

April 1, 2006 – September 30, 2009

Agreement between Gates – London Operations
And the United Steel, Paper and Forestry, Rubber,
Manufacturing, Energy, Allied Industrial and Service
Workers International Union (United Steelworkers)
On behalf of Local 9193

Agreement
Gates – London Operations

Agreement
THIS AGREEMENT MADE & ENTERED INTO AS OF
THE 1st DAY OF APRIL 2006
BETWEEN
GATES / LONDON OPERATIONS
HEREINAFTER REFERRED TO AS "THE COMPANY"
AND
LOCAL 9193
OF THE UNITED STEELWORKERS
HEREINAFTER REFERRED TO AS "THE UNION"

Any dispute arising over any interpretation of the
language printed in this booklet, the original signed
collective agreement papers will be consulted, and if
any differences or discrepancies occur between the
two, then the original signed collective agreement will
prevail over the printed words in this booklet.

11592(04)

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AGREEMENT made this 1st day of April, 2006, between

GATES - LONDON OPERATIONS
Hereinafter referred to as the "Company"

AND

UNITED STEELWORKERS
Hereinafter referred to as the "Union"

Article 1
PURPOSE

- 1.01 It is the desire of the above-mentioned parties to co-operate and work harmoniously in promoting their mutual interests in the operation of the Company's plant at London, Ontario. It is their desire to provide orderly procedure for collective bargaining and for the prompt and equitable disposition of grievances and for the maintenance of mutually satisfactory hours of work, wages, and working conditions in the said plant.

Article 2
SCOPE

- 2.01 This agreement shall apply to all employees of the Company defined in the Order of Certification issued by the Ontario Labour Relations Board on the 20th day of September, 1986, namely, all employees of the Company at London save and except foremen, persons above the rank of foreman and office staff. This agreement will also apply if the Company moves its current operations to any location within a 100-km radius of London.

Article 3
RELATIONSHIP

- 3.01 All employees of the Company covered by this Agreement, as outlined in Article 2, shall remain members of the Union, in good standing, as a condition of employment, by paying Union dues or equivalent assessments. and initiation fees to the Union.
- 3.02 All present probationary employees, upon expiration of their respective probationary periods, and all new employees hired on or after the effective date of this Agreement and upon expiration of their probationary periods, shall become and remain members of the Union in good standing as a condition of their continued employment with the Company.
- 3.03 Any present employee, being a non-probationary employee, who joins the Union on or after the effective date of this Agreement, shall remain a member of the Union in good standing as a condition of his continued employment with the Company.
- 3.04 The Company, for each member of the Union and for those employees of the Company referred to, shall deduct from each weekly pay cheque of such employee, Union dues or equivalent, an amount currently in effect according to the Union Constitution for the preceding month and promptly remit the same to the International Secretary-Treasurer of the United Steelworkers, AFL-CIO-CLC, P.O. Box 13083, Postal Station 'A', Toronto,

Ontario, M5W 1V7. A copy of the dues remittance form R-115 and associated documents will also be sent to the Union's regional office. Assessments, other than Union Dues, as indicated to the Company by the Union, shall be remitted to the International Secretary-Treasurer of the Union in the same manner as dues collected. The Company shall be free from any liability by reason of the deductions authorized in this Article to those employees whose pay accounts are subject to deduction. Dues and assessments shall be deducted by the Company only upon receipt of a properly executed payroll deduction authorization from the employee. The Company shall be responsible to the Union only for actual deductions made in accordance with the written assignment submitted to it in accordance with this Article.

- 3.05 The Company will continue to deduct dues and assessments at the rate in force as of the effective date of the Agreement, until officially notified of a change by the International Secretary-Treasurer of the Union.
- 3.06 The sole authorized representative of the Union, for the purpose of certifying the amount of any change in weekly dues or assessments to be deducted by the Company, shall be the International Secretary-Treasurer of the Union.
- 3.07 The Company agrees that it will not discriminate against, coerce, prejudice or restrain any employee on account of membership or non-membership in the Union.
- 3.08 The Union agrees that it will not discriminate against, coerce or restrain any employee by reason

of his membership or non-membership in the Union.

- 3.09 An initiation fee of ten dollars (\$10.00) will be deducted from all employees, by the Company, from the first pay cheque, unless exonerated by the International Union.
- 3.10 Union dues deductions to be shown on yearly T4 slips.

Article 4 **MANAGEMENT RIGHTS**

- 4.01 The Union acknowledges that it is the exclusive function of the Company to hire, promote, demote, transfer, re-classify, and suspend employees and to discipline, layoff or discharge any employee for just cause or to layoff any employee due to lack of work or for any other legitimate reason, provided that a claim by an employee who has acquired seniority that he has been discharged or disciplined without just cause may be the subject of a grievance and dealt with as hereinafter provided.
- 4.02 The company will give the Unit Chairperson and staff Representative, twice per year ~ December 15th and July 15th, a list of Company employees who are acting in a supervisory capacity, and leadhands or when any names are added or deleted from the list.
- 4.03 The Union further recognizes the right of the Company to operate and manage its business in all respects in accordance with its commitments and responsibilities and in pursuance of its policies inclusive of implementing, altering and enforcing

just and reasonable rules and regulations. The number and location of departments and plants, the products to be manufactured, the schedules of production and sales, the right to contract out except as limited by Article 28.02, the right to move parts, tooling, equipment and work in and out of the plant, the kinds and locations of machinery and equipment to be used and the extension, limitations, curtailments or cessation of operations are solely and exclusively the responsibility and function of the Company. The Company agrees that these functions will be exercised in a reasonable manner, which will not conflict with this agreement.

Article 5 **UNION COMMITTEE**

- 5.01 The Negotiating Committee and Shop Stewards will be designated, in writing, by the Union to the Management. For the purpose of meeting with Management Representatives, the Negotiating Committee will consist of not more than four **(4)** members, as designated by the Union and International Representative. Members of the Negotiating Committee will not lose pay for time spent during regularly scheduled working hours attending scheduled meetings with Management Representatives.

The Company agrees to pay the four **(4)** members of the Union Negotiating Committee for the hours they would have worked during contract negotiations with Company officials. Such pay shall be limited to eight meetings and limited to eight (8) hours pay per day per individual, at their regular rate.

The Negotiating Committee will be comprised of the Unit Chairperson, Chief Steward, and two (2) other members of this Bargaining Unit that shall be elected in conjunction with the International Union's Constitution. Of the two (2) elected members, one (1) employee shall be a representative from the Skilled Trades classification.

- 5.02 There will be a maximum of six (6) Union Stewards, elected or appointed by the Union. Employees so selected to represent the Union shall, at the time of their appointment, have at least one (1) year of seniority or service with the Company. A Steward will act on grievances arising in any work area. In the absence of the above Stewards, the Unit Chairperson of the local Union or his delegate may act as the alternate.

Union Stewards, while investigating or processing grievances, will not lose any pay. During periods when there are 200 employees or more in the bargaining unit, the Unit Chairperson shall be permitted to have six (6) hours paid per regular shift while on the premises which will include attending Step 2 grievance meetings; discussions with the Human Resources Manager or designate; meetings with employees not at work regarding union business in a conference room. These six (6) hours of union time shall be provided during the last six (6) hours of the scheduled shift, exclusive of lunch and inclusive of breaks. Should the number of bargaining unit employees drop below 200, the Unit Chairperson will be permitted to have four (4) hours per regular shift and these four (4) hours shall be provided during the last four (4) hours of his regular shift, inclusive of breaks.

Union Committee representatives will request from their respective Supervisor(s), permission before leaving their workstations to investigate complaints or grievances and notify their Supervisor when returning. Such permission will not be unreasonably withheld. Union committee representatives will advise the Supervisor of their destination and general nature of their business and the time anticipated to conduct such business. Before engaging another employee in a union matter during working hours, a Union Representative must first obtain permission from his own and the employee's Supervisor. The union agrees that time granted under this section will not be abused by the plant committee.

When an employee wishes to see his Union representative he shall notify his Supervisor of the general nature of their concern.

- 5.03 The Union will provide to the Company a list of Union Officers and Stewards and update this list whenever changes are made.

Article 6

DISCHARGE AND DISCIPLINARY PROCEDURE

- 6.01 The parties agree that depending on the severity of the occurrence the normal process of corrective action begins with informal discussions of coaching and redirection. This process does not require formal documentation or the presence of a Union Steward. When this redirection fails, the formal disciplinary process begins. Based on the severity of the occurrence, the disciplinary process

generally is progressive in nature. The normal progression in disciplinary action is as follows:

1. Formal Written Warning
2. One-Day Suspension
3. Three-Day Suspension
4. Five-Day Suspension
5. Discharge

In the event of a claim that an employee has been discharged or disciplined unjustly or unreasonably, the grievance shall be filed, as per the Grievance Procedure contained in the Agreement, within five (5) working days of the issuance of the discipline.

- 6.02 Discipline and discharge shall be given in writing. A Union representative will be made available unless the employee waives the right in writing or the discharge is administratively issued. The Company and the Union agree that discipline shall not be imposed unreasonably or unjustly. Warnings or suspensions shall be considered terminated after a one (1) year period from date of warning or suspension.
- 6.03 In the case of an employee or employees being discharged or disciplined in writing, the Company will notify the Unit Chairperson or Chief Steward of the action within twenty-four (24) hours of administration of discipline by providing the aforementioned person with a copy of such discharge notice or written discipline. A copy will be sent to the Staff Representative of the International Union by the Unit Chairperson.
- 6.04 If it is determined or agreed at any step in the Grievance Procedure contained in this Agreement

or decided by an Arbitrator, that any employee has been disciplined or discharged unjustly, the Management of the company shall put the employee back on their job with no loss of seniority and shall pay the employee less the amount the employee did receive from any other source, or by any other arrangement as to compensation which is just and equitable in the opinion of the parties or in the opinion of the Arbitrator, if the matter is referred to an Arbitrator.

- 6.05 Any time limits as specified in this article may be mutually extended by the parties in writing.

Article 7
GRIEVANCE PROCEDURE

- 7.01 (a) The parties to this Agreement agree that it is of utmost importance to adjust complaints and grievances as quickly as possible.
- (b) Complaints/Grievances shall be adjusted and settled as follows:

Step No. 1 → The aggrieved employee shall discuss and provide the Supervisor, in the presence of a Union Rep if the employee so chooses, full opportunity to resolve his complaint. The Supervisor shall respond within three (3) working days. If unsuccessful in the resolution attempt, the aggrieved employee shall present their complaint in writing, thus creating a formal grievance. The grievance shall be provided to the Human Resources Manager or designate, with a copy to his Union Rep, within fifteen (15) working days of the alleged violation. The Human Resources Manager or designate shall consider the grievance in the presence of the aggrieved employee with his Union Rep and render his decision in writing

within three (3) working days of the meeting with the aggrieved employee. Should no settlement satisfactory to the employee concerned or Union be reached, the next step in the Grievance Procedure will be taken within three (3) working days.

Step No. 2 ~ Should the grievance not be resolved in Step No. 1 above, the Union Grievance Committee shall request a meeting with Management and such meeting shall take place within seven (7) working days of such request. The Union Grievance Committee shall consist of the Unit Chairperson, Chief Steward and Vice President or an alternate Steward if the Vice President is unavailable. The Grievance Committee and aggrieved employee may be accompanied by a Representative of the International Union upon the request of either party. Management shall render its decision in writing within five (5) working days. Should no settlement satisfactory to the employee or Union be reached, then the matter may be referred to Arbitration as provided for in Article 8.

7.02 A monthly meeting between the Company and the Union Committee may be requested by either party. The requesting party will provide the other party with an agenda covering the purpose and content of the requested meeting. Such meetings will be held during scheduled shift hours and notification of such meetings will be given to the Union twenty-four (24) hours in advance.

From time to time, the Company may hold employee meetings pertaining to subjects of mutual interest such as product quality, business and order status and other relevant subjects pertaining to safety or training.

The above Company meetings will not be in violation of the Labour Relations Act and the Company will not discuss any part of the Agreement or be in violation of this Agreement.

- 7.03 A policy grievance arising directly between the Company and the Union concerning the interpretation, application or alleged violation of this Agreement shall be originated under Step 2, and shall be submitted in writing. Any grievance by the Company or the Union as provided in this paragraph shall be commenced within fifteen (15) working days of the alleged violation.
- 7.04 Any time limits as specified in this article may be mutually extended by the parties in writing.
- 7.05 The parties agree that the union will not delay the submission of grievances that may cause added potential liability to the grievance resolution.

Article 8

ARBITRATION

- 8.01 Where a difference arises between the parties relating to the interpretation, application or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this Agreement has been violated, either of the parties may, after exhausting any grievance procedure established by this Agreement, notify the other party in writing of its desire to submit the difference or allegation to arbitration.

Prior to the implementation of the arbitration process, the Company and the Union may, upon

mutual agreement, use non-binding mediation. The mediator shall be mutually selected by the parties and all costs shall be equally shared between the Company and the Union.

- 8.02 It is agreed that disputes which are carried to the Arbitration stage shall be heard before a single Arbitrator, selected by the Company and the Union or, by the mutual consent of the parties, a three person Arbitration Panel. If the Company and the Union cannot agree within thirty (30) working days on a single Arbitrator, the Minister of Labour of the Province of Ontario shall be requested to select one.
- 8.03 No matter may be submitted to Arbitration, which has not been considered under Step 2 of the Grievance Procedure as outlined in Article 7.01. The issue presented to the Arbitrator shall be confined to the issue discussed by the parties during the Grievance Procedure and at the Company Union meeting.

If the grievance is not referred to arbitration in writing within 30 calendar days after the company's decision is given at Step No. 2, then the grievance shall be deemed to have been settled on the basis of the Company's last answer at step No. 2.

- 8.04 The Arbitrator shall not have jurisdiction to alter or change any of the provisions of this Agreement or to substitute any new provisions in lieu thereof, nor to give any decision inconsistent with the terms and provision of this Agreement, or to deal with any matter not covered by this Agreement.

- 8.05 The decision of the Arbitrator shall be final and binding on both parties.
- 8.06 No person may be appointed as an Arbitrator who has been involved in an attempt to negotiate or settle the grievance. The expense of the Arbitrator shall be jointly borne by the Company and the Union. Each party shall pay their half directly to the Arbitrator.
- 8.07 At any stage of the Grievance Procedure, including arbitration, the conferring parties may have the assistance of the employee or employees concerned and any necessary witnesses, and all reasonable arrangements will be made to permit the conferring parties to have access to the plant and to view disputed operations and to confer with the necessary witnesses.
- 8.08 Either party may, by mutual consent, be granted an intermediate stage between the Unit Chairperson and/or Staff Representative and the Plant Manager and/or the Labour Relations Representative for the Company.
- 8.09 Any time limits as specified in this article may be mutually extended by the parties in writing.

Article 9 SENIORITY

- 9.01 Seniority will be recognized and will be based on the length of actual service with the Company and shall be subject to the conditions hereafter expressed.

9.02 An employee (other than those hired in the Licensed Tradesmen classifications) will be considered on probation and will not be placed on the seniority list until he has completed 480 hours worked for the Company, when his seniority shall date back to his start date. Those employees hired in the Licensed Tradesmen classifications will not be placed on the seniority list until he has completed 560 hours worked for the Company when his seniority shall date back to his start date. A listing of probationary employees shall be provided to the union. During this probationary period, there shall be no responsibility for the continued employment or re-employment of such employee. After a probationary employee successfully completes his probationary period for the Company, the Company will enroll the employee in the Benefit Program listed under Article 14 – Social Insurance.

- 9.03 (a) In cases of promotion, demotion, transfer, re-employment and layoff, the skill and ability of the employee concerned shall be given consideration and, where such factors are reasonably equal, seniority shall be the governing factor.
- (b) The Company shall make it a practice to confer with the Union Committee upon request, to determine the equitable application of seniority in such cases as may arise under this article.
- (c) In the event of a layoff longer than five (5) days affecting those employees with seniority, employees shall be laid off in inverse order by plant-wide seniority. Employees with the least seniority affected shall be given notice and shall

bump a less senior employee in one of an equal or lower classification. Bumping rights may be exercised into another classification as described in 9.03(a).

1. For the purposes of determining skill and ability and bumping rights, employees in the following classifications shall be considered equal:

Assembler, Utility, Fork Lift Truck, Oiler, Entry Level Quality Control, Operator Level I, Shipper/Receiver Level I.

2. All Operator Level II employees affected by a layoff shall be considered equal in skill and ability and shall have the choice to bump across the Operator Level II classification or down in any of the classifications as outlined in the paragraph above.
3. Employees in the classification of Shipper/Receiver Level II, QC Level II through V, Operator Level III, Team Leader, and those in all skilled trade classifications shall be laid off by inverse order of plant-wide seniority within the classifications affected.

No employee may bump into any classification described in the paragraph above unless the employee has held that classification.

The rate of pay for employees bumping into a Level category shall be the job beginning rate of the assumed classification or the rate in the progression last held by the employee in the

assumed classification. Employees that bump into a classification that does not have Level rates of pay, shall receive the rate of pay as provided for in Schedule 'A.

9.04 An employee subject to this Agreement shall lose his seniority and employment for the following reasons:

- (a) If he quits;
- (b) If for any reason he is absent from work for a period of three (3) consecutive workdays scheduled for him, without notification to the company before the end of the third day of an adequate reason for such absence, unless an explanation satisfactory to the Company for failing to notify is given by the employee.
- (c) If and when notified by the Company, by registered mail or telegram at his last address on the records of the Company, to report for work due to recall from layoff, he fails to return to work within five (5) working days, except in the case of illness or other emergency.

(d) If he has been laid-off for the following period:

3-11 months seniority -- length of service recall from layoff

12-24 months seniority -- 12 months recall from layoff

25 months - 5 years seniority -- 24 month recall from layoff

5 years seniority and over – 3 years recall from layoff

- (e) Discharged for just cause and not reinstated in accordance with the Grievance Procedure, Arbitration Procedure or as agreed to by the parties.
- (f) Upon retirement, or no later than attainment of age 65 provided this is not in violation of Federal or Provincial Statutes.
- (g) If an employee misrepresents their reason for Leave of Absence or overstays their Leave of Absence without securing an extension of such Leave of Absence from the Company.

9.05 Preferential Seniority

For layoff purposes, the Union shall advise the Company of the Union Committee that shall acquire preferential seniority during the term of their office after the election has taken place or at any other time as they may be replaced.

9.06 In the event of a layoff, the following Union Executive Officers shall hold top plant seniority during their term of office, and the Unit Chairperson and Chief Steward shall work the day shift unless by mutual consent between the Company and the employees:

1. Unit Chairperson
2. Chief Steward
3. Unit Secretary
4. Vice President

9.07 The Company may grant a leave of absence to any employee for any legitimate personal reason.

(a) The Company will grant a specific leave of absence to any employee who is convicted under the provisions of the Criminal Code of Canada and the Highway Traffic **Act** (Ontario) relating to offences arising out of the operation of a motor vehicle, (the same to include driving a motor vehicle while intoxicated), if the employee is sentenced to a term of imprisonment therefore, this leave of absence shall not exceed one-hundred and twenty (**120**) days.

9.08 The Company shall maintain a seniority list for the plant. A copy of such list shall be posted for employees' inspection. The list shall be updated as changes occur with a copy provided to the Union.

9.09 Temporary Layoffs

A temporary layoff is defined as any layoff of up to, but not more than five working days. In such instance, the Company may lay off employees by job classification seniority only. No employee shall have the right to exercise any bumping rights in any layoffs of this sort. If the layoff is extended beyond five (5) working days, employees will be provided the opportunity to exercise their bumping rights effective on the sixth working day.

9.10 (a) Social Insurance plan coverage will be maintained for seniority employees who are on layoff or personal leave of absence to the end of the month following the month in which the layoff or leave of absence occurred.

- (b) Where a layoff is necessary beyond a temporary layoff as defined above, the Company will give at least 72 hours notice of such layoff to the **employee(s)** affected and to the Unit Chairperson or pay in lieu of notice three (3) days regular scheduled hours at straight time rates to the **employee(s)** affected. This pay in lieu of notice shall not be required if the layoff is a result of an Act of God, mechanical failure, or circumstances beyond the control of the Company.

Article 10
VACATIONS

10.01 Pay for vacations will be granted to employees to whom this Agreement is applicable as follows:

- (a) Employees who have worked for the Company for a period of less than twelve (12) months prior to July 1st in any year will receive vacation pay based on four percent (4%) of their gross earnings for the period employed.
- (b) Employees who have worked continuously for the Company for a period of twelve (12) months and not more than a continuous period of five (5) years prior to July 1st in any year will receive vacation with pay based on four percent (4%) of their gross earnings or two weeks regular pay, whichever is greater.
- (c) Employees who have worked continuously for the Company for a period of five (5) years prior to July 1st in any year will receive vacation with pay based on six percent (6%) of their previous year's gross earnings or three weeks regular pay, whichever is greater.

- (d) Employees who have worked continuously for the Company for a period of ten (10) years prior to July 1st in any year will receive vacation with pay based on seven percent (7%) of their previous year's gross earnings or three and one-half weeks pay, whichever is greater.
- (e) Employees who have worked continuously for the Company for a period of fifteen (15) years prior to July 1st in any year will receive vacation with pay based on eight percent (8%) of their gross earnings or four weeks regular pay, whichever is greater.
- (f) Vacation payments for each eligible employee shall be determined based on gross earnings from date of July 1st preceding vacation pay period to June 30th of the current vacation period. Gross earnings represent actual payments from the Company to the employee and exclude payments for Weekly Indemnity, Long Term Disability and Workers' Compensation.
- (g) All employees will take their full vacation entitlement each year.
- (h) Continuous service is defined as working a minimum of one thousand and forty (1,040) hours in the vacation year otherwise the Employment Standards Act will apply.
- (i) Vacation pay and entitlement for time off will be earned between July 1st of one year and June 30th of the following year.

Employees will not be allowed to take vacation in advance of earning the entitlement.

Vacation time may not be carried over from one vacation year to the next.

- (j) Earned vacation pay will be paid to an employee, generally during the last pay period in June of each year unless the Company is otherwise notified, in writing, by an employee, that he wishes to have the corresponding vacation pay deferred to the time he takes his vacation. In these circumstances, the employee must advise the Company of their desire to take deferred vacation by May 10th. Deferred vacation pay shall correspond with actual vacation taken provided it is in minimum periods of one week in duration. Employees will also be entitled to defer vacation pay in increments of one (1) day up to a maximum of five (5) days of vacation time. Under both circumstances as outlined above, the employee must notify the Company on the proper form, at minimum, two (2) workweeks in advance of actually taking this vacation time.

- 10.02 Subject to production requirements, the Company will provide two (2) weeks vacation for each eligible employee during the months of July and/or August. Any remaining vacation entitlement will be taken at an agreed-to time. Employees will be notified of any vacation shutdown by May 1 of each year. Employees must submit their vacation requests in writing by May 10 and the Company will schedule vacations by May 20. Requests will be scheduled by plant wide seniority within the classification. If after scheduling a vacation shutdown there is a need for work to be performed during that shutdown, the Company will post a request for volunteers, for a minimum of five (5) working days. Employees will be required to indicate which shift

they are volunteering to work and the Company will ask for volunteers to perform that work and schedule such volunteers by seniority providing they have the skill and ability to perform the required work. Shift assignment will be assigned by plant-wide seniority. In the event the Company does not attain sufficient volunteers, the union will assist in gaining additional volunteers as required. The finalized work schedule shall indicate what machines the employee will be required to operate. However, the Company retains its management rights to change work assignments. Based on the information available at the time, the Company shall post, by June 1, those employees who are required to work during the vacation shutdown. This will not limit the Company from acquiring further volunteers beyond this time.

Article 11

LEAVE TO ATTEND UNION CONVENTIONS, CONFERENCES OR SCHOOLS

- 11.01 An employee who has been elected or appointed by the Union to attend Union Conventions, Conferences or Schools shall be granted a leave of absence without pay for this purpose. The Union will inform the Company, in writing, of the names of the delegates. Five (5) working days notice will be given by the Union and leave will not be unreasonably denied for a maximum of three (3) delegates.
- 11.02 Leaves of absence to attend to union business, inclusive of those outlined above, may be granted subject to production requirements, provided not more than three (3) employees may be absent at

the same time. The union will provide the Company at least one week of notice of the requested leaves through written request on a union approved form.

- 11.03 Subject to receipt of written approval from the Union Staff Representative, the Company will grant the leave of absence for up to one year, for one employee to work for the International Union without pay. Seniority will accumulate during such leave. If the employee chooses to return within the one year period he will be allowed to fill a vacancy in a classification he formerly held. If no such vacancy exists he/she will return to their previous classification if their seniority permits. If their seniority does not permit such return they will replace the least senior employee in the plant. If he does not return when the leave expires, he will be administratively terminated. The Union Staff Representative will endeavour to provide as much advance notice of such leaves as possible.

An employee on an approved leave of absence as described above will have medical (excluding weekly indemnity and long term disability), dental, prescription drug and pension benefits maintained while on such leave without pay. The Union will reimburse the Company for the cost of these benefits. No other benefits will be continued during such leave.

Article 12 STATUTORY HOLIDAYS

- 12.01 The following holidays, if not worked, shall be paid for eligible employees at the regular

straight-time hourly rate, exclusive of overtime premium, for a number of consecutive hours equivalent to the current standard working day.

New Year's Day
Labour Day
Good Friday
Thanksgiving Day
Victoria Day
Christmas Day
Canada Day
Boxing Day
Civic Holiday

Two additional paid holidays will fall within the Christmas period. The parties will designate these days in the appropriate years.

12.02 For the purpose of eligibility for Statutory Holiday pay, employees must meet the following requirements:

- (a) Employees not attaining seniority status will be paid in accordance with the Employment Standards Act.
- (b) The employee (who is on the active payroll and is either working or on vacation) worked the last full scheduled workday prior to the holiday and the next full scheduled workday following the holiday. Tardiness up to a maximum of one **(1)** hour will not disqualify an employee from holiday pay under the terms of this provision.
- (c) An employee who is absent, late or leaves early due to illness certified by a doctor or who has written permission of his Foreman shall not be

considered disqualified under the terms of Article 12.02 (b).

(d) If an employee is on short term disability he/she will be entitled to 60% of their gross wage for the holidays covered under this Article. Employees on Workers' Compensation Benefits (WCB) will not receive holiday pay.

12.03 If any of the above holidays fall on a Saturday or Sunday, the holiday shall be observed on the preceding Friday or the following Monday as mutually agreed between the Company and the Union.

Article 13 **HOURS OF WORK AND WAGES**

13.01 (a) The basic work week shall be five (5) consecutive working days from Monday to Friday inclusive. The total hours of work constituting a workweek shall be forty (40).

(b) It is understood that employees reporting for their shift shall be at their workstation or job location promptly, ready for work, at the beginning of their shift.

13.02 (a) The daily hours of work for the first shift for all employees shall be 7:00 a.m. to 12:00 noon and 12:30 p.m. to 3:30 p.m.

(b) The daily hours of work for the second shift for all employees shall be 3:30 p.m. to 8:00 p.m. and 8:30 p.m. to 12:00 a.m. midnight.

(c) In the event the Company requires to operate a third shift (midnights), the hours of work will be 11:00 p.m. to 7:00 a.m. The Company will assign necessary work on the third shift by canvassing for volunteers to work, subject to production requirements, for a period of four months. Employees who volunteer must have the demonstrated skill required to perform the work. In the event insufficient volunteers are attained, the Company will assign the employees with the least plant-wide seniority within the department qualified to perform the work on the third shift. In the event more volunteers are attained, the Company will assign the necessary employee(s) with the most plant-wide seniority within the department qualified to perform the work on the third shift.

If the number of employees on the third shift (midnights) is equal or greater than fifty percent (50%) of the number of employees on the first shift (days), then it shall be deemed to be a full shift. Consequently, the day shift and afternoon shift employees shall also operate on straight eight hour shifts. The shift hours for employees on eight (8) hour shifts will be:

Day Shift	7:00 a.m. to 3:00 p.m.
Afternoon Shift	3:00 p.m. to 11:00 p.m.
Midnight Shift	11:00 p.m. to 7:00 a.m.

In keeping with production requirements employees assigned to eight (8) hour shifts will receive a twenty **(20)** minute paid lunch to be staggered and scheduled by the supervisor, generally during the middle of the shift.

These hours of work will not apply to employees working on steady days or rotating through a two-shift operation.

- (d) It is understood that with mutual consent between the Company and the Union, the hours of work may be altered due to production requirements or other circumstances.
- (e) The above schedules will be posted by the Company prior to 12:00 p.m. on the Thursday preceding the scheduled work week.
- (9) Employees on shift work will rotate shifts every two weeks.
- (g) Subject to production requirements the Company shall consider mutually agreeable employees within the same classification to switch shifts for one day or for a minimum and maximum duration of two (2) weeks at a time, which coincide with the shift rotation, provided each employee has the comparable skill sets, as determined by the Supervisor(s), to perform the job of the individual he is switching with. The shift change request will be submitted seven (7) days prior to the requested shift change date and approved or denied by the Wednesday of the week **prior** to the rotation. **All** changes will be requested on a Company approved form and be subject to approval by each employee's direct Supervisor.

13.03 (a) Time and one-half (1%) the regular hourly rate shall be paid for all hours worked over the standard working hours in any twenty-four (24)

hour period on an assigned shift, as defined in Article 13.02 above. Also, all work performed on Saturdays will be paid at time and one-half (1½) the regular hourly rate. Double the regular hourly rate shall be paid for all work performed on Sunday. If any of the Statutory Holidays, as set forth in Article 12, are worked, an employee shall receive two (2) times his or her regular pay in addition to their Statutory Holiday pay.

- (b) Overtime shall be on a voluntary basis except that, if sufficient qualified volunteers for the work are not available from day shift and/or afternoon shift, and/or midnight shift, employees who normally perform such work on day shift shall be required to work the overtime on a reverse seniority basis. Only those employees needed to work overtime on Saturday day shift can be assigned on a reverse order of seniority basis. All other Saturday and Sunday overtime work will be on a voluntary basis.
- (c) All overtime work shall be voluntary except as defined in Article 13.03(b) above. In the event of urgent or emergency work, the Company will canvass for volunteers and the union shall endeavour to assist the Company in securing overtime volunteers.

13.04 The Company shall select employees who have the skill and ability and normally perform the work on the shift, to work the overtime. For tracking purposes, the Company shall track hours worked/refused and missed opportunities. Low hours worked/refused, combined with those who have the skill and ability and normally perform the

work on the shift, will be used to determine the assignment of overtime. The Company has the right to select employees outside of low hours provided they have the skill and ability and normally perform the work on the shift. If the Company so chooses to exercise this right, those employees who would have been awarded the overtime by virtue of low hours, skill and ability and normally performing the work as described above will be recorded as a missed opportunity.

Total worked/refused hours and missed opportunities hours will be tracked at straight time and will accumulate on a yearly basis from January 1st through December 31st, inclusive and then erased and reset to zero (0). Missed opportunities shall not exceed twenty-four (24) hours. Missed opportunities, beyond twenty-four (24) hours as at December 31st, shall be paid out by the Company.

For weekend overtime, the Company shall put up a posting, on Monday, requesting volunteers to work the assigned overtime shifts. Interested volunteers shall sign the list indicating their willingness to work the scheduled overtime.

Cut off for sign up shall be Wednesday by 3:00 p.m. The Company shall utilize this sign up sheet to organize the overtime schedule based on those employees who have the skill and ability and normally perform the work on the shift.

For overtime scheduling purposes, the Supervisors will maintain a listing of those machines employees are capable of operating. This list shall be updated and posted on a quarterly basis.

Prior to appearing on the above listing as showing capability of operating a specific piece of machinery, employees must meet the criteria as outlined in "Appendix A , items 5 for Level II Operators and 6 for Level I Operators with the exception of the twenty-four (24) month provision.

Except in cases of unanticipated production requirements, the Company by Thursday noon, shall post a list of those employees working the weekend overtime. Employees, who sign the overtime and have been selected as outlined above, will be required to work the assigned overtime shift.

It is the employee's obligation, once the overtime assignment *is* finalized, to review the list for their assignment. Employees must bring any concerns or clarifications to the Supervisor's attention no later than half way through their regularly scheduled shift on the Friday shift in order to allow the Supervisor ample time to respond to any concern.

The Company shall maintain updated overtime records by shift and post these on a quarterly basis.

Employees who have signed up and who have failed to report to work will be charged double hours worked/refused for their absence.

Those employees assigned to new work due to hiring, job postings, temporary job postings, reassigned due to workforce reductions, etc. must demonstrate skill and ability before they are allowed to perform the overtime work. After

demonstrating the competency and skill and ability, the employee will be assigned the highest number of overtime hours in their new classification.

Employees who are on a steady shift outside of the normal two-week rotation system shall be entitled to work and accumulate overtime hours. However, upon shift exchanging the employees shall be assigned the highest number of overtime hours worked/refused among those who normally perform the work on the shift. Missed opportunity hours will return to zero.

Those who are reassigned through temporary transfers or to another shift by the Company, for whatever reason, shall be assigned the highest number of work/refused overtime hours within the group of those who normally perform the work on the shift. Missed opportunities hours shall be transferred with them.

In those rare circumstances that fall outside of the procedures as outlined above, the Company shall exercise its discretion in the assignment of overtime. The Company shall advise the Union Rep of its decisions in these circumstances.

For production employees, offering of weekday overtime shall be afforded to those normally performing the work on the shift. These hours shall not be recorded in the process as outlined above.

For licensed tradesmen, offering of weekday overtime shall be afforded to those normally performing the work on the shift on the basis of low hours. These hours shall be recorded in the process as outlined above.

13.05 (a) If the Company requests an employee to change his normal scheduled shift, forty-eight (48) hours notice will be given to the employee prior to his normal scheduled shift time or the Company will pay time and one-half (1½) for that first shift worked by the employee.

(b) If the Company requires an employee to change their normal scheduled shift on a permanent basis that shift change will be effective on a Monday. The employee will be notified no later than the end of their shift on the preceding Friday. If the Company fails to give such notice the employee will be paid time and one half (1½) for the first two (2) shifts worked by the employee.

13.06 Whenever an employee has been scheduled or notified to report for work on a shift and, on reporting for work at the regular time is sent home because there is no work available for him, such employee shall receive four (4) hours of wages at his then current regular hourly based rated pay. This provision shall not apply should there be no work available for such employee because of conditions or circumstances existing due to no fault or negligence on the part of the Company. This provision also shall not apply if the Company has issued notice by way of telephone call to the last telephone number on record informing not to report for work. Such telephone calls shall be made in the presence of a Union Representative when one is available.

13.07 Shift Premium— For work performed on a second shift employees will be paid an additional forty-

five cents (45c) per hour. Employees will be paid an additional sixty cents (60c) per hour for all work performed on a third shift.

- 13.08 An employee hurt in an industrial accident shall be paid for time **lost** on the day he was injured at his regular daily earnings less any remuneration from other sources.
- 13.09 There shall be *two* (2) ten-minute rest periods, one in the first half and one in the second half of the **shift**. There shall also be a one (1) five minute personal wash up period at the end of the shift. In the event an employee is scheduled **to** work overtime at least *two* (2) hours beyond the end of his normal quitting time, he shall be given a ten minute rest period **prior to** the start of his overtime and subsequent five minute wash up period at the end **of** his overtime.
- 13.10 If the Company deems it necessary **to** call an employee into work for an emergency, that employee will be paid a minimum of four **(4)** hours pay or double their rate of pay for hours worked, whichever is greater plus shift premium if applicable.
- 13.11 Job classification groupings and wages shall be in accordance with Schedule 'A' attached hereto which forms part of this Agreement.
- 13.12 Base hourly rates payable to employees assigned **to** job classification groupings shall be in accordance with Schedule 'A' attached hereto, which forms part of this Agreement. Schedule 'A' indicates the date of all programmed wage increases during the term of this Agreement.

Such increases shall become effective on the day of schedule increase. Pay will be paid weekly and by direct deposit into the personal bank account of the employee's choice. All employees will be paid for all hours worked in the previous week.

13.13 (a) The wage rate for each new employee hired by the Company on or after the effective date of this Agreement shall be as indicated in Schedule 'A.

(b) Rates for all new jobs shall be established by the Company. The Unit Chairperson of the Local Union shall be advised of the rate and will have a period of twenty-eight (**28**) calendar days from date of notification to register any objections to the established rate and, if not satisfied with the Company's decision, he may file a Policy Grievance on behalf of the Union.

13.14 When an employee is absent because of sickness, he will bring in a Doctor's Certificate, if requested by the Company, when he returns to work. If an employee is consistently absent for reasons within the control of the employee or fails to call in, he may be subject to the discipline procedure as outlined in Article 6.

Article 14 SOCIAL INSURANCE

14.01 (a) The Company shall provide the premium costs covering the following items for seniority employees and their eligible dependants only. The Company reserves the right to select the carrier of each

plan. It is agreed that a decision by the Company to change carriers will not affect plan coverage.

1. Extended Health Services Plan

- Prescription Drugs - \$2.00 co-pay per occurrence effective June 1, 1998. \$3.00 co-pay per occurrence effective April 1, 1999.
- Extended Health Care – 100% co-insurance
- Paramedical plan - \$350.00 maximum per paramedical discipline per calendar year.
- Private Duty Nursing Benefits carry a maximum of \$5,000.
- Contributions
- \$1.00 per week – Single, for life of contract
- \$2.00 per week – Family, for life of contract

2. Vision Plan EHC

- \$230/24 months for prescription glasses and/or contact lenses
- \$330/24 months for medically necessary contact lenses
- \$65.00/24 months for eye exams

3. Audio Plan EHC Plan

- \$450/3 years

4. Out-Of-Province Plan

5. Semi-Private Plan 2

6. Dental Plan

ODA Fee Guide – 1 year lag.
\$25 single/family deductible per year for the life of the contract.
Major Restorative dental benefit –
Company to pay premium providing major restorative dental benefit of 50% co-pay to a maximum of \$750.00 employer paid per calendar year.

The Company shall pay the premium costs covering the following items for seniority employees only. The Company reserves the right to select the carrier of each plan.

1. Group Life Insurance
 - equivalent to 2X annual wage based on regular earnings, maximum \$100,000
2. Accidental Death and Dismemberment
 - equivalent to 2X annual wage based on regular earnings, maximum \$100,000
3. Weekly Indemnity 1/1/8/26
 - 60% basic monthly income earning, 1st day hospital, 8th calendar day illness maximum 26 weeks. Submission to carrier within 90 days. If your disability qualifies you for weekly indemnity benefits, your benefit will not be reduced by any other employment income you continue to earn, not related to the policyholder, that you were earning prior to your disability.
4. Long Term Disability
 - 60% basic monthly income limited to a maximum of \$5,000 subject to reductions. However, your overall disability benefit from

all sources shall be limited to 85% of your monthly income, determined at the beginning of the disability.

The above list of benefits is only a general description of the benefits as negotiated between the parties. Full detail and particulars are specified in the legal plan text and shall be considered the governing documents.

- 14.02 The Company will reimburse an employee for the cost up to \$60.00 for requested documentation from a medical physician supporting a claim for Weekly Indemnity benefits or Long Term Disability benefits. The employee must provide appropriate documentation of the cost.
- 14.03 Benefit coverage will be maintained for those seniority employees who are absent due to non-compensable illness or injury for a period of twelve months from initial date of absence.

Article 15 STRIKES AND LOCKOUTS

- 15.01 No employee bound by this Agreement shall strike and the Company shall not lock-out any such employee so bound.
- 15.02 The Company or the Union shall not call or authorize, counsel, support, procure or encourage any unlawful lock-out or strike.

Article 16 BULLETIN BOARDS

- 16.01 The Company agrees to provide the Union with one bulletin board in the lunch room, one bulletin

board in the middle of the plant and one in the Idler Department for the purpose of posting Union notices. Notices will be posted only by officers of the Union and will be in keeping with the spirit and intent of this Agreement. Further, notices will not be politically or racially offensive, they will not violate the Ontario Human Rights Code and will not be offensive or derogatory towards the Company or any of its associates.

Article 17
SAFETY AND HEALTH

- 17.01 The Company will make reasonable provisions for the health and safety of its employees during the hours of employment. The Union agrees to assist the Company in maintaining proper observation of all safety and health rules. A joint Union-Company Safety Committee shall meet on a regular basis or when the need arises. All off-shift time for such meetings will be paid for at time and one half (1 ½) plus shift premium if applicable. This Committee shall consist of two (2) members from the Union and two (2) members from the Company. In the event that a safety matter is to be discussed by the Joint Health and Safety Committee which involves the Idler department, an employee from the Idler department will be permitted to attend for purposes of discussing this matter.
- 17.02 If the employee in his estimation feels the equipment he is to use is unsafe, he shall follow the work refusal procedure in the Occupational Health and Safety Act. Should the provisions of the Occupational Health and Safety Act change with regard to work refusal for unsafe conditions,

the Company will maintain a practice of no discipline for any employee who engages in a legitimate refusal of work because of a concern that such work is unsafe.

- 17.03 Effective April 1, 2006 the Company agrees to contribute one hundred and twenty-five dollars (\$125.00) towards the purchase of safety boots or shoes. This contribution will increase to one hundred and thirty dollars (\$130.00) April 1, 2007, and will increase to one hundred and thirty-five dollars (\$135.00) from April 1, 2008 through September 30, 2009. Should employees not use their full entitlement to purchase one (1) pair of safety boots/shoes during the year, they will be entitled to use any remaining amount towards the purchase of an additional pair of safety boots/shoes however, any unused amounts cannot be carried over from year to year. In order to be reimbursed for safety boots/shoes, employees must provide proof of purchase via a receipt satisfactory to the Company. Provide additional supplement equal to 50% of annual shoe allowance to those in the Oiler classification provided the employee has been in this classification for a minimum continuous period of six (6) months. This provision applies only to those seniority employees who are actively working.
- 17.04 Effective April 1, 2006 the Company will pay up to the maximum of one hundred twenty dollars (\$120.00), including the fitting fee, for Company approved prescription safety glasses each contract year up to March 31, 2008. For this benefit, the last year of the contract shall be defined as April 1, 2008 through September 30,

2009. If unused, this benefit can accumulate to a maximum of three hundred and sixty dollars (\$360.00). This provision applies only to those seniority employees who are actively working.

- 17.05 All employees whose normal work is performed in the plant must at all times wear safety shoes, safety glasses and ear protection in the plant premises. Non prescription safety glasses and appropriate ear protection will be provided by the Company. Employees who are negligent in the use and/or care of such equipment will be subject to discipline.
- 17.06 A copy of the Workplace Safety and Insurance Board 'Form 7' will be given to the employee involved in a work-related accident. Copies of 'Form 7' and accident/incident reports will be provided to the Union Co-chair of the Health and Safety Committee. Copies of the 'Form 7' will be given to the Unit Chairperson. If the injured employee so chooses, copies of such forms/reports will not be provided to the Union Representative(s) as outlined in this clause provided he confirms his wishes in writing and a copy of his wishes will be provided to the Union by the Company within two (2) working days. All Union Representative(s) inclusive of the Union Co-chair of the Health and Safety Committee and the Unit Chairperson will be subject to all responsibilities for confidentiality described in The Occupational Health and Safety Act and other related legislation.
- 17.07 The Company will grant an unpaid leave of absence to two (2) Union representatives of the

Joint Health and Safety Committee for one (1) day to attend the Day of Mourning activities.

Article 18
JOB POSTING PROCEDURE

- 18.01 All job vacancies shall be posted on a bulletin board for a period of five (5) working days. Employees may apply for posted vacancies by written application within said five (5) working days. Only the original vacancy shall be posted, along with two subsequent vacancies in the bidding chain. Subsequent vacancies need not be posted and may be filled by the most senior qualified person. A successful applicant for a posted vacancy shall not be eligible to apply for another posted vacancy for a period of six (6) months except in cases where the vacancy being bid is in a higher job class than the employee's present job or the job opening is an apprenticeship. A copy of all job bids will be given to the Unit Chairperson.
- 18.02 The Company and the Union agree that those applicants with the greatest seniority shall be given preference for posted jobs, providing that the employees involved possess the skill, ability and efficiency to do the work required.
- 18.03 An employee accepted on a job posting will be moved to the new position within fifteen (15) working days after notification of his acceptance for the position, unless mutually agreed to by the Company and the Union. The successful applicant will be notified within ten (10) working days from the day the job is posted.

- 18.04 An employee accepted on a higher job posting will be subject to a probationary period of thirty (30) working days during which they will receive the pay level for the posted position upon entering his trial period. If an employee is successful in posting for a lower rated job, that employee will receive the pay level for the posted position upon entering his trial period. The Company shall possess the option of returning the employee to his former job classification during this probationary period, providing the employee is unable to satisfactorily perform the job. The Company will provide a written explanation to the employee of their inability to perform the job should the employee request such information. Employees shall have the option of returning to their former classification within the thirty (30) working day probationary period. Should an employee exercise this right, he will not be eligible to apply for any future job posting to that same position for a period of at least one (1) year, and may only do so that one additional time.
- 18.05 It is understood that vacancies need not be posted during periods when anyone is on layoff and such work may then be covered by those already within the same or higher classification. An employee who is accepted on a job posting after a period when anyone was on layoff and who has worked on that job during a period when anyone was on layoff, shall have such time, up to a maximum of thirty (30) days, credited toward the thirty (30) day probationary period.
- 18.06 Employees with more than one (1) year seniority who are unable to perform their normal job due to

medical, physical limitations or age, will be given first opportunity and preference to apply for any job vacancy that they are able to perform.

The above must be substantiated by the employee's doctor. Should the Company disagree with the assessment of the employee's doctor, a second doctor will be selected by agreement between the employee, the Company and the Union and this subsequent opinion shall be binding.

- 18.07 Employees transferred due to a reduction of force or curtailment of work must return to their former classification as work develops and no new vacancy shall be deemed to exist in that classification until **all** former employees have been afforded an opportunity to return to their respective former positions. Any such transfers, made after the effective date of this agreement, shall have a limitation of the **employee(s)** returning to a former position as provided for in Article 9.04(d). This shall not apply in the event an employee has accepted a posting into another classification.

Article 19

TEMPORARY TRANSFER

- 19.01 If an employee substitutes in any Department on any job during the **temporary** absence of another employee or is transferred to another Department due to production requirements they shall receive the rate for the job *or* their regular straight-time hourly rate, whichever is the greater. Transfers due to production requirements will not exceed thirty (30) work days per transfer. These transfers will be based on inverse seniority of employees on

the shift, subject however to the employees involved having the skill and ability to perform the work assignments and production requirements involved. In the event the most junior employee is not selected to perform the work, the Supervisor shall advise the Union rep as to why the choice was made.

In the event a temporary transfer exceeds thirty (30) work days, the vacancy shall be posted as a temporary job posting, unless the parties mutually agree to an extension. The job will be awarded to the most senior applicant who already possesses the skill and ability to perform the requirements of the job. Temporary job postings will be limited to the original vacancy except where the temporary job posting is to cover for an absence that exceeds 90 work days, at which time, subject to production requirements, one subsequent vacancy in the bid chain shall be posted.

Article 20

BEREAVEMENT LEAVE

- 20.01 During the term of this Agreement, any employee who has completed the probationary period and is working, shall be paid for the regular shift time lost, at a straight hourly rate (exclusive of shift premium) for a maximum of three (3) consecutive workdays, Monday through Friday, from date of death. An employee shall not be paid for time lost that was not in their regularly scheduled workweek. In the event the employee is informed of the death of a qualifying family member during the first half of his shift, this day shall be deemed the first day of the three (3) consecutive workdays. In the event the employee is informed of the death

of a qualifying family member during the second half of his shift, this day shall be deemed an unpaid leave of absence and the following workday shall constitute the first day of the three (3) consecutive workdays. Employees, who are laid off, on sick leave or on leave of absence for any reason when such death occurs, will not be eligible for funeral leave pay. The immediate family, for the purpose of this provision, shall be defined as: father, mother, brother, sister, spouse, children, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparents, grandparents of spouse, grandchildren, brother-in-law, sister-in-law and stepfather or stepmother if such individual replaced a natural parent during the formative years. The employee must provide documentation of death and of the family relationship prior to and in order to receive bereavement pay. The parties may move the three (3) consecutive workday bereavement leave schedule by one (1) day so that a midnight shift employee would not be required to report to work the evening of the funeral day.

- 20.02 **If** Bereavement Leave occurs during an employee's scheduled vacation the employee will be allowed to reschedule up to three days of that vacation at a time mutually agreeable to the employee and the Company. The employee must provide documentation of the family relationship in order to reschedule their vacation.
- 20.03 **In** order to be eligible for payment of bereavement leave based upon a common-law relationship, the common-law spouse must be registered as such under the Company's benefit plan.

Article 21
COLLECTIVE AGREEMENTS

- 21.01 The Company and the Union mutually agree to equally share the cost of the printing of the Collective Agreement.

Article 22
JURY DUTY

- 22.01 The Company will pay to any employee who is called for Jury Duty or as a Crown Witness in any of Her Majesty's Courts or Coroner's Inquest Duty, the difference between the employee's average straight-time hourly rate for the number of hours he normally works in a day and the amount of money he actually receives for such Jury Duty or Crown Witness or Coroner's Inquest attendance. In order to qualify for this pay, an employee must provide proof of being called for Jury Duty or Crown Witness Duty or Coroner's inquest Duty and be on jury duty or Crown Witness Duty or Coroner's Inquest Duty during one of his normally scheduled days.

Article 23
WORK CLOTHES AND/OR SUITS

- 23.01 (a) **All** employees are required to properly wear Company supplied uniforms while working. In the case of loss or willful misuse or modification, the employee will be charged for the cost of the uniform. Employees failing to return all uniforms upon termination of employment will be charged for such **loss**.

- (b) The company will supply seven (7) complete sets of work clothes or suits per year and launder them weekly, all at no cost to the employee.
 - (c) The Company will supply 11 complete sets of work clothes per year and launder them weekly to all employees in the maintenance department and oiler classification at no cost to the employee.
- 23.02 The employer will furnish safety glasses, goggles, gloves and aprons, and other safety devices commonly identified as regular equipment on hazardous jobs. When such devices are furnished, the employees are required to use them. Failure to do so will result in punitive action. In case of **loss or** willful misuse, the employee will be charged for the same.

Article 24
APPRENTICESHIP AND
APPRENTICESHIP TRAINING COURSES

- 24.01 Apprentices will be compensated per the schedule listed in Schedule 'A'. All Apprenticeship training will follow the outline and guidelines established by the Ontario Apprenticeship and Tradesmen's Qualification Act.

Article 25
TOOL ALLOWANCE

- 25.01 The Company shall provide \$35.00 per month to all employees required to use their own tools on the job. This allowance is for the replacement of

their own tools if damaged or broken at work or for new tools to be used at work.

Article 26
NO DISCRIMINATION

- 26.01 The Employer agrees that there shall be no discrimination, interference, restriction or coercion exercised or practiced with respect to any employee in the matter of hiring, wage rates, training, upgrading, promotion, transfer, layoff, recall, discipline, discharge or otherwise by reason of age, race, creed, colour, national origin, political or religious affiliation, sex or marital status, place of residence, nor by reason of his/her membership or activity in the Union, or any other reason.

Article 27
CERTIFICATION- LIFT TRUCKS

- 27.01 Any employee required to operate a forklift will receive training and certification in forklift safety.

Employees who are awarded bids into shipping/receiving or forklift classifications must successfully complete the certification process within thirty (30) working days of being awarded the bid and prior to actual assignment on the job. In addition, these employees shall meet all bona fide requirements of the position as outlined in the Letter of Understanding re Forklift Requirements.

Failure of a bidder to successfully complete certification within these time limits will result in their disqualification from the job posting and will be returned to their former position.

Retraining and certification for those employees required to operate a forklift will be in compliance with Government time requirements. Employees in the shipper/receiver or the fork lift classifications who fail to successfully be re-certified after two (2) attempts will be removed from the classification and reassigned through the bumping provisions in Article 9.

Other employees outside of this classification who would be required to operate a fork lift on a limited basis would be given training as described above.

Article 28

CONTRACTING OUT AND FOREMEN WORKING

- 28.01 The Company will not contract out the work of plant janitorial service and in plant maintenance work as long as bargaining unit employees have the skills, equipment and time to perform the above tasks.
- 28.02 Foremen, Staff and any employee above this rank, will not perform the physical or manual work for which hourly-rated employees are available and capable of doing, or if employees are on layoff or, it would result in a **loss of earnings** to any employee in the Bargaining Unit; provided, however, this provision shall not be construed to prohibit supervisors from performing the following types of work:
- (a) experimental work
 - (b) demonstration work performed for the purpose of instructing and training employees
 - (c) work required of the supervisors by emergency conditions which, if not performed, might result

in interference with operations, bodily injury, or loss or damage to material or equipment.

Article 29

DURATION OF AGREEMENT

- 29.01 This Agreement shall become effective as of the 1st day of April 2006, and shall remain in force until the 30th day of September, 2009. Thereafter, it shall be automatically renewed from year to year unless in any year, not more than ninety (90) days before the date of termination, either party shall furnish the other with notice of termination of, or proposed revision of, or addition to, any provision thereof.
- 29.02 In each event, negotiations on any such proposal, revision, or addition shall take place between the parties as soon as possible, or within thirty (30) days of such notice.

Article 30

COMPLIANCE WITH LEGISLATION

- 30.01 It is understood and agreed that all provisions of this Agreement, and the interpretation thereof, shall be subject to all present or future laws, orders, regulations and by-laws made or enacted by, or pursuant to, the authority of the Parliament of Canada, Legislature of Ontario, or any other lawful authority, and shall be deemed to be modified as necessary, so that this Agreement shall, at all times, comply with any changes in the same.
- 30.02 In this Agreement, unless otherwise indicated by the context, the plural shall indicate the singular, the masculine the feminine, and vice versa.

SCHEDULE 'A'

The wage program for all bargaining unit employees is covered under Schedule 'A'.

Hourly rates are determined by classifications as follows:

Classifications	Adjustment Year 1	Apr 1 2006	Apr 1 2007	Apr 1 2008	Apr 1 2009
Assemblers	.37	16.40	16.81	17.23	17.53
Oiler	.37	16.40	16.81	17.23	17.53
Utility		16.02	16.42	16.83	17.13
Fork Lift Truck		16.87	17.29	17.73	18.04
Shipper/Receiver I		17.19	17.62	18.06	18.38
Shipper/Receiver II	1.23	18.45	18.91	19.38	19.72
Operator Level I					
- Entry		16.02	16.42	16.83	17.13
- 6 Months		16.31	16.72	17.13	17.43
- 12 Months		17.08	17.50	17.94	18.25
- 18 Months		17.82	18.27	18.73	19.05
- 24 Months		18.59	19.06	19.53	19.88
Operator Level II		21.43	21.97	22.52	22.91
Q.C. Level I		15.83	16.22	16.63	16.92
Q.C. Level II		16.55	16.97	17.39	17.70
Q.C. Level III		17.73	18.18	18.63	18.96
Q.C. Level IV		18.89	19.36	19.85	20.19
Q.C. Level V		20.54	21.05	21.57	21.94
Operator Level III		23.94	24.54	25.16	25.60
Team Leaders		23.58	24.16	24.77	25.20
Machinist	1.00	26.25	26.91	27.58	28.06
Tool & Die Maker		28.99	29.71	30.45	30.99
Electrician		27.74	28.43	29.14	29.65
Millwright		27.74	28.43	29.14	29.65
Electronic Technologists		29.63	30.37	31.13	31.68

Quality Control

Employees in the Quality control job category can attain the top levels shown by passing a written test pertaining to the skills, knowledge and technological advances inherent in their jobs. Employees may request an opportunity to be tested for the next grade level every six months. Employees who fail to pass a written level test may rewrite it after a period of two months.

Operator Level I

An employee who is absent for more than forty (40) consecutive hours, except vacation of any length, and approved leaves of absence for local union business not to exceed eighty (80) consecutive hours, will have any incremental increase due delayed by an equal amount of time equal to the absence.

Level I operators will receive equal incremental increases every six (6) months for a period of twenty four (24) months from starting rate to the top rate of Operator Level I.

New Employee Progression Rate for Non-Skilled Trades Classifications

Start 80% of base rate

After working 320 hours, receive 90% of base rate

After working 480 hours, seniority status, 100% of base rate

The requirements of an Operator Level I are:

- **To** have been in an Operator Level classification for a minimum of twenty-four (24) months and be able to perform required quality and preventive

maintenance checks on a variety of equipment. They will also be able to perform routine functions including but not limited to changing rolls, bar stock, inserts, punches, tooling replacement and date stamps. They may also be required to assist a Level II Operator in a complete set up. This twenty-four (24) month shall be in addition to successful completion of the probationary period.

Operator Level II

Skill and ability requirements for a Level II Operator are:

To perform all functions of a Level I Operator.
Specialist in one or more of the Production areas (currently machining, spin, press).
Will be able to proficiently operate, set up and trouble shoot all machines independently within their designated production area.
Train and trouble shoot the production and set up of others.

Level II's will be posted and awarded in accordance with the provisions of Article 9.03(a).

Operator Level III

Skill and ability requirements of a Level III Operator are:

- To have been a Level II Operator and have consistently met or exceeded run to rate, scrap and defect reductions, continuous improvement activities, etc.

- Must have demonstrated above average troubleshooting skills on all machines independently within their assigned production area.
- Effectively train other associates in safety, operation, set-up and standard procedures, etc. of all assigned equipment.
- **Must** have demonstrated above average understanding of machine programming and ability **to** program equipment as necessary.
- Ability to perform functions such as, but not limited to, adjusting and correcting and/or directing the repair or alteration of tools and equipment to ensure it meets print specifications; assist in prototype development of product and processes, etc.
- Must have demonstrated effective leadership and communication skills.
- Understand and follow all required documentation in accordance with all Company required systems (Quality, Production, Environmental, etc.).

Licensed Tradesmen:

The Company will determine if there is a need to have apprentices in any of the Skilled Trade classifications. If it is determined that apprentices are required, the Company shall post the position.

An employee who has voluntarily removed himself from the apprenticeship program will be forbidden from bidding on future apprenticeship job postings for **two (2)** years and for any other job posting for one (1) year from the date he removes himself from the program.

An employee, who accepts an apprenticeship program position shall be forbidden from applying for any job postings until he completes the entire apprenticeship program, receives his certification and has completed at least two (2) years as a journeyman.

Qualifications

Notwithstanding the provisions of the job posting procedure, Article 18, the Company shall have the right to select the successful applicant for the apprenticeship program based on the following qualifications:

Primary Qualifications

- Grade 12 education or equivalent (GED)
- Culpable absenteeism below the plant average
- Excellent Safety Record
- **No** job performance disciplinary action **on** file in the year **prior** to application

Secondary Qualifications

Upon successful completion of the primary qualifications, the candidate must:

- Successfully complete training and display skill and ability to operate a fork truck or any other lifting device.
- Successfully complete (minimum 70%) an aptitude test as provided by the local college or appropriate governing body. Examples of such tests include Canadian Adult Achievement Test (CAAT) and the Differential Aptitude Test (DAT).
- Successfully complete a trade-specific test which may include trade related basic knowledge,

mathematics, measurement, and blueprint reading.

Applicants with the greatest seniority shall be given preference provided the employee meets the requirements as outlined above.

Contract

In order to enter into the apprenticeship program, every apprentice must sign a written contract with the Company and the appropriate governing apprenticeship body. The contract shall be signed by the apprentice and the Company and all shall be registered with the same.

Termination of Program

The Company will have the right to cancel the apprenticeship agreement of the apprentice at any time for any of the following reasons:

- i) Workforce reduction
- ii) Inability to learn
- iii) Culpable absenteeism beyond the plant average
- iv) Unsatisfactory work
- v) Lack of interest in his work or education
- vi) Insubordination
- vii) Failure to attend and/or successfully complete all classes and/or related instruction sessions

Apprentices, who voluntarily remove themselves from the program, shall be transferred to the lowest job classification as outlined in Schedule 'A'. Apprentices who do not successfully complete the program for reasons as outlined above (provided the infraction

was not a terminable offence), shall be able to exercise their bumping rights as per Article 9.03.

Notwithstanding the lay-off provisions with the collective agreement, *if* a layoff were to occur within any of the tradesmen roles, those who do not hold a qualified tradesmen certificate in the *classification(s)* in which the layoff *is to* occur, will be the first **laid** off prior to any certified tradesmen, within the *classification(s)* being affected by *such* layoff.

Tool Allowance

Each apprentice shall build, at his own expense, a kit of tools necessary for carrying out his trade. Tools may be purchased at cost through the Company with the appropriate approvals. Loss or damage to tools will be the responsibility of the apprentice and subject to replacement at his cost. **Apprentices will receive the same tool allowances as the skilled tradesmen.**

Training

The Company shall pay the tuition fees, registration fees and material costs for all training provided the employee successfully completes the course. All applications for financial assistance under this program are to be made on the approved Company form and in accordance with the Educational Assistance Plan as outlined in Schedule 'B'.

Apprentices may be required to attend classes under the apprenticeship program, outside their normal work schedules. The Company shall make every effort to accommodate the apprentice **so** that he may attend all required classes.

Wages

An employee accepted into the apprenticeship program will be paid as follows:

Probationary rate (1000 hours worked):	60% of the tradesman rate as outlined in Schedule 'A
2001-2000 hours worked:	65% of the tradesman rate as outlined in Schedule 'A
3001-3000 hours worked:	70% of the tradesman rate as outlined in Schedule 'A
4001-4000 hours worked:	75% of the tradesman rate as outlined in Schedule 'A
5001-5000 hours worked:	80% of the tradesman rate as outlined in Schedule 'A
6001-6000 hours worked:	85% of the tradesman rate as outlined in Schedule 'A
7001-7000 hours worked:	90% of the tradesman rate as outlined in Schedule 'A
8001-8000 hours worked:	95% of the tradesman rate as outlined in Schedule 'A

After successful completion and verification of the tradesman certificate– 100% of the tradesman rate as outlined in Schedule 'A. **All** registered apprentices must complete and fulfill the entire apprenticeship program and achieve journeyman status. Failure to continue to progress to the next step and complete the program will result in removal from the program.

Appendix 'B'

Educational Assistance Plan

The Gates – London Operations Educational Assistance Plan is designed to encourage employees to participate in educational programs that will be of benefit to them and develop their potential for growth within the Company.

Employees are eligible to participate, subject to the following:

- (a) Employees must have at least one (1) year accumulated service before payment of refund.
- (b) Courses started prior to employment must receive approval at the time of employment to be eligible for future refund.
- (c) Employees must still be in the employ of the Company at the time of completion to qualify for a refund.

An application for the Educational Assistance Plan may be obtained from Personnel.

To avoid any misunderstanding, employees are to complete the application and submit a course outline from the Educational Institution and are to secure approval before registering for a course. The application must be approved by the Production Manager or the Plant Manager prior to being submitted to Personnel.

Upon completion of the course, the employee will give the Plant Manager evidence of successful completion

and the receipt of payment for the course. This data should be forwarded to Personnel.

For courses directly related to the employee's job and which are successfully completed, the Company will pay one hundred per cent (100%) of the cost, including registration, tuition fee, and the cost of text books.

For courses not directly related to the employee's job but which are aimed to improve the employee's personal development within the Company and are successfully completed, the Company will pay fifty per cent (50%) of the cost, including registration, tuition fee and the cost of text books.

Appendix 'C'

Team Leaders

The parties agree to the establishment of the classification of Team Leader. It is understood that employees filling these roles will be by Company appointment. The Company shall advise of future openings by way of a job announcement. Team Leaders shall not have the authority to hire, fire, suspend or otherwise discipline employees and shall be Union members. The Unit Chairperson will be informed, in writing, of the names of the Team Leaders.

Responsibilities of this role will include but not be limited to:

Perform work and direct the work of others and deploy all Lean methodologies including:

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Standardized Work

Value stream mapping

TPM

Autonomous maintenance

Built in Quality

Practical Problem Solving

Quick Changeover

Continuous improvement (Kaizen)

JIT

Demand Flow

Single piece flow

Plan for every part (PFEP)

Error Proofing, andon alerts

Communication

Product scheduling

Waste elimination

Training

Report on Lean Metrics

Assist GPS Coordinator with projects

Assist Subject Matter Experts in projects

Team Leaders must remain in this role for a minimum of two years prior to posting for any other job bid opportunity unless removed by management. In the event of a reduction in work force, Team Leaders may utilize their seniority and bump into their former classification provided they have the skill and ability to perform the work or apply for any other opening which may exist through the job posting provisions of the agreement.

Appendix 'D'

PROCESS FOR TRANSITION TO CONTINUOUS OPERATION SCHEDULE

1. All those employed by the Company as of May 27, 1998 shall not be required to accept an assignment onto shifts "C" or "D". This does not preclude employees from posting onto these shifts.
2. Employees voluntarily posting to shifts "C" and "D" and employees hired after May 27, 1998 may move to shifts "A" and "B" or five (5) day work schedule only by posting for openings on these shifts or by workforce reduction.

Appendix 'E'

CONTINUOUS OPERATION AGREEMENT

1. The Company may implement a continuous operation schedule in any department or throughout the facility as required. In continuous operations areas, the normal week schedule and hours of work will be as described below.
2. **Hours of Work**

Shift	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
A 6 am – 4 pm	10	10	10	10	Off	Off	Off
B 4 pm – 2 am	10	10	10	10	Off	Off	Off

2. Hours of Work - *continued*

Shift	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
C							
6 am – 6 pm	Off	Off	Off	Off	12	12	12
D							
6 pm – 6 am	Off	Off	Off	Off	12	12	12

“ A Shift will rotate every two weeks with “B” shift.

“C” Shift will rotate every two weeks with “D” shift.

3. Rest Periods

Two fifteen (15) minute rest periods and a twenty (20) minute paid lunch will be allowed on each ten hour shift. Two ten (10) minute rest periods and two (2) twenty minute paid lunches will be allowed on each twelve hour shift.

4. Shift Premium

The afternoon shift premium as described in Article 13.07 of the C.B.A. will apply to all hours worked on B and D shift from 6:00 p.m. to Midnight. The evening shift premium as described in Article 13.07 of the C.B.A. will apply to all hours worked on B and D shift from midnight to 6:00 a.m.

5. C And D Supplement

In addition to the regular shift premiums a wage supplement premium for shift C and D employees of eleven percent (11%) of their straight time hourly earnings will be paid for each hour worked on their regular scheduled shift. This premium will be

included in the calculation for weekly indemnity, Holiday Pay, Vacation Pay, Jury Pay, Bereavement Pay and Report in Pay.

6. Overtime

Employees will receive time and one half for work performed on any day outside their regular scheduled work day as defined in item number **two (2)** above. Except that employees normally assigned to C shift or **D** shift will receive double time for the **6th** and **7th** consecutive day beyond their normal scheduled days in a calendar week and employees normally assigned to **A** shift or **B** shift will receive double (2X) time for all hours worked on Sundays.

Time and one half will be paid for all other hours worked outside of regular daily scheduled work hours.

7. Paid Holidays

For those employees on continuous operations the following will apply and take precedence over Article 12.

If a holiday falls on an employee's regular work day, the employee shall take the time off and is paid for **his/her** regularly scheduled hours for that day or for eight (8) hours, whichever is greater.

If the holiday falls on an employee's regularly scheduled day off, the employee will be paid eight (8) hours for that holiday and will return to work on **his/her** normally scheduled shift.

An exception **to** this process will be made for the period between Christmas and New Year's Day. The

Company will move the observation of scheduled holidays and floating holidays during this time frame to scheduled work days for each continuous operation shift to maximize scheduled days off. This provision is not intended to increase the number of scheduled holidays.

8. Vacations

A week of vacation as described in Article 10 of the C.B.A. is defined as a period of forty (40) consecutive regularly scheduled work hours. Continuous service for the purpose of calculating vacation eligibility, as defined in Article 10.01(h) will be 936 hours for employees on shift C and D.

9. Job Posting

The three (3) working day period for job postings as described in Article 19 will be maintained to accommodate all shifts including those on continuous operation.

All other posting procedures will be governed by Article 19 except for posting for Level III Operator which will be in accordance with Article 9.03(a).

10. Bereavement Leave

An employee will be compensated on the basis of actual time lost through the application of clauses 20.01, 20.02 and 20.03.

11. Jury Duty

An employee will be compensated on the basis of actual time lost through the application of clause 22.01.

12. Social Insurance

All benefits, as listed in Article 14, shall apply to those employees on continuous operations except that in cases of weekly indemnity the following will apply.

For employees on continuous operations, sickness waiting period to qualify for W.I. will be absence from work for forty consecutive regularly scheduled hours for A and B shift and thirty-six consecutive regularly scheduled hours for C and D shift. Payment of W.I. would be made, for sickness, after this waiting period has been met. This payment would be based at 60% of employee base wage for every hour of W.I. absent time.

13. Time Changes

During the change from standard to daylight savings time, employees working the shift beginning at 6:00 p.m. will be scheduled for eleven (11) hours and will be paid for time worked.

During the change from daylight savings to standard time, employees working the shift beginning at 6:00 p.m. will be scheduled for twelve (12) hours and will be paid for time worked.

14. Report In Pay

Employees on continuous operation schedules who become eligible for report in pay under the provisions

of Article 13.06 shall receive report in pay equal to half (1/2) of their regularly scheduled shift hours.

15. Shift Transfers

Employees voluntarily posting to shifts "C" and "D" and employees hired after May 27, 1998 may move to shifts "A" and "B" or "5 day work schedule" only by posting for openings on these shifts or by workforce reduction.

16. This supplemental letter of agreement and its listings above shall take precedence over the existing articles in the C.B.A. as it pertains to continuous operation employees. Where this letter is silent as to a particular article, that article in the C.B.A. will apply.

17. Management maintains the exclusive right to increase or replace the number of departments or eliminate the continuous operations as required.

18. ADDITIONS OR DELETIONS OF AREAS TO CONTINUOUS OPERATIONS SCHEDULE

The Company will provide 30 days notice to affected employees prior to implementing or deleting this continuous operation schedule. Prior to giving such notice to employees, the Company shall advise the Union of such change.

19. The assignment to shifts "C" and "D" shall be based on inverse order of seniority for *a//those* employed by Company after May 27, 1998 provided the employees have the demonstrated skill and ability to perform the required work.

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

Letter of Understanding No. 1 of 18

Re: Lunch Provision For Straight Eight Hour Shift

Dear **Mr. Banks**:

In order to clarify the intent of Article 13.02 (c) the paid lunch provision only applies when the employee(s) are scheduled to work for a straight eight (8) hours.

Very truly yours,

GATES – LONDON OPERATIONS

A.F. Papa
Director of Human Resources- PTDNA

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

Letter of Understanding No. 2 of 18
Re: Supervisors Working

Dear Mr. Banks:

In those situations where it is necessary for a supervisor to perform work normally performed by a member of the bargaining unit, excluding those listed under Article 28.02, the supervisor will inform the Unit Chairperson if on shift, otherwise an Executive Officer, of the reason for doing the work prior to beginning that work.

During the 1998 Contract negotiations the parties discussed at length issues associated with Supervisors performing bargaining unit work under the provisions of Article 28.02. The parties agreed that provisions of Article 28.02 allow for such work under certain conditions and both parties support these activities. The parties also agreed that the appropriate resolution to a grievance related to the provisions of Article 28.02 which is deemed to have merit will be the contribution of one hundred dollars (\$100.00) by the Company to the Salvation Army Food Bank.

Very truly yours,

GATES -- LONDON OPERATIONS

A.F. Papa
Director of Human Resources - PTDNA

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

Letter of Understanding No. 3 of 18
Re: Temporary Part-Time Employees

Dear Mr. Banks:

The Company may hire additional personnel, who will follow Company policies and procedures, to fill in for employees who are absent due to the following reasons:

- (a) Absence due to General Absences, Sickness and Accident, Workers' Compensation
- (b) Leave of Absence

(c) Vacation

(d) To cover overtime vacancies not filled by bargaining unit employees.

Such additional employees shall be classified as Temporary Part-time (TPT) and will not be permitted to gain seniority status, notwithstanding Article 9.02. TPT employees will be considered for any regular fulltime employment opportunity that arises. If a TPT employee has attained a minimum of 520 hours and is provided the opportunity of fulltime employment they will be granted 30 working days service towards their probationary period.

TPT employees may not work if seniority employees are on layoff. If a layoff does occur, TPT employees will be the first employees laid off.

TPT employees shall be subject to the same conditions of employment as probationary employees, save and except the seniority provisions, overtime rates, benefit coverage and wage provisions of this agreement.

TPT employees will be limited in number to that of the employees who are absent from work unless mutually agreed to by the parties. During the period of May 1 to Labour Day students can be hired in addition to the numerical provisions of this paragraph. Students shall be hired as TPT employees.

TPT employees shall be the first employees sent home in the event of any work shortage.

TPT employees may only work a maximum of 1040 hours in a calendar year.

TPT employees shall receive the same starting rate of a probationary employee and remain at that rate.

TPT employees shall receive overtime rates of time and one half (1.5X) after working over forty (40) hours in a week or more than eight (8) hours in a day.

A list of TPT employees will be provided to the Unit Chairperson upon request.

Very truly yours,

GATES-- LONDON Operations

A.F. Papa
Director of Human Resources - PTDNA

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

New Letter of Understanding No. 4 of 18

Re: Union Office

Dear Mr. Banks:

The Company has committed to the Union that it will provide the union with the current office or one of comparable size, for the union's use.

The Company will make arrangements for phone service to be provided for the office, however the Union will be responsible for their own telephone services and charges.

The parties collectively agree that the office is for the sole use for Union business only. All stewards and/or employees will not be allowed in the office without prior consent from their respective Supervisor and will only be allowed for the purpose of processing grievances, and/or to conduct other official Union business. Phone calls pertaining to Union business should be directed to the office. Any improper use of the office, at any time, by any employee will result in the revocation of the office.

The office shall be maintained and kept clean by the current plant cleaners.

Very truly yours,

GATES – LONDON OPERATIONS

A.F. Papa
Director of Human Resources- PTDNA

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

Letter of Understanding No. 5 of 18

Re: Safety Glasses

Dear Mr. Banks:

The Company shall maintain the practice of allowing employees the opportunity to combine the benefits of vision care through the group carrier and the prescription safety glass benefit described in Article 17.04 for the purchase of approved prescription safety frames and lenses.

Very truly yours,

GATES – LONDON OPERATIONS

A.F. Papa
Director of Human Resources- PTDNA

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

Letter of Understanding– No. 6 of 18

Re: Overtime Provisions

Dear Mr. Banks:

During the 2003 contract negotiations, the parties diligently worked towards creating an overtime distribution process to become effective June 30, 2003. After lengthy discussions, a new overtime distribution process was established, however, the parties recognize that this process and process of missed opportunity payment have not been tested or validated for effectiveness and that future situations may arise that have not been considered. The parties shall work harmoniously to reach a resolution that will address long-term solutions to any process concerns that may arise.

The Company agrees to conduct a review of missed opportunities on a quarterly basis as a means of reviewing the effectiveness of the program and identifying and addressing any misalignments.

Yours very truly,

GATES – LONDON OPERATIONS

A.F. Papa
Director of Human Resources - PTDNA

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

Letter of Understanding – No. 7 of 18

Re: Job Postings for Level II Operators

Dear Mr. Banks:

The Company agrees to continue posting for Level II Operators by specialty as defined in the job requirements of Operator Level II in Schedule "A". Selection of candidates for Level II Operator postings will be pursuant to Article 9.03(a).

Very truly yours,

GATES – LONDON OPERATIONS

A.F. Papa
Director of Human Resources - PTDNA

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

Letter of Understanding— No. 8 of 18

Re: Modified Work Committee

Dear Mr. Banks:

The Company agrees to establish a joint Union-Company Modified Work Committee that will be comprised of two (2) Company representatives. The purpose of the Committee is to return injured workers to productive and meaningful employment and whenever possible, pre-injury employment as a result of a work related injury or illness. The Committee will meet on an as-needed basis and will maintain confidentiality; work in an unbiased manner and within the provisions of the Workplace Safety and Insurance and Occupational Health and Safety Act. Members of the Committee shall not lose any monies as a result of their participation on this Committee and any off-shift time for such meetings will be paid for at time and one half (1 ½) plus shift premium, if applicable.

Very truly yours,

GATES CORPORATION

A.F. Papa
Director of Human Resources - PTDNA

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

Letter of Understanding– 9 of 18

Re: Smoke Area

Dear Mr. Banks:

The Company agrees to maintain a practice of a designated smoke area provided it is not in violation of any Federal, Provincial or Municipal by-laws or statutes. Employees will smoke in the Company designated areas only.

Very truly yours,

GATES – LONDON OPERATIONS

A.F. Papa
Director of Human Resources- PTDNA

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

Letter of Understanding— No. 10 of 18

Re: Pension Plan

Dear Mr. Banks:

The parties agree that the Company will establish educational sessions to communicate the Gates salaried pension plan to all bargaining unit employees. Upon completion of these sessions, the Union shall hold a vote and if by simple majority, the bargaining unit votes in favour of the plan, the bargaining unit shall enter into the Gates salaried pension plan and will be eligible for any future changes. In so doing, the plan shall currently provide for an employer 3% contribution of earnings with a further possible employee contribution up to an additional maximum 3% that will be matched by the Company. It is anticipated that this vote and conversion could occur on or before July 1, 2003.

If the Gates Salaried Pension Plan is accepted, the current MacKenzie Group Union Plan will cease and the Company will make no further contributions. The Group Carrier will be so notified of the pension changes. Transfers of said funds, if applicable, shall be pursuant to the laws of the Pension Commission of Ontario.

The Union understands that by the bargaining unit members accepting the Gates Salaried Pension Plan that this new plan will not form part of the collective agreement and will not be subject to contract negotiations.

Yours very truly,

GATES – LONDON OPERATIONS

A.F. Papa
Director of Human Resources- PTDNA

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

Letter of Understanding – No. 11 of 18

Re: Employee Information

Dear Mr. Banks:

It shall be the responsibility of each employee to keep the Company advised of his address and telephone number and to notify the Company, in writing on the proper form, provided by the Company, of any change of address and telephone number. When trying to reach employees at home the Company will rely upon the last telephone number and/or address on record with the Company.

Very truly yours,

GATES-- LONDON OPERATIONS

A.F. Papa
Director of Human Resources - PTDNA

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

Letter of Understanding-- No. 12 of 18

Re: Inventory

Dear Mr. Banks:

In advance of the inventory, the Company will post a request, by job classification, for the number of employees for inventory purposes. Work will be assigned by seniority from those who post within the job classifications of Fork lift truck, Shipper/Receiver and Quality Control. For all those required, who posted in the Operator and Assembler classifications, work will be assigned by area, skill and ability and seniority.

The Company will endeavour to provide advanced training pertaining to inventory for those deemed necessary by the Company.

Very truly yours,

GATES -- LONDON OPERATIONS

A.F. Papa
Director of Human Resources - PTDNA

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

Letter of Understanding No. 13 of 18

Re: Cooperation Toward Continuous Improvement

Dear Mr. Banks:

During the 2006 Contract negotiations, extensive discussions were held with respect to continuous improvement, lean manufacturing and The Gates Production System (GPS). The parties mutually understand, from an operational position of the London plant, it is critical that GPS succeed. Therefore in keeping within the spirit of our discussion, the Company will be entitled to assign bargaining unit employees on a voluntary basis to work on GPS initiatives. These temporary assignments, in most cases, will exceed the temporary time limits as provided for in the Collective Agreement.

All employees will be engaged in GPS initiatives, the Union acknowledges and supports the importance and investment in GPS and the required training and changes in processes necessary to move continuous improvement forward.

Very truly yours,

GATES – LONDON OPERATIONS

A.F. Papa
Director of Human Resources – PTDNA

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

Letter of Understanding No. 14 of 18

Re: Work Clothes and/or Suits

Dear Mr. Banks:

The Company agrees to allow employees to opt in or out of the work clothes program one time per year by April 1st. If an employee decides to opt out of the program, they will be required to immediately return all issued garments. If an employee does not return all issued garments, they will be required to pay the replacement cost of the garments. Wearing part of the issued garments with an employee's own clothing will not be

permitted. Management will have the right to remove any employee from the work clothes program if they are found not to be following the guidelines as outlined in the Collective Bargaining Agreement. These employees shall have the right to return to the program the following April 1st. If overall enrollment in the work clothes program falls below fifty percent (50%), the Company will have the right to eliminate the work clothes program.

Very truly yours,

GATES LONDON OPERATIONS

A.F. Papa
Director of Human Resources- PTDNA

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

Letter of Understanding No. 15 of 18

Re: Forklift Requirements

Dear Mr. Banks:

The parties agree to the importance of safety in the workplace with respect to forklift operation. In doing so, it is recognized that all employees **in the classification of Fork Lift Truck and Shipper/Receiver** must meet the following bona fide safety requirements.

Vision

- Visual acuity to view all signs, instructions and labels
- Good peripheral vision
- Good judgement of space, including depth, height and distance
- If required, use of corrective lenses while operating the lift truck

Hearing

- Ability to hear all warning signals within the workplace
- If required, use of hearing aids while operating the lift truck

Physical

- Absence of physical impairments, neurological disorders or other health disorders that can affect the safe operation of the lift truck
- Sufficient strength, endurance, agility and coordination specific to the movement of the neck, upper and lower limbs and trunk

Employees who work in these positions will undergo an evaluation, conducted by their physician, every two (2) years to confirm the above-mentioned bona fide requirements are met. Pursuant to the Ontario Medical Association, reasonable and customary costs of such evaluations shall be borne by the Company. Employees will be paid for time lost to undergo such evaluations up

to a maximum of two (2) hours and these appointments will be scheduled during the last two (2) hours of their day shift. Those who do not rotate shifts will be paid a maximum of two (2) hours to attend the evaluation. Copies of all evaluation results shall be provided to the Union.

Yours very truly,

GATES LONDON OPERATIONS

A.F. Papa
Director of Human Resources - PTDNA

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

Letter of Understanding No. 16 of 18

Re: Pay Error Greater Than 2 Hours

Dear Mr. Banks:

Whenever an employee's pay is in error by an amount greater than two (2) hours of that person's wage, a cheque will be issued to the employee, in the proper amount, provided the payroll error was made by the Company.

Yours very truly,

GATES LONDON OPERATIONS

A.F. Papa
Director of Human Resources – PTDNA

April 1, 2006

Mr. Steve Banks
Staff Representative
United Steelworkers
Local 9193

Letter of Understanding No. 17 of 18

Re: Article 13.04 – Overtime

Dear Mr. Banks:

The parties agree that the Overtime provisions for equalization purposes have been changed from thirty two (32) hours to twenty four (24) hours during the 2006 CBA talks.

Concurrently, this provision will go into effect June 1, 2006 and run through December 31, 2006. Thereafter, it will run on an annual calendar year basis.

Yours very truly,

GATES – LONDON OPERATIONS

A.F. Papa
Direct of Human Resources- PTDNA

April 1, 2006

Mr. Tony Papa
Gates London Operations
1005 Wilton Grove Road
London, Ontario
N5Y 5T5

Letter of Understanding No. 18 of 18

Re: Article 9.03 (c) - Seniority

Dear Mr. Papa:

I am writing to confirm the understanding reached during today's bargaining session with regards to Article 9.03 (c) of the Collective Agreement. After lengthy discussions and numerous exchanges on this article, the parties appear to have reached an agreement.

It is the Unions understanding that the Company has agreed that in the event that an employee is given notice of layoff and the employee chooses to bump across in their classification, the employee will retain their classification rate of pay and will receive the training to perform the work in the bumped position.

In the event that the Company is not of the same understanding, I would request that the Company provide its written understanding of Article 9.03 (c).

Should you have any questions regarding this matter please feel free to contact my office.

Yours truly,

Stephen R. Banks

c. Rob Carpenter President Local 9193

IN WITNESS WHEREOF the parties hereto have
executed this Collective Bargaining Agreement as of the
1st day of April, 2006.

GATES – LONDON OPERATIONS

A.F. Papa
J. Vincent
M. Hallam

UNITED STEELWORKERS

S. Banks
R. Carpenter
C. Glover
S. Luis
M. Blaney