

AGREEMENT

This AGREEMENT made and entered into as of the
28th day of April, 2015

BETWEEN

GATES CANADA INC.

in Brantford, hereinafter referred to as "the Company",

AND

LOCAL NO. 733 OF
THE UNITED STEELWORKERS

hereinafter referred to as "the Union".

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ARTICLE I

Recognition

- 1.01 The Company recognizes the Union as the sole and exclusive bargaining agency for all the employees of the Company, save and except foremen, persons above the rank of foreman, uniformed security guards, Chief Engineer, office and sales staff.
- 1.02 All provisions between Gates Canada Inc. and U.S.W., Local 733 shall be consistent with all Ontario legislation and any applicable Federal legislation. Allegations of any inconsistency under this provision may be pursued through the grievance procedure and/or arbitration.

ARTICLE II

Discrimination

- 2.01 The Company and the Union agree that there shall be no discrimination or intimidation of any sort practised by the Company or by the Union by reason of any activity or lack of activity, past or future, of any employee with or in respect to membership or non-membership or activity or lack of activity in the Union.
- 2.02 The Company agrees that it will not by any means, directly or indirectly, persuade or influence, or attempt to persuade or influence any employee against membership or activity in the Union. The Union agrees that it will not solicit membership on Company time.
- 2.03 The Company and the Union agree to maintain the policy of no discrimination as governed by applicable legislation.

ARTICLE III

No Strike or Lockout

- 3.01 The Union agrees to the no-strike provisions of the Labour Relations Act of Ontario which says, "No employee bound by the Agreement shall strike", and "No employee shall do any act if he/she knows or ought to know that, as a probable and reasonable consequence of the act, another person or persons will engage in an unlawful strike." Under the Act a "strike includes a cessation of work, a refusal to work or continue to work by employees in combination or in concert or in accordance with a common understanding, or a slowdown or other concerted activity on the part of employees designed to restrict or limit output."

- 3.02 The Company agrees that it will not take over the processing of materials from any other firm at which a strike is in progress, with the purpose of assisting that firm in breaking the strike. Employees under the bargaining unit, will not be required to cross the picket lines of other firms where duly sanctioned strikes are in progress.
- 3.03 The Company agrees there shall be no lockout so long as this Agreement continues to operate.

ARTICLE IV

Hours of Work

- 4.01 The normal weekly schedule of the facility is a five day, forty hour week, Monday to Friday inclusive, but this shall not be construed as a guarantee of hours of work per day or per week. Each employee is assigned regular shift hours according to his/her type of work and number of shifts per day. Weekly starting times and shift starting times will be scheduled in accordance with distribution requirements. In the event distribution conditions require that a major change be made in starting times as set forth above, the Union Executive will be advised of the change and reason therefore. Normal shift schedules will be as follows:

Distribution:

- Day Shift:
 - 7 a.m. to 3 p.m. –
 - 20 minutes paid lunch period
 - and/or
 - 8 a.m. to 4 p.m. –
 - 20 minutes paid lunch period
 - and/or
 - 9 a.m. to 5 p.m. –
 - 20 minutes paid lunch period

- Afternoon Shift:
 - 3 p.m. to 11 p.m. –
 - 20 minutes paid lunch period.

Quality Assurance:

- Day Shift:
 - 8 a.m. to 4 p.m. –
 - 20 minutes paid lunch period.
 - and/or
 - 7 a.m. to 3 p.m. -
 - 20 minutes paid lunch period.

Afternoon Shift: 3 p.m. to 11 p.m. –
20 minutes paid lunch period.

On operations where distribution conditions make it advisable, other starting times may be used.

4.02 Two 10-minute rest periods will be allowed each shift.

ARTICLE V

Wages

5.01 A classified worker temporarily transferred at the request of the Company while his/her regular work is available will be paid CAP of his/her classification or CAP of the job transferred to whichever is the higher.

An unclassified employee so transferred will be paid his/her regular rate or the rate of the job transferred to, whichever is the higher.

5.02 Where an employee is advised by the supervisor or foreman, after having worked four (4) hours or more on his/her regular shift, that there is no further work available on his/her operation or group of operations for the balance of the shift, the employee may elect to go home or accept another job assignment at the prevailing rate of the job assigned for the four (4) hours or less in the remainder of the shift.

5.03 If an employee reports for work at his/her regular scheduled time and there is not four hours' work available for him/her on his/her regular job, or if he/she works less than four hours on his/her regular job, he/she will be given either four hours' work at some other job at the rate of the job assigned, or his/her rate, whichever is higher, or four hours' pay at his/her unclassified rate or his/her rate if a classified worker, unless he/she has received two hours' prior notification not to report to work. If the Company elects to give the employee four hours' pay as aforesaid, the employee will be permitted to leave the facility at once. This report-in pay provision does not apply if there is no work because of power failure, breakage of major equipment (computer system), catastrophe, violation of 3.01, or where the employee failed to keep his/her correct telephone number on file with his/her supervisor, or cannot be reached by telephone. Report in pay will be calculated at the applicable rate of pay for the day involved.

5.04 Shift premium will be paid as follows:

For all hours worked on the scheduled swing shift
- \$.40 per hour.

For all hours worked on the scheduled graveyard shift

- \$.40 per hour.

In calculating overtime payment, the shift premium will not be included.

5.05 All employees shall be paid weekly.

5.06 If an employee is injured in the facility, or on Company property, if the injury would be covered under the Workplace Safety and Insurance Act (hereinafter referred to as W.S.I.B.), and as a result of such injury loses time from the shift on which it occurred, he/she will be paid for such lost time, provided:

- (a) He/she reports such injury to his/her supervisor or the Occupational Nurse, providing an Occupational Nurse is employed, as soon as possible after its occurrence; and
- (b) He/she immediately seeks medical attention for such injury; and
- (c) He/she is excused for the balance of the shift by his/her supervisor, a doctor of medicine, or a registered nurse on duty in the emergency room of a hospital.
- (d) If the incident occurs on a regular shift, payment will be at straight time. If on an overtime assignment, payment will be at the applicable overtime rate. If the employee is unable to return to the Company premises before the end of the shift he/she will also receive payment for the time between the end of the shift and the time of return. Such payment will be at straight time if the accident occurs on a regular shift and at the applicable overtime rate if it occurs on an overtime shift. An exception to this will occur when the accident happens on a regular shift and the employee is already scheduled to work overtime at the end of the shift. In such cases, the employee will receive payment at the applicable overtime rate following the end of his/her regular shift until the time of return to the Company premises. If the accident occurs on an overtime shift immediately preceding a regular scheduled shift the employee will receive payment at the overtime rate for the balance of the overtime shift followed by payment at straight time rate until the time of return to Company premises.

In the event that an employee is sent directly home without returning to the facility, payment will cease at the end of the shift on which the injury was incurred, whether straight time or overtime.

In the event that an employee is confined to hospital, payment will cease at the end of the period he/she was scheduled to work, whether straight time or overtime. For the purpose of this paragraph "confined to hospital"

shall mean that the employee is assigned a hospital bed and remains in hospital for a minimum of eight (8) consecutive hours thereafter.

All of the above terms and conditions apply only to the date on which the injury is actually incurred and only if covered under W.S.I.B.

Payment for time lost under the circumstances described above will be made at CAP in the case of a classified worker or at his/her hourly rate in the case of an unclassified worker.

- 5.07 Descriptions of job duties will be made available in the facility.
- 5.08 An employee will be paid for time lost on his/her operation if he/she is called away from same by the employer. In the case of a qualified classified worker such payment will be made at CAP or at attained progression rate for a unclassified worker or a non-qualified classified worker.

Employees taking tests required by the Company outside regular working hours will be paid at straight time for the actual time spent taking such tests, excluding travel time. Payment will be made as set forth previously in this clause.

- 5.09 Employees' time records shall be completed daily. If the Company makes an adjustment to the payroll record, the employee will be notified in writing on his/her next shift following the day on which the change is made. If the employee is not in agreement with the change, the supervisor, employee and shift steward will make a reasonable effort to settle any differences. If no satisfactory determination of the point is made it may be processed through the regular grievance procedure.
- 5.10 There will be one classification for all new hires called Warehouse Worker. These new hires will be placed in this Payroll classification and be paid a job rate of \$15.00 per hour. Upon attaining seniority, the wage rate for the new hire will increase by \$1.00/hr. Thereafter, there will be three (3) incremental increases of \$0.75/hr every six months then one further increment of \$0.50/hr for a maximum job rate of \$18.75, to be increased by \$0.25 each year thereafter for a maximum job rate of \$19.25 (see Schedule "A"). Students are not eligible for progression.
- 5.11 Classification and wage rates are attached hereto as Schedule "A" and form part of this Agreement.

ARTICLE VI

Overtime

- 6.01 Time worked outside of an employee's regular eight hour shift in any 24 hour period from the time he/she is required to start work will be paid for at the rate of time and one-half. Time and one-half will be paid for Saturday work.
- 6.02 Overtime does not include:
- (a) Time worked by employees substituting for another at their own request.
 - (b) A change of an employee's working hours at his/her own request in writing.
 - (c) In no case will overtime be pyramided.
- 6.03 Employees, after two weeks of service, shall be paid an amount equal to one standard shift for each of the following **twelve** holidays:

New Year's Day
Family Day
Good Friday
Victoria Day
Canada Day
Civic Holiday
Labour Day
Thanksgiving Day
Christmas Day
Boxing Day
Two Floaters to be designated for each year.

The actual dates on which the foregoing holidays will be observed are set out in Supplemental Agreement No. 2.

- 6.04 If a holiday falls on Sunday, the next following work day shall be observed as a holiday. If a holiday falls on a Saturday, the Company may, at its option in each such case, elect to celebrate the holiday on the Saturday on which it falls or the Friday immediately preceding, or the Monday next following such Saturday. If a holiday falls within a period when an employee is on vacation, he/she will have the choice of (1) receiving holiday pay without taking the holiday, or (2) taking the holiday on either his/her last shift prior to his/her vacation or the first shift after his/her vacation. However, this choice must be declared to his/her supervisor at least two full calendar weeks prior to the date on which such vacation is scheduled to begin. From time to time, emergencies may arise which will make it

necessary for certain employees to work on a holiday in order that other employees will not suffer lost time.

When an employee works on a holiday, he/she will be paid double his/her regular rate for the hours actually worked plus holiday pay, if he/she qualifies under the provisions of this Article.

Employees in classified classifications will be paid holiday pay based on his/her CAP. Employees in unclassified classifications will be paid holiday pay based on his/her current hourly rate. Employees in split job classification where the regular job consists of part time classified and part time unclassified operations, will be paid daily holiday pay based on the E.I.E. of the classified part of classification. Only the employee actually at work for at least the minimum number of hours required on his/her last regular scheduled shift before, and at least the minimum number of hours required on his/her first scheduled shift following the holiday, shall receive holiday pay, except where the employee is on vacation, or is absent due to death in the immediate family as per Clause 10.02, personal injury, proven unavoidable illness, jury duty, or excused by supervision. The minimum number of hours required is defined as one (1) hour less than the number of hours scheduled for that shift.

Except where required by applicable legislation, an employee shall not receive holiday pay while claiming WSIB benefits, WI benefits, or any other disability benefit covered under the Health & Life Insurance Agreement.

- 6.05 Double time shall be paid for all authorized work performed on Sunday (12 midnight Saturday night to 12 midnight Sunday night), except the Graveyard and Afternoon shifts will be paid double time as follows: Sunday for a Graveyard Shift employee will start Saturday night at the same time his/her regular Graveyard Shift starts during the week. Sunday for an Afternoon Shift employee will end Sunday night at the same time his/her regular Afternoon Shift ends during the week.
- 6.06 If an employee is called into the facility for work during hours outside his/her regularly scheduled shift, and his/her response to such call results in his/her having to make an unscheduled additional trip to the facility, he/she shall receive a minimum of three hours of pay as a result of such trip. The minimum rate of pay to which the employee may be entitled under this provision will be his/her regular hourly rate. Hours paid for under this clause will be subject to the premium payment provisions found elsewhere in Article VI of this Agreement. Upon resolution of the emergency, the employee will be released from work.

This clause does not apply when an employee comes to work early and works into his/her regular shift.

- 6.07 Employees who work overtime shall not be required to take time off to offset such overtime.
- 6.08 Employees will be notified forty hours in advance if required by the Company to work overtime, except in emergencies.
- 6.09 Applicable guarantees will be paid during time worked on Saturday and Sunday.
- 6.10 (a)
1. The purpose of this procedure is to provide, insofar as is reasonably possible, a balance of opportunities for overtime among individuals within any given classification.
 2. Overtime shall be offered to the required number of employees within the Warehouse Worker classification who are capable of performing the work starting with the employee who is performing the job and who has the least number of overtime hours credited. Available overtime will then be offered to other employees within the classification of Warehouse Worker who are capable of performing the work starting with the employee who has the least number of credited hours.
 3. If a sufficient number of employees within the classification are not available then the overtime may be offered to any individual outside of the classification at the Company's discretion.
 4. Records of overtime offered, accepted, refused and actually worked will be kept in each department and will be made available to employees on request. Hours paid under the call-in pay provision of the C.L.A. which exceed hours actually worked will be recorded for balancing purposes.
 5. If an individual is offered work and accepts, the amount of such overtime actually worked will be recorded for balancing purposes. If he/she is absent for all or part of the assignment he/she has previously accepted, the full amount of overtime offered will be recorded for balancing purposes.
 6. If an individual is offered overtime work and refuses, the amount offered or that actually worked by another employee accepting the same assignment, whichever is greater, will be recorded for balancing purposes.
 7. Overtime worked by an individual outside of his/her classification in accordance with No. 3 above will not be shown on his/her record for balancing purposes within his/her classification.

Overtime worked by an individual outside of his/her classification subsequent to reporting for duties within his/her classification will be shown on his/her record for balancing purposes within his/her classification.

Overtime worked by an individual within his/her classification subsequent to reporting for duties outside his/her classification will not be shown on his/her record for balancing purposes within his/her classification.

8. Time paid for such purposes as attending meetings, taking tests, wash-up, weekend start-ups, etc., will not be shown on an employee's record for balancing purposes.
9. There will be no obligation on the Company to balance overtime hours at different premium rates, i.e. whether any given overtime assignment is at time and one half or double time will be immaterial.
10. When an employee enters a classification and qualifies under No. 2 above he/she will be assigned a cumulative record equal to the highest cumulative record held in that classification.
11. Employees who do not wish to be offered overtime may sign a form to this effect. This form will remain in force until revoked in writing and will waive his or her right to be offered available overtime during the time it is in force. If revoked, the employee shall then be treated as if he/she was entering the classification under No. 10 above.
12. Eligibility for overtime during periods of absence will be governed by the following;
 - a) **SICKNESS OR INJURY**
Eligibility to be offered overtime will not become effective until the employee has actually returned to active duty.
 - b) **JURY DUTY**
Eligibility will be effective on weekends and on any week day that the employee actually reports to work on his/her regular shift.
 - c) **BEREAVEMENT LEAVE**
An employee will not be eligible for overtime during the period covered by the five or fewer working days that the leave is in effect. For example, a bereavement leave beginning on a Thursday and continuing through Monday would exempt an employee from eligibility through that full period, including the weekend.
 - d) **VACATION, PERSONAL LEAVE OF ABSENCE OR UNION LEAVE OF ABSENCE**
An employee will not be eligible for overtime during his/her entire vacation or leave period. The vacation or leave period will be deemed to start at the conclusion of his/her last shift of work and continue to the end of the last scheduled shift of absence. If this last shift occurs on a Friday, then eligibility will be restored as of 11:00 p.m. on the Friday.

e) DISCIPLINARY SUSPENSION

An employee will not be eligible for overtime during any period of disciplinary suspension without pay unless otherwise determined through the grievance procedure.

13. Any overtime opportunities which occur during an employee's absence for any of the reasons outlined in No. 12 above will be recorded for balancing purposes in accordance with No. 6 above. The exception to this will be during Leaves of Absence for Union Business. Overtime opportunities occurring during such leaves will not be recorded as refused.

6:10 (b)

If an employee is not offered overtime he/she was entitled to, the following procedure will be used.

1. For a violation to have occurred the following conditions must exist:
 - i. There must be a difference of more than eight (8) accumulated overtime hours between the employee with the fewer hours and the employee who worked the overtime hours.
 - ii. The difference in hours referred to in (i) above will be calculated based on the accumulated hours held by each of the two employees before the overtime is actually worked and recorded.
2. Violations as defined under No. 1 above will require making the affected individual whole.
3. Overtime hours paid for under No. 2 above will be added to the accumulated overtime hours of the individual receiving payment.
4. (a) On all shifts where daily overtime due to absenteeism may be required at the beginning of the following shift it will first be offered to employees within the classification on the shift then at work; if not filled it may then be offered to other employees on the shift then at work outside the classification; if not filled it may be offered to employees in the classification not at work.
 - (b) All recorded overtime hours shall be reduced to zero on January 1st. of each year.
 - (c) Designated Company and Union representatives shall meet monthly to review overtime records and make adjustments as necessary. Meetings may be held more or less frequently as necessary.

ARTICLE VII

Vacations

7.01 All employees who prior to December 31st of the current year have been continuously employed for the following periods, receive vacation with pay as follows:

- (1) Employees with less than one year service must complete one year before they are entitled to time off for a vacation.
- (2) One year but less than five year's service - two weeks of vacation with pay at 4% of total earnings for the previous calendar year.
- (3) Five years but less than fifteen year's service - three weeks vacation with pay at 6% of total earnings for the previous calendar year.
- (4) Fifteen years but less than twenty years service - four weeks vacation with pay at 8% of total earnings for the previous calendar year.
- (5) Twenty years but less than twenty-five years of service - five weeks vacation with pay at 10% of total earnings for the previous calendar year.
- (6) Twenty-five years or more of service - six weeks vacation with pay at 12% of total earnings for the previous calendar year.

Employees hired after May 1, 1991 will follow the same vacation schedule as above except they will have a maximum of four (4) weeks entitlement. This shall apply during the term of this agreement.

7.02 Total earnings include regular and overtime pay, vacation and holiday pay, Weekly Indemnity payments made in the previous year, and bonuses for the twelve month period prior to January of the current year.

7.03 An employee whose employment with the Company is severed, shall receive any vacation pay then due him/her under the provisions of sections 7.01 and 7.02, and in addition shall receive vacation pay based on the appropriate percentage according to his/her service (as provided in section 7.01) of his/her total earnings (as defined in section 7.02 but applied to the current year only) received in the year in which his/her employment is severed.

An employee whose employment with the Company is severed and who has less than one year of service at the time of such severance, will be paid vacation pay in accordance with the Employment Standards Act of the Province of Ontario.

- 7.04 Vacation will be taken at any time during the calendar year, at such times as is most convenient to the Company, but every reasonable effort shall be made to schedule vacations at times suitable to the employees.

In any event employees who are entitled to two or more weeks of vacation will be given the opportunity of taking two of these weeks together.

Employees off on weekly indemnity or W.S.I.B. during previously scheduled vacation time will be allowed to submit a request for alternative time off under an unpaid leave of absence in accordance with the provisions of the existing guidelines for vacation scheduling.

- 7.05 When an employee of one or more years seniority, has been unable to work for a portion of the preceding vacation year, because of verified sickness or injury, and for that reason only, his/her vacation pay, calculated in accordance with Section 7.01, is less than six hundred and fifty dollars (\$650.00) per week, the vacation pay to which he/she is entitled will be increased to the above minimum, provided he/she has worked a minimum of three months in the vacation year.

- 7.06 Vacation payments will be made as vacations are taken, and in amounts corresponding to the amount of vacation being taken at a given time. Unused vacation pay will be paid by separate direct deposit by the third pay of January of each year.

ARTICLE VIII

Grievance Procedure

- 8.01 The Union Bargaining Committee shall consist of three members. The composition of said committee shall be as follows:

The President and Vice-President of the Local Union and one other Executive Board Member.

- 8.02 The Union shall be permitted to appoint Stewards to a maximum number of one (1) for each twenty (20) employees in the Bargaining Unit. Adjustments to the number of Stewards may be made once each three (3) months based on the number of employees appearing on the most recent seniority list. The Union must provide the Company with a complete list of appointed Stewards detailing the area(s) each is responsible to represent and must keep the list up to date at all times.

- 8.03 Any employee with a grievance or a union representative with a policy grievance shall discuss it with his/her supervisor or appropriate management representative

and give the supervisor/management representative twenty-four (24) hours (the 24 hours shall be extended to a maximum of 48 hours if requested by the supervisor), in which to adjust or reject the grievance. The employee or union representative shall do this within ten (10) days after the alleged circumstances were known or ought to have been known. If the employee or union representative is not satisfied with the answer or he/she wishes to take the grievance through the grievance procedure, it shall be dealt with as follows:

- Step 1 The employee's Steward or in his/her absence an alternate Steward will first discuss the matter with the employee's supervisor and will give the supervisor 48 hours in which to adjust or reject the grievance. If the Steward feels that the employee's presence is necessary to the resolution of the grievance, the employee may be present at this meeting.
- Step 2 Failing settlement at Step 1 then within five (5) working days from the Step 1 answer the grievance shall be reduced to writing, signed by the employee and Steward, dated and presented by the President to the Warehouse Manager. The written grievance should state the relief desired in settlement of the grievance. (It is understood that the granting by the Company of the relief requested in the grievance, shall resolve the grievance.)

The Warehouse Manager shall hold a meeting within five (5) working days of receiving the grievance, with the President, Vice President and Divisional Chairperson, where the grievance will be reviewed.

Within five (5) working days of such meeting, the Warehouse Manager will provide the President with a written answer to the grievance.

It is understood that at Step 2, the Company may bring in persons necessary to assist in settlement of the grievance and the Union may bring in appropriate Local and International Union officials who are necessary to settle the grievance. It is further understood that the time limits referred to herein exclude Saturday, Sunday and holidays. Extension of these time limits may be granted upon written request by either party.

- Step 3 Either party may, within thirty (30) full working days of the date of the Company's Step 2 answer, request that any difference as hereinbefore provided be submitted to arbitration, it shall make such request in writing addressed to the other party to this Agreement, and at the same time nominate an arbitrator. Within ten full working days thereafter the other party shall nominate an arbitrator and notify the other party. The Company and the Union shall attempt to select by agreement a chairperson of the arbitration board. If they are unable to agree on such a chairperson within a further period of three working days they will draw a name from the agreed upon list of arbitrators. The list will be kept current by an annual review by the parties.

The parties may, by mutual agreement on a case by case basis, use a single arbitrator in lieu of the three person board provided herein.

- 8.04 No person shall be appointed as an arbitrator who has been involved in an attempt to negotiate or settle the grievance.
- 8.05 The arbitration board or single arbitrator shall not have jurisdiction to amend or add to 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. No matter may be submitted to arbitration which has not been properly carried through all previous steps of the Grievance Procedure.
- 8.06 The proceedings of the arbitration board or single arbitrator will be expedited by the parties hereto, and the decision of the majority of such board or of the single arbitrator will be final and binding upon the parties thereto.
- 8.07 Each of the parties hereto will bear the expenses of the arbitrator appointed by it and the parties will jointly bear the expenses of the chairperson of the arbitration board.
- 8.08 Any and all time limits under this agreement may be extended by mutual agreement of the parties in writing.
- 8.09 In disciplinary cases, either party has the right to request the presence of the aggrieved employee at Step 2 of the Grievance Procedure.
- 8.10 If a seniority employee is discharged or suspended and he/she feels that he/she has been unjustly dealt with, he/she shall within five working days notify the Company and the Union in writing. It shall then constitute a grievance and shall be dealt with under the Grievance Procedure, starting at Step 2. If, subsequently, it is settled in favour of the employee, he/she shall be reinstated in his/her former position and shall be compensated for all time lost less pay for any penalty time decided upon, and less any pay he/she has received during the time he/she was off. Employees discharged or suspended shall have the privilege of discussing their position with the Steward before leaving the facility. In the event that an employee is "suspended pending investigation" the Company will waive the five (5) working day time limit for filing a grievance specified above.

The above time limit will be deemed to start at the point in time that the final decision regarding formal suspension or discharge is rendered and communicated to the employee.

- 8.11 A Steward, or the Local President, or a member of the bargaining committee, or if necessary, any combination of two of these individuals will be provided an opportunity to investigate a grievance within the last half hour of his/her shift on

which a request to do so is made to his/her supervisor. However, if a Steward cannot be excused without an undue loss of production an alternate Steward will be excused for such purpose.

If a grievance involves health and safety the Union Safety Representative may also be excused along with the Steward. Union representatives will be paid by the Union for time spent away from work under this provision.

- 8.12 Once a grievance has been submitted to the Bargaining Committee, it shall be settled only through the Bargaining Committee or with the consent and approval of the Committee.
- 8.13 No grievance, verbal or written, withdrawn or dropped by the Union or granted by the Company prior to Step 2 of the Grievance Procedure will have any precedent value. A grievance may be settled by the Company and the Union during Step 2 of the Grievance Procedure, or at any time after Step 2 but prior to arbitration, with no precedent value, provided both the Company and the Union agree in writing.
- 8.14 It is understood that a grievance arising directly between the Company and Union will be considered a policy grievance and may be filed either by the Union President, or his/her designee, on behalf of the Union or by the Human Resources Manager, or his/her designee on behalf of the Company and will be processed beginning at the second step of the grievance procedure.

ARTICLE IX

Seniority

- 9.01 New employees will be considered probationary until they have been employed for three months. Seniority shall then be credited as of the date of first entry into the service of the Company. At the Company's discretion, the employee's probationary period may be extended for a one (1) month period, subject to notification to the Union. An employee's probationary period may be extended by the amount of time spent on any modified work assignment(s) recommended by a physician and/or by the entire length of any period of absence when the period of absence exceeds five (5) consecutive working days. The Union President will be notified in writing when an employee's probationary period is being extended and the date to which the extension will apply.
 - (a) An employee who has completed his/her probationary period will be known as a seniority employee.

9.02 Seniority lists shall be posted and the Union shall be furnished with a copy once every three (3) months.

9.03

- (a) When a vacancy occurs, a notice will be posted for three (3) working days advising employees of the vacancy. The initial vacancy and subsequent vacancies created in the chain shall then be offered by seniority to those employees who are entitled as defined below. In no event shall the number of vacancies filled in this manner exceed five (5) in any one chain.

To be entitled to be offered a vacancy under the above procedure, an employee must qualify as follows:

- (i) The employee does not hold a bid restriction under Clause 9.03 (b) of this agreement,

and

- (ii) the employee is capable of doing the job within a reasonable training period,

and

- (iii) the employee is actively at work and available to be offered the vacancy,

or

the employee is absent from work but has previously notified the Company that he/she will accept the position if offered.

An employee who does not wish to be offered vacancies under the above procedure may file a written waiver with the Company to that effect.

An employee on light duty because of a temporary medical restriction must be medically capable of beginning training within ten (10) calendar days in order to be eligible to fill a vacancy under the above procedure. If the Company requires additional medical information and the employee is unable to provide the information within the ten (10) day time limit, then this time limit will be extended accordingly.

Once the above procedure has been exhausted, the remaining vacancy may be filled through recall by seniority of an eligible individual from layoff. If there are no eligible individuals on layoff, the Company may hire to fill the position.

(b) When an employee is offered a job under this provision, he/she must immediately accept or reject the job, and his/her failure to accept or reject the job immediately shall be considered as a rejection of the job. An employee who is offered the job, and who accepts it, will not be permitted to bid on another opening for twelve (12) months. The foregoing time limits will not apply to an individual who wishes to bid on another job within his/her classification on his/her shift or on another shift. A notice will be posted indicating the name of the employee who has accepted the job.

(c) The following rules shall govern in the application of the restrictions found in Clause 9.03 (b).

1. The time restrictions found in Clause 9.03 (b) commence running on the calendar date the employee signs the certification indicating his/her acceptance of the job.
2. If an employee is awarded a job (referred to hereafter as the original job) thereby accepting the time restrictions imposed by Clause 9.03 (b), and that job to which he/she has been awarded is subsequently eliminated or he/she is bumped from it, his/her bidding rights will be restored at the time of such elimination or bump, subject to the following conditions:

If he/she is offered recall to the original job under the provisions of Clause 9.07 and he/she accepts or rejects such recall, the original bidding restrictions will be re-imposed with the same beginning date as the bidding restrictions referred to in the preceding paragraph.

(d) 1. In the event that an employee is awarded a job and fails to qualify on that job within a reasonable training period he/she shall be returned to his/her previous job with the balance of his/her bid restriction in force.

The vacancy thus created will be treated as an initial vacancy.

The employee affected by the return of the employee who failed to qualify shall be returned to his/her previous job and his/her bidding rights will be restored. If such job has been eliminated, the affected employee will be treated as a displaced employee and will place him/herself in accordance with the terms of Clause 9.06 of the Collective Labour Agreement.

2. In the event that an employee is awarded a job through displacement or recall from layoff and fails to qualify on that job within a reasonable training period he/she shall be treated as a displaced employee and

will place him/herself in accordance with the terms of Clause 9.06 of the Collective Labour Agreement.

3. An employee(s) who has qualified in his/her job and who subsequently becomes unable to perform that job because of substantiated chronic medical reasons or other legitimate reasons determined to be beyond his/her control shall be treated as a displaced employee and will place him/herself in accordance with the terms of Clause 9.06 of the Collective Labour Agreement. If the failure to qualify is caused by a serious injury or impairment from his/her employment with the Company and results in permanent disability, the terms of Clause 9.14 of the Collective Labour Agreement shall take precedence.

9.04 For the purpose of seniority application, the Bargaining Unit will be the Distribution Department.

9.05

- (a) When it becomes necessary to reduce the work force, probationary employees shall first be laid off and then a sufficient number of seniority employees shall be laid off, in reverse order of seniority, to reduce the work force to its proper number.
- (b) When the strength of a classification is to be reduced, the appropriate number of employees will be removed, (by layoff or displacement) so that the required number of employees remain. An employee displaced from his/her classification will take a job in accordance with his/her seniority.

9.06 Where an employee has been displaced from his/her job due to a cut in Distribution requirements and such job is resumed again within a three month period from the day he/she is displaced, he/she will be offered such job before it can be declared vacant. If during said three-month period the employee accepts another job, he/she will forfeit his/her right to his/her former job.

9.07 Laid off seniority employees will be recalled in accordance with their seniority before any new employees are hired.

9.08 Seniority employees on lay off will be eligible for recall for a period of two years. Seniority shall accumulate for two years provided such seniority accumulation shall not exceed his/her actual service at time of lay off. A probationary employee who is laid off will have no recall rights, but if he/she is re-hired within a six month period he/she shall accumulate service for the time worked and it shall be credited to his/her probationary service.

9.09 An employee will lose his/her seniority for the following reasons:

- (1) Voluntarily quitting.

- (2) Discharge, not reversed through the grievance procedure.
- (3) Absence from work for three (3) working days without notifying the Company, unless a good reason is given for not notifying the Company.
- (4) Failure to return to work or notify the Company of his/her intent within three (3) working days after receiving notice of recall, but in any case he/she must return within seven days of recall notice unless he/she has a good reason for needing a longer time.
- (5) An employee who is laid-off with less than five years of seniority and is not recalled to work by the Company during the following two year period shall thereupon lose his/her seniority. An employee who is laid-off with five years or more of seniority and is not recalled to work by the Company during the following five year period shall thereupon lose his/her seniority.

9.10 The President, Vice-President, Secretary, Treasurer, and Secretary–Treasurer with one year continuous service shall not be laid off as long as there is work in the facility which they are capable of doing. The Company shall be kept informed of the personnel of the officers, Bargaining Committee and Stewards.

9.11 It is the intent of the Company to give Seniority Employees five days advance notice of layoff, except where it is impracticable to do so. If notice is not given as provided above, the employee will be paid his/her attained hourly rate in lieu of work for that part of five days during which work was not made available.

9.12 Any employee who suffers a serious injury or impairment from his/her employment with the Company, which results in permanent disability, and he/she is unable to continue working on his/her own operation, the Company will endeavour to place him/her on a suitable job for which he/she is qualified and capable of performing, in accordance with his/her seniority; once so placed, seniority may be waived in case of other employees displacing such employee. If super seniority is to be awarded pursuant to this section, the terms and conditions of the job placement shall be mutually agreed to in writing by the Company and the Union.

9.13

- (a) An employee absent from work because of bodily injuries caused by accident or sickness and qualified to receive weekly sickness and accident benefits under the terms of the Health and Life Insurance Agreement in effect from time to time between the Company and Union, shall be entitled to accumulate seniority and service during the period of his/her absence on the following basis:
 - (1) A seniority employee who has less than two (2) years continuous service with the Company will be entitled to accumulate seniority and

service up to the maximum period he/she is entitled to receive weekly sickness and accident benefits.

- (2) A seniority employee who has two (2) years or more but less than ten (10) years of continuous service with the Company will be entitled to accumulate seniority and service for a maximum period of one (1) year.
 - (3) A seniority employee who has ten (10) or more years of continuous service with the Company will be entitled to accumulate seniority and service for a maximum period of two (2) years.
- (b) The provisions of subsection (a) shall in no way limit the accumulation of seniority and service by an employee who is receiving W.S.I.B. Benefits.

An employee will not be subject to automatic termination at the end of his/her seniority accumulation period. It is understood, however, that this in no way restricts the right of the Company to terminate an employee for just cause.

9.14

- (a) "Lay off" means to terminate an employee's employment due to a reduction in the size of the work force. "Laid off" shall have like meaning.
- (b) "Displace" means to remove an employee from his/her job classification either as a result of lack of work in that job or as the result of another employee exercising his/her seniority as provided in 9.06. A displaced employee, as contrasted with a laid-off employee, has enough seniority to remain on the payroll at time of cut back while the laid-off employee does not. To displace or to be so displaced shall have like meaning.

9.15 When employees are recalled from layoff, they will be given their choice of available openings in order of their seniority. If, in this process, an employee selects a B job, he/she cannot bid on another job for a period of six (6) months. If he/she selects an unclassified job, he/she has immediate bidding rights.

9.16 If an operation is transferred from one shift to another, the employee(s) assigned to such operation immediately prior to such transfer will be given the opportunity of transferring with it. Should this opportunity be declined, such employee(s) will be placed in accordance with the provisions of Clause 9.06.

9.17

- (a) Employees will be allowed to exercise their shift preference by seniority within their classification once each year under the following schedule:

Employees will be given the opportunity to select their shift preference to be effective on the first Sunday following February 1st of each year during the life of the agreement. On January 1st, of each year, the Company will make available a form, to be submitted by the employee no less than fifteen (15) days prior to the effective date of the shift preference change. An employee displaced from his/her shift through the operation of this clause will remain in his/her classification and immediately exercise his/her opportunity for shift preference by seniority. An employee when exercising shift preference will bump the junior employee in the classification on his/her preferred shift.

- (b) In the event an employee is displaced under clause 9.06, his/her option to exercise shift preference will be restored and applied immediately within his/her existing or new job classification.

ARTICLE X

Leave of Absence

- 10.01 Seniority shall accumulate during any approved leave of absence.
- 10.02 In the event of the death of a member of an employee's family, the employee will be granted a leave of absence for a reasonable time and will be reimbursed for lost time at his/her Cap rate if on a classified job or unclassified rate if on an unclassified job up to the maximum number of days shown below, one of which is the day of the funeral. The term "member of an employee's family" means a spouse, child, parent, parent-in-law, brother or sister, brother-in-law or sister-in-law, son-in-law or daughter-in-law, grandparents, grandchildren or grandparents of the spouse. To qualify the employee must attend the funeral, internment or memorial service.

<u>Family Member</u>	<u>Maximum Paid Leave</u>
spouse, child	5 days
all others	3 days

If the day of the funeral of a spouse or child falls on a day that the employee is not regularly scheduled to work then four (4) days of paid leave are allowed. These must be taken on consecutive scheduled work days immediately preceding or following the date of the funeral or a combination thereof. For all other members of an employee's family as defined above, the maximum paid leave allowed in such circumstances will be two (2) days subject to the same principles of flexibility in scheduling.

If, however, the date of the funeral of a spouse or child is a regular scheduled work day for the employee, then five (5) days of paid leave are allowed. One (1) day of the paid leave must occur on the date of the funeral and the other four

(4) days must be work days adjacent to the date of the funeral. Again, some flexibility is allowed for the employee to choose when the five (5) days will be taken provided that the leave is taken on consecutive scheduled work days immediately preceding or following the date of the funeral or a combination thereof. For all other members of an employee's family as defined above, the maximum paid leave allowed in such circumstances will be three (3) days subject to the same principles of flexibility in scheduling.

Payment is based on the number of days for which an employee is entitled to paid leave regardless of the number of hours scheduled for those days. In other words, the length of shift involved on an eligible day (4, 8, 10 or 12 hours) is payable to compensate the employee for his/her full loss of pay.

For the purposes of this Section, a stepparent or foster parent shall be considered as a parent and a stepson or daughter or foster son or daughter shall be considered as a son or daughter only where the stepparent or foster parent has taken the place of the natural parent in relations to such child and is not in receipt of any financial aid for the support of such child.

- 10.03 Leaves of absence may be granted to employees for personal reasons for a period not to exceed three (3) months, upon application of the employee and approval of the Company, so long as the services of the employee are not required, and there are employees available in the facility capable of doing his/her work.
- 10.04 Jury Duty Pay - The Company agrees to pay an employee who serves as a juror in a legally constituted court or is subpoenaed as a Crown witness the difference between his/her earnings as a juror or Crown witness and his/her Cap rate or unclassified rate he/she would have realized had he/she worked his/her scheduled shift. In order to be eligible for payment employees must notify their supervisor within twenty-four (24) hours after receipt of notice of selection for jury duty or Crown witness subpoena and must furnish a written statement from the appropriate public official showing the date and time served and the amount of pay received.
- 10.05 A seniority employee elected or selected as a full time officer or representative of Local 733, the USW, CLC or OFL upon request in writing to the Company, will be granted a leave of absence for whatever time is necessary. Should he/she request reinstatement within 30 days after the termination of the Union position, he/she will be reinstated in his/her former job. If his/her former job has been eliminated, he/she will be offered an available opening or have his/her seniority rights restored under Clause 9.06.
- 10.06 A seniority employee selected or elected to attend the convention of the International USW, CLC or OFL or for specific Union duties or Municipal elective duties will be granted a leave of absence upon application in writing at least one

week prior to the day the leave starts. Not more than two employees at a time from Local 733 shall be off work for the purpose of attending the above convention, and the leave of absence shall not exceed three weeks. The Union will provide to the Company at least two weeks notice in writing of such leave.

ARTICLE XI

Miscellaneous

- 11.01 Subject to the terms and conditions of this Labour Agreement, the operation of the facility and the direction of all the employees, including the making and enforcing of reasonable rules to assure orderly and efficient facility operations, the determination of employee competency, the right to hire, to transfer, to promote, to demote, to suspend or discharge for just cause, to lay off for lack of work, are rights vested exclusively in the management of the Company. It is further agreed that the direction of the working forces, the right to plan, direct, and control facility operations, the right to relocate or close the facility, the right to introduce new or improved production methods or facilities, the amount of employees or supervision necessary, the right to place work with outside contractors, combining or splitting up department, schedules of production, establishment of standards of quality and quantity, determination of the extent to which the facility will be operated, and production or employment to be increased or decreased are vested exclusively in the Company.

The above rights of management are not to be considered as all inclusive, but are examples of some of the types of matters or rights or functions which the Company has not granted and are still part of the inherent rights of management.

All of the rights, powers, authority, etc., that the Company had prior to the signing of this Agreement are retained by the Company, except those clearly spelled out as granted by management in this Agreement. If the Company in exercising its inherent rights to manage violates any of the express provisions of this Agreement, the Union may file a grievance.

- 11.02 Presence of all employees on the job is necessary if Distribution requirements are to be met and full-time jobs are to be provided. Absenteeism on one job will adversely affect other employee's jobs. The Company and the Union agree that regular attendance will be required of all employees.

If an employee desires to be excused from work, he/she shall obtain permission of his/her supervisor in advance. In case of emergency where it is not possible to make previous arrangements, he/she shall notify the department or shift supervisor at the earliest possible moment. Absence without leave, or report, or without reason for non-reporting, or cases where the cause of absence is misrepresented will be reason for disciplinary action by the Company. Excessive unexcusable absenteeism may be the cause for discipline including dismissal.

- 11.03 One bulletin board will be provided in the Distribution Department for the exclusive use of the Union. These boards will be used for notices of meetings and other Union business or affairs. All material posted on these bulletin boards must bear the approval of a designated representative of the Human Resources Manager before being posted.
- 11.04 The Company shall provide proper safety devices and maintain sanitary conditions in the facility, and agree insofar as possible to eliminate conditions hazardous to the health and welfare of the employees. The employees will co-operate in keeping all areas of the facility and grounds in a clean and sanitary condition, and will be responsible for keeping their own work areas in a clean and orderly condition.
- (a) Three representatives of the Union shall participate in the facility Safety Program and will be paid their Cap or their job rate whichever is the higher up to four (4) hours per month for meetings with the Company and safety inspection throughout the facility.
- 11.05 The Company shall provide and have printed at its own expense sufficient copies of this Agreement and letters of understanding to fill the needs of the Union and the Membership.
- 11.06 Amendments - Any of the provisions of this Agreement may be amended by mutual consent of the parties in writing.
- 11.07 There shall be one regular meeting between the Company and the Union each month.
- 11.08 When a derogatory notation is placed in an employee's personnel record, the employee will be given a copy of the notation and a copy will be furnished to the President of the Local Union. If the employee feels that the notation is unjustified or inaccurate, the problem may be processed through the regular grievance procedure. Derogatory notations for offences, except those for violation of Article III, not repeated within one year will be disregarded in the administration of discipline, and will be removed from the employee's department personnel record.

Any employee who is called into the supervisor's office or the Human Resources Department to be reprimanded, disciplined, or discharged, shall be reminded in advance of such meeting of his/her right to have his/her Union Steward or Representative present at such meeting. Any discipline administered without a Steward except where the employee refused the presence of a Steward will be removed from the employee's record and the employee will be made whole. If the employee does refuse the presence of a Steward, the employee shall sign an appropriate notation to this effect.

- 11.09 The parties have executed separate agreements covering Letters of Understanding, the Retirement Plan, Insurance, SUB, Quality Assurance, Schedule "A" and Separation Payment Plan which form part of this agreement.
- 11.10 Persons not in the Bargaining Unit shall not work on jobs which are included in the Bargaining Unit except for the purpose of instruction, experimenting, temporary fill-ins during the shift, or in emergencies.
- 11.11 Team Leads appointed by the Company shall be paid a premium of \$1.00 per hour for all hours worked.
- 11.12 Where the term "working days" appears in this Agreement, it shall mean regularly scheduled working days exclusive of Saturdays, Sundays, Holidays and days on which the facility is shut down.

ARTICLE XII

Union Security

- 12.01
- (a) Any employee who is a member of the Union in good standing on the effective date of this Agreement shall maintain his/her membership in the Union as a condition of his/her continued employment.
 - (b) Any employee in the bargaining unit who is not a member of the Union shall become a member of the Union within 30 days of the signing date of this Agreement as a condition of continued employment.
 - (c) Any employee hired into the bargaining unit on or after the effective date of this Agreement shall within 30 days become a member of the Union as a condition of employment and maintain his/her membership in the Union.
- 12.02
- (a) The Company shall deduct Union dues including, where applicable, initiation fees and assessments, on a weekly basis, from the total earnings of each employee covered by this agreement. The amount of dues shall be calculated in accordance with the Union's Constitution.
 - (b) All dues, initiation fees and assessments shall be remitted to the Union forthwith and in any event no later than 15 days following the last day of the month in which the remittance was deducted. The remittance shall be sent to the International Secretary Treasurer of the USW, AFL-CIO-CLC, P.O. Box 13083 Postal Station 'A', Toronto, Ontario M5W 1V7 in such form as shall be directed by the International Union to the Company along

with a completed Dues Remittance Form R-115. A copy of the Dues Remittance Form R-115 will also be sent to the Union office designated by the Area Coordinator.

- (c) The remittance and the R-115 form shall be accompanied by a statement containing the following information:
 - i. A list of the names of all employees from whom dues were deducted and the amount of dues deducted;
 - ii. A list of the names of all employees from whom no deductions have been made and reasons;
 - iii. This information shall be sent to both Union addresses identified in article b) in such form as shall be directed by the International Union to the Company.
 - (d) The Union shall indemnify and save the Company harmless against all claims or other forms of liability that may arise out of any actions taken by the Company in compliance with this article.
 - (e) The Company, when preparing T-4 slips for the employees, will enter the amount of Union dues paid by the employee during the previous year.
- 12.03 Authorizations for dues deductions will be signed by the union member on a form furnished by the Union and a copy of the authorization will be given to the Company. Authorizations once executed shall be irrevocable for the duration of this Agreement or any renewal thereof, provided that if the termination of this Agreement or any renewal thereof is followed by the execution of a new Agreement, these assignments and authorizations shall be deemed to be automatically renewed for the duration of such new Agreement.
- 12.04 Authorization for Union deductions shall be automatically revoked upon: (a) Termination of employment; (b) Transfer of employment into an occupation outside the bargaining unit.

ARTICLE XIII

Duration of Agreement

- 13.01 This Agreement shall be effective from the twenty-eighth day of April, 2015 and shall continue in force until the twenty-seventh day of April 2018, and shall continue automatically thereafter for annual periods of one year each, unless written notice is given to either party not more than ninety (90) days immediately prior to the expiration date or the anniversary date of any yearly period, that it is

desired to terminate or to amend the Agreement. In the event such notice is given, the parties shall commence negotiations within fifteen (15) days thereafter.

The final termination of this Agreement will be in accordance with the Ontario Labour Relations Act.

IN WITNESS WHEREOF the parties hereto have executed this Collective Labour Agreement as of the twenty-eighth day of April, 2015.

LOCAL 733 USW

D. Degroot
M. Scroop
J. Curtis
C. Scibetta

GATES CANADA INC.

B. Mills
L. Campbell
A. Mancini

SCHEDULE "A"
HOURLY RATE SCHEDULE
EFFECTIVE APRIL 28, 2015

Job Classification	Status	Start Rate	Job Rate	Cap
Warehouse Worker (See Article 5.10 for wage progression schedule)	U	15.00	18.75 (04/28/15) 19.00 (04/28/16) 19.25 (04/28/17)	N/A
Warehouseman	U	N/A	20.73	N/A
Receiving Clerk	U	N/A	20.79	N/A
Head Shipper	U	N/A	21.79	N/A
Quality Assurance Technician	U	N/A	21.40	N/A
Re-Sleeve & Pack	C	N/A	21.85	
Student		N/A	15.00	

Note: "U" = Unclassified
"C" = Classified

SUPPLEMENTAL AGREEMENT NO. 1 HOLIDAY OBSERVANCE DATES

The purpose of this Agreement which is supplemental to the Collective Labour Agreement executed concurrently herewith, is to set forth the dates on which the holidays provided for in Clause 6.03 of the said Collective Labour Agreement will be observed. The Floater holidays will be used for the Christmas holiday period. The parties will meet no later than September 30th of each year to agree upon the specific days they will be applied to.

1. Holidays referred to above will be observed on the dates indicated below:

	2015	2016	2017	2018
New Years Day	Jan. 1	Jan. 1	Jan. 1	Jan. 1
Family Day	Feb. 16	Feb. 15	Feb. 20	Feb. 19
Good Friday	Apr. 3	Mar. 25	Apr. 14	Mar. 30
Victoria Day	May 18	May 23	May 22	TBD
Canada Day	Jul. 1	Jul. 1	Jul. 1	TBD
Civic Holiday	Aug. 3	Aug. 1	Aug. 7	TBD
Labour Day	Sep. 7	Sep. 5	Sep. 4	TBD
Thanksgiving Day	Oct. 12	Oct. 10	Oct. 9	TBD
Christmas Day	Dec. 25	Dec. 25	Dec. 25	TBD
Boxing Day	Dec. 26	Dec. 26	Dec. 26	TBD
Floater No. 1	TBD	TBD	TBD	TBD
Floater No. 2	TBD	TBD	TBD	TBD

SUPPLEMENTAL AGREEMENT NO. 2

QUALIFICATIONS FOR TRANSPORT DRIVER

In order to qualify as a Transport Driver a person must:

1. Possess a valid chauffeur's driving permit or, when required, a valid Class "A" driving permit as designated by the appropriate Governmental licensing authority.
2. Possess and maintain a driving record indicative of a competent, safe and accomplished driver.
3. Have had satisfactory experience driving a single axled gas powered transport truck or other comparable model within the most recent five years.
4. Be bondable.
5. Be age 25 or older.
6. Be and must remain medically fit as determined by medical examination at time of entry into the classification and at twelve month intervals thereafter, or as otherwise required.

In addition to the foregoing, he/she must successfully pass a test of his/her proficiency in operation of the equipment he/she is to drive.

7. Employees assigned these duties on a permanent or a temporary basis will be paid a premium of \$1.00 per hour for all hours worked.

SUPPLEMENTAL AGREEMENT NO. 3 HEALTH AND SAFETY

The following has been agreed to during 1994 contract negotiations:

- (a) The Company and Union agree that it is in the best interest of both parties to work together co-operatively to identify and recommend reasonable measures to protect the health and safety of employees.

It is recognized that input from employees and the Union through discussion, formulation and communication of recommendations is important to the success of Health and Safety efforts at Gates Canada Inc.

- (b) A training session will be arranged for members of the Joint Health and Safety Committees to provide the knowledge necessary to be able to read and understand the internal environment testing reports furnished by the Gates Corporate Industrial Hygienists. Such training will be arranged through the Corporate Safety Department as early as is practical.
- (c) When the annual visit to conduct internal environmental testing is made by the Gates Corporate Industrial Hygienist, the co-chairs of the Joint Health and Safety Committees will be given an adequate opportunity to discuss with him/her any specific concerns, questions or requests they may have.
- (d) Union Health and Safety Representatives will continue to be paid their normal rate of pay for time spent on health and safety matters at the request of the Joint Health and Safety Committees or by the management of the company.
- (e) The parties agree that every reasonable effort will be made to maintain one (1) replacement Certified Worker Health and Safety Representative at the Distribution Centre. This will be subject to continuation of a requirement in law for certified representatives and the availability of certified training programs.
- (f) Supervisors and Health and Safety Representatives will receive at least one (1) Joint Health and Safety Training Course in each year of the Collective Labour Agreement. Subjects for training will be recommended by the Joint Health and Safety Committee. The content, duration and scheduling of such courses will be subject to approval by the Company.

SUPPLEMENTAL AGREEMENT NO. 4 SAFETY CLOTHING AGREEMENT

The parties hereto agree that the following shall govern the payment of subsidies by the Company to hourly employees toward the purchase of safety footwear/clothing:

1. The wearing of safety footwear by all hourly employees while working in Gates Canada Inc. shall remain compulsory.
2. All safety footwear must be of a type approved by the Canadian Standards Association for industrial use.
3. The Company agrees to subsidize employees' safety footwear/clothing cost as follows:
 - a) All hourly employees on the active payroll on May 1, 2015 will receive the sum of two hundred dollars (\$200.00). Such payments will likewise be made to employees on the active payroll on May 1st. of each year thereafter.
 - b) Employees on layoff status on May 1st of each year will receive the subsidy upon return from layoff for the year in which they are recalled.
 - c) Students hired in the Distribution Division for vacation replacement will receive the sum of fifty dollars (\$50.00) upon completion of employment. To be eligible for such payment the student must complete the full-required work term as designated by the company and provide satisfactory proof of purchase.
4. Employees will be free to purchase safety footwear/clothing from the supplier of their choice providing it meets the standard set out in 2) above.
5. This Agreement supersedes any previous Agreements made regarding safety footwear/clothing and is made without prejudice to any other agreements between the Company and Union.

Letter of Understanding No. 1 of 18

RE: Application of Article IX of Collective Labour Agreement

In our contract negotiations, we agreed on the following interpretation applicable to the seniority provisions of our Collective Labour Agreement:

It is agreed that it will be permissible to temporarily relieve employees of their work, out of seniority, for a period up to three days when such temporary relief is occasioned by equipment breakdown, power failure or shortage of materials from outside sources.

Letter of Understanding No. 2 of 18

RE: Miscellaneous Matter to be Printed in the CLA Booklet

In the negotiations, we agreed that we would include in the printed CLA booklet brief summaries of the benefits provided under the following:

- SUB Agreement
- Health and Life Insurance Agreement
- Separation Payment Plan

Letter of Understanding No. 3 of 18
RE: Practices to be continued

This confirms certain commitments made by the Company during the contract negotiations.

The Company will:

1. Provide PPE required to ensure the safety of employees and recommended by the JHSC.
2. Sell Gates merchandise to employees at lowest published catalogue level plus applicable taxes subject to the Company's right to limit quantities and to restrict the availability of products at its discretion.

Letter of Understanding No. 4 of 18
RE: Application of Clause 9.07

In the negotiations we reached the following understandings with regard to the application of Clause 9.06:

1. The word "job" as it is used in 9.06 means all positions within a given classification.
2. An employee may secure recall rights under 9.06 as a result of:
 - a. Being displaced from his/her job due to a reduction of strength in that classification; or
 - b. Being bumped from his/her job by another employee.
1. If more than one employee has recall rights to a given job, such rights will be exercised in accordance with seniority.
2. If an employee holds recall rights to a given job and he/she refuses recall when the job again becomes available to him/her, he/she thereupon forfeits his/her recall rights and that job becomes a vacancy.
3. If an employee is displaced within the meaning of 9.06, accordingly holding recall rights to the job and shift from which he/she was displaced, and is subsequently displaced from another job while holding recall rights to the former, he/she must, at the time of the latter displacement, declare to which job he/she wishes his/her recall rights to apply, i.e. he/she cannot hold recall rights to more than one job.

"The term `recall' as used in this interpretive letter means the return of an employee, displaced from his/her job but not laid off, to a job from which he/she was displaced. It bears no relationship to the recall rights covered in Clause 9.07. `Recall rights' as used in connection with 9.06 apply only to moves within the facility while the 'recall rights' provided in 9.07 refer to returning a person to the payroll from laid off status. Rights granted under 9.06 do not survive layoff."

Letter of Understanding No. 5 of 18
RE: Application of Clause 5.12

In our negotiations completed, we agreed that we would combine the contents of our 1971 letters of understanding, (Numbers 11 and 22) which pertain to applications of Clause 5.12 into this single letter. This we have done, with new modifications to 1971 letter No. 22.

A. Old letter No. 11 provided as follows:

This is to record an understanding reached during our recent negotiations regarding the application of Section 5.01 of the Collective Labour Agreement.

We have agreed that the phrase "the rate of the job transferred to", where it appears in the second sentence of Section 5.12 shall be given the meanings described in numbered paragraphs 1, 2 and 3 below:

1. If an unclassified worker is transferred to another unclassified operation, the phrase "rate of the job transferred to" shall mean the rate of the job transferred to as shown in Schedule "A".
2. If an unclassified worker is transferred to a classified operation on which he/she has had prior satisfactory service, the phrase "rate of the job transferred to" shall mean the rate structure of the job transferred to including the job rate, and CAP.
3. If an unclassified worker is transferred to a classified operation on which he/she has not had prior satisfactory service, the term "rate of the job transferred to" shall mean the job rate of the job transferred to.

It is also agreed that:

4. This letter only interprets the phrase referred to in its second paragraph.
5. This letter has no application to any situation other than those specifically described in numbered paragraphs 1, 2 and 3 above.
6. The contents of this letter will not be used as a basis for interpretation of any other provision of the agreement or modification of any existing, accepted practice.

A. Old letter No. 22 provided as follows:

There have been Company Benefit Transfers which were of excessive duration, (e.g. the one year example), and there have been lengthy transfers across shifts which may have created an undue hardship.

Without losing sight of the fact that this language in Clause 5.01 provides a vital flexibility to the Company which cannot be seriously impaired, we have agreed that we will give consideration to bidding in anticipated long term situations and that we will avoid cross-shift Company Benefit Transfers of more senior employees (where a substantial length of time is involved), where within-the-shift transfers will suit the purpose equally well, without an undue disruption of production.

It is recognized, however, that developmental work presents a different problem from the ordinary Company Benefit Transfer, and that in these cases the Company must reserve the complete right to select the operator(s) for such work.

- B. Normally, we will not Company Benefit Transfer an employee for a period longer than one month unless the employee so transferred is willing to accept such transfer for a longer period of time. This thought must be applied with due regard to the qualifications of available personnel.

Where a long term Company Benefit Transfer may be anticipated, we will, before bidding, as suggested in the second paragraph of old letter No. 22, offer the employees within the classification involved an opportunity to reposition themselves on more desirable shifts.

- C. Where a C.B.T. has surpassed twenty-one (21) days in duration and it appears that it may extend beyond the normal thirty (30) days limit, the Department Manager and Divisional Chairperson will review the situation to determine if there are other qualified people available to take over the C.B.T. assignment and to make appropriate arrangements. This would, of course, not be necessary if the individual involved has already agreed to accept the assignment beyond the thirty-day limit.

Letter of Understanding No. 6 of 18
RE: Payment for Union Representatives

In the negotiations, we have agreed that the Company will pay Union Representatives for time lost as follows:

1. The Company will pay each member of the Bargaining Committee up to two hours for Step 2 meetings.
2. The Company will pay each member of the Bargaining Committee one hour each in advance of each Step 2 meeting.

Letter of Understanding No. 7 of 18

RE: Application of Clause 10.02 of the Collective Labour Agreement

It was agreed in 1977 contract negotiations that in conjunction with Clause 10.02 of the C.L.A. that in special circumstances approved by the Company, an employee may be granted a one day leave of absence in the event it is not possible for the employee to attend the funeral of a designated relative.

Letter of Understanding No. 8 of 18

RE: Students

The Company may hire students, who are otherwise enrolled in full-time attendance at an educational post-secondary institution, to work as regular employee replacements from April 1 to October 15. Their rate of pay will be as set out in the Article 5.10 of the collective agreement and they shall not be entitled to any benefits under the Agreement nor will they be eligible to attain seniority. The students may also work during the Spring and Christmas school breaks.

If the Company wishes to employ students to cover for casual absenteeism, other than during these school breaks, then it will meet with the Union to obtain consent.

Regular employees on layoff will be recalled or may refuse a recall before any students are employed.

Letter of Understanding No. 9 of 18
RE: Job Vacancy for Posting

During the 1977 negotiations, the parties discussed what would constitute a job vacancy for the purpose of posting.

As a result of our discussion, it was agreed that a vacancy exists and must be posted when such job is worked in excess of thirty (30) hours a week.

If a special circumstance arises where the thirty (30) hours must be extended, the Department Head and Division Chairperson will meet before the expiry of the thirty (30) hours to try to arrive at a mutually agreed upon solution.

Letter of Understanding No. 10 of 18
RE: Adjustment of Pay Cheque Errors

Whenever a pay is in error by an amount greater than two (2) hours of that person's wage as a result of management error, a cheque in the proper amount is to be given within 48 hours.

Letter of Understanding No. 11 of 18
RE: Vacation Schedule Policy

The existing Vacation Schedule policy will continue to provide for a maximum of 15% of the employees being off on vacation subject to the other provisions remaining the same.

Letter of Understanding No. 12 of 18

Re: Layoff and/or Recall Temporarily Out of Seniority

This will confirm our agreement arrived at during 1985 C.L.A. Negotiations that, upon mutual consent between the Company and the Union, the Company will be permitted to do the following:

- a) In the event of layoff retain necessary employees out of seniority for a maximum of four (4) weeks beyond normal layoff date for the purpose of training replacements. An employee will not accumulate additional seniority under Clause 9.09 while being retained out of seniority.
- b) In the event of recall from layoff under the new language included in Clause 9.07 of the C.L.A., the actual date of return to work may not necessarily be in order of seniority for the purpose of proceeding with start-up operations in the most orderly fashion possible. An employee will not accumulate additional seniority under Clause 9.08 while recalled out of seniority.

Letter of Understanding No. 13 of 18

Re: Notification of Intentions to Contract Out Work

The Company will notify the Union as far in advance as possible of any plans to have sub-contractors working in the Distribution facility and the work to be performed. This shall apply to work arranged by the Company and will not include work arranged by the owner of the facility.

Letter of Understanding No. 14 of 18

Re: Shift Change Guidelines

As you know, Clause 6.02 (b) of the C.L.A. allows for a change in working hours at an employee's own request without the necessity of paying overtime rates.

This has been a source of continuing conflict between the Company and the Union for some time and in order to minimize future disagreement, the following guidelines are being issued for use of this provision.

1. Requests must be in writing and must be received and approved in advance of the change of hours. Except in the case of extenuating circumstances, such arrangements must be made no later than two (2) working days prior to the change.
2. The changes, in most cases, should only be a complete shift change. For example, an employee may be allowed to change from day shift to afternoon shift for one or more days but a change from 7-3 to 8-4 should not normally be permitted except in extenuating circumstances.
3. Good judgement and consistency should be applied in determining the validity of the request. Changes should be granted only where there is a compelling personal need on the part of the employee and not merely for convenience or personal preference. As an example, medical appointments, which cannot be altered, may be considered valid reasons. Leaving early to avoid holiday traffic or working extra time to make up for being late would definitely not be acceptable reasons.
4. All requests must be approved by the Department Head and processed through Human Resources prior to being granted.
5. In all cases, potential problems, which might be created by a shift change, must be a prime consideration.

Letter of Understanding No. 15 of 18

Re: Suspension Pending Further Investigation Guidelines

For several years we have suspended employees from work in situations involving serious misconduct while an investigation is conducted and a determination is made on what our formal response will be.

We have generally advised that this measure should be used if a formal suspension or discharge is likely to be the final result regardless of the nature of the infraction or circumstances involved.

This policy has been evaluated recently to bring it into line with our current philosophies on performance correction and to provide for improved consistency in its application.

Suspension pending further investigation should be used only in the following circumstances:

1. Where the infraction may be considered to be a possible criminal act such as theft, possession of illicit drugs, physical assault, fighting, deliberate destruction of property, sexual harassment, etc.
2. Where, in the supervisor's judgment, an employee demonstrates that he/she may be impaired by drugs or alcohol.
3. Where, in the opinion of the supervisor, continued presence of the employee at work for the balance of the shift could present a danger to him/herself, other employees or company property.
4. Where, in the opinion of the supervisor, the employee is likely to tamper with evidence, intimidate witnesses or otherwise seriously interfere with the investigation process.
5. Where there is a continuing refusal by an employee to obey instructions of a person in authority (insubordination).
6. Where an employee engages in serious verbal abuse.

If one or more of the above situations exist, the employee should be suspended in the presence of Union representation and advised that he/she will be contacted at home and given further instruction. If none of these situations exist, then the employee should be allowed to remain at work. In either case, the employee should be clearly advised in the presence of Union representation that an investigation will be conducted and that he/she remains subject to appropriate corrective action or discharge.

Letter of Understanding No. 16 of 18

Re: Binders Containing Letters of Intent & Agreements

The Company will provide two binders in each facility containing copies of Letters of Intent and/or agreements not already published with the current Collective Labour Agreement booklet. The parties will work together to develop the content of these binders.

Letter of Understanding No. 17 of 18
Re: Continuous Operations Agreement

The parties agree that in the event that a need arises at any time in the future to implement a continuous shift operation schedule, the parties will work together in a good faith attempt to reach mutual agreement on the terms and conditions of such implementation.

Letter of Understanding No. 18 of 18

Re: Binders Containing Letters of Intent & Agreements

In the event that the Company elects to re-establish incentive piecework rates or cost standards, the following provisions as written in the 2000-2003 Collective Labour Agreement shall be re-instated in the Collective Labour Agreement and shall then be given full force and effect:

5.01

5.02

5.03

5.04

5.05

5.06

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5.23

5.26

8.14

Letter of Understanding No. 12

In the event that the Company introduces a performance standard based on criteria other than piecework rates or cost standards, and the Union disputes such standard, it may be made the subject of a grievance. As part of the grievance procedure, the Union shall be permitted a reasonable opportunity to have the situation investigated by a Methods Engineer of its choice and at its expense.

SUMMARIES OF BENEFIT PLANS

The next several pages contain brief descriptions of certain employee benefits negotiated by the Company and the Union in the form of Agreements on Health and Life Insurance, Supplemental Unemployment Benefits and Separation Payments.

Please keep in mind that the brief summaries presented here only highlight the contents of lengthy Agreements, and are intended solely to let you know of the existence and nature of these benefits in a general way. The language of the actual Agreements will govern in the application of these plans.

If you have questions on any of the benefits described here, feel free to ask your supervisor to arrange an appointment for you with someone who will provide you with proper explanation.

HEALTH AND LIFE INSURANCE PLAN

1. Life and A.D. & D. Benefits

	Life	A.D. & D.
Employees	\$55,000	\$50,000

2. Weekly Indemnity Benefits

Payable from the first day of accident or hospital confinement, or from the fifth day of sickness.

Weekly Indemnity shall not be payable for disability resulting from bodily injury or sickness for which the employee is not under the care of a physician.

Periods of disability due to the same cause will be considered the same period of disability unless separated by return to full time work for at least two weeks. Periods of disability due to different causes will be considered different periods of disability if separated by return to full time work.

The benefit payable for claims will be 66-2/3% of the employee's regular weekly earnings.

3. Hospital, Surgical and Medical Benefits

Basic hospital, surgical and medical expense benefits, as well as supplementation to the semi-private level are provided through the Ontario Health Insurance Plan and the Benefit Carrier.

Additional benefits, which are presently supplied under the Benefit Carrier, are outlined below:

- Ambulance Services
- Drugs for which a medical doctor's prescription is required.
- Private nursing care by a Registered Nurse registered in Ontario (who is not a relative).
- Physiotherapy and out-patient diagnosis provided in hospital, when not covered by the Ontario Health Insurance Plan.
- Up to \$10 a day for care in a licensed private hospital up to 120 days.
- The cost of special remedial appliances and artificial limbs.
- Blood and specialized treatments such as radium and radioisotopes.
- Hearing aids on the written prescription of a medical doctor to a maximum of \$775 in all.
- Eyeglasses, up to \$300 every 2 years, when provided on the written prescription of a medical doctor or optometrist (includes cost of the eye examination if required). This coverage does not include eyeglasses required for cosmetic purposes only, sunglasses or safety glasses.
- Up to \$200 each calendar year for services of a registered clinical psychologist.
- Up to \$500 each calendar year for services of a registered massage therapist, chiropractor, and osteopath.
- Under certain conditions, the services of a regularly qualified Speech Therapist, to a maximum of \$200 each calendar year.
- Increased benefits for medical services performed outside the Province of Ontario, when a subscriber or dependents are travelling.
- Custom made orthotic inserts for shoes, when prescribed by a doctor, podiatrist or chiropodist, two pairs per person per benefit year up to a maximum of \$450 per pair.

4. Eligibility, Layoff and Termination

An employee hired will be eligible for benefits on the first day that they obtain their seniority, providing he/she is actively employed on the working day coincident with or following that date.

An employee who is laid off and is eligible for Supplemental Unemployment Benefits will continue to receive benefits during such layoff up to a maximum period of six months. When these benefits are exhausted, the employee may purchase the benefits, at his/her own expense, at the prevailing group rates for an additional period of 12 months.

An employee who is on layoff and is not eligible for Supplemental Unemployment Benefits will have his/her coverage continued in accordance with the provisions of the Health and Life Insurance Agreement in effect on the date of his/her layoff.

He/she will also be granted the opportunity to purchase the benefits, at group rate for an additional period of 12 months.

Injury or Illness - An employee who is absent from work because of sickness or bodily injury shall continue to be eligible for benefits during the period in which he/she accumulates seniority under the provisions of the Collective Bargaining Agreement.

Benefits under this Plan terminate automatically for an employee and his/her dependents when his/her employment is permanently terminated.

Current seniority employees who have or will have attained 85 points in the pension plan in 2012 will be entitled to receive retiree benefits provided they retire by December 31, 2012. Current seniority employees who attain 85 points after January 1, 2013 will be entitled to receive retiree benefits provided they retire within 30 days of attaining the 85 points. Current seniority employees who elect early retirement before attaining 85 points will also be eligible to receive retiree benefits. No other employees will be entitled or eligible to receive retiree benefits. Only those current seniority employees retiring on or before April 1, 2015 will be eligible for retiree benefits.

5. Dental Coverage

Basic dental coverage is provided through the Benefit Carrier. Eligibility for coverage is the same as outlined in No. 4 above except in the case of layoff. An employee who is laid off may, at his/her option, retain coverage through the Group Plan at his/her own expense for specified portion of the premiums as outlined in No. 4 above.

In general terms the plans cover the cost of the following services as shown for each employee and his/her eligible dependents:

- Examinations & Consultations 100%

- X-Rays..... 100%
- Diagnostic Services..... 100%
- Cleaning & Polishing..... 100%
- Fillings 100%
- Surgical Services 100%
- Root Canal Treatment 100%
- Treatment of Gum Disease..... 100%
- Dentures..... 50%
- Crowns & Bridges 50%
- Overall Annual Maximum..... \$1800/year
- Overall Annual Maximum for employees hired after April 26, 2009..... \$1500/year

DEFINED CONTRIBUTION PENSION PLAN (3/3/3)

An employee hired after April 26, 2009 shall not be entitled to the Defined Benefit provision but will instead be entitled to the Money Purchase provisions which were added to the plan effective April 27, 2009. This includes a 3% automatic Company contribution with an additional Company contribution up to 3% Employee match. Eligibility is commensurate with the attainment of seniority.

SUPPLEMENTAL UNEMPLOYMENT BENEFITS PLAN

1. Who is eligible for Benefits?

Any employee of Gates Canada Inc., in the Bargaining Unit, with one or more years of service, who is laid off because of a reduction in production requirements.

2. What is a Credit Unit?

A Credit Unit is a term of reference, which has no fixed value in either time or money, but is a means of determining duration of benefits.

3. How do you get Credit Units?

A Credit Unit is credited to an employee on the basis of 1/2 Credit Unit for each work week for which an employee draws pay, up to a maximum of 208 Credit Units as provided in the Agreement.

4. How do you apply for Benefits?

You must report in person to the designated Company location during each week of lay off for which you make application for benefits.

5. How much is the Benefit?

- a. An amount which, when added to the applicant's Unemployment Insurance Benefit and for other compensation for such week, will equal 80% of his/her weekly straight time pay based on 40 hours.
- b. Providing, however, that such benefit shall not exceed \$70.00 plus \$1.50 for each of not more than 4 dependents, for any week in which he/she is ineligible for an Unemployment Insurance Benefit.

6. Are there any deductions from the Benefit?

Yes. The Company is required to deduct from any benefit payment any amount required by Federal, Provincial or Municipal Governments as payment for Taxes or otherwise.

7. How long do Supplementary Unemployment Benefits continue?

The number of benefit payments you may receive varies with the regularity of your employment prior to lay-off, your seniority, and the amount in the Trust Fund at the time you apply for benefit.

8. How do I qualify for a short workweek benefit?

- a. You must have 1-year seniority.
- b. If you are not offered 40 hours work in a regularly scheduled week you may be eligible for short workweek benefits.

9. What is the amount of Short Work Week Benefit?

If you qualify for a Short Work Week Benefit, the scheduled Short Work Week Benefit payment will be based at 80% of your average hourly earnings for all hours less than 40, if eligible. If you qualify for an unscheduled Short Work Week Benefit, the payment will be based on the same method of calculation.

SEPARATION PAYMENT PLAN

The separation payment plan exists in conjunction with the agreement on supplemental unemployment benefits.

The purpose of this plan is to permit lump sum payments to certain employees placed on layoff for a continuous period for at least two years.

In order to qualify for this benefit the employee must have had at least two years of seniority at the time he/she was laid off, and must comply with established procedural requirements. He/she will not qualify for benefit under this plan if he/she is eligible for or has received a severance award under the retirement plan.

The amount of separation payment is keyed to the employee's seniority, earnings and reduced by the commuted value of vested pension benefits.

An applicant for a separation payment will have his/her seniority and all rights pertaining thereto, except for vested pension benefits, cancelled as of the date of his/her application.