

COLLECTIVE AGREEMENT

BETWEEN



Blenheim Facility

AND



The International Union
United Automobile,
Aerospace and Agricultural
Implement Workers of America
(ULC-CLC) Local 251

April 28, 2003 – April 27, 2007

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AGREEMENT

This Agreement is made and entered into this 28th day of April, 2003 between INERGY AUTOMOTIVE SYSTEMS (CANADA), INC., (hereinafter called "The Company") and the INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, (UAW-CLC) and its local 251, (hereinafter called "The Union")

ARTICLE 1 – RECOGNITION:

- 1.1 The Company recognizes the Union as the sole and exclusive bargaining agent for all hourly paid production, maintenance and quality control employees employed by the Company at its plant(s) in Blenheim, Ontario, save and except supervisors, those above the rank of supervisor, office, clerical, technical, engineering and sales staff.
- 1.2 The word "employee" or "employees" wherever used in this Agreement, shall mean only the employees in the bargaining unit defined above unless the context otherwise provides.
- 1.3 Wherever the male noun or pronoun is used, it shall also mean the female and vice versa.

ARTICLE 2 – ENTIRE AGREEMENT:

- 2.1 This Agreement contains all subjects, agreements, understandings and stipulations agreed upon between the Company and the Union, and no amendments or modifications to this Agreement may be made, except when mutually agreed upon in writing by duly authorized representatives of the Company and the Union. No alleged oral agreement shall be made on the basis of or referred to in any grievance during the term of this Agreement. Any matters not included in this Agreement will be considered as having been omitted by intent and neither party may raise such matters during the term of this Agreement.

ARTICLE 3 – MANAGEMENT RIGHTS:

- 3.1 Except as, and to the extent specifically modified by this Agreement, all rights and prerogatives of Management are retained by the Company and remain exclusively and without limitation within the rights of the Company and its Management and may be exercised by Management as it, in its discretion, sees fit.

Without limiting the generality of the foregoing, the Company's rights shall include:

- (a) The right to maintain order, discipline and efficiency; to make, alter and enforce, from time to time, rules and regulations, policies and practices, to be observed by its employees, in a consistent and reasonable manner; such rules and regulations shall be consistent with the provisions of this agreement; the right to discipline and discharge employees for just cause.
- (b) The right to test, select, hire and control the working force and employees; to transfer, assign, promote, demote, schedule and classify employees; to plan, direct and control its operations; to select and retain employees for positions excluded from the bargaining unit; to transfer employees into or out of the bargaining unit; to operate and manage the enterprise in all respects in order to satisfy its commitments and objectives.
- (c) The right to determine the location and extent of its operations and their commencement, expansion, curtailment, relocation or discontinuance; the direction of the working forces; the work to be done; the products to be manufactured, merchandised and sold; the standards of performance; whether to perform or purchase services regularly done by bargaining unit employees, provided all regular employees who are capable of satisfactorily performing the work

required are fully employed and available for work; the schedules of work; the methods; processes and means of performing work; job content and requirements; the qualifications of employees; the use of improved or changed methods and equipment; the number of employees needed by the Company at any time and how many shall work in any job; the number of hours to be worked; starting and quitting time; shift hours and rotation thereof; methods to be used to ensure security of the Company's property, and generally the right to manage the enterprise and its business without interference are solely and exclusively the right of the Company; provided that they are consistent with the provisions of this agreement.

- 3.2 Failure by the Company to exercise any of its Management Rights or other rights shall not be considered to be an abandonment of those rights nor shall the principle of estoppel be applied to such circumstances. The operation of this Article shall not be inconsistent with the other provisions of this Collective Agreement. The Company agrees to give a copy of all plant rules and any changes to plant rules to the unit chairperson and to discuss the changes prior to posting of same on the bulletin board. Such copies would be uncontrolled copies for Quality Systems purposes.

ARTICLE 4 – UNION SECURITY:

- 4.1 All employees covered by this Agreement who are members of the Union at the signing date of this Agreement or who thereafter become members thereof during the term of this Agreement, must retain their membership in the Union for the duration of the Agreement by paying the regular monthly dues levied against all members, as a condition of employment. All employees covered by this Agreement who are not members of the Union shall pay regular monthly dues levied against those who are members, as a condition of employment.
- 4.2 All new employees, upon completion of 240 hours worked shall become members thereof in good standing in accordance with the constitution and bylaws of the Union for the life of this Agreement.
- 4.3 The Company will, during the term of the Agreement, deduct initiation fees, monthly dues and assessments on a monthly basis, from the pay cheque of all seniority employees and probationary employees who have worked or been compensated for forty (40) hours in any one (1) month, or as required by the U.A.W. constitution. The amount of assessments and any changes in dues or fees must be communicated, in writing, to the Company by an officer of the local Union at least fifteen (15) days prior to the pay day in which such amount is to be deducted. Such deductions shall be credited to the Secretary-Treasurer of Local 251, no later than the tenth (10) day of the calendar month next following the month in which such deductions are made. The Company and the Union will work out a mutually satisfactory arrangement by which the Company will furnish monthly records to the Financial Secretary of Local 251 of those from whom deductions were made, together with the amount of such deductions.
- 4.4 The Union hereby indemnifies the Company, including its agents and employees acting on behalf of the Company, and holds it harmless against any and all suits, claims, demands and liabilities that may rise out of, or by reason of, any action that shall be taken by the Company for the purpose of complying with the foregoing provisions of this Article, or in the reliance on any list or authorization which shall have been furnished to the Company under any such provisions.

ARTICLE 5 – REPRESENTATION:

- 5.1 The Union shall elect or appoint, and the Company shall recognize, from those employees who have completed at least one (1) year service with the Company, a plant committee of five (5) people, one of whom will be the Chairperson and one of whom will be the Vice-Chairperson, and one (1) steward per shift.
- 5.2 The Company shall also recognize a Bargaining Committee which shall consist of four (4) employees, one (1) of whom shall be the Chairperson, one (1) of whom shall be the Vice-Chairperson and two (2) of whom shall be elected or appointed (on an interim basis) by the Union. The Company will pay regular (8 hour) lost time wages and benefits for the bargaining committee during contract negotiations with management representatives. The Union will inform the Human Resources Manager, in writing, of the names of the Chairperson, Vice-Chairperson, Bargaining Committee persons and Stewards, and of any subsequent changes in the names thereof. The Company shall not be asked to recognize any in-plant Union Representative until such notification from the Union has been received.
- 5.3 The activities of the in-plant Union Representatives shall be in accordance with the grievance procedure; they shall function when called upon by any employee within their jurisdiction having a grievance or complaint alleging a violation of this agreement. The Union acknowledges that Committee persons and Stewards have their regular duties as employees to perform and that such persons will not leave their regular duties without first obtaining permission from their Supervisor. The Company agrees to honour such requests for such representation as soon as possible, but in no case later than 60 minutes after the request is made to their Supervisor, unless an extension has been mutually agreed to by the Company and the Union. Such time will be kept to a reasonable minimum, and shall be restricted solely to pertinent investigation of the grievance or complaint alleging violation of this agreement. The Company will pay for such time spent investigating grievances or complaints alleging a violation of this agreement during regular working hours. Such time shall not be misused or abused.
- 5.4 The Plant Committee referred to in 5.1 shall head the seniority list during their term of office for layoff and recall purpose only. The Chairperson shall be full-time, eight (8) hours per day, on straight days for the duration of his term. In the event the Chairperson is absent for one (1) week or more, the Vice-Chairperson shall assume the Chairperson's rights and duties. The Chairperson (or acting Chairperson) shall receive \$0.50 per hour above his classification rate.
- 5.5 (a) The Company will supply a permanent on-site office on the main level to be used by the Union.. In the event it becomes necessary to relocate said office, the Company and the Union will work together to find a suitable replacement. The Union office will be allowed to have a UAW sign on the office door and/or any UAW signs in the office, provided that such signage is consistent with Company signage. The Union will also, be allowed to fly a UAW flag on the outside flag pole, under the provincial flag, provided the Union provides and maintains such flag in proper order.
- (b) The Company agrees to supply two (2) desks with chairs, computer (updated in accordance with the plant update schedule), email, printer, telephone (with outside line), stationary supplies as needed, filing cabinets, two (2) office chairs, one (1) bulletin board and one (1) white board. The Company agrees to allow the Union to use the Company fax machine when needed. These items will be supplied at no charge to the Union; keys being the sole possession of the Union Committee. The occupancy and use of the office will be used solely for the conduct of pertinent union business.

ARTICLE 6 – NO STRIKES-NO LOCKOUTS:

- 6.1 During the life of this Agreement, the Union shall not authorize, sanction, encourage, ratify, acquiesce in, condone or permit any of its members to take part in, nor shall any member of the Union take part in a sit-down, stay-in, slow-down, curtailment of work, restriction of production, strike, primary or secondary picketing, work stoppage, or any other interference with production or operations of the Company.
- 6.2 In addition to any other right or remedy the Company may have, and without limitation thereof, the Company shall have the right to discipline or discharge any employee participating in any way in any violation of this Article and shall have the further right to discipline on a selective basis or to impose different degrees of discipline based on the Company's appraisal of the employee's degree of participation in such violation. In the event activity prohibited by this Article occurs during the life of this Agreement, the Union, its officers, agents, servants, representatives, employees and members shall exercise all powers and steps necessary and proper to end such improper activity. The Union agrees that the Company is entitled to expect and rely upon this Article as providing the Company with uninterrupted operations during the life of this Agreement.
- 6.3 The Company, for its part, agrees that there shall be no lockout during the term of this Agreement.
- 6.4 The word "strike" and the word "lockout" shall be deemed to have the meaning given these words in the Ontario Labour Relations Act.

ARTICLE 7 – GRIEVANCE PROCEDURE:

- 7.1 For the purpose of this Agreement, the term "grievance" means any dispute between the Company and the Union or between the Company and any employee concerning the effect, interpretation, application, claim of breach, or violation of this Agreement.
- 7.2 No grievance shall be processed based on facts or events which have occurred prior to three (3) working days before the grievance is filed. Notwithstanding the aforementioned, no time limitation shall apply when a grievant can substantiate that he or she had no prior knowledge of the purported grievance.
- 7.3 Grievances shall be processed from one step to the next within three (3) working days. Any grievance upon which a disposition is not made by the Company within the time limits prescribed, or any extension which may have been agreed to, shall be referred to the next step in the grievance procedure, the time limit to run from the date when time for disposition expired. If the Union fails to process the grievance to the next step within the prescribed time limits, the grievance shall terminate upon the basis of the last disposition.
- 7.4 The grievance and arbitration procedure under this Agreement constitutes the sole and exclusive method of determination, decision, adjustment, or settlement of any and all grievances or disputes as herein defined, whether or not either party to the Agreement considers the same as a material breach of the Agreement or otherwise.
- 7.5 The Company shall not be required to pay back wages for more than sixty (60) days prior to the date a written or oral grievance is presented. This sixty (60) day limitation shall not apply in cases of reinstatement after a discharge.
- 7.6 Any such grievance shall be settled in accordance with the following grievance procedure:

STEP 1- All grievances or complaints alleging violation of this agreement shall be presented orally by the grievant to the grievant's Supervisor within three (3) working days of the occurrence. The Supervisor shall advise the grievant that he has the right to request the Supervisor to call a Union Representative so the matter may be discussed jointly and in private. If the grievant desires to so call the Union Representative, the Supervisor shall, in accordance with Article 5.3, do so and no further discussion concerning the grievance shall take place until the Union Representative is present. The Supervisor shall give a verbal answer within one (1) workday. If the matter is not satisfactorily resolved the grievance will be reduced to writing, signed by the grievant, and submitted to the next level of Supervision within three (3) working days of his answer. The next level of Supervision will then respond in writing within two (2) working days.

STEP 2 – If the grievance is not settled in STEP 1, the grievance shall be presented by the grievant's Union Representative to the Department Manager within three (3) working days after STEP 1. The Union Representative and Department Manager shall meet with the grievant regarding the grievance. The Department Manager shall have three (3) working days to answer the grievance in writing.

STEP 3 – If the grievance is not settled in STEP 2 or the Department Manager has failed to answer the grievance, the Chairperson within three (3) working days, may request a meeting (in writing) with the Human Resources Manager. The Human Resources Manager shall arrange for a meeting with the Union's Local President and/or International Representative, the Chairperson and/or the Vice-Chairperson within five (5) working days after submission of the written grievance in STEP 3, unless it is mutually agreed to extend such time. At Step 3 grievance meetings involving suspensions or discharges, the Plant Director will be in attendance. The Human Resources Manager shall answer the grievance in writing within three (3) working days after the meeting. Grievances resulting from a suspension or a discharge and Union policy grievances, begin at Step 3 of the grievance procedure.

- 7.7 The grievance and arbitration procedure shall not be applicable to the dismissal of any employee during their probationary period, unless the termination is contrary to the provisions of the Ontario Human Rights Code.
- 7.8 The Company and the Union agree to utilize a mediator when possible to endeavor to solve any grievance between Step 3 of the grievance procedure and the Arbitration Procedure.

The Company and the Union will mutually agree upon and split the cost of the mediator.

ARTICLE 8 – ARBITRATION:

- 8.1 At any time within thirty (30) calendar days after the Company's STEP 3 written answer, the Union may appeal the grievance to arbitration by giving the Company notice, in writing, of its intent to arbitrate the grievance. This notice of intent to arbitrate will be sent to the Human Resources Manager. Within twenty (20) days of receipt of the notice, a meeting will be held between the Union's International Representative and/or the Local President and Chairperson and/or Vice-Chairperson and the Company's Human Resources Manager and the Plant Director, to review and discuss the grievance prior to arbitration. If the grievance remains unsettled following such meeting, an Arbitrator will be chosen by the Company and the Union. Grievances appealed to arbitration will be presented to the arbitrators hereinafter described who will act in rotation in the order that their names appear. The following constitutes the list and the rotation of the arbitrators:
1. E. Palmer
 2. D. Williamson
 3. I. Hunter

If in the regular rotation, an arbitrator is unable to specify a date for the arbitration hearings within a reasonable time period from the request date the grievance is submitted to him/her, the parties may agree to request another arbitrator in rotation to provide such a date.

- 8.2 The decision of an Arbitrator shall be final and binding on both parties and any employees involved.
- 8.3 The Arbitrator shall not have any power to alter or change any of the provisions of this Agreement or to substitute any new provisions for any existing provisions.
- 8.4 Each of the parties to this Agreement will bear their own expenses and will jointly bear the expense of the Arbitrator.
- 8.5 Unless the parties otherwise agree, not more than one grievance shall be referred to the same Arbitrator at any given time.

ARTICLE 9 – SENIORITY:

- 9.1 Seniority lists will be maintained on a current basis and revised at least every six (6) months. A copy of the list will be posted on the plant bulletin board and a copy given to the Chairperson of the Union Committee. Seniority, as referred to in this Agreement, shall mean length of service in the employ of the Company in the bargaining unit. In case two or more employees are hired on the same day, their seniority shall be governed alphabetically according to the original last name under which they were hired.
- 9.2 An employee shall be considered a probationary employee until the completion of four hundred eighty hours (480) worked within a twelve (12) month continuous period. During such probationary period he will have no seniority rights; however, on the successful completion of the foregoing probationary period he will become a regular employee with seniority rights. The seniority date will revert to his original date of employment. The retention of a probationary employee shall be at the sole discretion of management and the discharge of such employee shall not form the subject of a difference between the parties and, therefore, shall be neither grievable nor arbitrable.
- 9.3 Seniority and employment shall be deemed to terminate when an employee:
- (a) Quits;
 - (b) Is discharged and is not reinstated through the grievance or arbitration procedures;

- (c) Is laid-off for a continuous period equal to his seniority at the time of such layoff up to three (3) years, or for one (1) year, whichever is longer;
- (d) Overstays an authorized leave of absence or approved extension thereof or engages in gainful employment elsewhere in a "for profit" organization during such leave without approval from the Company;
- (e) Is on a layoff status and fails to return to work:
 - (1) Within five (5) working days after notice to return to work has been sent by registered mail to his last address on record with the Company. Any notice so given shall be deemed to have been received on the fifth working day following the date of mailing.
 - (2) Within forty-eight (48) hours after notification to return to work has been given by telephone to the employee and which has been witnessed by a Committee person.
- (f) Is absent from work without notification for three (3) consecutive workdays without justifiable reason that is acceptable to the Company.
- (g) Is absent from work due to non-occupational illness or injury for a period exceeding three (3) years.

9.4 A bargaining unit employee who is promoted to a salaried position shall retain seniority at the date of promotion and shall further accumulate seniority for three (3) months from the date of promotion after which point all accumulated seniority shall be forfeited and no right to return to the bargaining unit shall be retained. Should it be necessary to involuntarily return to the bargaining unit, or voluntarily within three (3) months from the date of promotion, the employee returning to the bargaining unit cannot displace another employee from a posted job and will be frozen from posting for any new or existing job classification for three (3) months.

ARTICLE 10 – LAYOFF AND RECALL

10.1 All layoff notices shall be in compliance with the Employment Standards Act. When it is necessary to reduce the work force, students, contract employees then probationary employees shall be laid-off first. If further, indefinite layoffs are made, the employees shall be laid off in reverse order of seniority, beginning with the most junior employee, providing the remaining employees are capable of satisfactorily performing the work required. Displacements, or "bumping," will be allowed in the following order:

- (a) a more senior employee displacing the least senior employee in the same classification on any shift;
- (b) the least senior employee in a classification may displace the least senior employee in a lower classification, provided the displacing employee is capable of satisfactorily performing the work required of the lower classification and has more seniority than the displaced employee;
- (c) If the senior employee is not capable of satisfactorily performing the work required of that lower classification, he may displace the lowest senior employee in the production technician classification.

10.2 (a) In case of short shift(s) (partial shift, or partial regularly scheduled week), low seniority employee(s) on the shift affected shall be laid off, subject to the provisions of Article 10.2(b), provided the remaining employees are capable of satisfactorily performing the work required.

(b) High seniority employee(s) will be granted first opportunity for any short shifts. Any employee(s) desiring to volunteer for such short shifts will be honoured as long as it does not interfere with the remaining production requirements, and if the employee has so notified his Supervisor.

- 10.3 Subject to bumping provisions of Article 10.1, recall from layoff will be in order of seniority, beginning with the most senior employee, providing he is capable of satisfactorily performing the work required.
- 10.4 Recall for work assignments, up to and including five (5) days will be accomplished by phone call to the laid-off employees, in order of seniority, and which will be witnessed by a Committee person. If the most senior employee cannot be reached, the next most senior employee will be telephoned, until the required number of employees is achieved. If a more senior employee indicates that they wish to delay their return by twenty-four (24) hours, for good reason, then a more junior employee may fill the position in the interim.
- 10.5 Recall of a laid-off employee for work assignments, exceeding five (5) days will be accomplished by phone call, to the last known number on record, in order of seniority, and will be witnessed by a Committee person. If the employee cannot be reached, recall will be accomplished by sending a registered letter to the last known address on record.
- 10.6 Subject to the bumping provisions of Article 10.1, any recall is conditional upon the employee having the capability of satisfactorily performing the work required.
- 10.7 If an employee is laid off from a posted classification, the laid-off employee will be "recalled" to the classification before a backup is temporarily assigned to the classification, provided that he is on the shift requiring the temporary replacement. Any temporary opening expected to last five (5) days or longer will be filled by senior employee laid off from that classification.
- 10.8 An employee laid off from their classification will retain their higher classification rate of pay for a period of one (1) week.

ARTICLE 11 – CLASSIFICATION POSTING:

- 11.1 Subject to the provisions in Article 11.6, classification vacancies need not be posted in cases where the vacancy is expected to last for a period of thirty (30) workdays or less, unless such period is extended by mutual agreement.
- 11.2 When classification vacancies occur or new classifications are created, employees on the active seniority roll will be given an opportunity to apply for such classification openings. All classifications posted will remain on the bulletin board for a period of seven (7) workdays and will specify classification, department, present shift arrangement and rate of pay. The successful applicant will be posted within ten (10) working days of the removal date of the original job posting, unless extended by mutual agreement. A copy of all classification postings will be placed in the Union Chairperson's file folder.
- 11.3 Employees who apply must do so in writing to the Human Resources representative. The application will be signed by the Human Resources representative and the applicant. One copy will be given to the applicant as a receipt.

- 11.4 (a) An active seniority employee may apply for any posted classification vacancy.
- (b) Selection of an employee to the vacancy shall be based on seniority and prior work record over the past twelve (12) months of active service.
- (c) The Company will post the names of successful applicants on the bulletin board and will give a copy of the completed posting to the Union Chairperson.
- (d) Successful applicants will be frozen from applying for a period of three (3) months. Time limits will be voided if an employee is laid-off from his classification, or is applying to a newly established classification, or is applying for an apprenticeship opening, or is applying for a posted steady day opening.
- 11.5 Once an employee is awarded an opening, he will be placed in the classification as soon as reasonably possible, but in no case longer than ten (10) normal working days, which can be extended by mutual agreement.
- 11.6 (a) A selected employee may, within thirty (30) workdays, voluntarily withdraw from the new classification, in which case, the employee would return to his previous classification. The employee's previous classification will not be posted until after the above time has elapsed.
- (b) An employee awarded an opening may be subsequently disqualified by the Company after a trial not to exceed thirty (30) workdays in which case the employee would return to previous classification.
- (c) The trial period and the withholding of posting of the employee's previous classification may be extended by mutual agreement between the Company and the Union.
- (d) An employee disqualified by the Company from any posting will not be frozen from applying for any other posting.
- 11.7 Should a selected employee placed in an opening be disqualified or withdraws, the Company shall select from the next qualified employee on the posting who has not accepted another posting within the thirty (30) workdays to fill the vacancy. When the posting is exhausted, the Company may assign the least senior employee to the opening.
- 11.8 Employees bidding to a lower rated classification will immediately upon physical transfer to the classification assume the rate of that classification. Employees bidding to a higher rated classification will immediately upon physical transfer to the classification assume the rate for the classification to which they are transferred.
- 11.9 If an employee has reason to believe that a posting, they are interested in, may come up and be removed during their absence from work they should visit the Human Resources Department to arrange for an early application. Such persons will be considered along with all other applicants for that particular posting.

ARTICLE 12 – BACK-UPS:

- 12.1 For all current classifications and any new classifications an application notice will be posted for a minimum of one (1) back-up employee per shift and classification, who will be trained and used for the purpose of filling in for regular employees in those classifications, and to provide a ready source of replacements when openings occur in the classification. Any employee in a back-up classification will be automatically considered to have applied for any opening which is posted on the backed-up classification.
- 12.2 Production Technicians and Skilled Trades classifications are not subject to the provisions of Article 12.1.
- 12.3 All Back-up positions will be drawn from the Production Technician classification. An employee may not hold more than one back-up position.

ARTICLE 13 – TEMPORARY TRANSFERS:

- 13.1 The right to make temporary transfers of employees between classifications is essential to the maintenance of efficiency, and is the sole responsibility of the Company.
- 13.2 Subject to Article 11.6, temporary transfers will be made by seniority on a voluntary basis, provided the employee is capable of satisfactorily performing the work required and such a transfer does not interfere with normal operations or efficiency. In the event such transfers cannot be filled on a voluntary basis, the least senior employee capable of satisfactorily performing the work required may be temporarily transferred. For designated classifications, back-up employees will be used as required. When such a transfer extends for more than thirty (30) workdays, the matter must be approved by the Union.
- 13.3 An employee temporarily transferred to another classification will be paid at the higher of his normal rate or the next higher rate of pay for the classification to which he is transferred, for the duration of the transfer.
- 13.4 The Company agrees that temporary transfers will not be used to circumvent the classification posting procedure.

ARTICLE 14 – DISCIPLINE:

- 14.1 The maintenance of discipline is essential to the satisfactory operation of the plant and the Company reserves the right to discipline seniority employees for just cause, up to and including discharge. This Article does not apply to probationary employees.
- 14.2 When an employee is given a disciplinary suspension or discharge, or if any discipline is to be placed in his personnel record, the employee and the Union will receive a copy at the time that it is issued. Such disciplinary action shall be considered automatically final and closed unless a written grievance is filed within five (5) workdays from the date when it was presented to the employee.
- 14.3 In imposing discipline on a current charge, the Company will not take into account any offenses which occurred earlier than the employee's last twelve (12) months of active employment, unless extended by mutual agreement between the Company and the Union.

- 14.4 Employees have the right to have a Union Representative present at any meetings and/or investigations between that employee and management where management counsels, disciplines or discharges that employee. Disciplinary action against an employee will be determined within five (5) working days of the date of the incident or knowledge of the incident or the conclusion of the investigation, whichever is later. Any investigation shall be commenced promptly and the time spent conducting the investigation shall be kept to a reasonable minimum and shall not be misused or abused. The Company agrees to notify the Union immediately upon its determination that an investigation will extend beyond five (5) working days of the date of the incident or knowledge of the incident and immediately upon conclusion of the investigation. Points and attendance discipline will be administered within ten (10) working days from the date of the incident.

ARTICLE 15 – HOURS OF WORK AND OVERTIME:

- 15.1 This Article is intended only to be constructed as a basis for overtime and shall not be construed as a guarantee of hours of work per day or per week. Overtime shall not be paid more than once for the same hours worked.
- 15.2 Normally, shifts for all bargaining unit employees, except for the Chairperson or his designate who may elect to commence his shift one half hour earlier and have a one half hour unpaid lunch, will be scheduled as follows, on a rotating basis. The Company will make a sincere effort to follow this schedule. It is understood, however, that shift and break schedules are subject to change, at the Company's discretion, based upon production and customer needs.

SHIFT #1 - 11:30 p.m. to 7:30 a.m. - MIDNIGHTS

- 1st break - 15 min. - 1:30 a.m. - mean
- 2nd break - 20 min. - 3:30 a.m. - mean (paid lunch)
- 3rd break - 10 min. - 5:30 a.m. - mean

SHIFT #2 - 7:30 a.m. to 3:30 p.m. - DAYS

- 1st break - 15 min. - 9:30 a.m. - mean
- 2nd break - 20 min. - 11:30 a.m. - mean (paid lunch)
- 3rd break - 10 min. - 1:30 p.m. - mean

SHIFT #3 - 3:30 p.m. - 11:30 p.m. - AFTERNOONS

- 1st break - 15 min. - 5:30 p.m. - mean
- 2nd break - 20 min. - 7:30 p.m. - mean (paid lunch)
- 3rd break - 10 min. - 9:30 p.m. - mean

Process Technicians and Skilled Trades employees will be allowed a paid five (5) minute wash-up period at the end of their shift.

- 15.3 (a) Overtime at one and one-half (1½) times the regular straight time base rate will be paid as follows:
- (1) Hours worked in excess of eight (8) in a day
 - (2) Hours worked in excess of forty (40) in a work week, for which overtime has not previously been earned
 - (3) Hours worked on a Saturday
- (b) Overtime at two (2) times the regular straight time base rate will be paid as follows:
- (1) Hours worked on a Sunday
 - (2) Hours worked on a contractual holiday as stated in Article 18

- (c) No pyramiding of hours; hours in a work week previously paid at a premium rate will not be used to qualify for overtime later in the work week.
 - (d) Hours worked in excess of forty-eight (48) hours in a work week will be voluntary with the exception of Skilled Trades employees required to work emergency overtime.
- 15.4
- (a) The Company will equalize overtime work among all employees within a classification and shift who are qualified to perform the relevant work requirement. For computation and equalization purposes, all newly hired employees will be given the equivalent hours of the highest overtime worked employee in the classification and shift to which they are assigned. The Company will keep a record of all scheduled overtime hours worked or offered to each employee. Scheduled overtime hours offered and not worked will be considered as hours worked. The Company will post the overtime list on the bulletin board and update it on a weekly basis. In the event an employee is overlooked in equalization, he will head the list for the next scheduled Saturday and Sunday within his classification and shift. Where an employee or his Union representative has brought the oversight to the attention of the Supervisor and the employee is again overlooked, the Company agrees to reimburse the employee for the time of the work period involved in the second oversight. If the Supervisor is notified before the overtime is worked and does not correct it, the employee entitled to work shall be paid the same as had he worked.
 - (b) All overtime will be assigned utilizing the overtime equalization list and hours charged where appropriate.
 - (c) The Company will endeavor to schedule all overtime on a voluntary basis. If production requirements, as determined by the Company, cannot be met voluntarily, low overtime hours will be required to work with the least senior employee to work in case of equal hours. The Company will attempt to avoid mandatory overtime.
 - (d) Overtime will be offered by management personnel to employees by classification as follows:
 1. By shift
 2. Then, employees that have been reduced (internal layoff) from the classification on the shift affected
 3. Then, backups on the shift affected
 4. Then, employees in that classification off shift, by seniority; providing that their shift is covered.
 5. Then, other qualified employees by seniority on the shift affected.
 - (e) Employees volunteering for Saturday overtime will have first option regardless of overtime hours or seniority, for Sunday overtime and for contractual holidays immediately preceding or following that weekend. The distribution of overtime during Christmas holidays is outlined in 15.4 (p).
 - (f) All seniority employees per classification must be offered overtime before probationary employees. Newly hired employees will assume the highest overtime for the classification they enter upon completion of their probationary period. Employees who voluntarily switch shifts will take their overtime hours with them and be offered overtime accordingly.
 - (g) The Company agrees to keep an up-to-date list of overtime in all departments and will place a copy in the plant Chairperson's file on a weekly basis.
 - (h) New equalization of overtime will become effective January 01 of each calendar year.

- (i) In the event eight (8) or more employees are scheduled to work overtime and if a steward is not scheduled as per overtime equalization, the Union will appoint a steward from the overtime crew as originally scheduled.
- (j) Bargaining unit employees will not work in excess of twelve (12) consecutive hours during any twenty-four (24) hour period without Plant Director approval.
- (k) Bargaining unit employees will not work in excess of twelve (12) hours within a twenty-four (24) hour period unless he has been away from the workplace for a minimum of eight (8) hours.
- (l) Weekend overtime will be solicited, finalized and posted on Thursday of the workweek.
- (m) During overtime soliciting, back-up employees shall indicate their intention to work in their regular classification and/or their back-up position.
- (n) Employees who volunteer for overtime and do not report for work will be charged double (16 hours). This does not affect or hinder, in any way, applicable discipline to be assessed under the attendance policy.
- (o) Unscheduled overtime will be solicited, on a day to day basis, in accordance with the posted equalization list, by classification among people present at the time. If additional people are required, volunteers will be asked in accordance with the posted equalization list, by classification and shift on the subsequent shifts. Unscheduled overtime hours worked the previous week will be added to the next equalization calculation. An employee who is overlooked for unscheduled overtime shall be treated as set forth in Section 15.4 (a).

Scheduled overtime is weekday overtime requirements known at least 24 hours in advance, and weekend overtime requirements that are finalized by Thursday of the workweek.

- (p) If the Company determines that the Christmas holiday period is one shift, then employee(s) will be selected by seniority and classification plant wide. If the Company determines that the Christmas holiday period requires three shifts, the normal overtime opportunities procedure will be used.

ARTICLE 16 – REPORTING PAY:

- 16.1 An employee reporting for work at their usual starting time shall be guaranteed four (4) hours pay at their regular straight time base rate OR pay for actual time worked at their appropriate rate, whichever is greater unless instructed not to report for work on that day or a reasonable effort had been made to do so. All efforts to contact employees must be made in the presence of a Union Representative at least one hour prior to the start of the shift. This reporting pay provision shall not apply when the failure to have work available for such reporting employee is due to an Act of God, power failure, strike or other labour difficulties, or for other causes beyond control of the Company. The employee may be offered substitute work in lieu of his regular work. Such substitute work means any work within the reasonable capacity of the employee to perform, whether it be production, material handling, housekeeping, or maintenance. Should an employee refuse such assignment of work, he shall not be eligible for the four (4) hours of reporting pay.

ARTICLE 17 – CALL-IN PAY:

- 17.1 Any employee called into work, witnessed by a Union Representative, at a time other than his normal scheduled shift will be paid a minimum of four (4) hours at one and one-half (1 1/2) times his regular time base rate, except for Sunday when he will be paid a minimum of four (4) hours at two (2) times his regular time base rate.
- 17.2 A call-in to begin work early for a regular scheduled shift does not qualify for the call-in minimum. These hours will form a part of the total hours worked on the scheduled shift.
- 17.3 Previously scheduled overtime hours, such as weekend work for less than four (4) hours, do not qualify for call-in pay.

ARTICLE 18 – HOLIDAYS:

18.1 Holiday Schedule:

Holiday	CONTRACT YEAR			
	2003	2004	2005	2006
Victoria Day	Mon. May 19	Mon. May 24	Mon. May 23	Mon. May 22
Canada Day	Mon. June 30	Fri. July 02	Fri. July 01	Fri. June 30
Labour Day 1	Fri. Aug 29	Fri. Sept 03	Fri. Sept 02	Fri., Sept 01
Labour Day 2	Mon. Sept. 01	Mon. Sept 06	Mon. Sept 05	Mon. Sept 04
Thanksgiving	Mon. Oct.13	Mon. Oct 11	Mon. Oct 10	Mon. Oct. 09
Christmas 1	Wed. Dec 24	Wed. Dec 22	Thurs. Dec 22	Fri. Dec 22
Christmas 2	Thurs. Dec 25	Thurs. Dec 23	Fri. Dec 23	Mon. Dec 25
Christmas 3	Fri. Dec 26	Fri. Dec 24	Mon. Dec 26	Tues. Dec 26
Christmas 4	Mon. Dec. 29	Mon. Dec 27	Tues. Dec27	Wed. Dec 27
Christmas 5	Tues. Dec 30	Tues. Dec 28	Wed. Dec 28	Thurs. Dec 28
Christmas 6	Wed. Dec 31	Wed. Dec 29	Thurs. Dec 29	Fri. Dec 29
Christmas 7	Thurs. Jan 01, 2004	Thurs. Dec 30	Fri. Dec 30	Mon. Jan 01, 2007
Christmas 8	Fri. Jan 02, 2004	Fri. Dec 31	Mon. Jan 02, 2006	Tues. Jan 02, 2007
Good Friday	Fri. Apr 09, 2004	Fri. Mar 25, 2005	Fri. Apr 14, 2006	Fri. Apr 06, 2007
Easter Monday	Mon. Apr 12,2004	Mon. Mar 28, 2005	Mon. Apr 17, 2006	Mon. Apr 09, 2007

- 18.2 Employee(s) will be paid holiday pay provided he meets the following eligibility requirements:
 - (a) The employee must have attained seniority (completion of 480 hours of work) as of the date of the holiday
 - (b) The employee must have worked the full scheduled work day immediately before and after such holiday, unless the employee received advance permission to be absent on such qualifying days. Minor tardiness by an employee with a good attendance record will not disqualify that employee from holiday pay

For Holiday pay purposes, "advance permission" to be absent on a qualifying day is considered to be: layoff, vacation, authorized leave of absence, bereavement, sick with a Doctor's certificate and jury selection, jury duty, coroners inquest or crown witness duty, within the previous thirty (30) calendar days.

Good attendance record for the purposes of minor tardiness exclusion on the qualifying days is defined as less than 30% of the termination point total of the Company attendance policy.

- (c) When an employee is on approved leave of absence or had been laid off in a reduction of the workforce, and returns to work following the holiday, but during the week in which the holiday falls or the next scheduled day after the holiday, he shall be eligible for pay for that holiday.
- (d) If a holiday occurs during an employee's vacation period, he will be given a vacation day on either the last regular scheduled workday before vacation time or first regular workday following the vacation time.

18.3 If an employee works on one (1) of the above holidays, he shall receive his regular holiday pay for that day plus double time for all hours worked.

ARTICLE 19 – VACATIONS:

19.1 The vacation qualifying period for vacation payment calculation purposes will be from July 1st through June 30th in each year.

19.2 (a)

<u>COMPLETE YEARS OF SERVICE</u>	<u>VACATION ENTITLEMENT</u>	<u>PAY ENTITLEMENT</u>
Less than one (1)	0.8 of day for each Full month of service	4% of wages
One (1) to four (4)	Two (2) weeks	4% of wages or two (2) weeks' pay whichever is greater
Five (5) to nine (9)	Three (3) weeks	6% of wages or three (3) weeks' pay whichever is greater
Ten (10) to nineteen (19)	Four (4) weeks	8% of wages or four (4) weeks' pay whichever is greater
Twenty (20) or more	Five (5) weeks	10% of wages or five (5) weeks' pay whichever is greater

- (b) An employee will not be required to work overtime on a Saturday or Sunday immediately preceding or following a scheduled vacation. The Company will not be required to offer overtime to an employee for a Saturday or Sunday immediately following a scheduled vacation.
- (c) The Company will hold vacation pay to be applied as pay continuance when vacation is actually taken. Any balance owing will be paid at the end of the qualifying period. Weekly vacation pay shall be issued on a separate cheque with details provided on the pay receipt..

- (d) For employees who have earned three (3) or more weeks of vacation, vacation entitlement may be used in one-day increments to a maximum of five (5) occasions per year. An employee is required to give the Company seven (7) days notice, in writing, for each intended occasion.
- (e) The Company may determine a two (2) week vacation shutdown/slowdown any time during July or August and will post said shutdown/slowdown notice by April 1 or earlier. The Union understands that the Company's customers may change their operation schedules at any time and that the Company must react accordingly. However, if such shutdown is impractical, the Company will attempt to schedule time off for vacation purposes in keeping with the employees' desire, requirement of customer(s), and the operating conditions of the plant. In scheduling time off for such purposes, the Company will give preference to the wishes of employees in order of seniority by classification and shift. The Company agrees to meet with the Union and post on the Company bulletin board, promptly, any changes to the customer schedule shutdown.
- (f) If the Company requires employees to work during the declared shutdown/slowdown period, the first opportunity will be given to the most senior employee in the classification and shift capable of satisfactorily performing the work required.
- (g) The Company will discuss possible vacation schedule arrangements with the Union no later than April 1st of each year. Employees will have until April 15th of each year to submit vacation requests. The Company will notify the employees of the results of their requests no later than April 30th of each year.
- (h) All requests for vacation for the months of July and August will be placed on file and will be responded to in accordance with 19.2(g). Vacation requests outside of (g) and (e) above, will be granted on a first come first serve basis by seniority, classification and shift, subject to operational requirements. The Company will respond to all vacation requests within one (1) week. Once vacation requests have been granted they will not be altered by the Company, unless requested by the employee with a minimum of five (5) workdays notice to the Company.

19.3 To be eligible the employee must have achieved seniority, and be on the active payroll at the end of the qualifying period.

19.4 Employees who have one or more years of seniority but worked less than 1040 hours during the qualifying period will receive reduced vacation pay based upon a fraction of their hours worked and 1040 hours. For example, an employee who worked 520 hours during the qualifying period would figure vacation pay entitlement as follows:

$520/1040 = .50$ therefore, the employee receives 50% of their vacation pay entitlement.

ARTICLE 20 – LEAVE OF ABSENCE:

20.1 Leaves of absence may be granted, subject to the following provisions. All such leaves will be without pay, but benefit coverage will continue (except for indefinite union leave and Civic duty provided in Section 20.3 (b) and in 20.7(a)) and seniority will continue to accumulate during such leaves.

20.2 **Pregnancy and Parental Leave:**

Requests for leaves of absences for pregnancy or parental reasons will be granted as defined by the Employment Standards Act and any amendments thereto.

20.3 **Union Leave:**

- (a) A leave of absence will be granted for purposes of bona fide union business, provided that such leaves are limited to no more than two (2) employees at a time, no more than two (2) total weeks of such leave in any year except for the Bargaining Committee during contract negotiations, and one (1) week's prior notice is given. The one (1) week notice shall not apply to leaves requested for the Chairperson. Additionally, all employees who are members of the local union executive board will be given necessary time off to attend the regular Local Union Executive Board Meeting. The Company will consider granting requests in excess of the above mentioned limitations depending upon operational requirements.
- (b) An employee elected or appointed to a full-time position with the Union shall, upon application and with at least two (2) weeks notice, be granted a leave of absence for as long as the full time Union position is continued. If the employee applies for reinstatement within fifteen (15) days after the termination of such Union employment, he shall have the right to return to their last classification held, seniority permitting. If he fails to apply within fifteen (15) days, he shall lose his seniority and cease to be an employee. The employee will be allowed to maintain all Company benefits and/or parts thereof and said employee will pay such premiums to the Company at the Company's premium rates.

20.4 **Personal Leave:**

- (a) A personal leave of absence may be granted to employee's for good and sufficient causes. It is the policy of the Company not to encourage such leaves, and they will be granted only in the interests of the employee's health and welfare, or where extreme personal necessity or circumstances in his immediate family justify such a leave, and where the leave does not unreasonably interfere with the efficient operation of the plant. Such personal leaves may only be granted for the period of time which is reasonably necessary up to thirty (30) days, but extensions may be granted by the Company.
- (b) When an employee is charged with an offence and is required to attend a hearing or is held in custody pending hearing of charges, the employee shall be allowed personal leave without pay for such time. The Company shall grant an employee with seniority a leave of absence without pay for a period not to exceed ninety (90) days if the employee is convicted and jailed for an offence. The Company will be informed as far in advance as possible.

20.5 **Non-Occupational Disability Leave:**

Employees who are absent from work due to a non-occupational injury or illness shall be granted a leave of absence for as long as medically necessary, not exceeding three (3) years in duration. To be eligible for such leave, an employee must submit verification from his doctor stating that he is unable to work at his normal classification, and proof of continued disability as is requested from time to time during the leave by the Company. Benefit coverage will continue for a duration of six (6) months. The employee will have the option to continue benefit coverage at their own expense after the six (6) month duration noted above, for the duration of the leave.

20.6 **Military Service Leave:**

The Company agrees to grant seniority employees leave of absence for military service. Military leave will be granted for as long as required. Any leave must be supported by proper military documentation as far in advance as possible. Seniority and benefits will continue during such leaves.

20.7 **Civic Duty:**

(a) A seniority employee wishing to run in a federal or provincial election will be granted an unpaid leave of absence for the duration of his campaign and if needed, term of office. Upon completion of term, the employee will have fifteen (15) days to apply for re-instatement.

(b) A seniority employee will be granted time off as needed for the purpose of performing their duties as a volunteer firefighter, providing they obtain permission from their on-shift supervisor and providing the employee obtains reasonable proof of his absence.

20.8 **Education Leave:**

The Company may grant an educational leave of absence for a period not to exceed one (1) year to an employee with at least five (5) years seniority in order that the employee may attend a recognized college, university, trade or technical school full time, provided that the course of instruction is related to employment opportunities within the company. Such leave would be granted with no company-paid benefits.

Before receiving the leave, or an extension thereof, the employee shall submit to the Company satisfactory evidence that the college, university, trade or technical school has accepted him as a student and, on the expiration of each semester or other school term, shall submit proof of attendance during such term.

ARTICLE 21 – JURY DUTY AND CROWN WITNESS DUTY:

21.1 An employee who is summoned to perform jury duty or jury selection or who is subpoenaed as a Crown witness in a criminal proceeding shall, while so engaged, be paid at his normal rate less any fees paid by the court. Such deduction shall not include any traveling allowances or out-of-pocket expenses that may be paid to an employee by the court. Coroners inquests will also apply to the above provisions.

In order for an employee to qualify for payment under this Article, he must:

- (a) Notify his Supervisor immediately of the time when he is required to report to court for jury duty or jury selection or witness duty or coroners inquest, so that proper relief may be arranged;
- (b) Provide a written statement to the Company indicating the date(s) of his service as a juror or jury selection or witness or coroners inquest, the time so spent and the fee received for his services as a juror or witness.

ARTICLE 22 – BEREAVEMENT PAY:

- 22.1 The Company will grant a full time, regular, seniority employee a leave of absence, with pay:
- (a) five (5) days during the normal work week, in order to attend the funeral or memorial service in the event of a death of a spouse (including common spouse), parent, step-parent, child or step-child;
 - (b) three (3) days during the normal work week, in order to attend the funeral or memorial service in the event of a death of a parent-in-law, brother, sister, step-brother, step-sister, grandchild, or grandparent; provided further, that proper documentation is furnished by the employee of proof of relationship and attendance at the funeral
 - (c) one (1) day during the normal work week, in order to attend the funeral or memorial service in the event of a death of a grandparent-in-law, brother-in-law or sister-in-law, provided further, that proper documentation is furnished by the employee of proof of relationship and attendance at the funeral.
- 22.2 In the event there is a bereavement during the term of an employee's vacation, he shall, upon request and notification to the Company, be considered on bereavement leave. Any vacation lost through bereavement may be rescheduled in accordance with the Company's vacation scheduling policy

ARTICLE 23 – INJURY ON THE JOB:

- 23.1 An employee who is injured at work and who is sent home or to the hospital by the Company prior to the end of his regularly scheduled shift shall be paid for the balance of such shift at his regular straight time rate of pay or his premium rate of pay, whichever is applicable as per the CBA.

ARTICLE 24 – WAGES:

24.1 SENIORITY RATES

CLASSIFICATION	April 28, 2003	April 28, 2004	April 28, 2005	April 28, 2006
Utility	16.10	16.68	17.28	17.68
Production Technician	16.80	17.40	18.03	18.44
Material Handler/Production	17.40	18.02	18.66	19.09
Material Handler/Materials	17.40	18.02	18.66	19.09
Quality Auditor Incoming Inspector * Gauge Controller*	17.72	18.35	19.00	19.43
Stores Technician	18.98	19.65	20.34	20.80
Process Technician Tooling Technician*	21.40	22.14	22.91	23.41
Skilled Trades	24.85	25.70	26.57	27.15
Positions marked with an asterisk (*) are subsets of the classification.				

NOTE:

Group Leader to receive \$1.00 per hour above relevant classification rate for time spent as Group Leader.

24.2 PROBATIONARY RATES:

In the first year of employment, employees will be paid no less than the following (excluding Skilled Trades and Skilled Trades Apprentices):

Probationary employees – first 480 hours:	75% of classification rate
Greater than 480 hours and up to 8 months seniority:	85% of classification rate
At 8 months seniority:	100% of classification rate

ARTICLE 25 – GROUP INSURANCE BENEFITS:

Group Insurance Benefit Coverage shall be provided by the Company as set forth below. All Group Insurance shall be governed and administered by the policy in force by the carrier. Coverage for all employees shall be effective the first day of the month following the completion of the employee's probationary period. In the case of employees that are married and have dependents, each employee will maintain family coverage per employee.

1. **Life Insurance:**
\$35,000

2. **Accidental Death & Dismemberment:**
\$35,000 for death; scheduled benefits for loss of limbs, members or sight.

3. **Medical and Hospital:**
Semi-private Hospital at 100% with no deductible.

4. **Dental:**
Coverage for:

TYPE A – BASIC SERVICES:

1. Diagnostic Services
2. Preventive Services
3. Routine Restorative Services
4. Routine Surgical Services

TYPE A – OPTIONAL SERVICES

Orthodontic Services

50% (co-pay) not included in maximum yearly coverage and not to exceed \$1,750 maximum lifetime contribution by the Company.

TYPE B – OPTIONAL SERVICES:

Option 4 – Periodontal Services

Option 5 – Endodontic Services

Claim fees are based upon current Ontario Dental Association Fee Guide at 100% with no deductible, up to a maximum coverage of \$2,000 each calendar year.

5. **Prescription Drug:**
Reimbursement for 100% with a \$0.35 deductible of prescription drug expenses. Coverage applies to drugs purchased on the prescription of a medical Doctor and which cannot otherwise be obtained through direct purchase.

6. **Prescription Eye & Safety Glasses:**
The Company agrees to contribute up to \$200.00 every two (2) contract years per employee and eligible dependents for prescription eye glasses or laser eye surgery and to provide one (1) pair of prescription safety glasses per employee every two (2) contract years. The current 2-year rotation will continue uninterrupted throughout the life of this agreement.

7. **Extended Health**

The Company will supply all employees and eligible dependents with the Green Shield extended health service plan SW or similar plan.

8. **Sick and Accident**

Should an employee be off work due to sickness or accident, the Company agrees to pay such employee 66 2/3% of his base weekly rate, not to exceed the Employment Insurance maximum, as follows:

Payment will commence on the **FIRST** full day of **hospitalization**.

If disability is due to **accident**, payment will commence on the day following the **THIRD** calendar day of accident.

If disability is due to **illness**, payment will commence on the day following the **SEVENTH** calendar day of illness.

Benefits will not be paid beyond 17 weeks including the elimination period.

It is agreed that should an employee not receive sickness and accident benefits within two (2) weeks from application, the Company will advance the employee 90% of benefits, provided they sign the proper release to reimburse the Company.

The final determination of whether an insured employee qualified for the claim payments under group life insurance, sickness and accident, the group medical expense plan, the health and accident insurance program or the dental expense plan shall be made by the respective carriers. Such determination may not be made the subject of a grievance under the Collective Agreement and is not a proper matter for arbitration under such Collective Agreement.

It is intended that the program of group life insurance, accidental death and dismemberment insurance, medical expense benefits, prescription drug insurance, and dental expense benefits as set forth in this Agreement shall comply with any law or laws pertaining to such programs. Should any law or laws provide for similar benefits, any amounts required to be paid by the Company as contributions, taxes or benefits thereunder shall reduce to that extent the amounts the Company shall be required to pay under this Agreement, and appropriate adjustments shall likewise be made in the benefits thereunder.

The Company reserves the right at any time to place the programs provided for in this Appendix `B' with insurance carriers other than those now providing the coverage, provided the new carrier provides benefits equal to those in effect prior to the change in carriers.

ARTICLE 26 – NON-BARGAINING UNIT EMPLOYEES:

- 26.1 It is understood that Supervisors and other employees who are outside of the bargaining unit will not do bargaining unit work that results in the displacement of a bargaining unit employee for the purpose of layoff or scheduled overtime assignment. Thus, it is recognized that the following are examples of situations that may require the performance of bargaining unit work by non-bargaining unit personnel:
- (a) Program launch, experimental, prototype or trials work.
 - (b) Troubleshooting.
 - (c) Emergencies or unforeseen circumstances (for example, power outages).
 - (d) Machine set-up when set-up employees are not available in the plant and all call-in options have been exhausted as per the CBA.
 - (e) Instruction or training.
 - (f) Evaluation.

For purposes of clarification, where the above situations do occur, management will endeavour to involve bargaining unit employees directly and/or jointly.

ARTICLE 27 – NON-DISCRIMINATION:

- 27.1 The provisions of this Agreement shall apply to all employees covered by this Agreement without discrimination on account of age, race, creed, colour, sex, marital status, nationality, ancestry, place of origin, union activity or affiliation, or any other basis proscribed by Federal or Provincial Law

ARTICLE 28 – BULLETIN BOARD AND UNION APPAREL:

- 28.1 The Company will provide, for the use of the Union, one (1) bulletin board in the plant, to be prepared and located by agreement between local management and the local plant committee. All notices are to be submitted to the Human Resources Manager, or someone designated by him/her, for approval before being posted. The Human Resources Manager, or someone designated by him, will not delay in passing judgment on notices.
- 28.2 The Company will provide, for the use of the Union, one display case in the plant to be prepared and located by agreement between local management and the plant committee for the purpose of displaying for sale Union apparel. Furthermore, an employee may opt to purchase Union apparel by payroll deduction, funds to be credited by the Company, to the financial secretary of Local 251.

ARTICLE 29 – QUALITY:

- 29.1 Quality is defined as fully meeting the customer's requirements with zero defects or non conformance. It is recognized by the Company, Union and all employees that the quality level of products and delivery is essential to the very existence of the plant. Employees will be asked to participate in the decision making process in their work areas, along with other employees, to discuss improvements to the product and process.

- 29.2 Employees involvement in these small group activities will be voluntary. The Union agrees to co-operate with the Company in the implementation of these activities and to encourage employee participation.

ARTICLE 30 – GROUP LEADERS:

- 30.1 Group Leaders, as required in the sole discretion of the Company, will be selected according to Article 11. Responsibilities of Group Leaders, in addition to their regular classification duties, will include:
- (a) Training new employees on the safe use of equipment and machinery.
 - (b) Ensuring that the product being produced meets or exceeds all customer quality specifications.
 - (c) Assisting the Supervisor in proper utilization of manpower and equipment.
 - (d) Maintaining good housekeeping and instructing other employees in proper housekeeping practices.

ARTICLE 31 – HEALTH AND SAFETY:

- 31.1 It is agreed that the Occupational Health and Safety Act R.S.O. 1990, c. O.I. as amended by S.O. 1992, c. 14, s.2 hereafter referred to as the Health and Safety Act is incorporated into and forms a part of this Agreement. The Company and the Union agree to abide by those provisions unless this Agreement provides otherwise. Amendments to the Health and Safety Act other than those indicated above shall not be incorporated into this Agreement except upon written agreement of the parties.
- 31.2 The Company to provide employees with safety glasses or goggles, hearing protection and protective clothing or equipment, on an as needed basis.
- 31.3 The Company agrees to provide one hundred and twenty-five dollars (\$125) at the beginning of every contract year to eligible employees for the purchase of safety shoes and/or insoles. Skilled Trades, Skilled Trades Apprentices, Process Technicians and Back-up Process Technicians will receive one hundred and seventy-five dollars (\$175) each contract year.
- 31.4 The Company and the Union agree to continue to work co-operatively to maintain a safe workplace for all employees.

The employees and Company will work to maintain sanitary arrangements throughout the plant, provide necessary safety equipment and give attention to the elimination of any unsafe act or unsafe condition which is a hazard to the safety and health of the employees.

Nothing in this agreement shall preclude the Company or any of its employees from exercising their rights provided by the Occupational Health and Safety Act of Ontario.

All representatives on the Joint Health and Safety Committee shall be eligible to participate in appropriate training that is provided by the Company.

- 31.5 It is agreed between the parties that the Company will establish a back-to-work committee comprised of the on-shift Health & Safety Representative(s) and the supervisor and/or Health & Safety Coordinator(s). The back-to-work committee will be utilized, for the assignment of modified work, at the request of the employee. When it is necessary for the Human Resources Manager to become involved, the Union Chairperson will be utilized.

ARTICLE 32 – TOOL ALLOWANCE:

- 32.1 Employees who require hand tools in the performance of their duties shall provide their own tools as specified by their Department Manager.
- 32.2 The employees are responsible for the care, maintenance and replacement of these tools, unless broken, or damaged by water or fire in performance of his duties. In such case, the tools will be replaced with tools of similar value and quality by the Company.
- 32.3 The Company agrees to provide three hundred and twenty-five dollars (\$325) plus any and all applicable sales taxes at the beginning of every contract year to eligible employees for the purchase of tools for the purposes of performing their duties.
- 32.4 Employees eligible for this allowance are:
- (a) Process Technicians
 - (b) Back-up Process Technicians
 - (c) Tooling Technicians
 - (d) Skilled Trades
 - (e) Skilled Trades Apprentices
- 32.5 The Company will provide a designated area to store employee-owned tools.

ARTICLE 33 – EXCELLENT ATTENDANCE RECOGNITION:

- 33.1 In order to achieve our business objectives of superior quality and low costs we must all function as an efficient and effective team. This will depend upon all employees achieving the standard of excellent attendance.
- 33.2 For the purpose of this Article, excellent attendance will be achieved when no time is lost for:
- (a) Late arrival or leaving early or;
 - (b) Absence, excluding:
 - (i) Bereavement
 - (ii) Jury Selection, Jury Duty, Coroners Inquest and Crown Witness
 - (iii) Statutory Holiday
 - (iv) Vacation
 - (v) One – Approved 4hr excused LOA in a calendar month
 - (vi) Union Leave
 - (vii) Military Leave
 - (viii) Use of an attendance credit or credits if pre-approved by the Company
 - (ix) Layoff of eighty (80) hours or less

33.3 Employees with excellent attendance will be recognized as follows:

- (a) An employee must be present for their full scheduled shifts, during each full calendar month worked, in order to earn one-half (1/2) day bonus.
- (b) The one-half (1/2) day bonus will accumulate for each month of excellent attendance, up to a maximum of six (6) days in any one calendar year.
- (c) Should an employee not have excellent attendance in any one month, the accumulated bonus must be applied to the lost time during that month; provided the attendance bonus has not been previously approved by the Company. Any time applied will be deducted from the accumulated attendance bonus, but shall not automatically constitute an excuse under the Company attendance policy. An employee who calls in sick and has less than 30% of the termination point total of the Company attendance policy will not lose their attendance bonus in that month. This exemption is allowed for only one call-in for sickness and for one day only in any month.
- (d) The Company will pay all accumulated credits to employees who retire, quit or are terminated. The employee will have the option of payout of any accumulated credit or credits on the second pay period of December of the fiscal year, or he may elect to carry a maximum of one (1) credit over to the next fiscal year.
- (e) If an employee has excellent attendance from:

December 1 to May 31 or
June 1 to November 30

He shall earn one-half (1/2) additional day bonus for each period as outlined above.

- 33.4 Employees who have less than excellent attendance will be counseled. Employees have the right to have a Union Representative present at any such counseling.
- 33.5 In Accordance with Article 33.3(d), payment for excellent attendance will be made as of November 30th. Excellent attendance pay will be calculated using the employee's most recent applicable regular straight time base rate.

ARTICLE 34 – PAID EDUCATION LEAVE:

- 34.1 The Company agrees to pay into a special fund two cents (\$.02) per compensated hour per employee for all hours worked, for the purpose of providing paid education leave. Said paid education leave will be for the purpose of upgrading the employee skills in all aspects of trade union functions. Such moneys to be paid on a quarterly basis into a trust fund established by the U.A.W. Local 251, and sent by the Company to the Financial Secretary of Local 251; 88 Elm Drive South; Wallaceburg, ON; N8A 5G7.

ARTICLE 35 – EMPLOYEE TUITION EXPENSE REIMBURSEMENT:

- 35.1 The Company will pre-pay the full tuition expense for an approved course for employees on the active seniority list. If, however, the employee fails to successfully complete the course, the employee will reimburse the Company the full tuition expense paid. A reasonable reimbursement payment schedule will be determined by the Company.
- 35.2 An employee who resigns or is terminated prior to the completion of the course must reimburse the Company the full tuition expense paid.
- 35.3 An "Employee Tuition Expense Reimbursement" application form must be pre-approved as defined in the Company Policy Manual.

ARTICLE 36 – SKILLED TRADES:

- 36.1 The term "Journeyman" as used in this Agreement shall mean any person who:
- (a) Has completed a bona fide apprenticeship of four (4) years or 8,000 hours and has a substantiating certificate;
- Or
- (b) Has acquired eight (8) years of skilled trade related experience and/or skilled trade related formal training and submits satisfactory substantiation. A Union journeyman's card will be accepted as evidence of such experience.
 - (c) Any journey person who possesses or acquires a license determined by the Company to be relevant to the work performed will be paid an additional one dollar (\$1.00) per hour. Any costs to maintain a license relevant to work performed will be paid by the Company.
- 36.2 Any apprenticeship programs established by the Company will comply with the Ontario regulations pertaining to apprenticeship programs.
- 36.3 It is acknowledged that a skilled trades apprentice will work normal scheduled hours and rotations as per the CBA. For clarity, the hours spent in school will be considered as hours worked in the plant. An apprentice will be granted a paid leave of absence to attend required apprenticeship schooling.
- 36.4 In the event of a reduction in force in the Skilled Trades department, employees will be laid off from their respective groups, in accordance with the following procedure:
- 1. Probationary employees
 - 2. Apprentices
 - 3. The most junior employee within the classification
- Recalls will be in the reverse order of layoff.

- 36.5 An Apprentice laid off or disqualified from the apprenticeship classification shall be returned to available work in the bargaining unit, seniority permitting. Once an Apprenticeship has been established, the Company will endeavour to explore any/all alternatives for putting the Apprenticeship on hold prior to canceling should funding limitations arise.
- 36.6 Wages – Apprentices shall be paid a progressively increasing schedule of wages in accordance with the following:
- 1st 1000 hours – not less than 65% of skilled trades rate
 - 2nd 1000 hours – 70% of skilled trades rate
 - 3rd 1000 hours – 75% of skilled trades rate
 - 4th 1000 hours – 80% of skilled trades rate
 - 5th 1000 hours – 85% of skilled trades rate
 - 6th 1000 hours – 90% of skilled trades rate
 - 7th 1000 hours – 95% of skilled trades rate
 - 8th 1000 hours – 95% of skilled trades rate
- Bargaining unit employees, whose starting rate or credit level under the apprenticeship agreement would place them at less than their present rate of pay, will remain at their present rate or the Journey-person's trade rate whichever is higher, until normal advancement within the apprenticeship program places them at an even higher rate.

ARTICLE 37 – STUDENT HIRING:

- 37.1 Students hired to work during the school vacation period April 1 to September 15 inclusive are not eligible for seniority status and will not be required to pay monthly union dues in accordance with the method applicable to other employees (Article 4.3). Students are not required to pay initiation fees.
- 37.2 Preference will be given to full time students related to Inergy Automotive Systems (Canada), Inc. employees.
- 37.3 The Company will post a notice of potential student hiring on the company bulletin board at least one month prior to hiring any students.

ARTICLE 38 – SUSPENSION ABEYANCE:

- 38.1 When a suspension from duty is imposed by the Company, only the first three (3) work days of the suspension will be served by the employee until the grievance and arbitration procedure has been completed unless it can be reasonably shown that the continued presence of the employee may endanger the physical or emotional welfare of the employees or the property of the Company.

ARTICLE 39 – TECHNOLOGICAL CHANGE:

- 39.1 "Technological Change" is defined as changes in technology to the process, equipment or method of production that differs significantly from that previously utilized by the Company.
- 39.2 Where new or greater skills are required all affected employees in the classification shall, at the expense of the Company, be provided with a reasonable period of training.
- 39.3 No job currently performed by a bargaining unit employee will be reclassified as a non-bargaining unit job as a direct or indirect result of a technological change.

ARTICLE 40 – TRAINING:

- 40.1 The company shall offer training to bargaining unit employees in the classification for which the training is designed. It is understood by the parties that training is essential to the continuous improvement process and is ever changing.

Any employee who believes that they have not been provided the proper training to perform their duties may request a meeting with their Department Manager, Human Resources Manager, and Union Chairperson to clarify the problem and plan corrective actions.

For training that is outside of, or in addition to training to perform one's specific duties, seniority shall prevail where practical in the selection process.

ARTICLE 41– SPECIAL ASSIGNMENTS:

- 41.1 It is the Company's intention to equalize the opportunity for special group work or assignment outside of the plant among employees who regularly work in cells and on the shift affected. Employees who regularly work in cells and on the shift affected will be asked to volunteer to participate in any quality, Kaizen or employee involvement groups and for assignments outside of the plant for which the Company intends to assign bargaining unit employees. The number of positions required shall be filled by the senior employees among such volunteers who shall participate in the group or assignment for the duration of the activity or assignment, not to exceed one calendar month, unless extended by mutual agreement. For subsequent groups or assignments, the next senior employees among the volunteers shall fill the number of positions required and shall participate in the group or assignment, not to exceed one calendar month, unless extended by mutual agreement.

ARTICLE 42 – EMPLOYEE FILE REVIEW:

- 42.1 Employees may review their employee file in the presence of the Human Resources Manager or his designee within one (1) working day after request of the employee to the Human Resources Manager. Time spent reviewing employee files will be spent outside normal working hours and, if requested in writing by the employee, in the presence of a Union Representative.

ARTICLE 43 – LONG TERM DISABILITY:

- 43.1 The Company shall introduce a Long Term Disability Plan as set out in a plan between the Company and insurance carrier. The Plan will feature a benefit based on sixty percent (60%) of wages to age 65 and continued prescription drug benefits for the period of his seniority up to three (3) years from the date last worked.

ARTICLE 44 – BENEFITS ON RETIREMENT:

- 44.1 Employees who retire and who have at least five (5) years of continuous service are entitled to Medical, Dental, Vision care, Out of Province, Life and A.D. & D. for a period not to exceed two (2) years from the first full month after their date of retirement. It is recognized that normal retirement age is between sixty (60) and sixty-five (65) years of age. It is understood by both parties, that upon completion of thirty (30) years of seniority, an employee will be eligible for all retirement benefits as listed in this article.
- 44.2 Retired employees who wish to continue their prescription drug and prescription eyeglass benefits, for them and their dependents, have the option of continuing their coverage by paying any applicable premiums and/or co-payments. Retired employees will be provided with \$10,000.00 of life insurance coverage.

ARTICLE 45 – TRAVEL EXPENSES:

- 45.1 The Company agrees to pay for all time and expenses for an employee while traveling on Company business or on-the-job training. Any actual time spent travelling or working outside of the plant in excess of eight (8) hours, on weekends or a contractual holiday, will be paid at the premium rate outlined in Article 15.3.

ARTICLE 46 – NEW HIRES:

- 46.1 The Company agrees to allow the Plant Chairperson to participate in the Company orientation process for the purpose of orienting the employee to the Union's organization and procedures at the Plant.

ARTICLE 47 – PLANT CLOSURE AND SEVERANCE:

- 47.1 In the event the Company moves any or all of its operations to a new location within Canada, the employees affected will have the right to transfer to the new location.
- 47.2 In the event the Company decides to close this facility, the Company agrees to provide six (6) months advance written notice to all employees. Further, the Company agrees to work with the Union in forming a Joint Adjustment Committee. The Company will pay regular (8) hour wages and benefits for the Adjustment Committee members during the exercise of their duties as required.
- 47.3 Employees who are terminated as a result of a plant closure will receive health benefit continuance with the exception of S&A and LTD, for a period of four (4) months after termination.
- 47.4 Severance payment shall be one (1) week per year of service, pro-rated to 1/12th, for employees terminated as a result of plant closure.

ARTICLE 48 – DURATION OF AGREEMENT:

This Agreement is to be effective **April 28, 2003** and will continue to be effective for a period of four (4) years. The Agreement will be re-opened for negotiations, ninety (90) days prior to the end of the third year, but with no right to strike or lockout. If no settlement is reached, by the end of the third year, the Agreement will be automatically extended for the fourth year of duration, and there after from year to year unless either party gives written notice to the other, not less than ninety (90) days prior to the expiration date of this Agreement, or any anniversary thereof, of its desire for changes or termination of the Agreement.

FOR THE UNION:
UAW-CLC LOCAL 251

FOR THE COMPANY:
ENERGY AUTOMOTIVE SYSTEMS (CANADA), INC.

By: _____
Don Caryn; UAW Int'l Representative

By: _____
Sandra MacDonald; Vice-President Human Resources

By: _____
Bill Pollock; President UAW Local 251

By: _____
Terry Shelswell, Plant Director

By: _____
Rick LaRue; Plant Chairperson

By: _____
Ken Walsh; Human Resources Manager

By: _____
Carl Thompson, Vice-Chairperson

By: _____
Len Baker; Manufacturing Manager

By: _____
Jim Nauta; Bargaining Committee

By: _____
Jason Watts; Bargaining Committee

APPENDIX "A"

LETTERS OF UNDERSTANDING

A. Pay Errors:

Pay errors of four (4) hours or more will be corrected by the next business day after such error has been reported and confirmed. A make-up amount will be issued for approximately 70% to allow for tax adjustments. Any minor adjustments required as a result of this payment will be made on the next scheduled pay. Errors of less than four (4) hours will be corrected on the next scheduled pay. In case of Kronos discrepancies, management will investigate and correct said discrepancies before the next payroll period.

B. Required Doctor's Certificate:

Inergy Automotive Systems (Canada), Inc., will reimburse employees for the cost of any Doctor's certificate, to a maximum of twenty (\$20.00) Dollars, required by the Company.

The Company will not pay for the cost of any Doctor's certificate not required by the Company, including those outlined by the attendance policy for absences of less than three days.

C. Former Employees:

First preference will be given to former employees with good work records when bargaining positions are being filled from external sources. However, this is not intended to restrict the Company from hiring whom it determines to be the most qualified candidate.

D. Work Release Programs :

Employees on a court-ordered rehabilitative work release program will remain on the active payroll so long as normal work hours are maintained.

E. Outside Services:

It has not been and never will be management's intent to displace the company's bargaining unit employees with contractors. Prior to contracting for outside services, management will analyze whether the services can be completed by its employees and will discuss its analysis with the Union. If thereafter management decides not to use outside contractors for that particular service, and as a condition of not using outside contractors for that particular service, the Union agrees, after consultation with affected employees, that it will ensure that the necessary number of qualified individuals in each needed classification will be available for the full duration and scope of the particular service and for the continued day-to-day operation of the facility. In the event of an emergency situation, management reserves the right to contract the necessary services to alleviate the emergency without conducting the analysis or prior discussion with the Union.

F. Team Assignments

The company reserves the right to change team assignments to ensure the continued efficient operation of the plant. When possible and practical, such changes shall be made on a voluntary basis, based on seniority.

G. Investigation Information

In the event a member of the committee is investigating a grievance or potential grievance and finds it is necessary to ask for personal information on behalf of the grievant, the Company representative will promptly find and give the information to the Committee person, provided the employee has given written authorization to release such information.

H. Smoking Area

An outside smoking area will be provided to employees for the life of this agreement, provided it is maintained by the users in accordance with plant housekeeping standards.

I. Back-ups

In the event the Company requires the use of a back-up, but there is a lack of manpower, the Company will canvas for overtime on the shifts immediately preceding and following, to cover the production classification for the back-up to be used.

J. Satisfactorily perform the work

It is understood that for the purposes of this agreement, an employee is deemed to "satisfactorily perform the work" required provided:

- He is able to meet posted work instruction standards, and
- He holds an active license for the classification if required

APPENDIX "B"
LETTERS OF UNDERSTANDING

A. PENSION PLAN

The Company shall contribute into an individual RSP for every hour an employee works:

1st Year	.70
2nd Year	.75
3rd Year	.80
4th Year	.85

Employees will be allowed to contribute to this fund with no maximum per hour

Should an employee elect to contribute he will not be allowed to opt out or change the amount of contribution for a period of one (1) year.

An employee will be allowed to increase or decrease their contributions twice every contract year.

The Pension plan will be completely portable upon retirement, resignation or termination.

The Company will assume all administration fees incurred in supplying this plan.

LETTER OF AMENDMENT

We submit the following letter of amendment to the 2003-2007 CBA, Article 18.1:

Change the “Easter Friday” date in 2006 to the 14th of April from the 4th of April.

This confirms the parties’ original intent during negotiations.

FOR THE UNION:
UAW-CLC LOCAL 251
(CANADA), INC.

FOR THE COMPANY:
INERGY AUTOMOTIVE SYSTEMS

By: _____
Rick LaRue; Plant Chairperson

By: _____
Ken Walsh; Human Resources Manager