





Collective Agreement

between Sterling Trucks, St. Thomas TMP a Division of Freightliner Canada Ltd.

- and -

National Automobile Aerospace Transportation and General Workers Union of Canada (CAW-Canada) LOCAL 1001

March 27, 2006 through March 27, 2009

UNION CALL SCO

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ARTICLE 1 - PURPOSE & RECOGNITION

- **1.01** The general purpose of this agreement is to establish and maintain collective bargaining relations between the Company and its employees, and to provide machinery for the prompt and equitable disposition of grievances and to establish and maintain mutually satisfactory working conditions, hours of work, wages and all other conditions of employment for all employees who are subject to the provisions of this agreement.
- **1.02** The Company recognizes the Union as the sole and exclusive bargaining agent with respect to wages, hours of work, and other working conditions, and this Agreement will pertain to all its hourly and Skilled Trades employees in the bargaining unit.
- 1.03 The word Employee(s) as used in this agreement means hourly rated employees employed by the "Company" at the Sterling Truck Manufacturing Plant and the Customer Ready Building, 350 South Edgeware Road, St. Thomas, Ontario, including the warehouse at 381/385 South Edgeware Road, who perform work in production, maintenance, Quality Assurance and material handling.
- 1.04 The Company will negotiate at all times necessary in the manner provided herein, with the chosen accredited representatives of the Union, for the purpose of determining any disputes which may exist or which may arise as to wages, hours of work, working Conditions, or any other question affecting the employees.

ARTICLE 2 - NO DISCRIMINATION/HARASSMENT

2.01 Both the Company and the Union are committed to providing a workplace free of discrimination and harassment. Management and employees must not engage in discrimination or harassment because of prohibited

grounds, **All** outside contractors will be expected to adhere to all policies on Non-Discrimination/Harassment. Prohibited grounds are race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, marital status, family status and handicap, but will also include political affiliation and language, for example "native language". Prohibited grounds shall be interpreted in accordance with and subject to the provisions of the Ontario Human Rights Code.

The Company and the Union are committed to the concept of equal opportunity in the workplace. Both parties agree to this principle and will promote fair and equitable interaction through mutual respect for the rights of others.

Employees shall not be discriminated against on the basis of Union affiliation.

Harassment is in no way to be construed as supervisory responsibilities, including the delegation of work assignments, the assessment of discipline or any conduct that does not undermine the dignity of the individual.

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

2.02 The Company and the Union recognize that sexual, racial and violent harassment is a cruel and destructive behaviour against others that can have devastating effects.

Sexual harassment includes 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. Racial harassment includes 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.

Violent harassment includes any form of attempted, threatened, actual conduct or physical force of a person that causes or is likely to cause injury, and includes any threatening statement or behaviour that gives an employee reasonable cause to believe that the employee is at risk of injury.

Any confirmed allegations of the above harassment(s) may result in discipline up to and including termination.

- 2.03 Employees who feel they have been subject to harassment or discrimination may file a complaint with the Human Resources Department. The Human Resource Manager, or his/her designee, and the Committee Chairperson, or his/her designee will investigate all complaints jointly and promptly within ten (10) working days from the date the complaint was filed. In certain cases, a Woman's Advocate may he included in the investigation. The employee will be notified of the determination in writing upon conclusion of the investigation. Should an employee be dissatisfied with the resolution, the complaint may be addressed in the grievance procedure at step 3.
- **2.04** This Article is not intended to restrict any employee's right under the Ontario Human Rights Code.

Frivolous charges of harassment may be subject to disciplinary action.

ARTICLE 3 - UNION SECURITY

3.01 All current employees who have not done so and all new employees will be required to complete and sign an Application for Membership and Authorization for Check off of Dues and Initiation Fee on Form A230-86, supplied by the Union to the Company.

- **3.02** The Local Union copy of this form will be forwarded to the Local Union Financial Secretary upon completion.
- 3.03 All dues and initiation fees deducted must be remitted to the Local Union Financial Secretary within fifteen to thirty (15 30) calendar days of the deductions along with a list of names and the amount of each deduction.
- **3.04** The Company will also supply a list of those members who did not have Union dues deducted and the reason why no deduction **took** place.
- **3.05** The Financial Secretary of the Local Union will notify the Company of any change in the amount of Union Dues and/or Initiation Fee to be deducted in line with constitutional requirement of the National Union.

3.06 Union Dues: when to deduct and amount to be deducted

Union dues are payable from the first full pay received by the employee following the date of hire. Minimum amount of Union dues shall be:

- two hours & twenty minutes straight-time per month
- for those members paid by the hour, day, week or month, the dues shall be based on the amount earned per straight-time hour in the last payroll period worked before the dues are payable.

For those whose earnings vary, straight-time earnings shall be based on average earned per hour in the last month worked.

Amount Includes:

• any amounts considered regular pay

Amount Does Not Include:

- shift premiums-overtime premiums
- Saturday, Sunday and Holiday premiums.

Dues Are Payable When Member Receives Benefits in Lieu of Work

- Such As:
- · supplemental unemployment benefits
- · vacation pay
- holiday pay
- jury-duty pay
- · bereavement pay

Dues Are Not Payable When A Member Receives:

- · sick and accident benefits
- · workers compensation benefits

The Union will notify the Company as to whether or not dues will be deducted bi-weekly or monthly.

ARTICLE 4 - DATA TO BE SUPPLIED TO THE UNION

- **4.01** The Company will supply to the Union committee with the following information at the end of every month and send **a** copy to the financial secretary of the local Union office:
 - 1. Employees who are in the bargaining unit regardless of whether or not they paid dues in the month.
 - 2. Employees' number and their hourly rate and classification.
 - 3. Employees transferred into or out of the Bargaining Unit.
 - 4. The number of hours worked in the month.
 - Employees status (i.e. at work, on vacation, STD, LTD, WSIB, retired in the month, any other leave of absence LOA) and the date of occurrence
 - 6. Layoffs and recalls.
 - 7. Employees who have lost seniority.
 - 8. Names, addresses, and postal codes of all retired and active employees.
 - 9. A list of Management will be supplied by the Company when changes are made.

ARTICLE 5 - SENIORITY

- **5.01** The fundamental rules respecting seniority are designed to give employees an equitable measure of security based on length of service with the company.
- **5.02** Seniority will be established and maintained for all employees in the bargaining unit on a plant-wide basis.
- **5.03** All employees' names will appear on a seniority list as of their date of hire, and be revised every three months and posted on plant notice boards. A copy of such list will be given to the Union Chairperson of the Committee.
- **5.04** Employees will be regarded as probationary employees for the first 360 hours of time worked of their employment. Seniority will start from the first date of hire and their name will appear on the Seniority List in order of the respective date of hire. Probationary employees are not eligible to work overtime. The Company may terminate an employee during the probationary period and this action is not subject to the grievance procedure except where matters of discrimination or harassment are alleged.
- **5.05** In the event more than one employee is hired on the same date, the Company will use the employee's surname, in alphabetical order, in determining each employee's seniority standing.
- **5.06** A separate seniority list will be maintained for Skilled Trades employees.
- **5.07** If laid off an employee will be retained in the bargaining unit for a period of sixty (60) months (including those currently on lay-off, sixty (60) months from the date of ratification of this agreement), or for a period of time equal to their accumulated seniority at date of lay-off whichever is greater.
- 5.08 Employees will continue to accumulate seniority while

on lay-off, WSIB, maternity leave, parental leave, adoption leave, Union leave and other applicable sections of the Collective Agreement.

5.09 Service as designated above, shall mean the total of the periods of time during which the employee has drawn pay from the Company, save and except that an employee who was separated from the Company, shall forfeit any service time accrued should he/she later be reemployed. However, employees who have been credited with prior service at the date of signing this Agreement shall not lose such service time accrual.

ARTICLE 6 - LOSS OF SENIORITY

- **6.01** Seniority rights shall cease for any of the following reasons:
 - 1. If an employee voluntarily quits or retires from the employ *of* the Company.
 - 2. If an employee is discharged for just cause and such employee is not reinstated pursuant to the provisions of the grievance procedure.
 - 3. If an employee overstays a leave of absence or remains away from work without permission for a period of more than three (3) consecutive working days, the employee shall be subject *to* discipline up to and including discharge, unless the employee has a justifiable reason for such absence.
 - 4. If an employee fails to report for work in accordance with a notice d recall, or within five (5) working days after registered mailing date of such notice, whichever is later, unless a satisfactory reason is given.
 - 5. If laid off, an employee will be retained on the seniority list for a period of sixty (60) months or for a period of time equal to their accumulated seniority at date of layoff whichever is greater.

6. If an employee accepts a position outside the bargaining unit.

ARTICLE 7 - LAYOFFS & RECALLS & WORKFORCE ADJUSTMENTS

7.01 The company will provide the following notice to the Union based on the following schedule:

| Loss of Shift (no production running) | 90 calendar days |
|---------------------------------------|------------------|
| Mass Layoff (250 employees) | 90 calendar days |
| Addition of a Shift | 90 calendar days |
| Layoffs (<50 employees) | 14 calendar days |
| Internal Work Force Adjustments | 7 calendar days |

In situations where Employment Standards Act 2000 (ESA) dictate a longer notice period based on layoff numbers, ESA will prevail.

- **7.02** Whenever it becomes necessary to decrease the working force, probationary employees will be the first laid off, if further layoffs are necessary, employees with the least amount of seniority shall be laid off.
- **7.03** The Union Plant Committee will be retained, as defined in Article 43 Union Representation, in the employ of the Company during their respective terms of office, notwithstanding their position on the seniority list, so long as the Company has work available which they are able and willing to perform.
- **7.04** Employees who have been laid off in accordance with the above provisions will be returned to work in line of seniority in which they were laid off.
- **7.05** The Company will provide the Chairperson of the Union Plant Committee with a list of employees to be laid off or recalled, also any cancellation of such notices. There will be a separate list for Production employees and Skilled Trades employees.

- **7.06** In the event of a work force reduction (s), the least senior employee(s) in the work group(s) affected will be placed on the displacement list. These employee(s) will have the right to bump into any work group where their seniority is greater than the least senior employee in that work group.
- **7.07** The Company shall not contract outside work performed by Bargaining Unit employees which will have the direct effect of causing a layoff of the affected bargaining unit employees. Bargaining unit work which has been in/out sourced will be returned to the bargaining unit if employees are on lay-off.

ARTICLE 8 - WAGE ADMINISTRATION & RATE PROTECTION

8.01 No job will be re-evaluated either upward or downward during the life of the agreement, except by mutual agreement.

ARTICLE 9 - JOB POSTING

- **9.01** In the event new jobs are created or vacancies occur within the bargaining unit, the Company will post such new jobs and the first vacancy. All other subsequent vacancies will be filled with the senior-most qualified employee who has a job change request form on file in the Electronic Job Request System ("the System"). An employee is required to transfer to the position as designated by the information in the System. The Committee Chairperson and his/her designee may review the selection process.
- **9.02** A vacancy is an unoccupied position, which will require a replacement or addition.
- **9.03** All employees will be moved within fifteen (15) working days of the date the last round in a posting is award-

ed. The Company and Union may elect to delay testing for positions in order to advance through the job award process. The employee will be paid the rate of the new job, if higher, upon the fifteenth (15) working day (or closest Monday *to* the 15th working day, whichever occurs first) from the date he/she is awarded the position by Human Resources

9.04 All working groups will determine the job rotation schedule for the group. However, the Company and Union, in consultation with each other, may elect to **fix** or rotate assignments within groups, if necessary, *to* address quality, training, or ergonomics issues.

When an opening exists within a non-rotating work group, all employees, including the inbound employee, will have the opportunity *to* reselect positions within the work group by plant-wide seniority.

9.05 All positions will be awarded based on entries in the System. Positions will be posted for a period of three (3) days on the Job Posting Boards. Such jobs will also be posted electronically on the System. Interested employees must apply before the closing date and time in order *to* be eligible.

An employee must use the Electronic Job Request System to be considered for the awarding of any and all open jobs. Only those employees with job requests registered in the System no later than the closing date and time of the job posting will be considered for such jobs and all subsequent vacancies arising from such posting.

Job requests remain active in the System for the purpose of awarding any and all jobs (including new jobs, vacancies, and temporary jobs) until:

- a) the employee is awarded a job, or
- b) the employee removes his/her job requests from the System no later than the closing date and time of the job posting.

Once an employee is awarded a job, all job requests in the System become null and void for that employee.

In filling jobs under this section, the employee with the greatest seniority who meets all the job qualifications, including physical/medical requirements will be awarded the job.

Employees on Pregnancy or Parental Leave at the time the job is awarded will be awarded the position if they are the senior qualified person.

9.06 All temporary positions that cover a minimum of a sixmonth time period will be posted. Postings for temporary positions will be marked as TEMPORARY. Upon completion of the temporary time period the employee will return to his/her prior work group. At this point, the employee will be eligible to apply for other postings. Employees filling temporary positions will not stand for placement on a permanent basis within the work group in which the temporary position exists. Due to the temporary nature of the opening, transfers through the Job Posting procedure will be limited to one move only, being the original vacancy. Employees must have a minimum of six (6) months in their current work group to be eligible to apply for a vacancy in another work group.

An employee who is awarded a transfer is not eligible to transfer again for six (6) months and cannot reapply again until that time. This six (6) month waiting period will not apply in cases where employees are displaced due to manpower alignment/layoff or if they had their layoff notices rescinded (an extension beyond notice period; no break in service).

9.07 When necessary to place workers on jobs outside their normal work group assignment, the Company agrees to recognize plant-wide seniority. In the absence of volunteers, the employee with the least seniority and the necessary skills will be assigned. The Company will make all reasonable efforts to first utilize resources such as the

departmental pool resource, overtime opportunities, plant-wide pool resource and then plant-wide. The Company will notify the shift committeeperson of intent to assign work to employees outside their normal work group assignment.

- **9.08** When a new job is created the Company may assign an employee to such job for **a** period not to exceed thirty (30) days. It shall be the responsibility of the Company to establish a wage rate and classification for such new job within twenty (20) days of commencement of the new job. The Company agrees to discuss with the Committee and provide all such data used to arrive at the new classification and rate. If the committee and the company fail to agree on the new rate or classification for such new job, a policy grievance may be filed. The arbitrator will have the authority to set the new wage rate and classification and award redress.
- **9.09** New jobs shall be posted within thirty (30) days of start up, and experience gained as a result of temporary assignment will not be considered as qualification on the posting. The most senior qualified applicant will be awarded the job and if necessary, trained.

ARTICLE 10 - INCAPACITATED EMPLOYEES, RETURN TO WORK PROGRAM (R.T.W.)

- **10.01** In the event an employee becomes physically handicapped and is unable to continue their job, exception will be made in favour of such employee on the following basis.
- **10.02** Employees who are deemed to have permanent restrictions will be placed on the displacement list for purposes of assignment. The Company and Union agree that all reasonable means of accommodating incapacitated employees will only be entered into following a thor-

ough and comprehensive review of the employee's regular assignment and all modified forms of their regular assignment that are not deemed to create undue hardship.

- **10.03** If a job vacancy occurs, which an incapacitated employee can fully perform, they will be placed on such job without the necessity of a job posting. Employees who can fully perform on a partial day four, six or eight hours (**4**, 6, or 8 hours) basis will also be accommodated for a transitional period. Short Term Disability (STD) Top up formula will be maintained as in effect at contract ratification.
- **10.04** A Doctor's certification of disability by the employee's own Doctor must be submitted. An independent medical examination can be required, if determined necessary by the Company. The physician must be agreed upon by the parties and all costs will be borne by the Company.
- **10.05** An employee placed on a job because of a disability will have that disability reviewed at least annually. Costs associated with this annual medical documentation related to permanent restrictions will be reimbursed by the Company.
- **10.06** The Company will review all the circumstances with the Union Committee before exercising this provision. All exceptions to the seniority provisions of the collective agreement must be mutually agreed to by the parties.
- 10.07 Employees with temporary restrictions will have these work restrictions reviewed, in confidence, with area Supervision and the Return-to-Work/Benefits Representative where requested. Employees will first be assessed for accommodation on their team or in their department. In the event that this is not possible, further accommodation opportunities will be reviewed plantwide with input from Human Resources, the OU Manager and/or the Shift Manager. The Return to Work/Benefits Representative will be notified via email

if an employee **is** being accommodated outside of their department.

10.08 This Article is not intended to restrict any employee's right under the Ontario Human Rights Code.

ARTICLE11 - GRIEVANCE PROCEDURE

11.01 The Company and the Union encourage all employees to discuss and fully disclose to their supervisor any problem or complaint in an effort to resolve such problem or complaint before resorting to the grievance procedure. Should a grievance occur, all parties involved shall make an earnest effort to ascertain the facts and seek a fair and equitable settlement through the use of the following procedure.

It is understood and agreed that the grievance procedure will not be burdened with insignificant matters or cases unsupported by facts or common sense.

Complaints not raised within five (5) working days of the alleged violation shall be deemed abandoned and not entitled to consideration thereafter, unless the employee(s) were not aware of the facts leading to the grievance.

Step 1

Any employee having a complaint shall first take the matter **up** with his/her supervisor. If the complaint is not satisfactorily resolved within twenty-four (24) hours, the steward will then submit the grievance in writing to the supervisor. The supervisor shall give his/her decision in writing to the steward within three (3) working days of the receipt of the grievance.

Step 2

Should the Union be dissatisfied with the supervisor's decision the Union may refer the grievance to the Operating/Supporting Unit (OU/SU) Manager, who

shall meet within three (3) days of the request for such meeting with the Committeeperson. The OU/SU shall give his/her decision in writing to the committeeperson within three (3) days of the meeting.

Step 3

If management's decision is not satisfactory to the Union, it may be referred to an arbitrator, provided written notice of the Union's intention to refer the dispute to an arbitrator is given to management within twenty (20) days after management's decision.

- **11.02** In matters concerning discharge or suspension, the grievance may be lodged in writing through the Committeeperson to the Department manager within two (2) working days after the receipt of the grievance. If the decision is not satisfactory to the Union, the Plant Chairperson may then proceed on giving of the prescribed notice of appeal to an impartial arbitrator selected as herein provided.
- **11.03** The term working days when used in this Agreement for grievance procedure, shall exclude Saturdays, Sundays, holidays and vacations as defined herein.
- **11.04** The grievance procedure outlined in this Agreement shall apply equally to a grievance lodged by a group of employees, or to a Union policy grievance.

ARTICLE 12 - ARBITRATION

12.01 If management's decision given following the conference in Step 3 of the Grievance Procedure is not satisfactory to the Union, such grievance may be submitted to arbitration provided written notice of appeal to arbitration is served on Management within twenty (20) working days of the delivery of the Management decision appealed from the Plant Chairperson such appeal to be an impartial arbitrator to he selected by the parties. The decision of the arbitrator shall be final and binding

on both parties. The cost of the arbitrator shall be shared equally by the Company and the Union. Each party shall be responsible for the fees **of** their respective counsel or representatives. The Company will pay for only the grievor and one representative of the Union (exclusive of the Plant Chairperson) for time lost to attend the arbitration hearing. The Union will reimburse all other time lost and expenses. Non-employee witnesses will be compensated by the party requesting their attendance.

- **12.02** The arbitrator shall not have the jurisdiction to alter or change any of the provisions of this Agreement, or to substitute any new provisions in lieu thereof, nor to give any decision inconsistent with the terms and provisions of this Agreement, or to deal with any matter not covered by this Agreement. The arbitrator, however, in respect of a grievance involving a penalty shall be entitled to modify such penalty.
- **12.03** All reasonable arrangements will be made to permit the conferring parties to have access to the plant to view any disputed operations involved in the grievance.
- **12.04** Any allegation that the Company has violated or misinterpreted this Agreement may be lodged in writing as a policy grievance. Thereafter, the policy grievance shall be dealt with as Step 3 of the Grievance Procedure and failing satisfactory settlement at the conference, the policy grievance may then be appealed to an arbitrator by the Plant Chairperson in accordance with the time limits and procedure herein provided for arbitration.
- **12.05** The following panel of arbitrators shall be used on a rotating basis to bear all arbitrations:

Tim Armstrong, Kevin Burkett, K. Alan Hinnegan, Rick McDowell, Mort Mitchnick, Wes Rayner.

ARTICLE 13 - LEAVE OF ABSENCE

13.01 Employees who wish to request a personal unpaid leave of absence must do so in writing by completing the Company's Leave of Absence Request Form. The form must include a reason for the request. The completed form must be given directly to the employee's supervisor by the employee requesting the leave at least one (1) week in advance of the requested start date of the leave, except in cases of emergency. Employees on approved leave of absence will continue to earn credit towards service and seniority.

> Leaves of absence must be signed by the Company and a copy given to the Shop Committee. Approval of leave requests will be at the Company's discretion and will not be unreasonably denied. Consideration will be made for requests for Personal Leaves provided the employee has utilized all available paid time off.

- **13.02** Employees of the Company elected or appointed to a full-time CAW position in the local Union or National Union, will be granted an unpaid leave of absence by the company. Such leaves will remain in effect for a maximum of three years and no more than one (1) employee may be on such leave at any given time. Company paid benefits which will be continued during this leave are limited to pension, medical and life insurance. A second employee will be granted leave without pay or benefits, if requested by the Union.
- 13.03 The Company will grant a leave of absence with pay to members of the Union to attend to Union business outside the plant and will bill the Union monthly for reimbursement. Such leaves must be request by the local Union president or plant chairperson (or alternates) in writing. A maximum of seven (7) employees will be permitted to be on leave at any given time and requests for leaves shall be made as far in advance as practicable. The Union may take possible negative impact of the business into consideration and attempt to minimize.

- **13.04** There will be no leave granted to employees because of incarceration. Employees who can prove that they were wrongly accused will be granted leaves retroactively. The employee's past record and seniority will be taken into consideration in these cases.
- **13.05** The Company will grant an unpaid leave of absence to employees (maximum one per day) to employees who are participating in federal, provincial and municipal elections on the date of the election. Documentation of participation will be provided to the Company.

ARTICLE 14 - PREGNANCY & PARENTAL LEAVE

14.01 Pregnancy Leave

Under the Employment Standards Act, 2000 (ESA), pregnancy leave is a right pregnant employees have to take up to seventeen (17) weeks of unpaid time off work.

Pregnancy leave of absence will be granted, subject to the following:

- 1. Applicable to employees with thirteen (13) weeks or more of service prior to the baby's expected birth date.
- 2. Employee states her intention to return to work and makes **a** formal application for leave of absence **at** least two weeks prior to leaving. If requested by the employer, the application will be accompanied by a certificate from a legally qualified medical practitioner stating the expected date of birth. Formal application will be waived in the case of an employee who stops work because of birth that happens earlier than the date upon which the employee was expected to give birth.
- 3. Leave of absence may begin no earlier than seventeen (17) weeks before the expected due date unless an employee stops work because of complications or earlier delivery date as described in this Article.

4. Leave of absence will be granted under the following options:

Option 1-

Period up to seventeen (17) weeks for pregnancy leave and period up to eighteen (18) weeks parental leave. The period of leave under the option is up to thirty-five (35) weeks duration.

Option 2

Comprised of the period in excess of the combined pregnancy/parental leave. Leave granted under this option shall not result in excess of fifty-two (52) weeks from the date of commencement of the pregnancy leave. Only one option may be selected.

- 5. Employees on Option 1 pregnancy leave will be credited with accrual of seniority and service for the whole leave
- 6. Employees on Option 2 pregnancy leave will be credited with accrual of seniority and service for the first seventeen (17) weeks plus the statutory period of parental leave.
- 7. Once an employee has started her pregnancy leave. she must take it all at once and cannot split the time up.
- 8. An employee who took pregnancy leave who is planning to take parental leave must give the employer written notice. It may be given at the same time as notice is given for pregnancy leave. If it isn't, it must be given at least two (2) weeks before the pregnancy leave ends.
- 9. Benefits coverage shall be maintained for eligible employees while on pregnancy leave in accordance with the provisions of the Employment Standards Act, including accumulation of service, pensions, and vacation pay earnings.

14.02 Parental Leave

Parental leave is a right that new parents have to take 24

unpaid time off work when a baby or child is born or first comes into their care.

Parental leave of absence shall be granted as follows:

- 1. Applicable to employees who have thirteen (13) weeks of service prior to the date the parental leave **is** going to start.
- 2. Applicable to **an** employee who has qualified for pregnancy leave in the circumstances of a live birth or an employee who, not having given birth to a child, has thirteen (13) weeks of service prior to the date **of** parental leave and:
 - a) Who is in a relationship of some permanence with a parent of a child who has come into the employee's care, custody and control for the first time and who the employee intends to treat as a child of his/her own, or
 - b) Who is the natural father of a newborn child or a child who has come into his care, custody and control for the first time, or
 - c) Who is an adopting parent (whether or not the adoption has been legally finalized.
- Employee states his/her intention to return to work and makes a formal application for parental leave of absence at least two weeks prior to date of leaving.
- 4. Parental leave must begin:
 - a) In the case of an employee who has taken pregnancy leave, immediately following the pregnancy leave unless the newborn child has not yet come into the custody, care and control of the employee for the first time, or
 - b) In the case of an employee who is-not entitled to take pregnancy leave, no more than fifty-two (52) weeks after the child is born or comes into the custody, care and control of the employee for the first time.
- 5. Parental leave will he for a period of up to thirty-five (35) weeks.

- Once an employee has started parental leave, he/she must take it all at one time and cannot split the time up.
- Employees on parental leave will be credited with accrual of seniority and service for up to thirty-five (35) weeks.
- **14.03** Return to work following pregnancy or parental leave shall be as follows:
 - a) The employee must request reinstatement from pregnancy leave in writing and she will be reinstated provided she is cleared by the company medical department. If an employee does not specify a return date from pregnancy leave, the employer will assume she will take the full amount of her pregnancy leave. If the employee wants to change the date she will return to work, four (4) weeks written notice must be given.
 - b) When an employee is ready to return from pregnancy or parental leave, reinstatement will be in accordance with the appropriate following procedure:

Employees returning from leave will be retained on the job held on the date of proceeding on leave, seniority permitting. Should the job held be eliminated, he/she shall exercise their bumping rights by Plantwide seniority.

c) If an employee does not specify a return date from parental leave, the employer will assume the employee will take the full period he/she is entitled to. If the employee wants to change the date he/she will return to work, four (4) weeks written notice must be given.

14.04 Benefits during pregnancy and parental leave:

Benefit coverage shall be maintained for eligible employees while on adoption and parental leave in accordance with the provisions of the Employment Standards Act 2000 (ESA), as amended from time to time.

Pregnancy and parental leave under the Employment Standards Act are different from pregnancy and parental benefits under the federal Employment Insurance Act. For information about pregnancy and parental benefits, employees are encouraged to contact the local Human Resources and Social Development Canada (HRSDC).

ARTICLE 15 - PUBLIC OFFICE LEAVE OF ABSENCE

15.01 An employee with seniority and service, elected or appointed to a full-time Federal, Provincial, or Local public office, may make written application for a leave of absence for the period of his/her first term of active service in such public office. If such leave is granted, additional leaves of absence for service in such office may be granted at the option of Management upon written application by the employee. No benefits will be provided under these circumstances.

Any employee granted such leave of absence shall be entitled to reinstatement at the then current rate of pay, to such work as she/he may be entitled on the basis of the seniority provisions of this Agreement. Seniority and service rights will continue to accumulate during the period of such leave of absence.

ARTICLE 16 - MANAGEMENT RIGHTS

16.01 It is expressly understood and agreed that all the rights heretofore exercised by the Company as the owner and operator of the business and not expressly contracted away by a specific provision of this Agreement are retained solely by the Company and may be impaired only with the express consent of the Company.

The Company agrees that the rights of Management will not he applied in any manner that is inconsistent with the provisions of agreement.

ARTICLE 17 - VACATIONS

17.01 Sterling's vacation year runs from April 1st to March 31st. Employees who on March 31st, have 1 or more years of service will be entitled to the following:

| 2-weeks vacation following | 1 year of continuous service. |
|----------------------------|---------------------------------|
| 3-weeks vacation following | 5 years of continuous service. |
| 4-weeks vacation following | 12 years of continuous service. |
| 5-weeks vacation following | 20 years of continuous service. |

When an employee reaches their 5th, 12th, or 20th anniversary date, they will, on that date, become eligible for additional vacation days as outlined in the schedule below:

If the employee's anniversary date falls in the calendar month of

| April | May | then there will be an addition of | 5 days |
|--------|-------|-----------------------------------|--------|
| June | July | | 4 days |
| August | Sept. | | 3 days |
| Oct. | Nov. | | 2 days |
| Dec. | Jan. | | 1 day |
| Feb. | March | | 0 days |

These additional days may be booked during the "open booking period" but can only he taken after an employee's anniversary date.

17.02 Vacation Pay

Employees who qualify for vacation as listed above and have worked **a** minimum of 1200 hours in the vacation qualifying year will be entitled to 4% of vacationable earnings or full pay during eligible vacation time or ((1/52)/5) of the qualifying years' vacationable earnings times the number of days entitlement, whichever is greater. Any employee, who has worked less than 1200 hours during the qualifying year, for each week of vacation they are entitled, will be eligible for the vacation time with prorated pay in an amount equal to four percent (4%) of gross vacationable earnings.

Any employees falling into this category will receive written confirmation of such, by Payroll, at the commencement of the vacation year. Employees placed in this category due to Maternity/Parental Leave are excluded from this formula.

Employees who on March 3 1st have less than 1 year of Service will be credited with 1 day of vacation for each full month of service to a maximum of 10 days with vacation pay of 4% on vacationable earnings from the previous qualifying year.

Should an employee find that he/she will not receive a full current pay for the entire vacation time, he/she will have two options:

- 1. Take the vacation time off without full current pay
- 2. Take the vacation time covered by full pay and take whatever residual vacation pay is left in cash. Please check with Payroll if you have any questions.

Vacations must be taken within the vacation year following the qualifying period in which it is earned. No vacation may be accumulated and carried over beyond this time. Upon eligibility of vacation, one of the weeks may be taken in units of days and other weeks should be taken in minimum amounts of one week, with exception approved by your Supervisor. It is the responsibility of the employee to track their total vacation time taken. Extra time taken will not result in payment beyond entitlement nor borrowing from future vacation yet to be earned. Any extra time taken will affect the employee's attendance record.

17.03 Scheduling (During "Open" Booking Period)

The vacation schedule will be "open" the first Monday

of February and will be frozen after ten (10) working days. Approved vacation forms will be returned to employees by March 1st for the upcoming vacation year.

Employees MUST have booked **ALL** of their current year vacation entitlement prior to being eligible to book vacation for the upcoming vacation year. Should an employee not book all their vacation by the first Monday in February of the vacation year in question, the company reserves the right to schedule any unbooked vacation time; in which case, the employee will be required to take the vacation on those scheduled dates.

Vacation scheduling is decided by plant seniority within your work groups and vacations are to be taken at a time mutually convenient to the employee and production needs. It is the employee's responsibility to contact the Company during the open booking period to schedule vacation if off work due to STD/WSIB/LOA, etc. It is the area Supervisor's responsibility to see that employees take all earned vacation.

Vacation allowance will be determined by work group size, as identified below:

17.04 During Prime Time:

Definition: Designated periods commence two (2) Fridays before Victoria Day weekend up to and including the second Friday after Labour Day: and five (5) working days before the Christmas shutdown and five (5) working days after the last day of Christmas shutdown.

| Size of Work Group | Maximum # Employees Off |
|-----------------------|----------------------------|
| 1-11 | 1 |
| 12 -18 | 2 |
| 19-25 | 3 |
| 26+ | l 4 |

There will be up to two (2) weeks maximum vacation scheduled during prime time until the schedule has been through the whole work group.

17.05 Outside of Prime Time

There will be an allowance of one (1) employee off at a time with the exception of work groups consisting of twenty-six (26) or more employees who will be allowed two (2) people off at the same time outside of prime time.

In order to allow whole weeks to take precedence over single days, the booking schedule will be as follows:

First week of the open booking period - whole weeks (defined as Monday to Friday)

Second week of the open booking period - single days

17.06 Single Day(s)

During the open booking period in February, a single day vacation will be approved so long as the maximum allowable limit of vacationing employees **is** not exceeded. During this open booking period, a single day vacation may be scheduled, over and above the maximum allowable per work group at the work group's discretion and when approved by the area Supervisor.

During prime time, employees are allowed to schedule only one (1) single day vacation per vacation year around a Statutory Holiday. When this opportunity has been offered to all employees, the schedule can then be opened to book additional single days around a Statutory Holiday during prime time, again by seniority. Other single day vacation may be taken in conjunction with other Statutory Holidays outside of prime time.

When a Statutory Holiday falls during the week of an employee's scheduled vacation, this will be considered **a** full week for vacation purposes which entitles this employee to schedule one more single day vacation **as** stated above.

17.07 Scheduling (Outside Open Booking Period)

Vacation requests will be granted on a first come first served basis within the stated limits as defined under the "During Prime Time" and "Outside Prime Time" scheduling language provided that a written notice of five (5) working days is received. Vacations requested with less than a written five (5) working day notice may be scheduled at the work group's discretion and when approved by the area Supervisor. Outside the open booking period, there is no requirement for full weeks to take precedent over single days.

17.08 Transfers and Changes

If an employee is scheduled to transfer before the new vacation schedule is frozen, then they will resume their original seniority date for vacation scheduling purposes and schedule with their new work group. An employee will be required to reschedule their vacation should they be scheduled to transfer to a work group after vacation schedules are frozen and if their time booked would exceed the maximum number of employees allowed off at one time. The removal date of the posting will be used to identify the scheduled transfer date.

When vacation time becomes available due to an employee leaving the work group or an employee canceling their choice, the vacation time will be opened up to the remainder of the work group starting with the next senior person under the transferee/cancellation and down until filled. This applies in circumstances where either a whole week or a single day was cancelled.

If the time remains open after this, additional vacation can be scheduled by an employee over the two (2) week prime time limit.

Should no employee wish to book the entire week that time may then be broken into single days and this opportunity will be offered starting with the most senior employee in the work area.

17.09 Vacation Cancellation

Cancellations must be received prior to the start of shift, two (2) working days preceding the scheduled vacation day(s) and will be in increments of the originally scheduled vacation time (i.e., if a full week is booked, the full week must be cancelled).

In the event of a scheduled shutdown, employees would be given the opportunity to cancel and reschedule any pre-booked vacation time coinciding with the shutdown period.

Should an employee cancel a scheduled vacation time with less than five (5) days notice but with two (2) or more days notice, another employee will be permitted to book the original vacation time that was cancelled with a minimum of two (2) working days notice.

ARTICLE 18 - REPORTING IN PAY

- **18.01** Any employee reporting for work on their regular scheduled shift, and who has not been properly notified not to report will receive a minimum of four (4) hours pay at the applicable hourly rate, or time and a half the applicable rate for hours worked, whichever is greater.
- **18.02** Employees who have commenced the second half of their shift shall be paid for the balance of the shift.

However the Company shall not be liable for wages for time lost due to emergency situations which are beyond the Company's ability to control. "Emergencies" include significant events such as fire, explosions, power failure, major computer or equipment failure, or act of God.

ARTICLE 19 - EMERGENCY CALL BACK PAY

19.01 Any employee called back to work after completion of their regular shift shall receive in such instances a minimum of four (4) hours pay based on their regularly hourly rate, or time and a half, whichever is greater.

ARTICLE 20 - INJURY ON THE JOB

20.01 Employees who are injured at work and who are unable to continue at their job shall be paid their regular earnings for the balance of the shift on which the injury occurs.

ARTICLE 21 - JURY DUTY

- **22.01** Any employee who, by reason of any summons, subpoena, writ, petition or other legal process, is required to be absent from work shall be granted **a** leave **c** absence for the period of time required. The employee shall retain and accumulate seniority and service while on such leave of absence.
- **22.02** Employees who serve on a jury or are examined to be a juror, you will receive full pay plus jury pay. The Company may require proof of attendance from the court.
- **22.03** Sterling further recognizes that it may be necessary from time to time for employees to appear in court as witnesses in various legal proceedings. Should this occur, employees who have received a valid court order or subpoena to appear in court during working hours as a witness, and not **as** a principal in the court action itself, shall receive pay for such time missed.

ARTICLE 22 - BEREAVEMENT LEAVE

- 22.01 Employees shall be granted UP TO five (5) consecutive working days off with pay for funeral leave in the event of the death of a member of their direct immediate family. Non-consecutive days may be approved by your Manager/Supervisor to accommodate special funeral arrangements. DIRECT IMMEDIATE family is defined as spouse, parent, child, step-child, brother or sister.
- **22.02** Employees shall be granted UP TO three (3) consecutive working days off with pay for funeral leave in the

event of the death of a member of their immediate family. Non-consecutive days may be approved by your Manager/Supervisor to accommodate special funeral arrangements. IMMEDIATE family is defined as foster child, foster parent, step—parent, parents-in-law, sisterin-law, brother-in-law, grandparents, grandparents-inlaw, step-grandparents, grandchildren, and legal guardian of the employee.

These definitions also include common-law relationships as defined under our benefits package.

22.03 If notified at work of a death in the direct/immediate family, and the employee feels the need to leave immediately, that day will be paid in full. It will not count as one of the "up to three or five (**3** or 5) days" given.

Employees experiencing a bereavement situation for direct/immediate family while on vacation, will receive bereavement leave with pay at the time of death and the vacation period will be extended for UP TO three or five (3 or 5) consecutive working days. If a designated plant holiday, as identified by the Company, occurs during a bereavement period, no additional paid days will be recognized beyond the holiday. This also applies to employees off work on temporary work interruption.

- **22.04** Employees shall be granted UP TO one (1) working day off with pay for funeral leave in the event of the death of their aunt or uncle.
- **22.05** Employees will be granted time off with pay for UP TO one (1) day to attend the funeral of persons, other than members of their immediate family with whom they have had especially close relationships. Each case MUST BE reviewed by your Manager/Supervisor on an individual basis prior to approval being granted.

ARTICLE 23 - TRAVELING ALLOWANCE

23.01 The Company will reimburse eligible employees for business related travel at the going Corporate rate. The

Company will provide the Union with information on Corporate rates that the Company relies on to provide travel reimbursement.

ARTICLE 24 - BENEFITS

- **24.01** The Company shall establish the plans set out in this agreement. The Company is responsible for the administration and application of such plans.
 - a) In the event that the Company determines to provide benefits through an insurer, no policy provisions, except those which are negotiated through Collective bargaining shall apply.
 - b) The Company shall provide the Union with any insurance policies that the Company relies on to provide the benefits. The Company shall provide the Union with a copy of any proposed amendment to such policies 30 days prior to their implementation and a copy of the final version with 30 days after their final approval.
 - c) Any policies or amendments which do not comply with this article are void for the purposes of the Collective Agreement

ARTICLE 25 - LUNCHROOM, WASHROOM & FIRST AID

- **25.01** The company shall provide for all employees a proper lunchroom facility that will include vending machines, microwave ovens, and soft drink machines.
 - · Clean sanitary washrooms shall be maintained.
 - First aid facilities shall be supplied by the company.

ARTICLE 26 - BULLETIN BOARDS

26.01 The Committee will have the use of bulletin boards in the main employee entrance and the employee entrance

of the warehouse located at 381/385 South Edgeware Road. Such bulletin boards to be supplied by the Company. Use of Union bulletin boards shall be limited to the following:

- a) Recreational and social affairs of the Union;
- b) Union meetings;
- c) Union elections or appointments.

The Union will also have the use of the information boards in the lunchrooms to post notices about the recreational and social affairs of the Union.

ARTICLE 27 - DISCONTINUATION OF TEMPORARY EMPLOYEES

27.01 The Company will not hire conditional contract (temporary) employees to perform production work in the bargaining unit during the life of the contract.

ARTICLE 28 - PAY DAY

- **28.01** Pay day shall be once per bi-weekly period on Friday. In the event that a paid holiday falls on a Friday the payday shall precede the holiday.
- 28.02 Employees will have their pay cheques paid by direct deposit. The Company will distribute pay cheque statements to employees no later than the team huddle meetings on Fridays (Thursdays for the 3rd shift) in the weeks in which pay is disbursed. Team Leaders will support distribution when feasible. Cheque statements not distributed during the huddle meeting will be mailed to the employee's address of record.
- **28.03** Errors in excess of six (6) hours pay will be paid by a manual cheque by no later than the end of the next business day.
- **28.04** The TRACs system plays an integral part in the accurate payment of employee wages and the distribution of such

expenses to the proper production cost centres and ultimately to the Company's financial accounts.

It is every employee's personal responsibility to badge into and out of the TRAC system every day. "Badging in and out" is the only valid method of recording time; it is not the responsibility of management or Team Leaders to validate the timing of an individual employee's arrival and departure time each shift.

Employees are expected to be in their work area to attend their team meeting at the start of each shift. If an employee does not badge into the TRAC system he/she must speak to their respective supervisor on that day to initiate a manual process to input this data. If a badge has been misplaced or lost, employees are to notify their Supervisor, who will make arrangements for a replacement.

28.05 Overpayments by the Company to employees will be reimbursed to the Company. Should circumstances warrant it, special consideration will be given to the timing of such repayments.

ARTICLE 29 - COPY OF AGREEMENT

- **29.01** Company to provide a copy of the Collective Agreement in booklet form to all employees within sixty (60) days of ratification.
- **29.02** The Company shall also supply an outlined brochure of all the company paid benefits such as insurance, visions care, dental plan and pensions.

ARTICLE 30 - STRIKES & LOCKOUTS

30.01 The Company and the Union agree to abide by the Ontario Labour Relations Act with respect to strikes and lockouts. Further and specifically, it is agreed that during the life of this Agreement, the Union shall not cause

or support, nor shall any employee or employees take part in any action against the Company such as a strike, intentional slow down of production, or any other interference with or stoppage of the Company's work. The Company, for its part, agrees that there shall be no lockouts during the life of this Agreement.

ARTICLE 31 - SHIFT PREMIUMS

31.01 Shift premium of one dollar (\$1.00) per hour will be paid to employees for scheduled shifts in which the majority of the straight time hours worked fall on the afternoon (2nd) or midnight (3rd) shift.

ARTICLE 32 - DOWN WEEKS

- **32.01** The Company will give at least two (2) weeks notice prior to **any** announced down weeks.
- **32.02** Summer vacation shutdown periods of only one (1) or two (2) weeks duration may be scheduled at the Company's discretion when desirable or circumstances dictate. Summer shutdowns will be announced as early in the year as possible to allow vacation scheduling. Potential scenarios discussed and tentatively agreed upon for summer shutdowns include alternating shutdowns between shifts.

ARTICLE 33 - ADJUSTMENT PROPOSALS

Applies when fifty (50)or more employees are affected

33.01 The company will participate in a labour-management adjustment committee, and *up to* one hundred thousand dollars (\$100,000.00) will be available when required: and that the Union will seek financial assistance from the Industrial Adjustment Service (federal government) and the Office of Labour Adjustment (in Ontario).

- **33.02** Every worker who is to be laid off will receive an indepth (one hour) individual needs assessment conducted on company time and provided at company expense.
- **33.03** The bargaining committee and the Union representatives on the Adjustment Committee (three (3) maximum unless Increased by mutual agreement) will be provided sixteen (16) hours of training on adjustment issues and processes as determined by the bargaining committee. The training will be conducted on company time and at company expense.
- **33.04** The company will provide adequate release time to members of the Adjustment Committee to effectively do their jobs.
- **33.05** Office space for an Action Centre equipped with computers, telephones and other office machinery will be provided by the company.

ARTICLE 34 - SKILLED TRADES

- 34.01 Skilled trades for the purpose of this agreement shall be those trades and Classifications listed below: Electrician Millwright
- **34.02** The term Journeyman/Journeywoman as used in this Agreement shall mean any person:
 - a) who presently holds a Journeyman/Journeywoman classification in a skilled trades occupation as listed in one (1) above, and
 - b) who has served a bona fide apprenticeship of four (4) years - 8000 hours or five (5) years - 9000 hours and holds a certification which substantiates his/her claim of such service, and holds a Certificate of Apprenticeship in such trade, or
 - c) who has eight (8) years of acceptable practical experience in the Skilled Trades classification in which he/she claims Journeyman/Journeywoman status and can prove the same, and

- d) who holds an Interprovincial License or Ontario License and Certificate of Qualification issued by the Ministry of Colleges and Universities provided they qualify under (b) and (c) above.
- e) Any further employment in the Skilled Trades occupations as listed in one (1) above, after signing of this Agreement, shall be limited to Journeyman/Journeywoman and Apprentices.
- f) A CAW Journeyman/Woman Skilled Trades Card will be accepted as proof of qualification.
- g) The Company will present to the Skilled Trades Chairperson proof of qualifications before hiring.

34.03 Seniority

- a) Seniority in the Skilled Trades shall be by the listed trades within the Company, as listed in number one (1) above.
- b) Future employees entering a trade, shall have date of entry seniority in the Skilled Trades as listed in number one (1) above.
- c) Future employees that qualify and enter a trade from Production will maintain their vacation entitlement, and will choose their vacation entitlement based upon their date of entry seniority into the Skilled Trades, as listed in number one (1) above.
- d) Layoff and recall procedure for Skilled Trades employees will be by date of entry seniority in the Skilled Trades, as listed in number one (1) above.
- **34.04** In the event of a decrease of employees in the Skilled Trades, the following procedure shall apply:
 - a) FIRST, probationary employees will be laid off in the reverse order of date of entry seniority in the Skilled Trades, as listed in number one (1) above.
 - b) SECOND, apprentices will be laid off in the reverse order of date of entry seniority in the Skilled Trades, as listed in number one (1) above.
 - c) If further employees are to be laid off, such employ-

ees will be laid off in the reverse order of date of entry seniority in the Skilled Trades as listed in number one (1) above.

- d) It is understood that seniority **of** the Skilled Trades employees shall not be applicable to production departments.
- **34.05** Should a Skilled Trades employee become permanently medically unfit and unable to follow his/her skilled trade, both the Company and the Union will co-operate in endeavouring to place such an employee on **a** job he/she is capable of performing taking their total seniority with them. However, if placed in a non-skilled classification he/she shall then forfeit all rights within the Skilled Trades.
- **34.06** The Company agrees to deduct Canadian Skilled Trades Council dues as adopted by the Canadian Skilled Trades Council, equal to one-half (1/2) hour of wages per year. This first such dues deduction will be made from employee's first pay following completion of their probationary period. Thereafter, dues deductions will be made in January of each succeeding year or upon completion of one months work in the calendar year. These deductions along with the names of the employees shall be remitted to the Financial Secretary of the Local Union.

The deduction of the Skilled Trades Council dues shall be a condition of employment in the Skilled Trades.

34.07 The Company will provide an annual \$150 tool allowance for Skilled Trades employees. The Company will replace any stolen, broken or worn out tools incurred by the Skilled Trades Journeyman/Journeywoman in the normal line of duty.

The Company shall endeavour to replace tools in a timely fashion to minimize impact on employees and the company.

34.08 Vacation

- a) Vacation scheduling shall be decided by date of entry seniority within their classifications, in the Skilled Trades, as listed in number one (1) above.
- b) Team Leaders will book their vacations separately as per current practice.
- **34.09** Clothing and/or boots, appropriate for the weather or conditions, shall be supplied by the Company to Skilled Trades employees who due to the nature of their work, will be required to work in inclement weather or in adverse conditions.
- **34.10** The Company agrees to pay the cost of license renewals for Skilled Trades employees, who are required to have their licenses renewed.
- **34.11** Team Leaders of Skilled Trades employees shall have Journeyman/Journeywoman status within the Skilled Trades as listed in number one (1) above.
- **34.12** Skilled Trades employees will be scheduled to work a mandated production Saturday on the shift schedule they worked that same week. Volunteers wishing to work on a mandated production Saturday shift may be scheduled to offset mandated employees.
- **34.13** During any shutdown period, the current rotation of Skilled Trades shifts that rotate will continue on the established schedule.

34.14 New Technology Training

During negotiations, the parties discussed concerns regarding the introduction of new technology in the Plant and its impact on the Skilled Trades workforce. Recognition was given to the role of the Skilled Trades workforce and their contributions to the competitiveness of the Company. Recognition was also given to the need for a co-operative attitude toward technological progress on the parts of all parties ensuring the Company's growth and its ability to compete effectively. When necessary, the Company shall provide appropriate specialized training programs so that Skilled Trades employees, including apprentices will be capable of performing the new or modified work.

Such training will normally consist of instruction in the operation, maintenance, preventative maintenance and repair of the equipment.

34.15 Job Security and Job Ownership

In order to minimize the potential for reduction of Skilled Trades employees as a result of outside contracting throughout the life of this Agreement, the following joint efforts shall be implemented:

- a) *Planning* Plant management shall meet periodically to review with the Skilled Trades Chairperson projected work loads regarding the installation, maintenance, repair, service, and warranty work of existing or new equipment, facilities and the fabrication of tools, dies, jigs, patterns and fixtures.
- b) Information Advance notice of outside contract activities will be provided, in situations other than emergencies, at least ten (10) days in advance to permit meaningful discussion and a careful analysis of the Company's Skilled Trades workforce capabilities in connection with the subject work. This notice will provide the Union with information on the nature of work, including plans and the number of trades persons required to perform the work.

When sub-contractors are involved with the installation, maintenance, repair, service and warranty work of existing or new equipment, Skilled Trades employees shall be assigned to assist and/or observe in the work being performed if there is a learning opportunity. If a Skilled Trades employee notices flaws, problems or inappropriate workmanship, he/she shall report the same to his/her Supervisor.

c) **Layoff** and **Recall** - When Skilled Trades employees are on layoff, the nature of work which they cus-

tomarily perform, and consideration is being given to outside contracting said work, Skilled Trades employees will be given first opportunity for the work. There may be times when it is not appropriate to recall Skilled Trades employees for short durations. These circumstances will be determined by mutual agreement of both parties.

d) Full Utilization - It is the policy of the Company to fully utilize its own employees in maintenance Skilled Trades classifications in the performance of all Skilled Trades work. Consistent with local scheduling practices, when such work is required to be performed, Skilled Trades employees will be given first priority to do such work provided they are capable of performing such work.

The Company will consider adding additional Skilled Trades work, in lieu of subcontracting if an economic justification can be made to the satisfaction of the Company.

The Company will not eliminate jobs or deprive Skilled Trades employees of overtime opportunities by outsourcing work performed by our Skilled Trades employees, when the work may be performed in a timely and cost efficient manner.

- 34.16 Employees other then Skilled Trades must obtain permission from the Skilled Trades supervisor/manager and Skilled Trades Chairperson or alternate prior to utilizing any tools or equipment in the Maintenance Shop.
- **34.17** Dollies will be inspected and repaired by the Skilled Trades Department.
- **34.18** When Skilled Trades are working on three (3) shift operation their lunch period will be paid
- **34.19** Skilled Trades employees dedicated to paint will be paid an additional \$1.00 per hour premium

ARTICLE 35 - HOURS OF WORK

35.01 Unless otherwise agreed, employees will normally be scheduled to work eight (8) hours per day, five (5) days per week, Monday through Friday. The normal shift hours during two (2) shift operations will be:

1st shift 06:30 a.m. to 03:00 p.m.

2nd shift 03:00 p.m. to 11:30 p.m.

The normal shift hours during three (3) shift operations will be:

 1st shift
 7:00 a.m. to 3:00 p.m.

 2nd shift
 3:00 p.m. to 11:00 p.m.

 3rd shift
 11:00 p.m. to 7:00 a.m.

The normal workweek and shift times may be changed by mutual agreement and neither party will unreasonably withhold their mutual agreement. It **is** understood quality and efficiency requirements are paramount in any case.

Employees shall be deemed to have been assigned to work **unless** notified not to report at or before the close of the previous shift worked.

Should circumstances or an emergency arise that are beyond the company's control which calls for a temporary shutdown, the Company shall not be liable for wages to any employee for time lost. "Emergency" shall be defined as a situation resulting from causes such as fire, explosion, power failure, major computer failure, or act of God.

35.02 Alternate Schedules

Should the plant operate on a two-shift non-rotating schedule, the afternoon shift employees may choose to vote on working four (4), ten (10) hour shifts per week.

Guidelines for a ten (10) hour day, four (4) day work week shall be as follows:

- The parties agree that the workweek shall consist of ten (10) hours per day, four (4) days per week (forty (40) hours), Monday through Thursday. Daily overtime will be paid after ten (10) hours in a twentyfour (24) hour period.
- Scheduling of overtime will follow language as outlined in Article 41 - Overtime Equalization.
- 3) The parties agree that all relevant sections of the Collective Agreement shall be adjusted to reflect a ten (10) hour schedule. The list of these changes include: vacation, short term disability, holidays, perfect attendance pay, personal time off, scheduled days off, rest periods, bereavement leave.

35.03 Paid Rest Period

For a three (3) shift production schedule, there is a thirty (30) minute paid lunch per shift. For other than a three (3) shift production schedule, there is a thirty (30) minute unpaid lunch period.

For a three (3) shift production schedule, there is a twenty (20) paid rest break. For other than \mathbf{a} three (3) shift production schedule, there are two (2) fifteen (15) minute paid rest periods. These may be taken consecutively.

Employees on a ten (10) hour shift schedule are entitled to 2.5 hours break time per week.

For employees working overtime, one (1) additional thirty (30) minute paid break will be provided during periods exceeding their regularly scheduled shift of three (3) or more hours in duration.

The Company will have discretion to establish break times that align with production requirements. Notification will be provided to the Union prior to any change in break times, except in emergency situations.

Employees are entitled to a five (5) minute paid wash up period immediately prior to the end of the shift.

ARTICLE 36 - PERSONAL TIME OFF & SCHEDULED DAYS OFF

36.01 Personal Time Off (PTO)

The Company offers a program whereby all new/recalled employees are allocated a maximum of 40 hours of "Personal Time Off' (PTO) depending on their start date. Thereafter, at the beginning of each calendar year of active employment, all employees are credited with 40 hours of PTO. For employees who commence or re-commence employment (return from recall) during the year, their eligibility will be as follows:

Start Date Eligibility (8-hour shift operation)

| Prior to February 29 | 40 hours |
|---------------------------|----------|
| March 1 to April 30 | 32 hours |
| May 1 to June 30 | 24 hours |
| July 1 to August 31 | 16 hours |
| September 1 to October 31 | 8 hours |
| November 1 to December 31 | 0 hours |

PTO can be taken in 30 minute increments following a one-hour minimum period.

PTO may be used in three (3) ways:

- a) PTO can be utilized at the employee's discretion to satisfy any portion of the Short Term Disability (STD) waiting period.
- b) PTO can be scheduled and taken as a single day vacation (two (2) days to book/two (2) days to cancel).
- c) PTO can be used to cover sickness or injury.

If not used, PTO will be paid off annually.

36.02 Scheduled Days Off (SDO)

The Company offers a program whereby all new/recalled employees are allocated a maximum of two (2) days of "Scheduled Time Off" (SDO) depending on their start date. Thereafter, at the beginning of each

calendar year of active employment, all employees are credited with two (2) days of SDO. For employees who commence or re-commence employment (return from recall) during the year, their eligibility will be as follows:

| Start Date | Eligibility | (8-hour shift operation) |) |
|----------------|-------------|--------------------------|---|
| January 1 to . | June 30 | 2 days | |
| July 1 to Dec | ember 31 | 1 day | |

SDO can be scheduled and taken as a single day vacation (two (2) days to book/two (2) days to cancel).

If not used, SDO will be paid off annually.

ARTICLE 37 - APPROVED TIME OFF (ATO)

- **37.01** When an employee's medical or other personal appointments cannot be scheduled outside normal working hours, time off without pay may be approved. Approved Time Off is considered an excused absence.
- **37.02** Employees may be permitted to take up to six (6) hours per quarter as Approved Time Off (four (4) hours maximum at any one time). A quarter is defined as the three consecutive months: (January March, April June, July September, October December). Approved Time Off can be taken in 30 minute increments following a one hour minimum period, each occurrence.
- **37.03** Approved Time Off must be arranged and approved in advance of the time off requested by your Manager/Supervisor. It is the responsibility of the employee and his/her Supervisor to track the employee's time accordingly.
- **37.04** Employees will be required to provide as much notice **as** possible, but no later than 48 hours prior to the requested time off. Supervisors will respond to the ATO request as soon as possible, but no later than 24 hours prior to the requested time off.

ARTICLE 38 - ATTENDANCEAND ABSENCES

38.01 Regular and punctual attendance is the responsibility of each employee and is a condition of continued employment with the Company. Every employee is expected to report to work, on time, for each of your scheduled shifts. If you are unable to report for your scheduled shift, it is your responsibility to notify the Company.

In order to maintain acceptable standards of attendance and to provide for fair and consistent treatment of employees receiving corrective action for excessive absenteeism, the following Attendance Management Program is effective upon ratification.

- **38.02** Absences may be non-chargeable (excused absences which are not charged against the employee's attendance record) or chargeable (unexcused absences which are charged against the employee's attendance record and where corrective discipline will be imposed under Article 38.04).
 - 1. Absences (Non-chargeable)
 - Approved Military Leave of Absence
 - Holidays
 - Vacations
 - · Jury Duty/Court Appearances
 - Bereavement Leaves
 - · Layoffs or temporary plant closures
 - Birth of a Child ("Baby Day")
 - Approved Voluntary Emergency Leaves (volunteer fire/police)
 - Approved Pregnancy and Parental Leaves of Absence
 - WSIB
 - Scheduled Days Off (SDO)
 - Approved Time Off (ATO)
 - Road closures. Satisfactory proof of road closure will be required.
 - Approved Personal Leaves of Absence

- Approved Medical Leaves of Absence (STD)
- Approved Leaves for Union business
- Approved Emergency Leave of Absence (ELOA)
 maximum 10 days/year
- 2. Absences (Chargeable)
 - Casual Absenteeism
 - Absences Beyond ELOA entitlement
 - Lateness (defined as within the first hour of the shift)
 - Absence on Committed Overtime whether voluntary or mandatory

38.03 Absence Notification

All employees must use the TIPS call in system (637-6101) or (1-800-206-9701) to inform the Company of their absence. For full day absences, the call must be made prior to the start of the employee's scheduled shift. For lateness, the call must be made within the first 30 minutes of the employee's scheduled shift start at the latest. Employees must document their confirmation number when using the TIPS system. Failure to report your absence/lateness within the above noted timeframes will warrant disciplinary action.

38.04 Procedure - Attendance Management Program

The Attendance Management Program has two (2) components: Chargeable Absenteeism and Non-Chargeable (Innocent) Absenteeism. Chargeable absenteeism includes lateness, absence without leave, absence without proper notification (failure to call in) and improper use of sick leave. Chargeable absenteeism will fall under the progressive discipline process.

Should an employee maintain a satisfactory attendance rating for a twelve (12)-month period from the date of last discipline, that discipline will become inactive for purposes of progressive steps. The employee's prior discipline, if applicable, continues to remain active for an eighteen (18)-month period from the date of issue. Note: The following discipline process will be initiated once:

- a) an employee has exhausted his/her legislative (ELOA) entitlement, or
- b) an employee has failed to declare an absence under ELOA or has not been approved for same, or

| Level of Discipline | Unauthorized Absences (Hrs) 8 10 12 Shift Schedule | Unauthorized Lateness ** | No call - in |
|---|--|-----------------------------|---------------|
| Letter of Respon- sibility Not Disciplinary | 8 10 12 | 6 occurrences | 2 occurrences |
| 1st Written Warning | 16 20 24 | 7 occurrences | 3 occurrences |
| 2nd Written Warning | 24 30 36 | 8 occurrences | 4 occurrences |
| Final Written Warning | 32 40 48 | 9 occurrences | 5 occurrences |
| Termination | 40 50 60 | 10 occurrences | 6 occurrences |

c) an employee has incurred an absence other than those defined as "non-chargeable".

** Lateness recorded within a 6-month time frame (January - June; July - December)

All the steps in the attendance program will be followed (i.e., progressive discipline process). This is a no fault program and **all** chargeable absences (regular time and overtime hours) will warrant **a** Letter or Responsibility or disciplinary action, at the appropriate level, with or without **a** medical note.

Letters of Responsibility are not considered a specific step in the discipline process and will be issued as advice only.

Unauthorized absences and lateness will be cumulative for purposes of managing an employee's attendance record, however the employee must first be issued a Letter of Understanding for each event prior to progressing to formal discipline. Example:

Employee utilizes all 10 ELOA days

- Employee is absent a further 8 hours LOR issued for excessive absenteeism
- Employee misses another 8 hours 1st Written Warning issued
- Employee is late 6 times in a 6-month period LOR issued for excessive lateness
- Employee is lat the 7th time 2nd Written Warning issued

Failure to notify the company within the established guidelines (i.e., no call-in) will be managed separately.

38.05 Approved Emergency Leave of Absence (ELOA) -Employment Standards

An employee is entitled to ten (10) Emergency Leaves of Absence (ELOA) within a calendar year for personal illness, injury or medical emergency or the death, illness, injury, medical emergency or urgent family matter concerning a prescribed relative.

Prescribed relatives include:

- a) employee's spouse or same sex partner
- b) parent, step-parent or foster parent of the employee or their spouse or same sex partner
- c) grandparent, step-grandparent, grandchild or stepgrandchild of the employee, the employee's spouse or the employee's same sex partner
- d) spouse of same sex partner of a child of the employee
- e) brother or sister of the employee
- f) a relative of the employee who is dependent on the employee for care or assistance

Employees must advise the Company in advance, where possible, of their intention to take an Emergency Leave. If advance notice is not possible, employees must inform the Company as soon as possible during the Emergency Leave, or, at the latest, on their first day back to work with the reason for the Emergency Leave.

- Employees are required to complete a Leave of Absence Request Form, documenting the reason for the Emergency Leave of Absence on their first day back. This form is to he handed directly to the employee's Supervisor.
- Once an employee has exhausted their ten (10) ELOA days in a year, or when an employee fails to declare the absence as an ELOA, further absences are automatically tracked against an employee's attendance record.
- If the reason does not qualify (as defined by the ESA), the employee will be informed and the absence will be charged against their attendance record.
- Employees will be required to provide evidence reasonable in the circumstances that they are entitled to Emergency Leave. Evidence may take many forms including doctor's notes, death certificates, notes from a school or day care facility or receipts.
- Any whole or part day taken for Emergency Leave will be counted as a full day.
- Unused Emergency Leave cannot be carried forward beyond the end of the calendar year.
- A maximum of five **(5)** days Short-term disability (paid or unpaid) per occurrence will be applied and he considered part of an employee's annual ELOA entitlement of ten (10) days.
- PTO absences (as referenced in Article 36 Personal Time Off) will be applied towards, and be considered part of an employee's annual ELOA entitlement of ten (10) days unless the said day has been prebooked as a vacation day.

38.06 Innocent Absenteeism

Innocent absenteeism is absence due to disability, illness, or other legitimate health reasons, including, potentially, chemical substance dependency. Innocent absenteeism can be characterized by frequent short periods of absence or one extended period of absence.

Innocent absenteeism will fall under a non-disciplinary process and each case will be reviewed individually and appropriate steps will be taken in accordance with the severity of the issue.

Employees with excessive (innocent) absenteeism will be issued an "Information Letter" by their Supervisor and Union Committeeperson. This letter will detail required expectations of the program. Should the employee fail to meet these performance expectations, further meeting(s) will be held with their Supervisor/Union Committeeperson to identify the reasons for the ongoing absence. These meetings, although considered non-disciplinary, will be "progressive" in nature, with stated consequences for failing to improve absentee levels over a period of time.

ARTICLE 39 - SHIFT EXCHANGES

- **39.01** Shift exchanges between employees by mutual agreement will be accommodated subject to the following:
 - a) Both employees are immediately capable of performing the required work.
 - Employees will be moved as expeditiously as possible recognizing past practice in the facility.
 - c) Probationary employees can only be reassigned at the Company's discretion.
- **39.02** The offer to shift exchange will be offered first to the most senior employee of the same functional team on the requested shift. If he/she turns down the request, it then goes to the next most senior employee, etc.
- **39.03** Shift exchanges are in effect from Sunday to Saturday. Each mutual shift exchange can run for minimum of one (1) week to a maximum of six (6) months. The mutual

shift exchange form must be completed and signed by both employees and their respective supervisors.

39.04 A minimum of two (2) weeks notice must be provided by either employee if the shift exchange is to end prior to the mutual agreement date. A shift exchange cancellation form will need to be signed by both employees and their respective supervisors.

ARTICLE 40 - HOLIDAYS

- **40.01** Sterling provides a variety of paid holidays to employees each year. The schedule for designated plant holidays is posted annually. Employees become eligible for statutory holiday pay immediately and company observed holiday pay following completion of the probationary period.
- **40.02** Employees must work their last scheduled working day before and their first scheduled working day following the holiday in order to be eligible for holiday pay. Any absence, including partial shift worked during these qualifying days, will require documentation (e.g. medical note, police report) stating you were unable to work (e.g. absence due to illness or injury, jury duty, bereavement and approved leave of absence). It is not the Company's intent to withhold holiday pay from employees who arrive to work late for unintentional reasons either prior to or after a holiday.
- **40.03** Any overtime shifts accepted by an employee, either before or after the holiday, become the scheduled working day for eligibility purposes. Working on a holiday does not substitute for the before/after eligibility.
- **40.04** Should the day(s) immediately before the holiday be scheduled vacation time, then the day before the vacation becomes the qualifying day for holiday pay. The same applies following a holiday.

For an eight (8) hour schedule, forty-five (45) paid holidays:

2006

Friday, April 14, 2006 Good Friday Monday, April 17, 2006 Easter Monday Monday, May 22, 2006 Victoria Day Monday, July 3, 2006 Canada Day Friday, August 4, 2006 Designated Holiday Monday, August 7, 2006 Civic Holiday Monday, September 4, 2006 Labour Day Monday, October 9, 2006 Thanksgiving Monday, December 25, 2006 Christmas Shutdown Tuesday, December 26, 2006 Christmas Shutdown Wednesday, December 27, 2006 Christmas Shutdown Thursday, December 28, 2006 Christmas Shutdown Friday, December 29, 2006 Christmas Shutdown

2007

Monday, January 1, 2007 Friday, April 6, 2007 Monday, April 9, 2007 Monday, May 21, 2007 Monday, July 2, 2007 Friday, August 3, 2007 Monday, August 6, 2007 Monday, September 3, 2007 Monday, October 8, 2007 Monday, December 24, 2007 Tuesday, December 25, 2007 Wednesday, December 26, 2007 Thursday, December 27, 2007 Friday, December 28, 2007 Mon., December 31, 2007

New Year's Day Good Friday Easter Monday Victoria Day Canada Day Designated Holiday Civic Holiday Labour Day Thanksgiving Christmas Shutdown Christmas Shutdown Christmas Shutdown Christmas Shutdown Christmas Shutdown Christmas Shutdown

| Tuesday, January 1, 2008 | New Year's Day |
|------------------------------|--------------------|
| Friday, March 21, 2008 | Good Friday |
| Monday, March 24, 2008 | Easter Monday |
| Monday, May 19, 2008 | Victoria Day |
| Monday, June 30, 2008 | Canada Day |
| Friday, August 1, 2008 | Designated Holiday |
| Monday, August 4, 2008 | Civic Holiday |
| Monday, September 1, 2008 | Labour Day |
| Monday, October 13, 2008 | Thanksgiving |
| Wednesday, December 24, 2008 | Christmas Shutdown |
| Thursday, December 25, 2008 | Christmas Shutdown |
| Friday, December 26, 2008 | Christmas Shutdown |
| Monday, December 29, 2008 | Christmas Shutdown |
| Tuesday, December 30, 2008 | Christmas Shutdown |
| Wednesday, December 31, 2008 | Christmas Shutdown |
| 2009 | |

| Thursday, January 1, 2009 | Christmas Shutdown |
|---------------------------|--------------------|
| Friday, January 2, 2009 | Christmas Shutdown |

For a ten (10) hour schedule, thirty-six (36) paid holidays:

| Monday, April 17, 2006 | Easter Monday |
|------------------------------|--------------------|
| Monday, May 22, 2006 | Victoria Day |
| Thursday, June 29, 2006 | Designated Holiday |
| Monday, July 3, 2006 | Canada Day |
| Monday, August 7, 2006 | Civic Holiday |
| Monday, September 4, 2006 | Labour Day |
| Monday, October 9, 2006 | Thanksgiving |
| Monday, December 25, 2006 | Christmas Shutdown |
| Tuesday, December 26, 2006 | Christmas Shutdown |
| Wednesday, December 27, 2006 | Christmas Shutdown |
| Thursday, December 28, 2006 | Christmas Shutdown |
| | |

For a ten (10) hour schedule, thirty-six (36) paid holidays:

2007

 Monday, January 1, 2007
 1

 Monday, April 9, 2007
 1

 Monday, May 21, 2007
 1

 Monday, May 21, 2007
 1

 Monday, July 2, 2007
 1

 Monday, July 2, 2007
 1

 Monday, September 3, 2007
 1

 Monday, October 8, 2007
 1

 Monday, December 24, 2007
 1

 Monday, December 25, 2007
 1

 Wednesday, December 26, 2007
 1

 Thursday, December 27, 2007
 1

 Monday, December 31, 2007
 1

New Year's Day Easter Monday Victoria Day Canada Day Civic Holiday Labour Day Thanksgiving Christmas Shutdown Christmas Shutdown Christmas Shutdown Christmas Shutdown

2008

Tuesday, January 1, 2008 Monday, March 24, 2008 Monday, May 19, 2008 Monday, June 30, 2008 Monday, August 4, 2008 Monday, September 1, 2008 Monday, October 13, 2008 Wednesday, December 24, 2008 Thursday, December 25, 2008 Monday, December 29, 2008 Tuesday, December 30, 2008 Wednesday, December 31, 2008 New Year's Day Easter Monday Victoria Day Canada Day Civic Holiday Labour Day Thanksgiving Christmas Shutdown Christmas Shutdown Christmas Shutdown Christmas Shutdown

2009

Thursday, January 1, 2009

Christmas Shutdown

ARTICLE 41 - OVERTIME EQUALIZATION

- **41.01** Overtime will be offered and/or assigned to those normally performing the work to be required. For the purposes of access to overtime only, pool resource employees will be assigned to a particular work group and be eligible for overtime as long as the individual possesses the skill and ability to perform such overtime work.
- **41.02** Employees interested in being considered for overtime must sign the overtime sign-up sheets corresponding to their assigned work group. Sign up sheets for purposes of overtime scheduling on the weekend will be removed at 11:00 p.m. on Tuesdays.
- **41.03** Notice of overtime opportunities must be given in the case of a weekend, by mid-shift on Thursday.
- **41.04** Overtime will be offered and/or assigned as equitably as possible to qualified employees within each work group based upon records of overtime worked/offered. Employees with the lowest number of hours worked/offered will receive the offer and/or assignment first. Subsequent opportunities will be determined on an ascending hours worked/offered basis. Volunteers will be utilized to offset mandate requirements.
- **41.05** An employee who believes that he/she has been skipped in the distribution of overtime shall immediately review the matter with his/her Supervisor and Steward. Should an inequity be determined, the employee will be offered the next equivalent overtime.
- **41.06** A list shall be posted daily showing the hours of overtime worked by each employee by the Supervisor.
- **41.07** New or transferred employees shall be credited with the median hours in the work group to which he/she is assigned.
- **41.08** Absences on scheduled overtime (voluntary *or* mandatory) are not excused and will be charged against an employee's attendance records.

- **41.09** Mandatory overtime will be limited to sixteen (16) hours per month for each employee and will not be required in connection with any holiday weekend. Materials department employees will be mandated to work overtime on designated inventory dates in excess of the sixteen (16) hours.
- **41.10** The sixteen (**16**) hour overtime maximum is exclusive of daily or weekly voluntary overtime.
- **41.11** If additional production overtime is necessary, the Company and Union will work together to ensure a voluntary workforce to work such additional overtime above the two (2) shifts per month limit. If the parties fail to secure a sufficient number of volunteers, then one (1) additional overtime shift may be scheduled during the month.
- **41.12** If a Production Saturday is scheduled by the Company and then if not cancelled before the end of the employee's shift on Thursday, the day scheduled will count towards the monthly maximum.
- **41.13** Monthly compliance audits will be conducted by the Supervisor and Steward, who will review the status of the overtime equalization reports for the work group. Inequities will be addressed by offering the next available overtime.
- **41.14** At the end of every four (4) months (January April, May - August, September - December), a reconciliation audit will be conducted by the Supervisor, OU/SU, Steward and Shift Committeeperson. An acceptable spread of hours worked/offered within a work group, across all shifts, is forty-eight (48) hours. Any employee(\$) falling below range will be compensated at straight time wages for the difference in hours determined through the following formula:

Highest equalized number in work group minus forty-eight (48) hours minus employee's equalized number = payout.

Reconciliation audits will be performed within two (2) weeks of the end of the month in which they are to occur. Any payments made to employees in conjunction with the reconciliation audit, will be made on the next normal pay following completion of the audit.

- **41.15** All overtime hours will be turned back to 0 on January 1st of each year.
- **41.16** Employees who have an approved vacation day, Scheduled Day Off, baby day, bereavement (direct and/or immediate) situation, or an approved Leave of Absence scheduled on the last or first scheduled working day prior to or following the mandatory overtime shift will be excused. Employees may still volunteer to work this overtime.
- **41.17** All employees who have been authorized for overtime will report to the corresponding work group shift supervisor upon arrival for work instruction. Any employee who shows up for work outside their normal work hours and who has not been preauthorized for overtime, will be asked to go home with no pay owing.
- **41.18** The practice of weekend ownership will be maintained and in the event that this practice cannot be adhered to, the Union will be notified immediately.

ARTICLE 42 - OVERTIME PAY

- **42.01** All work performed on Saturday will be paid for at the rate of time and one-half.
- **42.02** All work performed on Sunday will be paid for at the rate of double time.
- **42.03** Any hours worked in excess of eight (8) hours in one (1) day (or in excess of ten (10) hours in one (1) day, if applicable) will be paid for at the rate of time and one half.
- 42.04 Any hours worked in excess of forty (40) regular hours

in any workweek, will be paid for at the rate of time and one half.

42.05 Work performed on a statutory holiday, or during the additional December holidays recognized by the Company will be paid double the normal rate of pay in. addition to holiday pay.

ARTICLE 43 - UNION REPRESENTATION

43.01 The number of Union Representatives the Company shall recognize will be limited exclusively to the following schedule unless otherwise listed with specificity elsewhere in the Collective Bargaining Agreement:

Sterling St. Thomas Shift Representation Structure

| | | Shifts | |
|---|----|--------|----|
| | _1 | 2 | 3 |
| Plant Chairperson | 1 | 1 | 1 |
| Committeepersons | 1 | 2 | 3 |
| Stewards* | 3 | 6 | 9 |
| Skilled Trades Chairperson** | AR | AR | AR |
| Return to work/Benefits Representative | 1 | 1 | 1 |
| Employee Assistance Program Representative | AR | AR | 1 |
| Woman's Advocate** | AR | AR | AR |
| Health and Safety Representatives | 1 | 2 | 3 |
| Total | 7 | 12 | 18 |

- * Based on a reduction-driving-ratio of 1 representative for every 250 employees - said ratio based on a quarterly average, to be communicated to the plant chair at the beginning of the month following the quarter - the reduction to occur by the end of said month.
- **Representative to operate on the day shift.

The Shift Representation Structure will be implemented effective with the start of production of the respective shift(s).

Any representative wishing to discuss an issue with an employee shall inform the Supervisor of the area, state his/her reason for being there and request to meet with the employee with whom he/she needs to speak. It is understood that discussions will be **as** brief as possible and when completed, the employees will return to their jobs. The representative is expected to make prior arrangements with the Supervisor of the employee before scheduling a meeting with an employee out of the work area.

Any representative designated as, "AR" above shall report to their Supervisor **at** the beginning of their shift. They shall advise their Supervisor when the need to leave work to handle a matter within their area of responsibility arises. When the representative enters another work area they must inform the Supervisor before entering that area of their need to speak with an employee or conduct duties consistent with their area of responsibility. When the matter is concluded, the representative shall report back to their assigned work area and resume work.

- **43.02** The allocation, jurisdictions, zones, shifts of Union representatives will be the responsibility of the Union.
- **43.03** The Company shall recognize the full-time chairperson who will be assigned to the day shift. **An** alternate will replace the Plant Chairperson when he/she is on vacation, Union leave, or other **LOA** The Plant Chairperson will receive pay equal to fifty (50) hours per week at straight time at the top wage rate of the Grade 2 classification.
- **43.04** The Company shall recognize the committeeperson(s), maximum one per shift and the Skilled Trades Chairperson, listed in Article 43.01 above in addition to the chairperson who shall constitute the plant committee

and negotiating committee. This committee will meet with the company on monthly basis or more frequently if mutually agreed upon. The purpose of these meetings is to discuss matters that either party may raise. The Company shall supply the meeting room during regular working hours. The committeeperson(s) will receive pay equal to fifty (50) hours per week at straight time at the wage rate of the classification held prior to the acceptance of the position.

- **43.05** Requests for time off without pay for other related Union business will be granted by the Company, provided such requests do not create significant operational disruptions. Such leaves must be requested by the local Union president or plant chairperson (or alternate) in writing.
- **43.06** The company agrees to retain Union representatives at work during any layoffs or cutbacks in employment provided they are willing and able to perform the work, during their respective terms of office. The provision of this section applies only as outlined in the Shift Representation Structure appearing above in Article 43.01.
- **43.07** The Union shall furnish the company from time to time an update on the current Union representatives.
- **43.08** The company upon notification shall grant the President of the local and national representatives, entry into the Company's plant.

43.09 Women's Advocate

The Company and Union agree that female employees may sometimes need to discuss with another woman matters such as violence or abuse at home or workplace harassment. They may also need to find out about special resources in the community such as counselors or women's shelters to assist them in dealing with these or other issues.

The parties agree to recognize a CAW female member, as appointed by the Union, who will serve in the role of

the Women's Advocate on the first shift on an "as required" (AR) basis. The female advocate will meet with female members as individual needs arise to discuss problems with them in a private area provided for confidentiality. Both employees must request advance permission from their respective supervisors if discussions are necessary during working time.

The Company agrees to provide up to ten (10) days wages to support the training of the Women's Advocate. The Union will be responsible for all other expenses.

The Women's Advocate will develop appropriate communication to inform female employees about the advocacy role.

43.10 Return to work / Benefits Representative

The Company, under Article 43.01, will recognize one (1) Return to Work/Benefits Representative to be identified by the Union. This representative will be trained by the Company to assist in explaining benefits to bargaining unit employees including but not limited to the Health Insurance Program, Pension Plan, and Supplemental Unemployment Benefit Program.

When the person designated as Return to Work/Benefits Representative acts in the capacity as Return to Work, he/she shall coordinate their activity with the Safety Manager and/or his designee. Before entering a work area, the Return to Work/ Benefits Representative will inform the Supervisor in that area of possible placement opportunities. The Return to Work/Benefits Representative will not be involved in placements of individuals with restrictions of two (2) weeks or less.

43.11 Health and Safety Representative

The Health and Safety Representatives, along with the Plant Chairperson identified under Article 43.01 above, shall comprise the entire Union portion of the Local Joint Health and Safety Committee. The first shift representative shall function as the Union co-chair. The Union responsibility of the Local Joint Health and Safety Committee shall be borne by the Plant Chairperson. The Health and Safety Representatives shall coordinate their activities with the Plant Safety Manager and/or his designee. Additional activities and responsibilities are described under Article 52 - Health and Safety along with any applicable Letters of Understandings.

43.12 Employee Assistance Program Representative

The Company shall recognize an Employee Assistance Program (EAP) representative as listed in Article 43.01. This representative shall coordinate his/her activities with the Human Resources Manager or his/her designee. The EAP representative will:

- a) assist in the identification, education, referral and follow-up of employees with problems which impair job performance relating to alcohol and drug dependency or other life altering conditions while assuring confidentially standards are observed;
- b) act as liaison with appropriate member of front-line supervision, Labour Relations, plant medical, other Union representatives, diagnosis and referral agencies and with providers of treatment and medical care;
- c) assist in evaluating the effectiveness of various programs, plans and services;
- d) participate in formal employee assistance training or instruction programs plus the "Wellness Committee" and review and make recommendations to company representatives concerning program content;
- e) provide quarterly reports of the frequency and nature of the cases he/she is addressing and the progress realized with employees returning to work or issues affecting their work;
- f) keep the Human Resources Manager aware of excessive demands on his/her time in this role outside dayshift hours. In those instances, consideration will be given for a modified work schedule.
- g) maintain accurate travel mileage records and submit

same to Company with supporting documentation to be considered for reimbursement consistent with Article 23 - Travel Allowance

43.13 New Employee Orientation

The Employer agrees to acquaint new employees with the fact that a Collective Agreement is in effect and with the conditions of employment set out in the articles dealing with Union Security and Dues Check-off. A new employee shall be advised of the name and location of his/her Union representative. Whenever the Union representative is employed in the same work area as the new employee, the employee's immediate supervisor will introduce him/her to his/her Union representative who will provide the employee with a copy of the Collective Agreement.

The Employer agrees that a Union representative will be given an opportunity to meet each new employee within regular working hours, without loss of pay, for fifteen (15) minutes sometime during the first thirty (30) days of employment for the purpose of acquainting the new employee with the benefits and duties of Union membership and the employee's responsibilities and obligations to the Employer and the Union.

ARTICLE 44 - UNION OFFICE

44.01 The Company agrees to provide a Union office with desks, chairs, a separate phone line, faxes, computers and locking filing cabinets for the exclusive use by the Union Committee. Use of Outlook and other Company electronic communications will be restricted internally to the St Thomas Plant.

ARTICLE 45 - WORK BY SUPERVISORS

45.01 Supervisors and all other excluded employees will not perform any work of the bargaining unit.

- **45.02** Employees not in the Bargaining Unit shall not perform work which is recognized as work of the Bargaining Unit, except:
 - a) During emergency situations to avoid customer plant shutdown or shortage of components, or to protect product or equipment.
 - b) In the development of new work methods or operations.
 - c) In the development of new or changed products(s), prototypes and samples.
 - d) For non-production purposes and in the course of part and/or machine testing or calibration (i.e. quality management testing the accuracy of CMM equipment).
 - e) Anyone not in the bargaining unit shall not use equipment normally used by the bargaining unit (e.g. forklifts) without first keeping the Chairperson informed of the nature of such work prior to the work being performed in conjunction with a) through e) above.
 - f) Recurrent issues will be brought to the attention of the Director of Manufacturing, Union Chairperson and/or Plant Manager for corrective action.

ARTICLE 46 - TECHNOLOGICAL CHANGE

46.01 Definition

Technological change means the introduction by the company of equipment, work methods, organization, processes or operations different in nature or type or quantity from that previously utilized by the company or of any modifications to present equipment, work methods, organization, processes or operations.

46.02 Advanced Notice

The Company will endeavor to keep the Union apprised and, to the extent practicable, provide advance notice to the Union of any technological change prior to the time of final decisions and prior to the implementation of such change.

Such notice shall contain pertinent data including:

- a) the nature of change,
- b) the approximate date of which the company proposes to effect the change,
- c) the approximate number, type and location of employees likely to be affected by the change,
- d) the effects the change may be expected to have on the employees' working conditions and terms of employment,
- e) all other pertinent data relating to the anticipated effects on employees including the change in skills.

ARTICLE 47 - WAGE RATES AND CLASSIFICATIONS

47.01 Grade 1

| Job Title: | Assembly |
|------------|-------------------|
| | Painter I |
| | CRC |
| | Material Handling |

| | Up on Ratification | 3/11/2007 | 3/9/2008 |
|------------|------------------------------|-----------|----------|
| Hire Date | \$17.75 | \$18.23 | \$18.78 |
| 3 Months | \$18.35 | \$18.84 | \$19.41 |
| 6 Months | \$18.57 | \$19.07 | \$19.65 |
| 12 Months | \$18.92 | \$19.43 | \$20.02 |
| 18 Months | \$19.40 | \$19.93 | \$20.52 |
| 24 Months | \$27.56 | \$28.31 | \$29.16 |
| (top rate) | | | |

47.02 Grade2

Job Title:

Painter 2 CI Facilitator - Paint Defect Analysis QA Technician CI Facilitator - Paint Robotics Tech. Welder CI Facilitator - Paint CI

Shunt Driver, Tow Truck Driver, Hot Parts Driver

| | Up on Ratification | 3/11/2007 | 3/9/2008 |
|------------|------------------------------|-----------|----------|
| Hire Date | \$18.92 | \$19.43 | \$20.02 |
| 3 Months | \$19.52 | \$20.04 | \$20.64 |
| 6 Months | \$19.75 | \$20.29 | \$20.89 |
| 12 Months | \$20.10 | \$20.64 | \$21.26 |
| 18 Months | \$20.56 | \$21.12 | \$21.75 |
| 24 Months | \$28.84 | \$29.62 | \$30.51 |
| (top rate) | | | |

47.03 Grade3

| Job Title: | Electrician |
|------------|--------------|
| | 3 6 11 1 1 1 |

Millwright

| | Upon Ratification | 3/11/2007 | 3/9/2008 |
|---------------------|----------------------|-----------|----------|
| Top Rate | \$31.87 | \$33.09 | \$34.44 |
| Skilled Trades Pren | nium +.35 | +.35 | +.35 |
| | \$32.22 | \$33,44 | \$34.79 |

Note: Team Leaders, DCPS Implementation Team Members and Continuous Improvement (CI) Facilitators receive a \$1.50 premium over their rate

ARTICLE 48 - PAID EDUCATION LEAVE

48.01 The Company agrees to pay into a special fund two (2) cents per hour per employee for all compensated hours for the purpose of providing paid education leave effective upon ratification. Such leave will be for upgrading the employee skills in all aspects of trade Union functions. Such monies to be paid on a quarterly basis into a trust fund established by the National Union, CAW, and

sent by the Company to the following address: CAW Paid Education Leave Program, CAW Family Education Centre, R.R. #I, CAW Road 25, Port Elgin, Ontario, NOH 2C5.

ARTICLE 49 - EQUIPMENT & TOOLS

49.01 The Company agrees to continue to supply necessary tools and equipment, exclusive of the personal tool requirement for new hires at no cost to the employees to ensure that a proper job is performed.

ARTICLE 50 - PROTECTIVE CLOTHING

- **50.01** The Company will continue to provide and pay for all safety equipment and devices **as** enumerated below:
 - a) Plano and or prescription safety glasses.
 - b) Hearing protection devices.
 - c) Reimbursement for safety shoes will be \$ 200.00 maximum per two (2) year period. Members of the Emergency Response Team (ERT) will be eligible to receive up to \$ 240.00 maximum per two (2) year period. (2006 is the start of a two year cycle; the next cycle will be 2008-2009).
 - d) Equipment for specialized work, such as painting, welding, maintenance, and ERT.
 - e) Inclement weather gear for employees whose jobs involve outside exposure. Employees requesting safety winter footwear reimbursement must have **a** winter safety boot request form signed by their direct supervisor before purchase. The safety winter footwear allowance is **a** maximum of \$115 every three (3) years from the date of purchase of the last pair. Purchases greater than the maximum dollar allowance will be charged against the employee's remaining balance in his/her regular safety footwear allowance. Any purchase, or portion thereof, not

covered by the employee's total remaining safety footwear allowances is the sole responsibility of the employee and will be deduced from the employee's next pay.

ARTICLE 51 - DISCIPLINE

- **51.01** A Union representative will be present during all disciplinary actions involving non-probationary employees. When an employee is disciplined or investigated for potential discipline, the employee will be so informed before the interview and will be advised to have his/her steward present, and, except in extreme circumstances, the interview will not proceed until the steward is present.
- **51.02** No written disciplinary action shall remain against an employee's record for a period longer than eighteen (18) months.
- **51.03** Discipline **is** defined as a written warning, suspension or discharge. A copy must be given to the committeeperson and Chairperson.
- **51.04** Discipline or discharge of probationary employees is within the Company's sole discretion and not subject to the Grievance and Arbitration procedure except in cases of alleged harassment and discrimination.
- **51.05** The Company will issue any discipline within ten (10) working days of the alleged infraction.
- **51.06** Any employee who is discharged will have the opportunity, upon their request, to meet with the Union to file a grievance prior to leaving the property. It is understood between the parties that the employee will not be permitted in the plant, under any circumstances, in a discharge situation.
- **51.07** A non-disciplinary Letter of Responsibility may be used for conduct and performance issues in addition to any discipline listed in Article 51.03.

ARTICLE 52 - HEALTH, SAFETY AND ENVIRONMENT

- **52.01** The company will make adequate provisions for the Health and Safety of all employees. In this regard the company will comply with all applicable legislation pertaining to occupational health and safety, and the environment. All standards established under these laws shall constitute minimum acceptable practices. The Union recognizes its obligations to cooperate in maintaining and improving a healthy and safe work environment. Accordingly, the company and the Union jointly agree to promote measures to assure the health and safety of all employees.
- 52.02 The company and the Union agree to maintain a local Joint Health, Safety, and Environment Committee (JHSEC) in accordance with the Occupational Health and Safety Act and Regulations. The Union will be represented by the Plant Chairperson, the appointed Worker Co-chairperson, and two (2) appointed JHSEC Representatives or their duly appointed alternates. The company will be represented by the Plant Manager and three management members appointed by the company or their appointed alternates.
- 52.03 The Union shall appoint a Worker Co-chairperson for the JHSEC. The person appointed as Worker Co-Chairperson will be assigned to dayshift and will act as the JHSEC representative for dayshift and will be employed full-time on health, safety and environment issues.
- **52.04** The Union shall appoint two (2) additional Health, Safety and Environment representatives, one to represent afternoon shift and one to represent midnight shift, and these individuals will be employed full-time on health, safety and environment issues. The provisions of Article 43 will apply to these positions.
- **52.05** There shall be two co-chairpersons, one selected by the Union and one selected by the company. The co-chair-

persons will alternately chair the JHSEC meetings.

- **52.06** During all absences of the Union committee members, the company shall recognize an alternate committee member as designated under Article 52.12 (e).
- **52.07** The representatives of the JHSEC shall assist in creating a safe and healthy workplace, shall recommend actions which will improve the effectiveness of health, safety and environmental programs, and shall promote compliance with appropriate laws, regulations and codes of practice. Without limiting the foregoing, the committee shall:
 - Participate in JHSEC functions and hold regular meetings on a frequency agreed to by the co-chairpersons.
 - Determine that monthly inspections of the workplace have been carried out, including both physical conditions and work methods and practices.
 - The Union committee members will participate in monthly inspections, incident investigations, accident investigations, and work refusals
 - Solicit and consider recommendations from the work force and supervision with respect to health, safety, and environment matters.
 - Promote compliance with pertinent legislation.
 - Accompany government health and safety inspectors, fire inspectors, WSIB Auditors, environmental inspectors, and ministry of health inspectors, during inspections and investigations of the workplace.
 - Receive prompt notification of any fatalities or serious injuries resulting from work related accidents and in addition to be informed of accidents that did not result in serious injury but indicate a high potential for such.
 - Record the proceedings of the JHSEC Committee and forward the minutes (which shall be signed by the co-chairpersons after their accuracy has been determined) to the company who will make exact

duplicates promptly available to the Committee members, the Union Local, the National Union office, and post copies on the bulletin boards.

- Receive from the company copies of all reports, findings, or other written documents received from monitoring it conducts, contracts to conduct, or from monitoring or inspections by any government agency.
- Receive from the company information for chemical substances in the workplace in the form of Material Safety Data Sheets (MSDS).
- Be notified in advance (with as much prior notice as possible) of all new hazardous substances introduced into the workplace and at that time be supplied with current Material Safety Data Sheets (MSDS).
- **52.08** The Company agrees to supply the Union Health, Safety and Environment committee members with an office equipped with two desks, two (2) phones, two (2) computers, two (2) printers, fax machine, digital camera, Blackberry for co-chair and two (2) cell phones, and internet access for JHSEC representatives.
- **52.09** It is agreed that it is the responsibility of the company to notify the appropriate authorities if there is an environmental accident which requires reporting under legislation.
- **52.10** The Union co-chairperson will be the Union's co-chairperson on the Joint Ergonomic Committee.

52.11 Joint Ergonomic Committee (JEC)

The parties agree to maintain the established joint ergonomic committee, which will be comprised of the plant chairperson, a worker member of the JHSEC, the Union appointed time study representative, the plant Ergonomist, the safety manager, a production OU manager or their designates. The worker selected by the Union as the ergonomics representative along with an addition management member will attend the committee meeting for the first 12 months.

1. Purpose

To improve plant conditions by significantly reducing employee exposure to ergonomic risk factors that cause or may lead to the development of cumulative trauma disorders or related injuries and illnesses. A cooperative process of workstation analysis, employee development, training, involvement, and in-control management procedures will be utilized to meet this purpose.

2. Structure and roles

- a) The JEC committee will meet on a monthly basis or more frequently as determined by the committee and will report monthly to the JHSEC.
- b) Record the proceedings of the JEC Committee and forward the minutes (which shall be signed by the co-chairpersons after their accuracy has been determined) to the company who will make exact duplicates promptly available to the Committee members, the Union Local, the National Union office, and post copies on the bulletin boards
- c) The worker member of the JHSEC and the plant ergonomist or their appointed alternates from the committee will rotate the role of chairperson on a monthly basis.
- Review ergonomic concerns, discuss and develop appropriate corrective actions, implement and follow-up on corrective action plans.
- e) Maintain a PDCA document or database of progress towards issue resolution.
- f) Provide appropriate manufacturing, process, and facility engineers with a list of existing ergonomic issues for attention and/or remediation through upcoming process, engineering, vehicle design and part design changes.
- g) Complete a plant ergonomic study as outlined under Article 53.11(3)

3. Plant Ergonomic Study

- a) The Joint Ergonomic Committee will establish a process to review ergonomic conditions of the plant, workstations, and the work performed. It is anticipated that this work will be completed within 12 months from date of ratification. The study will include:
- b) The development of appropriate assessment tools, analysis methods, and selection criteria for resolution priority.
- c) The development of a sustainable process to gather information on problem jobs through worker feedback, injury data analysis, feedback from JHSEC safety walks or observations.
- d) Testing of the assessment tools, analytic methods and selection criteria by completing an ergonomic review of one or more departments as permitted by the twelve (12) month completion target.
- Recommend training or other means to educate workers and supervision on the principles of ergonomics.
- **f**) Submit quarterly progress reports to a joint Union/management committee which will include the plant chairperson and the national representative.
- g) The committee will be assisted by an ergonomics representative selected by the Union who will be released from their regular work duties for an anticipated period of up to twelve (12) months from the date of ratification. The individual selected for this appointment shall coordinate his activities with the Safety Manager and/or his designate, along with the Health, Safety and Environment Committee. Further if this individual enters a work area, he/she shall report his presence and reason to the supervisor of the area. This individual will also cross-train the Union JHSEC members during the anticipated period.

4. JHSEC Ergonomic Training

The members of the JHSEC and the Joint Ergonomics Committee (JEC) will be provided with appropriate ergonomics training as agreed to by the Union and the Company. This training will be paid for by the company.

5. International RSI Awareness Day

Each year on the last day of February, the company and the Union agree to promote awareness of repetitive strain injuries in order to reduce their occurrence. Initiatives used to promote RSI awareness could include safety talks during huddle meetings, written materials, and posters.

52.12 Safety Training

- a) The JHSEC representatives will be trained as certified members with the cost of additional training which is recommended by the JHSEC and subsequently approved by the company to be paid by the company.
- b) The Union will appoint six (6) safety trainers (two (2) per shift) to conduct the following safety training courses:
 - (i) WHMIS
 - (ii) Crane and Sling
 - (iii) Respirator Fitting and Use
 - (iv) Mobile Equipment
 - (v) Truck Movement
 - (vi) Isocyanate Control Program
 - (vii) Grounding and Bonding
 - (viii) Dangerous Goods
 - (ix) Cutting Torch and Plasma Cutting
 - (x) New Employee Safety Orientation
 - (xi) And any other safety related training recommended by the joint Health, Safety and Environment Committee and subsequently approved by the company.

- c) All trainers must successfully complete the Workers Health and Safety Centre Instructor Training and any other prerequisite courses to be eligible as safety trainer.
- d) Where the scope of safety training is beyond the expertise of the instructors, the Company may utilize the services of the Workers Health and Safety Centre. The current practice of utilizing outside contractors for safety related training agreed upon by JHSEC and the Company will continue.
- e) The six (6) appointed safety trainers shall be utilized as alternate JHSEC members if a full-time Union JHSEC member is absent.
- **52.13** The company will provide and maintain in good operating condition tools and equipment required to assure employee safety in carrying out work assignments.
- **52.14** As a condition of employment, the Company is required to provide and employees are required to wear personal protective equipment at all times in the plant except where exempted by policy.
- **52.15** The JHSEC will review the Company's "Lockout Program" on an annual basis and make recommendations on its findings.

52.16 Noise Abatement

The JHSEC will participate in an annual noise **assess**ment of the plant. The committee will make recommendations for noise abatement.

The Company shall make annual audiometric testing available to all employees. The results of the audiometric examinations will be made available to each worker.

52.17 Heat Stress

The committee will monitor heat stress conditions in the plant and off-site facilities.

The company agrees to comply with the heat stress requirements outlined in the ACGIH "Threshold Limit

Value" booklet and the Ministry of Labour "Heat Stress Guidelines" and will maintain existing practices unless agreed to by the JHSEC and the Company.

As part of the heat stress management plan the company will continue the practice of supplying bottled water.

52.18 Industrial Hygiene

The JHSEC will review the Company's Industrial Hygiene Program in the fourth quarter of each year and develop a plan for hygiene sampling in the upcoming year.

A Union member of the JHSEC will be present at the start of all hygiene sampling.

- **52.19** The parties agree that all Health and Safety Policies, Practices and Procedures shall only be amended after mutual agreement by the JHSEC and the company. The Union will be consulted and provided with advance notification of changes in environmental policies, practices and procedures. Furthermore there will be an annual audit of these Policies, Practices and Procedures conducted jointly between the company and the Union. The Company co-chairperson and the Union co-chairperson or their duly appointed alternates shall conduct this audit. The audit will be performed in the first quarter of each year and a copy of the audit provided to the Company and the Local and National Union.
- **52.20** The Company agrees that all members of the Union JHSEC shall have the right to investigate dangerous circumstances at the workplace.
- **52.21** No employee shall be discharged, penalized or disciplined for acting in compliance with the Occupational Health and Safety Act, its regulations and codes of practices.
- **52.22** The Company will maintain and update the current health and safety boards. Only information that is jointly agreed to by the JHSEC will be posted on the safety boards.

52.23 The parties agree to pursue implementation of the **"BEST" Program** as modified by **the** Canadian Chrysler Group during the life of this agreement.

52.24 The company agrees that should changes be made to the current "work refusal" rights under the OHSA, the current language will be maintained if the legislative changes result in a reduction of worker rights to refuse unsafe work.

ARTICLE 53 - MISCELLANEOUS

53.01 AIDS Policy

Individuals who have or are diagnosed with Human Immunodeficiency Viral Infection ("HIV") or Acquired Immune Deficiency Syndrome ("AIDS"), including those who are asymptomatic, are "handicapped" within the meaning of the Human Rights Code. While the Company has an obligation to provide a safe work environment for employees and safe delivery of services to its customers, it recognizes that individuals with HIV or AIDS have a right to pursue those activities which their conditions allow.

Employees with HIV or AIDS will be treated in the same manner as employees with any other handicap as defined by the Human Rights Code. If their fitness for work is affected by HIV or AIDS, the Company will make reasonable efforts to adjust work requirements to accommodate their particular needs.

53.02 Your Employment Records

Any change relative to the following should be reported immediately to the Human Resources Department:

- Address
- Name
- Phone number
- Marital status
- Dependency status (taxes and insurance)
- Person to be notified in case of emergency

Should an employee wish to view his/her personnel file, contact the Human Resources Department to make arrangements.

53.03 Team Leaders (TL)

Team Leaders provide a valuable resource to the business and is a role supported by both the Company and the Union in implementing DCPS. Team Leaders will have no involvement in the discipline process. A layoff or recall will be by plant-wide seniority. Future job vacancies for Team Leaders and Alternate Team Leaders will be elected by the Team Members within the defined operating work group. The parties recognize that due to the significant responsibilities, effort and demands of both elected Union positions and that of a Team Leader, employees will not be eligible to hold these key types of positions simultaneously.

Team Leaders will be assessed at 30/60/90 day intervals after their initial training and on a quarterly basis thereafter.

Team Leader vacations will be scheduled with the team. For purposes of overtime, Team Leaders will be equalized within their assigned work group by Operating Unit/Supporting Unit. Team Leaders will not perform regularly assigned work however may be offered overtime as a "last ask" within their defined work group.

Please refer to Letter of Understanding No. 4 for Team Leader roles and responsibilities

53.04 Pregnancy - Fetal Protection Program

In order to establish a procedure related to the prevention of any unnecessary exposure of a pregnant employee to hazardous materials or possible injury to a developing embryo/fetus.

At the earliest indication that an employee has knowledge that she is pregnant or she has reason to believe that she may be pregnant she is required to notify the Health Centre. Pregnant employees have the assistance of the Women's Advocate, Health & Safety Committee Representatives or the Union's Return to Work/Benefits Representative while in the Fetal Protection Program.

The Nurse will provide the employee with a copy of the material safety data sheet (MSDS) for each hazardous material the employee may be exposed to while performing assigned job duties. The "Receipt of MSDS" form will be signed by the employee and inserted into her confidential medical file. The employee will be counseled as to the importance of informing her physician of her job duties and the hazardous materials she may be exposed to while performing assigned job duties.

Should the pregnant employee experience any difficulty at any time during her pregnancy she is required to notify the Health Centre immediately in order that early intervention or suitable accommodation to an alternate job can be arranged where applicable.

53.05 Annual Perfect Attendance Bonus

Any employee achieving Perfect Attendance for one year will receive an extra five day's pay in addition to being paid out for their unused "Personal Time Off". Perfect Attendance is monitored in two 6-month intervals: January 1 - June 30, and July 1 - December 31. Each 6-month period creates an eligibility of 2.5 days pay. This bonus will be paid out within the first 2 months following the period in which it is earned and payouts will be made at the rate in effect as at the time of the payment being made to the employee.

Please note that in order to achieve perfect attendance, employees must not only be punctual (arrive at work on time), but also not leave early for each day of the 6month period. This does not include scheduled vacation days or statutory holidays.

Should a layoff occur, any time earned toward Perfect Attendance would not be lost. Entitlement would be prorated for the period of active employment. For employees hired after January 1, Perfect Attendance will be pro-rated from their start date. Any employees on military or maternity/parental leave or WSIB will also qualify for a Perfect Attendance Bonus pro-rated to active time worked.

The following year, the value of any unused "Personal Time Off" days and Perfect Attendance Bonus will be paid to the employee by means of direct deposit and taxed at a bonus rate, or a dollar amount can be deposited into your Group R.R.S.P.

The Perfect Attendance bonus is discontinued effective July 1, 2006.

53.06 Approved Voluntary Emergency Leaves

Sterling fully supports employees that volunteer their time and effort to serve and protect citizens in the surrounding communities and recognizes that it may be necessary for these volunteers to be late or have to respond to an emergency from work. In instances where this occurs, the employee will be excused, with pay, for such time missed.

In situations where an employee is working a mandatory overtime shift and is unable to complete the shift due to a voluntary emergency leave situation, the employee will be paid the balance of shift, to a maximum of eight (8) hours, at regular wages. In situations where an employee is working a voluntary shift, the employee will be excused, without pay, for such time missed.

Employees must provide documentation from their Chief as to their involvement with the Fire/Police Department. Employees must forward the documentation where it will be kept on file as long as the employee serves. Human Resources must be notified of any change to your status.

The employee must notify a member of Management, Team Leader, Health Centre or Reception before leaving the work area or Plant. Sterling trusts employees will make every effort to report for work for their scheduled shift outside of these volunteer activities and will use good judgment in determining their ability to work after responding to an emergency. Sterling reserves the right to contact the employee's Police/Fire Department to confirm incident response times.

53.07 Military Leave of Absence

Sterling fully supports employees who volunteer their time to perform military service. Employees serving on short-term military active duty (which includes mandatory annual military training) will be paid the difference between their military base pay and their Sterling pay for each scheduled work day absent, for up to three weeks in **a** calendar year.

Should the corporation provide enhanced benefits and/or wages for employees called up for active duty, the Company will extend these greater benefits.

Leave without pay can extend beyond this paid period, upon Management's approval. Employees must make arrangements for benefit continuation during this leave.

Vacation need not be scheduled to coincide with the period of short-term active duty, but should the employee choose to do **so**, the employee will receive full vacation pay in addition to military pay.

53.08 Medical Notes

Employees who have been absent from work as a result of personal illness/injury for more than three (3) consecutive scheduled working days (including mandated and voluntary overtime shifts) are required to report to the Health Centre with a Doctor's note stating that he/she is fit to return to work before reporting for duty.

Employees without such medical documentation will be asked to leave the plant premises and may not return until they have a doctor's written confirmation of fitness for duty. Any absence resulting from non-compliance with the above will be charged against the employee's attendance record. Employees who have restrictions resulting from either work or non-work related injuries or illnesses must report to the Health Centre and provide written documentation from a Medical Practitioner (Nurse, Doctor, Chiropractor, Physiotherapist) outlining the restrictions and their duration. This must be done before the worker reports to their work area.

An acceptable doctor's note must be an original script, state the dates the employee was seen and was off work due to illness/injury and are cleared to return to work on a specific date.

The Company will reimburse the employee the cost of medical notes:

- for a return to work medical clearance required for absences beyond three (3) consecutive working days.
- physical capability form (PCF) when required for a non-work related illness or injury.

53.09 Special Circumstances

In situations where some employees have been grouped together for the sole purpose of belonging to a work group where job functions may not interact with any other employee's job function, these work groups will be allowed to exceed their maximum number of employees off at the same time at the discretion of the area Supervisor.

53.10 Religious Holiday Accommodation

Should an employee wish to recognize a specific religious holiday, for example, Yom Kippur, they would be paid for the absence on this date and would then designate one of the holidays recognized by Sterling, such as July 1st in substitution. The designated substituted nonwork day (in this example, July 1st) would be either designated as a vacation day, PTO paid or PTO no pay.

53.11 DaimlerChrysler Employee Purchase/Lease Program

Sterling provides permanent employees who have completed the 360 working hours probationary period the opportunity to purchase new Chrysler vehicles at an employee discount, which is specified **by** the manufacturer.

If employees are interested in purchasing **a** vehicle or would like more information please contact the Human Resources Department.

53.12 Health Centre

The Health Centre is equipped to handle most medical emergencies and provides \mathbf{a} valuable resource for preventative health care.

If employees are experiencing any medical problems during their regular or overtime shift, whether occupational or non-occupational, the employee must report to the Health Centre for assessment. If it is necessary to leave the plant, employees must get authorization to do so from their Supervisor, or if unavailable, from another member of management.

In an emergency situation, leaving the plant requires appropriate notification (Team Leader, Supervisor, Security, Health Centre or Reception). In non-emergency situations employees must inform their Team Leader or Manager/Supervisor prior to reporting to the Health Centre.

53.13 Personal Phone Calls

Pay telephones are provided in the plant area for the employee's use in making outside local calls during lunch break or rest periods. Emergency incoming calls will be directed to employees immediately. The plant phone number is 637-6000. Phone calls during work periods should be for emergency purposes only.

Cell phone use in the plant will only be permitted during lunch and/or break periods.

Due to proprietary, personal privacy, and safety concerns video cell phones and cameras are not permitted in the Plant, unless authorized by the Company for business use.

53.14 Birth of a Child

If an employee is required to leave to attend the birth of their child during working hours, the balance of the shift will he paid at regular wages. Employees will be granted the working day immediately following the birth as time off with pay.

In situations where an employee is working a mandatory overtime shift and is required to leave to attend the birth of their child, the employee will be paid the balance of the shift, to **a** maximum of eight (8) hours, at regular wages. In situations where an employee **is** working a voluntary shift, the employee will be excused, without, pay, for such time missed.

53.15 Elections

The Company agrees that during the term of this agreement, the elections of Officers of Local 1001, plant chairperson, stewards, and committeepersons shall be conducted on Company premises under the following conditions:

- Actual voting shall take place during lunch period, prior to the commencement of a shift or after the completion of a shift.
- b) The Chair of the Election Committee or his/her alternative will be allowed time off without pay to arrange, conduct and complete in-¬plant elections. Such elections will be limited to three (3) times per year.
- c) It is understood that all Bi-Elections will be held by the Election Committee selected from the plant wherein they are to be held. It is further understood that all such elections shall take place outside of working hours, e.g. before commencement of shift and during lunch period.

53.16 CAW Flag

The Company agrees to fly the **CAW** flag outside the entrance to the Plant. The dimensions of which are to be consistent with the dimensions of the existing Canadian flag.

53.17 Vacations with Pay

"Earnings" shall mean the total of wages, and overtime payments paid by the company in respect to continuous service during the calendar year ending March 31st plus the amount an employee would have earned on straight time, for standard working hours, during any time lost on account of Approved maternity leave, providing that, in none of these cases shall the period exceed fifty-two (52) weeks.

53.18 Summer Employment

In the event that the Company is able to provide summer employment opportunities, consideration for positions will be determined as follows:

- 1. Employees on layoff, by plant-wide seniority (rate of pay equals rate of pay at time of layoff).
- 2. Summer Students categorized according to priority hiring in the following order:
 - a) Dependent children and spouses
 - b) Non-dependent family relatives
 - c) Family friends
 - d) Outside applicants

When required, summer students will be hired at the entry level assembly hourly rate and will be eligible for premium pay for work performed beyond eight (8) hours in a day (or ten (10) hours in a day, if applicable) or beyond forty (40) hours in a week. Summer students are eligible for weekend work only after regular employees have been given the opportunity for such work. It is understood that summer students will be hired on a temporary basis only to provide vacation coverage during peak vacation periods (May 1 through September 30 and Christmas prime time as defined in Article 17 - Vacations). The Union Plant Chairperson will be notified in advance of the Company's summer employment manpower requirements.

Offers of summer student employment will be made according to plant-wide seniority of the referring employees within each category. It is the Company's intention to provide equitable access to summer employment opportunities and will limit the number of referrals per employee to one (1) until the applicant list is exhausted within that category. Additional referrals will then be considered using the same approach until all applicants within that category has been exhausted. This process will continue through each category (in sequence, as identified above) until the Company meets its summer student hiring requirements.

Summer students are defined as those with proof of enrollment in **a** full-time, recognized post-secondary program (i.e., community college or university program). In order to be considered for summer employment, applicants must be able to provide written confirmation of enrollment for courses starting no later that September of the same year. In the event that the applicant is awaiting this information and is not able to provide it at the time of their offer, a letter of intent must be signed **by** the summer student with **a** deadline of providing the required documentation by mid-July. Failure to provide this information to the Company will result in removal of the program.

Any questions about eligibility will be reviewed with the Union. Accredited post-secondary institutions will be confirmed with the Ministry of Colleges and Universities.

Summer students will be required to complete an interview with Human Resources and \mathbf{a} medical prior to receiving an offer of employment.

53.19 Educational Assistance Program

A Company-wide Employee Scholarship Program

awards educational reimbursements of either 100% or 50% to employees who meet performance requirements and successfully complete approved courses of study.

If employees are interested in more information, please contact the Human Resources Department.

53.20 Emergency Response Team (ERT)

The Company recognizes the significant contribution that the ERT makes in promoting and preserving a safe work environment and protecting the environment.

Employees wishing to be considered as **a** member of the ERT are encouraged to contact the elected shift ERT Team Leader to apply.

The Company will provide training to members of the ERT in CPR application and/or other programs **as** identified as critical to a maximum of three (3) employees within each operating unit for an average of six (6) hours per month.

ERT members will he supplied five (5) shirts annually and one (1) jacket every three (3) years identifying them as members of the ERT. In situations where the deterioration of protective footwear is a direct result of participating in emergency responses, the Company will replace the footwear.

53.21 Dependent Scholarship Program

Employees who have dependent children attending college or university on a full-time basis are eligible for a one-time \$500 scholarship per dependent child during the life of agreement.

Please contact Human Resources Department for more information.

ARTICLE 54 - SUBSTANCE ABUSE

54.01 The Union and the Company jointly recognize substance use and abuse to he a serious medical and social problem that can be successfully treated. It is in the hest interest of the employee, the Union and the Company to encourage early intervention and treatment to assist employees towards full rehabilitation. Such assistance includes, but is not necessarily limited to, identification of the problem at the earliest stages, motivating the individual to obtain help, referral of the individual to appropriate treatment and rehabilitation facilities and a continuing education of employees and Union and management representatives alike to recognize and deal constructively with such problems as they arise.

54.02 Any employee who undergoes a prescribed rehabilitative process will be entitled to Sickness and Accident Benefits in accordance with the Sickness and Accident Plan.

ARTICLE 55 - NATIONAL DAY OF MOURNING

- **55.01** The Company agrees to allow employees one (1) minute silence at 11:00 a.m. on April 28th of each year in observance of those workers killed on the job.
- **55.02** The Company will grant a leave of absence without pay to two (2) members of the bargaining unit to attend annual, organized ceremonies in recognition of the National Day of Mourning. The individuals are to be determined by the Union.

ARTICLE 56 - HUMAN RIGHTS STATEMENT

- 56.01 The Company and the Union are committed to the concept of equal opportunity in the workplace and both parties are devoted to promoting this principle.
- **56.02** Moreover, providing fair and equitable treatment for all employees is best achieved in an environment where all individuals interact with mutual respect for each other's rights.
- 56.03 Accordingly, both the Company and the Union will promote Human Rights in the parties' joint activities relat-

ed to affirmative action and will help to complement future proactive initiatives of the Company and the Union in their mutual objective of achieving a fair and representative workforce.

ARTICLE 57 - DURATION OF AGREEMENT

- **57.01** The agreement shall become effective upon ratification by the membership and shall remain in full force and effect for three (3) years thereafter. Either party shall be entitled to give notice in writing to the other party as provided in the Labour Relations Act of its desire to bargain with a view to the renewal of the expiring collective agreement at any time with a period of 90 days before the expiry date of the agreement. Following such notice to bargain the parties shall meet within 15 days of the notice or within such further period as the parties mutually agree upon.
- **57.02** It is agreed that during the course of bargaining, it shall be open to the parties to agree in writing to extend this agreement beyond the expiry date of 27 day of March, 2009 for any stated period acceptable to the parties and in accordance with the Labour Relations Act.
- 57.03 It is understood that, during any negotiations following upon notice of termination or notice or amendment. either party may bring forward counter proposals arising out of or related to the original proposals.
- 57.04 Provided that for purposes of all notices under this article, notice in writing shall be deemed to have been received by the party to whom it is sent upon the mailing of such notice by registered mail addressed to the current address of the other party.

ARTICLE 58 - INSURANCE WAIVER

58.01 The Company agrees to pay employees Weekly Indemnity Benefits during the WSIB waiting period. However, once WSIB commences payments to the employee, the employee shall be obligated to repay the Company any Weekly Indemnity Benefits which they received, and which therefore result in a "double payment" for the subject period time. In the event the employee fails to make such payments, the Company shall be entitled to deduct from the employee's regular pay said amount.

Prior to receiving Weekly Indemnity Benefits **as** described herein, the employee shall enter into a waiver agreement.

The Union agreed and acknowledged that the above constitutes proper written authorization for the deduction of wages and further acknowledges that the above in no way violates the Employment Standards Act.

ARTICLE 59 - TEMPORARY PART TIME EMPLOYEES (TPT)

- **59.01** The Company recognizes the importance of allowing its employees to schedule time off the job and the Union understands the Company's production requirements. In order to ensure that the priorities for both parties are met, a procedure to allow "temporary part-time employees" (TPT's) to replace bargaining unit employees on Mondays, Fridays and Saturdays will be formalized in the Collective Agreement. It is understood that "TPT's" are for absentee replacement and will be utilized to allow bargaining unit employees' voluntary absences. TPT's will normally be limited to four (4) years participation in the program; any extension will be by mutual agreement between the Company and the Union.
- **59.02** It is further understood that individual requests for time off by regular employees will be reviewed and approved or disapproved by Management based on business requirements. TPT's will be scheduled to cover casual absences prior to the week they are required.

- **59.03** Employees requesting voluntary absences on Fridays, Saturdays or Mondays will sign the department voluntary absence request book prior to the end of their scheduled shift on Tuesday of each week. Employees may request the voluntary absence be assigned as a Vacation Day, Scheduled Day Off (SDO), Personal Time Off (PTO) or a Personal Leave of Absence. Employees will be granted voluntary time off on a first come, first serve basis and such employees are committed to being off on that date. The parties agree to meet within 90 days of ratification to discuss alternate canvassing options for TPT requests. Confirmation of authorization for approved absences will be communicated to the affected employees by mid-shift Thursday of each week. Employees must provide two days notice to cancel voluntary absence requests.
- **59.04** The parties agree that the TPT's can also be used as summer students from May 1 to September 30 and Christmas prime time as defined in Article 17 Vacations each year. During these time periods, TPT's will be used for vacation replacement and will work a regular work week. The conditions for such utilizations are listed below. Any abuse of the program will be raised to Management by the Union. If the parties are unable to find resolution, the issue will be dealt with by the CAW National Office and the Senior Labour Relations Manager.
- **59.05** It is therefore agreed that this Article shall govern the employment of such temporary part-time employees.
- **59.06** Temporary part-time employees are employees hired by the Company who shall normally be scheduled to work on Mondays, Fridays, Saturdays, or during peak vacation periods. Laid off employees with recall rights will be advised of the opportunity for such work in writing, and then dependent children of employees who are enrolled in an accredited post secondary education will receive preference subject to the following:
 - a) On days they are scheduled to work, temporary part-96

time employees may be scheduled any part or all of the hours scheduled for the department in which they are assigned.

- b) The employment by the Company of such TPT's shall not be considered as an infringement of the rights of regular employees under this collective agreement, however, at the time of a reduction in workforce, a seniority employee who is to be indefinitely laid off from the plant pursuant to such a reduction may request to displace a temporary parttime employee. Seniority employees who displace temporary part-time employees shall, during the period they would otherwise to be on indefinite layoff, be required to comply with the work schedule for TPT's.
- c) A seniority employee who upon being indefinitely laid off elects by application to displace a TPT or who, while on such lay-off is hired to work as a TPT shall be paid a rate determined in accordance with the applicable provisions of this agreement. Such employee shall continue to be entitled to any lay-off benefits in effect, to which the employee would have been entitled to such benefits if the employee had remained on indefinite lay-off, and SUB will be subject to Employment Insurance entitlement.
- **59.07** TPT's hired on or after the effective date of this Agreement, shall be hired at a rate \$17.32/hour for the life of the Agreement. Employees with recall rights hired as TPT's shall receive either their rate of pay at the time of lay-off, or the TPT rate whichever is greater.
- **59.08** A TPT shall not accumulate time toward the fulfillment of the 360 hours of time worked probationary period while employed as TPT. In the event a TPT becomes a regular full-time, the employee shall be considered a new employee and shall receive no credit for any purpose for time during which the employee was employed as a TPT.

- **59.09** The Corporation may discharge or terminate the employment of a TPT at any time, provided however, the Union may protest in the grievance procedure the discharge or termination of a TPT in cases of claimed discrimination on account of race, colour, national origin, age, handicap, sex or religion.
- **59.10** A TPT shall be entitled to Union representation including the grievance procedure in cases of alleged violation of this Article.
- **59.11** A TPT employee shall be subject to the provisions of Article 3 of this agreement. The initiation fee and monthly dues regularly required of TPT's shall be as determined by the National Union, CAW-Canada. Notice of the amounts of such fee and dues shall be given to the Company in writing by the National Union, CAW-Canada.
- **59.12** A TPT will not be assigned to an operation expressly for the purpose of establishing a production standard on that operation.
- **59.13** The procedure for acquiring **a** TPT for overtime work will be:
 - 1. First offered to employees who perform the work on the shift.
 - 2. Next offered to qualified employees on other shifts.
 - 3. Then, TPT.
- **59.14** TPT employees may be scheduled directly to cover work on Mondays, Fridays and Saturdays.
- **59.15** A TPT employee shall receive holiday pay as per the provisions of the Employment Standards Act.
- **59.16** Any consent to be obtained from the Union concerning in-plant matters with regard to the TPT Program must be obtained from the Plant Chairperson or his/her alternate in advance of a TPT being scheduled.
- **59.17** A TPT will receive pay for time worked. A TPT shall be paid time and one half for time worked:

- a) in excess of eight (8) hours (or in excess of a ten (10) hour shift if applicable) in any continuous 24 hour period beginning with the starting time of the TPT employee's shift,
- b) for time worked in excess of 40 hours per week,
- c) for time worked on Saturday.
- **59.18** Entitlement to benefits is strictly limited to statutory requirements.
- **59.19** The Company will also increase the maximum number of employees off by one (1) within each designated work area on Mondays and Fridays during Prime Time.

| Work Unit size | Current | New* |
|----------------|---------|------|
| 1 -11 | 1 | 2 |
| 12-18 | 2 | 3 |
| 19-25 | 3 | 4 |
| 26+ | 4 | 5 |

The Company will increase the maximum number of employees off by one (I) within each designated work area on Mondays and Fridays outside of Prime Time.

| Work Unit size | Current | New* |
|----------------|---------|------|
| 1 -11 | 1 | 2 |
| 12-18 | 1 | 2 |
| 19-25 | 1 | 2 |
| 26+ | 2 | 3 |

Such additional time off (New *) is contingent on qualified TPT's being available.

Letter of Understanding No. 1

DAIMLERCHRYSLER PRODUCTION SYSTEM / TOTAL PRODUCTIVE MAINTENANCE

The Company and the Union understand the importance of the DaimlerChrysler Production System (DCPS) and the Total Productive Maintenance (TPM) program to improving the overall quality of our product. The parties have reviewed the mutual benefit associated with manufacturing the highest quality product at the lowest cost to ensure competitiveness in the marketplace. The parties acknowledge the importance of meeting customer demands of delivery and world class quality. It was also acknowledged that the DCPS tools and TPM systems will support the achievement of these objectives.

Letter of Understanding No. 2

OVERTIME EQUALIZATION

During the 2006 negotiations, the parties discussed the process of overtime equalization at length and reviewed modified processes in an effort to improve overall administration. As a result, the parties revised Article 41 - Overtime Equalization to include increased audit focus and assessments occurring every four months.

The parties agreed the implementation of the new process would require significant administrative adjustments and planning in order to ensure an effective launch. Therefore, the revised process outlined in Article 41 - Overtime Equalization will be implemented and in effect on September 1, 2006. The parties further agree that the overtime equalization records of all employees will be turned back to "0" on September 1, 2006.

The implementation of a new program or process or alternate shift schedule often results in issues or challenges that could not be anticipated by either party. The parties agree to work together to identify and resolve issues that surface prior to and during the implementation of the new process.

Letter of Understanding No. 3

OFFLINE SUPPLEMENTAL OVERTIME POOL RESOURCE

During the 2006 negotiations, the parties discussed the implementation of an Offline Supplemental Pool Resource (OSPR) work group on each shift which would provide additional overtime resources.

The OSPR work group would be comprised of employees with relevant Offline specific truck building skills. The skills of the applicants would be assessed by the Joint Selection Committee with one representative from each party. If employees are equally qualified, they will he selected by seniority. Employees will be given the opportunity to express interest in joining or leaving the OSPR on January 1 and July 1 of each year. The qualified employee would waive their rights to overtime on their home team in exchange for the opportunity to work overtime in the Offline Department. The permanent Offline employees would retain the first right to work any voluntary overtime requirements are not met by the permanent Offline employees, the overtime opportunity will then he offered to the OSPR employees based on equalized hours.

The OSPR employees would be required to work any mandated overtime hours scheduled in the Offline department on their designated shift. The OSPR employees will have their overtime hours equalized as a group.

Letter of Understanding No. 4

TEAM LEADER ROLES & REPONSIBILITIES

Functions:

- Provide information regarding Health & Safety programs to Team Members
- Coordinate or provide on the job training to assist in employee development
- · Establish and lead daily huddle meetings

- Access TRACs (read only) to work with supervisors in predicting daily manpower issues as outlined in the DCPS manual
- Make sure the team has the training and tools to do their jobs
- Facilitate and communicate team performance on SQDCM metrics
- Strive to make improvements in the team area through input of employees, supervision and other supports groups
- Monitor work within stations; prioritize and communicate repairs to be completed by assemblers & issue workers
- Document, solve and provide feedback on problems
- Develop strategies for improving production processes & assist in the implementation of new equipment
- Facilitate team cross training
- Identify and communicate root causes of build errors to employees and work within the group to prevent reoccurrences
- Record and communicate top five repetitive issues to support root cause resolution
- Report vendor quality and maintenance issues to supervisor and appropriate support groups
- Encourage positive team dynamics and morale
- Communicate and implement DCPS tools as outlined in the DCPS manual
- Other duties as defined in the DCPS operational description for Freightliner LLC

Position Expectations:

- Excellent verbal and written communication skills
- Knowledge of Sterling products and systems and a thorough working knowledge of the assembly process
- Capable of interpreting prints, drawings and bills of material
- Demonstrated electrical and mechanical trouble shooting skills and STVMS/IMS/Employee Suggestion

System/STTonline proficiency and MS Office applications (i.e. Word, Excel and Power Point)

- Able to train, coach and mentor employees
- Ability to identify and present issues/concerns/problems in an organized manner to detect trends and proposed potential solutions to problems
- Flexible in work hours and assignments
- Motivated and enthusiastic

In the addition to the foregoing, additional functions/position expectations for area specific Team Leaders is identified below:

TEAM LEADER - MATERIALS

Functions:

- Communicate shortage and materials concerns to supervisors and production
- Monitor material staging , line sequencing and storage initiatives
- Audit truck folders for the documentation of outstanding issues and shortages
- Monitor material handlers on loading SR's properly
- Assist work team, supervisors and area managers in understanding shortage trends, and help to identify additional analysis to discover root cause
- Inform supervisors for the need to take temporary action for the containment of shortages
- Receive feedback from team members on ideas to improve material flow, and JIT delivery and encourage the use of Employee Suggestion Forms
- Develop strategies for improving overall material flow through process improvement

Position Expectations:

- Develop strategies for improving overall material flow through process improvement
- Experience in materials
- Proven ability to operate all indoor material handling equipment
- Demonstrated STVMS/IMS proficiency especially material screens

TEAM LEADER - OFFLINE

Functions:

Oversee Tool Crib

Position Expectations:

• Proven working knowledge of the Offline process

TEAM LEADER - CHASSIS ALUMINUM FABRICATION

Position Expectations:

- Capable of interpreting prints, drawings and bills of material
- Prior production welding experience with the following processes:
 - I. AL GTAW
 - 2. AL GMAW
- Must be familiar with welding standards and procedures.
- Must be able to read blue prints and welding symbols.
- Be able to work to verbal and written instructions.
- Able to trouble shoot equipment.

TEAM LEADER - SKILLED TRADES:

Position Expectations:

- Journeyman/Journeywoman status within the Skilled Trades as listed in Article 34.
- Monitors overtime equalization

Note:

The following process has been developed to identify the steps to be taken when **a** Team Leader is not successful in his/her role. If an individual's performance is noted as unsatisfactory, prior to commencing actions outlined in Steps 1 or 2, area management will conduct a joint review with the Union within five business days of the situation being formally raised.

Step 1

During the initial 30/60/90 Day Assessment Period

If during the assessment period the Team Leader is not performing satisfactorily or wishes to step down from the position, the individual will be returned to the team.

Step 2

Following a quarterly review

The Team Leader will be given written direction from the supervisor as to the areas of their performance that must be improved and he/she will be given a 15 working day assessment, and if progress is evident, a further 15 working day assessment to measure the expected improvement in performance. Should an improvement in performance not be evident following one of these assessments the individual will be returned to the team.

Letter of Understanding No. 5

DCPS IMPLEMENTATION TEAM MEMBERS AND CONTINUOUS IMPROVEMENT (CI) FACILITATOR

This letter will document an agreement between Local 1001 and the Company made during the 2006 negotiations.

Future job vacancies for DCPS Implementation Team Members and Continuous Improvement (CI) Facilitator will be posted using the descriptions listed below.

Once an applicant successfully completes the initial testing, an interview will be scheduled. The selection will be determined through an interview conducted by a Joint Selection Committee comprised of one member from the Company and one member of the Union. If the Joint Selection Committee cannot reach **a** majority decision following the interview, the final decision will be made by the Plant Manager and Chairperson.

The parties recognize that due to the significant responsibili-

ties, effort and demands of both elected Union positions and that of a DCPS Implementation Team Member/Continuous Improvement (CI) Facilitators, employees will not be eligible to hold these key types of positions simultaneously.

DCPS Implementation Team Members, Continuous Improvement (CI) Facilitators - Paint and Continuous Improvement (CI) Facilitators - Production/Materials will each form their own separate groups for vacation purposes and will be subject to job postings, layoff and overtime as outlined in the collective agreement.

DCPS IMPLEMENTATION TEAM MEMBERS

Functions:

- Provide support to OU's during Implementation time frames
- Coordinate or provide on the job training to OU in implementation of DCPS
- Train Team Leaders and Supervisors in DCPS material and help utilize it on the shop floor
- Develop systems to assist team leaders to achieve DCPS goals
- Assist in the deployment and utilization of the suggestion system
- Strive to make improvements in the team area the implementation of CI tools and assist CI Facilitators
- Monitor DCPS systems and feedback to DCPS manager and improvement needed
- Document, solve and provide feedback on problems
- · Address DCPS questions in a timely manner
- · Facilitate in all deployment of DCPS initiatives at STT
- · Encourage positive team dynamics and morale
- Communicate and assist in implement DCPS tools as outlined in the DCPS manual

Qualifications:

- Self direct person able to solve and develop solutions
- · Excellent verbal and written communication skills

- Knowledge of Sterling products and systems and a thorough working knowledge of the assembly process
- Knowledge of MS Office applications is a must (i.e. MS Word, Excel and Power Point)
- Demonstrated skills in STVMS/IMS/Employee Suggestion System/STTonline proficiency
- Able to train, coach and mentor others
- Ability to identify and present issues/concerns/problems in an organized manner to detect trends and proposed potential solutions to problems
- Flexible in work hours and assignments
- Motivated and enthusiastic

CONTINUOUS IMPROVEMENT (CI) FACILITATOR

Functions:

- Attend and monitor team meetings
- Have daily communication with supervisor, manager or members of the Plant DCPS Steering Committee
- Assist in the development, improvement & revision of team responsibilities
- Assist the plant and Operating Unit with the implementation of DCPS with a specific focus on the Continuous Improvement Tools of the DCPS
- Facilitate, organize and coordinate continuous improvement events
- Assist the Team Leaders, Supervisor & Area Manager in achieving operating unit goals using the CI processes
- Document improvements and audit for sustainability
- Provide CI training and technical assistance on the shop floor and classroom settings.

Qualifications:

- Excellent verbal and written communication skills
- Experience in the areas of training or organizational development would be an asset
- Ability to diagnose and develop practical solutions to plant problems using root cause analysis

- Proficiency in Company Information Systems such as STVMS, IMS, STTonline, Employee Suggestions System and MS Office applications (i.e. MS Word, Excel and Power Point)
- Ability to lead & communicate to others in a team environment and provide guidance and support to the teams
- A positive role model for the implementation of TBE and DCPS
- Willingness to work all three (3) shifts
- For Paint CI, minimum six (6) months experience applying paint *
- For Materials CI, minimum six (6) months materials experience
- For Production CI, minimum six (6) months production experience

Continuous Improvement Facilitator – Paint Defect Analysis *

Functions:

- Attend and monitor team meetings
- Have daily communication with supervisor, manager or members of the Plant DCPS Steering Committee
- Facilitate, organize and coordinate continuous improvement events
- Assist the Team Leaders, Supervisor & Area Manager in achieving operating unit goals using the CI processes
- Document improvements and audit for sustainability
- Provide CI training and technical assistance on the shop floor and classroom settings
- Visual check of all zone control checkpoints for startup readiness; correct if necessary
- Review all outstanding reworks analyze defects with shop microscope
- Prepare report of previous 24-hour defects, including facts, sources, remedies
- Investigate defects and set corrections into place; monitor key data points for drifts in colour, orange peel or general FTQ

- Trial new supplies, vendor product changes, field test paint surface conditions
- Member of the Defect Reduction Team; respond to Crater Reaction Team
- Build and maintain Defect library.

Qualifications:

- · Excellent verbal and written communication skills
- Experience in the areas of training or organizational development would be an asset
- Ability to diagnose and develop practical solutions to plant problems using root cause analysis
- Proficiency in Company Information Systems such as STVMS, IMS, STTonline, Employee Suggestions System and MS Office applications (i.e. MS Word, Excel and Power Point)
- Ability to lead & communicate to others in a team environment and provide guidance and support to the teams
- A positive role model for the implementation of TBE and DCPS
- Willingness to work all three (3) shifts
- Thorough understanding of Topcoat paint facilities and processes
- Knowledge of PINT system and its database
- Advanced analysis skills of paint defects, measurement of colour and surface texture.

CONTINUOUS IMPROVEMENT FACILITATOR - PAINT ROBOTICS TECHNICIAN *

Functions:

- · Attend and monitor team meetings
- Have daily communication with supervisor, manager or members of the Plant DCPS Steering Committee
- Assist the Team Leaders, Supervisor & Area Manager in achieving operating unit goals using the CI processes
- Document improvements and audit for sustainability
- Support, operate and improve the Robotic paint process to maximize efficiency

- Modify and manipulate robotic simulation and control programs
- Assist in production cell process design and improvements
- Provide technical expertise in integrating paint equipment, systems materials and process
- Ensure paint centre processes comply with ISO, vendor, safety and government standards
- Interface with outside vendors to coordinate and direct activities as they relate to surface technology
- Provide written reports and presentations to document activities and make proposals
- Act as a liaison with Design and Manufacturing Engineering, purchasing and other corporate groups
- Develop, integrate and evaluate new application equipment
- Data analysis of PINT, schedule and DuPont formulas

Qualifications:

- Excellent verbal and written communication skills
- Experience in the areas of training or organizational development would be an asset
- Ability to diagnose and develop practical solutions to plant problems using root cause analysis
- Proficiency in Company Information Systems such as STVMS, IMS, STTonline, Employee Suggestions System, Shop Tech and MS Office applications (i.e. MS Word, Excel and Power Point)
- Ability to lead & communicate to others in a team environment and provide guidance and support to the teams
- Willingness to work all three (3) shifts
- Decision making through proven statistical analysis
- Two (2) years experience applying paint level 2 Painter
- Six (6) months experience as Robot Operator

* Positions belong to the CI Facilitator - Paint work group. All other CI Facilitator positions combine to become a separate work group.

The following process has been developed to identify the steps to be taken when a DCPS Implementation Team Member or a Continuous Improvement (CI) Facilitator is not successful in his/her role. If an individual's performance is noted as unsatisfactory, prior to commencing actions outlined in Steps A or B, area management will conduct a joint review with the Union within five business days of the situation being formally raised.

- a) During the initial 30/60/90 Day Assessment Period
 - If during the assessment period the DCPS Implementation Team Member or a Continuous Improvement Facilitator is not performing satisfactorily, the individual will be placed on the Displacement List and will follow the established practice to move to a position on a team by bumping the most junior employee.
- b) Following a quarterly review
 - The DCPS Implementation Team Member or a Continuous Improvement Facilitator will be given written direction from the supervisor as to the areas of their performance that must be improved and he/she will be given a 15 working day assessment, and if progress is evident, a further 15 working day assessment to measure the expected improvement in performance. Should an improvement in performance not be evident following one of these assessments the individual will be placed on the Displacement List and will follow the established practice to move to a position on a team by bumping the most junior employee.

Letter of Understanding No. 6

ELIGIBILITY FOR POSTING

During negotiations, the parties discussed the period within which employees could exercise their rights under Article 9 - Job Posting. Effective with the date of the 2006 collective bargaining agreement:

- a) The parties agreed the current exceptions to the 6 month restriction for posting eligibility would be discontinued.
- b) The 6-month rule will be waived for a second or third shift employee posting to a day shift position during a "first round" posting situation.
- c) As a result of this letter of understanding, the practice whereby Team Leaders, Continuous Improvement Facilitators or DCPS Implementation Team Members elect to step down from their position is discontinued.
- d) The company advised the Union, the current administration of tests to determine the successful bidder is discontinued for the positions of CAST and ABS/DYNO READY.
- e) Job selection within a non-rotating work group does not include Continuous Improvement Facilitators or DCPS Implementation Team Members.

Letter of Understanding No. 7

WELDING TESTING PROCEDURE

Scope

This Procedure applies to:

- c) all persons responding to a posting in either steel or aluminum welding, or
- d) existing welders undertaking yearly TIG recertification, or
- a) existing welders who have not carried out any welding duties within the previous calendar months, or
- b) Any person being hired to a welding position.

Definitions

Testing to Welding Standard:

"IAW ANSI/AWS D1.2-97, Section 4, Paragraph 4.2. Certification shall be performed in accordance with ANSI/AWS D1.2-97 Section 4, Part D - Performance Qualification. Qualification samples, 0.100 or 0.125" in the flat position, shall he sent to a Freightliner approved lab for evaluation."

Joint Committee:

Comprised of one (1) Welding Supervisor and one (1) designated Bargaining Union representative.

References

Plant Operating Procedures Manuals AWS D1.102, Structural Welding Code - Steel AWS D1.297, Structural Welding Code - Aluminum Freightliner Engineering Specification 49-00014 Fuel Tank Welding Process Description K09-S0003-013 Aluminum Weld Repair Procedure, K09-W0000-000 Steel Weld Repair Procedure, K09-W0000-100

Records

- Records of testing will be kept by the Training Department in the Training Database.
- Records of ad hoc part-time welding in the main plant will be maintained by Payroll. This information will be provided by the Supervisor or Manager to payroll via email and will be used to verify that the Pool Resource employee maintains the requirement to weld within any six (6)-month period

Procedure

All employees applying to the position of welder in either steel or aluminum will be subject to a verbal interview, plus a written test to ensure they have the skills required to work in the welding area. The most senior qualified applicant will be identified for verbal interview/written test. These tests will be given by the Joint Committee.

Employees deemed to be suitable (i.e. successfully passes both verbal interview and written test) will be scheduled for practical testing in-house. If unable to complete the test in-house, the test will be held at a recognized accredited institute (e.g. WAIB) within ten (10)days.

Testing Criteria:

- Verbal Interview (20%)
- Written Test (20%)
- Practical Test (60%)

Procedure A - welding certification for Aluminum

Potential candidates will be required to demonstrate competence in both production techniques required to carry out this function:

> Test #1 - GTAW-AL Tig Aluminum 1g (flat position) Test #2 - GMAW-AL Mig Aluminum 1g (flat position)

Candidates will be allowed a maximum 2-hour period to familiarize themselves with the process and equipment prior to taking Test # 1 which must be completed within a I-hour session evaluated and adjudicated by an independently qualified welding authority. If the candidate fails this test, an additional 2-hour period of familiarization will be allowed prior to a re-test to be scheduled within three (3) days of the original test for a further maximum of 1-hour. If the re-test is failed, no further testing will be allowed and he/she will be deemed unsuccessful for this posting.

Should the candidate succeed, they will be allowed to continue to Test # 2. Candidates will be allowed a maximum 2-hour period to familiarize themselves with the process and equipment prior to taking Test # 2 which must be completed within a 1-hour session evaluated and adjudicated by an independently qualified welding authority. If the candidate fails this test, an additional 2-hour period of familiarization will be allowed prior to a re-test to be scheduled within three (3) days of the original test for a further maximum of 1-hour. If the re-test is failed, no further testing will be allowed and he/she will be deemed unsuccessful for this posting.

Procedure B – welding certification for Steel

Potential candidates will be required to demonstrate competence in both production techniques required to carry out this function.

Test #1 - GMAW-Steel 1g (flat position)

Test #2 - SMAW-Steel 1g (flat position)

Candidates will be allowed a maximum 2-hour period to familiarize themselves with the process and equipment prior to taking Test # 1 which must be completed within an 1-hour session evaluated and adjudicated by an independently qualified welding authority. If the candidate fails this test, an additional 2hour period of familiarization will be allowed prior to a re-test to be scheduled within three (3) days of the original test for a further maximum of 1-hour. If the re-test is failed, no further testing will be allowed and he/she will be deemed unsuccessful for this posting.

Should the candidate succeed, they will be allowed to continue to Test # 2. Candidates will be allowed a maximum 2-hour period to familiarize themselves with the process and equipment prior to taking Test # 2 which must be completed within an 1-hour session evaluated and adjudicated by an independently qualified welding authority. If the candidate fails this test, an additional 2-hour period of familiarization will be allowed prior to a re-test to be scheduled within three (3) days of the original test for a further maximum of I-hour. If the retest is failed, no further testing will be allowed and he/she will be deemed unsuccessful for this posting.

For welding certifications for both aluminum and steel, management will ensure the required materials will be supplied and cut for the welder prior to testing.

For welding certifications for both aluminum and steel, the maximum time allowed to complete both tests will be ten (10) working days. Should the employee fail to complete all tests due to business constraint delays, the maximum time allowed will be extended by the number of days delayed. All delays to be communicated to the joint committee.

Procedure C - welding re-certification for Aluminum

Our ISO procedures (see Reference section for details) state that every 12 months, the candidates must demonstrate their competence by passing the following test:

Test #1 - GTAW-AL Tig Aluminum 1g (flat position)

Per Corporate ISO procedure, candidates are required to demonstrate via a test (Test #1) which must be completed within a 1-hour session evaluated and adjudicated by an independently qualified welding authority. If the candidate fails this test, they must take the test twice in a further maximum time allowance of two (2)-hours. They must pass both tests in order to demonstrate competence. Should they fail the re-test, then they will be deemed unsuitable for the welding position. No further testing will be allowed and he/she will be deemed unsuitable for this position and the employee will be placed on the displacement list.

For the above test, management will ensure the required materials will be supplied and cut for the welder prior to testing. Should the candidate fail the test a second time, they will be deemed unsuitable for the position and may not repost to the welding department for a period of one (1) year. If recertification lapses 30 days, the employee will be placed on the displacement list.

Procedure D - welding re-certification for Steel

Existing welders are required to demonstrate their capabilities under the following condition:

"They have left the welding position and/or have not carried out any welding in **the** previous 6 months (26 weeks)."

They will be required to demonstrate competence in both production techniques required to carry out this function:

> Test # 1 - GMAW-Steel 1g (flat position) Test # 2 - SMAW-Steel 1g (flat position)

It is understood that the Company will provide a period of time for the employee to become familiarized with the equipment and process prior to the employee taking the test. The Company will provide the materials, equipment and the welding booths for a maximum period of 1 hour.

Candidates will be invited to demonstrate via a test (Test #1) which must be completed within a 1-hour session evaluated and adjudicated by an independently qualified welding authority. If the candidate fails this test, they must take the test again

in a further maximum time allowance of I hour. Should the candidate fail the test a second time, they will be deemed unsuitable for the position and they will be placed on the displacement list.

Should the candidate be successful, they will be allowed to continue to Test #2. A further maximum time allowance of 1 hour will be given to demonstrate their capabilities. If the candidate fails this test, they must take the test again in a further maximum time allowance of 1 hour. Should the candidate fail the re-test, they will be deemed unsuitable for this position and they will be placed on the displacement list.

For both of the above tests, management will ensure the required materials will be supplied and cut for the welder prior to testing

Pre-Existing employees (Aluminum Welding)

Employees currently employed in the Aluminum welding classification but not having attained tested competence in both welding disciplines upon the introduction of this procedure will be required to:

- a) continue through the process of testing for competence in both welding techniques, as outlined in Procedure A ~ Welding Certification for Aluminum.
- b) take each test a maximum of twice. Should they not be successful they will be deemed unsuitable for the welding position and will be placed on the displacement list. Upon passing each test they will be allowed to take the next test until both tests have been satisfactorily completed. Should the candidate fail the test a second time, they will be deemed unsuitable for the position and may not repost to the welding department for a period of one (1) year. If recertification lapses 30 days, the employee will be placed on the displacement list.

The maximum time allowed to complete both tests will be 10 working days. Should the employee fail to complete all tests due to business constraint delays, the maximum time allowed will be extended by the number of days delayed.

Employees currently assigned to the Welding Department will be required to continue to meet all standards for competency in compliance with the corporate standard. Employees failing to maintain the required standards will be placed on the displacement list. Recertification is to be conducted in-house and/or at an accredited institute. All costs associated with testing and recertification is to be borne by the Company.

Within 30 days of assignment, employees will be required to have achieved a minimum of 70% standard **of** performance. (TBD)

Within 60 days of assignment workers will be required to demonstrate competency in all aspects of the required duties. (TBD)

Welder Pool Resource

The parties agree that the welding pool will be utilized to provide MAV coverage within the Welder's Work Group (aluminum and steel) and that the pool is to be comprised of three (3) workers per shift in addition to TPT coverage may **be** available if pool resource coverage is available.

The position will be awarded to the most senior, qualified candidates who have a current record of qualification on file with the Training Department. Successful candidates will have their current rate of pay adjusted to reflect the additional Grade Two Welders premium.

Opportunities for coverage will be granted to the pool on the basis of their plant wide seniority.

It is expressly understood that the Welder Pool Resource is not to be used as a supplementary labour group.

Letter of Understanding No. 8

APPRENTICESHIP PROGRAM

During the 2006 negotiations, the Company and Union discussed the development of a Skilled Trades Apprenticeship program. The parties agree to begin an Apprenticeship program in either classification - Electrician, Millwright or both in June 2007 if Skilled Trades employees within their respective classifications are not on layoff.

If Skilled Trades employees are on layoff, the Apprenticeship program will begin in the respective classification at the time of recall of employees within the Skilled Trades.

General

- 1. The purpose of the Appendix is to define the provisions governing registration, education, seniority, and all other matters particular to Skilled Trades apprenticeships.
- 2. Provisions of the Collective Agreement shall apply to all Skilled Trades apprentices.
- 3. A Joint Apprenticeship Committee shall be comprised of an equal number of members, three (3) from management and three (3) chosen from the Union, one of which will be the Skilled Trades Chairperson.

The function of this committee shall be to advise on all phases of the Apprenticeship Training Program. This Committee shall meet quarterly and as required. At least two (2) members of the Committee from the Union and two (2) members from the Company must be present in order to administer the Apprenticeship standards.

Registration

All apprentices will be registered with the Ministry of Training Colleges and Universities, Apprenticeship Office. All apprentices will sign a written Apprenticeship Agreement with the Company.

Initial Education Requirements

An apprentice will be required to have minimum Grade 12 or equivalent. Exception to these requirements may be made by the Joint Apprenticeship Committee. Applicants shall then satisfactorily pass the required Apprentice Aptitude Test.

School Attendance

Apprentices will be required to attend classes for related instruction. Any time spent in the classroom will be paid for by the Company if the apprentice loses time from his regular work schedule as a result of school attendance. The Joint Apprenticeship Committee will establish a related progressive training schedule for the apprentices similar to that recommended by the CAW Apprenticeship Standards, offering full exposure to all aspects of the apprentices trade. The Company will arrange for the apprentices to attend such courses.

Completion of Apprenticeship

An apprentice, upon completion of his apprenticeship, shall receive the Journeyman's classification upon successful passing of the Certificate of Qualification. No certificates will he issued by the Apprenticeship Office, Ministry of Colleges and Universities, unless approved by the Joint Apprenticeship Committee.

Seniority

The apprentices will exercise their seniority in their own classification as listed in Article 34.1.

Upon satisfactory completion of the Apprenticeship Program, the apprentice will obtain Skilled Trades seniority as of the starting date of the apprenticeship, minus any time spent on layoff or in production due to exercising bumping rights due to layoff. Accumulation of production seniority is frozen and excludes time served in apprenticeship.

Employees who enter the Apprenticeship Training Program shall retain their relative plant wide seniority until such time as they complete their apprenticeship when the regular apprenticeship rule shall apply. The apprentice will exercise his plant wide seniority at a time of layoff from the apprenticeship.

Ratio

The ratio shall not be more than one (1) apprentice to eight (8) Journeyman/Journeywoman. In the event of **a** layoff or recall, the Company will endeavour to maintain these ratios.

The above ratio may be modified **as** the need arises upon approval of the Joint Apprenticeship Committee.

Application

Seniority Employees

- a) Notice of apprenticeship openings will be posted on the Company's Job Posting Boards, as per the job posting language of the Collective Agreement.
- b) Applications for apprenticeship will be accepted by the Human Resources Department from seniority employees (employees within the Bargaining Unit) who consider themselves eligible under this program of training.
- c) Applicants meeting the minimum requirements will be turned over to the Joint Apprenticeship Committee for review.
- d) Employees currently in the Skilled Trades classification will not be eligible to apply for apprenticeship openings unless the trade in which they are employed is discontinued.

Credit for Previous Experience

Credit for previous related experience in an apprentice training program, or skilled trade in any plant, may be given up to the time required on any phase of the apprentice shop training or related training schedules. Credit for such previous experience shall be given the apprentice at the time he/she has satisfactorily demonstrated that he/she possesses such previous experience and is able to do the job to the satisfaction of the Joint Apprenticeship Committee. Related training credit shall be given the apprentice at the time that he/she is requesting credit under the related training schedule. At the time such credit is given, the apprentice's wage rate shall be correspondingly adjusted within the apprentice rate schedule based upon the amount of credit given toward completion of the shop training schedule.

Discipline

The Joint Apprenticeship Committee shall have the authority to cancel the apprenticeship agreement of the apprentice at any time for cause pertaining to his apprenticeship such as:

a) Inability to learn

- b) Unsatisfactory work
- c) Lack of interest in his/her work or education
- d) Unreliability

This shall not limit the right of the Company to discipline an apprentice for cause for matters not related to his/her training **as** an apprentice. Such discipline by the Company shall be **sub**ject to the Grievance Procedure.

Apprentice

Apprentices in each of the Trades covered shall be paid a progressively increasing schedule of wages as follows:

| 1st1000 hours | not less than | 80% of the Journeyman's rate |
|----------------|---------------|------------------------------|
| 2nd 1000 hours | not less than | 83% of the Journeyman's rate |
| 3rd 1000 hours | not less than | 85% of the Journeyman'srate |
| 4th 1000 hours | not less than | 86% of the Journeyman's rate |
| 5th 1000 hours | not less than | 87% of the Journeyman's rate |
| 6th 1000 hours | not less than | 89% of the Journeyman's rate |
| 7th 1000 hours | not less than | 91% of the Journeyman's rate |
| 8th 1000 hours | not less than | 95% of the Journeyman's rate |
| 9th 1000 hours | not less than | 98% of the Journeyman's rate |

Successful completion of Apprenticeship Program and the successful passing of the Certificate of Qualification - 100% of the current Journeyman's rate.

An employee with seniority rights who enters the apprenticeship program will remain at his/her current hourly rate until such time as the percentage (%) of the Journeyman's rate is greater of the two (2) and will continue to progressively increase as per the above chart.

The Company agrees to pay, on behalf of apprentices covered by this Agreement, for books, registration fees and /or tuition required in connection with related training under the apprentices program.

The apprentice shall be paid his/her regular hourly rate for actual school attendance. **If** the apprentice attending is sent to a Community College, Trade School or other outside source, for any period of time, as part of the formal Apprenticeship training program the employee will apply for Employment Insurance (EI) benefits. The Company will provide salary continuance based on the apprentice schedule of wages provided the employee signs a waiver agreeing to reimburse the Company the monies paid to him/her through EI. If EI no longer covers the training expense the Company will cover the lost time on block release.

If the apprentice is laid off, he/she may elect to continue school classes. Tuition, books, and time spent in class during such lay-off period will be paid upon the return of the apprentice to the Apprenticeship Program. Tuition and book receipts will be presented to the Company, by the apprentice.

Approval

These standards or any changes or amendments to these Standards will be submitted to the National Skilled Trades Department of the CAW for approval before becoming effective.

Definitions

- a) The term Company shall mean Sterling Trucks.
- b) The term "Union" shall mean the duly authorized representatives of the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW - Canada) and its Local 1001.
- c) "Registration Agency" on labour standards shall mean the Ministry of Colleges and Universities, Apprenticeship Offices.

"Registration Agency" for the apprentice as a student covering related instruction, shall mean the nearest Community College or the Board of Education.

d) "Apprenticeship Agreement" shall mean a written agreement between the Company and the person employed as an apprentice, and his/her parent or guardian (if he/she is a minor) which agreement shall be approved and signed by the Chairperson and Secretary of the Committee and registered with the Registration Agencies and the Local Union.

- e) "Apprentice" shall mean a person engaged in learning and assisting in the trade to which he/she has been assigned under these standards and who is covered by a written agreement providing his/her training in accordance with these standards of apprenticeship and who is registered with the Registration Agency.
- f) "Committee" shall mean the Joint Apprenticeship Committee organized under these standards.
- g) "Apprenticeship Coordinator" shall mean the person employed by the Company or the person assigned the responsibility to perform the duties outlines in these standards of apprenticeship.
- h) "Standards of Apprenticeship" shall mean this entire document, including these definitions.
- i) "Journeyman/Journeywoman" as used in Article 34 hereof, means employees in a specific trade and shall not be construed to include Journeyman/Journeywoman employed in other trades.

Letter & UnderstandingNo. 9

Skilled Trades Weekend Workers

- 1. There are two (2) weekend Skilled Trades shifts: D and E. The hours of work will be:
 - Shift "D" 3:00pm to 3:00am commencing Friday through Sunday

Shift "E' - 3:00am to 3:00pm commencing Friday through Sunday

- 2. A worker who works a twelve (12) hour shift shall receive a one-half hour paid lunch and three (3) paid fifteen (15) minutes breaks which will include travel time.
- 3. Any employee working a three (3) day weekend shift shall be paid overtime at the rate of time plus one half for the **first** eight (8) hours worked beyond 36 hours in a given week and will **be** paid double time for overtime hours worked beyond eight (8) hours in that given week. Work performed on paid holidays will be compensated

at two times the hourly rate including the applicable premium (i.e. 15%).

Scheduled overtime through the week for shifts D and E will be based upon an eight (8) hour opportunity to work. In the event shifts D and E employees have not signed up for overtime, the opportunity will be offered to shifts A, B and C by canvassing their shifts to either come in four (4) hours early or stay over four (4) hours. Overtime will be assigned per Article 41.

- 4. Employees working on the three (3) day weekend shift shall receive a premium of 15% for hours worked.
- 5. Positions of this shift will be posted and the process will then follow Article 9 of the collective agreement.
- 6. Vacation Pay would be paid out in hours. If vacation is booked **as** a full week (36 hours) it would not be impacted by this schedule. A full week of vacation is to be considered as the Friday, Saturday and Sunday of the same weekend. The vacation schedule will "open" the first weekend after the first Monday of February and will be frozen after the following weekend.

All other provisions relative to Article 17 will be followed for vacation purposes.

7. Statutory and Observed Holidays

The weekend shift will observe the following holidays during the life of the collective agreement:

2006

| 2000 | |
|---------------------|-----------------------|
| Sunday, April 16 | Friday, December 22 |
| Sunday, May 21 | Saturday, December 23 |
| Sunday, September 3 | Sunday, December 24 |
| Sunday, October 8, | Friday, December 29 |
| - | Saturday, December 30 |
| | Sunday December 31 |
| 2007 | |
| Sunday April 8 | Friday, December 21 |
| Sunday May 20, | Saturday, December 22 |
| Sunday September 2, | Sunday, December 23 |
| Sunday October 7 | Friday, December 28 |
| | Saturday, December 29 |
| | Sunday, December 30 |

2008

Sunday, March 23Friday, December 26Sunday, May 18Saturday, December 27Sunday, June 29Sunday, December 28Sunday, August 31Sunday, October 12

2009

Friday, January **2**, Saturday, January 3

For Immediate Family bereavement (based on three (3) consecutive working days entitlement), the employee working on the weekend shift shall be granted his/her next two (2) scheduled shifts off with pay.

For Direct Immediate Family bereavement (based on five (5) consecutive working days entitlement), the employee working on the weekend shift shall be granted his/her next three (3) scheduled shifts off with pay.

- 9. The Short Term Disability (STD) waiting period for the weekend shift employees will be adjusted to compensate for this compressed work week. STD payments for injury or hospitalization will continue to be paid on the first day.
- 10. PTO and SDO may be added together (40 hours plus 16 hours) and rounded up *to* permit these weekend shift employees to be entitled annually for five (5) paid days (60 hours. For administrative purposes 24 hours are considered SDO and 36 hours are considered PTO.
- 11. If an employee is required to serve on a jury he/she will be reimbursed for lost time. If an employee is required to appear in court on a Monday he/she will be excused with pay on the Sunday shift. Proper documentation must be provided to the Company.
- 12. Employees may be permitted to take up to six (6) hours per quarter as Approved Time Off following existing practice.
- 13. Emergency Leave will continue to be applied as per past practice for an annual total of ten (10) days.

- 14. Single vacation days would be paid based on the hours taken, After all fully paid days have been taken if any residual time remains one of two options will apply:
 - a) If the balance of vacation time is six (6) hours or greater, the employee may choose to take a full shift off and be paid the outstanding monies accrued or simply be paid the outstanding monies at the end of the vacation period, after March 31st.
 - b) If the balance of vacation time is less than six (6) hours, the employee may schedule the residual time off with their supervisor as a "leave early with pay" (this is the only exception where part vacation days will be recognized) or the residual balance will be paid to the employee at the end of the vacation period, after March 31st.
- 15. If the employee is required to leave to attend the birth of their child during working hours, the balance of the shift will be paid. Employees will be granted the working day immediately following the birth as time off with pay.
- 16. Union Representation of the weekend shift will consist of

One (1) Skilled Trades Alternate (AR)

- 17. When an employee is required by law (summons, subpoena, writ, petition, or other legal process) to be absent from work he/she shall be granted a Leave of Absence. The employee will be reimbursed for time lost if they are not a principal in the court action upon providing appropriate documentation.
- The weekend shift premium is to be paid on all compensated hours including vacation pay, bereavement, SDO, PTO, etc.
- 19. The Supervisor will coordinate the re-booking of vacation days for employees transferring to the weekend shift.
- 20. In the event that the weekend shifts D and E are not required, discussion by both the Company and Union shall be required, to discuss manpower movement, vaca-

tion bookings, etc.

- 21. In the event of layoff, the language in Article 34 of the Collective Agreement will be followed.
- 22. Those employees who work the weekend shifts D and E will be provided an opportunity to work any time lost, at straight time within the next five (5) days following the event, for such time lost to attend Union and Company functions such as Employee Appreciation Day, Family Fun Day, Kid's Christmas party, Adult Christmas Party, etc. The absence to attend such events will be considered excused.

Letter of Understanding No. 10

STERLING ST. THOMAS OPERATIONS

During negotiations leading to an agreement between the parties, the CAW raised concerns over the products assigned to the facility within the context of the plant's long-term viability. In particular the Union requested commitments from the company regarding the impact on St. Thomas should incremental capacity require a second production site for the Sterling brand of products and commitments with reference to current products sourced to the facility.

Presentations to the Union during our discussions clearly indicate inconsistent product portfolio performance from a return on sales perspective, particularly relevant as it relates to the Mline of products badged as Acterra. As a result, considerable analysis is underway within the company to determine the future direction of the Sterling brand.

Sterling's market position is particularly troublesome taken in conjunction with consumer behavior driven by the EPA 07 regulatory environment and its impact on volume for calendar years 2007 and 2008.

Discussions during negotiations then, focused squarely on the forecasted loss of employment driven by the need for fixed cost reduction and the loss of volume as outlined above. In total, the company forecasted a loss of approximately 650 jobs with

notice to the Union of the company's intention to layoff approximately two hundred (200) employees on or about September 15, 2006 with production rates increasing from 114 units per day to 120 units per day at the time of layoff. In keeping with contractual discussions, the company will be developing plans to reassign the one hundred (100) most junior employees in this group during vacation prime time to teams across the plant to provide summer vacation cover off. Should additional vacation coverage be required TPT students will be utilized. Based on market conditions the 3rd production shift may be eliminated in April, 2007, resulting in a permanent layoff of approximately 450 employees.

While the impact of this employment forecast and its impact on the CAW and the community of St. Thomas are of serious concern to Freightliner, market performance is the most important contributor to job security both now and in the future. In balancing these two concepts, Freightliner makes the following commitments:

- 1. If during the life of the agreement, a second production site is deemed to be required for additional production of the Sterling brand of products, Sterling St. Thomas will carry lead plant status. Market conditions permitting, a three-shift production schedule will be maintained.
- 2. Current products assigned to the plant will be maintained until the company determines re-sourcing would further support brand viability. Should such re-sourcing be deemed appropriate the National Office of the CAW will be given 90 days notice. Along with said notice the Union will be advised of actions to be taken (e.g. sales programs, investment, insourcing), designed to ensure employment at the Sterling St. Thomas facility is commensurate with market conditions, thereby ensuring Sterling St. Thomas is not disproportionately disadvantaged.
- 3. Consistent with paragraph (2) above, in-sourcing actions are outlined in a separate letter between the parties.

4. In the event the actions outlined above do not prevent reductions in the workforce, employees permanently laid off will be provided Supplementary Unemployment Plan Benefits as outlined in a separate letter between the parties.

The CAW for its part supports the concept of productive competitive workplaces. In recognition of this, the parties further agree to the following:

- a) Notwithstanding the negotiated restrictions on scheduling production Saturdays as outlined in Article 41 Overtime Equalization and consistent with Paragraphs 41.09 and 41.11, for the balance of the 2006 calendar year and the first quarter of calendar year 2007, an additional seven (7) Saturdays will be made available for scheduled production. In recognition of the contemplated impact of this change in schedule on 2nd shift employees, the company agrees to increase the number of temporary part-time employees assigned to this shift enabling approved time off on Mondays, Fridays and Saturdays.
- b) While the parties maintain their respective positions on the interpretation of Article 7 - Layoffs and Recalls and Workforce Adjustments, paragraph 7.07, and were unable to reach a conclusion on the matter, the Union advised the company it had no intention to process a grievance in connection with the layoffs outlined in this letter agreement.

The company informed the CAW of **its** plans to improve the chassis line with a capital investment of approximately \$10 Million (US). The investment will improve the manufacturing process by extending the front and back of the chassis line adding approximately fourteen additional stations reducing congestion and improving product and parts flow. Incremental productivity and efficiency improvements are crucial elements of the business case supporting the investment. The consistent achievement of daily production schedules is required to ensure an acceptable return on the investment.

The parties further commit themselves to the concepts of DCPS with a view to dramatically increasing the competitive dimension of the Sterling St. Thomas operation.

Letter d Understanding No. 11

IN-SOURCING

The Company agrees to in-source the sequencing of parts and materials (L&P), no later than the second quarter of calendar year 2007.

The Company will provide a tow truck and a "hot" parts truck to be operated by appropriately licensed employees. The introduction of this work will occur within 90 days of ratification.

The Company further advises the Union there is no intention to outsource the aluminum fabrication operation for the life of this agreement.

In response to the Union's inquiry regarding the company's plans to outsource axle build-up and fifth-wheel weld, the company advised there were no plans to outsource this work during the life of the agreement.

Further, the company advised the Union should further questions arise concerning the company's plans to outsource work, they should raise the issue with the Plant Manager of Sterling St. Thomas.

Letter of Understanding No. 12

SUPPLEMENTAL UNEMPLOYMENT BENEFITS SUB)

SUB Pay Plan

This plan was designed to provide additional income protection from the Company during a period of unemployment due to layoff. This Plan is intended to supplement Employment Insurance (EI) benefits. The parties agree to work jointly and cooperatively with respect to obtaining any governmental approvals required to facilitate the effective implementation of the intent and provisions of this Supplemental Unemployment Benefit Plan.

The regular benefit payable to an eligible employee (those who have successfully passed their probationary period) for any week shall be an amount which when added to Employment Insurance (EI) will equal 65% of weekly straight time pay. This benefit outlines the financial commitment to "top up" the Employment Insurance entitlement for eligible employees. However, should this entitlement be reduced for reasons such as a repayment owed to EI as the result of deferred earnings from an employee, the Company's obligation will not be increased to offset the "reduction". For example: If an employee's entitlement was \$413.00 per week and it was reduced to \$313.00 per week due to earnings declared from a part time job, the Company would "top up" from \$413.00 to 65% of weekly straight time pay.

Employment Insurance claimants whose net taxable income, including income benefits, is more than \$48,750 (1.25 times the maximum yearly insurable earnings) will have to repay up to 30% of EI benefits received that year. Such "Clawbacks" (benefit repayments) required from EI for payments received in excess of designated coverage levels while on layoff, based on Sterling income only, will be restored by the Company as per a provision in the St. Thomas Plant SUB Plan.

The entitlement to **SUB** pay is based on an employee's seniority as per the following schedule:

| Years of Service as @ | #of Weeks SUB Pay | | | | |
|------------------------|-------------------|--|--|--|--|
| Layoff Date | Entitlement | | | | |
| Past Probation < 1 Yr. | 2 | | | | |
| 1 - 2 Yrs. | 12 | | | | |
| 3 - 4 Yrs. | 20 | | | | |
| 5 - 6 Yrs. | 26 | | | | |
| 7 - 10 Yrs. | 36 | | | | |
| 10+ Years | 45 | | | | |

SUB pay will not be paid until a one week waiting period has been completed.

Wage Protection Benefits

The plan was designed to provide additional income from the Company to offset wages lost for other periods of disruption, provided the reasons do not involve acts beyond the Company's control such as: parts shortages, bad weather, major equipment failures and acts of God. An example would be if the plant were to operate on a reduced work schedule based on production demands. This plan is not linked to EI.

The 85% income protection rate under the Wage Protection Benefit will be paid out a maximum of 10 days in any calendar year after which the income protection rate would reduce to 75%.

Other Supplemental Pay Issues

- Funding for both plans will be borne totally by Company.
- The Sub Pay plan will cover all active full-time employees who have successfully passed their probationary period.
- Current language with respect to work reduction will continue to be applied. The Company will not entertain "reverse seniority (voluntary) layoff' language for work reductions. The most qualified senior employees are key contributors to the Company in meeting our customer's expectations.
- The Wage Protection Benefit compensation will adjust to reflect any announced structural increases, but these increases would not be implemented while an employee was laid off (i.e. under the SUB Pay Plan). Such increases and step wage progression increases will be frozen during the layoff until the affected employee return to work.
- Employees will be eligible for benefit coverage during periods of layoff for a maximum of six (6) months. Under the same SUB Pay entitlement schedule, pension contributions will be based on actual wages paid by the Company during layoff.

Letter of Understanding No. 13

DISABILITY PROGRAM MANAGEMENT

During the 2006 negotiations the Parties met and discussed various issues concerning the Short-Term and Long-Term Disability Programs and the processes related to claims administration. The parties agreed to establish regular dialogue between the key administrators assigned to the Sterling account and the Union Return to Work/Benefits and Employee Assistance Program Representatives.

Applications for disability benefits are to be submitted with supporting medical documentation within fifteen (15) days of the absence occurring. At the point of intake of the application for disability benefits and for issues related to eligibility for coverage, the Health Centre will identify the Union RTW/Benefits and EAP representatives to employees as resources to assist in this process.

The benefit carrier will advise the employee, or Union Representative if so directed by the employee, of the status of their claim within eight (8) days. To expedite information flow several attempts will be made to contact the employee by phone before the information is mailed to the employee's address. The benefit carrier will be initiating enhancements to their systems prior to the end of 2006 to improve the turnaround time involved in the processing of claims for disability.

Letter of Understanding No. 14

VIOLENCE AGAINST WOMEN

During the current negotiations the parties discussed the concern that women sometimes face situations of violence or abuse in their personal life that may affect their attendance or performance at work. The parties agree that when there is adequate verification from a recognized professional (i.e. doctor, lawyer, professional counselor), **a** woman who is in an abusive or violent personal situation will not be subjected to discipline without giving full consideration to the facts in the case of each individual and the circumstances surrounding the incident otherwise supportive of discipline. This statement intent is subject to a standard of good faith on the part of the Company, the Union and affected employees, and will not be utilized by the Union or employees to subvert the application of otherwise appropriate disciplinary measures.

Letter of Understanding No. 15

EMPLOYMENT STANDARDS ACT

The Company and the Union agree to follow and support existing legislation.

Letter of Understanding No. 16

UNION OFFICE

During the 2006 negotiations, the Company and the Union discussed the relocation of the Union committee and Joint Health & Safety offices to the area east of the Cab Line Training Room. The Company agrees to initiate a move to this new location before the end of the third quarter of 2006.

Letter of Understanding No. 17

JHSC TRAINING ROOM

During the 2006 negotiations, the Company and the Union discussed the need for improved facilities for Health and Safety training. The Company agrees to designate a training room before the end of the third quarter of 2006. It is understood between the parties that this room will also be utilized for general training requirements.

Letter of Understanding No. 18

BENEFITS COST CONTAINMENT

During the 2006 negotiations the Parties discussed the operation and cost effectiveness of health care coverage. These discussions recognized that there may be opportunities to provide cost savings, while achieving maximum coverage and service for employees and dependents covered by these benefits.

In addition, the Parties also recognized that the potential existed for the inappropriate use of some of these covered benefits and that it was in the interest of both Parties to ensure that such inappropriate use he eliminated.

The Parties, therefore, agreed that **a** Benefits Committee be established with equal representation for the Union and the Company, which will have the mandate to investigate, consider, and upon mutual agreement, engage in activities that may have high potential for cost savings and improve the effectiveness of these benefit programs.

The clear objective of this Agreement is for both the Company and the Union to jointly employ their best efforts to minimize future benefits related costs increases and administrative issues.

Letter of Understanding No. 19

VOLUNTARY CESSATION OF EMPLOYMENT

During the 2006 negotiations, the parties discussed the concept of voluntary cessation of employment. The Company will make available up to twenty (20) lump sum payments - each valued at \$30,000 - to employees in descending order of plant seniority (production and skilled trades) upon the voluntary cessation of their employment provided said cessation occurs no later than December 31, 2006. Determination of participation must be made by employees no later than September 30, 2006. Employees accepting this offer will not be eligible for re-hire.

The lump sum payment, or portion thereof, may be directed to

a RRSP should the employee request to do so subject to Revenue Canada guidelines and plan maximums.

The administrative details of this program will be mutually developed by the Company and Union within 90 days of ratification.

Letter of Understanding No. 20

PLANT CLOSURE

During 2006 negotiations, the Union expressed concerns about the closure of the plant. In response to these concerns, the Company reconfirmed its commitment to the Sterling product line and manufacturing operations at the St. Thomas, Ontario, Sterling Truck Manufacturing Plant.

Both the Company and the Union acknowledge that the future viability of the operation and long-term job security for employees depends upon their ability to **work** cooperatively on matters, which positively impact quality, efficiency, and cost. Further, the Parties understand the need for Sterling products to he competitive and for the St Thomas Plant to be profitable.

In the event the Company believes that closure is necessary in the future because of economic conditions or other significant factors which impede the Company's ability to produce a competitive product at a profit, the decision to close will be reviewed in detail with the Union at least five (5) months in advance of closing and the potential effect upon employees will also he discussed.

Letter of Understanding No. 21

CORE BENEFITS PLAN CHANGES

Changes to the core benefit plan reached at negotiations have been reflected in the group benefit summary booklets as provided through Green Shield Canada and Co-operators Life Insurance Company. These highlights and booklets will be mailed to each employee's home address within thirty (30) days of ratification.

CONTRACT SETTLEMENT AGREEMENT CAW, LOCAL 1001 / STERLING TRUCKS, ST, THOMAS TMP

This document constitutes the settlement agreement for collective bargaining dated March 23, 2006 between Sterling, St. Thomas TMP, a division of Freightliner LLC and the National Automobile Aerospace Transportation and General Workers Union of Canada, (CAW- Canada) Local 1001.

This settlement agreement constitutes a full, complete and final version of all terms and conditions collectively bargained in good faith between the parties subject to ratification by the membership.

Any provision(s) from the 2003 - 2006 Collective Bargaining Agreement (CBA) not specifically addressed, changed, amended, altered or deleted by specific written, signed agreement(s) or Letter of Understanding(s) during the 2006 negotiations remain part of the CBA.

During the 2006 negotiations, each party had the unrestricted opportunity to present any and all demands. All agreed-upon written agreements and Letters of Understanding reached during these negotiations become incorporated into the CBA.

Authorized Signatures

The signatures hereon shall be applicable to each of the various written agreements to which each party has committed itself in the same manner and with the same effect as if physically subscribed thereon.

The parties hereto, each by its duly authorized officials and representatives hereby accept this Contract Settlement Agreement and each and all terms and conditions thereof.

For the Union: For the Company:

Glossary

| ABS | Anti-Lock Brake System |
|-------|---|
| AR | As Required |
| ATO | Approved Time Off |
| CAST | Customer Application Support Team |
| CBA | Collective Bargaining Agreement |
| CI | Continuous Improvement |
| СММ | Coordinate Measuring Machine |
| DCPS | DaimlerChrysler Production System |
| EAP | Employee Assistance Program |
| ELOA | Emergency Leaves of Absence |
| ERT | Emergency Response Team |
| ESA | Employee Standards Act 2000 |
| HRSDC | Human Resources and Social Development Canada |
| JHSC | Joint Health and Safety Committee |
| JHSEC | Joint Health Safety and Environment Committee |
| IMS | Information Management System |
| LOA | Leave of Absence |
| LOR | Letter of Responsibility |
| LTD | Long Term Disability |
| OSPR | Offline Supplemental Pool Resource |
| OU | Operational Unit |
| PINT | Paint Inspection Notification Tracking |
| PTO | Paid Time Off |
| RSI | Repetitive Strain Injury |
| RTW | Return to Work |
| SDO | Scheduled Days Off |
| SQDCM | Safety, Quality, Delivery, Cost, Morale |
| SR | Shortage Report |
| STD | Short Term Disability |
| STVMS | ShopTech Vehicle Management System |
| SU | Support Unit |
| TBD | To Be Determined |
| TBE | Total Business Excellence |
| TIPS | TRAC Interactive Phone System |
| TRAC | Time Reporting and Computing |
| WHMIS | Workplace Hazardous Material Information System |
| WSIB | Workers Safety and Insurance Board |

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