bargaining unit as new hire.

8.10 Temporary Layoff

When a temporary layoff (as defined in the Employment Standard Act) becomes necessary the Company will post a notice in the plant at least forty **(40)** working hours prior to the layoff going into effect. Notice of indefinite layoff(s) (as defined in said Act) will be given as required under the Act. Notwithstanding the foregoing, when a temporary condition arises requiring the temporary layoff of employees from the jobs for a period not to exceed three (3) working days, the seniority provisions of this Agreement shall not apply. Such temporary layoffs will take place only when specific sections of the plant are affected due to machinery breakdowns, customer scheduling or any other causes beyond the control of the Company.

8.11 Indefinite Layoff

In the event of layoff, employees with the greatest seniority will be retained while those with the least seniority will

be the first to be placed in other classifications of the employee's choice in accordance with sections (a), (b) and (c) or placed on layoff status. Any employee affected by a manpower reduction will be placed in another classification provided;

(a) he has been previously successfully assigned to such other classification;

(b) he has the skill and ability to perform the work as documented in his personnel file based on his previous performance in the plant, and

(c) he has greater seniority than the employees currently in such other classification.

Employees who are placed in other classifications as a result of a manpower reduction will be expected to become productive and independent performers within forty (40) working hours of their transfer date.

When recalling laid off workers to the Plant, workers will be recalled in order of seniority, that is the senior most laid off worker will be recalled first who meets the requirements of section (b), and so on until all workers have been recalled. Once recalled, and when openings occur, a recalled worker will be given the opportunity to transfer back onto previous jobs which he held

during the layoff procedure, in order of seniority, until transferred back to their original job.

When there is a reduction in force resulting in a layoff, then notwithstanding Section 8.11 the plant chairperson and the one designated certified health and safety worker representative shall be retained, if he is able to perform the available work, but if he is not able to perform such work he shall be laid off.

8.12 If layoffs are necessary the Company will first meet with the Union Committee prior to any announcement of layoff to review with the Union the reasons for such layoff. The Company will consider any alternatives to layoff which the Committee may suggest. The Company will advise each employee to be laid off of his/her options in writing.

8.13 Job Postings

(a) all job vacancies within the bargaining unit shall be posted on all bulletin boards for a period of three (3) working days. The posting will state the qualifications and the rate of the job. Applicants may apply for the posted vacancy within the three (3) working days from the day the opening is posted. Newly hired employees cannot apply for a job posting until

completing three (3) months of continuous service.

(b) in the event qualified employees are not available to fill the vacancies, the Company may post for trainees or the vacancy may be filled by a new hire.

(c) when two (2) or more employees have the posted qualifications, seniority shall be the governing factor. The Company reserves the right to include written and/or practical testing as a means of determining some of the qualifications of an applicant for any posted vacancy. Where a test will be applied, applicants to a job posting will be given a general written outline of the test requirements at least two (2) days in advance of the test. The Union will be entitled to review the complete test results. The most senior employee who passes the test will be awarded the job posting. A passing test score will be sixty percent (60%), weighed equally on the written and practical test.

(d) If the successful applicant of a job posting elects for any reason to return to his former job, he may do so within ten (10) working days (or as may be extended by mutual agreement between the Union and the Company.)

(e) If the successful applicant is unable

to perform the job in a satisfactory manner within ten (10) working days (or as may be extended by mutual agreement between the Union and the Company) he will be returned to his former position within the plant. Such employee may not, after failure to perform, reapply for a posted vacancy in the same job unless he has provided the Company prior to such re-application evidence that he has successfully completed related courses, or job performance in related classification that would qualify for such job.

(f) An employee who has been granted a successful transfer other than a temporary assignment pursuant to 8.13 (g), will not be eligible to transfer to another position for three (3) months following the transfer.

(g) Temporary Assignments

All temporary assignments for a period in excess of an accumulated thirty (30) working days (unless extended by mutual agreement of the Union and the Company) shall be posted. Such postings will be posted as soon as possible following the time that it is known that such assignment will extend beyond the accumulated thirty (30) working days. In the event of a requirement for a group transfer of five or more employees, the parties will meet to discuss the transfer process.

While an employee is in the "transferred classification" or "assigned classification" for 30 days or less, any overtime hours worked will be charged to his original classification.

In the event the temporary assignment is due to employee absences, when such employee returns they shall be placed on their former job and the employees who temporarily filled the position, and any subsequent temporary vacancy, will return to their former job.

All temporary assignments in excess of three (3) consecutive working days will be given to the committee person or steward of the appropriate area in writing. It is clearly understood and agreed that successive temporary assignments of less than thirty (30) working days will not be used to avoid job postings or recalls.

Any employee who is laid off from his/her classification, but who is still working in the plant, will be returned to his/her job prior to another employee being temporarily assigned to such job.

(h) Within ten (10) working days of the job posting being taken down, the successful applicant(s) will be

awarded the job. The results of the job posting will be posted on the plant bulletin board and the Union will be notified.

Within twenty (20) working days of being awarded the job posting, the successful applicant(s) is/are to be placed in the new classification for the purpose of completing his ten (10) day trial period.

The time limits of this article may be extended by mutual agreement of the parties.

- 8.14 An employee temporarily assigned to another job shall receive his prevailing hourly rate, or the job to which he is assigned, whichever is greater.

ARTICLE 9 - HOURS OF WORK AND OVERTIME

- 9.01 Sections 9.01 through 9.03 are intended to define the normal hours of work and shall not be construed as a guarantee to hours of work per day or days per week. The payroll week shall commence Sunday 11:00 PM and continue for seven (7) consecutive twenty-four (24) hour periods.

The regular work week shall consist of one of the following shift schedules:

SHIFT "A" MONDAY TO FRIDAY

DAY SHIFT:	7:00 A.M. TO 3:00 P.M.	PAID LUNCH
AFTERNOON SHIFT:	3:00 P.M. TO 11:00 P.M.	PAID LUNCH
NIGHT SHIFT:	11:00 P.M. TO 7:00 A.M.	PAID LUNCH

SHIFT "B" MONDAY TO FRIDAY

DAY SHIFT:	7:00 A.M. TO 3:30 P.M.	UNPAID LUNCH
AFTERNOON SHIFT:	3:30 P.M. TO 12:00 A.M.	UNPAID LUNCH

9.02 (a) The regular work week shall consist of five (5) eight (8) hour days, plus a thirty (30) minute unpaid lunch, Monday through Friday, for the first shift and five (5) eight (8) hour days for the second shift, plus a thirty (30) minute unpaid lunch (SHIFT B), Monday through Friday as scheduled by the Company. In the event that the Company introduces a third shift (SHIFT A), for any of its employees the regular work week for such employees shall be five (5) eight (8) hour days with a twenty (20) minute paid lunch.

(b) If the Company has to change the hours on days or afternoons to an eight hour confined shift then those employees so scheduled shall work five (5) eight (8) hour days with a twenty (20) minute paid lunch.

(c) First Shift 7:00 A.M. to 3:30 P.M. and a thirty (30) minute unpaid lunch or 7:00 A.M. to 3:00 P.M. with a twenty (20) minute paid lunch (confined shift)

Second Shift

3:30 P.M. to **12:00** midnight and a thirty (30) minute unpaid lunch for those working on a five (5) eight **(8)** hour day

-or-

3:00 P.M. to **11:00 P.M.** with a twenty (20) minute paid lunch (confined shift)

Third Shift

11:00 P.M. to **7:00 A.M.** with a twenty **(20)** minute paid lunch.

(d) It is recognized that because of operation requirements, employees may be assigned to a shift other than a regular shift. Such assignments will not exceed thirty (30) calendar days unless agreed to by both parties.

(e) If employees are transferred to another shift, they will be given two (2) weeks prior notice in writing, such notice to be given no later than the Friday before the two **(2)** week period.

(f) If for any reason an employee requests to transfer to another shift in the same classification or the Company has a need to transfer employees to another shift in the same classification senior employees will have shift preference. Such shift changes will last for not less than three **(3)** months, or as mutually agreed to between the Union and the Company.

(g) The practice of rotating shifts in the Maintenance department shall continue.

(h) Any change to the established shift hours shall be first discussed with the plant committee as far in advance as possible of any such changes.

9.03 There shall be one **(1)** fifteen **(15)** minute rest period for each half shift and one **(1)** five (5) minute wash up for each half shift designated by a buzzer.

9.04 Premium overtime on the employee's straight time hourly rate shall be paid on the following basis:

(a) time and one-half **(1 1/2)** shall be paid for all work performed on Saturdays;

(b) time and one-half **(1 1/2)** will only be paid for hours worked in excess of eight **(8)**;

(c) double time shall be paid for all work performed on Sundays.

(d) double time **(2x's)** shall be paid for all hours worked in excess of twelve **(12)** hours on the employee's scheduled shift.

9.05 An employee who has agreed to work on a holiday shall be paid for work so performed at the rate of double **(2)** times his hourly rate in addition to his holiday pay but if he fails to report for

such required work he shall not be entitled to any pay in respect of that holiday unless he has a reasonable excuse for his failure to report.

9.06 In computing overtime, hours compensated at overtime rates shall not be pyramided, duplicated or counted further for any purpose in obtaining additional overtime payment. Overtime payments will be calculated on a daily basis.

9.07 In the event that the Company requires employees to work on a particular job overtime beyond their scheduled shift it shall first request employees working on the job.

9.08 Overtime work is voluntary, except in the case of an emergency. Employees required by the Company to work overtime to overcome such emergency shall work such overtime. If requested, the Company will review with the Plant Chairman the nature of any such emergency.

9.09 **Overtime Proposal**

The Company may offer overtime work for Saturday, Sunday and holidays with as much advance notice as practical. Such overtime offered and declined shall be considered as overtime worked provided the offer is made not later

than: a) for day shift on Thursday at 3:00 or 3:30 p.m. (as applicable), b) for afternoon shift on Thursday at 11:00 p.m. or 12:00 a.m. (as applicable), c) for night shift on Thursday at 7:00 a.m. Where Good Friday applies, the offer must be made by Wednesday at the same times.

In the event the requirement for Saturday, Sunday or holidays overtime work becomes known after the deadlines described above, overtime will be offered in accordance with Article 9.10f(i) and Article 9.10f(ii), and if declined, such overtime will not be charged. Such overtime shall be distributed among the employees on the shift and classification normally performing the work.

- 9.10 (a) Any employee who has documented medical restrictions will be limited to overtime allowed by his / her restriction.
- (b) Overtime offered beyond an employee's scheduled shift shall be considered as overtime worked.
- (c) any employee absent for any reason shall be charged the overtime hours if their name falls into the overtime requirements.
- (d) An employee transferred into another classification shall be deemed

to have worked the maximum number of overtime hours for that classification. Employees transferred to another shift within the same classification shall be deemed to have worked the average number of overtime hours for that classification on the alternate shift.

(e) **All** records of overtime worked or offered both weekend and weekday, shall be recorded and maintained by supervisors and posted on Wednesday's on departmental bulletin boards and started again at the beginning of each year of the agreement (for the purpose of overtime equalization, the year shall mean the end of the anniversary date of each year of the contract).

Employees who do not wish to be considered for such overtime may sign a letter to this effect but will be charged with hours offered. Employees may rescind their letter at any time.

(f) Overtime will be equalized by shift and classification of employees who normally perform the work as follows:

- (i) weekdays within eighty (80) chargeable hours;
- (ii) Saturday, Sunday and holidays within forty (**40**) chargeable hours.

(g) The employee who has the least amount of recorded overtime among employees in his shift and classification normally performing work and is overlooked in the assignment of overtime, may raise the complaint with his supervisor and shall be offered the next opportunity for overtime.

(h) All material handlers assigned to the structural department (currently 5 employees) will be on a paid lunch. For the purpose of overtime equalization described in article 9.10 (f), there will be no distinction whether the employee is on a paid or unpaid lunch.

9.11 Overtime on a voluntary basis is established with the understanding that employees will not refuse overtime on a concerted basis in violation of the spirit of the agreement.

9.12 **Reporting Pay**

If an employee reports for work at the regularly scheduled time for his shift, he shall be entitled to a minimum of four (4) hours pay at his regular hourly rate unless he was notified by the Company not to report for work, either orally or by notice on the bulletin board or by message left at his residence, provided, however, that if requested by the Company, the employee shall perform a minimum of four (4) hours of such available work as the Company

may assign. The provisions of this section shall not apply in the case of labour disputes, power or steam failure, fire, flood, storm or any other condition of any kind whatsoever beyond the control of the Company.

9.13 **Call-In**

"Emergency call-in" shall mean the calling in to work of an employee to perform emergency work outside his regular shift hours and outside any overtime hours immediately before or after his regular shift. An employee on emergency call-in shall be paid the rate of one and one-half (1 1/2) times his hourly earnings rate for all hours worked outside his regular shift or for a minimum of four (4) hours straight time, whichever is the greater, provided he works as required until the emergency work is completed. The hours worked or the hours the employee is paid for call-in shall not be considered as time worked for the purpose of determining entitlement to overtime pay under this article.

ARTICLE 10 - SAFETY AND HEALTH

10.01 Both the Company and the Local Union recognize their joint responsibility for the health and safety of the employees and their particular responsibilities to each other to the employees as outlined in the

Occupational Health and Safety Act and its regulations, as they may be amended from time to time, (the "Act").

- 10.02 There shall be a joint health and safety committee (the "committee") comprised of four (4) employees appointed by the Local Union and four (4) representatives of management.
- 10.03 There shall be two (2) Co-Chairpersons of the Committee, one (1) from the employees and one (1) from management, appointed by the Local Union and the Company, respectively, who shall act as Chairman in rotation. Minutes of meetings shall be kept by a secretary provided by the Company and, when approved by the two Co-Chairpersons, copies thereof shall be posted on the plant bulletin boards. The names of the Committee members, Co-Chairpersons and a copy of the Safety Committee Guidelines shall be posted on the bulletin boards.
- 10.04 The functions of the Committee are as follows:
- (a) to meet monthly by mutual agreement of the Co-Chairpersons during regular working hours without loss of basic pay to the members to review health and safety conditions within the plant, to review existing

safety training programmes and plant safety education, to consider any accident reports and reports from any inspector from the Ministry and make recommendations to Management.

(b) to nominate a Union representative of the committee to investigate cases where an employee is fatally or critically injured at his work place, and subject to the Act, inspect the place where the accident occurred and any machine and report to the Committee.

10.05 A union representative of the Joint Health and Safety Committee shall accompany a management representative in monthly inspections of the plant and any inspector from the Ministry of Labour in any inspection of the plant. He will be accompanied by the chairperson of the plant union committee upon request of the J.H.S.C. representative. In addition, either the JHSC Union representative or the plant chairperson will be notified when any Ministry of Labour inspector is in the plant.

10.06 The company will provide at no cost to the employee necessary protective equipment, devices and clothing. The Joint Health and Safety Committee shall be consulted in the selection of such equipment and the terms and conditions under which they are to be used.

- 10.07 The Company will provide an adequate occupational health service.
- 10.08 The Company will continue to disclose the identity of all known toxic physical agents or materials to which workers are exposed.
- 10.09 The Company will provide to each employee or his physician, upon written request of the employee, a complete record of the results of any test or examinations conducted in the plant and will review the test results with employee prior to release.
- 10.10 No employee will be disciplined in the event that he has complied with The Occupational Health and Safety Act.
- 10.11 A national union staff representative may have access to the workplace upon request with advance notice and the approval of the Personnel Manager.
- 10.12 The safety manual shall be accessible for all employees and shall be updated every six (6) months, if necessary.
- 10.13 The Company will conduct a minimum of two safety talks per month.
- 10.14 The Company agrees that for the life of this Collective Agreement that it will continue to comply with the Work

Refusal Procedure currently contained in the Hitachi Construction Truck Manufacturing Policy Manual. The Company agrees that it will not discipline any employee who exercises his/her rights in accordance with the Work Refusal Procedure.

ARTICLE 11 - LEAVES OF ABSENCE

- 11.01 A leave of absence is an authorization for an employee to be absent from work without pay for definite period of time which has been approved in advance by the Company. An employee granted such a leave may elect to continue as a member at his own expense all or any of the following benefit plan; OHIP, Major Medical, Life Insurance and A.D. & D., Drug and Dental.
- 11.02 A leave of absence of five (5) calendar days or less shall be considered an informal leave and may be granted by the employee's department superintendent, provided he can practically arrange for the absence of the employee without interference with the efficient operation of his department and without undue inconveniences to other employees. An employee desiring an informal leave of absence shall make application to his foreman at least one (1) week prior to such leave except in

emergencies. No leave of absence shall be considered until all discretionary time off has been consumed (i.e., vacation and personal floater).

11.03 An employee with seniority may be granted by his Department Manager a formal leave of absence for a period of time in excess of five (5) calendar days commensurate with the approved reason for which the request for leave is made but in no event for more than three (3) months. The application is made to the employee's supervisor. An employee desiring a formal leave of absence shall make application to his supervisor at least two (2) weeks prior to such leave except in emergencies. The Company will give a written reply within five (5) working days. If the Company fails to reply within such five (5) working days the employee may consider the request having been approved.

11.04 An employee with at least one year seniority may apply to the Personnel Manager or his designate for education leave. Such leave shall be granted conditional upon;

(a) sufficient prior notice in writing is given to the Company,

(b) evidence of acceptance into the

educational institution is provided by the employee,

(c) the number of employees on such leave does not exceed two (2) at one time, and

(d) the proposed education must relate to the employee's work with the Company.

- 11.05 The Company will grant upon request of the Plant Chairperson, or in his absence upon the request of any member of the Bargaining Committee, or the Local Union President, permission for up to four (4) representatives at any one time of the Local Union to leave the plant on union business without pay providing such request is made in writing with reasonable notice to the Personnel Manager or his designate.

In the event the Local Union President is elected from the Hitachi Construction Truck Manufacturing plant and is not a member of the Hitachi Construction Truck Manufacturing Bargaining Committee then at the request of the Union, the Local Union President will be granted time off without pay to participate in negotiations.

- 11.06 **National Union Leave**
(A) An employee with seniority,

selected or appointed by the National Union, C.L.C., or O.F. of L., shall be granted a leave of absence without pay for one (1) year with extension privileges, provided, however, he renews his leave of absence annually. During such leave of absence, the employee's benefits will cease. The employee may elect for continuation of benefits provided he pays for the premiums in advance. Upon conclusion of his leave or any time during his leave, and provided the Company has had at least fourteen (14) days written notice, such employee will be returned to work in his previous classification, seniority permitting, or he will exercise his seniority rights accordingly.

(B) Local Union Leave

An employee with seniority elected or appointed to a full time office in the Local Union or selected to other Union activities shall be granted a leave of absence without pay for the full term(s) of his office. He shall continue to accumulate seniority and he shall be returned to this previous classification, seniority permitting, upon request of the Local Union, provided the Company has had fourteen (14) days written notice.

11.07 Maternity/Paternity Leave

An employee who qualifies for maternity/paternity leave under the

Employment Standards Act shall be granted such leave upon request submitted to the Personnel Manager.

ARTICLE 12 - VACATIONS

- 12.01 The vacation year shall be the year beginning July 1st and ending the following June 30. Effective June 30, 1998, vacation entitlement will be determined on the basis of the employee's seniority anniversary date. Vacations pay will be based on the total wages paid by the Company to the employee for the twelve month period ending the last full pay period in June of the preceding vacation year.
- 12.02 Vacation entitlement for those employees who have completed their probationary period will be according to the following schedule.
- (a) Employees who have completed probation, but with less than twelve months seniority, will be entitled to receive one full day of vacation for each full month worked (maximum 10. x 8 hour days) and vacation pay equal to 4% of wages.
- (b) Employees with one year of seniority - two weeks (80 hours) vacation and vacation pay equal to 4% of wages.

(c) Employees with five years seniority - three weeks (120 hours) vacation and vacation pay equal to 6% of wages.

(d) Employees with ten years seniority - four weeks (160 hours) vacation and vacation pay equal to 8% of wages.

(e) Employees with 18 years seniority - five weeks (200 hours) vacation and vacation pay equal to 10% of wages.

Complete vacation schedule as follows:

Seniority as of June 30th	Vacation	Pay as a % of wages in preceding Vacation year
Up to 1 year	one full day for each month	
1 to 5 years	2 weeks (80 hours)	4%
5 to 10 years	3 weeks (120 hours)	6%
10 to 18 years	4 weeks (160 hours)	8%
18 years	5 weeks (200 hours)	10%

12.03 The vacation shutdown period will be set by the Company and will be scheduled during the summer months. In the event, an additional one week vacation shutdown period is required during the calendar year, the Company will provide the employees at least 4 weeks notice and in such case, the parties agree to meet to mutually discuss the details of the additional vacation week. It is agreed and understood that the maximum

yearly vacation shutdown will be no more than three weeks in total. Employees who are required to work during plant shutdown periods shall be given vacation at a time mutually satisfactory to such employee and the company, provided it is taken during the appropriate vacation year. Employees who have vacation entitlement in excess of shutdown shall take such vacation during the vacation year. Vacation requests of one (1) week or longer must be made in writing at least two (2) weeks prior to the requested vacation time. Vacation days to be taken randomly will require a minimum of one (1) working days notice in writing. When an employee has requested an individual vacation day, and has provided the Company with a minimum 24 hours (one full working day) advance notice on an approved vacation request form obtained from their supervisor, the request shall be considered as approved unless the company informs the employee otherwise. **All** vacation request will be considered in the order received, and will be granted subject to production requirements. **All** remaining vacation for the current vacation year, which ends June 30th, must be scheduled prior to March 1st of that vacation year with the exception of random days. For the period from March 1st to March 30th, employees may book vacation entitlement for the

upcoming vacation year. Vacation requests made during this period will be approved on a seniority basis. Random days after March 1st will be limited to no more than five individual days to be scheduled in accordance with the above procedure. Random days may be used for sickness subject to the employee providing medical evidence to support their absence if their absence occurred on days surrounding long weekends, on their return to work. Such sick days may be used as waiting days for the purpose of establishing an illness claim under the Weekly Indemnity article (25.02) of this agreement.

- 12.04 An employee entitled to vacation in excess of plant shutdown shall take such entitlement in the same vacation year preferably consecutively and in periods of not less than four **(4)** hours unless the employee has less than four **(4)** hours of entitlement remaining. The Company shall continue its present practice of paying vacation pay.
- 12.05 If manpower is required in specific classifications through the vacation shutdown period, in accordance with safe and efficient operations, requirements will be filled by seniority on a rotating year to year seniority basis within the classification provided the employee has the proven skill and

ability to perform the work. In addition, a list will be used for standby work during summer shutdown of the plant. The standby list will include employees who have volunteered to be available to work during the shutdown period in the event unscheduled work becomes available. Employees volunteering to be placed on this list will be maintained on a rotating year-to-year seniority basis within the classification. The scheduled and standby lists will be separate and neither list will be affected by actions taken on the other list.

12.06 All employees within the Maintenance classification may be required to work the shutdown period. If, during the shutdown period additional employees are required to assist maintenance, the work will be distributed on a plant wide rotating seniority basis. The work will be provided on the basis the employee has the skill and ability to perform the work and there is no medical limitation on that work listed with the Company. It is understood that the employee is not precluded from work which he is capable of performing within his listed medical limitations. Employees assigned to assist maintenance will be paid their regular rate of pay.

12.07 Employees returning from lay-off

status will receive vacation pay when vacation is taken less entitlement already received.

- 12.08 In the event an employee returns from layoff, weekly indemnity, WSIB, LTD or parental leave of absence and their vacation entitlement exceeds their vacation pay, the employee will be allowed to work, provided work is available. Work during the summer shutdown period will be allowed in accordance with the established summer shutdown work procedure.

ARTICLE 13 -COMPANY PAID HOLIDAYS

- 13.01 The following plant holidays shall be observed with pay:

HOLIDAYS	2004	2005	2006	2007
New Year's Day	Thu., Jan. 1	Mon., Jan. 3	Tue., Jan. 3	Tue., Jan 2
Good Friday	Fri., Apr. 9	Fri., Mar. 25	Fri., Apr. 14	
Victoria Day	Mon., May 24	Mon., May 23	Mon., May 22	
Canada Day	Fri., July 2	Fri., July 1	Fri., June 30	
Civic Holiday	Mon., Aug. 2	Mon., Aug. 1	Mon., Aug. 7	
Labour Day	Mon., Sept. 6	Mon., Sept. 5	Mon., Sept. 4	
Thanksgiving Day	Mon., Oct. 11	Mon., Oct. 10	Mon., Oct. 9	
Christmas Eve Day	Fri., Dec. 24	Mon., Dec. 26	Wed., Dec. 27	
Christmas Day	Mon., Dec. 27	Tue., Dec. 27	Tue., Dec. 26	
Boxing Day	Tue., Dec. 28	Wed., Dec. 28	Wed., Dec. 27	
Christmas Floater	Wed., Dec. 29	Thu. Dec. 29	Thu. Dec. 28	
For This Agreement Only	Thu., Dec. 30	Fri., Dec. 30	Fri., Dec. 29	
New Year's Eve Day	Fri., Dec. 31	Mon., Jan. 2/06	Mon., Jan. 1/07	
Personal Floater Day	*	*	*	

- 13.02 An employee who has attained seniority may take his Personal Floater (8 hours) at a time mutually agreed upon between the employee

and the Company. Such request must be filed in writing no later than one (1) day prior to the desired day. In any event, such personal floater days cannot be scheduled more than 90 days in advance *from* the date of the request.

13.03 An employee who has attained seniority **will** receive eight hours pay at his straight time hourly rate (plus shift premium if applicable) for such holiday subject to the following conditions:

(a) The employee must work his regular shift immediately preceding and following the holiday. Legitimate lateness will not disqualify an employee from holiday entitlement the employee would otherwise be entitled to.

(b) The employee must work his regular shift immediately preceding and following the Christmas shutdown period (as declared by the Company) to be eligible for payment of any holidays, within the shutdown period unless the employee provides the Company with medical evidence to support their absence the day before or the day after the holiday, otherwise the employee will be disqualified for pay for one (1) or two (2) as the case may **be**, of the holidays within the Christmas shutdown period, and:

(c) The employee must have performed work for the Company during the week in which the holiday(s) fall, unless he is absent on vacation.

ARTICLE 14 - FUNERAL LEAVE

An employee absent from work for the purpose of attending or arranging the funeral of his legal spouse (common law spouse included), child or step child, mother, father, sister and brother shall be granted a leave of absence covering the required time off up to a maximum of five (5) consecutive working days excluding Saturday, Sunday, vacation and holidays provided he attends the funeral. An employee absent from work for the purpose of attending or arranging the funeral of his grandparents, mother/father-in-law, step parents, or sister/brother-in-law of the employee and spouse's grandparents, shall be granted a leave of absence covering the required time off up to a maximum of three (3) consecutive working days excluding Saturday, Sundays, vacation and holidays provided he attends the funeral. The requirement to attend the funeral shall be deemed to have been met if the employee attend a specific memorial service, whether or not the remains of the deceased is physically present at the service. Such employee shall be paid at his/her straight time hourly rate. An approved Bereavement/Funeral Leave Form must be completed by the employee upon his return to work. Funeral leave will not apply to employees who are not at work because of Worker's Compensation, Weekly Indemnity or other leave of absence. Employees who are

unable to attend the funeral or in the case that there is no memorial service will be provided with one (1) day Leave of Absence with pay.

ARTICLE 15 - PAID EDUCATION LEAVE

The Company shall contribute to the Union for all hours worked an amount equal to 1 cent, such amount to be paid monthly, held in a separate fund and used to provide paid education leave for employees selected by the Union to upgrade skills in all aspects of trade union functions.

ARTICLE 16 - JURY/CROWN WITNESS PAY

The Company shall pay an employee who is subpoenaed for jury duty or as a crown witness, an amount equal to his straight time hourly rate less any amount (excluding any travel and meal allowances) paid by the court. To be eligible for such payment, the employee must complete a Jury Duty/Crown Witness Pay Request Form upon his return to work. This form must be submitted to the Personnel Manager and must contain information from the appropriate public official specifying the dates and amounts the employee received for such duty.

ARTICLE 17 - IGL

The Company will supply each employee who regularly wears coveralls, with up to five (5) pairs of coveralls on a need basis and pay the cost of cleaning. In the event an employee is not receiving coveralls, he/she may request

coveralls by advising the Human Resources Department. The Company will also have available spare coveralls for those employees who only may occasionally require coveralls. Coveralls will be kept in a secure area and issued on an exchange basis. Each employee will be responsible for the cost of lost or stolen coveralls. The Company will also supply work gloves on a need basis.

ARTICLE 18 - TOOLS

The Company will supply employee with the necessary tools to perform their job.

ARTICLE 19 - SAFETY SHOE ALLOWANCE

The Company will provide a safety shoe allowance of \$100.00 in 2004, \$100.00 in 2005 and \$100.00 in 2006 for each employee who has attained seniority and is actively at work. This subsidy will be paid to each employee by a separate cheque during the month of January in each year of the contract, a second payment will be made in July to eligible seniority employees. Employees in the classification of machine operator - structural and painter will be entitled to reimbursement for two (2) pairs of safety shoes per year (not to exceed the above schedule per year) if required. The second pair will be reimbursed upon approval of the supervisor. In the event the employee is absent on the afore-mentioned payment dates, he will be paid the safety shoe allowance upon his return to work.

ARTICLE 20 - PRESCRIPTION SAFETY GLASSES

The Company will supply one pair of approved prescription safety glasses to each employee who requires them. Replacement lenses will be supplied upon receipt of proof of a new prescription. Lenses and/or frames worn out or damaged at work will be replaced as required. The Company will provide tinted lenses upon request.

ARTICLE 21 - SAFETY COMMITTEE TRAINING

The Company will pay four (4) employee members of the Safety Committee at their straight time hourly rate to a maximum of forty (40) hours over the life of this agreement, while such employees are attending CAW sponsored safety training sessions. The Company will pay the cost to have two (2) Union members of the joint health and safety committee complete the certified training program during the term of this collective agreement.

ARTICLE 22 - TUITION REFUND

The Company offers and administers a tuition refund program under which employees will, under such terms and conditions as the Company may from time to time establish, receive a tuition refund not to exceed \$800.00 for the calendar year (\$1,300.00 for the calendar year for approved courses taken at an accredited university) upon successful

completion of a pre-approved job-related course at an approved education or training institution during non-working hours while on the active roll of the Company. The Company will also cover the costs of any required books. Any refund made to an eligible employee will relate to the calendar year of completion of the approved course or courses. The following programs are considered job-related and will be approved when the needs cannot be met with the Company:

(a) Courses which will improve the employee's skill on his present job. This includes courses designed to update employees in the technology of their trade or occupation.

(b) Courses which relate to the next job in the logical development of an employee's career.

(c) Courses which will prepare an employee for openings that are expected to occur in the future and for which a sufficient number of qualified employees are not available.

(d) Courses taken to complete the requirements for a grammar school certificate or high school diploma.

(e) Any required or pertinent elective courses taken in a degree seeking program in a field related to the employee's **job** or appropriate to his career in the Company.

ARTICLE 23 -BULLETIN BOARDS

23.01 The Company will provide the Local Union with four (4) bulletin boards, two (2) for each plant which may be used by the Local Union for posting notices of Local Union meetings, Union and Local Union appointments, results of Union and Local Union elections and any other matter of Union or Local Union business. No notice shall be posted on such bulletin board without first receiving the approval of the Personnel Manager or designate.

ARTICLE 24 -WAGES

24.01 Effective February 24, 2004, wage schedules will be adjusted by 0%.
Effective February 24, 2005, wage schedules will be adjusted by 1.5%.
Effective February 24, 2006, wage schedules will be adjusted by 2.0%.

Wage increases are a percentage of each job classification's wage rate. Wage rates are retroactive to February 24th, 2004.

CODE	CLASSIFICATIONS	FEB. 24, 2004	FEB. 24, 2005	FEB. 24, 2006
1001	ELECTRICIAN	\$23.97	\$24.33	\$24.81
1002	MILLWRIGHT	\$23.97	\$24.33	\$24.81
1003	FIXTURE FABRICATOR	\$23.04	\$23.39	\$23.85
1004	CRANE OPERATOR	\$22.53	\$22.87	\$23.32
1005	LAYOUT TECHNICIAN	\$22.52	\$22.86	\$23.31
1006	ASSEMBLY INSPECTOR	\$22.52	\$22.86	\$23.31
1007	STRUCTURAL INSPECTOR	\$22.52	\$22.86	\$23.31
1008	WELDER FITTER	\$22.43	\$22.77	\$23.22
1009	BRAKE PRESS OPERATOR	\$22.17	\$22.50	\$22.95
1010	MACHINE OPERATOR - LEVEL TWO	\$22.17	\$22.50	\$22.95
1011	MACHINE OPERATOR - LEVEL ONE	\$21.85	\$22.18	\$22.61
1012	ASSEMBLER	\$21.61	\$21.93	\$22.37
1013	PAINTER	\$21.61	\$21.93	\$22.37
1014	RECEIVER	\$21.61	\$21.93	\$22.37
1015	CRANE HELPER	\$21.61	\$21.93	\$22.37
1016	SHIPPER	\$20.96	\$21.27	\$21.69
1017	MATERIAL HANDLER	\$20.96	\$21.27	\$21.69
1018	MATERIAL CO-ORDINATOR	\$20.96	\$21.27	\$21.69
1019	LABOURER	\$20.50	\$20.81	\$21.22

Probationary employees will be paid fifteen percent (15%) below the regular hourly rate for their classification. Employees will be paid on an hourly rate basis and it is understood that such wages will consist of the wage rate of the job classification as in effect as of the effective date of this agreement. Such wages will be paid for time worked except as otherwise specified in this agreement.

24.02 **SHIFT PREMIUM**

Employees who work the **evening (second) shift** will be paid a shift premium as follows: Evening shift involves a work schedule that starts on or after 2:00 P.M. and before 10:00 P.M.

Effective: February 24th 2004
Eighty - Five (\$0.85) cents per hour.

February 24th 2005
Eighty - Five (\$0.85) cents per hour.

February 24th 2006
Eighty - Five (\$0.85) cents per hour.

Employees who work a **night (third) shift** will be paid a shift premium as follows: Night shift involves a work schedule that starts on or after 10:00 P.M. and before 6:00 A.M.

Effective: February 24th 2004
Ninety - Five (\$0.95) cents per hour.

February 24th 2005
Ninety - Five (\$0.95) cents per hour

February 24th 2006
Ninety - Five (\$0.95) cents per hour

24.03 Lead hands will be paid 75 cents per hour above the maximum rate for the classification involved.

ARTICLE 25 - BENEFIT PLANS

25.01 The Company shall ensure the payment of the premiums of the following plans in order for employees to receive the benefits of such plans, all subject to and in accordance with the terms and conditions as set out in this Article, in any insurance policy issued in respect thereof and in the Plan itself or any successor thereof. Such plans will be available to all active employees who have attained seniority. Coverage for new employees will be effective the first day of the month following the month in which seniority is attained providing the employee is actively at work on the date benefits would apply. The benefit set out in this Article and the eligibility for such benefits shall not be changed or modified during the life of this Agreement except by negotiation and the mutual agreement of the Union and employer:

a) Ontario Health Insurance Plan

b) Semi-private hospital benefit currently in effect as of the date of this agreement.

c) Dental plan currently in effect as of the date of this agreement.

i) This ODA schedule in effect will lag the current year by one year, yearly maximums as listed:

YEAR 1 Continue at: \$1,350.00
- effective February 24, 2004

YEAR 2 Continue at: \$1,350.00
- effective February 24, 2005

YEAR 3 Continue at: \$1,350.00
- effective February 24, 2006

ii) Maximum orthodontics allowance per individual for a lifetime, as follows:

YEAR 1 Continue at: \$1,350.00
- effective February 24, 2004

YEAR 2 Continue at: \$1,350.00
- effective February 24, 2005

YEAR 3 Continue at \$1,350.00
- effective February 24, 2006

d) Major Medical Benefit (excluding prescription drugs) currently in effect as of the date of this agreement.

e) Vision care allowance as follows:

YEAR 1 Continue at: \$225.00
every 24 months, effective
February 24, 2004

YEAR 2 Continue at: \$225.00
every 24 months, effective
February 24, 2005

YEAR 3 Continue at: \$225.00
every 24 months, effective
February 24, 2006

f) The company will cover 100% of the cost of approved prescription drugs and up to \$6.00 for the dispensing fee for drugs available by written prescription only excluding available over the counter drugs without prescription. Employees are required to participate in the positive enrolment of all family members eligible for coverage. Generic drugs will be automatically dispensed wherever possible unless specified otherwise by the physician.

g) Life Insurance: \$50,000.00,
effective February 24, 2004

h) Accidental Death & Dismemberment
Insurance: \$50,000.00,
effective February 24, 2004

25.02 Weekly indemnity - Payable for a maximum of twenty-six (26 weeks):

(1) Employees will receive 100% of their straight time regular weekly rate for four (4) weeks then at 2/3 pay for 22 weeks on their first claim. Subsequent claims will be reimbursed at 66 2/3's %

for 26 weeks during the period of this agreement.

(2) Benefits to commence on the fourth (4th) day of disability due to a non-occupational illness provided the employee seeks medical treatment by a licensed physician during this period; otherwise the benefit will commence as of the first day of treatment.

(3) If during the first three (3) days of a non-occupational disability due to accident or in the event the employee becomes confined as a registered bed patient in a legally constituted hospital, the waiting period shall not exceed beyond the day immediately preceding the day the employee becomes so confined. In the event an injury occurs requiring hospitalization while an employee is on vacation, such employee will be entitled to apply for weekly indemnity benefits and defer remaining vacation entitlement to a mutually convenient time.

(3a) For the purpose of determination of what is an "illness" and what is an "accident" under Article 25.02, the treating doctor will be provided with a form which will include the definitions of both terms from the Group Benefit Plan and the Company and Union agree that the decision of the doctor as evidenced on that form will be the deciding factor in the determination of

accident or illness for purpose of the waiting period.

(4) Successive periods of disability of an employee separated by less than four (4) weeks of active full time employment at the employees regular job shall be considered one continuous period of disability unless the subsequent disability is due to an injury or sickness unrelated to the causes of the previous disability and begins after the employee has returned to active full time employment.

(5) It will be the responsibility of the employee to submit appropriate information concerning his disability on the form designated by the Company before Weekly Indemnity Benefits become payable.

(6) No weekly indemnity benefits shall be payable for any period of disability during which the employee is not wholly, and continuously disabled and is not under the treatment of a physician legally licensed to practice medicine.

(7) The Company shall provide an employee who is on WCB or Weekly Indemnity after 16 weeks with the appropriate LTD forms. The Company will file the forms on behalf of the employee within the applicable

time limits provided the employee returns the required documents in a timely manner.

(8) In the event of the death of an employee the benefit plan coverage for eligible dependants will be continued for two (2) months following the month in which death occurs.

25.03 The Long Term Disability Plan currently in effect will continue as of the date of this agreement, after the exhaustion of 26 weeks of weekly indemnity payments for the same disability, defined as follows:

For an employee to be deemed to be totally disabled, he must not be engaged in regular employment or occupation for remuneration or profit and be wholly incapable, as supported by satisfactory medical evidence, of employment in the plant as a result of bodily injury or disease either occupational or non-occupational in cause. If the payment of Long Term Disability Benefits has been made for a period of twenty-four (24) months during any one continuous period of such disability, then for the remaining period of such disability, total disability shall mean the complete inability of the employee to engage in any gainful employment or occupation for which

he is reasonably fitted by education, training or experience in conformity with Canada Pension Plan disability criteria. The Company may require the employee, as a condition of eligibility, to submit to an examination by a physician designated by it for the purpose of determining his initial or continuing disability.

25.04 Provisions of this article shall apply to an employee who has attained seniority and meets the requirements of the carriers, (where applicable) of the various plans.

In cases of dispute over eligibility or payments of benefits under the above plans, interpretation of the Master Insurance Agreement, (where applicable) with the carrier will prevail.

25.05 Benefits coverage will be suspended for voluntary non-compensated leaves of absence beginning the first day of the second month following the month in which the leave commences except as set forth in Section 11.01.

25.06 The Company will continue to provide benefits coverage for employees on lay-off status as follows:

(1) Life, A.D. & D. insurance and OHIP coverage - ninety (90) days.

(2) Extended Health Care, prescription

Drug Plan and Dental Plan- end of the month following the month in which the employee is placed on lay-off status.

- 25.07 The Company will continue to provide such benefits coverage for employees receiving weekly indemnity benefits for as long as he remains entitled to such L.T.D. and/or W.I. benefits.

ARTICLE 26 - SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

26.01 Eligibility

(1) An employee placed on lay-off status due to a reduction in the workforce will be eligible for S.U.B. payments provided:

(a) Has accumulated at least one year of seniority.

(b) Has registered and reported to the Employment Insurance commission office and has not refused to accept employment deemed suitable by them.

(c) Has received an Employment Insurance Benefit or has been disentitled or disqualified from receiving E.I. Benefits due to:

1) Insufficient insured weeks to qualify

2) Serving Employment Insurance Waiting Period

3) Employment Insurance Benefits exhausted

(2) An employee will not be eligible for S.U.B. benefits if:

a) Has failed to exercise seniority rights to transfer into another classification.

b) Fails to return to work on recall.

c) Claims or is eligible for accident or sickness benefits or any company pension or retirement benefits.

(3) The Company will provide an annual statement of S.U.B. entitlement on each anniversary date of the agreement.

26.02 **Benefit**

Benefit level is set at 95% of the employee's weekly base salary at time of lay-off. In any week, the total amount of S.U.B., employment insurance gross benefits and any other earnings received by the employee will not exceed 95% of the employee's normal weekly earnings. The number of weeks for which S.U.B. is payable is based on the total S.U.B. entitlement of each individual employee determined by the following table:

Seniority Date or Last Recall	S.U.B. Allowance as % of Regular Monthly Earnings at Straight Time Rate	Seniority Date or Last Recall	S.U.B. Allowance as % of Regular Monthly Earnings at Straight Time Rate
1 - 2 years	100%	16 - 17 years	550%
2 - 3 years	125%	17 - 18 years	600%
3 - 4 years	150%	18 - 19 years	650%
4 - 5 years	175%	19 - 20 years	700%
5 - 6 years	200%	20 - 21 years	750%
6 - 7 years	230%	21 - 22 years	800%
7 - 8 years	260%	22 - 23 years	850%
8 - 9 years	290%	23 - 24 years	900%
9 - 10 years	320%	24 - 25 years	950%
10 - 11 years	350%	25 - 26 years	1000%
11 - 12 years	380%	26 - 27 years	1050%
12 - 13 years	410%	27 - 28 years	1100%
13 - 14 years	440%	28 - 29 years	1150%
14 - 15 years	470%	29 - 30 years	1200%
15 - 16 years	500%	30 - 31 years	1250%

Company to promptly submit updated plan for registration to the appropriate government office. At recall, unused portions of **SUB** entitlement will be banked in the employee's favour notwithstanding the one year re-eligibility described below. When the entitlement is exhausted, sub payments will cease. Eligibility for subsequent SUB payments in future layoffs will be calculated from the employees return to work date from the last recall excluding any period of time the employee, was not actively at work for the company plus any unused entitlement from any other prior layoff if applicable. Employees must be actively at work for one (**1**) full year to be eligible or re-eligible for SUB benefits.

Should an employee be laid-off and not be eligible for S.U.B. payment any subsequent entitlement shall be

calculated from the employees seniority date, or last recall date of a lay-off in which he received S.U.B. payments, excluding any period of time the employee was not actively at work for the Company.

Each employee must provide the Company with proof that he *is* receiving Employment Benefits or that he is not receiving benefits for reasons stated above before S.U.B. payment for any week is paid.

ARTICLE 27 - SEVERANCE PAY

- 27.01 Employees will be eligible for severance pay under the following conditions:
- 1) employment ~~is~~ severed as a result of the complete and permanent discontinuance of a department or any classification
 - 2) employment is severed as a result of a permanent plant closure
- 27.02 An employee who fails to exercise his seniority rights to transfer into another classification will not be eligible to receive severance pay.
- 27.03 Severance pay entitlement is based on the length of service according to the following table:

Length of Service	Severance Pay Allowance as Percent of Regular Monthly Earnings at Straight Time Rate	Length of Service	Severance Pay Allowance as Percent of Regular Monthly Earnings at Straight Time Rate
Less than 1 year	0	15 - 16 years	500
1 - 2 years	100	16 - 17 years	550
2 - 3 years	125	17 - 18 years	600
3 - 4 years	150	18 - 19 years	650
4 - 5 years	175	19 - 20 years	700
5 - 6 years	200	20 - 21 years	750
6 - 7 years	230	21 - 22 years	800
7 - 8 years	260	22 - 23 years	850
8 - 9 years	290	23 - 24 years	900
9 - 10 years	320	24 - 25 years	950
10 - 11 years	350	25 - 26 years	1,000
11 - 12 years	380	26 - 27 years	1,050
12 - 13 years	410	27 - 28 years	1,100
13 - 14 years	440	28 - 29 years	1,150
14 - 15 years	470	29 - 30 years	1,200
		30 - 31 years	1,250

27.04 The Company will provide benefit coverage for individuals who are eligible for severance pay as follows:

(1) Life, A.D. & D., insurance and OHIP for ninety (90) days;

(2) Extended Health Care, prescription drug plan and dental plan to the end of the second month following the month in which employment is severed.

27.05 In the event of a plant closure the Company is to provide four (4) months prior notice of plant closure, or pay in lieu thereof.

27.06 The foregoing severance policy is in lieu of any amount payable as severance pay under the Employment Standards Act.

ARTICLE 28 - GENERAL PROVISIONS

It is the responsibility of the employee to keep the Human Resources Department informed of

correct home address, telephone number, marital status and number of dependants.

ARTICLE 29 - CONTRACTING OF SKILLED TRADESWORK

It is the policy of HTM to utilize its employees in the maintenance skilled trades classifications whenever possible. The Company will inform the Plant Chairperson of proposed projects and provide the nature and scope of the work and also as to whether the Company can do the work competitively in quality, cost and performance and within the projected time limits. Advanced notice of the use of outside contractors will be provided in situations other than emergencies in order to permit meaningful discussions between the Company and the Union. The Company will give due consideration to the Union's comments and ideas with respect to contracting out of skilled trades work.

Training and Development

The Company will make a concerted effort to make available the necessary training to properly service the plant equipment and facilities which are maintained by skilled trade employees. The Company and the Union will meet to discuss the training needs of the skilled trades. Training approved by the Company will be reimbursed by the Company at straight time earnings. Approved expenses incurred by the employee during the training will be provided for by the Company.

ARTICLE 30 - DURATION & TERMINATION

30.01 This Agreement shall be effective from the 24th day of February 2004 to and including the 23rd day of February, 2007. Either party shall be entitled to give notice in writing to the other party as provided in the Labour Relations Act, of its desire to bargain with a view to the renewal of the expiring Collective Agreement at anytime within a period of ninety (90) and sixty (60) days before the expire date of the agreement. Following such notice to bargain the parties shall meet within fifteen (15) days of the notice or within such further period as the parties mutually agree upon.

It is agreed that during the course of bargaining, it shall be open to the parties to agree in writing to extend this agreement beyond the expire date of the 23rd day of February, 2007 for any stated period acceptable with the Labour Relations Guide.

Provided that for purposes of all notices under this article, notice in writing shall be deemed to have been received by the party to whom it is sent upon the mailing of such notice by registered mail addressed to the current address of the other party.

- 30.02 The terms of this Agreement shall be binding on both parties hereto and not subject to further negotiations unless by mutual consent **of** the parties.
- 30.03 **This** Agreement supersedes and cancels all other agreements, whether written or oral, unless renewed by mutual agreement.

**Signed this 24th day of February, 2004
at Guelph, Ontario**

For the Company

F. J. Leone

M. E. DeLong

P. Basso

D. Ferraro

For the Union

R. Dudley

A. Diebolt

M. Kirkpatrick

I. Arnold

D. Fairfull

J. Robinson

H. Metic

APPENDIX A Pension Plan

Effective with the effective date of this agreement the Pension Plan will be amended as follows:

1) Each member of the prior plan who contributed will have a contributory account in the pension fund. The value of this account shall be the total of the members contributions plus interest. A member of retirement age will be able to buy an additional pension benefit through the pension plan based on the member's contributory account or purchase an annuity through an insurance company. Should the member leave the employ of the Company for any reason prior to retirement age he will be able to transfer the value of his contributory account to another pension plan or locked-in RRSP.

2) The plan will provide a basic benefit as follows:

Effective Date	Rate per Month per Year of Service
February 1, 2004	\$42.50 per month / year
February 1, 2005	\$43.25 per month / year
February 1, 2006	\$44.25 per month / year

In addition, members of the prior plan shall continue to be eligible for a pension benefit which will be the greater of the benefit earned under the prior plan to April 1, 1988 and the current plan benefit in respect of service to April 1, 1988 plus the current plan benefit in respect of service after March 31, 1988.

3) The Plan will provide a supplementary benefit to eligible employees under the plan as follows:

Effective Date	Rate per Month per Year of Service
February 1, 2004	\$22.50 per month/ year
February 1, 2005	\$22.50 per month/ year
February 1, 2006	\$22.50 per month/ year

The benefit will be reduced based on the employee's age at the time of retirement as outlined in Appendix A of the Pension Plan.

4) Special Early Allowance

The special early allowance shall be payable for employees age 55 with 30 or more years of service as follows:

Effective Date	Rate per Month per Year of Service
February 1, 2004	\$1650.00 per month
February 1, 2005	\$1650.00 per month
February 1, 2006	\$1650.00 per month

The calculation of this benefit shall be deemed to include the supplementary benefit without regard to any statutory benefits and is payable to age 60.

The Company agrees to delete words "prior to reduction by Canada/Quebec pension" from the second paragraph of section 3.04.

The Company agrees to increase such earnings limitation under section 3.02 (III) of the pension plan text to the Years Maximum Pensionable Earnings (YMPE).

The Company agrees to delete the double penalty in section 3.02 (III) of the pension plan

text for earnings over the specified earnings limitation.

5) The Surviving Spouse benefit will be payable at 60% of the basic benefits. The definition of spouse will include common-law relationships of one year.

6) The Plan termination provisions will comply with current legal requirements.

7) During the term of this agreement, a Pension Plan Board of Administration will be established for the purpose of affording the Union the opportunity to review information regarding employees who may retire before the expiration date. The Union function in this regard will consist of receiving specific Pension benefit data pertaining to these individuals including verification of monthly pensions calculations and the providing of basic actuarial data on an annual basis.

8) The Company agrees to provide member's contributory account balances to the bargaining committee annually, including the effective rate of return over the previous year.

9) The Company agrees to provide, at the member's option, for the transfer of the members' contributory account balance, to the member's RRSP upon approval by the Pension Commission of Ontario. Withdrawal can be made within the 60 day period each year after the issuing of the annual pension statement.

LETTERS OF INTENT AND UNDERSTANDING

February 24, 2004

LETTER OF INTENT (A)

1. During recent negotiations the Company and the Union had discussed the question of regular attendance, absenteeism and how essential it is for the efficient operation and competitiveness of our plant. The parties agree to work together to improve attendance and absenteeism to strive for continuous improvement in other areas of mutual benefit.

2. Employee Assistance Program (EAP) The Company agrees to continue the joint Employee Assistance Program (EAP). Each individual participating in the employee assistance program will not hold the Union, or the Company, or any of its representatives liable for the treatment results or for any matters arising out of the EAP.

3. This will confirm our understanding reached during negotiations that in the administration of Article 9.03 the additional ten (10) minute rest period only applies to regularly scheduled shifts and does not apply to overtime assignments.

February 24, 2004

LETTER OF UNDERSTANDING(B)

1. This will confirm the arrangements made with the Local Union during negotiations whereby the Company agreed to furnish the Local Union an in-plant office located at the north end of Bay 4, along with a filing cabinet (and key), and a telephone for the use of the Local Union and the Union Health and Safety Committee. The office is to be used for the storage of union files plus meetings of the Union Committee and with any grievors. The Local Union agrees that it will monitor the use of the Union office to ensure this privilege is not abused, and agrees to pay the cost of any long distance calls. No modification to the office will be made without prior approval of management.

2. This **will** confirm the arrangement made with the Local Union during negotiations whereby it was agreed that any employee who prior to the date of the first (1st) contract was transferred into a non-supervisory position and who is subsequently transferred back into the bargaining unit shall be credited with seniority equal to his period of service with the Company up to March 6, 1988.

February 24, 2004

LETTER OF UNDERSTANDING(C)

To: Garry Kentner

From: Fred Leone

Subject: **NEW CLASSIFICATIONS -
ASSEMBLY INSPECTOR,
STRUCTURAL INSPECTOR**

It is agreed during the current negotiations that anyone who previously held the classification of inspector as documented in their personnel file, will be able to bump into the above classification(s) provided they have previous successful experience in the appropriate department.

Fred J. Leone
Director, Human Resources

February 24, 2004

LETTER OF UNDERSTANDING(D)

To: Garry Kentner

From: Fred Leone

Subject: **JOB CLASSIFICATIONS**

During the course of negotiations Job Classifications were discussed. It was agreed that during the term of the agreement no new classifications would be implemented unless new work was added to the plant.

Fred J. Leone
Director, Human Resources

February 24, 2004

LETTER OF UNDERSTANDING (E)

To: Garry Kentner

From: Fred Leone

Subject: **LABOURER
CLASSIFICATIONS**

This position will perform such operations as shotblast booth operation, steam jenny operation, general plant maintenance, sweeper operation, trash removal, snow removal, etc. Employees who have not previously worked in this classification will be eligible to bump into this classification during a layoff.

In the event there is more than one Labourer on a shift, the Company will endeavour to rotate work within the classification.

Fred J. Leone
Director, Human Resources

February 24, 2004

LETTER OF UNDERSTANDING (F)

Modified Work Program

This will confirm the agreement made with the Local Union during negotiations that the Company will maintain its commitment to providing modified work wherever practical in accordance with the following guidelines.

Company Policy

(1) Hitachi Construction Truck Manufacturing, Ltd., Guelph Plant recognizes the benefits of a Modified Work Program.

(2) As such it is the policy of the Company to provide a fair and consistent approach to employees **who** are returning from a personal illness or injury.

(3) Hitachi Construction Truck Manufacturing, Ltd. of Guelph, therefore, undertakes to provide wherever practical, meaningful employment for permanently or temporarily disabled employees be it their pre-injury job, modified work, or other suitable employment as long as it does not operate to displace seniority provision of a collective agreement.

Procedures for Employee Reinstatement

(a) The Modified Work Committee will obtain all pertinent information with respect to an employee's physical restrictions from treating

physician.

(b) The Committee will review the information and how it will affect, if at all, the employee's pre-injury employment (job) and if so, what modifications may be made to the employee's pre-injury position. Failing this, a determination will be made as to the availability of other suitable employment. Outside resources such as W.S.I.B. worksite analyst, functional abilities, etc. may be used to facilitate this decision.

(c) Medical approval from the employee's physician is required prior to the return to work.

(d) The Committee will then present the case to the employee's Supervisor, Company Doctor, Superintendent and Personnel Manager with recommendations as to employment. Once presented to Management, a response (decision) is to be received by the Committee within five (5) working days.

(e) When a decision has been made as to the employee's return to work and position (job) she/ he will return to, the employee's case worker (if applicable) and Committee persons will set up a work trial agreement.

(f) During any work trial period the Supervisor and committee will follow the employee's progress.

(g) When an employee wants to return to Hitachi Construction Truck Manufacturing

payroll before the work trial is completed, the Modified Work Committee will meet with the employee and review their progress and submit a recommendation. The Committee shall forward all correspondence, agreements, etc. during the course of the work trial period.

(h) Modified Work Committee to meet as required.

February 24, 2004

LETTER OF UNDERSTANDING (G)

Adjustment Program

During negotiations, the Company and Union agree to participate in an adjustment program in the event of a plant closure or plant relocation.

A committee of equal representation from the Union and the Company, would make up the labour adjustment committee.

The purpose of this committee would be to assist displaced worker obtain comparable employment through initiatives which may be agreed to by the committee and agreed with by the Company prior to implementation.

The Adjustment Committee will be provided an orientation session, on company time.

A further training session on specifics relative to adjustment issues and processes will be provided should the committee determine the need for such. The training **will** be conducted by an instructor mutually agreed upon by the committee, in the plant and on Company time.

The Company will provide adequate Company paid release time to the members of the adjustment committee to effectively attend to adjustment program business.

The Company will provide office space for an Action Centre.

February 24, 2004

LETTER OF UNDERSTANDING (H)

NEWTECHNOLOGY

(1) Technological change means the introduction by the Company of equipment, work methods, processes or operations significantly different in nature or type from that previously utilized by the Company, which the Company anticipates will require an employee to acquire new occupational skills or render obsolete his/her present occupational skills or cause removal from employee's present occupational classification.

(2) The Company will notify the Union of any technological change prior to the implementation of such changes.

(3) Should the issue of technological change arise, the Company agrees to meet with the Union and have informative and meaningful discussions relative to the impact of these changes to the plant and employees.

(4) In the event of technological change in the Union and Company agree to establish a committee to hold constructive and meaningful consultations in an effort to reach agreement on solutions to any problems arising from the technological change.

(5) The Committee will discuss, determine and make recommendations to be taken to:

(a) counter any adverse effects on employees

(b) implement improvements to working conditions and new opportunities as a result of technological changes.

(c) provide training where new and greater skills are required over those already possessed by the affected employees.

February 24, 2004

LETTER OF UNDERSTANDING (I)

To: Garry Kentner

From: Fred Leone

Subject: **SENIORITY DATES**

This letter will confirm our understanding during negotiations whereby it was agreed that any employee who was first hired as a temporary employee and subsequently placed on permanent status without a break in service will be given seniority credit to their late date of hire.

For the Union

Jim Robinson
C.A.W. National Representative

For the Company

Fred J. Leone
Director, Human Resources

February 24, 2004

LETTER OF UNDERSTANDING(J)

To: Garry Kentner

From: Fred Leone

**Subject: COMMON LAW SPOUSE -
DENTAL PLAN**

It is agreed during the current negotiations that a common law relationship must be in effect for a minimum of one consecutive year before dental coverage becomes effective for the common law spouse, including dependants.

Fred J. Leone
Director, Human Resources

LETTER OF INTENT(K)

HARASSMENTFREEWORKPLACE

Hitachi Construction Truck Manufacturing, Ltd. and the C.A.W. are committed to providing a harassment-free workplace. Harassment is defined as a "course of vexatious comment or conduct that is known or ought reasonably to be known to be unwelcome", that denies individual dignity and respect on the basis of the grounds such as: gender, disability, race, colour, sexual orientation or other prohibited grounds, as stated in the provincial Human Rights Code. All employees are expected to treat others with courtesy and consideration and to discourage harassment.

Harassment may take many forms: verbal, physical or visual. It may involve a threat or an implied threat or be perceived as a condition of employment. The following examples could be considered as harassment but are not meant to cover all potential incidents:

- Unwelcome remarks, jokes, innuendoes, gestures or taunting about a person's body, disability, attire or gender, racial or ethnic backgrounds, colour, place of birth, sexual orientation, citizenship or ancestry;
- Practical jokes, pushing, shoving, etc., which cause awkwardness or embarrassment;

- Posting or circulation of offensive photos or visual materials;
- Refusal to work or converse with an employee because of their racial background or gender, etc.;
- Unwanted physical conduct such as touching, patting, pinching, etc.;
- Backlash or retaliation for the lodging of a complaint or participation in an investigation.

Harassment is not:

Harassment is no way to be construed as properly discharged supervisory responsibilities, including the delegation of work assignments, the assessment of discipline or any conduct that does not undermine the dignity of the individual. Neither is this policy meant to inhibit free speech or interfere with normal social relations.

Filing a Complaint:

If an employee believes he/she has been harassed and/or discriminated against on the basis of any prohibited ground of discrimination, there are specific actions that may be taken to put a stop to it:

- Request a stop of the unwanted behaviour;
- Inform the individual that is doing the harassing or the discriminating against you

that the behaviour is unwanted and unwelcome;

- Document the events, complete with times, dates, location, witnesses and details;

- Report the incident to the supervisor / committee person.

However, it is also understood that some victims of discrimination or harassment are reluctant to confront their harasser, or they may fear reprisals, lack of support from their work group, or disbelief by their supervisor or others. In this event, the victim may seek assistance by reporting the incident directly to any Union representative/Company official.

Investigation:

Upon receipt of the complaint, the supervisor/committee person contacted will immediately inform their Union or Company counterpart and together they will then interview the employee and advise the employee if the complaint can be resolved immediately or if the complaint should be formalized in writing. Properly completed copies of this complaint will be forwarded to the Human Resources Manager and the Plant Chairperson.

A formal investigation of the complaint will then begin by the Chairperson and Human Resources Manager or their designates, interviewing the alleged harasser, witnesses and other persons named in the complaint.

Resolution:

The Chairperson and Human Resources Manager or their designates will then complete a report on the findings of the investigation. The Chairperson and Human Resources Manager will make a determination on an appropriate resolution, in an attempt to resolve within ten (10) days and ensure the resolution is fair to all parties, and consistent with the intent of the Company and National C.A.W. policy regarding discrimination and harassment in the workplace.

The pursuit of frivolous allegations through the Human Rights Complaint Procedures has a detrimental effect on the spirit and intent for which this policy was rightfully developed and should be discouraged.

All employees have the right to file a complaint with the Provincial Human Rights Commission and to seek redress under the Human Rights Code.

February 24, 2004

LETTER OF UNDERSTANDING(L)

KAIZEN Continuous Improvement Process

This letter confirms the recognition by Hitachi Construction Truck Manufacturing, Ltd. and the CAW Local 1917 that job security is enhanced if the employer, the Union and the employees all devote themselves to the goal of producing the highest quality products at an economical cost and to excel in satisfying our customer's requirements for delivery and service.

To this end, our Company will introduce a Kaizen process that will assist us in improving our processes, product quality and product cost. As part of our implementation of Kaizen, the Company will provide employees the knowledge and tools needed to accomplish the above stated goals of quality, cost and customer satisfaction.

The Company will not use the Kaizen process to hurt any employee, but to assist them in making the workflow more efficient. Its intent is to increase the viability of our Guelph operation, which should in turn, improve job security.

In exchange for the local Union's cooperation in our Kaizen process, the Company commits that no employee (including those on temporary layoff), will be laid off due to the Kaizen process.

Unfortunately, the Company cannot control external economic conditions. The Company must maintain the ability to adjust to business conditions including, among other things, **loss** of business, diminished volumes or other changes in customer requirements or demands.

It is understood that the Collective Agreement prevails in all matters addressed by that agreement (pay and remuneration, classifications, seniority provisions, etc.), unless otherwise expressly agreed between the parties in writing. In particular, any required movement of employees will be handled in accordance with the appropriate provisions of the Collective Agreement.

The role of the Bargaining Committee, Safety Committee and other recognized committees under the Collective Agreement will be respected. During the Kaizen implementation, the Union will be entitled to name a committee person to participate in the sessions at all times and to address the group at the outset as to their role in safeguarding the provisions and administration of the Collective Agreement between the parties.

The Company also commits to using the Kaizen process as a vehicle to continuously improve the operation, including exploring opportunities: **1)** to improve the workplace environment with respect to safety, ergonomics and housekeeping, and **2)** to address employees needs for further training. We look forward, with our CAW partners, to

continuing our progress toward building our Guelph facility into a world-class operation, and hopefully the supplier of choice with our customers.

February 24, 2004

LETTER OF UNDERSTANDING (M)

It was agreed during the current negotiations that in the event an employee is recalled under Section 8.11, but fails to meet the requirements of the job within the ten-day trial period, and is consequently laid off, he or she will retain the recall period from the original date of lay-off. In the event an employee declines the opportunity to displace the labourer classification in the initial layoff, the laid-off employee will not have the opportunity for a trial period in the labourer classification in the event of recall. However, if an employee is laid off from the plant without the opportunity of displacement of the labourer, in the event of recall, such employee will have the opportunity for a trial period in the labourer classification. Such employee will also have the opportunity to turn down the recall to the labourer classification and await recall to a classification which they have held through a successful posting as documented in their personnel file.

February 24, 2004

LETTER OF UNDERSTANDING (N)

During the course of negotiations, the Union raised the concern that the overtime spread between the lowest and highest employee overtime hours was not taken into consideration when overtime was requested. The Company agreed that overtime should be allocated starting with the applicable employee with the lowest number of hours, subject to the situations where specific employees are required based on needed skills.

Another concern is the amount of spread of overtime between shifts. Both parties agreed that it is difficult to balance overtime between shifts. However, where possible, the Company will endeavour to allocate more overtime for the second and third shifts.

February 24, 2004

LETTER OF UNDERSTANDING (O)

During the course of collective bargaining, the Union raised a concern over the use of video cameras in the plant. The Company explained that the use of video taping will be used for training, assessing operations, studying workflow and measuring cycle times.

The Company agrees not to use video taping for any other reasons, such as uncovering theft or illegal activities or general plant surveillance, without the mutual agreement of the Union.

February 24, 2004

LETTER OF UNDERSTANDING (P)

This letter confirms the understanding between the Company and the Union that cost reduction is essential to maintain a competitive product in the market. Accordingly, the Union agrees to cooperate with the Company to meet its stated productivity improvement and standard hour reduction goals.

The purpose of this letter is to provide an explanation of the Letter of Understanding (P) requested by Mr. Morikawa. Mr. Morikawa, the company CEO was surprised by the request for additional funds in order to secure a labour agreement with the Union. Mr. Morikawa's concerns was how his plant is going to recover

the cost of this negotiated agreement in improved productivity and standard cost reduction in order to keep pace with our competition. His vision is that employees, company and union, will exercise their intelligence, positive attitude and dedication to ensure the company's survival.

February 24, 2004

LETTER OF UNDERSTANDING(Q)

Expedited Recall

During the period of time the recall procedures under Section 8.04 are being implemented the company has a need to temporarily backfill the vacant positions. To resolve this problem the company and the union agreed to the following expedited recall procedure:

- All employees will be responsible to provide the company with a current and accessible phone listing
- The company will determine the number of employees to be recalled and send out the registered letters in accordance with 8.04
- In the presence of the plant chairperson, the company will phone the laid off applicable employees in order of seniority
- In the event such employees are not available to return to work within 24 hours or cannot be contacted, the company will continue to phone applicable employees beyond the employees

who have been sent written notices until an employee is available to return to work within 24 hours on a temporary basis to back fill for permanently recalled employee.

Laid off employees who refuse to return to work for the temporary back fill position or were unable to be contacted for the expedited recall will not lose their seniority rights or normal recall rights.

Employees who return to work for the temporary backfill position under the expedited recall procedure and subsequently laid off will not be entitled to additional notice periods or additional benefit entitlement.

In the event no laid off employees are available under this expedited recall procedure, the company and the union will discuss reasonable alternatives. If no reasonable alternatives are available, the company with the mutual agreement of the union may hire new employees to fulfill expedited recall temporary vacancies.

Shift change will not apply for employees recalled under the expedited recall process.

104