

AGREEMENT

between

KENDAN MANUFACTURING LIMITED

and

THE NATIONAL AUTOMOBILE
AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION
OF CANADA (CAW - CANADA)
LOCAL 195

SEPTEMBER 24, 2000

Any dispute arising over any interpretation of the language printed in these books, 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 dated September 24, 2000 will prevail over the printed words in this booklet.

Table of Contents

Article 1 - PURPOSE	4
Article 2 - RECOGNITION	4
Article 3 - MANAGEMENT RIGHTS	4
Article 4 - UNION SECURITY	4
Article 5 - NO DISCRIMINATION	5
Article 6 - DISCIPLINE PROCEDURES.....	5
Article 7 - REPRESENTATION.....	6
Article 8 - CONFERENCE.....	8
Article 9 - GRIEVANCE PROCEDURE.....	8
Article 10 - SENIORITY.....	9
Article 11 - LOSS OF SENIORITY	10
Article 12 - JOB POSTING, PROMOTIONS & TRANSFERS	11
Article 13 - LAYOFF AND RECALL.....	14
Article 14 - CALLIN/CALL BACK PAY.....	14
Article 15 - REPORTING PAY.....	14
Article 16 - FOREMEN.....	14
Article 17 - GROUP LEADER	15
Article 18 - SAFETY AND HEALTH	15
Article 19 - INJURY ALLOWANCE	17
Article 20 - TRANSFER OF OPERATIONS.....	17
Article 21 - LEAVE OF ABSENCE.....	17
Article 22 - COMPASSIONATE LEAVE.....	18
Article 23 - JURY DUTY	18
Article 24 - BULLETIN BOARDS	18
Article 25 - STRIKES OR LOCK OUTS	19
Article 26 - HOURS OF WORK AND OVERTIME	19
Article 27 - TOOL ALLOWANCE/SAFETY SHOE ALLOWANCE.....	20
Article 28 - SHIFT WORK AND SHIFT PREMIUM.....	21
Article 29 - PRODUCTION PERFORMANCE.....	21
Article 30 - REST PERIOD.....	22
Article 31 - HOLIDAYS	22
Article 32 - VACATION WITH PAY.....	24
Article 33 - INSURANCE	26
Article 34 - COST OF LIVING	28
Article 35 - PENSION.....	29
Article 36 - DURATION OF AGREEMENT	29
Article 37 -TECHNOLOGICAL CHANGE	30
Article 38 - SEVERANCE PAY.....	30
ABSENTEEISM.....	39
ACCESS TO FORM 7	40
ACCOMODATING EMPLOYEES.....	41
AMENDED COOLANT CONTROL PROGRAM.....	42
CANADIAN SKILLED TRADES COUNCIL DUES.....	43
COMMON-LAW SPOUSE.....	44
DAY DEFINED	45
ESTABLISHING OF A NEW CLASSIFICATION.....	46
EXISTING MAINTENANCE PROGRAM.....	47
FOUR YEAR APPRENTICESHIP PROGRAM	48
GRIEVANCE COMMISSION.....	50
HEALTH AND DENTAL BENEFITS	52
MAINTENANCE SELECTION AND TRAINING.....	53
MIDNIGHT SHIFT COMMITTEEPERSON.....	54

MISCELLANEOUS	55
MONIES DEDUCTED.....	56
OUTSOURCING/DUAL SOURCING.....	57
OVERTIME.....	58
OVERTIME AND OVERTIME CHARGING PROCEDURE.....	59
PAID EDUCATION LEAVE	60
PLANT CHAIRMAN	61
PREGNANCY/PARENTAL/ADOPTION LEAVES.....	62
QS9000s	63
REFUSAL TO WORK ON HEALTH AND SAFETY GROUNDS.....	64
REFUSING A DIRECT ORDER.....	65
SCREENING	66
SEVERANCE.....	67
SHIPPING/JITNEY DRIVER OVERTIME.....	68
TIME STANDARDS.....	69
TOOL LIST.....	70
TOOLMAKERS OVERTIME.....	71
UNION COUNSELING PROGRAM	72
VACATIONS GRANTED PRIOR TO ENTITLEMENT.....	73
VACATION PAY.....	74
WORK OFF COMPANY PREMISES.....	75

Article 1 - PURPOSE

1:1 The general purpose of this agreement is to set forth the hours of work, rates of pay and conditions to be observed by the Company and the Union, and to provide orderly and harmonious procedures between the Company and the Union, and to secure a prompt and fair disposition of grievances. It is the further purpose of this agreement to prevent interruption of work and to promote the efficient operation of the business.

Article 2 - RECOGNITION

2:1 The Company recognizes the Union for the duration of the agreement as the sole bargaining agency for all its employees in Essex and Kent Counties save and except employees in a supervisory position, foremen, time study men, office staff and all salaried personnel.

2:2 The Company agrees that in the event the Company's name is changed or if any corporate change is made within the present Company structure, the recognition and terms of this agreement and any appendix will be maintained.

Article 3 - MANAGEMENT RIGHTS

3:1 The Union recognizes the right of the Management to hire, promote, demote, assign work, transfer and the right to lay off employees because of lack of work, suspend, discipline and discharge any employee.

3:2 The Union further recognizes the exclusive right of the Company to operate and manage its business in all respects in accordance with its commitments and responsibilities. In addition, the location of the plants, the products to be manufactured, the schedules of production, the methods, processes and means of manufacturing are solely and exclusively the responsibility of the Company. The Company also has the right to make and alter from time to time the rules and regulations to be observed by employees. The interpretation of any new or amended work rules will be discussed with the Plant Committee and all employees will be informed in Departmental meetings prior to posting of such rules.

3:3 The Company agrees that it will not exercise its management rights above in a manner inconsistent with the terms of this agreement.

3:4 In the event the Company intends to outsource or dual source work that has physically run at Kendan to Exeter Machine Products or affiliated companies, the decision to outsource or dual source such work will be by written mutual agreement between the Company and Union.

Article 4 - UNION SECURITY

4:1 Each employee shall become a member of the Union within four (4) weeks of his hiring and will be required to continue to be a member of the Union as a condition of his employment.

4:2 The Company shall deduct from the pay of each employee who is a member of the Union or a probationary employee monthly dues, initiation fees, other assessments and dues authorized by the constitution and bylaws of the Union.

4:3 a) All sums deducted as above together with a record of those employees from whose pay deductions have been made and the amounts of such deductions shall be remitted by the Company to the Financial Secretary of the appropriate local by the 10th of the month following the end of the month in which the deductions were made. The remittance shall be by cheque.

b) A list of the total Union dues deducted from each employee during a calendar year will be submitted to the Financial Secretary of the Union by no later than March 1st in each year.

c) Union dues will be deducted from regular pay and vacation pay.

d) The monthly Union dues list submitted to the Financial Secretary will also show the name of each employee from whose pay deductions for Union dues or assessments have not been made and the reason deductions have not been made.

4:4 The recording in the books of the Company of the amounts so deducted shall constitute such amounts as money held by the Company in trust for the appropriate local.

4:5 Any employee shall have the right to become a member of the Union by paying the entrance fee and complying with the constitution and bylaws of the Union.

4:6 Any dispute as to an alleged breach of the provisions of this Article or as to the interpretation of any of the terms or conditions thereof shall be dealt with under Article 9:10 (Policy Grievance).

4:7 At the time T4 Income Tax slips are issued to employees a list showing the address on record of each employee will be sent to the Financial Secretary of the Union.

4:8 The Union agrees to save the Company harmless from any action growing out of these deductions and commenced by any employee against the Company and assumes full responsibility for the disposition of the funds so deducted once they have been turned over to the Financial Secretary of the local Union.

Article 5 - NO DISCRIMINATION

5:1 The Company and the Union agree that there will be no discrimination against any employee because of race, sex, religion, national origin, sexual orientation, political affiliation or because of his membership or position in the Union or other grounds prohibited by the Ontario Human Rights Code.

The Union and the Company recognize that sexual or racial harassment is a cruel and destructive behavior against others that can have devastating effects.

a) Sexual harassment is any unwanted attention of a sexual nature such as remarks about appearance or personal life, offensive written or visual actions like graffiti or degrading pictures, physical contact of any kind, or sexual demands.

b) Racial harassment is any action, whether verbal or physical that expresses or promotes racial hatred in the workplace such as racial slurs, written or visually offensive actions, jokes or other unwanted comments or acts.

5:2 Whenever in this agreement the masculine gender is used it will include the feminine.

Article 6 - DISCIPLINE PROCEDURES

6:1 Any verbal disciplinary notation will be deleted six (6) months from the date of occurrence giving rise to such notation.

6:2 a) When an employee is called to an interview by a member of supervision, and the subject of the interview is to be verbal or written discipline, he will be accompanied by his Committeeman, who will have been given prior notice as to the reason of the interview.

b) If during an interview between an employee and a member of supervision, the subject of discipline arises related to any employee, the supervisor will send for a Committeeman and the interview will continue when the Committeeman is present.

c) When a written warning has been issued against an employee, such written warning shall remain against the record of an employee for a period of twelve (12) months from the date of occurrence giving rise to such written warning.

d) Written warnings are not to be sent to the employee's home address.

e) When an employee has been suspended, such suspension shall remain against the record of the employee for a period of twenty-four (24) months from the date of occurrence giving rise to such suspension.

f) When a time limit as outlined above has expired the record of warning or suspension shall be returned to the employee and shall not be used against the employee thereafter.

6:3 a) Where an employee is discharged or suspended while on Company premises the employee will be given an opportunity to discuss the discharge or suspension with his Committeeman or Chairman before being required to leave the Company's premises.

b) An employee subject to discharge or suspension while on Company premises on a shift other than the day shift will not be discharged or suspended except for the balance of his shift. Before any further action can be taken a meeting will be held with the Chairman on the next following work day at 9:00 a.m. so that the matter may be dealt with.

c) The discharge or suspension of an employee while off the Company premises will be dealt with at a meeting on the next following work day with the Chairman in order that the regular procedures as outlined above in 6:3 b) may be followed.

d) In the event the Chairman is not available in 6:3 b) and 6:3 c) then the meeting may, by mutual agreement, be deferred. If such meeting be deferred, then the suspension also will be extended.

6:4 In the event that an employee is disciplined, the Company shall notify the Union in writing immediately before any disciplinary action has been imposed, stating in such notice the reason or reasons for the disciplinary action and the discipline imposed. If a suspension is imposed the suspension will not be imposed until a meeting under Article 9:4 is held, except when the circumstances warrant immediate suspension such as gross insubordination, fighting, willful damage to Company property etc..

6:5 It is agreed that all discipline will be for cause.

Article 7 - REPRESENTATION

7:1 a) The Union may appoint and the Company shall recognize a Plant Committee of four (4) members, one of which will be Chairman and one member shall be Vice-Chairman. The Chairman and Vice Chairman shall be employed on the day shift only.

b) The remaining two (2) members of the Plant Committee shall be Committeemen and shall function as such. Whenever there are two (2) shifts, one (1) of the Committeemen will be on the day shift and one (1) on the afternoon shift.

c) Whenever there are three (3) shifts, an alternate appointed Committeeman will function on the midnight shift.

7:2 Each member of the Committee, at the time of his appointment, shall have at least twelve (12) month's seniority with the Company.

7:3 The Union shall notify the Company in writing, as the need may arise, of the names of the members of the Committee, their position in the Committee and their effective dates.

7:4 It is understood and agreed that members of the Committee as well as other employees have regular duties to perform. A member of the Committee with the approval of his foreman, shall be permitted as soon as possible, during his regular working hours, without loss of time or pay, to leave his regular duties for a reasonable length of time to investigate and present grievances. Such permission shall not be unreasonably withheld.

7:5 When, in the opinion of the foreman concerned, more than a reasonable period of time shall have been taken by a member of the Committee to accomplish such presentation or investigations, the foreman of the department to which the member of the Committee is attached may decline to approve payment to such member for such excessive time, subject to the grievance procedure.

7:6 The Plant Committee in Article 7:1 above, shall also constitute the Negotiating Committee. The Negotiating Committee shall be allowed such time as is necessary when in conference with Management and shall be paid at regular base rates for such time spent during the Committee member's shift.

7:7 The Company will allow the Committee the use of the Conference Room up to one (1) hour per week, when necessary, during regular day shift to discuss in-plant related problems.

7:8 The Plant Chairman shall be allowed up to four (4) hours per day, and the Vice-Chairman shall be allowed up to two (2) hours per day for the purpose of representation arising out of this agreement.

7:9 In the event that the Plant Chairman is absent from the plant, the Vice-Chairman may assume the position of Plant Chairman.

7:10 The Company shall provide a Union office for the Chairman of the Plant Committee. Such office will be equipped with a telephone, an internet connection and internet compatible computer. These facilities will be provided subject to the following conditions:

1) The office will be used only by the Chairman and the members of his committee for conducting Union business.

2) The telephone will provide outside line service during the Company's office day shift hours only and will be used solely for calls dealing with Union business, provided that any long distance calls charged to the Company will be reimbursed by the Union.

3) The internet is provided specifically for dealing exclusively with union business. Employees using the internet will be under the supervision of the union committee. Any abuse to the internet service will cause the Company to remove the service.

7:11 Except for job postings for Group Leaders, members of the Committee shall not be restricted from acceptance for a job posting due to their position with the Union or their availability on the job due to their duties to provide representation.

7:12 A member of the Committee will not be accepted for a position excluded from this agreement with the Company until he has not functioned on the Plant Committee for six (6) months.

7:13 When a member of the Committee is called by the Company to attend a meeting which commences prior to or continues beyond his regular shift he shall be paid his regular hourly rate for such time spent at such meeting.

Article 8 - CONFERENCE

8:1 a) A conference between the Company representatives and the Plant Committee, with or without the National Union Representative, shall be called when agreed upon. The Company and the Union agree to establish regular meetings to promote communication between the parties. Matters proposed to be discussed at a conference shall be listed on an agenda to be supplied by the party requesting the conference to the other party, not less than twenty-four (24) hours before the time for which the conference is arranged.

b) All answers to such matters discussed at such a conference shall be in writing and given to the Committee not later than five (5) working days following such conference.

8:2 Recognizing that from time to time there will arise maintenance matters on which joint discussion is desirable there will be discussion and an effort to resolve matters relative to the Maintenance Department.

Article 9 - GRIEVANCE PROCEDURE

9:1 No grievance shall be considered which usurps Management's function.

9:2 Subject to Article 10:3, an employee having a grievance shall first submit his grievance in writing to his foreman, or if he desires through his Committeeman, within three (3) working days of the cause of the grievance. The foreman will deal with the grievance and will render a decision on the grievance in writing to the employee concerned within two (2) working days following the presentation.

9:3 If the decision of the foreman is not satisfactory to the employee concerned, the grievance may thereupon be appealed in writing to Management within three (3) working days for a decision, which decision shall be given in writing within two (2) working days thereafter.

9:4 If the decision of Management is not satisfactory to the employee concerned, the Chairman of the Plant Committee, within two (2) working days, may request a meeting of the Committee and Union representative with Management within three (3) working days for a reconsideration of the matter, and a decision will be given in writing to the Plant Chairman within three (3) working days following such meeting.

9:5 If the decision of Management is not accepted and the issue is to be submitted to arbitration, written notice of appeal shall be served on the Company within five (5) working days. The appeal shall be to an impartial Umpire to be selected by the parties hereto, or if such parties fail to select an Umpire within five (5) working days of the receipt by the Company of the notice to appeal, then to an impartial Umpire selected by the Minister of Labour of the Province of Ontario. The decision of the Umpire shall be final and binding upon the Company and the Union and every employee within the bargaining unit affected by this agreement.

9:6 The Umpire shall not have jurisdiction to alter or change any of the provisions of this agreement or to substitute any new provisions in lieu thereof, or to give any decision not consistent with the terms and provisions of this agreement or to deal with any matter not covered by this agreement. However, the Umpire shall have the power to modify or set aside any penalty imposed by the Company relating to the grievance before him.

9:7 Each party shall bear the expense of its own representatives at the arbitration hearing and the cost of the Umpire shall be borne equally by the Company and the Union.

9:8 The following special procedure shall be applicable to a grievance alleging improper discharge or an immediate suspension of an employee.

The discharged or suspended employee may present the grievance in writing either direct or through the Chairman of the Committee, to Management within two (2) working days of the discharge or immediate suspension and Management will review the grievance with the Plant Committee and render a written decision within two (2) working days after such review. If the decision is not satisfactory to the employee, the matter may then proceed on the giving of the prescribed notice of appeal as an appeal to an impartial Umpire selected as herein provided.

9:9 a) No grievance shall be considered which is not filed or appealed within the times herein respectively prescribed for filing and appealing.

b) The time limits specified in this Article shall be deemed to be exclusive of Saturdays, Sundays and Statutory Holidays and may be extended by mutual agreement between the parties.

9:10 Policy Grievance: An allegation involving the interpretation or violation of any provision of this agreement may be lodged in writing by the President of Local 195 or by a National Representative of the National Union of Canada or by the Chairman of the Plant Committee with the Personnel Department. Upon failure of the Company and Union to agree on a settlement of the issue, it may be appealed to an arbitrator, within the time, in the manner, and to the extent set forth in the agreement. The Union will not use this procedure to circumvent any provision of this agreement.

9:11 A group grievance is defined as a single grievance, signed by a Committeeman on behalf of a group of employees who have the same complaint. The grievors shall be listed on the grievance form.

9:12 A grievance meeting will be held in the last week of each month to address all outstanding grievances, not withstanding Article 9:8.

Article 10 - SENIORITY

10:1 Fundamentally, the provisions herein respecting seniority are designed to give employees an equitable measure of security based on length of continuous service with the Company, consistent with consideration of merit and ability. In a situation not dealt with in the Collective Agreement, the Company and the Union agree that every practical effort will be made to utilize seniority as the determining factor.

10:2 a) An employee who has completed sixty (60) working days of employment within the twelve (12) month period after hire, shall at that time be placed on the seniority list, whereupon his seniority rights shall commence, and his seniority will be predated sixty (60) working days prior to his attaining seniority rights.

b) When required, Management will advise the Committee as to why an employee, who having worked sixty (60) days in any department, has not been recognized as an "A" Operator.

c) For the purpose of establishing seniority, four (4) hours worked on a Saturday, Sunday or holiday will constitute a day worked.

d) Each employee will be assigned a master number and every employee hired thereafter will be assigned a master number on the date of his hiring.

10:3 The Company may terminate the employment of a probationary employee without notice and such action may not become a grievance.

10:4 A seniority list shall be maintained by the Company and shall show the seniority date and classification of each employee.

10:5 a) Seniority lists shall be revised not less than once every three (3) months, a copy will be supplied to the Union and copies will be posted in the plant.

b) The Company will supply the Plant Committee in the first full week of each month a list of employees on Weekly Indemnity, Long Term Disability, Layoff or Workers' Compensation.

10:6 When an employee is removed from the seniority list the Company will notify the Chairman of the Committee, in writing, of the reason for such removal.

Article 11 - LOSS OF SENIORITY

11:1 Seniority rights and employment shall cease for any of the following reasons:

1) If the employee quits his employment.

2) If the employee is discharged and such discharge be not reversed through the grievance procedures or by mutual agreement through negotiations.

3) If the employee fails to report for duty for three (3) consecutive scheduled working days. This clause shall not apply if the employee furnishes reasons satisfactory to Management for such failure.

4) If the employee fails to return to work after recall within six (6) consecutive working days after notification to do so to his address on the records of the Company. This clause shall not apply if the employee furnishes reasons satisfactory to Management for such failure.

5) a) For an employee with less than one (1) year of seniority at the time of his layoff who has been laid off for a period of twelve (12) consecutive months.

b) For an employee with over one (1) but less than five (5) years of seniority at the time of his layoff who has been laid off for a period of time equal to the length of his seniority plus an additional twelve (12) months, up to maximum of five (5) years.

c) For an employee with five (5) years or more of seniority at the time of his layoff who has been laid off for sixty (60) consecutive months or time equal to his seniority whichever is the greater.

6) If the employee fails to return to work on the first working day following the expiration of a leave of absence. This clause shall not apply if the employee furnishes reasons satisfactory to Management for such failure.

7) If the employee accepts other employment while on leave of absence.

8) If the employee retires or is retired under the normal or early retirement provisions of the Kendan Manufacturing Pension Plan.

9) If the employee is transferred or promoted to an excluded position pursuant to Article 12:4.

11:2 For employees with seniority the Company will accept, as a satisfactory reason under Article 11:1 subparagraphs 3) and 4) for absence of an employee up to ninety (90) days, his one time only conviction of an offense arising out of the operation of a motor vehicle as well as any absence because he is being held in custody pending disposition of the charges against him.

11:3 If an employee with over one (1) year seniority is imprisoned following a conviction for an offense other than one arising out of the operation of a motor vehicle and if the sentence is for thirty (30) days or less the Company will accept the sentence on a one time only basis as a satisfactory reason, under Article 11:1 subparagraphs 3) and 4), for the employee's absence from work during the time of his sentence.

Article 12 - JOB POSTING, PROMOTIONS & TRANSFERS

12:1 a) Promotions and transfers will be based primarily on the competence and ability, and seniority of the employee concerned. The senior employee who meets the qualifications for the job will be the successful bidder

b) A more senior employee who can demonstrate to the Company that he can meet the qualifications of the job posting will be allowed a trial period. Length of such trial period will be by mutual agreement. When the Committee disputes the decision of the Company, he shall be given a hands on or written test to determine the competence and ability to do the job. The Union Chairman may be present during all tests.

12:2 a) If an employee is transferred permanently from one classification to another the seniority previously acquired shall also be transferred. In cases of temporary transfers, namely in the case of a transfer of less than fourteen (14) working days, the employee shall retain his hourly rate. The employees in that Department who have the least seniority who can satisfactorily perform the work to be done will be assigned. However in the case of a transfer for less than one (1) work day, under extenuating circumstances, such as machine breakdown or material shortage etc. the Company may transfer an employee without regard to seniority.

b) In the case of a transfer of an employee for more than one (1) day the Union shall receive a copy of any change of status report.

c) In considering applicants for job postings, the record of competence and ability displayed by such employees on a temporary job transfer shall not be the deciding factor in the selection of the successful bidder.

12:3 a) Successful applicants for index trainee, or trainee for setter operator automatics, centerless grinder or blanchard who hold Index "A" Operator status at the time of the job posting cannot job post for six (6) months, all other applicants cannot job post for twelve (12) months. Trainees for Setter-Operator or Index "A" Operator will attain full status no later than six (6) months from the effective date of the job posting or be removed from the posting during the first 60 working day trial period. Extension may be granted by mutual agreement between the Company and the Union.

b) After having completed forty (40) working days of training, the employee will receive an increase of ten (10) cents per hour above the rate of "A" Operator.

12:4 a) The appointment or selection of employees for supervisory positions, or for any position not subject to the provisions of this agreement is not covered by this agreement.

b) The parties agree that the following provisions shall apply in respect to the rights and seniority privileges of persons who are now outside the bargaining unit or who, at a future date, are promoted to a job outside the bargaining unit.

c) If an employee who is covered by the terms of this agreement or any renewal agreement is promoted or transferred to a job outside the bargaining unit then that person shall have the right, within a period of sixty (60) calendar days following the date on which he was transferred or promoted to a job outside the bargaining unit, to return to the bargaining unit in line with his previously held seniority.

d) In the event an employee does not return to the bargaining unit within the above time limits he shall forfeit all his seniority rights in the bargaining unit.

e) In the event an employee does return to the bargaining unit within the above time limits he shall not be permitted to job post for a six (6) month period.

12:5 a) Whenever a vacancy occurs, notice of such vacancy shall be posted, for the department in which such vacancy occurs on the bulletin board in the plant for three (3) working days and any employee from the plant may submit an application in writing on a form provided by the Company. Such notice will show job title, job requirements, rate of pay, department and number of jobs vacant. Copies of such notices shall be forwarded to the Plant Committee. An employee may withdraw his application during the three days the job is posted, but may not job post for one month if the application is declined after the three days have expired.

b) All applicants shall be notified as to the status of their application within five (5) working days and, where possible, the successful applicant placed on the job within ten (10) working days of the job posting.

c) Vacancies shall be filled as follows:

1) By the applicant qualifying under 12:1.

2) If no applicant has the required competence and ability after exhausting 12:1, the Company may fill such vacancy from such sources at its disposal after consultation with the Union Committee.

3) Job Postings not filled after thirty (30) days will be reposted.

d) A seniority employee, who qualifies under Article 12:1, will be the successful applicant in a job posting, regardless of bidding rights, before new hires. This section does not apply to newly hired trainees.

e) In the event that a job posting is canceled, the Company will inform the Union in writing of the reasons for the cancellation.

f) Employees with greater seniority who are unsuccessful in bidding on jobs under this Article shall be advised in writing as to why they did not qualify.

g) The names of the successful applicants, for any job posting, will be posted in the plant no later than three (3) working days after filling the vacancy.

h) A list of all applicants for any job posting will be given to the Plant Committee before the vacancy is filled.

i) An employee absent from work during the period of job posting because of accident, illness, vacation, jury duty, leave of absence or bereavement leave shall be entitled to bid for any job posting, within the time limits specified in 12:5 provided he returns to work within twenty-one (21) days. This time limit may be extended by mutual agreement.

12:6 a) An employee who is promoted or transferred through job posting, and such promotion or transfer becomes permanent, such employee will not apply for further vacancies for a six (6) month period, notwithstanding 12:3.

b) An employee may elect to decline his promotion or transfer within ten (10) working days and be transferred back to his original classification.

c) If the employee elects to decline his posting within the first five (5) working days such employee may not job post for one (1) month, however, if the trial period extends past five (5) working days such employee may not job post for six (6) months.

d) If a vacancy is filled, as the result of the posting, the vacancy created thereby shall be posted if required by the Company.

e) An employee who is promoted or transferred through job posting, and such promotion or transfer does not become permanent, such employee will be returned to his original job without loss of seniority and any other employee affected thereby will be returned to his job on a similar basis.

f) An "A" Operator who bids through job posting to another department shall retain the "A" Operator rate.

g) An Index "A" Operator, who bids through job posting for the same classification in another department, shall return to the Index "A" Operator rate within one (1) month of the effective date of the transfer.

12:7 Promotions or transfers through job posting become permanent after having completed sixty (60) working days notwithstanding Article 12:3 a).

12:8 Temporary vacancies occurring during the period of job posting may be filled by the Company in such a manner as it may, in its discretion, determine.

12:9 In the event of an employee suffering a disability, exception may be made where possible to the seniority provisions of this Article in favor of such employee by the Company after consultation with the Committee.

12:10 a) An employee permanently transferred, due to a reduction in his classification, shall be entitled after a two (2) month waiting period, to one (1) job posting, except trainee posting, and still retain seniority in his original classification.

b) An employee who loses his posted position due to a Company decision to permanently downsize or eliminate a non production classification will retain recall rights to that classification regardless of what type or how many job postings he may accept in the future.

12:11 a) Temporary job postings are postings to fill long-term temporary vacancies. They will be clearly marked as such and subject to the contractual rules of job posting under this Article with two (2) exceptions:

- 1) They do not become permanent after sixty (60) working days.
- 2) When reductions occur temporary postings will be canceled first.

b) The successful candidate will be selected from those employees holding positions which do not require further replacement and they will fill the vacancy until it ends or becomes permanent. Upon completion of the temporary job posting the employee will be returned to their previously held position with no loss of seniority. Specific positions will be determined by anticipated duration and the needs of the Company.

12:12 a) The Company will identify and post back up positions where qualified personnel are required on short term basis to fill in for absenteeism and vacation.

b) The successful candidate will be selected from those employees holding positions which do not require further replacement

Article 13 - LAYOFF AND RECALL

13:1 a) When there is a reduction in the working force the following procedure shall be used:

- 1) Probationary employees shall be laid off first, excepting skilled trades journeymen.
- 2) Employees will be laid off according to inverse seniority, provided there are available employees who are able to do the work of the employee or employees to be laid off.

b) Whenever the question of ability becomes a dispute during a layoff or recall, the following procedure shall apply. The employee or employees involved in such a dispute shall be placed on the job in dispute and shall be given up to a ten (10) work day trial period to prove that he is able or not able of doing the work.

13:2 When there is an increase in the working force after a layoff, employees shall be recalled to work according to their seniority, provided the employees who are to be recalled can do the work.

13:3 When there is a reduction in the working force, the names of employees so affected will be supplied to the Committee Chairman.

13:4 Notwithstanding his seniority status, a member of the Committee in the event of a layoff, shall be continued at work as long as work is available in his classification which he is able to do and thereafter, shall be continued at other work in the plant as long as other work is available which he is able to do.

Article 14 - CALLIN/CALL BACK PAY

14:1 Provided an employee has clocked out and has left the Company premises and is called back to the plant for work he shall receive a minimum of two (2) hours pay at the straight time rate for such time worked plus applicable overtime. In addition he will receive two (2) hours pay at the straight time rate as a call back premium.

14:2 Industrial Technicians called in on an emergency basis will receive two (2) hours at their straight time rate as a call in premium, and applicable overtime for the work performed. In addition, where the work is less than two (2) hours long the Company will pay at the straight time hourly rate the difference between time worked and two (2) straight hours. This provision is to cover the Saturday afternoon shift and Sunday afternoon shift for unscheduled breakdowns and is to supplement overtime required by the Industrial Technicians Department, not replace it.

14:3 The selection of employees to be called in or called back will be based on the criteria established in Article 26:4

Article 15 - REPORTING PAY

15:1 It is agreed that the Company will pay four (4) hours pay at the regular rate to an employee who is allowed to report for work and for whom work is not available, except when work is not available because of fire, flood, breakdown of equipment, power shortage, Union dispute or any other condition beyond the control of the Company.

Article 16 - FOREMEN

16:1 Foremen and supervisors may operate the equipment to develop processes, to demonstrate instructions to employees that are operating machines or performing other tasks in order to check for safety or performance. Foremen and supervisors may also try out tooling or equipment to evaluate and check for safety or performance.

16:2 The Union also agrees that foremen and supervisors have certain work to perform in addition to their purely supervisory duties, such work when performed by foremen and supervisors will not deprive employees of their regular work.

Article 17 - GROUP LEADER

17:1 Group Leaders are hourly rated employees who are selected through job posting primarily to lead the work of the group of employees of which they are a member. Their function is to assist the others in the group to maintain the scheduled flow of work, as well as to do productive work to which they may be assigned. Group Leaders do not have disciplinary authority.

17:2 Back up leaders are hourly rated employees who are selected through job posting to assist and/or replace the Departmental leader to maintain the scheduled flow of work of the group of which they are a member. Back up leaders will receive the appropriate leader's pay when replacing the leader for periods of one week or more.

Article 18 - SAFETY AND HEALTH

18:1 a) The Company agrees to continue its policy of protecting by all reasonable means the safety and health of employees on the Company premises, and the Union agrees that all employees will comply with all health, fire and safety requirements.

b) During the period of this agreement the Company will abide by terms and provisions of the ONTARIO OCCUPATIONAL HEALTH AND SAFETY ACT. The Company further agrees that in the event of any legislated or other changes or amendments to Part V of the Ontario Occupational Health and Safety Act and Regulations for Industrial plants dated June 1994, Chapter 0.1 Section 43 (Right to Refuse or Stop

Work Where Health or Safety is in Danger) it will be governed by the Letter of Understanding: Refusal to Work on Health and Safety Grounds. The Company further agrees that it will not discharge or discipline an employee because the employee has sought enforcement of the Act or Regulations with reasonable cause to believe the machinery, device, area or thing to be used or operated is unsafe.

18:2 The Company will recognize a Joint Safety Committee consisting of two (2) members appointed by the Company and two (2) members and one (1) alternate elected by the Union. One of the elected members by the Union will act as Chairman of the Union Safety Committee and will be employed on the day shift only. Each member of the Union Safety Committee, at the time of his appointment shall have at least twelve (12) months seniority with the Company.

18:3 a) The Chairman of the Union Safety Committee will receive such training as may be required to help him carry out his duties in an informed manner. The Company agrees to pay lost time for the Chairman of the Union Safety Committee to attend recognized safety seminars agreed to by the Company.

b) The Company shall ensure that the Chairman of the Union Safety Committee is provided with certification training (under the appropriate provisions of bill 208) as soon as possible upon election, unless the USC Chairperson has already received such certification.

c) The Company will ensure that members of the Union Safety Committee are provided with appropriate training so that they may carry out their duties as outlined in this Article.

18:4 a) The Chairman of the Union Safety Committee will represent employees where a question arises as to whether or not a condition is safe.

b) He will make recommendations to all parties in the matter of safety.

c) He will accompany the Ministry of Labour Safety Representative when an inspection visit is made.

d) He will be allowed time to tour the plant as laid out in the Ontario Health and Safety Act.

e) The Safety Committee will meet monthly to review accidents and such other matters which fall under the general heading of safety.

f) Recommendations to the Company concerning safety will be made directly to a Company Safety Representative.

18:5 The Company shall issue free to all employees, exclusive of personal clothing, any necessary protective equipment recommended by the Safety Committee and approved by the Company.

18:6 The Chairman of the Union Safety Committee and members of the Union Safety Committee will be permitted to leave their regular duties, after receiving permission from their foremen, for a reasonable period of time, to perform their duties outlined in Article 18:4. They will be paid their regular rate of pay for all time spent on such duties during their regular scheduled shift hours of work.

18:7 a) The Chairman of the Union Safety Committee or alternate will be notified of an accident requiring outside medical aid within one (1) working day and will be allowed to review an accident site before work resumes.

b) The Chairman of the Union Safety Committee or alternate will be notified immediately of any critical injury as defined by the ONTARIO OCCUPATIONAL HEALTH AND SAFETY ACT, and will be allowed a reasonable length of time to investigate same.

18:8 All machines will be properly guarded and reviewed by the Chairman of the Union Safety Committee before being put into production.

18:9 The Company shall establish and post an Emergency Procedure Program in consultation with the Safety Committee. This shall include First Aid and CPR training to ensure immediate emergency response until medical aid arrives.

18:10 The Company shall establish a complete chemical inventory and provide Material Safety Data Sheets to the Chairman of the Union Safety Committee.

18:11 The Company will continue to enforce the Nitrite Control Program, the Amended Coolant Control Program and the Summer Heat Agreement as agreed to with the Union Safety Committee.

18:12 The introduction of any new or amended safety program or rule will be discussed with the Chairman of the Union Safety Committee and the Chairman of the Union Committee prior to being posted or enforced.

18:13 a) An Ergonomic Program shall be established to make proposals for the prevention of biomechanical injuries in the workplace. This program will include job task analysis of jobs and processes with the perspective of eliminating RSI-type or other injury hazards through engineering or other changes.

b) If a dispute arises in regards to the ergonomic impact of any new job or because of a change in an existing job the matter will be submitted to an impartial umpire to be selected by the parties and is knowledgeable in the field of ergonomics. The decision of the umpire shall be final and binding upon the Company and the Union.

c) The cost of the umpire shall be borne equally by the Company and the Union.

Article 19 - INJURY ALLOWANCE

19:1 a) An employee injured on the job shall be paid for the balance of his scheduled shift on which the injury occurred if, as a result of such injury, he cannot complete his shift because he has been sent home by the Company or a Medical Practitioner.

b) If an employee is sent home because of an injury sustained at work the Company will supply transportation home when requested.

Article 20 - TRANSFER OF OPERATIONS

20:1 In the event the Company moves to or starts a manufacturing operation in any other locality, employees with seniority will be given an opportunity to transfer with the Company.

Article 21 - LEAVE OF ABSENCE

21:1 a) The Company shall grant a leave of absence to an employee without pay to serve in a full time position with the Local Union or the National Union. Such leave shall be for a maximum period of three (3) years, however, the term shall be extended upon application by the Local Union or National Union.

b) A bargaining unit employee with one (1) year seniority or more appointed or elected as a Canadian C.A.W. delegate to perform duties on behalf of the Local Union shall be granted a leave of absence without pay when submitted in writing by the Local Union to a maximum of twelve (12) consecutive calendar days.

c) An employee absent under a Union Leave of Absence pursuant to 21:1 shall have full continuance of seniority and pension contributions.

d) An employee absent under a Union Leave of Absence pursuant to 21:1 b) above shall suffer no loss of benefits or seniority during any approved absence.

21:2 a) The Company, upon being shown good and sufficient reason, may grant an employee a temporary leave of absence without pay or loss of seniority. An answer to a leave of absence request shall be given no later than six (6) weeks prior to the date of the requested leave.

b) The Company upon being shown good and sufficient reason may grant each seniority employee an extended leave of absence without pay or loss of seniority up to his vacation entitlement, to a maximum of four (4) weeks. Such leave will be on a one-time only basis for the life of this agreement. Furthermore, such leave will only be granted once the employee has exhausted his/her full vacation weeks entitlement.

21:3 In no case shall a leave of absence be given to an employee for the purpose of working at another job.

21:4 A copy of any leave of absence shall be given to the Chairman of the Plant Committee.

21:5 Pension Plan contributions will be made for the time spent away from the Plant by Members of the Committee on Union business during regular working hours.

21:6 Any employee active in the Canadian Reserved Forces may be granted up to ten (10) working days leave of absence, per year, on a daily or weekly basis.

Article 22 - COMPASSIONATE LEAVE

22:1 a) When a bereavement occurs in the immediate family of a seniority employee, he will be granted three (3) days leave of absence when attending the funeral or one (1) day leave of absence when not attending the funeral. Such leave will be during the period commencing with the date of death and ending with the second calendar day after the day of the funeral and be compensated for regular lost earnings (except Saturdays and Sundays) at the straight time hourly rate excluding premiums, provided he submits proof of such bereavement. Immediate family shall mean - Father, Mother, Spouse, Common-law Spouse, Daughter, Son, Brother, Sister, Mother-in-law, Father-in-law, Grandchild, Stepchild, Stepbrother, Stepsister and Stepparent.

b) Where an employee cannot attend the funeral of a member of the immediate family because the funeral is held outside a four hundred (400) mile radius from Windsor, he will be granted bereavement leave of up to two (2) days as provided under 22:1 a).

c) The Company will grant a seniority employee one (1) compensated working day leave of absence to attend the funeral of his Grandparents, Spouse's Grandparents, Brother-in-law, Sister-in-law, Son-in-law, Daughter-in-law, providing he submits proof of such bereavement.

d) An employee who had been scheduled to work on Saturday will be paid the equivalent number of hours at his straight time hourly rate, excluding premiums.

e) Employees on vacation will be entitled to bereavement pay as outlined above and will have their vacation extended for the period of bereavement at their discretion.

Article 23 - JURY DUTY

23:1 An employee with seniority who is called to and reports for jury duty or as a subpoenaed witness shall be compensated by the Company for the difference between what he received as compensation for such duty and his regular day's pay (excluding shift premium and overtime) for each day of such duty performed when he would otherwise be working.

23:2 In order to receive payment under this Article, the employee must make application. He must also give the Company prior notice that he has been summoned for jury duty or as a subpoenaed witness and must furnish satisfactory evidence that such duty was performed on the days for which he claims such payment.

Article 24 - BULLETIN BOARDS

24:1 The Committee may have the use of one (1) bulletin board in the Company's plant to be erected, located and designated for the purpose by the Company, provided, and it is agreed, that the use by the Committee of such bulletin board shall be restricted to the posting thereon of only such notices as have received the Company's approval prior to the posting thereon, and that the subject matter of all such notices shall be restricted to notices pertaining to recreational or social activities, of meetings or notices of Union elections. Provided further, that no notice shall be posted by the Committee on such board containing advertising or political matter.

Article 25 - STRIKES OR LOCK OUTS

25:1 a) The Union shall not cause or permit its members to cause, nor will any member of the Union take part in any sit-down, stay-in or slow down in the plant of the Company or interference with production of the Company. The Union will not cause or permit its members to cause or will any member of the Union take part in any strike or stoppage of any of the Company's operations or picket the Company's plant or premises. Any employee who violates any provisions of this paragraph will be subject to dismissal.

b) The Company will not cause or sanction a lock-out while this agreement is in effect.

Article 26 - HOURS OF WORK AND OVERTIME

26:1 a) The hours of work shall be forty (40) hours per week, eight (8) hours per day Monday through Friday.

b) Normal starting times will be 7:00 AM for days and 3:30 PM for afternoons on a two (2) shift rotation and 8:00 AM for days, 4:00 PM for afternoons and 12:00 midnight for midnights on a three (3) shift rotation. Changing of the normal starting times will be by mutual agreement or for overtime purposes only.

26:2 Hours worked over and above eight (8) hours per day, Monday through Friday, shall be considered as overtime and paid for at the rate of time and one-half of the regular hourly rate. When over four (4) hours per day of overtime is worked Monday through Friday, double the regular rate will be paid for the time in

excess of four (4) hours of overtime. Time and one-half shall be paid for the first eight (8) hours worked on Saturday. Double time shall be paid for all time worked over eight (8) hours on Saturday and for all hours worked on Sunday.

26:3 a) Where practical the Company will endeavor to schedule overtime Monday through Thursday at two (2) hours per day, or Monday through Thursday one (1) hour per day plus four (4) hours Saturday in lieu of eight (8) hours on Saturday.

b) All hours of work over (9) hours per day, Monday through Thursday, are voluntary. All hours of work over eight (8) hours per day on Friday are voluntary. All hours of work over four (4) hours per day on Saturday are voluntary. All hours of work on Paid Holidays and Sunday are voluntary. Reasonable notice for overtime will be given, such notice being:

1-1/2 hours advance notice before end of regular shift,
24 hours before Saturday,
24 hours before Sunday.

c) The Company will excuse employees from working required overtime on a Saturday provided there are sufficient employees to perform the work in question. If there are an insufficient number of employees who volunteer to work a Saturday, employees will be scheduled to work in inverse order of seniority on the shift in the department as required.

26:4 a) All overtime and extra time will be offered by classification within the departments.

b) As far as reasonably possible overtime and extra time will be equally distributed by classification within the department.

c) Selection shall be based on seniority, capability and the lowest overtime hours.

d) When the normal complement of shifts are working, selection of overtime will be from the shifts. When less than the normal complement of shifts are working, overtime will be selected by the department.

e) Employees will not be allowed to work inventory if work is available within their department and /or classification which they would qualify to work under Article 26.

26:5 A copy of a list of all employees who are to work overtime or extra time will be given to the Chairman of the Union Committee.

26:6 When ten (10) or more employees are to work overtime in the plant, the Union representative or designated alternate on the shift will be one of the employees, providing he is willing and able to do the work required.

26:7 a) A record of all overtime shall be kept up-to-date by the foreman of each department. The record will indicate the amount of overtime worked or refused by overtime classification within the department and will be posted in the department where it can be checked by a Committee member and other employees.

b) Overtime will be charged to an employee, under the following conditions, for the purpose of distributing overtime according this Article:

1) Hours worked within the employees classification and/or department.

2) Hours declined within the employees classification and/or department where reasonable notice under Article 26:3 b) has been given.

3) Hours worked outside the employees department.

4) Hours as stated in the Letter of Understanding: Overtime and Overtime Charging Procedures

c) Overtime hours offered in excess of four (4) hours beyond or commencing two (2) hours before an employees' regular shift hours will not be charged if refused.

d) Overtime records shall be updated on a daily basis.

e) Double time hours will be charged at the rate of 1.5.

f) An individual who is absent from overtime when less than the whole department is working will be charged at double the hours scheduled. This clause will not apply if the employee calls, giving advance notice, and the Company can replace the person.

26:8 The Company will pay employees a meal allowance of seven dollars (\$7.00) when overtime of four (4) hours or more is to be performed in any one (1) day Monday through Friday.

26:9 All seniority employees will be offered overtime before overtime is offered to probationary employees.

Article 27 - TOOL ALLOWANCE/SAFETY SHOE ALLOWANCE

27:1 a) The Company will pay an annual tool allowance in the amount and to the following job classifications:

	2000	2001	2002
Industrial Technician and Toolmaker	\$170	\$190	\$200
Set Up Men, Leaders and CNC #1	\$105	\$115	\$120

Payment to Leaders will be restricted to Leader of Maintenance, Set-up and Production employees only. The Allowance will be paid, commencing in January of each year. This benefit will be prorated for those with less than a full year of service.

b) The Company will pay an annual tool allowance in the amount and to the following job classifications:

Setter Operator, Kingsbury "A" Operator, CNC #2, CNC #3	\$85.00
Setter Operator Trainee and Kingsbury Trainee	\$50.00

The Allowance will be paid, commencing in January of each year, upon proof of purchase of approved tools. This benefit will be prorated for those with less than a full year of service. Any unused portion of the tool allowance will be rolled over to the following year.

27:2 The Company will provide each employee with one year or more seniority, a safety shoe allowance to the maximum of \$100.00 in each year of the Collective Agreement for approved safety shoes, payable upon proof of purchase provided he has worked one thousand (1000) hours from the date of last purchase.

Article 28 - SHIFT WORK AND SHIFT PREMIUM

28:1 a) Where shift work is performed, employees so engaged will work such shifts on a rotating basis. The normal shift rotation shall be on a two (2) week cycle, except as agreed to between the Company and the Union.

b) When three (3) eight (8) hour rotating shifts are worked, employees so engaged will have a twenty (20) minute lunch period with pay. The normal rotation for those departments working on a three (3) shift rotation will be: Days, Afternoons, and Midnights

28:2 The Company will pay a premium of forty (40) cents per hour for work on the afternoon shift and a premium of seventy (70) cents per hour for work on the midnight shift.

28:3 a) When an employee is to rotate on the afternoon or midnight shift he will be notified on the Thursday prior.

b) When an employee is required to change shifts an effort will be made so that such change shall occur on a Monday and that he will be notified on the Thursday prior.

28:4 When the number of employees on the midnight shift is at or above 50% of the normal day or afternoon shift the Department will be scheduled for three (3) rotating straight eight (8) hour shifts.

28:5 When staffing the midnight shift the Company will first solicit volunteers to work steady midnights for a three (3) month period. Any vacancies remaining will be staffed by inverse seniority within the Department and/or classification and those employees will be placed on three (3) rotating shifts. Probationary employees will not be exempt from this clause after 20 working days provided there is a job posted leader on the shift.

28:6 No employee will be required to work more than two (2) weeks in a row on the afternoon or midnight shift except by mutual agreement, because of acceptance of a job posting or because of excessive imbalance of shifts due to layoff or recall.

Article 29 - PRODUCTION PERFORMANCE

29:1 a) The Time Study man will advise the employee when a time study is being made.

b) The Company will not time study a probationary employee or an employee who is on temporary transfer.

29:2 When standards are to be changed for any reason, before they are posted, or an operator is asked to meet them, they will be explained to the operator involved.

29:3 If the Committee disagrees with a production standard, the Company will review the job or portion in disagreement.

29:4 If still in dispute the Union shall have the right to bring into the plant a Representative(s) qualified to deal with only technical aspects of the dispute and every effort shall be made by the parties to resolve the problem. All expenses in connection with the Union Representative(s) shall be borne by the Union.

29:5 When a time study standard is considered temporary the Company shall notify the Union in writing as to the reason why such standard is temporary.

Article 30 - REST PERIOD

- 30:1 a) The Company will allow a specified ten (10) minute rest period each half shift.
- b) A ten (10) minute rest period will be allowed when an employee is to work two (2) hours overtime.
- c) A five (5) minute wash up period will be allowed at the end of each shift.
- d) A two (2) minute wash up period will be allowed at the end of the first half shift.

Article 31 - HOLIDAYS

31:1 Subject to Article 31:3 the Company will provide the following paid holidays to all employees with seniority as follows:

2000

October 09	Thanksgiving Day
November 10	Remembrance Day
December 25	Christmas Day
December 26	Boxing Day
December 27	Floater
December 28	Floater
December 29	Floater

2001

January 01	New Year's Day
January 02	Floater
April 13	Good Friday
May 21	Victoria Day
July 02	Canada Day
September 03	Labour Day
October 08	Thanksgiving Day
November 12	Remembrance Day
December 24	Floater - Day before Christmas Day
December 25	Christmas Day
December 26	Boxing Day
December 27	Floater
December 28	Floater
December 31	Floater - Day before New Year's Day

2002

January 01	New Year's Day
March 29	Good Friday
May 20	Victoria Day
July 01	Canada Day
September 02	Labour Day
October 14	Thanksgiving Day
November 11	Remembrance Day
December 23	Floater
December 24	Floater - Day before Christmas Day
December 25	Christmas Day

December 26	Boxing Day
December 27	Floater
December 30	Floater
December 31	Floater - Day before New Year's Day

2003

January 01	New Year's Day
April 18	Good Friday
May 19	Victoria Day
June 30	Canada Day
September 01	Labour Day

31:2 a) Where a declared holiday falls on a Saturday the preceding Friday will be observed as a holiday.

b) Where a holiday falls on a Sunday, the following Monday will be observed as the holiday.

c) Holidays occurring between December 23 and January 2 will be observed according to the list shown above.

d) Otherwise a declared holiday falling during the week will be observed on the closest Monday or Friday.

31:3 a) In order to qualify for the aforementioned holiday pay, an employee must work his last scheduled work day preceding the holiday and his first scheduled work day after the day of observance of the holiday unless:

1) He has been granted a leave of absence for bonafide sickness or accident which commenced not more than thirty (30) days prior to the date of observance of the holiday. Any employee in receipt of WSIB Benefits on a scheduled holiday will not qualify for holiday pay under this clause.

2) He has one (1) year of seniority or more and has been granted a leave of absence for reasons other than sickness or accident by the Company and such leave has not commenced more than thirty (30) days prior to the date of observance of the holiday.

3) He has seniority and has been laid off for lack of work and such layoff commenced not more than thirty (30) days prior to the date of observance of the holiday. When such an employee is placed on layoff not more than thirty (30) days prior to December 24, he will be entitled to the Christmas - New Year's paid shut down.

4) He has been granted a scheduled PPH day under Article 31:5 or a scheduled PAA day under Article 32:1 e).

b) In 31:3 a) 1, 2, 3, and 4, the employee will be required to qualify for holiday pay by working his last scheduled work day preceding such leave of absence or layoff and his first scheduled work day after the day of observance of such holiday.

c) With respect to the Christmas shutdown, an employee who misses his last scheduled work day prior to the commencement of the shutdown or his first scheduled work day after the shutdown and is otherwise eligible for holiday pay will lose one (1) days holiday pay. If an employee misses both qualification days he will lose two (2) days holiday pay.

31:4 Employees who are requested to work on such holidays as outlined shall be paid twice their regular hourly rate for actual hours worked in addition to their holiday pay.

31:5 a) In addition to the above holidays, each employee with over one year seniority on September 24, shall be entitled to five (5) Personal Paid Holidays (PPH) during each year of the contract, to be taken between September 25 and September 24 of each contract year.

b) A seniority employee with one year or less seniority in any contract year will be entitled to Paid Personal Holidays as follows:

- 1) After attaining six (6) months seniority employees are entitled to one (1) PPH day in each contract year.
- 2) Upon attaining twelve (12) months seniority employees will be entitled to four (4) additional PPH days in that contract year.

c) Employees who have not used their PPH Days by Sept. 24 of any year will be paid their regular pay for all remaining days or half days and will be deemed to have taken their PPH Days.

d) Personal Paid Holidays will be availed only when both Company and employee concerned are in agreement. (Agreement is not required in case of sickness.)

e) The date selected as a PPH Day is at the employee's choice, subject to approval of the Company.

f) These days can be used in any of the following manner:

- 1) As a paid scheduled day or days off.
- 2) Four hour paid periods off.
- 3) As a sick day.

g) When more requests are received that can be accommodated, selection will be by seniority within the departmental classification. Requests will be granted on a first come first served basis.

h) Where possible, requests will be confirmed no later than one week in advance.

i) The use of a scheduled PPH Day will not be considered as an absence in absentee disciplinary action.

Article 32 - VACATION WITH PAY

32:1 a) All employees of the Company will receive vacation with pay as of July 1st of any one (1) year as follows:

1) Employees who have worked for the Company for less than one (1) year on June 30th shall be entitled to a one (1) week vacation with a vacation pay equivalent to four (4) percent of their gross earnings for the twelve (12) calendar months preceding June 30th.

2) Employees with one (1) year but less than four (4) years of seniority with the Company on June 30th, will receive two (2) weeks vacation with a vacation pay equivalent to eighty (80) hours at their straight time hourly rate or four (4) percent of their gross earnings for the twelve (12) months immediately preceding July 1st whichever is greater. However, where an employee has less than one thousand, one hundred (1,100) compensated hours during the period from July 1st to June 30th, he will only be paid a vacation pay equivalent to four (4) percent of his gross earnings for the twelve (12) months immediately preceding July 1st.

3) Employees with four (4) years seniority but less than twelve (12) years of seniority with the Company on June 30th, will receive three (3) weeks vacation with a vacation pay equivalent to one hundred and twenty (120) hours at their straight time hourly rate or six (6) percent of their gross earnings for the

twelve (12) months immediately preceding July 1st, whichever is greater. However, where an employee has less than one thousand, one hundred (1,100) compensated hours during the period from July 1st to June 30th, he will only be paid a vacation pay equivalent to six (6) percent of his gross earnings for the twelve (12) months immediately preceding July 1st.

4) Employees with twelve (12) years but less than twenty (20) years of seniority with the Company on June 30th, will receive four (4) weeks vacation with a vacation pay equivalent to one hundred and sixty (160) hours at their straight time hourly rate or eight (8) percent of their gross earnings for the twelve (12) months immediately preceding July 1st whichever is greater. However, where an employee has less than one thousand, one hundred (1,100) compensated hours during the period from July 1st to June 30th, he will only be paid a vacation pay equivalent to eight (8) percent of his gross earnings for the twelve (12) months immediately preceding July 1st.

5) Employees with twenty (20) years of seniority and over with the Company on June 30th, will receive five (5) weeks vacation with a vacation pay equivalent to two hundred (200) hours at their straight time hourly rate or ten (10) percent of their gross earnings for the twelve (12) months immediately preceding July 1st whichever is greater. However, where an employee has less than one thousand, one hundred (1,100) compensated hours during the period from July 1st to June 30th, he will only be paid a vacation pay equivalent to ten (10) percent of his gross earnings for the twelve (12) months immediately preceding July 1st.

b) The Company reserves the right to spread vacations over the vacation season or as an alternate to schedule a full or partial shutdown. Vacations shall not accumulate from year to year.

c) If a holiday falls during an employee's vacation, he will be paid for such holiday if he would otherwise qualify.

d) When a seniority employee loses time that is covered by the Workplace Safety and Insurance Board as a result of an accident or disease resulting from his employment only at Kendan Manufacturing Limited it will be counted to a maximum of one thousand and ninety nine (1099) per year with his other compensated hours in determining his vacation pay entitlement. When the question of ability arises during a return to work from WSIB, it will be identified as such and agreed upon by the Union Chairperson and Human Resources Manager and hours worked subsequent to the date of interruption of employment will be included as hours worked upon the completion of 100 hours of work trial.

e) Employees entitled to three (3) weeks or more of vacation will be allowed, each year, to use five (5) days of their vacation entitlement as Paid Absence Allowance (PAA) days. Employees entitled to four (4) weeks or more of vacation will be allowed, each year, to use ten (10) days of their vacation entitlement as Paid Absence Allowance (PAA) days. PAA days can be used as outlined below each year between September 25th of one year to September 24th of the next.

These days can be used in one of the following ways:

- 1) As a scheduled day off.
- 2) As a sick day.
- 3) In scheduled four (4) hour increments.

f) Payment for P.A.A. days will be deducted from the employee's vacation pay earned. To receive payment for such days the necessary funds must be available in an employee's vacation pay earned.

Article 33 - INSURANCE

33:1 The Company agrees to pay for seniority employees the premiums of the following benefits subject to the terms of this agreement.

Benefits for the Employees only:

a) Life Insurance

Effective September 25, 2000 - \$40,000.00

Effective September 25, 2001 - \$44,000.00

Effective September 25, 2002 - \$48,000.00

Accidental Death and Dismemberment (as defined by agreement):

Effective September 25, 2000 - \$20,000.00

Effective September 25, 2001 - \$22,000.00

Effective September 25, 2002 - \$24,000.00

b) Weekly Indemnity - for sickness or non-occupational accident based on fifty-five (55) percent of the employee's regular rate for forty (40) hours subject to a minimum benefit equivalent to the Unemployment Insurance maximum. Said indemnity to commence on the first day of accident or hospitalization or immediately following a five (5) day waiting period in case of sickness, and continue for not more than fifty-two (52) weeks from the date of disability.

The parties, agree that where weekly indemnity benefits are paid due to a motor vehicle accident and a claim is made against a third party, that all benefits received under this collective agreement will be returned to the Company upon receipt of the insurance money, covering full wages or if full wages are not received, weekly indemnity will pick up the difference subject to a maximum amount he would have received under the weekly indemnity provision of this Agreement.

c) When weekly indemnity benefits have not commenced within three (3) calendar weeks after receipt of the claim form a meeting shall be held involving the Personnel Officer, the Union Chairman and the employee involved to determine the reason for non-receipt of benefits. The Company agrees in the event of a disputed claim or a claim delayed by the carrier to pay the Weekly Indemnity benefits, as listed, if requested by the employee. Disputes not involving a difference of opinion between two legally qualified physicians will be handled through Article 9 - Grievance Procedure.

d) If a dispute arises involving a difference of opinion between two (2) legally qualified physicians, the following procedure will apply to resolve the dispute:

1. The employee shall be entitled to collect Weekly Indemnity benefits during the period of dispute.
2. The Union and the Company will review the matter and determine the type of third party medical opinion (i.e. General Practitioner or Specialist) required.
3. The selection of the legally qualified physician will be by mutual agreement between the Company and the Union and the results will be binding upon both parties.
4. Agreement on the third party shall be reached in a reasonable and expeditious manner.
5. Any expense associated to the third party medical will be paid by the Company.

e) In c) and d) above, the Company shall have the right to recover the received benefits by payroll deduction, subject to the Government garnishee guidelines, if it subsequently is determined that the employee is not entitled to benefits.

f) In e) above, in the event of an employee already subject to the maximum garnishee, a meeting will be held between the Company, the Union Chairman and the employee concerned prior to payments commencing, as per 33:1 c) or d) to discuss a mutually agreeable and reasonable method of repayment.

Benefits for the Employee and his Eligible Dependents:

(Eligible Dependents are as defined in each carriers' policy)

- g) Ontario Health Insurance Plan
- h) Green Shield Semi-Private Hospital
- i) Green Shield Apoth-A-Care Plan No. 3 with product selection
- j) Green Shield Dental Care Plan 74
- k) Green Shield Extended Health Care Plan T4
- l) Green Shield Prosthetic P7
- m) Green Shield Audio H1
- n) Green Shield Nursing Home Care N1
- o) Green Shield Vision Care Plan 7 – 175
- p) Green Shield Medex 07
- q) Long Term Disability Benefits:
Effective September 25, 2000 - \$575.00/month
Effective September 25, 2001 - \$600.00/month
Effective September 25, 2002 - \$625.00/month

This benefit will only be available after fifty-two (52) weeks of Weekly Indemnity on any sickness or non-occupational accident which commenced on or after the effective date of the benefit. The benefit will be available to age sixty-five (65) and there will be no carve out for C.P.P. or any other source of income.

33:2 O.H.I.P. rebates are to revert to the Company.

33:3 In accessing the expense required for the negotiated employee benefits outlined within this Agreement, the Company has taken into account any and all savings or increases in premium that may be realized during the period of this Agreement under the Unemployment Insurance Act or any Government legislated plan.

33:4 In the event of lay-off, leave of absence or any interruption of employment for reasons other than sickness and accident, all insurances shall be continued in force for three (3) months following the last day of the month in which such interruption of employment occurs.

33:5 a) In cases of absence resulting from sickness or accident, the following insurances shall be continued in force for not more than fifty-two (52) weeks:

- Life and A.D. & D. Insurance
- Weekly Indemnity Insurance
- Ontario Hospital Insurance Plan
- Long Term Disability
- Green Shield - Semi-Private
- Apoth-A-Care Plan

Dental Plan
Extended Health Care Plan
Prosthetic P7
Audio H1
Nursing Home Care
Vision Care Plan
Medex 07

b) When a seniority employee loses time that is covered by the Workplace Safety and Insurance Board as a result of an accident or disease resulting from his employment only at Kendan Manufacturing Limited , the following insurances shall be continued in force while in receipt of temporary total benefits:

Life and A.D. & D. Insurance
Ontario Hospital Insurance Plan
Green Shield - Semi-Private
Apoth-A-Care Plan
Dental Plan
Extended Health Care Plan
Prosthetic P7
Audio H1
Nursing Home Care
Vision Care Plan
Medex 07

33:6 In the event of a death of an active employee with ten (10) or more years of seniority, the spouse and/or eligible dependents will be maintained on health and dental benefits for a maximum period of two (2) years or no longer requires the coverage.

33:7 a)The Company will provide health, dental and life insurance benefits for employees taking early retirement from age 60 to age 65.

b) The Company will provide life insurance of \$5000 to age 70 and apoth-a care and vision care for employees age 65 who retire after September 25, 2000.

Article 34 - COST OF LIVING

34:1 a) In addition to the wage rates of each employee and subject to the conditions and provisions set forth herein, a Cost of Living Allowance shall be paid to each employee based on the following:

1) Effective September 25, 2000 seventy-two (72) cents will be folded into the wages of all classifications itemized in the agreement.

2) Cost of Living shall be calculated quarterly and paid weekly on the following basis effective October, 2000.

3) October 2000 - based on September 2000 Index
January 2001 - based on December 2000 Index
April 2001 - based on March 2001 Index
July 2001- based on June 2001 Index
and adjusted as itemized each three (3) months thereafter.

4) The base figure shall be $145.6 - 1986 = 100$

5) For each .105 (1986 = 100) increase or decrease in the cost of living index published for the calculation month, a one (1) cent adjustment upward or downward shall be made in the cost of living allowance. The calculation will be made when the index becomes available and will be paid retroactively to the first pay period of the month of adjustment.

6) In no event shall a decrease in the Consumer Price Index (Statistics Canada) below the base figure in 5) above provide a basis for a reduction in the Classification wage schedule in this agreement.

7) The Union and the Company agree that should there be any revision of the Cost of Living Index published by Statistics Canada 1986 = 100 the Union and the Company will negotiate the manner in which the revised index will apply to this allowance. However, in no event will the revised index generate less than that which would have been generated under the 1986 = 100 (Statistics Canada) .105 = one (1) cent.

8) Any allowance accrued to employees as a result of this Cost of Living Allowance formula shall be included in any compensation of overtime or holiday pay.

b) In addition, it is agreed that the Cost of Living Allowance shall be paid on all compensated hours. (Excluding WSIB and Sickness and Accident payments)

Article 35 - PENSION

35:1 a) The Company will contribute \$0.98 per hour per man for all compensated hours to a jointly administered Pension Plan. These pension contributions will be indexed 5% on September 25th of each year to adjust for inflation.

b) The Company will contribute twelve (12) cents per hour for each employee plus applicable overtime when required into a Group RRSP Program.

c) Pension and RRSP monies will be remitted weekly, no later than the first Monday after the pay cheques have been issued.

d) The Company will provide the Union, weekly, a list of employees and applicable hours who have had pension contributions made while on WSIB.

Article 36 - DURATION OF AGREEMENT

36:1 This agreement shall continue in full force and effect until the 24th day of September 2003 and from year to year thereafter unless between the 24th day of June and the 24th day of August 2003 or between the 24th day of June and the 24th day of August of any year thereafter either the Company notifies the Union or the Union notifies the Company of its desire to terminate and/or renew with modifications the agreement and thereupon the agreement shall terminate as of the 24th day of September of the year in which notice is given.

Notice shall be in writing and shall be sufficient if sent by registered mail addressed, if to the Union, to the C.A.W. 2345 Central Avenue, Windsor, Ontario N8W 4J1, and if to the Company, addressed to Kendan Manufacturing Limited, P.O. Box 937, Windsor, Ontario N9A 6P2.

Article 37 - TECHNOLOGICAL CHANGE

37:1 Technological Change is defined as changes to the process, equipment or methods of production that differs significantly from that previously utilized by the Company.

37:2 In the event of a technological change the Company will give the Union thirty (30) calendar days advance written notice of such change. When thirty (30) calendar days notice cannot be given, notification will be given as soon as reasonably possible.

37:3 The Company will meet with the Union Committee within five (5) working days of the written notice in 37:2 to advise and discuss the nature of the technological change, the anticipated effect on the workforce, and the effect the technological change may have on the working conditions and conditions of employment.

37:4 When new or expanded skills are required within a classification due to technological change, such employee shall, at the expense of the Company, be provided with training, to enable the effected employee to perform his previous job functions. The parties agree to meet and discuss the appropriate training and where necessary the appropriate education for the specific change.

37:5 No job currently performed by a bargaining unit member will be reclassified as a non-bargaining unit job as a direct or indirect result of technological change.

37:6 A dispute with respect to the interpretation or application of this Article may be pursued through Article 9 - Grievance Procedure.

Article 38 - SEVERANCE PAY

38:1 If the Company closes operations, employees who qualify for legislated severance pay will receive two (2) weeks severance pay for each year of seniority to a maximum of 60 weeks. The severance pay will be established using rates of pay in effect at the time of closure. In addition, the Company will continue to provide health and dental benefits for a period equal to the length of severance pay from the date of closure to a maximum of one (1) year. The severance pay established by this article will be inclusive of legislated severance pay and acceptance of severance pay will sever the employee's seniority. In the event that the Employment Standards Act provides a greater amount than provided by this article, then such amount takes precedence.

KENDAN MANUFACTURING LIMITED

P. BRYAN D. DEYOUNG

THE NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND GENERAL WORKERS
UNION OF CANADA (CAW-CANADA) LOCAL 195

KEN MAHEUX

National Representative

TOM JARVI

Plant Chairman

TIM BAXTER

Committeeman

DARCY WALLS

Vice-Chairman

Randy Fick

Committeeman

AUTOMATIC SCREW MACHINE JOB CLASSIFICATIONS

1. SETTER OPERATOR - must qualify as an Operator "A" and be able to fully maintain and set up jobs with minimum supervision. Should have a working knowledge of cutting tool Geometry.
2. SETUP MAN - must qualify as a Setter Operator and be able to set up jobs without supervision.
3. LEADER - must qualify as a Setup Man and be able to lead people.

CENTERLESS GRINDING JOB CLASSIFICATIONS

1. SETTER OPERATOR - must qualify as an Operator "A" and be able to fully maintain and set up jobs with minimum supervision.
2. SETUP MAN - must qualify as a Setter Operator and be able to set up jobs without supervision.
3. LEADER - must qualify as a Setup Man and be able to lead people.

INSPECTION JOB CLASSIFICATIONS

1. INSPECTOR - must have a technical background and be able to interpret blueprint specifications. Must be familiar with and be able to use micrometers and vernier instruments. Must possess a working knowledge of Grade Twelve (12) mathematics or equivalent.
2. INSPECTOR "A" - must qualify as an Inspector and perform with minimum supervision all phases of his work with a high degree of skill.
3. SENIOR INSPECTOR
 - a) must have been an "A" Inspector for a minimum period of three (3) years.
 - b) must be conversant with inspection procedures and requirements of each department.
 - c) must be conversant with and be able to perform efficiently receiving and shipping procedures and maintain accurate records of same.
 - d) must be capable of performing simple plate layouts.
4. GAUGE CONTROL INSPECTOR
 - a) must qualify as an "A" Inspector for a minimum of three (3) years.
 - b) must be conversant with inspection procedures and requirements.
 - c) must be able to set and calibrate gauges and record all results.
 - d) must be able to issue gauges and gauge check charts and keep records of their location.
 - e) must be capable of performing simple plate layouts.
5. PLATE LAYOUT INSPECTOR - must qualify as a Senior Inspector and be able to perform and record a complete dimensional plate layout involving compound angles unassisted.
6. LEADER - must qualify as a Plate Layout Inspector and be able to lead people.

MAINTENANCE JOB CLASSIFICATIONS

1. APPRENTICE FIRST YEAR – Must qualify as laid out in the letter of understanding: Four Year Apprentice Program.
2. APPRENTICE SECOND YEAR – Must successfully complete the requirements of the Ministry's first year program

3. APPRENTICE THIRD YEAR – Must successfully complete the requirements of the Ministry's second year program.

4. APPRENTICE FOURTH YEAR – Must successfully complete the requirements of the Ministry's third year program.

5. MAINTENANCE JOURNEYMAN – Must attain 8000 hours over the course of the training program and successfully write for his Journeyman's card within the Ministry's guidelines.

6. LEADER - must qualify as an Industrial Technician Journeyman and be able to lead people.

7. TOOL MAKER - must be able to operate general tool room equipment and be able to layout, construct, and fabricate tools, jigs, and fixtures and be able to make necessary repairs to same.

The term Industrial Technician as used in this agreement shall mean any person who holds a C.A.W. Journeyman Card or recognized equivalent and has posted or been hired into the Maintenance Department.

PUMP FACTORY JOB CLASSIFICATIONS

1. OPERATOR - must be able to operate and maintain jobs after instructions.

2. OPERATOR "A" - must qualify as an Operator and perform with a minimum of supervision all phases of his work with a high degree of skill.

3. PUMP ASSEMBLER - must qualify as an Operator "A" and perform with minimum supervision all phases of his work with a high degree of skill.

4. INDEX MACHINE OPERATOR "A" - must qualify as an Operator "A" and perform with minimum supervision all phases of his work with a high degree of skill.

5. CNC/ROTARY OPERATOR –must qualify as an oil pump index A operator and operate and change tools on CNC equipment with minimum supervision.

6. LEADER - must qualify as CNC/Rotary Operator and be able to diagnose and correct operational and related problems and be able to lead people.

C.N.C. MACHINING CENTER CLASSIFICATIONS

1. C.N.C. "A" OPERATOR - Candidate must have been an "A" Operator and after orientation during a test, demonstrate the ability to:

a) interpret blueprint specifications.

b) read correctly micrometers, verniers, etc.

c) apply basic arithmetic.

d) after instructions, maintain production on the assigned Machining Center(s) and auxiliary equipment, efficiently with a minimum of supervision.

2. C.N.C. #3 - must qualify as a C.N.C. "A" Operator and demonstrate the ability to maintain tools and tool off sets.

3. C.N.C. #2 TRAINEE - must qualify as a C.N.C. #3 and understand machine controls and their language during a trial period of up to forty (40) working days.

A successful candidate may continue in the program beyond the forty (40) working day trial period until he fulfills the requirements of a #2 Machining Center Operator.

4. CNC #2 - must be able to set up and operate new and repeat jobs on Machining Centers and auxiliary equipment efficiently, understand programming, its language, and correctly diagnose and correct operational problems with minimum supervision, and provide assistance on other machines and to other operators within the department as required.

5. CNC #1 - Candidate must have worked as a #2 Machining Center Operator for a least six (6) months, fully understand programming language and its use, set up and operate new and repeat jobs on Machining Centers and auxiliary equipment efficiently, diagnose and correct operational and related problems without supervision, and provide assistance on other machines and to other operators within the department when required.

SECOND OPERATIONS AND KINGSBURY TYPE INDEX MACHINE CLASSIFICATIONS

1. OPERATOR - must be able to operate and maintain jobs after instructions.
2. OPERATOR "A" - must qualify as an Operator and perform with a minimum of supervision all phases of his work with a high degree of skill.
3. KINGSBURY TYPE INDEX MACHINE OPERATOR "A" - must qualify as an Operator "A" and perform with minimum supervision all phases of his work with a high degree of skill.
4. BLANCHARD GRINDER SETTER OPERATOR - must qualify as an Operator "A" and be able to set up with minimum supervision.
5. SETUP MAN - must qualify as a Kingsbury Type Index Machine Operator "A" and be able to set up new work, diagnose and correct operational and related problems. Must have a working knowledge of cutting tool Geometry.
6. LEADER - must qualify as a Setup Man and be able to lead people.

TOOL AND CUTTER GRINDER JOB CLASSIFICATIONS

1. TOOL AND CUTTER GRINDER No. 3 - must be an "A" Operator and after instructions be able to sharpen drills, and maintain carbide inserted type cutters etc. with a minimum of supervision and high degree of skill.
2. TOOL AND CUTTER GRINDER No. 2 - must qualify as a Tool and Cutter Grinder No. 3 and be able to set up and sharpen conventional cutting tools such as drills, reamers, milling cutters, taps, step drills and sundry related tools with minimum supervision.
3. TOOL AND CUTTER GRINDER No. 1 - must qualify as Tool and Cutter Grinder No. 2 and work without supervision.
4. LEADER - must qualify as a Tool and Cutter Grinder No. 1 and be able to lead people.
5. TOOL CRIB ATTENDANT - must qualify as a Setter Operator. Must, with a minimum of supervision, be capable of maintaining and posting Company records such as buy cards, requisitions, tool inventory etc. as well as other crib related duties.

SHIPPING AND RECEIVING JOB CLASSIFICATIONS

1. ASSISTANT SHIPPER-RECEIVER - must be able to receive, check and accurately record in a legible manner all incoming materials. He must be able to record and direct all outgoing materials in a neat and accurate manner. The performance of the above duties will be with minimum supervision.
2. SHIPPER-RECEIVER - must be able to receive, check and accurately record in a legible manner all incoming materials. He must be able to record and direct all outgoing materials in a neat and accurate manner. The performance of the above duties will be without supervision.

DEPARTMENT 12 JOB CLASSIFICATIONS

1. OPERATOR - must be able to operate and maintain jobs after instructions.
2. OPERATOR "A" - must qualify as an Operator and perform with a minimum of supervision all phases of his work with a high degree of skill.
3. INDEX MACHINE OPERATOR "A" - must qualify as an Operator "A" and perform with minimum supervision all phases of his work with a high degree of skill.
4. SETUP MAN - must qualify as an Index Machine Operator "A" and be able to set up new work, diagnose and correct operational and related problems. Must have a working knowledge of cutting tool Geometry.
5. LEADER - must qualify as a Setup Man and be able to lead people.

DEPARTMENT 10 JOB CLASSIFICATIONS

1. OPERATOR - must be able to operate and maintain jobs after instructions.
2. OPERATOR "A" - must qualify as an Operator and perform with a minimum of supervision all phases of his work with a high degree of skill.
3. PACKER - must qualify as an Operator "A" and perform his duties with minimum supervision.
4. ASSEMBLER - must qualify as an Operator "A" and perform with minimum supervision all phases of his work with a high degree of skill.
5. INDEX MACHINE OPERATOR "A" - must qualify as an Operator "A" and perform with minimum supervision all phases of his work with a high degree of skill.
6. SETUP MAN - must qualify as an Index Machine Operator "A" and be able to set up new work, diagnose and correct operational and related problems. Must have a working knowledge of cutting tool Geometry.
7. LEADER - must qualify as a Setup Man and be able to lead people.

GENERAL CLASSIFICATIONS

1. JITNEY DRIVER – To qualify for this position must successfully complete the Company lift truck training program to become a certified lift truck operator and perform without supervision all phases of his work with a high degree of skill

2. LABORER - To qualify for this position must successfully complete the Company lift truck training program to become a certified lift truck operator and perform without supervision all phases of his work with a high degree of skill

3. SWEEPER - perform without supervision all phases of his work with a high degree of skill

4. FLOOR SCRUBBER – must successfully complete the Company floor scrubber program and perform without supervision all phases of his work with a high degree of skill

JOB CLASSIFICATIONS AND RATES

MAINTENANCE DEPARTMENT

	Effective Sept 25/00	Effective Sept 25/01	Effective Sept 25/02
Toolmaker	\$ 25.91	\$ 26.51	\$ 27.11
Maintenance Journeyman	\$ 25.72	\$ 26.32	\$ 26.92
Apprentice fourth year	\$ 23.83	\$ 24.43	\$ 25.03
Apprentice third year	\$ 23.56	\$ 24.16	\$ 24.76
Apprentice second year	\$ 23.31	\$ 23.91	\$ 24.51
Apprentice first year	\$ 23.07	\$ 23.67	\$ 24.27
Maintenance Laborer	\$ 22.02	\$ 22.62	\$ 23.22

AUTOMATICS DEPARTMENT

	Effective Sept 25/00	Effective Sept 25/01	Effective Sept 25/02
Setup Man	\$ 23.07	\$ 23.67	\$ 24.27
Setter Operator	\$ 22.85	\$ 23.45	\$ 24.05
Setter OP Trainee - after 40 working days	\$ 22.42	\$ 23.02	\$ 23.62

PUMP FACTORY DEPARTMENT

	Effective Sept 25/00	Effective Sept 25/01	Effective Sept 25/02
Leader	\$ 23.03	\$ 23.63	\$ 24.23
CNC Rotary Operator	\$ 22.67	\$ 23.27	\$ 23.87
Index "A" Operator	\$ 22.57	\$ 23.17	\$ 23.77
Index "A" Op Trainee - after 40 working days	\$ 22.42	\$ 23.02	\$ 23.62
Pump Assembler	\$ 22.57	\$ 23.17	\$ 23.77
A Operator	\$ 22.32	\$ 22.92	\$ 23.52
Operator	\$ 22.02	\$ 22.62	\$ 23.22

SECOND OPERATIONS AND KINGSBURY TYPE INDEX MACHINES DEPARTMENT

	Effective Sept 25/00	Effective Sept 25/01	Effective Sept 25/02
Setup Man - Centreless Grinder	\$ 22.94	\$ 23.54	\$ 24.14
Setter Operator - Centreless Grinder	\$ 22.73	\$ 23.33	\$ 23.93
Centreless Grinder - Setter Operator Trainee - after 40 working days	\$ 22.42	\$ 23.02	\$ 23.62
Setup Man Index Machines and Kingsburys	\$ 22.87	\$ 23.47	\$ 24.07
Kingsbury "A" Operator	\$ 22.57	\$ 23.17	\$ 23.77
Setter Operator - Blanchard Grinder	\$ 22.57	\$ 23.17	\$ 23.77
Kingsbury "A" Trainee - after 40 working	\$ 22.42	\$ 23.02	\$ 23.62

days			
A Operator	\$ 22.32	\$ 22.92	\$ 23.52
Operator	\$ 22.02	\$ 22.62	\$ 23.22

INSPECTION DEPARTMENT

	Effective Sept 25/00	Effective Sept 25/01	Effective Sept 25/02
Plate Layout Inspector	\$ 23.49	\$ 24.09	\$ 24.69
Gauge Control Inspector	\$ 22.83	\$ 23.43	\$ 24.03
Senior Inspector	\$ 22.83	\$ 23.43	\$ 24.03
Inspector "A"	\$ 22.57	\$ 23.17	\$ 23.77
Inspector	\$ 22.32	\$ 22.92	\$ 23.52

SHIPPING DEPARTMENT

	Effective Sept 25/00	Effective Sept 25/01	Effective Sept 25/02
Shipper-Receiver	\$ 22.87	\$ 23.47	\$ 24.07
Assistant Shipper-Receiver	\$ 22.48	\$ 23.08	\$ 23.68

TOOL & CUTTER GRINDER DEPARTMENT

	Effective Sept 25/00	Effective Sept 25/01	Effective Sept 25/02
Tool & Cutter No. 1 - after 24 months	\$ 22.87	\$ 23.47	\$ 24.07
Tool & Cutter No. 2 - after 18 months	\$ 22.72	\$ 23.32	\$ 23.92
Tool & Cutter No. 2 - after 12 months	\$ 22.57	\$ 23.17	\$ 23.77
Tool & Cutter No. 3 - after 6 months	\$ 22.44	\$ 23.04	\$ 23.64
Tool & Cutter No. 3 - Trainee	\$ 22.32	\$ 22.92	\$ 23.52
Tool Crib Attendant	\$ 22.57	\$ 23.17	\$ 23.77

#12 DEPARTMENT

	Effective Sept 25/00	Effective Sept 25/01	Effective Sept 25/02
Setup Man A	\$ 22.94	\$ 23.54	\$ 24.14
Setup Man I	\$ 22.87	\$ 23.47	\$ 24.07
Index "A" Operator	\$ 22.57	\$ 23.17	\$ 23.77
Index "A" Trainee - after 40 working days	\$ 22.42	\$ 23.02	\$ 23.62
A Operator	\$ 22.32	\$ 22.92	\$ 23.52
Operator	\$ 22.02	\$ 22.62	\$ 23.22

#10 DEPARTMENT

	Effective Sept 25/00	Effective Sept 25/01	Effective Sept 25/02
Setup Man	\$ 22.87	\$ 23.47	\$ 24.07
Assembler	\$ 22.57	\$ 23.17	\$ 23.77
Index "A" Operator	\$ 22.57	\$ 23.17	\$ 23.77
Index "A" Trainee - after 40 working days	\$ 22.42	\$ 23.02	\$ 23.62

Packer	\$ 22.32	\$ 22.92	\$ 23.52
A Operator	\$ 22.32	\$ 22.92	\$ 23.52
Operator	\$ 22.02	\$ 22.62	\$ 23.22

CNC MACHINING CENTRE

	Effective Sept 25/00	Effective Sept 25/01	Effective Sept 25/02
CNC #1	\$ 23.28	\$ 23.88	\$ 24.48
CNC #2	\$ 22.84	\$ 23.44	\$ 24.04
CNC #2 Trainee - after 40 working days	\$ 22.67	\$ 23.27	\$ 23.87
CNC #3	\$ 22.57	\$ 23.17	\$ 23.77
CNC "A" Operator	\$ 22.32	\$ 22.92	\$ 23.52

MISCELLANEOUS

	Effective Sept 25/00	Effective Sept 25/01	Effective Sept 25/02
Jitney Driver	\$ 22.48	\$ 23.08	\$ 23.68
Sweeper	\$ 22.32	\$ 22.92	\$ 23.52
Laborer	\$ 22.32	\$ 22.92	\$ 23.52
Floor Scrubber	\$ 22.32	\$ 22.92	\$ 23.52

LEADERS and BACK UP LEADERS will be paid fifteen (15) cents in addition to their regular classification rates.

The Industrial Technician leader will be assigned a cell phone to facilitate the leading of the department on off shifts and weekends. In recognition of this the Industrial Technician leader will receive an additional premium of \$1.00 per hour.

STUDENTS AND NEW HIRES

Probationers will be paid ninety (90) percent of contract rate. Seniority employees with less than six (6) months seniority will receive fifty (50) cents per hour less than contract rate.

Students will be paid sixty-six (66) percent of contract rate.

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

ABSENTEEISM

The Company and the Union have mutual concern regarding the absenteeism in the plant. In an effort to reduce absenteeism, we are jointly notifying all members of the bargaining unit that an acceptable attendance record must be maintained by all employees. Such absenteeism will include absences, punch-outs, and lates.

Employees failing to maintain an acceptable attendance record will subject themselves to the disciplinary procedure which could lead to their discharge.

Dated this 24th day of September, 2000.

FOR THE COMPANY
P. BRYAN
D. DEYOUNG

FOR THE UNION
TOM JARVI
Plant Chairperson
DARCY WALLS
Vice-Chairperson
TIM BAXTER
RANDY FICK

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

ACCESS TO FORM 7

The Company agrees to provide the Union with the WSIB Form 7, or subsequent equivalent document, provided permission from the injured employee has been obtained in writing.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

ACCOMODATING EMPLOYEES

When the Company accomodates an employee on another shift, the accomodated employee will be the first to be transferred from the department or classification in case of shortage of work or machine breakdown. He will not be allowed to work overtime on the shift unless all employees on that shift are asked, his overtime will be on his regular shift in line with the contractual overtime language. He will not be allowed to perform non-production work in his classification if doing so would deprive those employees who are normally on the shift the opportunity.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

AMENDED COOLANT CONTROL PROGRAM

1. All coolant bearing machines that are in operation will have their coolant concentrations checked daily. A coolant card, posted at each machine, shall identify the type of coolant, and its concentration range. The daily checks and cleanout date shall be recorded on the Coolant Card at the machine.
2. Any machine whose coolant has become foul, rancid, polluted or contaminated with oil, machine particulate, stagnant or otherwise non-standard shall be pumped out upon request and dumped in the underground sump.
3. The recycler shall only receive SMF 500 coolant, which is standard. The recycler shall be strictly governed by the recycle protocol established by Engineering department. That protocol includes regular checks for concentration, pH, bacterial count and relevant indicators.
4. The principles of the start clean stay clean articulated in QS 9000 corporate housekeeping policies have specific application to coolant maintenance. An inventory of the large machines shall be established and coolant integrity maintained by pumping and recycling coolants in said machine (schedule 1) on a "before going bad" basis. A pumping schedule shall be established within one (1) year of this agreement coming into force.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

CANADIAN SKILLED TRADES COUNCIL DUES

The Company agrees to deduct one half hour (1/2) pay for the Canadian Skilled Trades Council dues as may be adopted by the Canadian Skilled Trades Council. The first deduction to be made from employee's first pay received after completion of the probation period.

Future deductions to be made in January of succeeding years or upon completion of one (1) month's work in that calendar year to be submitted to the financial secretary of C. A. W. Local 195 along with a list of names for each deduction.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

COMMON-LAW SPOUSE

The Company will recognize a common-law spouse six (6) months from the date an employee gives written notice of such a relationship to the Company.

Should the law allow a shorter time frame before recognizing common-law status, the Company agrees to utilize the shorter time frame.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

DAY DEFINED

Within this collective agreement the parties agree that “day” refers to calendar day unless specifically defined otherwise.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

FOR THE UNION

Tom Jarvi
Plant Chairman Local 195

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

ESTABLISHING OF A NEW CLASSIFICATION

When a new job is introduced into the plant which cannot be properly placed in an existing classification or when the job content of an existing job is so changed that it cannot be properly covered by an existing classification, the Company will set up a new classification and a rate of pay covering the job in question. A copy of the rate and the classification name will be given to the Plant Committee.

In establishing the rate of pay for a new classification the Company shall do so by comparing such classification with other comparable classifications in the bargaining unit.

If a dispute arises regarding a new classification or the rate of pay established, the Union may request to negotiate the disputed rate and/or classification. If the Committee and Management are unable to agree on a classification and rate for the job the disputed rate and/or classification may be treated as a grievance.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

EXISTING MAINTENANCE PROGRAM

The Company agrees to allow those already in the existing Maintenance Training Program to continue with the program as it existed in the 1994 Collective Agreement. Rates of pay will be as listed below and requisites will be same as those laid out in the 1994 collective agreement.

	Effective Sept 25/00	Effective Sept 25/01	Effective Sept 25/02
Maintenance Man No. 4 1st year	\$ 22.76	\$ 23.36	\$ 23.96
Maintenance Man No. 4 2nd year	\$ 22.91	\$ 23.51	\$ 24.11
Maintenance Man No. 3 3rd year	\$ 23.07	\$ 23.67	\$ 24.27
Maintenance Man No. 3 4th year	\$ 23.19	\$ 23.79	\$ 24.39
Maintenance Man No. 2 5th year	\$ 23.31	\$ 23.91	\$ 24.51
Maintenance Man No. 2 6th year	\$ 23.44	\$ 24.04	\$ 24.64
Maintenance Man No. 1 7th year	\$ 23.56	\$ 24.16	\$ 24.76
Maintenance Man No. 1 8th year	\$ 23.83	\$ 24.43	\$ 25.03

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

FOUR YEAR APPRENTICESHIP PROGRAM

1. Upon expiration of the posting period a meeting will be held between the Human Resources Manager and the Union Chairperson to review the job applicants. The necessary pre requisites are those laid out by the Ministry of Education and Training for the Industrial Mechanic apprenticeship program. A senior applicant who does not possess the necessary pre requisites but does pass the ministries equivalency examination and can get admission to the program will be awarded the job posting
2. A meeting will be held with the senior qualified applicant, the Union Chairperson, the Maintenance Supervisor and the Human Resources Manager within three days of awarding the posting to review the structure of the program, the Company's expectations and the consequences of not meeting those expectations. The employee will be given a booklet outlining the program in it's entirety. This booklet will include course descriptions, evaluation dates, toolbox requirements and any other information available to assist the individual to make an informed decision and to assist in successful completion of the program.
3. A meeting will be held within a further two days to answer any questions that the candidate may have and the candidate will advise the Company of his/her decision to enter the training program. Should the candidate decline the job posting they would remain in their current job class with no loss in job posting rights. The above process would then be repeated until a suitable candidate is found.
4. Upon acceptance of the job posting the candidate must enter the apprenticeship program with the Ministry of Education and Training and would be placed on the job for a sixty (60) workday trial period to determine mechanical aptitude, competence and ability. Upon the expiration of the trial period a meeting will be held with the apprentice, Union Chairperson, Maintenance supervisor and Human Resources Manager to discuss and evaluate the progress of the apprentice. An apprentice removed from the program, subject to the grievance procedure, would be returned to his original classification and any other affected person would be returned to their classification and the position would be reposted.

5. An apprentice not meeting the Company's or Ministry's expectations with on the job performance or who fails to satisfactorily complete the academic requirements of any level after the initial trial period will attend a meeting with the Union Chairperson, Maintenance Supervisor and Human Resources Manager to review his/her performance and progress and a copy of all documents will be provided to the Union Chairperson. When the Company's decision is to remove the apprentice from the training program he/she will be placed in an available opening and the Company's decision is open to the grievance procedure. An apprentice removed from the program by the apprenticeship branch will be removed from the training program and will be placed in an available opening. When it is mutually agreed to grant an extension, the required areas of improvement will be discussed and documented and the date of the follow up review meeting will be established. The apprentice will remain at their current level for the duration of the extension and their anniversary date extended by a time equal to the extension.
6. Semi annual reviews will be held on the anniversary date of entering the program and at the year's midpoint with the apprentice, the Maintenance supervisor and the Union Chairperson to review the apprentice's progress over the past 6 months and to ensure that the apprentice is receiving appropriate training and assistance in the required areas. The meeting will also provide training expectations for the next 6 month period. A copy of all documents will be provided to the apprentice and Union Chairperson.
7. Rate increases will occur on the anniversary date of the program entry except as outlined in paragraph 5 in which case the date will coincide with the extension granted. Attaining the journeyman's status will only occur after completion of all academic requirements and the completion of 8000 hours worked.
8. Employees enrolled in this program will work steady day shift during the period that they are in school. The Company will cover the cost of text books, that the program requires an apprentice to purchase in regards to his schooling, to a maximum of three hundred and fifty dollars (\$350.00) per semester. When an apprentice has successfully passed the final examination he may submit the receipt for the cost of the exam and the Company will reimburse him for the cost of writing for his license.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

FOR THE UNION

Tom Jarvi
Plant Chairman Local 195

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

GRIEVANCE COMMISSION

The parties agree to discuss as an alternative to the regular grievance procedure the option of mutually agreeing to refer a post third step grievance to a Grievance Commissioner in the following procedure:

- a) The Company and the Union agree to use Michael Watters as a single arbitrator to be known as a Grievance Commissioner. The Grievance Commissioner will set aside such time as may be requested by the parties to consider and determine grievances referred to him hereunder for final and binding arbitration. The Grievance Commissioner shall have the same powers and be subject to the same limitations as an arbitrator under Article - 9 Grievance Procedure.
- b) Through the Grievance Commissioner the parties desire the expeditious means for the effective disposition of grievances, which the parties have agreed may be handled in the following manner.
- c) The decision of the Grievance Commissioner shall only be applicable in the case in question and shall not constitute a precedent nor be used by either party as a precedent in future cases. Notwithstanding anything contained in the agreement, the decision of the Grievance Commissioner shall:
 - i) Be consistent with the provisions of the agreement
 - ii) Be confined to the grievance referred to him.
- d) The Union and the Company shall each be responsible for one-half (1/2) the expenses of any fees payable to the Grievance Commissioner.
- e) The parties, when referring a grievance to a Grievance Commissioner, shall also provide him with a copy of the grievance and a copy of the written decision as required under Article 9:4.
- f) The parties shall supply the Grievance Commissioner and each other with additional concise and brief written representations on which they intend to rely provided such are mailed not less than ten (10) days before the commencement of the hearing of the Grievance Commissioner.
- g) The parties shall meet at least ten (10) days prior to the hearing date in order to determine what information or facts can be agreed upon prior to the hearing in order that a statement of facts can be written and provided to each party and the Grievance Commissioner before the commencement of the hearing.
- h) The purpose of the hearing is to clarify the issues or facts in dispute. At the hearing the parties may make further representations or adduce such evidence as the Grievance Commissioner may permit or require, but the Grievance Commissioner shall not be obligated to conform to the rules of evidence.
- i) The Grievance Commissioner must render his decision in writing without reasons to both parties within seven (7) days of the conclusion of the hearing. Upon request by either party, after his decision has been rendered, the Grievance Commissioner shall deliver brief reasons but such reasons shall not form part of his decision.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

FOR THE UNION

Paul Bryan
Human Resources

Tom Jarvi
Plant Chairman Local 195

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

HEALTH AND DENTAL BENEFITS

The parties agree that the benefits defined in Article 33:1, subsections h) through p) inclusive, are as described by Green Shield but need not be provided by Green Shield and may be provided by another carrier as long as they are equivalent in benefit coverage and service to those described.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

FOR THE UNION

Tom Jarvi
Plant Chairperson Local 195

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

MAINTENANCE SELECTION AND TRAINING

During the recent negotiations the subject of the Maintenance Department was discussed at some length. When the Company is required to replace or add to the maintenance department, the Company will endeavor to balance the selection by drawing through internal job postings and from outside journeyman. The Company prefers to choose the replacements from within the organization when the balance of journeyman/apprentices will permit. The Company is prepared to try a one for one policy but reserves the right to alter this policy if circumstances demand it after discussion with the Plant Chairman.

The Company continues to encourage Industrial Technicians to obtain necessary prerequisites and will continue to reimburse tuition fees for individuals upon satisfactory completion of courses approved by the Company. The Company will select training candidates for Company Sponsored Courses on the basis of necessary course prerequisites, ability and previous training record.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

MIDNIGHT SHIFT COMMITTEEPERSON

When the number of employees on the midnight shift exceed sixty (60), the Company and the Union will meet to establish an elected third committeeperson to provide Union representation as outlined in Article 7.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

FOR THE UNION

Tom Jarvi
Plant Chairman Local 195

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

MISCELLANEOUS

1. If an employee has an alternate on the same job on another shift who is willing to trade shifts, such may be arranged providing a manpower balance is maintained on the shifts and no penalty occurs to the Company.
2. When there is a reduction in the workforce in any department the seniority of the employees involved shall be the determining factor as to which department they are being assigned, providing they are willing and able to perform the work to be done.
3. Employees will rotate every four hours on heavy jobs where possible.
4. The afternoon shift will be paid on Wednesday during a normal work week.
5. The Company will continue its policy of reimbursing tuition fees for upgrading courses, with prior approval of the Company.
6. All production work will be rotated among all employees within a department and classification, with a maximum period on any one job of three (3) work days. When the nature of the job is such that it cannot be rotated, it will be identified to the Plant Committee, and offered on a seniority basis within the department.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

MONIES DEDUCTED

All monies deducted from an employee's pay cheque are to be held in trust by the Company. These monies cannot be used in any fashion by the Company or its agents or any agents acting on behalf of its creditors. The sole and exclusive role of the Company is to deduct the monies and hold them in trust until such time they are remitted to the proper agency.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

OUTSOURCING/DUAL SOURCING

For the purposes of interpreting Article 3:4 outsourcing is defined as the moving of work normally done by the bargaining unit at Kendan Mfg. to Exeter Machine Products or affiliated Co.

Dual sourcing is defined as a second source providing an identical product.

Predetermined partial outsourcing of new jobs will be indicated to the Union Committee in advance of occurring and will not be affected by Article 3:4.

The new M.E.L. Rocker Arm Assembly currently produced in low volume is planned to be partially outsourced at Exeter for competitive bidding. This will only occur if we are favored with the high volume production.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

FOR THE UNION

Tom Jarvi
Plant Chairman Local 195

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

OVERTIME

The Company recognizes that Article 26 section 4 is designed to distribute overtime on an equitable basis. The Union recognizes that there are unique circumstances where an individual is working on a specific problem or project in which it would be ineffective to offer overtime as laid out in this article. These circumstances would include being in the middle of troubleshooting or repairing a piece of equipment or the commissioning of a new piece of equipment or process. Under these limited circumstances the parties agree that offering overtime to the employee doing the work is within the spirit of agreement of this article and is not a violation of the collective agreement. The Company undertakes that it will not use this letter to circumvent the intent or spirit of this article.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

FOR THE UNION

Tom Jarvi
Plant Chairman Local 195

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

OVERTIME AND OVERTIME CHARGING PROCEDURE

1. Entry level on Job Posting: Average of the Departmental Classification to be calculated and charged after the ten (10) work day trial period or upon notification of acceptance of the posting. Employees will not be entitled to overtime within their newly posted position until the ten (10) work day trial period has expired or until notification of acceptance of the posting.

2. Temporary Transfers: Entitled to no overtime within that classification and/or department unless it is a non-production classification and/or department and all employees within that classification and/or department have been asked. Temporary transfers are entitled to overtime within their own classification and/or department. Temporary transfers are for fourteen (14) working days or less.

3. Long Term Transfers: Within the department, the employee will be assigned the high hours within the classification plus one (1) hour and be entitled to a share of the overtime within that classification and is not entitled to overtime within his original classification. Outside of the department, with the implementation of temporary job postings and regular job postings this situation will occur rarely and be handled according to the circumstances involved.

4. Charging overtime while on leave of absence, WSIB, weekly indemnity, or absent: An employee absent from work for any reason other than those listed below, will be charged with overtime refused if he would have otherwise qualified to work overtime and be charged under Article 26 - Hours of Work and Overtime. Employees absent from work due to vacation or jury duty will not be charged overtime in their absence.

5. Light Duty: Able to work within their classification and/or department provided work is available within their restrictions. Able to work outside their classification and/or department if the whole plant is working or in the case of a non-production job, providing all employees within that classification and/or department have been offered. An employee unable to work overtime due to the nature of his restrictions will be charged with overtime hours refused if he would have otherwise qualified to work overtime and be charged under Article 26 - Hours of Work and Overtime.

Dated this 24th day of Sept. 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

PAID EDUCATION LEAVE

The Company agrees to pay into a special fund two (2) cent per hour per employee for all compensated hours for the purpose of providing paid education leave. Said paid education leave will be for the purpose of upgrading the employee's skills in all aspects of Trade Union functions. The monies to be paid on a quarterly basis into a trust fund established by the National Union, C.A.W., and sent by the Company to the Canadian Region Headquarters at 205 Placer Court, Willowdale, Ontario M2H 2H9.

The Company further agrees that members of the bargaining unit, selected by the Union to attend such courses, will be granted a leave of absence without pay for twenty (20) work days of class time, plus travel time where necessary, said leave of absence to be intermittent over a twelve (12) month period from the first day of leave. Employees on leave of absence for this purpose will continue to accrue seniority and benefits during such leave.

Dated this 24th day of Sept. 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

PLANT CHAIRMAN

It is mutually agreed that the Plant Chairman upon request will be given permission to leave the plant to meet with the National Representative of the Union or any of the full time Officers of the Local Union on Union business. Such time will be considered as part of the time allowed under Article 7:8 of the Collective Agreement. It is also understood, when the level of bargaining unit employees in the plant is over 300, the Company and the Union will meet to discuss the necessity of the Plant Chairman acting as such on an eight hour per day basis. When agreement is reached on this issue a method of overtime for the Plant Chairman will be established.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

FOR THE UNION

P. Bryan
Human Resources

Tom Jarvi
Plant Chairman Local 195

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

PREGNANCY/PARENTAL/ADOPTION LEAVES

An employee will be granted a pregnancy/parental/adoption leave pursuant to the provisions of the Employment Standards Act. Seniority, benefits and pension contributions will continue to accumulate during such leaves.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

QS9000

The Company and the Union agree on the importance of implementing QS9000 as a necessity to securing new work and to secure our future. Both parties agree to work together to implement the various QS9000 policies and procedures in line with the Collective Agreement and to work together to resolve problems that arise.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

FOR THE UNION

P. Bryan
Human Resources

Tom Jarvi
Plant Chairman Local 195

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

REFUSAL TO WORK ON HEALTH AND SAFETY GROUNDS

In the event the Ontario Occupational Health and Safety Act and Regulations for Industrial Plants dated June 1994 is amended to delete Part V (Right to Refuse or Stop Work Where Health or Safety is in Danger) Chapter 0.1, section 43 in its entirety, the Company and the Union agree that the Collective Agreement shall be amended forthwith to provide all employees with the protection rights of the June 1994 Ontario Occupational Health and Safety Act and Regulations for Industrial Plants Chapter 0.1 Part V section 43 in its entirety.

In the event that the Act is amended to delete Ministry of Labour inspectors as laid out in section 43 the parties will develop a mutually acceptable, expedited dispute resolution mechanism. Should it prove necessary the parties agree to identify mutually acceptable replacements. The costs associated to be borne equally by the Company and the Union.

In the event that Chapter 0.1 Part VI Reprisals by Employer Prohibited is deleted in its entirety from the Act the Company will continue to provide the equivalent protection to all employees, plant wide, as laid out in section 50.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

P. Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

REFUSING A DIRECT ORDER

When a member of supervision finds a direct order has not been followed the supervisor will call a Union representative, and will advise the Union representative that a direct order has been given. The Union representative will then be given an opportunity to speak to the employee and advise him of the consequences of continuing to refuse the direct order. Further failure to comply with the order may result in disciplinary action.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

P. Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

SCREENING

It is the policy of this Company that the screening of parts for defects generated at Kendan, will be done by hourly rated employees designated by the supervisor. However, in some special cases where a subjective evaluation is to be made, a member of the management team may do the screening.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

SEVERANCE

During these recent negotiations the Company and the Union had discussions regarding Article 38:1. It is the intent of the Company that Article 38:1 only applies to employees who are on the seniority list and maintain recall rights at the time of the Company closing operations. However, Article 38:1 does not apply to employees who, at the time the Company closes operations, are unable to work due to illness or injury or who are absent on WSIB, until they satisfy the following conditions:

1. They are no longer in receipt of either short term and/or long term disability payments, or WSIB benefits (whichever is applicable); and
2. They are fit to perform the regular duties they last performed for the Company as certified by an independent medical practitioner. When there is dispute to the medical practitioner, the selection will be referred to Article 33:1 d (3) of the collective agreement.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

SHIPPING/JITNEY DRIVER OVERTIME

When overtime is required in the shipping department and the requirements of the Company cannot be met by those within the classification it will be offered first to the midnight jitney driver and then to the regular jitney drivers, provided they can perform the work available, in line with the contractual overtime language.

When overtime is required on the jitney and the requirements of the Company cannot be met by those in the classification it will be offered first to the midnight jitney driver and then to the employees of the shipping department in line with the contractual overtime language.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

TIME STANDARDS

The Company agrees that when a standard is revised, the revised standard and the reason for the revision will be posted in a prominent position for a period of one week.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

TOOL LIST

The purpose of this letter is to identify the tools that would be considered approved by the Company for purchase through the Tool Allowance Program. The purchase of tools not included on this list must be approved prior to their purchase.

GAUGES

Micrometer
Vernier Calipers
Indicators
Square Gauges
Scale
Protractor
Gauge Stand
Tape
Dividers
Feeler Gauges

WRENCHES

Tap Wrench
Adjustable Wrench
Pipe Wrenches
Allen Wrenches
Open End Wrenches
Socket Wrenches

GENERAL TOOLS

Tool Box
Pinch Bar
Oil Can
Flash Light
C Clamps
Hammer

Vice Grips
Screw Drivers
Pliers
Punches
Hack Saw
Channel Lock Pliers

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

TOOLMAKERS OVERTIME

When the Company's intent is to offer overtime to the whole maintenance department the Toolmaker will be offered equivalent hours if there is work available in his classification.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

UNION COUNSELING PROGRAM

The Company recognizes, supports and encourages the Union in the establishment and operation of the Union Counseling Program. The Company agrees to grant, in emergency circumstances, upon receiving permission from their supervisor in each specific case, time off without loss of pay to a Union Counselor for the purpose of assisting an employee or a member of the employee's family who is in a crisis situation. It is understood that the confidential nature of the crisis shall be maintained.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

VACATIONS GRANTED PRIOR TO ENTITLEMENT

The Company and the Union agree that any vacation and vacation pay granted to an employee, prior to the entitlement date of July 1st of any calendar year, will be considered as an advance on entitlement and treated as if vacation and vacation pay were received as part of the entitlement as of July 1st.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

FOR THE UNION

Paul Bryan
Human Resources

Tom Jarvi
Plant Chairman Local 195

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

VACATION PAY

For the purposes of calculating vacation pay, gross pay will be accumulated to the nearest full week. When June 30th falls on a Wednesday or Thursday the balance of the week will be considered as part of the current year's vacation pay.

When June 30th falls on a Monday or Tuesday the week will be considered as part of the following year's vacation pay.

Pay rates and seniority will remain as of June 30th and compensated hours for the purpose of satisfying the one thousand, one hundred (1,100) hours in Article 32 will continue to be accumulated from July 1 to June 30th.

Vacation pays will be issued the week following the end of the vacation period.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources

Letter of Understanding between the Company (Kendan Manufacturing Limited)
and Union (Local 195, C.A.W. - Kendan Unit)

WORK OFF COMPANY PREMISES

When employees are requested to perform duties off the Company premises the Company will inform the Union, in writing, no later than seven (7) days in advance where possible, of the nature of the duties, the reasons why they must be performed off site, the expected duration, the employee selected and the reason that employee was selected.

Dated this 24th day of Sept., 2000.

FOR THE COMPANY

Paul Bryan
Human Resources