

COLLECTIVE LABOUR AGREEMENT

Between

GOODYEAR CANADA INC.  
BOWMANVILLE FACTORY  
“The Employer”

And

UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED, INDUSTRIAL  
AND SERVICE WORKERS INDUSTRIAL UNION  
On behalf of its Local 189L  
“The Union”

July 23, 2006 – July 18, 2009

00742 (07)

## **COLLECTIVE LABOUR AGREEMENT**

This Collective Labour Agreement is made and entered into as of the 23<sup>rd</sup> day of July, 2006 between Goodyear Canada Inc, with respect to certain employees at its Bowmanville Factory, hereinafter referred to as the “Employer”, and Local 189 of The United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied, Industrial and Service Workers Industrial Union, hereinafter referred to as the “Union”.

### **ARTICLE 1 – PURPOSE**

- 1.01** It is the mutual desire of the contracting parties to promote co-operation and harmony and to provide an amicable method of settling any dispute or grievance that might arise between them.
- 1.02** Both parties agree as to their desire to work in harmonious relationship and undertake that there shall be no discrimination, interference, restriction, coercion, harassment, intimidation, or stronger disciplinary action exercised or practiced with respect to an employee by reason of age, race, creed, colour, national origin, political or religious affiliation, sex, sexual orientation, or membership or activity in the Union

### **ARTICLE 2 - INTERPRETATION**

**2.01** In this Collective Labour Agreement and in its application, unless the context requires otherwise, the following words and expressions will have the meaning hereinafter given to them.

- (a) “Employer” means Goodyear Canada Inc., Bowmanville Factory, Bowmanville, Ontario.
- (b) “employee” means every unionized hourly worker.

(c) “credited service” means the service of an employee with the Employer as it appears on his record maintained by the Employer in conformity with the Collective Labour Agreement. The terms “credited service” and “continuous service” as used throughout the Collective Labour Agreement shall be synonymous.

The records of the employee shall be presumed to be conclusive of the facts concerning the service, employment, non-employment, or disability retirement of an employee, a former employee, pensioner or application for a pension, unless shown beyond a reasonable doubt to be incorrect:

(d) “factory seniority” means the status an employee acquires after he has worked for the Employer for an accumulated total of four months in a twenty-four month period, and shall be measured by the length of such service;

(e) “seniority” means and includes factory seniority as defined in paragraph 2.01 (d);

(f) “probationer” means an employee without seniority;

(g) “probationary period” means the period of four cumulative months during which the probationer actually works for the Employer prior to acquiring seniority rights.

(h) “holidays” means and includes the following days only: New Year’s Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (except that in any year in which Civic Holiday falls during a plant vacation shutdown period the Monday following the vacation shutdown period will be observed as Civic Holiday for all employees who are on vacation during that period), Labour Day, Thanksgiving Day, December 24, Christmas Day, December 26, December 31, one “Floating” holiday (date to be mutually agreed upon by April 1st of each year).

If an additional Statutory Holiday is proclaimed, such as Heritage Day, the Floating Holiday will be observed on the day of the Statutory Holiday.

The observation date of any of these holidays may be changed by mutual agreement between the Employer and the Union.

(i) “qualification” means the ability to perform his own job in a safe competent manner, and to produce the normal standard of quantity and quality with acceptable attendance.

To qualify, or qualified, shall have a like meaning.

“disqualification” shall have the opposite meaning of “qualification”.

Qualifications may be reinstated by mutual consent after a one-year period subject to review with appropriate training where necessary.

“layoff” means the termination of work of one or more employees by the Employer for an indefinite period of time, caused by the decision of the Employer to reduce or eliminate the work upon which the employee was engaged; “laid off” or “to be laid off” shall have a like meaning.

(k) “department” means and includes employees working in the department as defined below:

Millroom 2432 2433 2437 (2431 for cost purposes only)

Conveyor & Special Products 2711 2720 2721

Lab 2102

Shipping & Receiving 2390 2321

Engineering 2211

Porter Service 2026

Boiler Room 2216

(I) the term “average hourly earnings” shall be the average hourly earnings as computed weekly by the data processing equipment exclusive of all work run out situations, bonuses and premiums.

If no earnings are available for that week the employee’s previous computed average hourly earnings shall be used.

(m) the term “work week”:

1) **Five Day Schedule** –

starts Sunday 11:00 p.m., finishes 11:00 p.m. the following Friday.

**Continuous Work Schedule** –

starts Saturday 7:00 p.m., finishes 7:00 p.m. the following Saturday.

2) the term “Pay Period” and “Vacation Week”

**Five Day Schedule –**

starts Saturday 11:00 p.m., finishes 11:00 p.m. the following Saturday.

**Continuous Work Schedule –**

starts Saturday 7:00 p.m., finishes 7:00 p.m. the following Saturday.

All time sheets should be dated as to the actual date when the shift is complete, with the exception of the continuous work schedule sheets which should be dated as at the start of the shift.

3) the term “Statutory/Designated Floater Holiday”

**Five Day Schedule –**

starts 11:00 p.m. the day prior to the holiday and finishes 11:00 p.m. the day of the holiday.

**Continuous Schedule –**

starts 7:00 a.m. on the morning of the holiday and finishes 7:00 a.m. the day immediately following the holiday.

(n) “certified” means that an employee knows all of the tasks required to perform a job. In the event an employee does not know all of the job tasks, training will be provided so that the employee will not lose their qualifications.

Certification will not be used for bumping privileges.

**2.02** In this Collective Agreement, wherever the pronoun “he” appears it shall be construed as meaning any employee, male or female.

**ARTICLE 3 - SCOPE OF AGREEMENT**

**3.01** The term of the Collective Labour Agreement shall apply to all employees and the Employer recognizes the Union as the sole collective bargaining agent for said employees for the duration of this Collective Labour Agreement.

**3.02** Nothing in this Collective Labour Agreement shall conflict with the Employer’s functions and responsibility to manage the

factory and direct the working force insofar as it is not inconsistent with the provisions hereof.

**3.03** The Employer agrees to meet with and bargain with representatives of the Union on matters pertaining to rates of pay, hours of work and working conditions, as outlined in Article 9.

**3.04** There shall be no lockouts, strike, slowdown or stoppage of work unless and until all methods of disposing of the grievances as outlined in Article 9 have been applied.

## **ARTICLE 4 - HOURS OF WORK**

### **4.01**

(1) The hours of work for employees will be scheduled according to the following shift hours:

## **GENERAL FACTORY AND MAINTENANCE**

(a) Eight hour rotating shifts

Sunday 11:00 p.m. - Friday 11:00 p.m.

1st Shift - 11:00 p.m. - 7:00 a.m.

2nd Shift - 7:00 a.m. - 3:00 p.m.

3rd Shift - 3:00 p.m. - 11:00 p.m.

Twenty minutes for lunch with two - ten minute breaks (paid).

(b) Eight hour steady day shift

Monday to Friday Shift Hours

(1 ) 7:00 a.m. - 3:00 p.m.

Twenty-minute lunch (paid)

(2) 7:00 a.m. - 4:00 p.m.

One hour for lunch (unpaid)

Ordinarily from 12:00 Noon to 1:00 p.m. except in cases of emergency.

(1 ) & (2) receives two - ten minute paid break Periods.

## **(c) FIRST, SECOND & THIRD CLASS STATIONERY ENGINEERS**

The operating engineers will work a 12-hour continuous schedule.

The schedule is the same as that listed in Appendix A with the following exceptions:

Overtime

Double time will be paid for all hours work from Saturday 7:00 p.m. to Sunday 7:00 p.m.

Time and one-half will be paid for all hours worked from 7:00 p.m. Friday to Saturday 7:00 p.m.

Any additional hours worked above the regular scheduled shifts will be paid at time and one-half between 7:00 p.m. Sunday and 7:00 p.m. Friday

No 90¢ Premium

No Cycle pay

Statutory, Designated and Floating Holidays start at 7:00 am the day of the holiday and end at 7:00 am the day following the holiday.

Stationery Engineers will receive 8 hours stat pay for statutory holidays regardless of the schedule. Employees who are required to work will receive double time for the hours worked in addition to the 8 hours stat pay.

Above shift hours may temporarily be changed by the employer with the consent of the Chief Steward and employees involved.

**4.02** “Overtime Work” means all time worked in excess of an employee’s regular shift hours in any consecutive twenty-four hour period in a day or a regular number of shifts in a week as outlined in Section 4.01, but overtime work does not include:

(a) time worked by employees exchanging shifts with one another at their own request;

(b) the time spent on employee committee work or similar activity; however, such time will be considered part of an employee's regular shift hours in determining overtime hours on regular department work; the changes of shifts in the middle of the week which might result in more than the regular daily hours being worked when such change is caused by the application of the provisions of Article 6 affecting employees retained in preference to layoff;

(d) the change of shifts in the middle of the week which might result in more than the regular daily hours being worked when such change is caused by the application of the provisions of Subsections 5.05 (1) and 5.05 (2);

(e) When an employee is asked to work between 12 Noon and 1:00 p.m. he will be given two options, if he works, he will receive time and one half for the hour or the opportunity to take his lunch hour at a later time. This only applies to an employee who works the 7:00 a.m. to 4:00 p.m. shift and has been asked to work his lunch hour due to an emergency.

**4.03** An employee shall not have his regular working time reduced because he has done overtime work.

**4.04**

(a) When overtime work becomes necessary, it shall be distributed in an equal and impartial manner among the employees of the plant as follows:

(1) Among those employees on the job requiring the overtime who are willing to work.

(2) Among those qualified employees on the same shift requiring the overtime. Where there are only one or two shifts working - the lowest overtime houred employee on the job group affected will be asked.

(3) Among those qualified employees in the department who are willing to work.

(4) Among those qualified employees in the factory who are willing to work the required overtime.



(5) Among those competent employees in the department who are willing to work.

(6) Among those competent employees in the factory who are willing to work. It is expected that all employees will cooperate when and where overtime work becomes necessary.

(b) For purposes of overtime only, qualified or competent shall have a like meaning. If an employee who is not qualified but is competent enough to perform the job on his own and is presently working on the job will have the same rights.

(c) The department shall maintain a list of qualifications of each employee in his department. Overtime to be recorded and posted each week.

(d) The “offered” overtime hours, whether worked or not, will be recorded against employee. All hours over and above offered to an employee already working will not be charged whether worked or not.

(e) Overtime shall be distributed equally on the basis of each calendar year. If overtime is necessary, the senior qualified employee will be considered the lowest overtime employee first, provided shifts allow.

(f) No employees will be offered overtime work which would result in his working more than twelve consecutive hours.

(g) The “offered” overtime hours recorded will follow an employee from one department to another.

If a new employee is hired, he will inherit the overtime hours (if he meets the overtime requirements) of the employee who owns the job (to which he was assigned) with the least amount of hours in that department.

(h) Where two or more employees have the identical total of “offered” overtime hours, the employee on rotating shifts (if any) will be offered overtime on the shift he has been working that week except as explained in 4.04 (E).

(i) If an employee is asked to work back to back shifts whether worked or not can only be charged with eight hours of overtime.

(j) For overtime purposes, the first shift filled will be 11:00 p.m. to 7:00 a.m., the second shift will be 7:00 a.m. to 3:00 p.m. and the third shift will be 3:00 p.m. to 11:00 p.m.

(k) When an employee is scheduled on a specific job but has been rescheduled without his prior knowledge and/or approval, he will have the option of refusing the overtime except in cases of absenteeism, machine breakdown or unforeseen product problems.

(l) When overtime requirements are low, and any one job is working a lot of hours after two consecutive weekends of overtime requirements, other qualified employees will be asked to work besides the man on the job.

**4.05** No time sheets will be changed until the Employee concerned has been informed of changes to be made.

**4.06** The Employer will provide adequate relief when and where necessary.

## **ARTICLE 5 - WAGE RATES**

**5.01** The rate of pay shall be the one in effect at the date hereof. It shall remain in effect until July 18, 2009. All of the foregoing in accordance with the Memorandum of Agreement signed between the Employer and the Union on the 26<sup>th</sup> day of January 2007. The rates as so revised shall remain in effect for the balance of the term of this Collective Labour Agreement provided that either party during the term of this Collective Agreement may request a consideration of the rates of pay and hours of work, if warranted by the general economic situation. Such request shall be in writing and the parties shall meet within thirty days of the date of delivery of such request.

**5.02** An individual wage rate requiring an adjustment because of a change in the working conditions may be given consideration.

### **5.03**

(1 ) A Hiring-In-Rate of \$15.00 per hour will be paid for the first year of credited service, \$17.00 per hour for the next year, and \$19.00 per hour being received for the third year regardless of the

work performed. After 3 years of service, the employee will receive full rate. This clause does not to apply to skilled trades.

(2) Employees hired after date of ratification will be eligible for the 12-hour continuous shift premium of \$0.90/HR., after three years of credited service. This clause does not to apply to skilled trades.

(3) Transfer rate shall be fifty cents per hour less than the day work rate of the job or when applied to an employee recalled from laid-off status if he has been laid off for a period of less than six calendar months, unless the employee's experience warrants a higher rate. However, an employee who is qualified on the job to which he is recalled or transferred will be paid the rate of the job.

#### **5.04**

(1) When an employee is taken off his regular job and is assigned to other work or when an employee's work is run out and employment is found for him; he shall be paid his average hourly earnings or rate of job (whichever is higher) provided a satisfactory effort is given. However, in cases where a satisfactory effort is not being made, payment will be changed only after the employee has been so advised.

#### **5.05**

(1) When an employee's work is run out and there is no other work to which he is assigned and continues beyond one shift and there are probationers in the factory, the employee(s) involved shall displace a probationer(s) the following day so that the employee(s) involved in this situation may only lose up to a maximum of four hours.

(2) When a employee's work is run out and there is no other work to which he is assigned and there is no probationer in the factory, after two working days, seniority provisions will be applied in the department only, within five working days, factory seniority provisions will be applied in accordance with Article 6.

**5.06** All overtime on a regular eight-hour work schedule shall be paid as follows:

Double Time - 11:00 p.m. Saturday to 11:00 p. m. Sunday Time and One Half - paid for all other overtime hours.

**5.07** An employee not previously scheduled to work, who is called to work by the employer and consequently reports to work on Sunday or on a holiday or at any time after he has completed his regular shift and one hour before his next scheduled shift, shall receive either four hours at his regular rate of pay or the applicable rate for actual time worked, whichever is the greatest, and in addition, one-half hour traveling time at his regular rate of pay provided he left the building; this provision does not apply, however to an employee called in early on his scheduled shift.

**5.08** When an employee has not been notified of a change in his starting time and reports for work prior to his new starting time he will work that shift and report the following day on his proper shift. If this move necessitates more than eight hours work in a twenty-four hour period, eight hours will be paid at premium pay.

If an employee reports for the work the following shift from his new starting time he will receive eight hours pay at A.H.E. for the shift he missed. If he is offered work it will be considered as overtime provided that the conditions were within the Employer's control and that the employee has advised the Employer of his last and correct address and phone number.

**5.09** An employee who is injured in the factory and treated in the health centre and/or in a physician's office and/or hospital, shall be paid his average hourly earnings for the time so spent during the shift in which the injury occurs. If by reason of the injury the employee is sent home by the Employer, he shall be paid his average hourly earnings for the balance of his shift.

The employee will notify the employer as soon as possible to his status.

**5.10** An employee shall be paid for time lost on his job if he is called away from same by the Employer.

**5.11**

(1) Each member of the Bargaining Committee who is present at special meetings called by the Employer at the regular monthly meeting with the Employer or at 3<sup>rd</sup> and 4<sup>th</sup> stage grievance meetings with the Employer shall be paid at his average hourly earnings for the period commencing one-half hour prior to the designated starting time of the meeting until the time at which the meeting is adjourned. He shall also be paid at his average hourly earnings for time spent during negotiations for renewal of Agreements until such time as application is made for conciliation services.

(2) All time spent by employees in special meetings called by the Employer will be considered as “hours worked” in the calculation of overtime.

## **5.12**

(1) The establishment of standards shall be derived from time and motion studies of the job. The department Steward and one member of the Time Study Committee concerned will be notified of new standards and, if they so request, they will be allowed a maximum of two working days on the operation to check the facts before the proposed standards become effective.

(2) It is agreed that no change in permanent standards will be made unless changes are made in job content such as method, construction, compound, group arrangement, breakdown, layout, equipment, materials or specifications, which either increase or decrease the time necessary to produce a unit of production. Any changes in such standards will be made commensurate with the degree of change in the job content.

(3) Inaccuracies relating to job content made at the time the standard was computed will be corrected, unless more than ninety days have elapsed since the standard was effective, in which event corrections may be made only by mutual agreement.

(4) Changes in established standards will be made as soon as possible following a change in job content, unless otherwise mutually agreed. It is understood that where an employee complies with the job specifications and increases his efficiency through his

own skill and effort it shall not be interpreted as being a change in job content under the provision of this section.

(5) It is agreed that the Employer shall base standards on full use of an employee's time, which consists of full productive time on the job with reasonable allowances.

(6) In the event a grievance arises out of a standard, the Department Steward and one member of the Time Study Committee shall have the right to observe the operation and to attend at the Time Study Department to inspect records which show its timing; in such a dispute, upon mutual agreement which show its timing; in such a dispute, upon mutual agreement between the Employer and the Union, the Union may engage an engineer competent to conduct time and motion studies to work with Employer's Time Study Department.

(7) If settlement of the grievance results in an adjustment in the contested standards, it shall be corrected.

**5.13** No salaried employee of the Employer, or temporary hourly rated Manager shall perform any work which should normally be done by employees except in cases of emergency or training of employees. Where there is a qualified bargaining unit employee available he will perform the on-job-training.

**5.14** The employees working on rotating shifts will receive a bonus of fifty cents per hour on the afternoon shift and fifty-five cents per hour on the night shift. This bonus shall not be included in the calculation of the overtime pay.

**5.15** An employee who is required to serve on a jury or is subpoenaed as a Crown Witness shall be paid the difference between the amount paid for such service and his average hourly earnings for the time lost from his regularly scheduled work shift by reason of such service, subject to the following provisions:

(a) employees must notify their Area Manager or Department Head within twenty-four hours after receipt of notice of selection for jury duty or subpoenaed as a Crown Witness;

(b) an employee called for jury duty or subpoenaed as a Crown Witness and who is temporarily excused from attendance at court

must report for work if a reasonable period of time remains to be worked in his shift;

(c) an employee selected for jury duty or subpoenaed as a Crown Witness will be scheduled onto the (7-3) Monday to Friday Day Shift.

(d) in order to be eligible for such payments, the employee must furnish a written statement from the appropriate public official showing the date and time served and the amount of pay received;

(e) should an employee's scheduled vacation be affected due to his selection for jury duty or subpoenaed as a Crown Witness, his Manager shall reschedule said employee's vacation if he so requests in the current year.

**5.16** An employee on the active payroll of the Employer who is excused by the Employer solely because of the death and funeral of a parent, parent-in-law, son, daughter, brother, sister, husband, wife, grandparent, grandchild, brother-in-law, sister-in-law, son-in-law, daughter-in-law, spouse's brother-in-law, spouse's sister-in-law, spouse's grandparent or a dependent who lives in the household of the employee will be compensated at his average hourly earnings for the time so lost by him upon his regular working schedule by reason of such absence, for up to three days for each such death and funeral; this provision to apply when it is necessary for the employee to make arrangements and/or attend the funeral.

For the purpose of this section, a step-parent or foster-parent shall be considered as a parent and a step-son or stepdaughter or foster-son or foster-daughter shall be considered as a son or daughter only when the stepparent or foster parent has taken the place of the natural parent in relation to such child and is not in receipt of any financial aid for the support of such child.

Common-law relationships according to Government law will be so recognized.

## **ARTICLE 6 - SENIORITY**

**6.01** Seniority for the purpose of this Article 6 and as distinct from service shall be calculated as from the date of the employee's first

working day for the Employer, but shall not include the time an employee is protected from layoff and continues to work under Subsection 6.13 (1) or as a member of the Executive Board of the Union or as a Steward under Subsection 6.07 (1) after an employee with more seniority has been laid off and until he is recalled to work.

**6.02** Notwithstanding any provision (except Section 6.17) that may be contained in this Article to the contrary, no employee shall be assigned or transferred to any job for which he is not then qualified, provided that, should there be a vacancy for which no qualified employee is available, then subject to the provisions of Section 6.17, the Employer may assign or transfer any employee to the job for a period in which to qualify; it is furthermore provided that it will not be necessary for an employee to have previously worked on an unclassified job in order to be a qualified employee at such unclassified job.

**6.03**

(1) The employees of the Engineering Division of the factory shall be subject to layoff and recall only within their own division and their seniority rights shall be determined only in relation to each other. Although the General Service employees belong to the Engineering Department, they are not subject to these provisions. Other employees shall not have the right to displace employees of the Engineering Division, nor, in turn, shall the latter have the right to displace other employees.

In all other respects the provisions of this Article shall apply to employees of the Engineering Division in the same manner as they apply to other employees.

(2) When a vacancy exists either in the Engineering Division or in the rest of the factory and no laid-off employee can be recalled, then the Employer may reemploy a laid-off employee having no seniority in the division to which he is recalled under the following conditions:

a) he shall be eligible for recall to the division where he has seniority status during his probationary period in the new division;



- b) he shall be deemed to be a probationer during four months in his new division;
- (c) on the completion of four months, his seniority shall be restored to him in his new division.

#### **6.04**

- (1) An employee shall lose his seniority when he resigns or is discharged.
- (2) A laid-off employee shall lose his seniority whenever he fails to:
  - a) inform the Employer of the address at which he can be reached when required to report to work. Changes of such address may be forwarded by mail, addressed to the Employment Department and will be acknowledged in writing;
  - (b) notify the Employer of his intention to return to work within one working day after having been notified to do so by direct telephone conversation or messenger, or within three working days after a notice to do so has been received by courier or registered mail, sent to his last address on the records of the Employer;
  - (c) report for work within seven days after he has stated his intention to return to work.

In each such case, his employment and his seniority shall, terminate at once without notice or other act on the part of the Employer; provided that the provisions of Paragraph 6.04 (2) (b) or (c) do not apply if the employee furnishes a satisfactory reason to the Employer within thirty days of his failure; this discretion may be used only once in favour of any employee.

- (3) An employee who is laid-off with less than five years of factory seniority and is not recalled to work by the Employer during the following two-year period shall thereupon lose his seniority. An employee who is laid-off with five years or more of factory seniority and is not recalled to work by the Employer during the following five-year period shall thereupon lose his seniority.

**6.05** In any one layoff period, a former employee with seniority in layoff status shall be entitled to accumulate seniority and service

equivalent to the seniority held at time of layoff but in no event shall accumulation exceed twelve months.

#### **6.06**

(1) An employee absent from work because of bodily injuries caused by accident or sickness and qualified to receive weekly indemnity benefits under the terms of the Health and Life Insurance Agreement in effect from time to time between the Employer and the Union shall be entitled to accumulate seniority and service during the period of his absence on the following basis:

(a) An employee who has less than five years of continuous service with the Employer will be entitled to accumulate seniority and service for a maximum period of one year, but his accumulated seniority and service shall not exceed his service with the Employer as of the day on which he last worked prior to his illness.

(b) An employee who has five or more years of continuous service with the Employer, will be entitled to accumulate seniority and service for a maximum period of two years.

(2) The provisions of Subsection 6.06 (1) shall not apply to a female employee who is granted leave of absence due to pregnancy in accordance with the provisions of Section 6.09.

(3) The provisions of Subsection 6.06 (1) shall in no way limit the accumulation of seniority and service by an employee who is receiving Workers' Compensation Benefits.

#### **6.07**

(1) (a) No Steward nor Chief Steward shall be laid off or transferred from his department while there is work to be performed in his department. However, to establish job position the following bumps will apply:

- Classified group provided qualified and sufficient service
- Unclassified group provided sufficient service
- Department super seniority jobs as per Clause 6.13 (1) d) Lowest position within job group listing.

(b) No member of the Executive Board shall be laid off while there is work to be performed in the factory. The Union officials to

which the privilege extends (Paragraph A & B shall be limited to eleven Executive Board Members). Plus Stewards as listed:

Belt Department	3
Millroom	3
Power House/Engineering	1
Porter Service/Lab/Shipping	1

If Building #33 is utilized for some other product necessitating transferring or hiring of new employees the Union (Local 189) reserves the right to add Stewards to this Department.

(2) An employee who is elected or selected for duty as an officer for, or representative of, the United Steel Workers of America or to the Canadian Labour Congress or to the Federation of Labour, which assignment will take away from his employment with the Employer, may apply in writing for a leave of absence; such leave of absence shall be requested and granted yearly and shall cancel itself automatically upon termination of this Collective Labour Agreement. For three years following the date the leave of absence is granted, the employee will accumulate seniority and service for employment reinstatement and thereafter will retain seniority for as long as his leave of absence continues in force. Following the termination of his leave of absence and his immediate return to work for the Employer, he shall be reinstated to all privileges of employment and he shall be offered the same work in the department which he had left or similar work at the then current rate of pay for such work. For Pension purposes only, such employees will be credited with the seniority and service which he has accumulated pursuant to the preceding paragraph and will not have to return to active employment with the Employer in order to qualify for a pension or severance award if otherwise eligible for the same. The Pension Plan in effect at the date of the employee's application for retirement shall be the Pension Plan applicable to him.

(3) An employee who is selected as a delegate to the convention of The United Steel Workers of America, the Ontario Federation of Labour or the Canadian Labour Congress, or who requires leave of

absence to perform specific union duties or municipal elective duties, may apply to his Manager for time off to attend to such duties and will be granted such time as may be necessary for this purpose.

(4) Under the provisions mentioned above in this Section, the Union shall give consideration to the need of the assignment or appointment and the possible handicap to other employees.

**6.08** An employee who wishes a Leave of Absence for personal reasons shall make written application to the Industrial Relations Department. Approval from his Area Manager, Business Centre Manager and the Industrial Relations Manager is required. This application must include the reason(s) for such a request. If granted, such leave shall be in writing and a copy will be given to the Union Secretary. Leave Of Absence will not be granted for self-employment or for employment elsewhere. The employee must return to work on the date indicated in the letter of authorization and he will be placed on his previous job provided that he is able to perform the work. The employee will be credited with service or seniority during the period while he is on leave of absence up to a maximum of two months. Welfare Benefits, exclusive of Weekly Indemnity, will be continued during the period of leave of absence up to a maximum of two months.

**6.09**

(1) When a female employee has been pregnant for a period of four months, she shall present a certificate from her physician to such effect and shall be granted leave of absence until four months after birth or other delivery. Her seniority shall be retained during the said leave of absence, provided that within the last mentioned four-month period, she presents the written opinion of her physician that she is able to perform her normal work to the Personnel Department of her Employer.

(2) She shall be returned to her last previous job or in case she has not enough seniority to return to her last previous job, she shall follow the provisions as outlined in Section 6.13.

(3) If she does not apply as in Subsection 6.09 (1 ) her employment will terminate without notice.

**6.10** As in hiring, it shall be the function of the Employer, in his judgment to determine the qualification of each employee; such judgment will be carefully applied when reviewing the individual qualifications of employees. Regular assessment of employee progress to be reviewed within a reasonable time limit.

**6.11** The probationer shall be temporary employee for all the time of his probationary period; his employment may be terminated at any time without reference to seniority and, subject to the provisions of Section 9.12, the Employer shall not have an obligation to rehire him or offer him work. The length of time worked by a probationer before his layoff shall, on rehiring, be credited to him after he has acquired seniority, if he has not been laid off more than one year.

**6.12** No employee with seniority shall be laid off in the factory before all probationers are laid off.

This clause does not apply in the Engineering Division.

**6.13**

(1) When it becomes necessary to actually lay-off an employee from the plant the employee with the least seniority on the Classified or Unclassified jobs affected will be considered the surplus employee and will displace other employees with less seniority provided that an employee displacing on a Classified job must be qualified on the job except in Paragraph 6.13 (1) d).

However, the senior employee(s) on a job or the senior employee(s) in the job group affected will have the opportunity to elect direct optional lay-off under the following conditions:

- (1) Actual plant manning reduction occurs.
- (2) Laid-off employee must return to work when Company is in a new hire position.
- (3) Laid-off employee must return to work when he has exhausted his E.I. Credits.
- (4) An employee must return to work when recall provision as outlined in Article 6 prevail.

(5) Optional laid-off employees will not be recalled to other jobs within the plant as a result of their qualifications for vacation fill-in relief purposes.

(6) If and when the lay-off period reaches a one-month duration, the employee will then have the option to exercise his rights under Article 6 or may continue his optional lay-off.

(7) The employee is responsible to report his intentions with respect to the optional lay-off to the Personnel Office five working days prior to the end of the one-month optional period.

(a) the employee with the least seniority on any classified job of the department, failing which he will displace the employee with the least seniority on the unclassified jobs of the department.

(b) the employee with the least seniority on any classified job in any department of the factory, failing which he will displace the employee with the least seniority on the unclassified jobs in any department of the factory.

(c) the employee finally displaced, who has insufficient seniority to displace others will be laid off;

(d) an employee with one year or more of seniority provisions as outlined in Paragraph 6.13 (1a) or (b) or (c) will have the right to displace the employee with the least factory seniority in the following classified jobs:

2nd Building Tables                      Banbury Lay-Down

2nd Inspection Tables                      Calendar Helpers

or failing the above any lower seniority employees in the unclassified labour pool group.

(e) The list of classified jobs are referred to in Paragraph 6.13 (1)

(d) may change after discussion with the bargaining Committee.

Any displaced employee has the displacing privileges as listed in Subsection 6.13 (1).

(2) (a) An employee who was placed on other work in the factory from a classified job shall be reinstated to the classified job on which he worked immediately prior to the date of layoff, provided he is entitled to do so by virtue of his seniority and qualifications for the job; except that, if the said employee has worked for three

consecutive months on his new job, he may in this case, retain his new job; and

(b) an employee who was placed on other work in the factory from an unclassified job shall not be rein-stated to his former unclassified job unless he prefers such reinstatement, such preference being offered on the first occasion only; and

(c) after all employees have been reinstated according to the provisions of Paragraph 6.13 (2) (a) and (b) a laid off employee with recall rights will be recalled in order of seniority to classified jobs that may be vacant provided the employee is qualified on such job, or will be recalled in order of seniority to unclassified jobs;

(d) finally, the balance of the employees shall be recalled in order of factory seniority to fill classified or unclassified jobs that may be vacant.

**6.14** An employee who refuses to accept a transfer occasioned by reason of a layoff in accordance with Section 6.13 shall not be discharged but shall be laid off and shall be entitled to all privileges granted to an employee who is laid off in usual course according to the provisions of Section 6.13.

**6.15** An employee to be laid off for an indefinite period shall be given not less than seven calendar days notice of the effective date of such layoff and such employee will be granted pay at his average hourly earnings for such time during the seven day calendar period that work is not available. This does not apply to employees electing direct layoff according to 6.13 (1).

An employee shall give one week's notice of the effective date of his resignation, if possible.

**6.16** Employees who transferred to positions outside the bargaining unit and who had at least one year of seniority in the bargaining unit prior to transfer, shall be granted factory seniority equivalent to their continuous employment with the Employer upon being transferred back into the bargaining unit, provided such service outside the bargaining unit has been accumulated in the plant covered by this agreement.

Such former employee shall take his place in the factory in the following manner;

(1) He shall displace the employee with the least factory seniority on an unclassified job in the factory provided his seniority so entitled him.

(2) Failing this, he shall find his rightful job in accordance with Article 6. This section will not be applicable to the Engineering Division.

### **6.17**

(1) When a vacancy occurs, a notice of such vacancy will be posted in the Factory Entrance for four full working days exclusive of Saturday, Sunday, and Holidays. A list of the employees bidding for the posted vacancy will then be posted for one working week, after which the position will be filled. Transfers will be accepted during the one-week period. Once the employee signs his name to the Job Posting Sheet, it cannot be withdrawn. This also applies to Job Progression Sheets. All sheets to be dated and witnessed by Management. Any further vacancies which occur on the posted job within ninety days of the posting will be filled from the list of applicants from such posting in accordance with factory seniority. Employees will be permitted to job post plant wide with a twelve-month interval to apply between honoured job postings, exclusive of Classified Day Shift Jobs and Newly Created Jobs. Employees will not be permitted to job post down within a crew. All subsequent vacancies created by the filling of the vacancy will be filled from the transfers on file. These transfers must be renewed in April of each calendar year. Employees will be permitted to transfer plant wide with a twelve-month interval to apply between honoured transfers. This provision will cover all vacancies except crews, as outlined in Section 6:20 Lead Men and Engineering Division excluding General Service. When employees are working away from the Bowmanville Plant the Company will so inform them of all job postings.

(2) An employee prior to leaving on vacation may submit in writing to Management his desire to be considered for any job



postings which may occur when he is on vacation. His name will be added to such postings in order of his plant seniority provided he has completed and signed the proper form.

An employee who wishes to transfer from one job to another due to a vacancy created by a Job Posting shall submit a written transfer request in duplicate to his Area Manager.

The Business Centre Manager will sign the copies and return one to the employee. A transfer is applicable only to fill a vacancy which resulted from a Job Posting.

(3) All classified and unclassified day shift jobs to be posted.

**6.18** An employee shall have the right to examine his seniority records at any time at the Personnel Office; a factory seniority list shall be posted in each department showing the names of all employees of said department; this list will be corrected by the Employer at the end of each calendar month; a complete seniority list by departments will be supplied to the Union, each year, when the seniority lists are revised.

**6.19** For the purpose of this Article, a list of the classified and unclassified jobs of the factory shall be given by the Employer to the Union from time to time.

The combined total of unclassified and the "special list" of classified positions will represent at least 45% of the total job positions.

Any change in the present classified or unclassified job classification or the introduction of new jobs to the classified or unclassified classifications will be discussed with the Bargaining Committee before becoming effective.

### **6.20 Crew Progression**

(1) All crew operations shall be shown on the classified and unclassified list.

(2) Subject to Subsections 6.13 (2) (a) and (b) crew progression shall be as follows:

(a) Employees on the job immediately below the vacancy who are qualified on the job where the vacancy exists shall be given the first opportunity to fill the vacancy, in order of factory seniority.

(b) If the vacancy is not filled as in Paragraph (a), the employees who are qualified on the job immediately below the vacancy shall be given the next opportunity to fill the vacancy, in order of factory seniority.

(c) If the vacancy is not filled as in paragraphs (a) or (b), the employees who are not qualified on the jobs immediately below the vacancy shall be given the next opportunity to fill the vacancy, in order of factory seniority.

(d) If the vacancy is not filled as in Paragraphs (a), (b) or (c), the same procedure as outlined in Paragraphs (a), (b) and (c) shall be followed progressively on the lower jobs in the crew.

(e) If a vacancy is not filled as in Paragraphs (a), (b), (c) or (d), job posting as outlined in Section 6.17 shall be applicable.

### **(3) Crew Regression**

Employees on crew operations shall regress due to a reduction in the number of crews or the number of employees in a crew as follows:

(a) The first employees to regress shall be the unqualified employees in reverse order of factory seniority, in the highest job in the crew.

(b) The next employees to regress shall be the qualified employees in reverse order of factory seniority, in the highest job in the crew.

#### **NOTE:**

In moving down, the employee shall displace the unqualified employees, if any, in reverse order of factory seniority and then qualified employees in reverse order of factory seniority in the next lower job in the crew.

### **6.21**

(1) On a classified job where there are twenty or more hours of work per week the employee on the job will retain his classification and will be given other work which will provide him with sufficient hours to constitute a normal work week.

(2) If it becomes necessary to combine classified jobs, the employees having the qualifications on one of these jobs will be recognized as having qualifications on the others. In this case the

qualified employees having the longest seniority will be retained in the new grouping.

(3) In the combining of classified and unclassified jobs for the purpose of picking up labour balance the employees with the longest factory seniority on the jobs being combined will be retained in the new grouping if they so desire. If the employee with the longest factory seniority does not wish to remain on the job he will then find his rightful place according to Section 6.13 of the Collective Labour Agreement.

(4) It is understood that the Open, Banbury, Calendar and Cement House Mills will each be considered a separate classification. Employees who presently hold qualifications on either Open, Banbury or Calendar Mill classification will automatically hold qualifications on the Cement House Mill classification.

**6.22** An unclassified plant labour Balance Pool employee may be used on any shift for fill-in purposes, however, if no fill-in is required, they may be assigned work else-where or Article 6 will apply.

The manning of the Labour Balance Pool will be adjusted as required.

Experience gained as a Labour Balancer shall not be used for the purpose of bumping privileges or enhance the employee's qualification period in relation to other employees attempting to qualify on the same job at the same time.

## **ARTICLE 7**

### **HOLIDAYS AND VACATIONS**

**7.01** A holiday shall begin as per Article 2.01 (m) (3).

**7.02** Subject to the other provisions of this Article, an employee shall be paid an amount equal to one standard shift for each holiday.

**7.03** Such payment for a holiday will be included with the regular pay for the week in which it occurs and will be calculated as follows:

Day work employees will be paid their standard shift hours multiplied by their day work wage rates.

**7.04** An employee who is required to work on a designated holiday shall be paid double time, in addition to his holiday pay.

**7.05** Only the employee actually at work on the last regularly scheduled shift before and his first regularly scheduled shift following the holiday, shall receive Holiday Pay. In a case where there are circumstances beyond the employee's control and the employee could have worked if the factory had operated, payment for a holiday may be made upon recommendation of Management. An employee who is laid off within a period of five working days immediately preceding a holiday and who is actually at work on the day of lay-off shall be entitled to receive Holiday Pay for such holiday.

Subject to the above, an employee who is absent because of sickness or accident and limited to a thirty day period exclusive of Saturday and Sunday prior to or following such designated holiday, shall receive Holiday Pay provided such absence is supported by a Doctor's Certificate and presented to Management by the employee prior to his first shift back to work. There shall be deducted from such pay any payments which the employee receives as the result of such illness.

**7.06** An employee shall receive Holiday Pay for a holiday that occurs either during his regular vacation or the day before or the day after his regular vacation period provided that the said employee actually works on his last regularly scheduled shift before and his first regularly scheduled shift following his vacation period and such holiday.

In a case where an employee is absent on his last regularly scheduled shift before or his regularly scheduled shift after such holiday and vacation and such absence is excused, payment for the holiday may be made upon a recommendation as outlined in Section 7.05.

Subject to the above, an employee who is absent because of sickness or accident and limited to a thirty day period exclusive of Saturday and Sunday, prior to or following such designated holiday, shall receive Holiday Pay for a holiday that occurs either

during his regular vacation or on the day before or the day after his regular vacation period provided such absence is supported by a Doctor's Certificate and presented to Management by the employee prior to his first shift back to work.

There shall be deducted from such pay any payments which the employee receives as the result of such illness.

### **7.07**

(1) An employee shall be granted two week's vacation with pay after one year of continuous service; however, in order to bring everyone to a common vacation year and for the purpose of computing the vacation and the vacation pay, the vacation year shall be the calendar year, starting on January 1 and terminating on December 31. A vacation week shall begin as per Article 2.01 (m).

(2) An employee with less than one year of continuous service as of December 31 of the previous calendar year, shall be granted in the current year a vacation of one-half day for each complete month he has worked during the previous calendar year since the last date of hiring and will receive as vacation pay 4% of his earnings in the previous calendar year since the last date of hiring.

(3) An employee who completes one year of continuous service on or before December 24 in the current year shall be granted in the same current year a second week of vacation on his completion of one year of continuous service in addition to the vacation he has already been granted for his previous service, and will receive as vacation pay for that second week of vacation 2% of his earnings in the previous calendar year. An employee who completes one year of continuous service after December 24 in the current year shall be granted vacation for the remaining days of the year with pay for his remaining regularly scheduled days of work.

(4) An employee with one year or more but less than five years of continuous service as of December 31 of the previous calendar year, shall be granted in the current year two weeks of vacation and will receive as vacation pay 4% of his earnings in the previous calendar year since the last day of hiring.

(5) An employee who completes five years of continuous service on or before December 24 in the current year shall be granted in the same current year a third week of vacation on his completion of five years of continuous service in addition to the two weeks of vacation he has already been granted for his previous calendar year of service and will receive as vacation pay for this third week of vacation 2% of his earnings in the previous calendar year. An employee who completes five years of continuous service after December 24 in the current year shall be granted vacation for the remaining days of the year with pay for his remaining regularly scheduled days of work.

(6) An employee with five years or more but less than twelve years of continuous service as of December 31 of the previous calendar year shall be granted in the current year three weeks of vacation and will receive as vacation pay 6% of his earnings in the previous calendar year, less any amount which has previously been paid to the employee as vacation pay in respect of the same vacation year.

(7) An employee who completes twelve years of continuous service on or before December 24 in the current year shall be granted in the same current year, a fourth week of vacation in addition to the regular weeks of vacation he has already been granted for his previous calendar year of service and will receive as vacation pay for the fourth week of vacation 2% of his earnings in the previous calendar year.

An employee who completes twelve years of continuous service after December 24 in the current year shall be granted vacation for the remaining days of the year with pay for his remaining regularly scheduled days of work.

(8) An employee with twelve years or more but less than twenty years of continuous service as of December 31 of the previous calendar year shall be granted in the current year four weeks of vacation and will receive as vacation pay 8% of his earnings in the previous calendar year, less any amount which has previously been paid to the employee as vacation pay in respect of the same vacation year.

(9) An employee who completes twenty years of continuous service on or before December 24 in the current year shall be granted in the current year a fifth week of vacation on completion of twenty years of continuous service in addition to the regular weeks of vacation he has already been granted for his previous calendar year of service and will receive as vacation pay for that fifth week of vacation 2% of his earnings in the previous calendar year. An employee who completes twenty years of continuous service after December 24 in the current year shall be granted vacation for the remaining days of the year with pay for his remaining regularly scheduled days of work.

(10) An employee with twenty years or more but less than twenty-five years of continuous service as of December 31 of the previous calendar year shall be granted in the current year five weeks of vacation and will receive as vacation pay 10% of his earnings in the previous calendar year, less any amount which has previously been paid to the employee as vacation pay in respect of the same vacation year.

(11) An employee who completes twenty-five years of continuous service on or before December 24 in the current year shall be granted in the same current year a sixth week of vacation on completion of thirty years of continuous service in addition to the regular weeks of vacation he has already been granted for his previous calendar year of service and will receive as vacation pay for that sixth week of vacation 2% of his earnings in the previous calendar year. An employee who completes twenty-five years or more of continuous service after December 24 in the current year shall be granted vacation for the remaining days of the year with pay for his regularly remaining scheduled days of work.

(12) An employee with twenty-five years or more of continuous service as of December 31 of the previous calendar year shall be granted in the current year six weeks of vacation and will receive as vacation pay 12% of his earnings in the previous calendar year less any amount which has previously been paid to the employee as vacation pay in respect of the same vacation year.

(13) When an employee has been unable to work during a portion of the preceding calendar year owing to sickness or injury not covered by the Worker's Compensation Act, and for this reason only the vacation pay is less than the minimum mentioned below, the vacation pay shall be increased to a minimum of \$400.00 per week provided that said employee must have worked during some portion of the preceding calendar year and has resumed his duties not less than one month before vacation is granted.

(14) An employee with seniority who leaves the employment of the Employer for any reason or who dies during his employment, if he has had vacation or pay in lieu of vacation in the current year, shall be entitled to receive or in the case of death his estate shall be entitled to receive 4% of his earnings in the current year in cash if he has completed one year or more but less than five years of continuous service at the date he leaves the employ of the Employer or dies, or 6% of his earnings in the current year in cash if he has completed five years or more but less than twelve years of continuous service at the date he leaves the employ of the Employer or dies, or 8% of his earnings in the current year in cash if he has completed twelve years or more but less than twenty years of continuous service at the date he leaves the employ of the Employer or dies, or 10% of his earnings in the current year in cash if he has completed twenty years or more of continuous service at the date he leaves the employ of the Employer or dies, a 12% of his earnings in the current year in cash if he has completed twenty-five years or more of continuous service at the date he leaves the employ of the Employer or dies.

(15) An employee with seniority who leaves the employ of the Employer for any reason or who dies during his employment, if he has not had a vacation or pay in lieu of vacation in the current year, shall be entitled to receive or in the case of death his estate shall be entitled to receive vacation pay in lieu of vacation calculated in accordance with the provisions of Subsection 7.07 (14) plus the same applicable percentage of his current year's earnings in cash calculated in accordance with he provisions of Subsection 7.07



(14) and based on his length of continuous service with the Employer.

An employee with seniority who starts and ceases employment during the current year shall receive in form of cash an amount equal to 4% of his actual earnings since his last date of hiring in lieu of vacation pay.

### **7.08**

(1) An employee must take his vacation to receive vacation pay.

(1a) 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> Week of Vacation - An employee must take his vacation to receive vacation pay. Exception - employees who are eligible for 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> week as outlined in 7.07 (5), (6), (7), (8), (9), (10), (11), (12), may work in lieu of these weeks provided indication of his intention to do so is done during the vacation booking period. Vacation pay for those employees exercising their option to work their 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> week will be paid in the following manner: Payment to be made in the 1st week of February of the current year. No payment will be made prior to January 1st of the current year in which holidays are herein taken. This form of payment is to apply to employees exercising their option to work their 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> week only.

Vacations are not cumulative and cannot be transferred into the following year.

(2) Employees who complete one year of continuous service between August 1st and December 24th may elect to receive vacation time payment as per the Collective Labour Agreement. Employees completing one year of continuous service after December 24th will receive vacation pay as per the Collective Labour Agreement. This clause to apply to Employees in their first year of service only.

(3) Vacation may be taken at any time during the calendar year, at such time as may be most convenient to the Employer, but every effort shall be made to schedule vacations at times suitable to the employees.

(4) When booking vacations employees will be asked according to the job they actually own and not the job they are borrowed onto.

(5) In computing the actual earnings for vacation pay, the following items shall be included: actual wages earned (including bonuses and overtime payment), vacation pay for the preceding year, Worker's Compensation payments for lost time, Ontario Health Insurance Plan premiums which are paid by the Employer on behalf of the employee, Short Work Week Benefits paid under the Supplemental Unemployment Benefit Plan and Weekly Indemnity payments paid under the Health and Life Insurance Agreement.

(6) When an employee is called to work while on vacation he shall be paid at the rate of time and one half for all regular hours worked Monday to Saturday inclusive and double time for all hours worked on Sunday. All lost vacation time involved in this arrangement will be rescheduled and taken by year end.

## **ARTICLE 8 – UNION SECURITY**

### **8.01**

(A) Any employee who is a member of the Union in good standing on the effective date of this Collective Labour Agreement, shall maintain his membership in the Union as a condition of his continued employment for the duration of this Collective Labour Agreement to the extent of paying union dues in accordance with the constitution of the U.S.W.A. as determined by the local union and uniformly required of all members of the Union as a condition of acquiring or retaining membership therein.

(B) Any employee in the Bargaining Unit who is not a member of the Union shall become a member of the Union on the effective date of his hiring as a condition of his continued employment and shall maintain his membership on the same terms and to the same extent provided in Subsection 8:01 (A).

(C) Any person hired on or after the effective date of this Collective Labour Agreement or transferred therein after such effective date shall make application for union membership and shall as a condition of his continued employment maintain his union membership on the same terms and to the same extent as provided in Subsection 8:01 (A).

**8.02** The Company shall deduct from the pay of each member of the bargaining unit, weekly such union dues, fees and assessment as prescribed by the Constitution of the Union.

**8.03** The Company shall remit the amounts so deducted, prior to the fifteenth (15th) day of the month following, by cheque, as directed by the Union, payable to the International Treasurer.

**8.04** The monthly remittance shall be accompanied by a statement showing the name of each employee from whose pay deductions have been made and the total amount deducted for the month. Such statements shall also list the names of the employees from whom no deductions have been made and the reason why along with any forms required by the International Union.

**8.05** The Union shall indemnify and save the Employer and/or the Trustee of the S.U.B. Fund harmless from any claims, suits, judgments, attachments and from any other form of liability as a result of the Employer and/or the Trustee of the S.U.B. Fund making any deductions in accordance with the forgoing authorizations and assignments, and the Union will make refunds directly to all employees from whom a wrongful deduction was made.

**8.06** The Company agrees to record total Union dues deductions paid by each employee on his Income Tax Receipt.

## **ARTICLE 9**

### **GRIEVANCE AND ARBITRATION PROCEDURE**

**9.01** The parties hereto shall meet through their authorized representatives respectively to discuss and adjust any dispute and/or grievance which may arise between the parties, every effort

shall be exerted mutually to adjust any and all grievances which may arise.

A time and date for meetings between authorized representatives will be established within two working days after a request has been made by either party.

**9.02** The Bargaining Committee, consisting of five members, all of whom shall be regular employees of the Employer, being nineteen years of age or over, and all of whom shall have had at least one year of continuous service with the Employer, shall be elected by the employees of the Employer, who are members of the Union, in a manner determined by the union, the Employer shall be informed by the Union of the personnel of that Committee; a representative from any department may be called in when deemed necessary by either party and may take part in negotiations until the completion of the particular grievance in question.

**9.03** Any dispute or grievance between the employee and the Employer shall be dealt with as follows: All time limits referred to in the grievance procedure herein contained shall be deemed to mean – working days exclusive of Saturday, Sunday, or vacations and holidays as set out in 2.01 (h).

#### **STEP ONE**

It is the mutual desire of the parties hereto, that complaints of employees be adjusted as quickly as possible, and it is generally understood that an employee or the Union has no grievance until the Area Manager involved has first been given an opportunity to adjust the complaint. If the employee or the Union does not receive a satisfactory answer, then the following steps of the grievance procedure must be followed immediately.

#### **STEP TWO**

If no satisfactory solution is reached at the discussion above mentioned, such employee may put his complaint in writing and present it to his Steward, and each such complaint shall be a “grievance” subject to the procedure hereinafter in this Article set forth; a grievance may be discussed by the Steward and/or the

Chief Steward and/or the Union Representative with the Area Manager of the Department in which the grievance occurred. This written complaint must be presented to the Steward and the Company within five working days of such complaint incident. The Area Manager shall give the Griever and Union a written reply not later than three days after such discussion.

### **STEP THREE**

If no satisfactory solution is reached at the discussion in Step Two, such grievance may be discussed by the Bargaining Committee with the Manager Of Industrial/Relations/Operations Manager and the necessary Management personnel. This meeting will occur within five days upon the Union presentation of the written grievance to the Manager Of Industrial Relations. The Company shall give the Union written reply not later than seven days after this meeting has taken place.

### **STEP FOUR**

If no satisfactory solution is reached at the discussion in Step Three, such grievance may be discussed by the Bargaining Committee and a Representative of the International Union with such representative of the Employer as the Employer may nominate for such purpose; provided that the aggrieved employee shall be at liberty, and may be required by either party, to appear in person at any stage of the negotiations above set forth. This meeting will take place within five days upon Union presentation of the written grievance to the Manager Of Industrial Relations. The Company shall give the Union a written reply not later than seven days after this meeting.

### **STEP FIVE**

(1) Any dispute between the Employer and the Union as to interpretation of this Collective Labour Agreement and any allegation by either party that the other has violated any term of this Collective Labour Agreement shall be deemed to be a grievance when notice in writing thereof has been delivered by the party considering itself aggrieved to the other party and shall be subject to arbitration as hereinafter in this Article set forth.

(2) Such grievance shall be discussed by the Bargaining Committee and at the option of the Union, a Representative of the International Union with such representatives of the Employer as deemed necessary.

(3) If no satisfactory solution of any grievance in Step Five (1) and (2) is reached at the discussion in that Step, and in the case of any grievance in Section 9.03 which arises out of a difference as to the interpretation of this Collective Labour Agreement or an alleged violation of any term of this Collective Labour Agreement, if no satisfactory solution of such grievance is reached at the discussion mentioned in Section 9.03 Step Four either party may refer such grievance to a Single Arbitrator or Board Of Arbitration by delivering to the other party in writing, within thirty-five days after the cessation of such discussion.

**NOTE:**

(Where Single Arbitrator appears it shall have the same meaning as Board of Arbitration).

(a) A statement of intention to refer the grievance to a Single Arbitrator.

(b) A fair and just statement of the subject matter of the grievance.

(c) "Company and Union recognize the arbitration provision under Section 45 of the Ontario Labour Relations Act and that upon mutual agreement either party may request use of a G.S.O.

(Government Settlement Officer). Also, either party may pursue the requirements of that Legislation and comply with its provisions as set out in the said Act.

**9.04** Both parties shall thereupon meet together through their representatives, as provided in 9.03 Step Five (2), and agree upon the statement of the subject matter of the grievance mentioned in Section 9.03 Step Five (3); and such statement shall be submitted to the Single Arbitrator hereinafter provided; provided that if the parties are unable to agree upon the said statement, the party to whom such statement was delivered, shall deliver in writing to the other party, within thirty-five days of the delivery of such last mentioned statement a counter-statement of the subject matter and

the counter-statement shall be submitted to the Single Arbitrator hereinafter provided.

**9.05** Each party shall, not later than five days after they have agreed upon a statement of the subject matter of the grievance, or not later than five days after the delivery of a counter-statement, deliver to the other party in writing, a statement of the name of the person nominated to represent such party as the Single Arbitrator.

**9.06** No person may be nominated to be the Single Arbitrator who has either directly or indirectly attempted to negotiate or settle the grievance in dispute. If they are unable to agree upon a Single Arbitrator they shall forthwith request the Ministry of Labour of The Province of Ontario to appoint a Single Arbitrator.

**9.07** The Single Arbitrator shall meet promptly to hear and consider the grievance with all reasonable dispatch, and the decision of the Single Arbitrator shall be final and binding on both parties.

**9.08** Each of the parties will jointly bear the expenses of the arbitrator nominated.

**9.09** The Single Arbitrator shall not have any power to alter or change any of the provisions for any existing provision, or to give any decision inconsistent with the terms and provisions of this Collective Labour Agreement.

**9.10** To facilitate the above procedure, it is agreed that all Employer's representatives up to the Manager Of Industrial Relations, shall make every effort to effect a settlement to the grievance by the close of three working days following the day the grievance is presented and when they are unable to do so, shall notify the Steward in writing and keep him informed as to progress being made; the final answer shall be in writing.

**9.11** Any member of the Local Executive Board shall be permitted to enter the factory for the purpose of negotiating or making investigation of a grievance, provided that he first requests and receives permission from the Area Manager for each visit; when necessary he may be accompanied by the Steward from the Department concerned, provided the Steward can be temporarily

relieved from his duties without impairing the efficiency and production of the factory; the International Representative may have the privilege of entering the factory for investigating grievances if each visit is approved and a pass signed by the Plant Manager.

**9.12** If an employee is discharged or suspended as a penalty by the Employer and feels that he has been unjustly dealt with, he shall have the opportunity to talk with his Steward before he leaves the factory and he shall, within five working days, notify the Employer and the Union in writing; such discharge or suspension as a penalty may then constitute a grievance and shall be dealt with according to Section 9.03, if subsequently, it is decided that this employee was unjustly discharged or suspended as a penalty, he shall be reinstated in his former position and shall be compensated at his regular rate of pay for time lost, subject to the following provisions: The Single Arbitrator will have the right to increase or decrease the penalty if he feels the circumstances justify this action and will have authority to determine the amount of pay the employee is to receive for the period of his discharge or suspension, if he is subsequently reinstated. In calculating the amount of pay the employee is to receive if reinstated the Single Arbitrator shall deduct there from any monies earned by the employee from other employment and any Unemployment Insurance Benefits received by the employee during the period of his suspension or discharge and retained by him. Every effort shall be made to settle such grievance within thirty days. It is understood that the Area Manager will inform the Steward of discharge or suspension as a penalty as soon as possible. It is mutually agreed that if either party is unable to meet the above dates that a reasonable extension period will be granted provided written notice is given.

**9.13**

(1) In all cases of arbitration a single arbitrator will be substituted for the Board Of Arbitration provided for in this Article 9 unless



the Union and the Employer mutually agree to proceed by means of a Board of Arbitration.

(2) In all cases of substitution of a single arbitrator for a Board of Arbitration as outlined in Subsection (1) of Section 9.13, all other applicable provisions of Article 9 will continue to apply so far as they are relevant.

**9.14** There will be one regular monthly meeting of the Bargaining Committee with the Employer held during office hours; Special Meetings may be called at the request of either party.

**9.15**

(1) An employee will be given a copy of any notation concerning his misconduct or inefficiency at the time it is placed in his personal record. A copy of every notation will be forwarded to the Secretary of the Union by the Manager of Industrial Relations of the employer.

(2) Notations reporting offenses, exclusive of the violation of the no-strike provisions in the Collective Labour Agreement, not repeated within a one-year period will be disregarded in the administration of discipline.

(3) Notations reporting offenses involving violation of the no-strike provisions in the Collective Labour Agreement not repeated within a three-year period will be disregarded in the administration of discipline.

**ARTICLE 10 – MISCELLANEOUS**

**10.01** The Employer will provide reasonable protective devices and other equipment necessary to protect the employees from injury and sickness; the Union agrees to co-operate with the Employer in the use of these devices and in the elimination of all industrial accidents.

**10.02** The Employer agrees to permit the Union to post notices of meetings and other union business or affairs on Bulletin Boards throughout the factory provided for such purposes; it is agreed however that such Bulletins shall be approved by the Manager Industrial Relations of the Employer and posted by members of the Employer's Personnel Department.

**10.03** The Employer will furnish a list of employees and probationers entering and exiting the plant at the end of each week.

**10.04** The Employer agrees to maintain adequate Cafeterias/Smoke Places for the employees. Employees will co-operate in maintaining the cleanliness and the proper use of these facilities to avoid suspension of these privileges.

**10.05** Employees shall be at their work places ready to work at scheduled starting times. Employees shall not quit work until their designated quitting time.

**10.06** Employees from the Bowmanville Factory who work on out-of- plant operations, in addition to being fully covered by this Collective Labour Agreement, shall be entitled to the following benefits:

- (a) Transportation will be provided to and from the job location.
- (b) All hours when traveling from Monday through Friday will be paid at straight time.
- (c) Payment for traveling on Saturdays, Sundays and holidays shall be premium pay up to when sleeping accommodations are provided.
- (d) When driving an Employer's vehicle employees will be paid straight time if driving within regular daily shift hours, Monday to Friday inclusive. Driving beyond the regular shift hours, except on Sundays and holidays, will be paid at time and one-half. On Sundays, and on holidays, driving will be paid at double time. The recognized shift hours are 7:00 a.m. to 4:00 p.m. except when additional crews are necessary.
- (e) Employees will be paid at premium pay up to a maximum of eight hours per day when held over on a job on Saturdays, Sundays or holidays.
- (f) All meals in transit will be paid for by the Employer.
- (g) Single accommodations for a room and board will be provided by the Employer where practical.
- (h) Laundry service will be paid for by the Employer.

(i) The Employer where practical will grant upon request a short leave of absence to allow approximately forty-eight hours in the Bowmanville area approximately every six weeks of continuous field work. Transportation will be provided by the Employer but no allowance for traveling time will be paid. However, Paragraph 10.06 0) will be observed where applicable.

(j) A minimum pay of eight hours per day, Monday to Friday inclusive will be guaranteed.

(k) Company to supply same health coverage's for employees when out of the country as they have in plant.

(l) Employees are allowed at least eight hours off in between shifts.

(m) If shift hours necessitate more than twelve-hour shifts, a second crew will be instituted when known in advance.

(n) Protective clothing supplied re weather and job conditions.

(o) Field Splice Crews will be paid the applicable rate of pay as indicated in Department 2722.

(p) Employees allowed to phone home within reasonable time limits.

(q) Reasonable accommodations will be provided for employees when work not required during shift.

(r) Work will not be performed by Local 189's employees that normally is performed by other Unions.

(s) Employees who return to the plant in mid-week will be scheduled on the dayshift for the remainder of the week.

**10.07** Employees posting or transferring to Receiving/Shipping Room must gain power truck license before being qualified on job.

**10.08** When scheduled and actual working on Banbury, employees will work bell to bell and be allotted eighteen minutes after their shift has ended for wash-up purposes. Straight time will be paid for these wash-up periods.

## **ARTICLE 11**

### **DURATION OF COLLECTIVE AGREEMENT**

#### **11.00**

(1) Save as to the Pension Plan and Severance Award Agreement, the Health and Life Insurance Agreement, and the Supplemental Unemployment Benefits Plan signed between the same parties, this Collective Labour Agreement constitutes the entire one between Employer and the Union; it shall remain in force from the 23<sup>rd</sup> day of July, 2006 to the 18<sup>th</sup> day of July, 2009, and thereafter from year to year unless either party gives to the other party notice in writing of cancellation or of proposals for revision within a period of not less than two months or more than three months prior to the anniversary date.

**11.01**

(a) If either party gives to the other a notice of cancellation in accordance with the provisions of Section 11.01, this Collective Labour Agreement shall terminate in accordance with such notice.

(b) If either party gives to the other a notice of proposals for revision in accordance with the provisions of Section 11.01, the parties shall meet to consider the proposed revision within fifteen days of the date of delivery of such notice. If no agreement on the proposed revision is reached by midnight, July 18, 2009 or by midnight of any other subsequent anniversary date, as the case may be, this Collective Agreement shall be continued in operation for a period not exceeding one year less one day until a new Collective Labour Agreement is reached or until procedure contemplated by Section 72 (2) of the Labour Relations Act has been completed.

**11.02** Notwithstanding the provisions contained in Section 11.01 and 11.02, either party may apply to the Ontario Labour Relations Board for permission to terminate this Collective Labour Agreement in accordance with the following provisions:

(a) Article 8 of the Pension Plan and Severance Award Agreement executed between the same parties on the 23<sup>rd</sup> day of July, 2006.

(b) Part V of the Health and Life Insurance Agreement executed between the same parties on the 23<sup>rd</sup> day of July 2006, which parts are hereby made part of this Collective Labour Agreement and in the event the other party shall join in such application to the Ontario Labour Relations Board.

## **INTERIM WAGE INCREASES**

**1.** The amount of interim increase shall be calculated and recalculated as provided below on the basis of the Consumer Price Index published by Statistics Canada (1971=100) and hereinafter referred to as the C.P.I.

### **2. First Year to Agreement**

(a) “The base for calculation” - the average C.P.I. for the months of December 2005, January 2006 and February 2006.

(b) The first adjustment will be calculated and paid as of the pay period commencing August 17, 2006. It will reflect one cent (1¢) per hour for each full .26 points that the average C.P.I. for the months of May 2006, June 2006 and July 2006, exceeds the base for calculation.

(c) A second adjustment will be calculated and paid as of the pay period commencing November 16, 2006. It will reflect one cent (1¢) per hour for each full .26 points that the average C.P.I. for the months of August 2006, September 2006 and October 2006, exceeds the base for calculation.

(d) A third adjustment will be calculated and paid as of the pay period commencing, February 16, 2007. It will reflect one cent (1¢) per hour for each full .26 points that the average C.P.I. for the months of November 2006, December 2006 and January 2007 exceeds the base for calculation.

(e) A fourth adjustment will be calculated and paid as of the pay period commencing, May 18, 2007. It will reflect one cent (1¢) per hour for each full .26 points that the average C.P.I. for the months of February 2007, March 2007 and April 2007 exceeds the base for calculation.

### **3. Second Year of Agreement**

(a) “The base for calculation” - the average C.P.I. for the months of February 2007 March 2007 and April 2007.

(b) The first adjustment will be calculated and paid as of the pay period commencing August 26, 2007. It will reflect one cent (1¢)

per hour for each full .26 points that the average C.P.I. for the months of May 2007, June 2007 and July 2007 exceeds the base for calculation.

(c) A second adjustment will be calculated and paid as of the pay period commencing November 25, 2007. It will reflect one cent (1¢) per hour for each full .26 points that the average C.P.I. for the months of August 2007, September 2007 and October 2007, exceeds the base for calculation.

(d) A third adjustment will be calculated and paid as of the pay period commencing February 24, 2008. It will reflect one cent (1¢) per hour for each full .26 points that the average C.P.I. for the months of November 2007, December 2007 and January 2008, exceeds the base for calculation.

(e) A fourth adjustment will be calculated and paid as of the pay period commencing May 25, 2008. It will reflect one cent (1¢) per hour for each full .26 points that the average C.P.I. for the months of February 2008, March 2008 and April 2008, exceeds the base for calculation.

#### **4. Third Year of Agreement**

(a) "The base for calculation" - the average C.P.I. for the months of February 2008 March 2008 and April 2008.

(b) The first adjustment will be calculated and paid as of the pay period commencing August 24, 2008. It will reflect one cent (1¢) per hour for each full .26 points that the average C.P.I. for the months of May 2008, June 2008 and July 2008 exceeds the base for calculation.

(c) A second adjustment will be calculated and paid as of the pay period commencing November 23, 2008. It will reflect one cent (1¢) per hour for each full .26 points that the average C.P.I. for the months of August 2008, September 2008 and October 2008, exceeds the base for calculation.

(d) A third adjustment will be calculated and paid as of the pay period commencing February 22, 2009. It will reflect one cent (1¢) per hour for each full .26 points that the average C.P.I. for the

months of November 2008, December 2008 and January 2009, exceeds the base for calculation.

(e) A fourth adjustment will be calculated and paid as of the pay period commencing May 24, 2009. It will reflect one cent (1¢) per hour for each full .26 points that the average C.P.I. for the months of February 2009, March 2009 and April 2009, exceeds the base for calculation.

**5.** In the event Statistics Canada does not issue the appropriate Consumer Price Index on or before the date on which adjustment is to be calculated, any adjustment required will be made at the beginning of the first pay period following receipt of the index.

**6.** No adjustments, retroactive or otherwise, shall be made due to any revision which may later be made in any published Consumer Price Index by Statistics Canada.

**7.** Continuation of the interim adjustments is dependent upon the availability of the official Statistics Canada Consumer's Price Index calculated on the same basis and in the same form of that published for July 2006.

**8.** Each adjustment specified in the Interim Wage Increase Formula will replace the previous adjustment, if any, in its entirety except the fourth adjustment in the first year of the Collective Labour Agreement will be carried over throughout the second and third years of the Collective Agreement and fourth adjustment in the second year of the Collective Labour Agreement will be carried over throughout the third year of the Collective Labour Agreement.

**APPENDIX TO  
COLLECTIVE LABOUR AGREEMENT  
12-HOUR DAY, FOUR (4) CREW  
WORK SCHEDULE**

It is understood and agreed that in order to make full use of the Bowmanville Factory, the Employer may schedule any or all operations on a 12-hour continuous, 4 crew work schedule, as per Attachment A.

When it becomes necessary for the Employer to schedule one or more of the plant's operation on the 12-hour continuous work schedule, a joint committee made up of the Local Union and Company's Bargaining Committee will be established.

The function of this committee will be to review and recommend practices for the transfer of personnel to the operations affected in keeping with the principles established in Article 6 of the Collective Labour Agreement and to resolve problems as they arise. Agreed to practices will be followed as per main plant continuous operation write up.

The terms and Conditions of the Collective Labour Agreement will apply to all employees who are scheduled on the 12-hour continuous work schedule with the following exceptions:

1. In reference to Section 4.01 as per Attachment A for employees on the 12-hour continuous work schedule, the regular twenty-eight (28) day schedule will vary between thirty-six (36) hours and forty-eight (48) hours work per week. Over the twenty-eight (28) day cycle, the employee will work one hundred and sixty-eight (168) hours (eight (8) hours at time and one half).
2. The provision under Section 5.06 will not apply to employees on the 12-hour continuous work schedule.
3. In reference to Section 7.03 for employees on the 12-hour continuous work schedule, holiday payment will be based on applicable Average Hourly Earnings. However when an employee's regular work schedule falls on a contract-approved



holiday he shall receive (12) twelve hours pay. If not scheduled to work the employee will receive (8) eight hours pay for each said holiday provided all other terms of the CLA are met.

4. In reference to Section 2.01 (m) for employees on the 12-hour continuous work schedule, the vacation week for an employee will commence as per Article 2.01 (m) (4).

5. In reference to Section 5.16 of the Collective Labour Agreement bereavement will be compensated at his average hourly earnings for the time so lost by him upon his regular working schedule by reason of such absence, to a maximum of three (3) days for each death and funeral, provided that the employee was scheduled to work during that period. Such three (3) days shall be three (3) consecutive days, and may include scheduled days off for which the employee is not compensated. This provision to apply when it is necessary for the employee to make arrangements and/or attend the funeral. When an employee is working his regular scheduled shift and is notified of a death as outlined in Article 5.18 that shift absence will not be considered as the first day when calculating bereavement pay.

Common-law relationships according to Government law will be so recognized.

6. In reference to 2.01 (m) (3) a Statutory Holiday is deemed to be from 7:00 a.m. in the morning of the holiday and finishes 7:00 a.m. the day immediately following the holiday.

7. In reference to Section 5.14, shift premium of fifty cents per hour will be paid for all hours worked from 3:00 p.m. to 11:00 p.m. and fifty-five cents per hour for all hours worked from 11:00 p.m. to 7:00 a.m.

8. In reference to Article 4 and Article 10.04, the Employer agrees to provide two (2) twenty (20) minute lunch periods and three (3) ten (10) minute periods per shift for those employees on the 12-hour continuous work schedule.

9. The 12-hour continuous work schedule crew premiums will not be included in the calculation of the employee's Average Hourly Earnings and will not be subject to the overtime provisions.

10. The Company will notify the Union and post with a Thirty Day Notice before implementing the Continuous Work Week Schedule. Implementation of the Continuous Schedule must be enacted within a fourteen-day period following the Thirty Day Notice, or an additional Thirty Day Notice will be required.

11. Any employee receiving overtime rate of pay will not receive the ninety cents (90¢) premium as well.

12. Those employees working during the daylight saving time change will be paid one hour from the S.U.B. Fund at straight time.

13. Any employee involved when switching back in the fall standard time will receive one-hour pay at the applicable overtime rate.

14. If an employee is called to work within an eight-hour period his/her pay will be as per C.L.A.

15. Any time less than employee's scheduled work hours will be paid from S.U.B. Fund as per C.L.A. except as noted in 17 below.

16. When an employee with less than one year service is not qualified for a short work week benefit, work will be provided so he does not lose time.

17. Loss of shift due to any schedule change, the employee will be paid AHE for his/her regular scheduled shift hours which were lost (eight or twelve hours).

The employer must notify the employee directly of any schedule change that occurs after the employee has completed their regular weekly work schedule or if the change is made after the regular weekly labour posting.

18. When the Thirty Day Notice is given on the start up of the Continuous Work Week a list will be posted to see if any employee, whether high service or low service, so desire the job. The rest of the positions will be filled with junior employees. The higher service employee has the option to stay if so desired, when crews are added to five-day schedule.

19. If there is a cut back on regular five-day schedule the lowest service employee will bump into the continuous operation.

20. When the regular five day schedule is adding crews, the highest service qualified employee on the Continuous Work Schedule will fill the vacancy first if so desired and that position will be filled by the next recallable person and if no one is recallable the Collective Labour Agreement will apply.

21. When borrowed off the Continuous Work Schedule during that week, the employee will receive the ninety cents (90¢) premium.

22. When borrowed during your scheduled five-day week, you will receive the ninety cents (90¢) premium for all hours after you have worked the first eight hours, if worked on Continuous Work Schedule.

23. When scheduling from five-day schedule to Continuous or vice versa, the employee will be guaranteed his two-day weekend at no loss of eight hours per day. If he decides to work at this time he will receive premium pay in addition to his guaranteed 40-hours.

24. If an employee decides to work any of his two-day optional weekend he will notify the Company by 7:00 a.m. Friday morning.

25. (a) If a Shift change occurs in Continuous Schedule whereby employee only has one day off between schedules, then the employee will receive premium pay for the first day of the new schedule.

(b) When a shift change occurs on the continental workweek, where an employee is on vacation the previous week and it constitutes him returning to work earlier than anticipated, 25 (a) will apply as if the employee had actually worked the week of his vacation and will be paid accordingly. The company will notify the employee directly of this schedule change.

Every effort will be made to minimize this occurrence.

26. When an employee has not been notified of a change in his starting time and reports to work prior to his new starting time, he will be sent home and be paid four hours and report the following day on his proper shift. If an employee reports for work the following shift from his new starting time he will receive twelve hours pay at A.H.E. for the shift he missed. He will be directed to report on his proper shift or if he is offered a full shift of work it

will be considered as overtime provided that the conditions were within the employer's control and that the employee has advised the employer of his last and correct address.

27. When an employee is transferred from one schedule to another within the Continental operation he will not lose money.

28. Refrigerators will be provided for those employees on twelve-hour shifts.

29. For those employees on a twelve-hour shift one additional lunch period and one additional smoke period will be provided.

30. Employee is guaranteed forty hours pay when going in or out of Continuous Schedule.

31. This Appendix to become part of the Collective Labour Agreement.

32. When it becomes necessary to work overtime on a statutory holiday, the crews normally scheduled to work that day will be given first opportunity to work.

**12 HOUR CONTINUOUS, FOUR (4) CREW  
WORK SCHEDULE  
D- DAY SHIFT N-NIGHT SHIFT  
28-DAY CYCLE**

WORK SCHEDULE	as per attached
CREW PREMIUMS	\$0.90 per hour worked
OVERTIME PROVISIONS	
1st Scheduled Day Off:	Time And One-Half
2nd Scheduled Day Off:	Double Time
3rd Scheduled Day Off:	Time And One-Half

## 12 HOUR CONTINUOUS SCHEDULE

	<b>SMTWTFS</b>	<b>SMTWTFS</b>	<b>SMTWTFS</b>	<b>SMTWTFS</b>
A-CREW #1	- NN --DD	D-- NN --	- DD -- NN	N -- DD --
A-CREW #2	N -- DD --	- NN -- DD	D -- NN --	- DD -- NN
A-CREW #3	- DD -- NN	N -- DD --	- NN -- DD	D -- NN --
A CREW #4	D -- NN --	- DD -- NN	N -- DD --	- NN -- DD

D-Day Shift	7:00 a.m. - 7:00 p.m. *Days as indicated 28 Day cycle
N-Night Shift	7:00 p.m. - 7:00 a.m.
Week Starts	7:00 p.m. - Saturday
Week Ends	7:00 p.m. - The Following Saturday

## **LETTERS OF UNDERSTANDING LETTER NO. ONE**

This letter will confirm that the present practice of supplying coveralls to Engineering, Shipping, Receiving, Lab, Cement House and Banbury employees will continue.

The Company will ensure that a sufficient supply of clean coveralls are available (clean pair for each working shift).

Employees are expected to co-operate with this program.

Should the Company stop this program a clothing allowance fee structure will be re-implemented.

The Company will meet the Union Bargaining Committee to establish the employee allowances.

## **LETTER NO. TWO**

This letter will serve to confirm the undertaking given to you by the Company during recent negotiations. Any changes in working conditions or earnings, caused by technological improvements will be discussed between the Company and the Union before becoming operative.

## **LETTER NO. THREE**

This letter is to confirm the understanding reached during recent negotiations that if a vacation plant shutdown were to be scheduled for the Bowmanville Plant, the Company would notify the Union by April 1 of that year as to when the shutdown will take place.

The Company will endeavour to maximize the number of employees on vacation during prime time in accordance with customer requirements and other Goodyear Plant shutdowns.

#### **LETTER NO. FOUR**

This letter will serve to confirm the undertaking given to you by the Company that closed circuit television will not be used for the purpose of observing employees in the performance of their regular duties except for reasons of Security, Quality or Safety. If any such installation is made in the future, the Union will be notified in advance.

#### **LETTER NO. FIVE**

This letter will confirm the Company's policy with respect to the contracting out of work, as follows:

The contracting out of work is the sole prerogative of the Company. However, where it is practical to do so and provided that additional cost will not be entailed by the Company, the Company will endeavour to use its own Maintenance and Engineering, employees provided that they are qualified, available and willing to do the work.

The Company will notify the Union, in advance if possible, when an outside contractor is to be engaged to do work in the plant.

#### **LETTER NO. SIX**

An employee who is absent from work because of bodily injury caused by accident or sickness and who has accumulated seniority and service in accordance with the provisions of Section 6.06 shall be entitled to retain such accumulated service and seniority together with his prior credited service and seniority so long as he



remains disabled because of injury and is not able to return to work or to accept other employment. If he should accept other employment during such absence he shall be deemed to have resigned.

**LETTER NO. SEVEN**

This letter is to confirm the undertaking given by the Company at the recent negotiations.

Members of the Union Executive taken as a group will be reimbursed by the Company up to a total of twenty-four hours per week, non-accumulative, at the applicable average hourly earnings provided the member, or members, are engaged in local union business.

The Union President shall submit for approval to the Company's Manager Of Industrial Relations a list of those members of the Union Executive to be reimbursed, together with the number of hours to which each is entitled.

**LETTER NO. EIGHT**

This letter will serve to confirm the undertaking given to you by the Company during recent negotiations.

The Company will subsidize the purchase of safety shoes for all bargaining unit personnel at the rate of 50%.

**LETTER NO. NINE**

In the case of a plant closure a committee composed of Local Union, International Union, Company Representatives will be set up to assist employees.

**LETTER NO. TEN**

All Banbury crewmembers to be paid applicable average hourly earnings for time spent on Banbury cleanout.

### **LETTER NO. ELEVEN**

Employees' job posting/transferring to the Chem./Physical Lab jobs must meet Entrance Requirements as determined by written testing.

### **LETTER NO. TWELVE**

It is mutually agreed that the President of Local 189 will work an eight-hour day shift Monday to Friday.

The President will form part of the Plant Labour Pool and work where required by the Company.

The method of payment will be the President's normal A.H.E. Payment will be made for all hours worked.

A President returning to the Bargaining Unit will return to his job held prior to his election, providing seniority permits.

### **LETTER NO. THIRTEEN**

It is mutually agreed that if a piece work structure of payment is reintroduced into the plant, Clauses in the Collective Labour Agreement April 6, 1986 - February 19, 1989 will be reviewed and reinstated where necessary.

The red circle rates established at the time of the piecework removal will remain in effect with all wage increases included.

### **LETTER NO. FOURTEEN**

The Company will consider and review the feasibility of implementing an Apprenticeship Program For Certain Skill Trades.

If the Company so implements an In-House Apprenticeship Program, Local 189 Bargaining Unit will be invited to assist with the details connected with such a program.

### **LETTER NO. FIFTEEN**

Employees upon entering a Common-Law relationship~ must provide a fully completed form to the Industrial Relations Department to enable the relationship to be valid for Company Benefits.

Eligible Company benefits will be granted after receipt of such written notice and a one-year period.

New hires must provide acceptable proof of their Common-Law status.

### **LETTER NO. SIXTEEN**

The privilege of trading shifts will be granted six times per calendar year based upon the following conditions:

A fully completed application request form must be submitted to Management at least one day in advance.

Permission by Management will be contingent upon qualifications and abilities of the replacement employee's abilities to perform the work scheduled during requested shift.

This privilege is not transferable.

Failure to comply with this letter will result in personal suspension of shift trading privileges.

**ALL ABOVE LETTERS FORM PART OF THE  
COLLECTIVE LABOUR AGREEMENT.**

IN WITNESS WHEREOF the parties hereto have hereunto signed the 26th day of January, 2007.

LOCAL 189 OF THE  
UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED, INDUSTRIAL AND  
SERVICE WORKERS INDUSTRIAL UNION

B. MURPHY

N. RUITER

C. WOODROW

A. MCLEOD

C. VERSLUIS

GOODYEAR CANADA INC.  
BOWMANVILLE FACTORY

I. MCPHEE

B. FRANCIS

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SIXTEENTH AMENDED AGREEMENT ON  
SUPPLEMENTAL UNEMPLOYMENT BENEFITS

Between

GOODYEAR CANADA INC.  
BOWMANVILLE FACTORY  
“The Employer”

And

UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED, INDUSTRIAL  
AND SERVICE WORKERS INDUSTRIAL UNION  
On behalf of its Local 189L  
“The Union”

July 23, 2006 – July 18, 2009

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**SIXTEENTH AMENDED AGREEMENT**  
**on**  
**SUPPLEMENTAL UNEMPLOYMENT BENEFITS**

THIS AGREEMENT is made and entered into this 23rd day of July, 2006 by and between Goodyear Canada Inc., with respect to certain employees at the Bowmanville Factory located in Bowmanville Ontario (hereinafter referred to as the "Company") and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied, Industrial and Service Workers Industrial Union on behalf of its Local 189 (hereinafter referred to as the "Union").

WHEREAS the parties hereto established a Supplemental Unemployment Benefits Plan by an Agreement on Supplemental Unemployment Benefits dated the 22nd day of January, 1958 as amended;

AND WHEREAS the parties desire to provide for certain modifications and amendments thereto;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

**ARTICLE 1**  
**ELIGIBILITY FOR BENEFITS**

**Section 1**  
**Eligibility for a Regular Benefit**

An employee shall be eligible for a regular benefit for any week beginning on or after the effective date of this agreement if with respect to such week he/she:

- (a) was on a qualifying layoff, as described in Section 4 of this Article, for all or part of the week;
- (b) received an Unemployment Insurance System Benefit not currently under protest by the Company or was ineligible for an Unemployment Insurance System Benefit only for one or more of the following reasons:
  - (1) he/she did not have prior to layoff a sufficient period of employment or earnings covered by the Unemployment Insurance System;
  - (2) exhaustion of his/her Unemployment Insurance System Benefit rights;

- (3) the amount of his/her pay from the Company or otherwise;
  - (4) he/she was serving an Unemployment Insurance System "waiting week" while temporarily laid off out of line of seniority pending placement under the terms of the Collective Labour Agreement provided that the provisions of this item (4) shall not be applicable to: (1) plant rearrangement, (2) inventory layoffs, (3) when he/she has refused or delayed placement to a job to which his/her seniority entitles him/her;
  - (5) the week was a second "waiting week" within his/her benefit year under the Unemployment Insurance System, or was an Unemployment Insurance System "waiting week" immediately following a week for which he/she received an Unemployment Insurance System Benefit, or occurring within less than 52 weeks since his/her last Unemployment Insurance System "waiting week";
  - (6) he/she refused a Company work offer which he/she has an option to refuse under the Collective Labour Agreement or which he/she could refuse without disqualification under Section 4(b)(3) of this Article;
  - (7) he/she was on layoff because he/she was unable to do work offered by the Company while able to do other work in the plant to which he/she would have been entitled if he/she had sufficient seniority;
  - (8) he/she failed to claim an Unemployment Insurance System Benefit and his/her pay received or receivable from the Company for the week was not less than his/her allowable earnings, minus \$2.00;
  - (9) he/she was receiving pay for military service with respect to a period following his/her release from active duty therein;
  - (10) he/she was entitled to statutory retirement or disability benefits which he/she received or could have received while working full time;
  - (11) he/she was denied an Unemployment Insurance Benefit and it is determined, with the concurrence of the Canada Employment and Immigration Commission, that under the circumstances it would be contrary to the intent of the Plan and Commission policy to deny him/her a benefit;
  - (12) he/she was required to take work under the Unemployment Insurance law paying less than 80% of his /her "weekly straight time pay";
  - (13) he/she voluntarily took work paying less than 80% of his/her "weekly straight time pay".
- (c) was actively seeking work or had accepted work other than that covered by the bargaining unit which paid less than 80% of his /her "weekly straight time pay", had not failed or refused to accept work deemed suitable under the applicable Unemployment Insurance System and has met any registration and reporting requirements of an employment office of such applicable Unemployment Insurance System, except that this subsection does not apply to any employee

who was ineligible for an Unemployment Insurance System Benefit or "waiting week" credit for the week only because of the amount of pay for his/her failure to claim an Employment Insurance System benefit when Company pay was not less than his/her allowable earnings minus \$2.00 (as specified, respectively in items (3) and (8) of subsection 1 (b) above);

- (d) has to his/her credit a Credit Unit or fraction thereof;
- (e) did not receive an unemployment benefit under any contract or program of another employer or under any other "SUB" plan of the Company (and was not eligible for such a benefit under a contract or program of another employer with whom he/she has a greater seniority than with the Company nor under any other "SUB" plan of the Company in which he/she has credit units which were credited earlier than his/her oldest credit units under this Plan);
- (f) was not eligible for an Automatic Short Week Benefit;
- (g) has made a benefit application in accordance with procedures established by the Company hereunder.

## **SECTION 2**

### **ELIGIBILITY FOR A SPECIAL SHORT WEEK BENEFIT**

An employee shall be eligible for a Special Short Week benefit for any week beginning on or after the effective date of this agreement if:

- a) during such week, he/she performed some work for the Company or performed compensated work for the Union or was otherwise compensated by the Company for a day or part thereof but his/her compensated or available hours were less than the number of hours in his/her standard work week. During a week of scheduled shutdown, compensation for a holiday or holidays (but only with respect to an employee laid off in a reduction of force in accordance with the applicable Collective Labour Agreement), for vacation or for work for the Union or a combination thereof, shall not of itself qualify him/her for a benefit hereunder;
- b) with respect to such week his/her Company pay and any Company pay which he would have received for hours scheduled for or made available to him/her but not worked did not equal or exceed his allowable earnings;
- c) with respect to such week he/she satisfied all of the eligibility conditions for a regular benefit

## **SECTION 3**

### **ELIGIBILITY FOR AUTOMATIC SHORT WEEK BENEFIT**

- a) An employee shall be eligible for an Automatic Short Week Benefit for any week beginning on or after the effective date of this agreement if
  - (1) during such week he/she performed some work for the Company, or

performed compensated work for the Union or was otherwise compensated by the Company for a day or part thereof, but his/her compensated or available hours were less than the number of hours in his/her standard work week. During a week of scheduled shutdown, compensation for a holiday or holidays (but only with respect to an employee laid off in a reduction of the workforce in accordance with the applicable Collective Labour Agreement), for vacation or for work the Union or a combination thereof, shall not of it self qualify him/her for a benefit hereunder:

- (2) he/she had at least 1 year of seniority as of the last day of such week:
  - (3) he/she was on a qualifying layoff, as described in Section 4 of this Article, for some part of such week:
  - (4) with respect to such week his/her Company pay and any Company pay which he would have received for hours scheduled for or made available to him but not worked, equaled or exceeded his allowable earnings: and
  - (5) he/she did not have a period of layoffs in week and in the preceding or following week occurring in such sequences as to constitute a “week of unemployment” (as defined under the applicable Unemployment Insurance System) which included some part of the week: provided, however, that when an employee has period of layoff with respect to which he/she has established such an Unemployment Insurance System “week of unemployment”, which starts on a day other than Sunday or Monday, he/she will be entitled (if otherwise eligible) to receive a partial Automatic Short Week Benefit with respect to any hours of layoff on days within a work week which are not included in such (or any other) established Unemployment Insurance System “week of unemployment”.
- b) No application for an Automatic Short Week benefit, other than a partial Automatic Short Week benefit, will be required of an employee. However, if an employee believes himself/herself entitled to an Automatic Short Week Benefit for a week which he/she does not receive on the date when such benefits for such week are paid, he/she may file written application therefore in accordance with procedures established by the Company.
- c) An automatic short week benefit payable for a week shall be in lieu of any other benefit under the Plan for that week, except that this provision does not apply to a partial automatic short week benefit.

#### **SECTION 4**

#### **CONDITIONS WITH RESPECT TO LAYOFF**

- a) A layoff for the purpose of this Plan is any layoff resulting from a reduction in the workforce, or temporary layoff, or from the discontinuance of a plant or operation if the employee is not entitled to benefits under Article 6 of this Pension Plan and Severance Award Agreement dated February 20, 1971 or successor agreement, or a layoff occurring or continuing because the employee was unable to do the work offered by the Company although able to perform other work in the location to which he/she would have been entitled if he/she had sufficient seniority. Medically restricted employees awaiting suitable placement will be considered on layoff occurring in a reduction in the workforce.
- b) An employee's layoff for all or part of any week will be deemed qualifying for Plan purposes only if:
  - (1) such layoff was from the Bargaining Unit;
  - (2) such layoff was not for disciplinary reasons, and was not a consequence of:
    - (i) any strike, slowdown, work stoppage, picketing (whether or not by employees), or concerted action at a Company plant or plants, or any dispute of any kind involving employees or other persons employed by the Company and represented by the Union whether at a company plant or plants or elsewhere; any war or hostile act of a foreign power (but not government regulation or controls connected therewith);
    - (ii) sabotage or insurrection, or
    - (iii) any act of God, provided however this subsection (iv) shall not apply to the first two weeks of layoff resulting from such cause; At the end of any legal strike by employees, the Company and the Union shall mutually agree as to the period of time necessary for normal start-up which shall be incorporated as part of any strike settlement memorandum. After such period of time an employee will not be disqualified for S.U.B. solely because of such strike.
  - (3) with respect to such week the employee did not refuse to accept work when recalled pursuant to the Collective Labour Agreement and did not refuse an offer by the Company of other available work, which he/she had no option to refuse under the Collective Labour Agreement; provided, however, that where maintenance employees refuse production work it will not disqualify them under this subparagraph (3);
  - (4) with respect to such week the employee was not eligible for and was not claiming:
    - (i) any accident or sickness or any other disability benefit (except a Canada Pension Plan disability benefit to a medically restricted employee waiting suitable placement under the terms of the applicable Collective Labour Agreement or except a benefit which he/she



- received or could have received while working full time); or
  - (ii) any Company pension or retirement benefits; and
  - (iii) with respect to such week, the employee was not in military service or on military leave.
- c) If, with respect to some but not all of his/her regular work days in a week, an employee is ineligible for a benefit by reason of subparagraph (b )(2) or (b) (4) of this section (and is otherwise eligible for a benefit), he/she will be entitled to a reduced benefit payment as provided in Section 1(c) of Article 2.
- d) The determination of eligibility under this Article shall be based upon the reason for the employee's last separation from the Company.

**SECTION 5**  
**DISPUTED CLAIMS FOR UNEMPLOYMENT INSURANCE**  
**SYSTEM BENEFITS**

- a) with respect to any week for which an employee has applied for a benefit and for which he/she:
  - (1) has been denied an Unemployment Insurance System Benefit, and the denial is being protested by the employee through the procedure provided therefore under the Unemployment Insurance System, or
  - (2) has received an Unemployment Insurance System Benefit, payment of which is being protested by the Company through the procedure provided therefore under the Unemployment Insurance System, and the employee is eligible to receive a benefit under the Plan except for such denial or protest, the payment of such benefit shall be suspended until such dispute shall have been determined.
- b) If the dispute shall be finally determined in favour of the employee, the benefit shall be paid to him/her if and to the extent that he/she had not exhausted credit units subsequent to the week to which Unemployment Insurance System Benefit in dispute is applicable.

**SECTION 6**  
**VACATION SHUTDOWNS**

If it is understood that an employee, who is eligible for weeks of paid vacation in an amount not less than the period of scheduled plant vacation shutdown, will not be eligible to receive a benefit under the Plan for the period of plant shutdown, regardless of whether he/she has taken his/her vacation prior to or is deferring his/her vacation until after the shutdown and regardless of his /her eligibility for unemployment compensation under these circumstances. An employee who has taken vacation during a week or weeks when he/she otherwise would have been

scheduled off in a curtailment of production shall not be disqualified from benefits under the Plan, as provided above, to the extent of such week or weeks so taken.

**ARTICLE 2**  
**AMOUNT OF BENEFITS**

**SECTION 1**  
**REGULAR BENEFITS AND SPECIAL SHORT WEEK BENEFITS**

- a) The regular benefit payable to an eligible employee for any week beginning on or after the effective date of this agreement shall be an amount which, when added to his/her Unemployment Insurance Benefit and other compensation, will equal 80% of his/her weekly straight time pay for each week for which he/she is eligible for a regular benefit.
- b) The special short week benefit payable to an eligible employee for any week beginning on or after the effective date of this agreement shall be an amount which, when added to the employee's Unemployment Insurance Benefit and other compensation (excluding the amount of any pay received or receivable from the Company), will equal the product of the number by which his/her standard work week exceeds his/her compensated or available hours, counted to the nearest tenth of an hour, multiplied by 80% of his/her short work week hourly rate of pay; provided, however, that a regular benefit shall be payable for the week if the amount of such regular benefit is equal to or greater than the amount of the special short week benefit.
- c) An otherwise eligible employee entitled to a benefit reduced, as provided in subsection 4( c) of Article 1, because of ineligibility with respect to part of the week, will receive the greater of: (1) 1/5 computed under subsection (a) of this Section for each work day of the week for which he/she is ineligible under this Plan, provided, however, that there shall be excluded from such computation any pay which could have been earned, computed, as if payable for hours made available by the Company but not worked during the days for which he/she is not eligible for a benefit under subsection 4( c) or Article 1; or (2) any special short week benefit computed under subsection (b) of this Section for which he/she may be eligible.

**SECTION 2**  
**AUTOMATIC SHORT WEEK BENEFIT**

- a) The automatic short week benefit payable to any eligible employee for any week beginning on or after the effective date of this agreement shall be an amount equal to the product of the number by which the number of hours

in his/her standard work week exceeds his/her compensated or available hours, counted to the nearest tenth of an hour, multiplied by 80% of his/her Short Work Week Average Hourly Earnings.

- b) An eligible employee entitled to a partial automatic short week benefit with respect to certain hours of layoff not included in an Unemployment Insurance System "week of unemployment", as provided in Section 3(a)(5) of Article 1, will receive an amount computed as provided in subsection 2(a) above, based on the number by which the hours for which the employee would regularly have been compensated exceeds his/her compensated or available hours, with respect to the days within the work week not included in such Unemployment Insurance System "week of unemployment".

### **SECTION 3**

#### **UNEMPLOYMENT INSURANCE BENEFIT AND OTHER**

#### **COMPENSATION**

- a) An employee's Unemployment Insurance Benefit and other compensation for a week means:
- (1) the amount of Unemployment Insurance System Benefit received or receivable by the employee for the week or the estimated amount which the employee would have received if he/she had not been ineligible therefore solely as set forth in item (8) of Section 1 (b) of Article 1 (concerning a week for which his/her pay received or receivable from the Company was not less than his/her Allowable Earnings minus \$2.00); plus
  - (2) all pay received or receivable by the employee from the Company and except in determining the amount of a special short week benefit, any amount of unearned pay computed, as if payable, for hours made available by the Company but not worked after notice consistent with practices under the Collective Labour Agreement has been given for such week; and provided that, if wages or remuneration are received or receivable by the employee from employers other than the Company and are applicable to the same periods as hours made available by the Company, only the greater of (a) such wages or remuneration in excess of his/her allowable earnings from the other employers; or (b) any amount of pay which could have been earned, computed, as if payable, for hours made available by the Company shall be included; and further provided, that any pay received or receivable for a shift which extends through midnight shall be allocated:
    - (i) to the day on which the shift started if he/she was on layoff with respect to the corresponding shift on the following day,
    - (ii) to the day on which the shift ended if he/she was on layoff with respect to the corresponding shift on the preceding day, and

- (iii) according to the pay for the hours worked each day, if he/she was on layoff with respect to the corresponding shifts on both the preceding and the following days; and in any such event, the maximum regular benefit amount shall be modified to any extent necessary so that the employee's benefit will be increased to offset any reduction in his/her Unemployment Insurance System Benefit which may have resulted solely from the Unemployment Insurance System's allocation of his /her earnings for such a shift otherwise than as specified in this subsection; plus
- (3) all wages or remuneration, as defined under the law of the applicable Unemployment Insurance System, in excess of his/her allowable earnings received or receivable from other employers for such week (excluding such wages or remuneration which were considered in the calculation under subsection (a)(2) of this Section); plus
- (4) the amount of all other benefits in the nature of compensation or benefits for unemployment received or receivable under any province or Canadian government system.
- b) For purposes of subparagraph (a)(1) above, the estimated amount of the Unemployment Insurance System benefit which would have been received by the employee shall be equal to whichever of the following amounts is applicable:
  - (1) if he/she has an established and currently applicable weekly benefit rate under the Unemployment Insurance System, such benefit rate plus any dependent's allowances, or
  - (2) in all other cases, the unemployment Insurance System Benefit which would apply to an individual having the same number of dependents as the employee and having weekly earnings equal to the employee's weekly straight time pay.
- c) If the Unemployment Insurance System benefit actually received by an employee for a week shall be for less, or more, than a full week (for reasons other than the employee's receipt of wages or remuneration for such week), because
  - (1) he/she has been disqualified or otherwise determined ineligible for a portion of his/her Unemployment Insurance System benefit for reasons other than set forth in Section 1 (b) of Article 1, or
  - (2) the applicable Unemployment Insurance week includes one or more "waiting period effective days", or
  - (3) of an underpayment or overpayment of a previous Unemployment Insurance System benefit, the amount of the Unemployment Insurance benefit which would otherwise have been paid to the employee for such unemployment insurance week shall be used in the calculation of

"Unemployment Insurance Benefit and other Compensation" for such unemployment insurance week.

- d) If the Unemployment Insurance System benefit applies to a period of less than seven days due to commencement or termination of unemployment other than on the first or last day of the normally applicable week, the 7-day period of the normally applicable unemployment insurance week will be used in calculating unemployment insurance benefit and other compensation for such unemployment insurance week.

#### **SECTION 4**

#### **DEFINITION OF SCHEDULED AND UNSCHEDULED**

#### **SHORT WORK WEEK**

- a) For purposes of the Plan, a scheduled short work week with respect to an employee is a short work week which management schedules in order to reduce the production of the plant, department or other unit in which the employee works, to a level below the level at which the production of such plant, department or unit would be for the week were it not a short work week, but only where such reduction of production is for the purpose of adjusting production to customer demand.
- b) For purposes of the Plan, an unscheduled short work week with respect to an employee is any short work week: (1) which is not a scheduled short work week as defined in subsection 4(a) above; in which an employee returns to work from layoff to replace a separated or absent employee (including an employee failing to respond or tardy in responding to recall), or returns to work, after a full week of layoff, in connection with an increase in production, but only to the extent that the short work week is attributable to such cause.
- c) The Company will advise a designated union representative or representatives of the local union at the time of layoff of the reasons causing any short work week involving a substantial number of employees.

#### **SECTION 5**

#### **INSUFFICIENT CREDIT UNITS FOR FULL BENEFITS**

If an employee has to his/her credit less than the full number of credit units required to be canceled for the payment of a benefit for which he/she is otherwise eligible, he/she shall be paid the full amount of such benefit and all remaining credit units or fractions thereof to his/her credit shall be canceled.

**SECTION 6**  
**EFFECT OF LOW TRUST FUND POSITION**

Notwithstanding any of the other provisions of the Plan, if, and as long as the applicable Trust Fund Position for any week shall be less than 4%, no benefit for such week shall be paid.

**SECTION 7**  
**BENEFIT OVERPAYMENT**

- a) If the Company or the Board determines that any benefit(s) paid under the Plan should not have been paid or should have been paid in a lesser amount, written notice thereof shall be mailed to the employee receiving the benefit(s) and he/she shall return the amount of overpayment to the Trustee, providing, however, that no repayment shall be required if the cumulative overpayment is \$3.00 or less or if notice has not been given within 120 days from the date the overpayment was established or created except that no such time limitation shall be applicable in cases of fraud or willful misrepresentation.
- b) If the employee shall fail to return such amount promptly, the Trustee shall arrange to reimburse the Fund for the amount of overpayment by making a deduction from any future benefits (not to exceed \$15 from any one benefit except in cases of fraud or willful misrepresentation), or by requesting the Company to make a deduction from compensation payable by the Company to the employee (not to exceed \$25 from any one paycheque except in cases of fraud or willful misrepresentation), or both. The Company is authorized to make such deduction from the employee's compensation and to pay the amount deducted to the Trustee.

**SECTION 8**  
**WITHHOLDING TAX**

The Trustee shall deduct from the amount of any benefit any amount required to be withheld by the Trustee or the Company by reason of any law or regulation for payment of taxes or otherwise to any federal, provincial or municipal government of Canada.

**SECTION 9**  
**MINIMUM REGULAR BENEFIT**

Whenever an employee performs no work for the Company or any other employer

in a week and his/her regular benefit computed under Section 1 (a) of this Article provides no benefit or benefits of less than \$10 for the week, he/she shall be paid an amount sufficient to bring his/her benefit for the week up to \$10.

**SECTION 10**  
**DEDUCTION OF UNION DUES**

The Trustee shall deduct from benefits paid under the Plan, to those employees who have signed a written authorization, union membership dues in such amount as may be fixed by the local union.

**ARTICLE 3**  
**CREDIT UNITS AND DURATION OF BENEFITS**

**SECTION 1**  
**GENERAL**

Credit units shall have no fixed value in terms of either time or money, but shall be means of determining eligibility for the duration of benefits.

**SECTION 2**  
**ACCRUAL OF CREDIT UNITS**

- a) For work weeks commencing on or after the effective date of this Agreement, credit units shall be credited at the rate of 1/2 of a credit unit for each work week for which an employee receives any pay from the Company and for work weeks for which he/she does not receive any pay from the Company but for which he/she receives a leveling week benefit.
- b) For the purpose of accruing credit units under this section:
  - (1) pay in lieu of vacation shall be considered as pay for work week in which it is paid; and
  - (2) back pay shall be considered as pay for each work week to which it may be allocable;
  - (3) non-occupational accident and sickness payments and Workers' Compensation payments shall be considered as pay for the work week for which they are paid.
  - (4) time lost when excused for local union business and a leave of absence for local union business shall be included in determining a work week under this section.
- c) No employee may have to his/her credit in the aggregate at anyone time

under this Plan and under any other "SUB" plan of the Company more credit units than specified below:

<u>Years of Employee 's Seniority</u>	<u>Maximum Credit Units</u>
Less than 5	52
5 but less than 10	78
10 but less than 15	104
15 but less than 25	130
25 and over	208

However, any employee who has at any time to his/her credit in the aggregate a total of applicable maximum number of credit units (as specified above) under this Plan and any other "SUB" plan of the Company and who would otherwise accumulate additional credit units in the bargaining unit in which he/she is currently employed, may direct that such additional credit units shall be credited to him/her and a corresponding number of credit units accumulated under this Plan in any other bargaining unit or under any other "SUB" plan of the Company, shall be canceled as long as the aggregate of his/her credit units at f anyone time does not exceed the applicable maximum.

- d) No employee shall be credited with any credit unit prior to the first day of which he/she:
- (i) has at least one year of seniority; and
  - (ii) is on the active payroll in the bargaining unit (or was on such active payroll within 45 days prior to such first day) but as of such day he/she shall be credited with credit units for weeks subsequent to his/her company service date at the rate specified in paragraph (a) of this Section.
  - (iii) For the purpose of this subparagraph only, an employee is on the active payroll in any pay period for which he/she draws pay while in a bargaining unit or is on authorized leave of absence which is limited, when issued, to 90 days or less; during the first 90 days of continuous absence due to illness or injury; on disciplinary layoff; absent without leave up to 14 calendar days from his/her last day worked.
- e) An employee who has credit units as of the last day of the week shall be deemed to have them for all of the week.
- f) At such time as the amount of any benefit overpayment is repaid to the Fund, except as otherwise provided in the Plan, the number of credit units, if any, therefore canceled with respect to such overpayment of benefits shall



be restored to the employee, except to the extent that such restoration would raise the number of his/her credit units at the time thereof above the applicable maximum, and except as otherwise provided with respect to credit unit forfeiture under Section 3 of this Article.

**SECTION 3**  
**FORFEITURE OF CREDIT UNITS**

A person shall forfeit permanently all credit units with which he/she shall have been credited if at any time:

- a) he/she shall be removed from the rolls of the Company for any reason other than layoff or entering military service;
- b) he/she shall lose his/her rights to rehire with credit for back service;
- c) he/she shall be on layoff from the bargaining unit for a continuous period of 24 months (or for employees with 15 but less than 25 years of seniority, 30 months, or for employees with 25 or more years of seniority, 48 months); or
- d) he/she shall willfully misrepresent any material fact in connection with an application by him/her for benefits under the Plan.

**SECTION 4**  
**CREDIT UNIT CANCELLATION ON PAYMENT OF BENEFITS**

The number of credit units to be canceled for any benefit shall be determined in accordance with the following table on the basis of:

- (1) The seniority of the employee to whom such benefit is paid; and
- (2) The Trust Fund position applicable to the week for which such benefit is paid.

If the seniority of the person whom such benefit is paid is:

If the Trust Fund position

<b>Applicable to the week</b>	1-5	5-10	10-15	15-20	20 Yr.
For which such Benefit	Yrs.	Yrs.	Yrs.	Yrs.	& Over
Is paid Is:					
80 % or over	1.00	1.00	1.00	1.00	1.00
70-79.99%	1.15	1.00	1.00	1.00	1.00
60-69.99%	1.30	1.15	1.00	1.00	1.00
50-59.99%	1.50	1.30	1.15	1.00	1.00
40-49.99%	2.00	1.50	1.30	1.15	1.00
30-39.99%	2.50	2.00	1.50	1.30	1.15
20-29.99%	3.33	2.50	2.00	1.50	1.30
10-19.99%	5.00	3.33	2.50	2.00	1.50
4- 9.99%	7.50	5.00	3.33	2.50	2.00
Under 4%		No benefits payable			

Exceptions to the credit unit cancellation rates in the above table are as follows:

- (1) 1/2 of the number of credit units will be canceled for an unscheduled automatic short work week benefit payable for three or more hours when, with respect to such week, the employee has earned from the Company an amount equal to or in excess of 80% of his/her weekly straight time pay; and
- (2) No credit units shall be canceled when an employee receives:
  - (i) an automatic short week or special short week benefit for a scheduled short work week;
  - (ii) a leveling week benefit; or
  - (iii) an automatic short week benefit for an unscheduled short work week payable for less than three hours.

## **SECTION 5** **ARMED SERVICES**

An employee who enters the armed services of Canada directly from the employ of the Company shall, while in such service, be deemed, for purposes of the Plan, to be on leave of absence and shall not be entitled to any benefits. All credit units credited to the employee at the time of his/her entry into such service shall be credited to him/her upon his/her reinstatement as an employee.

## **SECTION 6** **TRANSFER OUT OF BARGAINING UNIT**

If an employee is transferred out of the bargaining unit to a job which is not covered by a similar supplemental unemployment benefit plan of the Company, his/her credit units shall be canceled. They shall be reinstated, however, if he/she is transferred back to the bargaining unit with, or . after he/she acquires, at least one year's seniority therein.

## **SECTION 7** **EXHAUSTION OF CREDIT UNITS**

On exhaustion of an employee's credit units he/she shall not be entitled to further benefits.

## **SECTION 8** **CANCELLATION OF CREDIT UNITS**

When an employee's credit units are canceled under the provisions of Section 3 of

this Article, he/she shall be entitled to no further benefits until he/she shall have been credited with additional credit units.

**ARTICLE 4**  
**APPLICATION AND DETERMINATION OF ELIGIBILITY**

**SECTION 1**  
**APPLICATIONS**

a) Filing of application,

An application for a benefit may be filed either in person or by mail in accordance with procedures established by the Company. Such procedures shall require the applicant to apply for a benefit within sixty days after each week for which he/she is claiming benefits; provided, however, that if the payment of the benefit is delayed because of an Unemployment Insurance System Benefit being protested, an application may be made within two weeks after the protest has been settled. Under such procedures, an employee applying for a benefit shall be required to appear personally at a location designated for this purpose to register as an applicant and to supply needed information at the time of, or prior to, making his/her first application following layoff.

b) Application information

Applications filed for a benefit under the Plan will include:

- (1) in writing any information deemed relevant by the Company with respect to other benefits received, earnings and the source thereof, dependents and such other information as the Company may require in order to determine whether the employee is eligible to be paid a benefit and the amount thereof; and
- (2) with respect to a regular or special short week benefit, the exhibition of the employee's Unemployment Insurance System Benefit cheque or other evidence satisfactory to the Company of either
  - (i) his/her receipt of or entitlement to the Unemployment Insurance System Benefit, or
  - (ii) his/her ineligibility for an Unemployment Insurance System Benefit only for one or more of the reasons specified in Section 1 (b) of Article 1; provided, however, that in the case of Unemployment Insurance System Benefit ineligibility by reason of the pay received from the Company or otherwise (Item 3 of Section 1 (b) of Article 1), Unemployment Insurance System evidence for such reason of ineligibility shall not be required.

**SECTION 2**  
**DETERMINATION OF ELIGIBILITY**

- a) Application processing by Company.  
When an application is filed for a benefit under the Plan and the Company is furnished with the evidence and information required, the Company shall determine the employee's entitlement to a benefit. The Company shall advise the employee of the number of credit units canceled for each benefit payment and the number of credit units remaining to his/her credit after such payment.
- b) Notification to Trustee to pay.  
If the Company determines that a benefit is payable, it shall deliver prompt written notice to the Trustee to pay the benefit. The payment of benefits under the Plan may be made by, and the return of amounts of overpayments may be made to, the representatives of the Trustee appointed by it for such purpose. Such representatives may be employees of the Company.
- c) Notice of denial of benefits.  
If the Company determines that an employee is not entitled to a benefit, it shall notify him/her promptly, in writing, of the reason(s) for the determination.
- d) Union copies of application and determination  
The Company shall furnish promptly to the local union S.U.B. representative a copy of each application and a copy of all Company determinations of benefit payment ineligibility or overpayment.

**ARTICLE 5**  
**ADMINISTRATION OF THE PLAN AND APPEAL PROCEDURES**

**SECTION 1**  
**POWERS AND AUTHORITY OF THE COMPANY**

- a) Company powers  
The Company shall have such powers and authority as are necessary and appropriate in order to carry out its duties under this Article, including, without limitation, the following:
- (1) to obtain such information as the Company shall deem necessary in order to carry out its duties under the Plan;
  - (2) to investigate the correctness and validity of information furnished with respect to an application for benefits;
  - (3) to make initial determinations with respect to benefits;

- (4) to establish reasonable rules, regulations and procedures concerning:
    - (i) the manner in which and the times and places at which applications shall be filed for benefits; and
    - (ii) the form, content and substantiation of applications for benefits.
  - (5) to designate an office or department at the plant, or in the alternative, a location in the general area of the plant, where employees laid off may appear for the purpose of complying with the Plan requirements;
  - (6) to determine the maximum funding of the Fund and the trust fund position;
  - (7) to establish appropriate procedures for giving notices required to be given under the Plan;
  - (8) to establish and maintain necessary records; and
  - (9) to prepare and distribute information explaining the Plan.
- b) **Company Authority**  
Nothing contained in this Plan shall be deemed to qualify, limit or alter in any manner the Company's sole and complete authority and discretion to establish, regulate, determine or modify at any time levels of employment, hours of work, the extent of hiring and layoffs, production schedules, manufacturing methods, the products and parts thereof to be manufactured, where and when work shall be done, marketing of its products, or any other matter related to the conduct of its business or the manner in which its business is to be managed or carried on, in the same manner and to the same extent as if this Plan were not in existence; nor shall it be deemed to confer either upon the union or the Board of Appeals any voice in such matters.

## **SECTION 2**

### **APPEALS PROCEDURE**

- a) **First Step Appeals**  
The Company shall designate one person to serve as its representative for the consideration of appeals by applicants and the union shall designate a representative for the same purpose. The employee designated as the representative of the union shall be paid for time lost from work in attending meetings with the company representative for the consideration of such appeals. Such payments shall be made directly by the Company.

Any person who shall have been determined by the Company not to be entitled to a benefit, who shall have been determined to be entitled to be

paid a benefit that is lesser in amount than the amount to which such person believes he/she is entitled, who questions the number of credit units credited to him/her at the time of layoff, who has had more of his/her credit units canceled than he/she believes correct or who is determined to be ineligible for a benefit which determination is disputed by him/her, may appeal such determination by presenting an appeal (other than determinations made in connection with Section 1 (b)(11) of Article 1), on a form to be provided for this purpose, either to the Company representative or to the Union Representative. In situations where a number of employees had filed applications for benefits under substantially identical conditions, an appeal may be filed with respect to one of such employees and the decision therein shall apply to all such employees. If there is no local union or plant S.U.B. representative at any plant because of a discontinuance of such plant, the appeal may be filed directly with the Board of Appeals.

Appeals concerning determinations made in connection with Section 1 (b)(11) of Article 1 (contrary to intent of Plan) shall be made directly to the Board. Such written appeal must be filed within thirty days following the date of notice of such determination or denial or reduction of such benefit to such person, or within thirty days after the date of mailing of a cheque of such smaller amount by the Trustee to such person. The other party. If either the Company representative or the Union representative shall find that such appeal is justified, he/she shall so notify the other representative and the Company representative and Union representative shall meet within ten days from the date of the appeal (or such extended time as may be agreed upon) to determine the disposition of such appeal.

In the event the two parties cannot agree upon the disposition of the appeal, either representative may refer the matter to the Board of Appeals for disposition, on a form provided for that purpose.

- b) (1) Within twenty days after disposition of an appeal by the Company and union representatives, the Union representative may request a ruling by the Board of Appeals. Such a request shall be in writing, shall specify the respects in which the Plan is claimed to have been violated and shall set forth the facts relied upon as justifying a reversal or modification of the determination appealed from. A copy of said request will be furnished to the Company representative. The Board of Appeals shall have no jurisdiction to act upon an appeal made after the time specified above or upon an appeal which does not otherwise comply with this subparagraph. Subject to the limitations of subparagraph (2) set forth below, the handling and disposition

of such request to the Board of Appeals shall be in accordance with the regulations and procedures established by the Board. The Union representative, or the Union members of the Board of Appeals, may withdraw any appeal to the Board at any time before it is decided by the Board.

(2) In ruling upon appeals, the Board shall have no authority to waive, vary, qualify or alter in any manner the eligibility requirements set forth in the Plan, the procedure for applying for benefits set forth herein or any other provision of the Plan and shall have no jurisdiction other than to determine on the basis of the facts presented and in accordance with the provisions of the Plan:

- (i) whether the first step appeal and the appeal to the Board were made within the time and in the manner specified in this Section;
- (ii) whether the employee is an eligible person with respect to the benefit involved and, if so;
- (iii) the amount of any benefit payable;
- (iv) whether the accrual or cancellation of credit units was properly determined; any questions by either the Company or the Union concerning the interpretation or application of this Plan unless specifically excluded from the appeals procedure.

(3) There shall be no appeal from the decision of the Board of Appeals. It should be final and binding upon the Union, its members, the employee involved, the Trustee and the Company. The Union will discourage any attempt of its members to appeal and will not encourage or cooperate with any of its members in any appeal to any court or labour board from any decision of the Board, nor will the Union or its members by any other means attempt to bring about a settlement of any claim or issue on which the Board is empowered to rule hereunder.

c) **Applicability of Appeals Procedure**

The appeals procedure set forth in this Section may be employed only for the purposes specified in the Plan. Such procedure shall not be used to protest a denial of an Unemployment Insurance system benefit or to determine whether or not a benefit should have been paid under an Unemployment Insurance System. (Appeal procedures under Unemployment Insurance law being the exclusive remedy therefore.) The Board of Appeals shall have no power to determine questions arising under any Collective Labour Agreement, even though relevant to the issues before the Board. All such questions shall be determined through the regular procedures provided therefore by the Collective Labour Agreement and all determinations made pursuant to such agreement shall be accepted by the

Board.

d) Composition and procedure -Board of Appeals

- (1) There shall be established a Board of Appeals consisting of four members, two of whom shall be appointed by the Company (hereinafter referred to as the Company members), and two of whom shall be appointed as follows: one by the International Union, United Steelworkers of America, and one by Local 232, hereinafter referred to as the union members. Each member of the Board shall have an alternate. In the event a member is absent from a meeting of the Board, his/her alternate may attend and when in attendance, shall exercise the powers and perform the duties of such member. Either the Company or the Union at any time may remove a member appointed by it and may appoint a member to fill any vacancy among the members appointed by it. The Company and the Union each shall notify the other in writing of the members respectively appointed by it before any such appointment shall be effective.
- (2) The members of the Board shall appoint an impartial Chairperson, who shall serve until requested in writing to resign by two members of the Board. If the members of the Board are unable to agree upon a Chairperson, he/she shall be selected in accordance with the applicable provisions of the Collective Labour Agreement. The impartial Chairperson shall be considered a member of the Board but shall attend meetings and shall vote only in matters within the board's authority to determine and only when the other members of the Board shall have been unable to dispose of a matter by a majority vote, except that the impartial shall have no vote concerning determination made in connection with Section 1(b)(II) of Article 1 (contrary to intent of Plan).
- (3) At least one Union and one company member shall be required to be present at any meeting of the Board In order to constitute a quorum for the transaction of business. At all meetings of the Board, the company members shall have a total of two votes and the Union members shall have a total of two votes, the vote of any absent member being given to the member present, appointed by the same party. Decisions of the Board shall be by a majority of the votes cast.
- (4) The Board shall not maintain any separate office or staff, but the company and the Union shall be responsible for furnishing such clerical and other assistance as its respective members of the Board shall require. Copies of all appeals, reports and documents to be filed with the Board pursuant to the Plan shall be filed in duplicate, one



copy to be sent to the company members at the address designated by them and the other to be sent to the Union members at the address designated by them.

### **SECTION 3** **.DETERMINATION OF DEPENDANTS**

- a) Regular Benefits  
In determining an employee's dependents for purposes of regular benefits determinations. The Company shall be entitled to rely upon the official form filed by the employee with the Company for income tax withholding purposes and the employee shall have the burden of establishing that he/she is entitled to a greater number of withholding exemptions than he/she shall have claimed on such form.
- b) Allowable Earnings  
In calculating an employee's allowable earnings, the Company shall be entitled to rely upon such information as may be available listing dependents. The employee shall have the burden of establishing that he/she is entitled to a different number of dependents than that being used by the Company:

### **SECTION 4** **TO WHOM BENEFITS ARE PAYABLE IN CERTAIN CONDITIONS**

Benefits shall be payable only to the eligible employee, except that if the Company shall find that the employee is deceased or is unable to manage his/her affairs for any reason, any benefit payable to him/her shall be paid to his/her duly appointed Legal Representative, if there be one and, if not, to the spouse, parents, children or other relatives or dependents of the employee as the Board in its discretion may determine.

Any benefit so paid shall be a complete discharge of any liability with respect to such benefit. In the case of death, no benefit shall be payable with respect to any period following the last day of layoff immediately preceding the employee's death.

### **SECTION 5** **NONALIENATION OF BENEFITS**

Except for a deduction specifically provided for under this Plan, no benefit shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution or encumbrance of any kind and any attempt to accomplish the same shall be void. In the event that such attempt has been made

with respect to any benefit due or to be come due to any employee, the Company in its sole discretion may terminate the interest of the employee in the benefit and apply the amount of the benefit to or for the benefit of the employee, his/her spouse, parents, children or other relatives or dependents as the Company may determine and any such application shall be a complete discharge of all liability with respect to the benefit.

## **SECTION 6** **APPLICABLE LAW**

The Plan and all rights and duties there under shall be governed, construed and administered in accordance with the laws of the province of Ontario, except that the eligibility of an employee for and the amount and duration of Unemployment Insurance system benefits shall be determined in accordance with the Unemployment Insurance laws of the Unemployment Insurance System.

## **SECTION 7** **GRIEVANCE PROCEDURE**

No question involving the interpretation or application of the Plan, except to the extent otherwise specified in Section 2 of this Article, shall be subject to the grievance procedure provided for In the Collective Labour Agreement.

## **ARTICLE 6** **FINANCIAL PROVISIONS**

### **SECTION 1** **ESTABLISHMENT OF FUND**

.The Company shall maintain a Fund in accordance with this Supplemental Unemployment Benefit Plan, with a chartered bank or banks or a qualified trust company or companies selected by the Company as Trustee. The Company's contributions shall be made into the Fund, the assets of which shall be held, invested and applied by the Trustee, all In accordance with the Plan. Benefits shall be payable only from such Fund. The Company shall provide in the contract with the trustee that the Fund shall be held in cash or invested only in general obligations of the Government of the Dominion of Canada and / or the government of a Canadian province.

**SECTION 2**  
**MAXIMUM FUNDING AND TRUST FUND POSITION**

a) Maximum Funding

There shall be a maximum funding of the Fund for each calendar month (and for each pay period when required by the provisions of subsection (b) of this Section). Commencing with the month following the month in which the Plan becomes effective and for any month thereafter, the maximum funding of the Fund shall be determined by multiplying the sum of (i) the number of employees on the active payroll and (ii) the number of persons laid off from work who are not on the active payroll but who have credit units; the above number of employees and persons shall be determined by the Company as of the latest period for which the figures are available prior to the first Monday in the month for which the maximum funding is being determined (or prior to the pay period if the maximum funding is being determined for a pay period) by the applicable amount as shown in the following table:

(1)	For the month of November 1974 and succeeding months	\$350
(2)	For the month in which the Trust Fund amount first reaches and succeeding months \$375	\$350
(3)	For the month in which the Trust Fund amount first reaches and succeeding months \$400	\$375
(4)	For the month in which the Trust Fund amount first reaches and succeeding months \$425	\$400
(5)	For the month in which the Trust Fund amount first reaches and succeeding months \$450	\$425
(6)	For the month in which the Trust Fund amount first reaches and succeeding months \$475	\$450
(7)	For the month in which the Trust Fund amount first reaches and succeeding months \$500	\$475
(8)	For the month in which the Trust Fund amount first reaches and succeeding months \$525	\$500
(9)	For the month in which the Trust Fund amount first reaches and succeeding months \$550	\$525
(10)	For the month in which the Trust Fund	

	amount first reaches	\$550
	and succeeding months \$575	
(11)	For the month in which the Trust Fund amount first reaches	\$575
	and succeeding months \$600	
(12)	For the month in which the Trust Fund amount first reaches	\$600
	and succeeding months \$625	
(13)	For the month in which the Trust Fund amount first reaches	\$625
	and succeeding months \$650	
(14)	For the month in which the Trust Fund amount first reaches	\$650
	and succeeding months \$675	
(15)	For the month in which the Trust Fund amount first reaches	\$675
	and succeeding months \$700	
(16)	For the month in which the Trust Fund amount first reaches	\$700
	and succeeding months \$725	
(17)	For the month in which the Trust Fund amount first reaches	\$725
	and succeeding months \$750	

b) Trust Fund Amount

There shall be a trust fund amount for the Fund for each month commencing with the month of March 1958. The trust fund amount for any particular month shall be determined by dividing the current market value of the total assets in such Fund as of the close of business on the Friday preceding the first Monday of such month, as certified by the Trustee, by the sum of

- (i) the number of employees on the active payroll and
- (ii) the number of persons laid off from work who are not on the active payroll but who have credit units, such total number to be that used in determining the maximum funding for such month in accordance with paragraph (a) of this Section. The trust fund amount for the Fund for any particular month commencing with March 1958 shall be applied in connection with such Fund for all purposes under the Plan to each of the pay periods beginning within such month.

c) Trust Fund Position

There shall be a trust fund position (stated as a percentage) for the Fund for each calendar month commencing with the month of March 1958. The trust fund position for the Fund for any particular month shall be determined by dividing the current market value of the total assets in

such Fund as of the close of business on the Friday preceding the first Monday of such month, as certified by the Trustee, by the maximum funding of for such month. The trust fund position for the Fund for any particular month shall be applied in connection with such Fund for all purposes under the Plan to each of the pay periods beginning within such month; provided, however, that after March 1, 1958, whenever the trust fund position for the Fund for any particular month is less than 10%, such trust fund position shall be applied in connection with such Fund for all purposes under the Plan only to the first pay period beginning within such month, and thereafter there shall be determined a trust fund position (stated as a percentage) for such Fund for each pay period until the trust fund position for a particular pay period equals or exceeds 10%. When the trust fund position for a particular pay period equals or exceeds such percentage, such trust fund position shall be applied in connection with such Fund for such purposes to each pay period until a trust fund position for the following calendar month shall be applicable pursuant to this Section. The trust fund position for the Fund for a particular pay period shall be determined by dividing the current market value of the total assets in such Fund as of the close of business on the Friday preceding such pay period, as certified by the Trustee, by the maximum funding of such Fund for such pay period.

d) Finality of Determinations

No adjustment in the maximum funding, trust fund amount or the trust fund position of the Fund shall be made on account of any subsequently discovered error in the computations or the figures used in making the computations, except (i) in the case of an error in bad faith, or (ii) in the case where after discovery of an error, adjustment is practicable, and then the adjustment shall only be prospective in effect, unless such adjustment would be substantial in the opinion of the Company. Nothing in the foregoing shall be construed to excuse the Company from making up any shortage in its contributions to the Fund.

### **SECTION 3** **CONTRIBUTIONS BY COMPANY**

a) Company Contributions

- (1) Commencing with the pay period beginning July 23, 2006 and with respect to each pay period thereafter, for which the applicable trust fund amount is less than the figure shown in Column A, the Company shall make a contribution to the Fund of an amount to be determined by multiplying the applicable figure in Column B by the total number of hours for which employees shall have received pay from the Company

for such pay period (or such lesser amount as will bring the total market value of the Fund to the then applicable trust fund amount in Column A, in which case the remainder of said total number of hours shall be multiplied by the next lower figure in the applicable Column B).

Column A	Column B
\$150	\$0.21
\$300	\$0.19
\$450	\$0.17
\$550	\$0.15
\$650	\$0.13
\$750	\$0.11

- (2) In addition to the contributions otherwise required by this Article, the Company shall contribute to the Fund the amount of any automatic short week and special short week benefits paid from the Fund as scheduled short work week benefits for any pay periods for which the trust fund amount is less than \$180.
- (3) Notwithstanding any other provisions of this Agreement, the Company shall not be obligated to make any contribution to the Fund with respect to any pay period for which the applicable trust fund amount is more than \$750, and no contribution to the Fund for any pay period shall be in excess of the amount necessary to bring the total market value of the assets in such Fund up to \$750.

B) When contributions are payable

- (1) Contributions by the Company shall be made on or before the close of business on the first regularly scheduled work day in the third calendar week following the pay period with respect to which the contribution is being made.  
In periods in which the trust fund position equals or exceeds 10%, weekly contributions may be accumulated and made on or before the close of business on the first regularly scheduled work day of the calendar week in which the Friday used for determining the trust fund position falls.
- (2) The first contribution by the Company to the Fund shall be made on the Monday following the last Friday of the calendar month next following the calendar month in which fulfillment of all of the applicable conditions to effectiveness of the Plan with respect to such Fund set forth in Article 8 shall have been completed.

- (3) The first contribution by the Company to the Fund shall cover all amounts required to be paid under this Article to such Fund with respect to each pay period beginning with the period of time commencing after March 28, 1998 and ending with the last day of the last pay period immediately preceding the date on which the first contribution under subsection (a)(I) of this Section shall become payable.
- c) Reductions from Contributions
- Contributions required by the provisions of Section 3( a) of this Article shall be reduced by the following:
- (1) the cost of providing hospital medical benefits for laid off employees as specified in the Pension Plan and Severance Award Agreement and the Health and Life Insurance Agreement less the period following layoff for which the Company pays otherwise;
  - (2) the amount of money added to each vacation cheque at the time written due to short week benefit payments, consistent with the terms of the Collective Labour Agreement;
  - (3) if contributions to the Fund are not required for any period or if the contributions required are less than the amounts to be offset under this paragraph (c), then any subsequently required contributions shall be reduced by the amount not previously offset against contributions; any such amount not previously offset against contributions shall be deducted from the market value of the assets in the Fund in determining trust fund position and the relationship of the Fund to Maximum funding;
  - (4) if the Company at any time shall be required to withhold any amount from any contribution to the Fund by reason of any government or provincial law or regulation, the Company shall have the right to deduct such amount from the contribution and pay only the balance to the Fund.

#### **SECTION 4** **LIABILITY**

- a) The Company shall not be obligated to make up or to provide for making up any depreciation or loss arising from depreciation in the value of the securities held in the Fund (other than as contributions by the Company may be required under the provisions of this Article when the market value of the assets of the Fund is less than the maximum funding); and the Union shall not call on the Company to make up or provide for making up any such depreciation or loss.
- b) The Company, the Trustee and the Union, and each of them, shall not be liable because of any act or failure to act on the part of the others, and each is authorized to rely on the correctness of any information furnished to it by

- an authorized representative of any of the others.
- c) Notwithstanding the above provisions, nothing in this Section shall be deemed to relieve any person from liability for willful misconduct or fraud.
  - d) The Trustee shall not be liable for the making or retaining of any investment or for realized or unrealized loss therein whether normal or abnormal economic conditions or otherwise.

## **SECTION 5** **NO VESTED INTEREST**

No employee shall have any right, title or interest in or to any of the assets of the Fund or in or to any Company contribution thereto.

## **SECTION 6** **REPORTS**

- a) Reports by the Company
  - (1) The Company shall notify the local Union and International Union monthly of the amount of maximum funding, trust fund amount and the trust fund position for the Fund as determined by it under the Plan, and shall furnish a statement showing the number of employees on the active payroll and the number of laid off employees having credit units upon which the trust fund position determination was made.
  - (2) During the first year of this amended agreement, the Company shall furnish the local Union and the International Union with a statement certified by a qualified independent firm of certified public accountants selected by the Company:
    - (i) Showing the number of hours for which the employees drew pay from the Company and with respect to which the Company shall have made contributions to the Fund during each period of the preceding years since the last such statement, and
    - (ii) verify the accuracy of the information furnished by the Company during the preceding years since the last such statement pursuant to subsection (a)(1) of this Section.
  - (3) The Company will comply with reasonable requests by the Union for other statistical information on the operation of the Plan which the Company shall compile. Such information will include the following:
    - (a) the number of employees on layoff monthly;
    - (b) the amount of regular benefits paid, special and automatic short week benefits paid;
    - (c) the duration of regular benefits;



- (d) the number of employees who have exhausted their regular benefits each calendar year;
  - (e) the number of employees laid off and ineligible for regular benefits because of having less than one year of seniority;
  - (f) the total number of employees who received one or more regular benefit, special and automatic short week benefits;
  - (g) the amount of the reductions monthly from contributions reduced by the provisions of (c) of Section 3 and the amounts under each category listed in (c);
  - (h) the number of employees who drew more than 52 credit units during a continuous period by designated seniority brackets each calendar year;
  - (i) on or before January 31st of each year, the Company shall furnish to each employee the amount of benefits received by him/her under the Plan;
  - (j) the Company will comply with reasonable requests by the International Union for other statistical information on the operation of the Plan which the Company may have compiled.
- b) Reports by the Trustee
- (1) Within ten days after the commencement of each month, beginning with the month in which the Company shall have made its first contribution under the Plan, the Trustee shall be required to furnish to the local Union, International Union and the Company a statement showing the amounts received from the Company for the Fund during the preceding month.
  - (2) Not later than the second Tuesday following the first Monday of each month, the Trustee shall furnish to the local Union, International Union and the Company
    - (i) a statement showing the total market value of the Fund as of the close of business on the Friday following the last Monday of the preceding month, and
    - (ii) a statement showing the amounts, if any, paid as benefits from the Fund each week during the preceding month.

**SECTION 7**  
**COST OF ADMINISTERING THE PLAN**

- a) Expense of Trustee  
 The costs and expenses incurred by the Trustee under the Plan and the fees charged by the Trustee shall be charged to the Fund.

- b) The compensation of the impartial Chairperson, which shall be in such an amount and on such basis as may be determined by the other members of the Board, shall be paid from the fund. Reasonable and necessary expenses of the Board for forms and stationery required in connection with the handling of appeals shall be borne by the Fund. The Company members and the Union members of the Board shall serve without compensation from the Fund.
- c) Cost of Services  
The Company shall be reimbursed each year from the Fund for the cost to the Company of bank fees and auditing fees.

**SECTION 8**  
**BENEFITS DRAFTS NOT PRESENTED**

If the Trustee has segregated any portion of the Fund in connection with any determination that a benefit is payable under the Plan and the amount of such benefit is not claimed within a period of two years from the date of such determination, such amount shall revert to the Fund.

**ARTICLE 7**  
**CONDITIONS TO EFFECTIVENESS AND  
CONTINUATION OF PLAN**

**SECTION 1**  
**EFFECT OF AMENDED AGREEMENT**

This amended agreement on Supplemental Unemployment Benefits, when it becomes effective, shall supersede and completely replace and supplant the original agreement on Supplemental Unemployment Benefits concluded between the parties January 22, 1958, as from time to time thereafter amended. However, until such time as this agreement becomes effective, the Plan shall be governed in all respects by the terms of the original agreement of January 22, 1958 as heretofore amended.

**SECTION 2**  
**INCOME TAX RULINGS**

This amended agreement shall not become effective unless and until the Company shall have, received from the Minister of National Revenue,

applicable provincial Treasury department and the Unemployment Insurance Commission a currently effective ruling or rulings, satisfactory to the Company holding that the amendment to the Plan accomplished hereunder does not modify, alter or change in any manner the ruling previously issued by the Minister, the Commission and the applicable Provincial Treasury department, with respect to the Plan, including particularly their determination that Company contributions to the Plan shall constitute a currently deductible expense and that such contributions are not taxable income to the Trust under the Canada Tax Act and applicable provincial and/or municipal Corporation Tax Acts, as now in effect, or as may be hereafter in effect, or under any other applicable Canadian or Provincial and/or Municipal income or Corporations Tax law.

**SECTION 3**  
**UNEMPLOYMENT INSURANCE COMMISSION RULINGS AND**  
**SUPPLEMENTATION**

It is the purpose of the Plan to supplement Unemployment Insurance benefits to the levels herein provided and not to replace or duplicate them.

**SECTION 4**  
**APPLICATION FOR RULINGS**

The Company shall apply promptly for any required rulings from the appropriate agencies. Copies of all correspondence covering such rulings shall be mailed to the International Union and the local Union.

**ARTICLE 8**  
**MISCELLANEOUS**

**SECTION 1**  
**RECEIPT OF BENEFITS**

Neither the Company's contribution nor any benefit paid under the Plan shall be considered a part of any employee's wages for any purpose. No person who receives any benefit shall for that reason be deemed an employee of the Company during such period and he/she shall not thereby accrue any greater right to participate in, accrue credits or receive benefits under any other employee benefit plan to which the Company contributes than he/she would if he/she were not receiving such benefits.

**SECTION 2**  
**EFFECT OF REVOCATION OF FEDERAL RULINGS**

In the event that any ruling required under Section 2 and 3 of Article 7, having been obtained, shall be revoked or modified in such manner as no longer to be satisfactory to the Company, all obligations of the Company under the Plan shall cease and the Plan shall thereupon terminate and be of no further effect (without in any way affecting the validity of operation of the Collective Labour Agreement or any other agreement between the Company and the Union), except for the purpose of paying the expenses of administration and paying benefits, all in accordance with the provisions of the Plan, until the assets of the Fund shall have been exhausted, except that Section 6 of Article 2 shall not be applicable. If there are assets still remaining in the Fund, the provisions of Section 3(b) of Article 8 shall apply to their disposition.

### **SECTION 3**

#### **AMENDMENT AND TERMINATION OF THE PLAN**

- a) So long as the Collective Labour Agreement of which this Supplemental Unemployment Benefit Plan as amended is a part shall remain in effect, the Plan shall not be amended, modified, suspended or terminated, except as may be proper or permissible under the terms of the Plan or the Collective Labour Agreement. Upon termination of the Collective Labour Agreement, the Company shall have the right to continue the Plan in effect and to modify and amend, suspend or terminate the Plan, except as may be otherwise provided in any subsequent Collective Labour Agreement between the Company and the Union.
- b) Upon any termination of the Plan, the Plan shall terminate in all respects, except that the assets then remaining in the Fund shall be subject to all of the applicable provisions of the Plan then in effect and shall be used until exhausted to pay expenses of administration and to pay benefits to eligible applicants laid off or thereafter laid off, in the order each week of the respective date as of which they were laid off. Section 6, Article 2, shall not be applicable. In the event there are any assets in the Fund after all of the above payments have been made, the parties shall negotiate an agreement for the equitable distribution of the funds, and if agreement is not reached within a period of ninety days, the funds then remaining after paying all expenses of administration, shall be divided in equal amounts per capita among all the employees at the date on the active payroll of the Company who have credit units uncanceled and remaining to their credit, in amounts proportionate to such credit units.
- c) Notwithstanding any other provisions of the Plan, the Company, with the consent of the Union, may make such revisions in the Plan not inconsistent with the purpose, structure and basic provisions thereof as shall be necessary to obtain or maintain any rulings required under the Plan. Any such revisions

- shall adhere as closely as possible to the language and intent of the Plan.
- d) This agreement and the obligation of the Company to continue the Plan without change or modification (except as permitted hereunder) during the life of the Collective Labour Agreement shall be deemed supplemental to and part of the Collective Labour Agreement and, during the term of the Collective Labour Agreement, neither the Company nor the Union shall request any change in, deletion from or addition to the Plan or Agreement.

#### **SECTION 4** **RATIFICATION**

This agreement shall not become effective unless and until this agreement and Collective Labour Agreement, executed concurrently herewith, shall both have been ratified and approved by the local Union and also the International Union and written notice of such ratification and approval shall have been received by the Company.

#### **SECTION 5** **UNION IDENTIFICATION OF BENEFIT CHEQUES**

All cheques payable for any benefit or payment under the Plan shall indicate that the benefit or payment is being made in accordance with the agreement on Supplemental Unemployment Benefits between the Company and the Union.

#### **ARTICLE 9** **DEFINITIONS**

As used herein:

- (1) "Active payroll" -an employee is on the active payroll in any pay period for which he/she draws pay.
- (2) "Average Hourly Earnings" -means an employee's hourly earnings plus his/her off-shift premium but excluding overtime based on a six-week pay period immediately preceding the date of his/her layoff, provided that if such employee was assigned or transferred to a new operation at a lower rate during such six-week pay period, the hours worked and his/her earnings on such new job will be excluded from his/her Average Hourly Earnings. Provided, however, that should the employee have no earnings during such six-week period other than as a learner, his/her hourly rate of pay shall be based on the first work week preceding such learning period. If a general wage increase has become effective between the period for which the hourly

rate of pay has been calculated and the date of layoff, such general wage increase shall be added to the hourly earnings so calculated.

In order to provide the minimum, appropriate to the current wage scales in the plant, the Average Hourly Earnings shall in no case be deemed to be less than \$2.35 per hour for the purpose of calculating the benefits payable.

- (3) "Bargaining Unit" -means a unit of employees covered by the Collective Labour Agreement.
- (4) "Benefit" -means an automatic short week benefit, regular benefit, special short week benefit or any or all three as indicated by the context.
  - (a) "automatic short week benefit" means the benefit payable to an eligible employee for a short work week for which his/her company pay and any company pay which he/she would have received for hours scheduled for or made available to him/her but not worked equaled or exceeded his/her allowable earnings.
  - (b) "leveling week benefit" means the weekly supplemental benefit payable to an eligible employee for all or part of a week because, with respect to the week, he/she was serving an Unemployment Insurance System "waiting week" and during such week or part thereof, he/she was temporarily laid off out of line of seniority pending placement in accordance with the terms of the Collective Labour Agreement.
  - (c) "Regular Benefit" means the benefit payable to an eligible employee for a week of layoff in which he/she performed no work for the Company, or in which he/she performed some work for the Company but neither the period worked nor pay received was sufficient to disqualify him/her for an Unemployment Insurance System benefit and the amount of the special short week benefit calculated for such week was less than the regular benefit amount.
  - (d) "Special Short Week Benefit" means the benefit payable to an eligible employee for a short work week for which his/her company pay and any company pay which he/she would have received for hours scheduled for or made available to him/her but not worked did not equal or exceed his/her allowable earnings.
  - (e) "Weekly Supplemental Benefit" means either a regular benefit or a special short week benefit, payable under the Plan.
- (5) "Board" -means the Board of Appeals.
- (6) "Collective Labour Agreement" -means the currently effective Collective Labour Agreement between the Company and the Union which incorporates this Plan by reference and the supplements thereto.
- (7) "Company" –shall mean Goodyear Canada Inc., Bowmanville Factory, located in Bowmanville, Ontario.
- (8) "Compensated or available hours" -for a week shall be the sum of:

- (a) all hours for which an employee receives pay from the Company (including reporting pay and holiday pay, but excluding pay in lieu of vacation) with each hour paid at premium rates to be counted as one hour;
  - (b) all hours scheduled for or made available to the employee by the Company but not worked by him/her after notice consistent with existing practice under the Collective Labour Agreement (including any period on leave of absence). When work is offered and refused, hours charged will not exceed hours made available and such hours will be charged in the following order:
    - (i) to the employees who actually perform the work offered;
    - (ii) to the employees who signified their intention to work and then failed to report;
    - (iii) to the employees who first refused the opportunity for the work in the event that insufficient employees offered to work the hours available (includes absent employees who otherwise would have been offered the work).
- When work is offered (as opposed to scheduled on Saturday and/or Sunday), hours worked will not be charged. For employees working on the 12-hour continuous work schedule, when work is offered on regular scheduled days off, hours worked will not be charged.
- (c) all hours not worked by the employee because of any of the reasons disqualifying the employee from receiving benefit under subsection 4(b) (2) of Article 1; and
  - (d) all hours not worked by the employee which are in accordance with a written agreement between local management and designated local Union representatives; and
  - (e) all hours which are attributable to absenteeism of other employees, providing such absenteeism was not caused by an act of God; and
  - (f) with respect to any employee who is regularly scheduled less than the hours of the standard work week (40), the number of hours by which his/her regularly scheduled hours are less than the hours of the standard work week; and all hours not worked by the employee because of work sharing required by the Collective Labour Agreement except:
    - (i) where the Union is not asked by the Company to waive the work sharing provisions; or
    - (ii) when the Union refuses to waive the work sharing provisions and the Company, after the work sharing period, fails to layoff;
  - (g) all hours not worked by the employee because of change in shift resulting from a request of the employee.
- (9) "Credit Units" -means the units determining the duration of an employee's benefits which are credited to him/her generally by reason of his/her weeks of active service and canceled at specified rates for the payment of certain

benefits.

- (10) "Dependent" -means any person recognized as such under the provisions of the Dominion Unemployment Insurance Act, 1955, by the Unemployment Insurance Commission.
- (11) "Employee" -means an employee of the Company while, during the life of this agreement, is in the collective bargaining unit as defined in and covered by the Collective Labour Agreement.
- (12) "Allowable Earnings" -means the amount of earnings the employee is permitted to earn before any deductions would be made from his/her weekly unemployment insurance benefits.
- (13) "Fund" -means a Trust Fund established under the Plan to receive and invest company contributions and to pay benefits.
- (14) "Plan" -means the Supplemental Unemployment Benefit Plan established by "Agreement on Supplemental Unemployment Benefits" between the Company and the Union dated January 22, 1958, as from time to time amended and as continued under this Agreement.
- (15) "Plant" -means the Bowmanville Factory of the Company, located in Bowmanville, Ontario.
- (16) "Seniority" -means seniority status under the Collective Labour Agreement.
- (17) "Short Work Week" -means a work week during which an employee performs some work for the Company or performed compensated work for the Union or was otherwise compensated by the Company for a day or part thereof but his/her compensated or available hours for such week are less than the number of hours in his/her standard work week. During a week of scheduled shutdown, compensation for a holiday or holidays (but only with respect to an employee laid off in a reduction of force in accordance with the applicable Collective Labour Agreement), for vacation or for work for the Union or a combination thereof, shall not of itself qualify him/her for a benefit hereunder.
- (18) "Unemployment Insurance System" -means the system or program, established by law, for paying benefits to persons on account of their unemployment, under which an individual's eligibility for benefit payments is not determined by application of a "means" or "disability" test; including any such system or program established for the primary purpose of education or vocational training where such programs may provide for training allowances.
- (19) "Unemployment Benefit" -means a benefit payable under such unemployment insurance system including any dependency allowances and training allowances (excluding any allowance for transportation, subsistence, equipment or other cost of training). If an employee receives a Workers'



Compensation benefit while working full Workers' Compensation benefit while on layoff from the Company, only the amount by which the Workers' Compensation benefit is increased shall be included.

- (20) "Supplementation" -means recognition of the right of a person to receive both unemployment insurance system benefit and a weekly supplemental benefit under the Plan for the same week of layoff at approximately the same time and without reduction of the unemployment insurance system benefit because of the payment of the weekly supplemental benefit under the Plan.
- (21) "Trustee" -means the Trustee or Trustees of the Fund established under the Plan.
- (22) "Trust Fund Position" -means the percentage position of the Fund as determined periodically pursuant to the provisions of Article 6.
- (23) "Trust Fund Amount" -means the dollar amount in the Fund per eligible employee as determined periodically pursuant to the provisions of Article 6.
- (24) "Union" -means Local 189 of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied, Industrial and Service Workers Industrial Union, representing certain employees of the Company at its Bowmanville Factory, located in Bowmanville, Ontario.
- (25) "Week" -when used in connection with eligibility for the computation of benefits with respect to an employee means:
- a) a period of layoff equivalent to a work week;
  - b) a work week for which a full-time employee shall have been scheduled or offered work for less than 27 hours including hours paid for but not worked, if on a standard eight-hour day;
  - c) a Short Work Week.
- (26) "Week of Layoff" shall include any such week; provided, however, that if there is a difference between the starting time of a work week and of a week under an applicable Unemployment Insurance System, the work week shall be paired with the Unemployment Insurance System week which corresponds most closely thereto in time; except that if an employee is ineligible for an Unemployment Insurance System because of any of the reasons set forth in Section 1 (b) of Article 1 (excluding the reason under items (3) and (4) thereof) for the entire continuous period of layoff, the week under the Unemployment Insurance System shall be assumed to be the same as the work week. If an employee becomes ineligible for an Unemployment Insurance System benefit because of the reasons set forth in Section 1 (b) of Article 1 (excluding items (3) and (4) thereof), during a continuous period of layoff, the week under the Unemployment Insurance System shall be assumed to continue to be, for the duration of the layoff period during which he/she remains so ineligible, the seven-day period for which an Unemployment Insurance System benefit was paid to the employee during such continuous period of layoff. Each week within a continuous period of layoff will not be considered a new or separate layoff. Notwithstanding the

foregoing provisions of this definition, if an employee is ineligible for an Unemployment Insurance System benefit because of the reason set forth in item (3) of Section 1(b) of Article 1, the week under the Unemployment Insurance System shall be assumed to be the seven-day period which would have been used by the Unemployment Insurance System if the employee had applied for an Unemployment Insurance System benefit on the first day of partial or full layoff in the work week and had been eligible otherwise for such Unemployment Insurance System Benefit.

- (27) "Weekly Straight Time Pay" -an amount equal to an employee's hourly rate of pay (as determined for a weekly supplementary benefit) multiplied by 40 or in the case of a part-time employee, by the proportionately reduced number of hours.
- (28) "Work Week" or "Pay Period" -means seven consecutive days beginning on Monday at the regular starting time of the shifts to which the employee is assigned or was last assigned immediately prior to being laid off
- (29) "Standard Work Week" -the standard work week for the purpose of computing a special short week benefit, the automatic short week benefit and a regular benefit when comparing with a special short week benefit shall be no more than forty hours, and shall be the number of hours in the standard work week as stated in the Collective Labour Agreement.

## ARTICLE 10

### DURATION AND TERMINATION

The Sixteenth Amended Agreement shall become effective on July 23, 2006 and shall continue in effect with change or modification, except as provided above for a period of three years expiring on July 18, 2009.

This agreement shall continue in force after July 18, 2009 from year to year unless either party gives to the other party notice in writing of cancellation or proposals for revision within a period of not less than two months or more than three months prior to the anniversary date. If either party gives to the other a notice of cancellation, this agreement shall terminate in accordance with such notice. If either party gives to the other a notice of proposals for revision in accordance with the above terms, the parties shall meet to consider the proposed revisions within 15 days of the date of delivery of such notice. If no agreement on the proposed revisions is reached by midnight July 18, 2009 or by midnight of any other subsequent anniversary date, as the case may be, this agreement shall be continued in operation for a period not exceeding one year until a new agreement is reached or until the procedure contemplated by Section 72(2) of the Labour Relations Act (issued 1981) has been completed.

## Letters

### Letter #1

This letter will serve to confirm the undertaking given to you by the Company during recent negotiations that the provision for reductions from contributions as outlined in Article 6, subsection 3(c)(1) of the SUB agreement will not apply during the term of this agreement.

### Letter #2

It is understood and agreed that an employee who would be eligible for a regular benefit under the Supplemental Unemployment Benefits Agreement will not be disqualified from receiving an amount equal to such regular benefit when he/she is retired from the Company at his/her normal retirement date and is ineligible for a pension under the terms of the Company Pension Plan and Severance Award Agreement in effect on the date of his/her retirement.

The amount of such benefit will be calculated in the same fashion as a regular benefit under the Supplemental Unemployment Benefits Agreement and shall be paid by the Company. However, the Company will be entitled to reimburse itself for such payment or payments and deduct the same from future contributions it is required to make to the Fund set up under the Supplemental Unemployment Benefits Agreement. Credit units covering such payments will be canceled in accordance with the provisions of such agreement.

### Letter #3

This letter will confirm the understanding reached during the recent negotiations on the 12-hour continuous work schedule of the Bowmanville Factory in the definition of Standard Work Week under the Supplemental Unemployment Benefits Agreement.

For those employees scheduled to work on a twelve (12) hour shift schedule, the Standard Work Week shall be thirty-six (36) hours, or forty-eight (48) hours in accordance with the regular shift schedule established for each employee.

IN WITNESS WHEREOF the parties hereto have hereunto signed the 23<sup>rd</sup> day of July 2006.

LOCAL 189 OF THE  
UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING,  
ENERGY, ALLIED, INDUSTRIAL AND SERVICE WORKERS  
INDUSTRIAL UNION

B. MURPHY  
N. RUITER  
C. WOODROW  
A. MCLEOD  
C. VERSLUIS

GOODYEAR CANADA INC.  
BOWMANVILLE FACTORY

I. MCPHEE  
B. FRANCIS

FOR THE EMPLOYER

FOR THE UNION

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# HEALTH AND LIFE INSURANCE AGREEMENT

Between

GOODYEAR CANADA INC.  
BOWMANVILLE FACTORY  
“The Employer”

And

UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED, INDUSTRIAL  
AND SERVICE WORKERS INDUSTRIAL UNION  
On behalf of its Local 189L  
“The Union”

**July 23, 2006 – July 18, 2009**

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## **Health and Life Insurance Agreement**

This agreement made and entered into as of the 23<sup>rd</sup> day of July, 2006 and between Goodyear Canada Inc., hereinafter referred to as the “Company” and local 189 of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied, Industrial and Service Workers Industrial Union, hereinafter referred to as the “Union”, representing the employees in the bargaining unit at the Company’s Bowmanville Factory.

Witnesseth That:

Subject to the approval of this Agreement by the Board of Directors of the Company, the Company agrees with the Union that it will continue the establishment, maintenance and administration of a life and disability insurance, sickness and accident, hospital and surgical benefits plan originally instituted in 1953 and as amended from time to time and providing the benefits hereinafter described, and hereinafter described as the “Plan”, in such manner as the Company shall determine consistent with the terms of the Agreement. No action taken in the performance of the terms of the Agreement and consistent herewith shall be construed or interpreted to be a violation on any of the terms of any Collective Bargaining Agreement between the Company and Union.

### **Part I – Definitions**

1. In this Agreement:

(a) the term “credited service” means the service of an employee with the Employer in conformity with the Collective Labour Agreement”. The terms “credited service” and “continuous service” as used throughout this Agreement shall be synonymous. The records of the Employer shall be presumed to be conclusive of the facts concerning the service, employment, non-employment, or disability retirement of an employee, a former employee, pensioner or applicant for a pension, unless shown beyond a reasonable doubt to be incorrect;

- (b) “dependent” means and includes a person not employed by the Company who is the spouse of an employee and the unmarried child under the age of twenty-one years of an employee who is supported by such employee. In this definition, spouse shall mean:
- (1) the husband or wife of an employee who is legally married to the employee, or
  - (2) a person who has for a continuous period of not less than one year resided with the employee and during such period has been publicly represented as the spouse of the employee; wherever the word “dependent” shall bear a wider meaning in the plans or contracts entered into by the Company in satisfaction of its obligations hereunder, such wider meaning shall be used if, an to the extent, applicable;
- (c) “employee” means every unionized hourly worker.
- (d) “insurer” means an duly qualified insurance Company licensed to undertake a contract of life insurance and/or group life insurance and/or sickness and accident insurance in the Province of Ontario and include any Association registered under the Prepaid Hospital and Medical Service Act of Ontario;
- (e) “lay off” means the termination of work of an employee by the Employer for an indefinite period, caused by the decision of the Employer to reduce or eliminate the work upon which the employee was engaged; “laid off” or “to be laid off” shall have a like meaning;
- (f) “pensioner” means an employee who retires on or after the effective date of this Agreement and who becomes and continues to be eligible for a pension (other than Deferred Vested Pension) pursuant to the terms of a Pension Plan and Severance Award Agreement entered into by the parties hereto on the 23<sup>rd</sup> day of July, 2006.
- (g) “physician” means a medical practitioner who is registered under the Ontario Health Disciplines Act or such similar statute or law as governs the practice of medicine in the jurisdiction in which any medical, surgical or obstetrical services are rendered to an employee or his dependent.



2. In this Agreement, wherever the pronoun “he” appears it shall be construed as meaning any employee, male or female, unless the context requires otherwise.
3. Each employee shall be deemed to be single and without dependents until he has satisfied the Company with such proof as it shall reasonably require, of the existence of his dependent or dependents. Completion and delivery to the Company of a statement in a form satisfactory to the Company, fully and correctly completed and signed by the employee, will be accepted by the Company as satisfactory evidence of the status of an employee’s dependent or any change thereof.

## **Part II – Benefits**

### **A. LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE AND SURVIVOR INCOME BENEFITS.**

1. Effective July 23, 2006 the Company will enter into a contract of group life insurance with an insurer or insurers using each employee and pensioner as follows:

CLASSIFICATION	AMOUNT
All employee s	\$50,000.00
Pensioners	\$8,000.00

(Other than for total and permanent disability) This insurance will take effect upon the day the employee or pensioner first becomes eligible to participate in the Plan in such capacity except in the case of pensioners (other than for total and permanent disability) who have already been retired by the Company since July 23, 2006 who shall be eligible for the increased life insurance benefits set forth above on or after July 23, 2006. The insurance in respect of an employee shall automatically terminate on the date of termination of the plan or on the date of termination of active employment of such employee, whatever date is the earlier. The insurance in respect of a pensioner shall automatically terminate upon the date he becomes ineligible for the payment of a pension pursuant to the terms of the

Pension Plan and Severance Award Agreement entered into by the parties hereto on the 23<sup>rd</sup> day of July, 2006.

2. (a) If an employee, before attaining the age of sixty-five years and while insured hereunder, becomes totally disabled and presumably will thereafter during his life be unable to engage in any occupation of employment for wage or profit, and is not eligible for a Total and Permanent Disability Pension pursuant to the terms of the Pension Plan and Severance Award Agreement dated the 23<sup>rd</sup> day of July, 2006. The Company will cause the insurer upon proof thereof to the satisfaction of the insurer, to pay to such employee the amount of life insurance in force upon such life at the time such disability commenced, either in one lump sum or in installments as the Company may direct. Such payment in full shall be accepted in lieu of all other life insurance benefits provided for on the life of such person under the plan. Without restricting the meaning of the phrase "totally disabled", the entire and irrevocable loss of the sight of both eyes, or of the use of both hands, or both feet, or of one hand and one foot, shall be deemed to be total and permanent disability.  
(b) If an employee for whom life insurance coverage is provided in accordance with the provisions of this Agreement is eligible to receive a Total and Permanent Disability Pension prior to his Normal Retirement Date under the terms of the Pension Plan and Severance Award Agreement entered into between the parties hereto on the 23<sup>rd</sup> day of July, 2006 the Company will cause the insurer or insurers insuring such employee, in lieu of paying the proceeds thereof to the employee in accordance with the procedure set forth in Article A, Section 2 (a) hereof, to continue his life insurance (but not Accidental Death and Dismemberment Insurance) coverage until his Normal Retirement Date as defined in the said Pension Plan and Severance Award Agreement, in \$50,000.00 and on reaching Normal Retirement Date the amount of life insurance coverage shall then be reduced to \$8,000.00.
3. The Company will enter into a contract of group insurance with an insurer or insurers insuring each employee for Accidental Death and

Dismemberment Insurance in the amount of \$50,000.00. It is understood and acknowledged that Accidental Death and Dismemberment Insurance will not be provided for pensioners (including pensioners in receipt of a Total and Permanent Disability Pension). Such insurance shall be payable in a lump sum in the event the death of an employee follows within twelve months as a result of bodily injury caused, directly and independently of all other causes, by external violent and accidental means. Such insurance shall likewise be payable in the event an employee suffers the entire and irrevocable loss or loss of use (the total and irrecoverable loss and use provided the loss is continuous for twelve consecutive months and such loss of use is determined to be permanent) two hands or feet or sight of eyes or any two of them, caused by accident and one half of such insurance shall likewise be payable in the event an employee suffers the entire and irrevocable loss or loss of use of one hand or one foot or sight of one eye, caused by accident. To qualify for this dismemberment insurance, the bodily injury must occur within twelve months of the occurrence of the accident. The amount of the Accidental Death and Dismemberment Insurance payable under this plan in respect of an employee shall in no event exceed the principal sum specified in the paragraph. The contract may contain such limitations and conditions as are normally found in contracts issued in Ontario for insurance of this type.

#### 4. Survivor Income Benefit Insurance

- (a) Transition Survivor Income Benefit Subject to the provisions of Section 4 (e) hereof, the Company agrees to provide Transition Survivor Income Benefit Insurance to a maximum amount of \$500.00 per month for a period of up to a maximum of twenty four months. Such Transition Survivor Income Benefit Insurance shall be in force only after an employee has had one year of continuous service with the Employer and while he is insured for Accidental Death and Dismemberment under Article A, Section 3, and only while he has at least one eligible dependent.
- (b) Payment of Transition Survivor Income Benefit. In the event of death of an insured employee on or after the 23<sup>rd</sup> day of July, 2006,

from any cause, benefits shall be payable monthly commencing on the first day of the calendar month following the death of the employee, and on the first day of each month thereafter until twenty-four such payments have been made or until there are no eligible survivors in any class of eligible survivors, if earlier. In no event will the maximum amount payable on account of the death of any employee exceed \$500.00 per month of \$12,000.00 in total. Payments shall be made to the eligible survivor or in equal shares to the eligible survivors in the first of the Classes of survivors set forth in Subsection (C) herein in which there is an eligible survivor or survivors.

(c) Classes of Eligible Survivors.

The classes of eligible survivors (also referred to herein as eligible dependents) and the order of qualifying for benefits are as follows:

CLASS A: A person who has been the spouse (as defined in Part 1 (b) of the Agreement) of a deceased employee for at least one year immediately prior to the employee's death.

CLASS B: Any child of the deceased employee who at the time a Transition Survivor Income Benefit first becomes payable to him is both unmarried and under twenty-one years of age, but such child shall cease to be a Class B eligible survivor upon marrying or reaching his twenty-first birthday.

CLASS C: A parent of the deceased employee for whom the employee had, during the calendar year preceding the employee's death, provided at least 50% of the parent's support.

(d) Sequence of Payment

Payments shall be made to the eligible survivors as set forth in Subsection (c) above in the following order:

- (i) Class A Eligible Survivor If a Class A eligible Survivor dies or becomes ineligible prior to the payment of the maximum number of twenty-four benefit payments, the right to any remaining payments shall pass in equal shares for the balance of the

maximum number of payments to any surviving children who then qualify under Class B or, if there are none, then in equal shares for the balance of the maximum number of payments to any surviving parents who then qualify under Class C.

- (ii) **Class B Eligible Survivors** If, after having qualified under Class B, a child marries, or dies, or attains age twenty-one, any remaining payments shall be divided equally among any surviving children who continue to qualify under Class B. After the last child marries, or dies, or attains age twenty-one, any remaining payments shall be divided equally among any surviving parents who then qualify under Class C.
  - (iii) **Class C Eligible Survivors** If more than one parent qualified under Class C and either parent dies, any remaining payments shall be payable to the surviving parent.
  - (iv) **No Eligible Survivor** If no eligible survivor of the employee qualifies in any Class on the first of the month following the death of the employee, no payments will be made hereunder. Once begun, payments will cease when there is no eligible survivor in any Class.
- (e) For the eligible Class A survivor of an employee who was actively at work on or after July 23, 2006, and who had died since that date, the amount of the Transition Survivor Benefit shall be \$500.00 per month reduced by the amount of any survivor's disability or retirement benefit payable under the Canadian Pension Plan or by an Old Age Security Act in accordance with the terms of such Plan and Acts as may be now in effect or hereafter amended; provided that in no event shall the monthly Transition Survivor Benefits be reduced below the sum of \$250.00. For the eligible Class B or Class C survivor or survivors of any employee who was actively at work on or after July 23, 2006, and who had died since that date, the amount of the Transition Survivor Benefit shall be \$500.00 for any month for which no eligible survivor or survivors of the deceased employee is or are entitled to a survivor's disability or retirement benefit payable under the Canada Pension or an Old Age Security benefit payable under the Old Age Security Act in accordance with the terms of such

Plan and Acts as may be now in effect or hereafter amended, and shall be reduced to \$250.00 for any month for which an eligible survivor or survivors is or are entitled to such a Statutory Benefit, except that for months in which two or more survivors share a Transition Survivor Income Benefit immediately following the death of the employee, each survivor's share is computed as a fraction of the Transition Survivor Income Benefit that would be paid to him as sole survivor according to his own eligibility for a Statutory Benefit.

- (f) Survivor Income Benefits for Class A Eligible Survivor Age 47 Or Over At The Time of Death Of Employee. There shall also be payable in accordance with the terms and conditions of this Subsection to a Class A eligible survivor, as defined in subsection (c) above, who was forty-seven years of age or more on the date of the employee's death and who has received twenty-four monthly payments of the Transition Survivor Income Benefit provided in Subsection (a), (b) and (e) above, and additional survivor income benefit of \$500.00 per month (hereinafter referred to as a Bridge Survivor Income Benefit) as follows:
- (i) The Bridge Survivor Income Benefit will become payable commencing with the first month following the month for which the twenty-four monthly payment of the Transition Survivor Income Benefit is paid.
  - (ii) The Bridge Survivor Income Benefit will cease to be paid immediately upon the occurrence of
    - (a) the death or marriage of the Class A eligible survivor or
    - (b) Attainment by the Class A eligible survivor of such age at which Old Age Security Benefits become payable, other than on a "needs" basis under an Federal or Provincial legislation, as now in effect or hereafter enacted or amended.
  - (iii) The amount of the Bridge Survivor Income Benefit shall be reduced by any Survivor's or Disability Benefit payable under the Canada Pension Plan, in effect as of July 23, 2006.
5. Continuance of Life and Accidental Death and Dismemberment Insurance During Leave of Absence, Illness or Layoff.

(a) Leave of Absence

If any employee is granted leave of absence by the Company with or without pay and for any reason, his life insurance and accidental death and dismemberment insurance shall continue until he returns to active work or until the first day of the third calendar month following the date of cessation of work whichever shall first occur. An eligible employee who is granted leave of absence for personal reasons shall have the right after his insurance is terminated, in addition to the foregoing, to continue his life insurance and accidental death and dismemberment insurance in effect at the date he was granted such leave of absence at his own expense at the prevailing group rates for the duration of his leave of absence.

(b) Illness

If an employee is absent from work by reason of bodily injury or sickness, his life insurance and accidental death and dismemberment insurance shall continue for a period which is equivalent to the period he is entitled to accumulate seniority and service during his absence for this reason under the terms of the Collective Labour Agreement commencing with the first day of the month next following the date upon which the disability begins as defined in Part II. Article C, Section 5. However, an employee who is continuously absent from work because of bodily injury or sickness in excess of the period for which coverage is paid by the Company may, at his own expense, continue his life insurance and accidental death and dismemberment insurance at the group rates until such time as his case is decided but in any event no longer than a further twelve month period.

(c) Layoff

- (i) If an employee is laid off and is eligible for a supplemental unemployment benefit under the Supplemental Unemployment Benefit Plan in effect with the Company, the life insurance and accidental death and dismemberment insurance in respect of the employee shall continue until the last of the weekly supplemental unemployment benefits with respect to such layoff is paid or until the expiration of six months from the date of the layoff whichever is the shorter period.

- (ii) If an employee is laid off and is not eligible for a supplemental unemployment benefit under the Supplemental Unemployment Benefit Plan in effect with the Company, the life insurance and accidental death and dismemberment insurance in respect of the employee shall continue until the end of the calendar month in which his layoff occurred
  - (iii) If an employee is laid off and is already in receipt of weekly indemnity benefits under this Agreement, the life insurance and accidental death and dismemberment insurance in respect of such employee shall continue for the period to which he is entitled under Section 5 (b) hereof but he shall not be entitled to any additional extension of his coverage during the period of layoff.
  - (iv) An employee whose life insurance and accidental death and dismemberment insurance have terminated at the expiry of the period referred to in Section 5 (c) (i) and (ii) hereof shall have the right to continue at his own expense the life insurance and accidental death and dismemberment insurance in effect at the date of this layoff at the current group rates for a period of twelve months from the date of such termination.
6. The policy of group life insurance shall provide that a person within thirty-one days after the later of:
- (a) the date of termination of his employment while insured, or
  - (b) the date of termination of his insurance if such insurance has been continued under Section 5 of this Article shall have the privilege (herein called the conversion privilege) of obtaining, without medical examination, an individual policy of life insurance upon written application made to the insurer and payment of the first premium therefore, within said thirty-one day period. The amount of such policy may not exceed the amount of life insurance in force under the group policy with respect to the life of such person upon the first date the privilege can be exercised, the policy may be on any of the regular life and endowment plans; premiums shall be based upon the age of the person at the time of conversion for the class of risk to which he belongs. During the thirty-one day conversion period, notwithstanding the termination of life



insurance under the Plan, the insurer will maintain group life insurance in force with respect of the said person and if the conversion privilege is exercised the individual policy will take effect upon the expiration of the said thirty-one day period.

## 7. Optional Contributory Life Insurance

### (a) Employee Life Insurance

In addition to the Company –provided basic Life Insurance, an eligible employee may elect, in writing, an additional \$50,000.00 of Life Insurance on his life. Such Life Insurance shall be on a contributory basis. The current rate of weekly contribution will be deducted from an employee’s earnings. Should the rates, changed by the Insurance Company for this contributory benefit be altered, an employee’s contribution rate will be altered accordingly. An election to participate must be made within thirty-one days of becoming eligible or evidence of insurability will be required before coverage can become effective. Once an election to participate has been made, an employee may cancel his optional coverage at any time, in writing, but evidence of insurability will be required if he subsequently decides to reapply for Optional Life Insurance and any insurance would take effect the first of the month following election and acceptance by the Insurance Company of evidence of insurability. The details concerning Total and Permanent Disability Benefit Beneficiary, Termination and Conversion provisions are the same as those pertaining to the Company’s basic Health and Life Plan except that upon retirement or attainment of age 65, whichever is earliest, only the conversion privilege is applicable, as none of the amount of optional Life Insurance in force at the time pension is granted is carried on after retirement as is the case under the basic Life Insurance.

### (b) Dependent Life Insurance

Provided that an eligible employee has applied for or maintained the coverage as described in 7 (a) above; he may elect in writing Dependent Life Insurance on a contributory basis, in the amount of \$5,000.00 for a spouse and \$1,000.00 for each Dependent child. Spouse and Dependent child are as defined in Part 1, 1(b). The

current rate of weekly contribution will be deducted from an employee's earnings. Should the rates charged by the Insurance Company for this Contributory benefit be altered an employee's weekly contribution rate will be altered accordingly. An election to participate must be made within thirty-one days of becoming eligible, or evidence of insurability will be required before coverage can become effective.

## B – WELFARE BENEFITS (HOSPITALIZATION, SURGICAL, MEDICAL, AMBULANCE AND DRUGS).

1.

- (a) The Company agrees to pay the whole of the monthly premium to the Ontario Health Insurance Plan, in respect to each employee eligible to receive this benefit from the Company so as to qualify the employee and his dependents, if any, for entitlement to receive the insured services and after the effective date of the Agreement provided by the Ontario Health Insurance Plan (O.H.I.P.). The amount of the monthly premium, the due date of payment and the benefit period provided by such payment shall be such as are prescribed by the Regulations pertaining thereto.
- (b) In addition by way of a supplementary hospital benefit, the Company agrees to pay the whole of the monthly premium due on or after July 23, 2006, in respect to each employee eligible to receive this benefit from the Company as a result of the enrollment of himself and his dependents, if any, on or after the effective date of this Agreement, in an authorized form of Liberty Mutual Supplementary Hospital Benefit Plan which will provide such employee and his dependents, if any, with reimbursement or indemnity for the excess of the cost incurred by him and/or his dependents on or after the above date for hospital accommodation provided at the semi-private rate level over the cost of hospital accommodation at the standard public ward level provided and included in the inpatient insured services supplied under the Ontario Health Insurance Plan.

- (c) For the purpose of determining whether an employee or other person is eligible to have the premium of premiums deferred to in (a) and (b) of the above of this Section paid by the Company with respect of any particular month, such employee or person shall be deemed to be so eligible with respect to the first and each succeeding month in which he is described in Part III hereof being eligible for the benefits of the Plan arising out of death, bodily injury or sickness suffered or incurred in such month and each succeeding month so that the Company's obligation to provide benefits will be fully discharged by the making of the payment of the monthly premium as aforesaid on such dates, notwithstanding that the said employee or other person may not be entitled Union the Plans described in (a) and (b) above this Section to receive the benefit of the services therein provided in concurrent months or succeeding months.
- (d) An employee who is hired on or after the effective date of this Agreement, or a person who is re-employed with credit for prior service on or after such date, being ineligible to have the aforesaid premiums paid by the Company immediately upon his employment or re-employment, as the case may be, shall have deducted from his wages for the first month or any portion thereof in which he commenced his employment or re-employment with the Company and thereafter for each succeeding month that he remains eligible, a sufficient amount to pay the monthly premium due and payable by him or himself and his dependents to the Ontario Health Insurance Plan for insured services under the Ontario Health Insurance Plan and to pay the monthly premium due an payable by him or himself and his dependents to Liberty Mutual, if he is duly enrolled therein, for the supplementary hospital benefit described in Section 1 (b) above until such time as he becomes eligible to have the payments of such premiums made by the Company as benefits. The Company is hereby authorized and empowered to deduct from the wages of such employee the aforesaid monthly premium or premiums, including any arrears of premiums due or payable by the employee as an insured person

and to pay the monthly premium due and payable by him for himself and his dependents to the Ontario Health Insurance Plan and any arrears of premiums due and owing to Liberty Mutual, in respect to enrollment in such Plan prior to his employment or re-employment with the Company. Each such employee shall sign a wages deduction authorization in a form satisfactory to the Company authorizing the Company to deduct from his wages each month, the requisite amount to pay the monthly premium of premiums including any arrears of premium to enable him and/or his dependents to qualify at the earliest possible date for the insured services and supplementary hospital benefits referred to above.

- (e) An employee who does not qualify as a member of the Company's mandatory group and on whose behalf the Company is not required to remit to the Ontario Health Insurance Plan, a monthly report or monthly premium payment under the Ontario Health Insurance Plan shall not be entitled to any benefits from the Company under this Section 1 of this part.
- (f) In the event that an employee fails to record with the Company a change in his marital status or in the number of dependents, he shall not be entitled to have payments of premiums made or remitted on his behalf with respect to any dependents acquired but not reported and recorded by name.

## PART II B – Section 2

2.

- (a) As set forth in Section 1 (a) above, should the terms and conditions of enrollment in the Ontario Health Insurance Plan be varied, or should the services to be rendered and benefits to be provided under such Plan be varied, extended or restricted in more than a nominal manner, the Company may at any time thereafter at its option, and shall upon request in writing of the Union, if permitted by law, negotiate with other insurers to procure a contract or contracts to provide benefits or services or any part

thereof that has been discontinued as a result of a variation or restriction in the Plans having a marked resemblance or likeness in the aggregate to the benefits provided in Section 1 (a) above. If the Company is not permitted by law to negotiate with an insurer for substituted benefits either in whole or part, then the services to be rendered under such Plans as modified, shall be substituted for the services described under Section 1 (a) above, but the Company may at its option and is in that event authorized to deduct from the wages of each employee a sufficient amount each month thereafter to defray the cost of any increase in premium resulting from any change in the terms and conditions of enrollment and/or any variation in the services and benefits as aforesaid.

- (b) Should the Ontario Hospital Association at any time increase its rate or subscription payment and/or vary the terms of enrollment in the supplemental benefits program provided in Section 1 (b) above, or should the services to be rendered be extended, varied or restricted in more than a nominal manner, the Company may at any time thereafter, at its option, and shall upon the request in writing of the Union negotiate with other insurers to procure a contract to provide hospitalization benefits for employee and their dependents having a marked resemblance or likeness to the benefits provided in Section 1 (b) of the Part. The Company shall discontinue the payments pursuant to Section 1 (b) thereof as of the first day of the month in which a contract with another insurer becomes effective, and in lieu thereof will pay the whole of the charges made by such other insurer for each substituted benefit.
3. (a) The Company will pay the whole of the monthly subscription rates due on or after July 23, 2006, charges to an employee by the Liberty Mutual, as a result of the enrollment of himself and his dependents for the benefits provided by the Ontario Hospital Association in the Liberty Mutual, as a result of the enrollment of himself and his dependents for the benefits provided by the Ontario Hospital Association in the Liberty Mutual Extended Health Care Plan including eyeglasses (Maximum \$220.00 every two years), hearing aids (Maximum \$500.00 every five calendar

years). Liberty Mutual Out of Province/Country Medical Coverage for active employees only to Company's provided Ontario benefit level; maximum per any trip is sixty calendar days.

Private room hospital accommodation (not a suite) as in effect July 23, 2006. In the event that an employee fails to deliver to the Company the enrollment record provided by the Liberty Mutual Extended Health Care Plan he shall not be entitled to any benefits under the Plan. In the event that an employee fails to record with the Company any change in his marital status or in the number of his dependents, he shall not be entitled to any benefits under the Plan with respect to any dependent acquired but not reported and recorded by name.

4. (a) Employees who were eligible for a monthly pension (but not a deferred vested pension) and who were retired by the Company prior to July 23, 2006, will continue to be provided with life insurance, hospital expense benefits, surgical expense benefits, medical expense benefits and ambulance expense benefits, which were applicable at the date of being retired by the Company in accordance with the terms of the Health and Life Insurance Agreement in effect at the date of such retirement.
- (b) Employees eligible for a pension (but not a deferred vested pension) who are in receipt of a pension or become entitled to the receipt of a pension pursuant to the provision contained in the Pension Plan and Severance Award Agreement, above referred to, or any predecessor Pension Plan and Severance Award Agreement between the parties and who are residents of either Canada or United States of America, will be provided with the following benefits in respect to illness or injuries sustained by them or their dependents after the effective date of this Agreement providing they have been or are retired by the Company after July 23, 2006.
- (i) Hospital, Surgical, Anesthetic, Medical and Diagnostic Expenses. Hospital, surgical, anesthetic, medical and diagnostic expense benefits for themselves and their dependents similar to those

benefits which they received as employees immediately prior to their retirement under Section 1 (a) and 1 (b) of Part II, Article B.

- (ii) Liberty Mutual Extended Health Care Plan including Eyeglasses, Private Room Hospital Accommodation as in effect February 1992. After July 23, 2006, benefits for themselves and their dependents similar to those described in Section 3 of Part II, Article B. Only those eligible dependents on record with the Company at retirement will be covered in respect of the benefits provided in this Section 4 of Part II, Article B.

C - WEEKLY INDEMNITY BENEFITS Effective with respect to claims originated on or after July 23, 2006.

1. If bodily injury caused by accident or sickness, shall directly and independently of all other causes, totally and continuously disable an employee and prevent him from performing any and every duty pertaining to his regular occupation with the Company, the Company will pay or cause to be paid to the employee weekly indemnity at the rate of 66 2/3% of the employee's average insurable earnings over the last twenty weeks of insurable employment (as used by the Unemployment Insurance Commission) or at the rate of 66 2/3% of the employee's average hourly earnings times forty hours whichever is higher. However, in either case the amount of weekly indemnity will not exceed \$447.00 a week nor be less than \$100.00 a week and will be payable for a period of such continuous total disability but not exceeding fifty-two weeks of any such disability for all employees.
2. There will be no limit to the number of different periods of disability for which benefits will be paid. 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 2 weeks. Periods of disability due to different causes will be considered different periods of disability if separated by return to full time work. An employee in receipt of weekly indemnity at the time of layoff shall continue to receive his weekly indemnity payments for

the maximum period for which he would have been entitled if he had not been laid off.

3. If the disability is the result of an accident, the benefits will be paid as, from and including the first day of disability. If the disability is the result of sickness and benefits will be paid as, from and including the eighth day of continuous disability except that when the disability results in the confinement to hospital of the employee, the benefits will be paid as, from and including the first day of such hospitalization. A day shall be deemed to start at midnight; part days shall be treated as whole days; and part weeks shall be indemnified at the rate of one-fifth for each working day of disability. In addition to the foregoing, if the employee undergoes outpatient surgery in a licensed hospital recognized by the Ontario Hospital Association, the benefits will be paid as from and including the first day of disability. The outpatient surgery must be provided by a Physician as described in Part I, Subsection I (g).
4. 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. Subject to the foregoing, the date upon which the disability begins shall be deemed to be the first day upon which the employee fails to report to the Company for work or is required to cease work before his regular quitting time, and the date upon which the disability terminated shall be deemed to be the day before the first day upon which the employee is capable of performing the duties pertaining to his occupation with the Company.

#### PART II C – Section 5

5. Weekly indemnity benefits shall not be payable for any disability:
  - (a) resulting from injury or sickness for which the employee is entitled to receive indemnity in accordance with any Workers' Compensation or similar law;
  - (b) resulting from injury sustained or sickness contracted as a direct or indirect result of war or engaging in a riot;



- (c) resulting from the use of drugs, or alcohol, unless the employee is certified as being actively supervised by and receiving continuing treatment from a rehabilitation centre, a provincially designated institution or a licensed physician;
  - (d) resulting from any cause for the period (i) of formal maternity leave taken pursuant to Provincial or Federal law or pursuant to mutual agreement between the employee and the Company, or (ii) for which Unemployment Insurance maternity benefits are paid, or (iii) commencing with the tenth week prior to the expected week of confinement and ending with the sixth week after the week of confinement, whichever is the longest period.
6. Part-time employees whose regularly scheduled work shift of normal work week, shall receive reduced weekly indemnity benefits based upon the proportion which their work shift or work week bears to the regular work shift or the normal work week.
  7. Where an employee receives weekly indemnity benefits by reason of a bodily injury or sickness in respect of which some third party is under legal liability, the Company shall be subrogated to the employee's right to compensation for the cost of benefits provided in respect of such bodily injury or sickness to the extent of the amount paid by the Company either directly or indirectly in respect thereof, and the employee by acceptance of the benefits will undertake that he shall prosecute such claim against the third party at the expense of and to the extent directly by the Company , and pay over to the Company what is entitled to receive as aforesaid, together with any expenses it may have paid or incurred from any monies recovered from such third party, and he will do all acts and execute all documents necessary to permit the Company to obtain the benefits of this clause.
  8. Should the earnings index under the Unemployment Insurance Act change the criteria for maximum benefits the Company may elect to adjust the maximum weekly benefit of \$447.00 to the extent of maintaining the minimum qualification requirements of the Weekly Indemnity plan for premium reductions under the Unemployment Insurance Act. In consideration of the improved

weekly indemnity benefits, the Union and the employees agree that the entire amount of rebate due to any reduced unemployment premium, if the plan is approved, shall be retained by the Company.

**PART III  
ELIGIBILITY**

1. All employees eligible for benefits under the Health and Life Insurance Agreement dated the 23<sup>rd</sup> day of July, 2007, as amended by the terms of this Agreement, shall be eligible for the benefits of this amended Plan covering death, bodily injury or sickness sustained or incurred after the effective date of this Agreement.
2. An employee hired after the effective date of the Plan, as amended will become eligible for the benefits of the Plan arising out of death, bodily injury or sickness suffered or incurred on or after the first day of the second month following the month in which employment begins, provided that he is actively employed on the working day coincident with or next following that date. New hires will be responsible for their extended health, dental and hospital coverage premiums as outlined.

Company service	Employee Pays	Company Pays
2 – 12 months	20%	80%
Over one year	Zero	100%

New hires will also be responsible for a 20% co-payment on all eligible medical and dental expenses for the first three years.

3. Except as provided in Section 1, an employee who is absent from work on the first working day coincident with the next following the date upon which he would otherwise be eligible for benefits of the Plan shall be eligible upon return to active employment.

4. Benefits in respect of any dependent of an employee shall become effective as of the date he is properly recorded with the Company, provided that the employee himself is eligible upon that date.
5. Notwithstanding the limitations contained in Part II, Article C, Section 6 (d); an employee who is eligible for benefits on the effective date of the Plan shall forthwith be entitled to weekly indemnity benefits for disability arising out of pregnancy.
6. (a) An eligible employee who is laid off with one or more years of seniority and entitled to the receipt of a supplemental unemployment benefits under the Supplemental Unemployment Benefits Plan with the Company shall be entitled to the benefits described in Part II, Article B, arising out of any bodily injury or sickness suffered or incurred by himself or his dependents during the period from the date of his layoff that he receives weekly supplemental unemployment benefit under the Supplemental Unemployment Benefits Plan with the Company or during the period ending six months from the date of his lay off whichever is the shorter period, but he shall not be entitled to the benefits described in Part II, Article C, arising out of any bodily injury or sickness suffered or incurred after the date upon which the layoff occurred.
- (b) An eligible employee who is laid off with one or more years of seniority and not entitled to the receipt of a supplemental unemployment benefit under the Supplemental Unemployment Benefits Plan with the Company, or an eligible employee who is laid off with less than one year's seniority shall, in either case be entitled to the benefits described in Part II, Article B, arising out of bodily injury or sickness suffered or incurred by himself or his dependents during the period ending upon the last day of the calendar month following the month during which the layoff occurs, but shall not be entitled to benefits described in Part II, Article C, arising out of any bodily injury or sickness suffered or incurred after the date upon which the layoff occurred.
7. An eligible person who is re-employed with credit for prior service shall be reinstated:

- (a) automatically with respect to the benefits described in Part II, Articles A and C in that his eligibility shall not be subject to the provisions of Section 2 of this Part and
  - (b) with respect to the benefits described in Part II, Article B, as of the day of re-employment occurs on the first day of a month, and in other cases on the first day of the month next following.
8. An eligible employee who is on leave of absence with the consent in writing of the Company shall be entitled to the benefits described in Part II, Article B, for bodily injury or sickness suffered or incurred by himself and/or his dependents up to but not including the first day of the third month following the leave of absence.
9. An eligible employee who is absent from work because of bodily injury or sickness shall continue to be eligible for the benefits described in Part II, Article B, for a period commencing with the first day of the month next following the date upon which disability begins, which date shall be deemed to be this first day upon which the employee fails to report to the Company for work or is required to cease work before his regular quitting time and equal to twelve months with respect to an employee who has less than ten years of continuous service with the Company upon that date and equal to twenty-four months with respect to an employee who has ten years or more of continuous service with the Company upon that date.
10. An eligible employee
- (a) who is granted a leave of absence for personal reasons, or
  - (b) who is absent from work because of bodily injury or sickness, or
  - (c) who is laid off by the Company, and whose benefits described in Part II, Article B, have ceased, shall be entitled to purchase at his own expense such benefits directly or through the Company, from the insurer or insurers providing them at prevailing group rates for the period of the leave of absence for personal reasons and for an additional period of twelve months with respect to the other eligible employees referred to in this Section, if such benefits are available on this basis.

11. The surviving spouse of a deceased employee or of a deceased pensioner shall be given the right to purchase at his or her own expense directly from the insurer or insurers providing them the benefits described in Part II, Article B, on a pay-direct basis if the Company is able to arrange such coverage with an insurer on this basis.
12. Subject to the provisions of Part II, Article A, eligibility for an employee for any benefits under the Plan will terminate automatically upon termination of active employment and active termination of active employment of a disabled employee shall be deemed to terminate upon termination of eligibility for benefits pursuant to the provision of this Agreement.
13. An unmarried child, twenty-one years or more of age, who is dependent on the employee for support and maintenance, and who is either a full time student or mentally or physically incapable of self-support, will be entitled to the benefits provided under art II B, Section 1 (a), 1(b) and 3.

#### PART IV

##### GENERAL PROVISIONS

1. The Company shall have the sole responsibility and authority consistent with provisions of the Agreement for the operation and administration of the Plan.
2. The Company may enter into a contract or contracts with an insurer or insurers to provide all or any of the benefits described herein, and upon so doing the Company shall be relieved of any liability to any employee, pensioner or dependent with respect to performance of the obligations contracted for by the insurer; and the Company may from time to time without consent of any employee or pensioner amend, terminate, reinstate, and/or substitute any such contract or contracts.
3. the employee shall complete any application or questionnaire relating to the number, sex and age of himself and his dependents or the facts pertaining to a claim for benefit presented to him by an insurer, either through the Company or otherwise.

4. The insurer shall issue or cause to be issued a certificate to each employee eligible for benefits which will describe the benefits and privileges provided hereunder by said insurer. The employee shall be deemed to accept all the benefits and privileges thus described and all liabilities and obligations except the liability and obligation to pay the premium, fee or other regular charge of the insurer.
5. The benefits described in Part II, Article C, together with weekly indemnities payable under contracts of insurance upon the employee, make up an aggregate weekly value in excess of the average weekly earning of the employee during the year preceding and ending with the disability, the Company shall be liable only for such proportion of the benefits so described as such average weekly earnings bear to the aggregate of the benefits payable under all such contracts on the person of the employee.
6. The Company shall have the right, and an employee or pensioner claiming payment of disability shall afford an opportunity, to examination of the person of the employee or his dependent, by a physician appointed by it, when and as often as it may reasonably require while a claim for benefits is pending.
7. If a dispute shall arise between the Company, or its insurer as the case may be and an employee as to whether such employee is, or continues to be, suffering from bodily injury or sickness or a degree, extent and type that gives rise to claim for benefits under the Plan, such dispute shall be resolved as follows:

The employee or disabled person shall be examined by a physician appointed for that purpose by the Company or the insurer and by a physician appointed for that purpose by the Union . If they shall disagree concerning the kind and nature of the disability the question shall be submitted to a third physician selected by the said two physicians. The opinion of the third physician, after examination of the disabled person and consultation with the other two physicians, shall be accepted by the Company or the insurer, the Union and the employee as reputable evidence of the facts therein disclosed, and the degree, extent and type of disability suffered by the disabled person. The fees and expenses of the

third physician shall be shared equally by the Company or the insurer and the Union.

8. If a dispute shall arise between the Company and an employee with reference to eligibility for benefits or payment of claims under the Plan, or if a dispute shall arise between the Company and the Union as to whether the Company has provided and continues to provide benefits as hereinbefore described, such dispute may be taken as a grievance under the grievance provision of the Collective Labour Agreement then in effect, omitting, however, all steps preceding presentation of the grievance to the Manager Industrial Relations of the Employer. If any such grievance shall be taken to arbitration in accordance with such procedure, the arbitrator of the Board of Arbitration, insofar as it may be necessary to the determination of such grievance, shall have authority only to interpret and apply the provisions of the Agreement and of the Collective Labour Agreement. He or it shall have no authority to add to or subtract from any provision of the Agreement or to waive or fail to apply any requirement of eligibility for benefit under the Agreement. The decision of the arbitrator or Board of Arbitration or any grievance properly referred shall be binding upon the Company, the Union and the employee.
9. The establishment of the Plan shall not give any employee any additional right to be retained in the employment of the Company; and each employee shall remain subject to discipline, discharge or layoff to the same extent as if such Plan had not been put into effect.
10. The Plan is subject to such amendment from time to time as may be necessary to meet the requirements of any applicable Federal or Provincial laws, orders or regulations, and the relevant provisions of the Insurance Act of Ontario shall be deemed to apply except to the extent that such provisions may be waived or are superseded by the express provisions of this Agreement.
11. Payments of claims shall be made with due regard to the times and manner in which payments of claims of the types provided in this

Agreement are customarily paid in Ontario. Any notice or payment direct to an employee shall be deemed to be properly delivered or tendered when mailed, postage prepaid, to the most recent address of the employee shown upon the records of the Company.

## **PART V TERM OF AGREEMENT**

1. The Company has entered into this Agreement on condition that the whole of the premiums, costs and expenses it incurs in fulfillment hereof shall be and shall continue to be allowed by government tax authorities as a proper deduction in computing income taxable under the provisions of the Income Tax Act or any other applicable tax laws now in effect or as hereafter amended or adopted. In the event the relevant government tax authorities refused to allow such deduction, or withdraw their approval of such deduction, this Agreement shall terminate on the effective date of such refusal or withdrawal or upon the expiration of thirty days after the Company shall first have been advised by such tax authorities of such refusal or withdrawal of approval, whichever is later. During the such thirty day period, the parties will meet for the purpose of negotiating any modification or changes required in order to obtain such approval of such tax authorities, provided however, the Company during such thirty day period shall not be required to pay any premiums, costs or expenses arising out of this Agreement which it is not entitled to deduct as an expense before taxes under the provisions of The Income Tax Act and any other applicable tax laws now in effect of hereafter amended or adopted, and payment of benefits shall be discontinued to a like extent.
2. If at any time a Federal or Provincial Government passes legislation which directly or indirectly has the effect of providing benefits similar to one or more of the benefits described in the Plan for which the employees as a class shall be eligible, this Agreement shall automatically be revised for the purpose of integrating such Federal or Provincial Government Plan with this



Plan on the expiration of thirty days after the proclamation of such statute or on the date such statute comes into effect, whichever is later. During such thirty day period or such longer period as may reasonably be required to carry out such integration, the Company will take such steps as may be necessary or desirable to terminate any duplication of benefits and to assure that the aggregate of the statutory benefits so provided and the benefits provided under this Plan shall approximate in kind and money value the benefits provided under the Plan before said statutory enactment, providing this can be done without additional costs to the Company .

3. If at any time it shall be necessary or appropriate to make any revision of this Agreement pursuant to Section 1 of this Part, the Company may make such revisions retroactively or otherwise with the consent of the Union. The making of such revision shall be the subject of immediate negotiations between the Company and Union. In such negotiations the Company and the Union shall recognize that the Collective Labour Agreement then in effect was executed in the expectation that the Plan, or one with substantially equivalent benefits, would be and remain in effect during the term of the Agreement and of any renewal thereof theretofore made.
4. In the event of the refusal of the Board of Directors of the Company to approve this Agreement on or before the 1 st. of December, 1992, or in the event that this Health and Life Insurance Agreement is terminated pursuant to Section 1 of this Part, either the Union or the Company may apply to the Ontario Labour Relations Board for permission to terminate any Collective Labour Agreement then in effect and the other party shall join in such application. If subsequent to notice of termination of such Collective Labour Agreement or subsequent to termination of this Agreement the parties settle any difference between them and this Agreement is reinstated or a successor Agreement is made then such Collective Labour Agreement, if terminated, shall be reinstated to continue in full force until subsequently terminated according to its provisions as contained therein.

5. This Agreement constitutes a full settlement of all demands of the Union for life insurance, accidental death and dismemberment insurance and accident and sickness benefits, including Weekly Indemnity Benefits for the duration of the Agreement and during the term hereof of any renewal hereof. Subject to the provisions of Section 2, Article B, Part II, neither the Union nor its representative shall:
  - (a) make any demand that this Agreement be changed in any respect or terminated or that a new life insurance, accidental death and dismemberment insurance, or sickness and accident benefit plan be established for the employees, or that the Company contribute or pay any greater amount for such benefits for the employees than it is required to pay under the provisions hereof;
  - (b) engaged in or continue to engage in, or in any manner encourage or sanction any strike or other action which will interfere with work or production at the plants of the Company for the purpose of securing any such change, increase or termination; and except during the last seventy-five days of the term of this Agreement, or of any renewal thereof, the Company shall not have any obligation to negotiate or bargain with the Union with respect to any of the matters referred to in clause (a) of this Section. Any and all benefits similar in kind to those described in Clause (a) hereof heretofore supplied, granted or sponsored by the Company for the employees shall be discontinued as of the effective date of this Plan, insofar as lies within the powers of the Company and the Union will support the Company in its efforts to accomplish such discontinuance.
6. (a) Subject to the foregoing, this Agreement shall become effective as of July 23, 2006 and shall continue in full force and effect thereafter in respect to all benefits until the 18<sup>th</sup> day of July, 2009, and thereafter from year to year unless either party gives to the other party notice in writing of cancellation or of proposals for revision within a period of not less than two months or more than three months prior to the termination date,

- the last day of the original period or any extended period being referred to herein as the termination date.
- (b) If either party gives to the other a notice of cancellation in accordance with the provisions of Section 6 (a) of this Part, this Agreement shall terminate in accordance with such notice.
- (c) If either party gives to the other a notice of proposals for revision in accordance with the provisions of Section 6 (a) of this Part, the parties shall meet to consider the proposed revision within fifteen days of the date of delivery of such notice. If no agreement on the proposed revisions is reached by midnight July 18 2009 or by midnight on any subsequent anniversary date, as the case may be, this Agreement shall be continued in operation for a period not exceeding one year or until a new Agreement is reached or until the procedures contemplated by the Labour Relations Act has been completed. Notwithstanding the termination of this Agreement, the benefits described therein shall be provided for ninety days following termination. The termination of this Agreement shall not have the effect of automatically discontinuing the payment of benefits insofar as it affects the benefits payable with respect to disabilities, which were suffered or incurred prior to the date of termination.

## **LETTERS OF UNDERSTANDING**

### **Letter #1**

This letter will serve to confirm the understanding given to you by the Company during the recent negotiations. It is the intention of the Company to pay to present rate or subscription payment as well as any subsequent increase that might be implemented during the term of the Agreement, for the Ontario Health Insurance Plan. No supplementary benefit plans that may be in existence will be considered included in the above reference to the Ontario Health Insurance Plan.

### **Letter #2**

This will confirm the Company policy with respect to claims for weekly indemnity. Upon receipt of satisfactory medical proof, the time during

which an employee is ill while on vacation or on an approved leave of absence will be counted as waiting days in determining an employee's eligibility for weekly indemnity benefits under the provisions of Part II C, Section 4 of the Health and Life Insurance Agreement. In no event will benefits be paid prior to the date on which the employee is scheduled to return to active employment.

### **Letter #3**

This will confirm the understanding reached during the recent negotiations to the effect that all present pensioners presently covered under the Liberty Mutual Dental Plan No.7 with either Rider No. 1 and 2 (1977 O.D.A.) or Rider No. 1, 2 and 4 (1980 O.D.A.) or Riders No. 1, 2 and 4 (1983 O.D.A.) will continue to receive the same coverage. All future eligible pensioners will receive coverage under the new plan as negotiated in this Agreement.

### **Letter #4**

This letter will confirm the understanding reached during recent negotiations on the twelve-hour continuous work schedule in the Bowmanville Factory. With reference to Part II, Article C, Section 4 in the administration of Weekly Indemnity for eligibility, an employee who is disabled as a result of sickness will have Weekly Indemnity benefits paid from and including the forty-first (41<sup>st</sup>) hour of regular scheduled work loss.

### **Letter #5**

This will confirm our understanding concerning Nursing Services reached during the recent negotiations.

Services rendered in a patient's home by a registered nurse (R.N.) will be subject to a maximum eligible expense in a year of \$25,000 less the amount paid for registered nurses services during the two preceding years plus \$100 per day thereafter.

This letter will serve to confirm the understanding given to you by the Company during recent negotiations.

For purpose of Weekly Indemnity Benefits, in the case of alcoholism for employees with one or more years of credited Company service, the Company will pay or cause to be paid a weekly indemnity benefit equal to that payable under Part II C, Section 1, of the Health and Life Insurance Agreement to which this letter is attached, based on the following criteria:

1. The disability due to alcohol must be recognized by a medical doctor selected by the Company.
2. The employee must be referred to a recognized institution for the treatment of such disability.
3. The maximum number of weeks for which payment will be made will be up to eight weeks.
4. Such consideration will only be made once for any one employee.

#### **Letter #6**

This letter will confirm that the Company will meet with the Local 189 on or before the dental cap of \$2,000 for all active employees kicks in January 1, 1999, and every year following that on or about the same date for the purpose of evaluating the capped amount based on the previous year's experience. Should a change in the \$2,000 maximum be necessary, the Company agrees to raise the limit in order to rectify that situation based on the above referenced previous year's experience.

### **UNDERSTANDING OF DENTAL PLAN**

It is understood that, effective the first of the month following date of ratification / arrangements will be made to provide for all eligible employees and their dependents, dental coverage as outlined in the Liberty Mutual Preventative Dental Care Plan No. 7, with Riders No. 1, 2 and 4, which is based on the Ontario Dental Association Fee Guide.

New employees, hired after effective date of this coverage will receive such coverage as outlined in Part III, Paragraph 2 of the Health and Life Insurance Agreement.

Only employees actively at work will be eligible for coverage.

The Ontario Dental Association Fee Guide will be updated yearly. It is understood that the cost of up-grading the above dental coverage to be based on the Ontario Dental Association Fee Guide will be deducted from future increases generated one cent per year of the Interim Wage Increase Formula.

Associates and each eligible dependent may utilize the dental recall package (fluoride, recall examination, scaling, polishing, x-rays and oral hygiene) once every nine months.

### **Post Retirement Benefit Plan**

FUTURE RETIREES                      1/1/97  
(Life Insurance, Dental, Drug Coverage)

The following chart outlines retiree benefits for life insurance, dental and drug coverage as provided by the Company based on years of Company service prior to retirement.

Years of Service	Company Paid %
Up to 10 years	0%
10 – 20 years	80%
20 – 30 years	90%
over 30 years	100%

\*With 10 years of more of Company service, 100% Company paid with a plant closure or a total permanent disability pension.

**IN WITNESS WHEREOF** the parties hereto have here unto signed the  
23<sup>rd</sup> day of July, 2006.

LOCAL 189 OF THE  
United Steel, Paper and Forestry, Rubber, Manufacturing, Energy,  
Allied, Industrial and Service Workers Industrial Union

B. MURPHY  
N. RUITER  
C. WOODROW  
A. MCLEOD  
C. VERSLUIS

GOODYEAR CANADA INC.  
BOWMANVILLE FACTORY

I. MCPHEE  
B. FRANCIS

SEVERANCE AWARD AGREEMENT

Between

GOODYEAR CANADA INC.  
BOWMANVILLE FACTORY  
“The Employer”

And

UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED, INDUSTRIAL  
AND SERVICE WORKERS INDUSTRIAL UNION  
On behalf of its Local 189L  
“The Union”

July 23, 2006 – July 18, 2009



## SEVERANCE AWARD AGREEMENT

THIS AGREEMENT made and entered into as of the 23<sup>rd</sup> day of July, 2006, by and between GOODYEAR CANADA INC., hereinafter referred to as the "Employer", and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied, Industrial and Service Workers Industrial Union, on behalf of its Local 189 L, representing the employees in the Bargaining Unit at the Employer's Bowmanville Factory, hereinafter referred to as the "Union".

**WHEREAS** the parties hereto established a Severance Award Agreement effective on the first day of October, 1952, which Severance Award Agreement has thereafter been amended from time to time;

**AND "WHEREAS** the parties desire to provide for certain modifications and amendments thereto;

### **NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:**

1. The Employer agrees with the Union that it will pay the severance awards on the terms provided for in this Agreement which are awarded during & the term of this agreement and of any subsequent renewal thereof, subject to the approval of this agreement by the Board of Directors of the Employer.
2. No action taken in performance of this Agreement and consistent herewith shall be construed or interpreted to be a violation of any of the terms of any Collective Labour Agreement between the Employer and the Union.
3. This Agreement shall apply only to those eligible Employees who terminate employment (as described therein) on or after July 23, 2006 and during the term of this Agreement, except as expressly, stated to the contrary.
4. For the purposes of this Agreement, all capitalized terms shall have the meanings given to them under the Pension Plan Agreement between the Employer and the Union unless the context clearly indicates a contrary meaning.

### SEVERANCE AWARD

- (a) On or after the Effective Date of this Agreement the Employer will pay a severance award to an Employee who is released from Employment prior to reaching his/her Normal Retirement Date, either because he/she becomes physically or mentally unable to perform the work of his /her classification or that of another classification

to which he/she might be eligible for transfer provided that, in any case, he/she has five or more years of Continuous Service but

- (i) is ineligible for any Normal Retirement, Special Early Retirement, Early Retirement or Permanent Disability Pension under the Pension Plan and
- (ii) is either ineligible for a deferred vested pension under the Pension Plan or by any federal or provincial laws or being eligible therefore and not being precluded by any federal or provincial laws waives his/her right to such deferred vested pension and elects to receive the severance award in lieu thereof by notice in writing delivered to the Employer within thirty days after termination of his/her Employment

Such severance award is to be payable in a lump sum and, subject to Subsection (d) hereof, is to be equal to the appropriate percentage in the following table applied to the Employee's total earnings from the Employer for the period of his / her Continuous Service.

TABLE

Period of Continuous Service and Age	Percentage
5 years but less than 10 years and under age 65	2%
10 years but less than 15 years and under age 65	2-1/2%
15 years but less than 20 years and under age 65	3%
20 years or more and under age 65	4%

Such severance award shall be reduced by the total amount of the Employer contributions, if any, to the credit of such Employee, under any joint contributory plan of the Employer, provided such Employee elects to take a deferred annuity under such plan. No Employee, however, shall be entitled to receive both a severance award and a deferred vested pension, except as otherwise provided herein

- (b) In computing total earnings for the purpose of calculating any severance award, all earnings from the Employer for the period of Continuous Service shall be included. In addition, in the case of an Employee who received no compensation from the Employer during any period of authorized absence to perform services for the Union in an official or representative capacity while an officer of the Union, the compensation which he/she would then have received from the Employer had he/she been available for regular Employment on his/her regular classification shall be included. Also, in the case of an Employee whose Continuous Service includes any period for which he/she was absent for service with the armed forces and received

no compensation from the Employer, the compensation which he/she would have received had he/she been available for regular Employment during such period on his/her regular classification at the time he/she left shall be included. For whole and fractional years of Continuous Service during which he/she was in Employment prior to 1955, earnings for the year 1955, determined as aforesaid, increased proportionately to reflect a full year's earnings, if no earnings have been included for one or more pay periods in 1955, shall be taken to be the rate of his /her earnings for all such whole and fractional years of Continuous Service prior to 1955; but if any Employee had no earnings for 1955 (either actual or included in accordance with the preceding sentences), his/her earnings for the next succeeding year in which he/she had earnings, increased proportionately to reflect a full year's earnings, if no earnings have been included for one or more pay periods in such year, shall be taken to be the rate of his /her earnings for all such whole and fractional years of Continuous Service prior to 1955.

- (c) Notwithstanding anything to the contrary contained elsewhere in this Agreement, an Employee who has been in the service of the Employer for a continuous period of ten years, or has been a member of the Pension Plan for such period, whichever first occurs, and who has attained age forty-five, is entitled, upon termination of his/her membership in the Pension Plan prior to his/her attaining retirement age, to a deferred life annuity commencing with the month following that in which he/she attains age sixty-five. Application for payment of the deferred life annuity is to be made to the Employer on a form supplied by the Employer on or after the date two months prior to the former Employee's Normal Retirement Date and there is no liability for payment of interest or for the delay. The monthly amount of in payment unless and until application has been made, deferred life annuity is the sum of:
- (1) \$46.00 1<sup>st</sup> year -\$47.00 2<sup>nd</sup> and 3<sup>rd</sup> year multiplied by the number of years of Credited Service, if any, accumulated by the Employee in respect of employment prior to the 1st day of January, 1965.
  - (2) \$46.00 1<sup>st</sup> year -\$47.00 2<sup>nd</sup> and 3<sup>rd</sup> year multiplied by the number of years of Credited Service accumulated by the Employee from and including the 1st day of January 1965 to and including the date of termination of his/her service with the Employer or of his/her membership in the Pension Plan, whichever is the case.

The deferred life annuity is for the Employee's own use and benefit and does not confer upon the Employee, any personal representative or dependent, or any other person, any right or interest in the deferred life annuity capable of being assigned or otherwise alienated. The deferred life annuity is not capable of surrender or

commutation and does not confer upon the Employee, and personal representative or dependent, or any other person any right or interest in the deferred life annuity capable of being surrendered or commuted.

- (d) Where an Employee is entitled to a deferred life annuity pursuant to Subsection (c) hereof
  - (1) the monthly amount, if any, of the payments of his/her deferred vested pension in the Pension Plan, computed in accordance with the provisions of the Pension Plan and after the deduction therefrom provided for in Article 3 of the Pension Plan is to be reduced by the monthly amount of the deferred life annuity, and
  - (2) Any option which he/she would otherwise have to waive his/her right to a deferred vested pension in the Pension Plan and to receive a severance award in lieu thereof is to be restricted to the proportion of the deferred vested pension that would have been provided for him/her but for the terms of this Subsection (d) which
    - (a) \$46.00 1<sup>st</sup> year - \$47.00 2<sup>nd</sup> and 3<sup>rd</sup> year multiplied by the number of his/her years of Credited Service, less the monthly amount of the deferred life annuity, is of
    - (b) \$30.00 multiplied by the number of his /her years of Credited Service, and
  - (3) the amount of any severance award for which he/she qualified is to be the proportion described in the immediately preceding paragraph (2) of the amount of the severance award that would have been available to him/her but for the terms of this Subsection (d)
- (e) An Employee by acceptance of a severance award thereby terminates his/her service with the Employer.
- (f) It is not the intention of this Section to grant severance awards to Employees who are only temporarily disabled or who desire to leave the Employer at their own volition, and who are still considered employable by the Employer
- (g) In the event of the complete and permanent closure of the Employer's Bowmanville Factory, an Employee who is not offered like employment and/or a transfer in or to another or substitute establishment of the Employer in the Province of Ontario and is released from Employment as a result thereof, shall be entitled to a severance award under the following conditions. If said Employee is ineligible for an

early retirement pension under the Pension Plan or for a deferred vested pension under the Pension Plan or by any provincial or federal laws, or for a severance award, but has five or more years of Continuous Service, the Employer will pay to such Employee the severance award (but no other benefit) which he/she would be entitled to receive if he/she was released from Employment because he/she had become physically or mentally unable to perform the work of his/her classification or that of another classification to which he/she might be eligible for transfer.

IN WITNESS WHEREOF the parties hereto have hereunto signed the 23<sup>rd</sup> day of July 2006.

LOCAL 189 OF THE  
UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING,  
ENERGY, ALLIED, INDUSTRIAL AND SERVICE WORKERS INDUSTRIAL  
UNION

B. MURPHY  
N. RUITER  
C. WOODROW  
A. MCLEOD  
C. VERSLUIS

GOODYEAR CANADA INC.  
BOWMANVILLE FACTORY

I. MCPHEE  
B. FRANCIS

FOR THE EMPLOYER

FOR THE UNION

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## **PENSION PLAN AGREEMENT**

**THIS AGREEMENT** is made and entered into as of the 23 day of July, 2006, by and between **GOODYEAR CANADA INC.**, hereinafter referred to as the "Employer", and the **UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION ON BEHALF OF ITS LOCAL 189**, representing the employees in the Bargaining Unit at the Employer's Bowmanville Factory, hereinafter referred to as the "Union".

**WHEREAS** the parties hereto established a Pension Plan effective on the first day of October, 1952, which Pension Plan has thereafter been amended from time to time;

**AND WHEREAS** the parties desire to provide for certain modifications and amendments thereto;

**NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:**

1. The Employer agrees with the Union that it will maintain the Pension Fund during the term of this Agreement and of any subsequent renewal thereof, subject to:
  - (a) the approval of this Agreement by the Board of Directors of the Employer,
  - (b) the receipt and retention by the Employer of such approval of the Pension Plan by the Financial Services Commission of Ontario as the Employer may deem necessary to establish that the Pension Plan conforms with the requirements of the Pension Benefits Act, and
  - (c) the receipt and retention by the Employer of such approval of the Pension Plan by the relevant tax authorities as the Employer may deem necessary to establish that the Employer is entitled to deduct the amount of its payments of contributions to the Pension Fund as an expense before taxes under the provisions of the Income Tax Act or any other applicable tax laws, as now in effect or as hereafter amended or adopted.
2. No action taken in performance of this Agreement and consistent herewith shall be construed or interpreted to be a violation of any of the terms of any Collective Labour Agreement between the Employer and the Union.
3. This Agreement shall apply only to those eligible Employees who retire, die, become Totally and Permanently Disabled or otherwise terminate Employment on or after July 23, 2006 and during the term of this Agreement, except as expressly stated to the contrary.

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**PENSION PLAN**

**AGREEMENT**

**BETWEEN**

**GOODYEAR CANADA INC.**

**BOWMANVILLE FACTORY**

**THE EMPLOYER**

**AND**

**THE UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING,  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION  
ON BEHALF OF ITS LOCAL 189**

**FOR THE EMPLOYEES**

**JULY 23, 2006 – JULY 18, 2009**

**FEBRUARY 2007**

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**ARTICLE 1**  
**DEFINITIONS**

Unless the context clearly indicates otherwise:

- (1) The following words and phrases shall have the following meanings for all purposes of the Pension Plan unless the context clearly indicates a contrary meaning.
  - (2) All references in the Pension Plan to "Article" or "Section" shall refer to the articles and sections of this Pension Plan. The headings in this Pension Plan are inserted for convenience only and shall not have any effect upon the meaning of the provisions thereof.
  - (3) Words in the singular shall be construed as including words in the plural and words in the plural as including words in the singular and words importing the masculine gender shall be construed as including the feminine gender.
- 1.01 **"Actuarial Equivalent"** means a benefit having an equal value to the normal form of benefit from which it is determined when computed on the basis of interest, mortality and other rates and tables adopted by the Employer for such purpose on the advice of the Actuary and in accordance with the Pension Benefits Act and the Income Tax Act and accepted actuarial principles.
- 1.02 **"Actuary"** means the actuary or firm of actuaries appointed for the purpose of preparing the necessary actuarial valuations and calculations under the Pension Plan. The actuary or firm of actuaries shall be, or shall include, a Fellow of the Canadian Institute of Actuaries.
- 1.03 **"Bargaining Unit"** means the unit of employees defined in the Collective Labour Agreement.
- 1.04 **"Basic Pension"** means the lifetime pension calculated in accordance with Section 2.01.

- 1.05 "**Beneficiary**" means the person or persons designated by an Employee in accordance with Article 7 to receive any benefits which may be payable as a result of the death of the Employee.
- 1.06 "**Collective Labour Agreement**", except where otherwise provided herein, means the Collective Labour Agreement between the Employer and the Union in effect at the time.
- 1.07 "**Commutated Value**" means the aggregate actuarial present value of a benefit as of a fixed date as determined by the Actuary in accordance with the requirements of the Pension Benefits Act and the Income Tax Act.
- 1.08 "**Continuous Service**" means the continuous service of an Employee with the Employer as it appears on his records maintained by the Employer, whether in or out of the Bargaining Unit.

Notwithstanding the foregoing and for the purposes of Article 2 only, periods of layoff, when accumulated with other unpaid or reduced pay absences, as defined under the Income Tax Act, taken on and after December 31, 1990 (other than periods of disability credited under the Pension Plan), shall be limited in accordance with the prescribed compensation rules under the Income Tax Act for the purpose of determining Continuous Service.

- 1.09 "**Credited Service**" means the Employee's pensionable service under another pension plan maintained by the Employer accrued prior to the time of transfer of membership from that plan to this Pension Plan, if applicable, plus the Employee's Continuous Service while in the Bargaining Unit (computed to years and completed months for a fractional year) up to the date when the Employee ceases to be an Employee.

Credited Service in respect of an Employee in full-time Employment for any year is limited to one year of Credited Service. Credited Service in respect of an Employee in less than full-time Employment shall be limited to a portion of the year determined by dividing the Employee's

regular hours of Employment in the year (excluding overtime) by the scheduled regular hours of Employment for a full-time Employee in a comparable position.

Credited Service shall include:

- (a) pregnancy, parental leaves, emergency leave and such other leave required by legislation to the extent that relevant employment standards legislation requires such leaves to be credited under the Pension Plan, and
- (b) periods of absence while in receipt of disability benefits under relevant workers' compensation legislation to the extent that such legislation requires such periods of absence to be credited under the Pension Plan.

Notwithstanding the above or any other provision of the Pension Plan, Credited Service before and after January 1, 1992 shall be determined in accordance with the applicable eligible service provisions of the Income Tax Act. In particular, except for periods of disability credited under the Pension Plan, Credited Service for eligible periods of reduced pay or temporary absence (as defined under the Income Tax Act) after December 31, 1990 shall be limited in accordance with the prescribed compensation rules under the Income Tax Act.

In no event will an Employee accrue Credited Service while he is in receipt of pension payments under the Pension Plan or under any other registered pension plan in which the Employer or another employer with whom the Employer does not deal at arm's length has participated for the benefit of the Employee. There will be no duplication of Credited Service in respect of any period of service with the Employer.

- 1.10 **“Disabled”** means the condition of an Employee who is disabled by bodily injury or disease, which disability will presumably be permanent and continuously and wholly prevent him, during the remainder of his life, from meeting the job requirements of any job in the Bargaining Unit, but who is not Totally and Permanently Disabled, other than a disability which:

- (a) was contracted, suffered or incurred while the Employee was engaged in, or resulted from his having engaged in, a criminal enterprise, or
- (b) resulted from a wilfully self-inflicted injury, or
- (c) can be established as due to service in the armed forces of any country.

1.11 "**Effective Date**" means, subject to the provisions of Section 11.01, the 23rd day of July 2006.

1.12 "**Employee**" means any male or female who is in Employment, excluding any person who is a connected person as defined under the Income Tax Act.

1.13 "**Employment**" means the status of a person who is employed by the Employer in the Bargaining Unit, as defined in this Article, during all times he is enrolled on its active factory payroll.

1.14 "**Former Employee**" means a person who previously had been in Employment and who is not in receipt of a pension under this Pension Plan.

1.15 "**Fund Manager**" means the individual trustees, corporate trustee and/or insurance company, as selected by the Employer from time to time in accordance with the Pension Benefits Act and the Income Tax Act, for the purpose of establishing and maintaining a part or all of the Pension Fund.

1.16 "**Income Tax Act**" means the relevant rules under the Income Tax Act (Canada), including all regulations and administrative rules issued pursuant to it, which are applicable to registered pension plans. In general, the rules under Information Circular 72-13R8 as amended apply to



service prior to January 1, 1992 and the rules under Part LXXXV of the regulations apply to service from January 1, 1992.

- 1.17 **"Normal Retirement Date"** means the first day of the month next following an Employee's 65th birthday, or the Employee's 65th birthday if it should fall on the first day of the month.
- 1.18 **"Pension Benefits Act"** means The Pension Benefits Act, Revised Statutes of Ontario 1990, Chapter P.8 and any future legislation amending, supplementing, superseding or incorporating it, including any regulations issued pursuant to it, and also including, where applicable, any similar pension benefits legislation of Canada or another province having jurisdiction over the Pension Plan.
- 1.19 **"Pension Commencement Date"** means the date on which payment of a pension commences, determined in accordance with Section 4.02.
- 1.20 **"Pension Fund"** means the fund into which the Employer's contributions are being deposited as well as the investment income of this fund, and from which any pension, other benefits, administration expenses and other payments under the Pension Plan are paid.
- 1.21 **"Pension Plan"** means the non-contributory Pension Plan as set forth in Articles 1 to 11.
- 1.22 **"Pensioner"** means a person who has retired, terminated Employment or become Totally and Permanently Disabled and is commencing or has commenced to receive pension payments from the Pension Plan.
- 1.23 **"Spouse"** means a person who is the Employee's lawful or common-law spouse, provided that if the Employee should have a lawful spouse and a common-law spouse, "Spouse" shall mean the lawful spouse unless the Employee has expressly designated the common-law spouse as his Beneficiary to receive any survivor benefits payable under the Pension Plan.

A common-law spouse shall be the person who, although not legally married to the Employee by formal ceremony,

- (i) has been living with the Employee for at least three years, or
- (ii) is in a relationship with the Employee of some permanence where they are the natural or adoptive parents of a child, both as defined under the Family Law Act of Ontario.

Except after the Employee's retirement, where the Employee and the Spouse are living separate and apart at the date a determination is required, the Spouse shall cease to be the Employee's Spouse for the purposes of survivor benefits under the Pension Plan.

1.24 **"Statutory Benefit"** means the amount of any old age or disability benefit payable under any federal and/or provincial legislation to which a Pensioner shall be or upon application would be entitled; provided that such term does not include:

- (a) a benefit payable under workers' compensation legislation, or
- (b) a benefit payable pursuant to occupational disease legislation, or
- (c) a benefit payable on a "means test" basis or solely on account of blindness or service in the armed forces or other national service, or
- (d) a benefit payable to or in respect of dependants, or
- (e) a benefit payable under the Old Age Security Act (Canada).

- 1.25 **"Statutory Benefit Date"** shall mean the date not later than the Employee's or Pensioner's Normal Retirement Date, at which any benefit becomes payable under the provisions of the Old Age Security Act (Canada) in effect as of February 20, 2004.
- 1.26 **"Supplementary Pension"** means the bridging benefit calculated in accordance with Section 2.01.
- 1.27 **"Totally and Permanently Disabled"** means the condition of an Employee who is disabled by bodily injury or disease, which disability will presumably be permanent and continuously and wholly prevent him, during the remainder of his life, from engaging in any employment for which the Employee is reasonably suited by virtue of his education, training, or experience, other than a disability which:
- (a) was contracted, suffered or incurred while the Employee was engaged in, or resulted from his having engaged in, a criminal enterprise, or
  - (b) resulted from a wilfully self-inflicted injury, or
  - (c) can be established as due to service in the armed forces of any country.

**ARTICLE 2**

**ELIGIBILITY FOR RETIREMENT AND AMOUNT OF BENEFITS**

**2.01 Normal Retirement**

Every Employee will be retired automatically on his Normal Retirement Date. An Employee who retires on or after the Effective Date and who has reached his Normal Retirement Date, shall be eligible to receive a pension equal to (a) plus (b) minus (c),

- (a) a monthly Basic Pension for life equal to the Basic Pension rate set out in the following table for each year of Credited Service,
- (b) a Supplementary Pension payable with each monthly payment of the Basic Pension up to and including the payment for the month in which the Statutory Benefit Date occurs, equal to the Supplementary Pension rate set out in the following table for each year of Credited Service up to a maximum of 30 years of such service,
- (c) the deductions provided for in Article 3.

<b>Date of Retirement or Termination</b>	<b>Basic Pension Rate</b>	<b>Supplementary Pension Rate</b>
July 23, 2006 to February 28, 2007	\$44.00	\$23.00
March 1, 2007 to January 31, 2008	\$46.00	\$23.00
On and after February 1, 2008	\$47.00	\$23.00

**2.02 Special Early Retirement**

An Employee who retires on or after the Effective Date and prior to his Normal Retirement Date shall be entitled to an immediate Basic and Supplementary Pension computed in accordance with Section 2.01 as if he had retired at his Normal Retirement Date, but based on his Credited Service at the date of such early retirement, provided he:

- (a) has attained age 62 and has completed 10 or more years of Continuous Service, or
- (b) has completed 30 or more years of Continuous Service.

**2.03 Regular Early Retirement**

An Employee who has attained age 55 and has completed two or more years of Continuous Service and who retires on or after the Effective Date and prior to his Normal Retirement Date, but is not entitled to a pension under Section 2.02, shall be entitled to a regular early retirement pension comprising a Basic Pension and a Supplementary Pension, calculated in accordance with Section 2.01 as if he had retired at his Normal Retirement Date, but based on his Credited Service at the date of such early retirement, provided that he shall not be entitled to a Supplementary Pension unless he has satisfied the conditions in either (a) or (b) below.

If the Employee's Pension Commencement Date pursuant to Section 4.02(b) is his Normal Retirement Date, the Basic Pension and Supplementary Pension (if applicable) determined above shall be payable without reduction.

If the Employee's Pension Commencement Date pursuant to Section 4.02(b) is prior to his Normal Retirement Date, the Basic Pension and Supplementary Pension (if applicable) determined above shall be reduced, before the deductions under Article 3 are subtracted from the pension but after the application of the maximum pension tests under Sections 2.07, 2.08, and 2.09, as follows:

- (a) If he:

- (i) has attained age 60 and has completed 10 or more years of Continuous Service, or
- (ii) has attained age 55, but not age 60, and his combined years of age and years of Continuous Service (computed to completed months for a fractional year in each case) total 85 or more,

the regular early retirement pension shall be reduced by 4/10ths of 1% for each completed month by which his Pension Commencement Date precedes the first day of the month coincident with or next following the month in which the Employee attains age 62.

- (b) If he has attained age 55, but not age 60, and has completed 10 or more years of Continuous Service and retired at the option of the Employer or under mutually satisfactory conditions, the regular early retirement pension shall be reduced by 1/4 of 1% for each completed month by which his Pension Commencement Date precedes the first day of the month coincident with or next following the month in which (i) he will attain age 60, (ii) he would have completed 30 years of Credited Service, or (iii) his combined years of age and Credited Service (computed to completed months for a fractional year in each case) would total 80, whichever is the earliest.
- (c) If he has attained age 55 and completed two years of Continuous Service, but is not covered under (a) or (b) above, the Basic Pension payable at his Pension Commencement Date shall be reduced to the Actuarial Equivalent of the pension otherwise payable at Normal Retirement Date (provided the reduction is not less than the reduction prescribed under Section 8503(3)(c) of the Regulations to the Income Tax Act). No Supplementary Pension shall be payable.

#### **2.04 Plant Closure**

- (a) In the event of the complete and permanent closure of the Employer's Bowmanville Factory, an Employee who is not offered like employment and/or a transfer in or to another or substitute factory of the Employer in the Province of Ontario and is released from employment as a result thereof, shall be entitled to an early retirement pension requiring consent of the Employer, without the necessity of the Employer's consent, if the said Employee is otherwise eligible for such early retirement pension under the Pension Plan.
- (b) In the event of the complete and permanent closure of the Employer's Bowmanville Factory, an Employee who has 25 years or more of Continuous Service and is not otherwise eligible for an unreduced pension shall be eligible for an immediate Basic Pension determined in accordance with Section 2.01(a) provided he waives the pension to which he is otherwise entitled. Such pension shall be reduced by 1/4 of 1% for each completed month by which his Pension Commencement Date precedes the first day of the month coincident with or next following the month in which (i) he will attain age 60, (ii) he would have completed 30 years of Credited Service, or (iii) his combined years of age and Credited Service (computed to completed months for a fractional year in each case) would total 80, whichever is the earliest.

## **2.05 Retirement During Absence From Work**

The absence of a Former Employee from active Employment at the time such Former Employee would be eligible for normal retirement, special early retirement or regular early retirement, as set out in this Article, shall not itself make him ineligible to receive any pension to which he is otherwise entitled on that date without return to Employment, provided that such absence is due to disability or sickness, layoff or other Employer approved leave of absence and provided that he has retained his seniority under a Collective Labour Agreement between the Union and the Employer since he was last in Employment and he ceases to accrue Credited Service for the purposes of the Plan.

**2.06 Total and Permanent Disability and Disability Retirement**

- (a) An Employee who becomes Totally and Permanently Disabled while in Employment or while accumulating seniority with the Employer pursuant to a Collective Labour Agreement between the Union and the Employer since he was last in Employment, on or after the Effective Date and prior to his Normal Retirement Date and who, at the time he becomes Totally and Permanently Disabled has completed 10 or more years of Continuous Service, shall be eligible for a disability pension. The pension payable shall be determined in accordance with the terms of the Pension Plan in effect at the date of the Employee's application. Application for a pension must be made no later than one year following the exhaustion of 52 weeks of weekly indemnity benefits.

The monthly amount of such pension shall be computed in accordance with Section 2.01 as if he retired at his Normal Retirement Date, but based on his Credited Service at the date of disability retirement. Such pension shall be payable during the continuance of Total and Permanent Disability in accordance with Article 4.

A person who applies and qualifies for a disability pension under this paragraph shall not be entitled to any additional pension benefits under any other provision of the Pension Plan except, where applicable, the additional pension benefit provided under Section 2.10 of the Pension Plan.

- (b) An Employee who becomes Disabled while in Employment or while accumulating seniority with the Employer pursuant to a Collective Labour Agreement between the Union and the Employer since he was last in Employment, on or after the Effective Date and prior to his Normal Retirement Date and who, at the time he becomes Disabled has completed 10 or more years of Continuous Service, shall be eligible for a disability pension. The pension payable shall be determined in accordance with the terms of the Pension Plan in effect at the date of the Employee's application.



Application for a pension must be made no later than one year following the exhaustion of 52 weeks of weekly indemnity benefits.

The monthly amount of such pension shall be computed in accordance with Section 2.01 as if he retired at his Normal Retirement Date, but based on his Credited Service at the date of disability retirement. Such pension shall be reduced by  $\frac{1}{4}$  of 1% for each completed month by which the Employee's Pension Commencement Date precedes the first day of the month coincident with or next following the month in which (i) he will attain age 60, (ii) he would have completed 30 years of Credited Service, or (iii) his combined years of age and Credited Service (computed to completed months for a fractional year in each case) would total 80, whichever is the earliest.. Such pension shall be payable during the continuance of Disability in accordance with Article 4.

A person who applies and qualifies for a disability pension under this paragraph shall not be entitled to any additional pension benefits under any other provision of the Pension Plan except, where applicable, the additional pension benefit provided under Section 2.10 of the Pension Plan.

- (c) An Employee applying for a disability pension pursuant to paragraph (a) or (b) above shall, upon the request of the Employer, submit to one or more physical examinations by a medical doctor or doctors selected by the Employer so that the Employer may determine whether such Employee is Totally and Permanently Disabled or Disabled, as the case may be and thus entitled, if otherwise qualified, to a disability pension. A disability pension shall not be payable without certification, by a medical doctor who is licensed to practice under the laws of a province of Canada or of the place where the Employee resides, that the Employee is Totally and Permanently Disabled or Disabled, as the case may be. An Employee who shall refuse to submit to any examination properly requested in accordance with these provisions shall have his application for a disability pension suspended until he does submit to such physical examination.

- (d) Any person on disability retirement pursuant to paragraphs (a) or (b) above shall be required to submit to a physical examination at any time during such retirement up to his Normal Retirement Date for the purpose of determining his condition, whenever such examination shall be requested by the Employer, but not more often than twice in any calendar year after he has become Totally and Permanently Disabled or Disabled. Any person who shall refuse to submit to any physical examination properly requested in accordance with these provisions shall have his disability retirement pension suspended until he does submit to such physical examination.
  
- (e) If, after his retirement on disability pension pursuant to paragraphs (a) or (b) above but before his Normal Retirement Date, a person shall cease to be Totally and Permanently Disabled or Disabled, as the case may be, or if he shall engage in any occupation or work similar to the job requirements of any job in the Bargaining Unit, his disability retirement may be terminated at the Employer's option and, if so terminated by the Employer, he shall be rehired in a capacity consistent with his seniority and his physical and mental ability, provided he promptly applies for such work. Upon his return to work he shall be credited with the seniority and service which he had on the date on which he retired on a disability pension.

**2.07 Maximum Basic Pension**

In accordance with the Income Tax Act, notwithstanding any other provision of the Pension Plan, the benefits payable on behalf of an Employee, on an annual basis excluding any Supplementary Pension payable under the Pension Plan, but including any payments to a Spouse or ex-Spouse as a result of a marital breakdown, upon retirement, termination of Employment or termination of the Pension Plan, shall not, in the year of pension commencement, exceed the lesser of:

- (a) the defined benefit limit for the year of commencement, and

- (b) 2% of the Employee's highest average compensation, indexed to the year of commencement,

multiplied by the number of years of the Employee's pensionable service.

For the purposes of this Section 2.07, an Employee shall not be credited with more than 35 years of pensionable service for Employment prior to January 1, 1992 and the terms "defined benefit limit", "highest average compensation" and "pensionable service" shall have the meanings ascribed to them under the Income Tax Act.

Notwithstanding the foregoing, if the Employee's Pension Commencement Date is prior to his Normal Retirement Date, the foregoing maximum pension shall be reduced by  $\frac{1}{4}$  of 1% for each completed month by which his Pension Commencement Date precedes the first day of the month coincident with or next following the month in which (i) he will attain age 60, (ii) he would have completed 30 years of Credited Service, or (iii) his combined years of age and Credited Service (computed to completed months for a fractional year in each case) would total 80, whichever is the earliest.

## **2.08 Maximum Basic and Supplementary Pension**

In accordance with the Income Tax Act, notwithstanding any other provision of the Pension Plan, in respect of pensionable service from January 1, 1992, the sum of the annual Basic Pension and any Supplementary Pension payable to an Employee under the terms of this Pension Plan or any other registered pension plan in which the Employer participates (including any registered pension plan in which any other employer with whom the Employer does not deal at arm's length participates) shall not, in the year of commencement, exceed the sum of:

- (a) the defined benefit limit for the year of commencement multiplied by the Employee's pensionable service; and

- (b) 25% of the average of the Year's Maximum Pensionable Earnings under the Canada Pension Plan for the year of commencement and the two immediately preceding years multiplied by a fraction the numerator of which is the Employee's pensionable service (not exceeding 35 years) accrued after December 31, 1991 and the denominator of which is 35.

For the purposes of this Section 2.08, the terms "defined benefit limit", "pensionable service" and "arm's length" shall have the meanings ascribed to them under the Income Tax Act and "pensionable service" shall refer to Credited Service under this Pension Plan and pensionable service under any other registered pension plan in which the Employer participates (including any other registered pension plan in which any other employer with whom the Employer does not deal at arm's length participates) which is not already included in Credited Service.

#### **2.09 Maximum Supplementary Pension**

The Supplementary Pension shall conform with the Income Tax Act's requirements concerning the amount of bridging benefits provided under a registered pension plan and the payment of bridging benefits under two or more registered pension plans in respect of related employers.

#### **2.10 Additional Pension**

The Employer may, from time to time, grant an additional pension to a Pensioner who has met the eligibility conditions specified in Schedule 1. For the purposes of this Section and Schedule 1 the amount of such pension shall be referred to as "Additional Pension".

In no event shall an Additional Pension granted in a given year exceed the pension payable to a Pensioner at the date the pension commences multiplied by the cumulative increase in the Consumer Price Index (as published by Statistics Canada under the authority of the Statistics Act) from the month in which the pension commenced to the beginning of the year in which the Additional Pension is granted less any Additional Pension previously granted to the Pensioner.



**ARTICLE 3**  
**DEDUCTIONS**

**3.01 Statutory Benefit Deduction**

There shall be deducted from the amount of Supplementary Pension payable to each recipient of a disability pension under the provisions of Article 2 or payable to each recipient of an early retirement pension under the provisions of Section 2.03(b), the sum equal to the amount of Statutory Benefit to which the person shall or could be entitled to receive upon application.

**3.02 Application of Statutory Benefit Deduction**

- (a) Each person who retires under the Pension Plan shall furnish to the Employer proof satisfactory to it of the amount of any Statutory Benefit referred to in Section 3.01 to which he is, or shall be, or upon application, would become entitled, and upon request of the Employer will authorize the Employer to obtain information relating to such Statutory Benefit. If any applicant for a pension or Pensioner shall fail to furnish any such proof, the Employer may compute his pension and deductions therefrom on the basis of estimates which in its judgement are reasonable. Deductions shall be made not only with respect to any Statutory Benefit which shall actually be received by a Pensioner, but also with respect to any Statutory Benefit to which he would be entitled, except for some act or failure to act by him or by another on his behalf, such as leaving Canada, failure to make application therefor or failure to notify the proper authority of his address.
  
- (b) If any Statutory Benefit which is deductible from a pension under this Article 3 shall be paid or payable to a Pensioner in a lump sum, it shall be pro-rated on a monthly basis from the date on which it shall be paid or payable (at a rate each month equal to the entire amount of pension otherwise payable in such month), and no pension shall be

payable to such Pensioner under the Pension Plan until said payment, as thus pro-rated, shall be exhausted.

- (c) The deductions from pensions referred to in Section 3.01 shall not be made from the monthly or lump sum payments to a Spouse, Beneficiary or the estate of a Pensioner under Article 4.

### **3.03 Inter-Plan Transfers**

Where an Employee ceases to be an Employee and transfers membership to another pension plan maintained by the Employer (referred to as "successor plan" for the purposes of this Section), and the successor plan provides for consolidation of his Credited Service under this Pension Plan with his subsequent pensionable service under the successor plan for benefit calculation purposes under the successor plan, there shall be deducted from the amount of pension payable under this Pension Plan to such Former Employee the following amount:

- (a) If the Former Employee terminates employment, retires or dies while a member of the successor plan, the Basic Pension and Supplementary Pension earned by the Former Employee under this Pension Plan, based on Credited Service to the time of transfer, shall be reduced by the amount of any non-contributory Basic Pension and Supplementary Pension respectively, provided by the successor plan in respect of Credited Service under this Pension Plan and as determined at the Former Employee's date of termination, retirement or death.
- (b) If the Former Employee does not terminate employment, retire or die while a member of the successor plan, but instead transfers to another pension plan maintained by the Employer, any deduction under this Section shall be calculated in a manner consistent with (a) above, taking account of the impact of any consolidation of pensionable service arising from all previous transfers.

For the purposes of this Section, the benefits payable under the different pension plans shall be measured on a comparable, consistent basis in relation to such terms as form of pension payment.



**ARTICLE 4**  
**PAYMENT OF PENSIONS**

**4.01 Net Amount Payable**

No Employee, Former Employee or Pensioner shall be entitled to a pension under the Pension Plan, except as expressly provided in this Article 4. Only the net amount of any pension, after making all the deductions which are provided for in Article 3, shall be payable under the Pension Plan.

**4.02 Commencement Date for Basic Pension**

- (a) The Basic Pension payable to a Pensioner on normal retirement shall commence on his Normal Retirement Date.
  
- (b) The Basic Pension payable to a Pensioner on regular or special early retirement shall become payable, if he shall then be living, on the first day of the month coincident with or next following his termination of employment or, if elected by proper application, on the first day of any subsequent month but not later than his Normal Retirement Date.
  
- (c) The Basic Pension payable to a Pensioner on disability retirement shall commence, if he shall then be living, on the first day of the month next following the latest of:
  - (i) the date on which he shall have filed an application for such pension with the Employer on a form supplied by the Employer;
  - (ii) the date on which his disability retirement shall have commenced;
  - (iii) the date on which he ceased to receive remuneration from the Employer;

- (iv) the date on which he ceased to be eligible for the payment of a weekly indemnity benefit under the Health and Life Insurance Agreement between the Employer and the Union.
  
- (d) The Basic Pension payable to a Former Employee who has a deferred vested pension under the Pension Plan in accordance with Sections 6.01 or 6.02 shall commence, if he shall then be living, on his Normal Retirement Date or, if elected by the Former Employee by proper application, on the first day of any month coincident with or following his attainment of age 55, but not later than his Normal Retirement Date.

#### **4.03 Normal Form of Payment for Basic Pension**

Unless the Pensioner has elected the optional form in Section 4.06 or the automatic spouse option in Section 4.04 applies:

- (a) The monthly Basic Pension payable to a Pensioner, other than one on disability retirement, shall be paid for life and guaranteed for five years from the Pension Commencement Date. If the Pensioner dies before receiving 60 monthly payments of the Basic Pension, the balance remaining of such 60 monthly payments shall be paid to the Beneficiary of such deceased Pensioner or, if none, to his estate.
  
- (b) The monthly Basic Pension payable to a Pensioner on disability retirement shall be paid for life and guaranteed for five years (i) from the first day of the month coincident with or next following the date he attains age 55, if he shall then be living and if he had less than 30 years of Continuous Service at the time of his disability retirement or (ii) from his Pension Commencement Date if he shall then be living and if he had 30 or more years of Continuous Service at the time of his disability retirement, unless in either case his disability retirement shall have ended before then in accordance with Section 2.06. If the disabled Pensioner dies while in receipt of such guaranteed payments of the Basic

Pension, the balance remaining of the 60 guaranteed monthly payments shall be paid to the Beneficiary of such deceased Pensioner or, if none, to his estate.

#### **4.04 Automatic Spouse Option**

Notwithstanding any other provision of this Pension Plan except Section 4.05, a Pensioner who has a Spouse at the date the payment of his Basic Pension commences, shall receive his pension in the form of an automatic spouse option in lieu of any other form of payment. In such case, the monthly Basic Pension shall be converted to a reduced pension of Actuarial Equivalent value and shall be payable each month thereafter during the Pensioner's lifetime or until his disability retirement shall have ended in accordance with Section 2.06. If the Basic Pension was payable at his death, then commencing with the month following the month of the death of the Pensioner, a pension equal to 60% of such actuarially reduced monthly Basic Pension shall be payable to the Spouse, provided such Spouse is then living, for each month thereafter during the lifetime of such Spouse.

#### **4.05 Waiver**

An Employee or Former Employee and his Spouse may waive rights to the benefits under Section 4.04 by signing an appropriate waiver and filing such waiver with the Employer in the prescribed form and manner. In the case of a waiver of benefits pursuant to this Section, the normal form of payment shall apply unless another form is elected.

#### **4.06 Optional Forms of Payment**

- (a) Subject to the provisions of Sections 4.04 and 4.05, an Employee has the right, by notice in writing on a form provided by the Employer and submitted to the Employer on or before the Employee's 60th birthday, or after the Employee's 60th birthday but prior to the date the Employee leaves active Employment and before he reaches age 65 and accompanied by evidence of good health satisfactory to the Employer, to elect that

if and when he becomes entitled to a pension following normal retirement and without affecting his Supplementary Pension or the deductions from his pension, his lifetime Basic Pension before deductions shall be converted into a reduced pension of Actuarial Equivalent value payable for the Employee's lifetime and guaranteed for 10 or 15 years from the Pension Commencement Date, as specified in the notice of election.

- (b) An Employee who has made an election pursuant to this Section 4.06 may, at any time prior to age 65, revoke the election by submitting written notice of such revocation to the Employer but may not thereafter make an election under this Section.
- (c) An election made by an Employee pursuant to this Section 4.06 shall be inoperative and ineffective in the event of the death of the Employee prior to retirement.
- (d) Where an election pursuant to this Section 4.06 comes into effect and the Pensioner dies prior to the month of expiry of the guarantee period elected, payments of the Actuarially Equivalent pension, but not the Supplementary Pension, will be made to the Pensioner's Beneficiary, if any, otherwise, to his estate from and including the month following the Pensioner's death to and including the month of expiry of the guarantee period elected.
- (e) The estate of a Pensioner or of a Beneficiary shall have the right, at any time when entitled to receive any payments pursuant to this Section 4.06, to elect to receive, in lieu of the remaining payments to the estate, a lump sum settlement equal to the Commuted Value of such remaining payments, such Commuted Value to be determined on the basis of interest at such rate as may be determined by the Employer.

#### **4.07 Payment of Supplementary Pension**

Any Supplementary Pension becoming payable to a Pensioner shall be paid for the same months as the Basic Pension, except that the Supplementary Pension is payable only until the

earlier of the month in which the Pensioner's death occurs and the month in which the Statutory Benefit Date occurs.

#### **4.08 Small Payments**

The Employer may adopt such procedures as it shall find convenient with respect to the payment of pensions where the amount payable at Normal Retirement Date does not exceed 2% of the Yearly Maximum Pensionable Earnings under the Canada Pension Plan in the year of termination of Employment (including disability or other retirement), or such other amount as may be prescribed under the Pension Benefits Act and Income Tax Act, and may pay any such pension quarterly, annually or by lump sum payment, which is of Actuarial Equivalent value.

#### **4.09 Pensioner Unable To Care For His Affairs**

If the Employer finds that any Pensioner is unable to care for his affairs because of illness or accident, any payment due (unless a prior claim therefor shall have been made by a duly appointed guardian, committee or other legal representative), may be paid to the spouse, a child, a parent or a brother or sister, or to any person deemed by the Employer to have incurred expense for such Pensioner. However, the Employer shall endeavour to give effect to the wishes of the Pensioner in this respect when such wishes shall have been expressed in writing by him before he shall have become unable to care for his affairs. Any such payments shall be a payment for the account of the Pensioner, and shall be a complete discharge of any liability under the Pension Plan in respect of the Pensioner.

#### **4.10 Non-Alienation of Benefits**

The pensions payable under the Pension Plan shall be deemed alimentary and for the personal use of the Pensioners and, to the fullest extent permitted by the applicable laws, shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge as security,

encumbrance, surrender or charge, or to attachment or legal process for debts of Employees, Former Employees or Pensioners.

#### **4.11 Credit Splitting**

When an order from a court of law having jurisdiction or a valid written domestic contract has been received by the Employer requiring division of an Employee's benefits under the Plan due to breakdown of marriage or dissolution of a common-law relationship, such division shall be made in accordance with such order or contract, as determined by the Employer, and subject to any requirements prescribed under applicable law. Any necessary adjustments shall be made to the Employee's benefit entitlement under the Plan.

#### **4.12 Diminished Life Expectancy**

Notwithstanding the locking-in provisions of the Plan and the provisions of Section 4.10, if a Former Employee who is entitled to a vested pension under the Pension Plan or a Pensioner provides proper medical evidence to the Employer from a physician licensed to practice in Canada that his life expectancy has likely been shortened by reason of disability or illness to less than two years, the Employer shall permit payment of the actuarial present value of the Former Employee's or Pensioner's benefit in a lump sum. This payment is subject to the Employer's receipt of either the Former Employee's or Pensioner's statement attesting to the fact that he does not have a Spouse at the date of application or the Spouse's consent to the withdrawal from the Pension Plan signed by the Spouse not more than 60 days prior to the Employer's receipt, all as required under the Pension Benefits Act. Upon payment of the entire lump sum, the Former Employee or Pensioner, as the case may be, will have no further entitlement under the Pension Plan.

**ARTICLE 5**  
**BENEFITS ON DEATH BEFORE RETIREMENT**

**5.01 Spousal Pension**

If an Employee has attained age 55 or has 30 or more years of Continuous Service and dies while accumulating seniority, while eligible to retire and prior to the Employee's retirement, there shall be a Spouse pension payable to the Spouse, provided such Spouse is then living, commencing with the month following the month of the Employee's death and continuing each month thereafter during such Spouse's lifetime. The amount of the Spouse pension shall be equal to 60% of the monthly Basic Pension amount which would have been payable to the Employee if the Employee had retired immediately prior to death and the Employee's monthly Basic Pension had been determined and converted in accordance with Section 4.04.

**5.02 Alternative Death Benefit**

If greater than the death benefit under Section 5.01 or if that Section does not apply, the surviving Spouse of an Employee or Former Employee who had completed two or more years of Continuous Service and who dies before commencing to receive a pension under this Pension Plan and before a transfer of benefits under Article 6, shall be entitled to receive instead a death benefit consisting of either:

- (i) a lump sum payment of the Commuted Value of the pension determined under Section 6.02; or

- (ii) an immediate or deferred pension based on the Commuted Value of the pension determined under Section 6.02. Any such deferred pension shall commence before the end of the calendar year in which the Spouse attains age 69 or such later age as permitted under the Income Tax Act.

Such Spouse shall elect the form of benefit in the time and manner provided under the Pension Benefits Act, failing which the Spouse shall be deemed to have elected to receive an immediate pension.

If the deceased Employee or Former Employee is not survived by a Spouse, then the death benefit under this Section shall be paid to the designated Beneficiary, or if there is no such Beneficiary, then to the estate in the form of a lump sum payment.

### **5.03 Waiver**

The Spouse of an Employee or Former Employee may waive rights to the benefits under Section 5.02 by signing an appropriate waiver and filing such waiver with the Employer in the prescribed form and manner. In the case of a waiver of benefits pursuant to this Section, the benefits under Section 5.02 shall be paid to the designated Beneficiary, or if there is no such Beneficiary, then to the estate in the form of a lump sum payment.



## ARTICLE 6

### TERMINATION BENEFITS

#### **6.01 Deferred Vested Pension After 10 Years**

An Employee whose services with the Employer are terminated on or after the Effective Date for reason other than death, disability or retirement, and who has completed 10 or more years of Continuous Service at the date of termination of service, shall, upon application not earlier than sixty days prior to his Normal Retirement Date, be considered a Pensioner for the purpose of the Pension Plan (but for no other purpose) and shall be entitled to a deferred vested pension under the Pension Plan (but no other benefit), commencing with the later of (1) his Normal Retirement Date, or (2) the month following that in which application is made therefor.

The monthly amount of such payment shall be computed in accordance with Section 2.01(a) as if he had retired at his Normal Retirement Date based on his Credited Service at the date of the termination of his service with the Employer. A Supplementary Pension under Section 2.01(b) shall not be payable.

#### **6.02 Deferred Vested Pension Before 10 Years**

An Employee whose services with the Employer are terminated on or after the Effective Date for reason other than death, disability or retirement, and who has completed two or more years of Continuous Service, but less than 10 years of Continuous Service, at the date of termination of service, shall, upon application not earlier than sixty days prior to his Normal Retirement Date, be considered a Pensioner for the purpose of the Pension Plan (but for no other purpose) and shall be entitled to a deferred vested pension (but no other benefit), commencing with the later of (1) his Normal Retirement Date, or (2) the month following that in which application is made therefor.

The monthly amount of such pension shall be computed in accordance with Section 2.01(a) as if he had retired at his Normal Retirement Date based on his Credited Service accrued after January 1, 1987 to his termination date plus the additional amount of pension resulting from any amendment to the Pension Plan on or after January 1, 1987 as it applies to his Credited Service accrued prior to January 1, 1987, and such pension shall exclude the Supplementary Pension described in Section 2.01(b).

**6.03 Early Commencement**

Notwithstanding Sections 6.01 and 6.02, a Former Employee may elect to commence his deferred vested pension prior to his Normal Retirement Date in accordance with Section 4.02(d), and in such instance the amount of pension otherwise payable shall be the Actuarial Equivalent of the pension otherwise payable at Normal Retirement Date (provided the reduction is not less than the reduction prescribed under Section 8503(3)(c) of the Regulations to the Income Tax Act).

**6.04 Late Application**

In the event that no application is made prior to the end of a two year period following an Employee's Normal Retirement Date, the Employer may determine that such Employee's deferred vested pension shall be paid to the agency established by the Province of Ontario for the receipt, retention and payment of pension benefit credits under the Pension Benefits Act or shall be paid to any other person permitted under the Pension Benefits Act. There will be no liability for the payment of interest or for any delay in payment unless and until application has been made. In no event shall a deferred vested pension commence or be paid later than the end of the calendar year in which the Employee attains age 69 or such later age as permitted under the Income Tax Act.

**6.05 Alternative Settlements**

An Employee whose services with the Employer are terminated and who is entitled to a deferred vested pension under Section 6.01 or 6.02 but has not reached the age of 55 years may, in lieu of receiving pension payments under the Pension Plan, request the Employer to transfer the Commuted Value of the pension to either:

- (i) another registered pension plan, if the administrator of that pension plan agrees to accept the payment;
- (ii) a company licensed to provide annuities in Canada for the purchase of a life annuity to commence no earlier than age 55; or
- (iii) an individual locked-in retirement account or life income fund in the name of the Employee;

provided that notice of such election is given to the Employer within the time limit prescribed under the Pension Benefits Act and that such transfer is carried out in accordance with the requirements of the Pension Benefits Act and the Income Tax Act.

Notwithstanding the foregoing, the Employer may, in its discretion and subject to the terms imposed by the Employer, permit a Former Employee who is entitled to a deferred vested pension and who has not reached the age of 55 years to request a transfer of the Commuted Value after the expiration of the time period provided under the Pension Benefits Act. Such Employer discretion may also be exercised for those Former Employees whose employment terminated prior to the Effective Date, who have not reached the age of 55 years, and who remain entitled to a deferred vested pension under the Pension Plan which has not commenced to be paid. Any such transfer must be carried out in accordance with the requirements of the Pension Benefits Act and the Income Tax Act. Upon the transfer of the Commuted Value of the pension, the Former Employee will have no further entitlement under the Pension Plan.

**6.06 Re-employment**

If a Former Employee entitled to a deferred vested pension payable from the Pension Plan is re-employed by the Employer and subsequently becomes eligible for a pension on retirement, the amount of his benefit, including his deferred vested pension, will not exceed the amount he would have been entitled to had his Credited Service with the Employer both before and after re-employment been continuous.

**6.07 Termination Before Effective Date**

The provisions dealing with deferred vested pensions in each previous Pension Plan Agreement between the Employer and the Union shall continue to apply to a Former Employee whose Employment was terminated during the currency of such previous Agreement.

Notwithstanding the foregoing, a Former Employee whose employment terminated prior to the Effective Date may elect to have his deferred pension commence on the first day of any month on or after his 55<sup>th</sup> birthday. A pension commencing before the Normal Retirement Date will be reduced to the Actuarial Equivalent of the pension payable at the Normal Retirement Date (provided the reduction is not less than the reduction prescribed under Section 8503(3)(c) of the Regulations to the Income Tax Act).

**ARTICLE 7**  
**BENEFICIARY**

**7.01 Designation of Beneficiary**

- (a) Subject to the provisions of this Section, an Employee or Former Employee who is or may become eligible to receive a monthly Basic Pension under this Pension Plan may designate a Beneficiary or a new Beneficiary to receive the payments, if any, to be made under this Pension Plan after his death. An Employee or Former Employee who has designated a Beneficiary or a new Beneficiary pursuant to this Section 7.01 may revoke any such designation but such revocation shall not revoke any election of an optional form of pension.
  
- (b) The right to designate or to revoke a designation of Beneficiary pursuant to (a) above is to be exercised by the execution by the Employee or Former Employee, and delivery to the Employer, of an instrument in writing provided by the Employer.
  
- (c) Where an Employee or Former Employee has not made a designation under the provisions of this Section 7.01, any payments to be made to a Beneficiary with respect to him after his death will be made to his estate. No provision of the Pension Plan is to be construed as taking away any rights of such an Employee or Former Employee to direct how monies received by his estate are to be distributed or otherwise dealt with by his personal representatives.

**ARTICLE 8**  
**ADMINISTRATION**

**8.01 Administrator**

The Employer shall have the sole responsibility and authority consistent with the provisions of this Agreement for the operation and administration of the Pension Plan.

**8.02 Proof of Age**

An applicant for pension or Pensioner shall prove his age by evidence satisfactory to the Employer.

**8.03 Written Explanation**

The Employer will provide a written explanation to each Employee of the terms and conditions of the Pension Plan and amendments thereto applicable to him, together with an explanation of the rights and duties of the Employee with reference to the benefits available to him under the terms thereof, and such other information as may be required under applicable legislation. In addition, such information as may be prescribed by applicable legislation shall be provided to any other person entitled thereto.

**8.04 Information to Union**

The Union shall be furnished with such pertinent information as it may request from time to time concerning the operation and administration of the Pension Plan and benefits thereunder, insofar as it affects Employees, applicants for pension who are represented by the Union and Pensioners.

**8.05 Records of Employer**

The records of the Employer shall be presumed to be conclusive of the facts concerning the service, employment, non-employment, or disability retirement of an Employee, a Former Employee, Pensioner or applicant for a pension, unless shown beyond a reasonable doubt to be incorrect.

**ARTICLE 9**  
**FINANCING**

**9.01 Pension Fund**

The Employer shall establish and maintain, with the assistance of the Fund Manager, a Pension Fund sufficient to provide the pension benefits under this Pension Plan. All monies in the Pension Fund shall be invested in accordance with the requirements of the Pension Benefits Act and Income Tax Act.

**9.02 Employer Contributions**

The Employer shall make such contributions to the Pension Fund, as shall be recommended by the Actuary after taking into account, among other things, the assets in the Pension Fund, to provide for:

- (a) the normal cost of benefits accruing under the Plan, and
- (b) the proper amortization of any unfunded liability or solvency deficiency,

all in accordance with the requirements of the Pension Benefits Act and Income Tax Act. Such Employer contributions shall be made within the time limits required by the Pension Benefits Act.

**9.03 Employee Contributions**

No Employee shall be required or permitted, during the term of this Agreement or any renewal thereof, to make any contribution to or under the Pension Plan.



**9.04 Disbursement from the Pension Fund**

The Pension Fund shall be used on proper authorization of the Employer to the Fund Manager in accordance with the provisions of the Pension Plan to pay reasonable expenses of administration of the Pension Plan and Pension Fund and to pay such pensions as are payable under the Pension Plan. No Employee or Former Employee shall have any right to a pension, prior to his retirement, or any interest in any insurance company contract or trust fund which may be entered into or established for the purpose of providing pensions under the Pension Plan.

**9.05 Pensions Payable Solely from the Pension Fund**

The pensions which shall be payable in accordance with the provisions of the Pension Plan shall be paid solely from the Pension Fund, and each Employee, Former Employee or Pensioner or other person who shall claim the right to any payment under the Pension Plan shall be entitled to look only to the Pension Fund for such payment. No liability for the payment of pensions under the Pension Plan shall be imposed upon the Employer or the officers, directors, or stockholder of the Employer, save and to the extent to which the Employer shall fail to make the contributions due under Section 9.02.

**9.06 Overpayments and Refunds**

Subject to the Pension Benefits Act and the Income Tax Act, and notwithstanding any other provision of the Pension Plan, contributions made under the Pension Plan may be refunded and benefit entitlements under the terms of the Pension Plan may be reduced, as appropriate, in order to comply with the Pension Benefits Act, Income Tax Act and terms of the Pension Plan or to avoid revocation of the registration of the Pension Plan.

**9.07 Surplus**

With regard to any surplus assets representing the excess of the assets over the liabilities of the Pension Plan, as determined by the Actuary, the Employer:

- (a) shall upon termination of the Pension Plan, receive any such surplus as shall remain after the provision for all liabilities under the Pension Plan;
- (b) may, on an ongoing basis, choose to:
  - (i) use any portion of such surplus to reduce the contribution requirements of the Employer with respect to the Pension Plan or for any other purpose not prohibited by legislation or government rules as the Employer may direct;
  - (ii) receive upon application by the Employer any portion of such surplus that may be refunded under applicable legislation and government rules.

Any payment of surplus to the Employer shall be subject to any prior approval required under the Pension Benefits Act.

**ARTICLE 10**  
**GENERAL PROVISIONS**

**10.01 Contributory Pension Plan**

Any vested interests which the Employees have acquired in the benefits purchased by contributions made by or for them prior to the Effective Date, under the Employer's present Contributory Pension Plan, shall be preserved but, subject to the foregoing, the Employer shall have the right to amend or modify the said Contributory Pension Plan at any time and to discontinue it at any time.

**10.02 Effect of Retirement**

The service of any Employee who shall retire or terminate Employment shall cease for the purpose of applying the provisions of any Collective Labour Agreement which now is, or hereafter shall be in effect between the Employer and the Union, except that if a person is rehired on cessation of his disability retirement, he shall be credited with the service which he had at the time of his disability retirement and shall accumulate further service from the time that he starts to work after his rehire.

**10.03 No Guarantee of Employment**

The establishment of the Pension Plan shall not give any Employee any additional right to be retained in the Employment of the Employer; and all Employees shall remain subject to discipline, discharge or layoff to the same extent as if such Pension Plan had not been put into effect.

**10.04 Grievance Procedure**

If any dispute shall arise between the Employer and an Employee, an applicant for a pension who is represented by the Union or a Pensioner with reference to eligibility, age, Credited Service or amount of pension, or as to his retirement by the Employer, such dispute may be taken up as a grievance under the grievance provisions of the Collective Labour Agreement then in effect, omitting however, all steps preceding presentation of the grievance to the Manager Industrial Relations of the factory. If any such grievance shall be taken to arbitration in accordance with such procedure, the arbitrator or Board of Arbitration, insofar as it shall be necessary to the determination of such grievance, shall have authority only to interpret and apply the provisions of this Agreement and the Collective Labour Agreement. He or it shall have no authority to add to, or subtract from any provision in this Agreement, or to waive or fail to apply any deduction or any requirement of eligibility for benefit under this Agreement. The decision of the arbitrator or Board of Arbitration on any grievance properly referred shall be binding upon the Employer, the Union, the Employee, applicant for pension, Pensioner or person concerned therein.

#### **10.05 Dispute as to Disability**

If any dispute shall arise between the Employer and any Employee, applicant for a disability pension who is represented by the Union, or person on disability retirement as to whether such person is, or continues to be, Totally and Permanently Disabled or Disabled as defined in this Agreement, such dispute shall be resolved as follows:

The Employee, applicant, or person on disability retirement shall be examined by a medical doctor appointed for that purpose by the Employer and by a medical doctor appointed for that purpose by the Union. If they shall disagree concerning qualifying disability, the question shall be submitted to a third medical doctor selected by the said two medical doctors. The opinion of the third medical doctor, after examination of the Employee, applicant or person on disability retirement, and consultation with the other two medical doctors, shall decide such question and such decision shall be binding upon the Employer, the Union and the Employee, applicant or person on disability retirement or person concerned therein. Any medical doctor

appointed or selected as provided for herein must be legally licensed to practice medicine and the fees and expenses of the third medical doctor shall be shared equally by the Employer and the Union. If the dispute is as to whether or when the Employee has become Totally and Permanently Disabled or Disabled, as the case may be, and the decision made pursuant to this Section is that the Employee is Totally and Permanently Disabled or Disabled, he shall be deemed to have been Totally and Permanently Disabled or Disabled as of the commencement of continuous qualifying disability.

**ARTICLE 11**  
**TERM OF AGREEMENT**

**11.01 Submission for Approval**

The Employer shall submit the Pension Plan to the relevant government authorities for the purpose of obtaining their approval of it. If, by the 1st day of July, 2007, the Employer has not all approvals under the Pension Benefits Act and tax approvals which it may deem necessary to establish that it is entitled to deduct the amount of its contributions to the Pension Plan as an expense before taxes under the provisions of the Income Tax Act, or any other applicable tax laws as now in effect or as hereafter amended or adopted, the Agreement shall not become effective. If the requirements of any such authorities shall necessitate any modifications or changes herein, the Employer will promptly notify the Union and the parties will meet within ten days thereafter for the purpose of negotiations regarding such modifications or changes.

**11.02 Negotiations on Refusal of Approval**

In the event of refusal or withdrawal of the approval referred to in Section 11.01 by the relevant government authorities after the 1st day of July, 2007, this Agreement shall terminate on the effective date of such refusal or withdrawal, or upon the expiration of thirty days after the Employer shall first have been advised by such authorities of such refusal or withdrawal of approval, whichever is later. During such thirty day period, the parties will meet for the purpose of negotiating any modifications or changes required in order to obtain the approval of such authorities; provided, however, that the Employer during such thirty day period shall not be required to make any contributions to the Pension Fund, which it is not entitled to deduct as an expense before taxes under the provisions of the Income Tax Act, and any other applicable tax laws as now in effect or hereafter amended or adopted.

### **11.03 Application to Labour Relations Board**

In the event of refusal by the Board of Directors of the Employer or by the relevant authorities to approve this Agreement on or before the 1st day of July, 2007 or in the event of the authorities refusing to approve this Agreement or of their withdrawal after such date of their approval of this Agreement previously given, either the Union or the Employer may apply to the Ontario Labour Relations Board for permission to terminate any Collective Labour Agreement then in effect, and the other party shall join in such application. If subsequent to notice of termination of such Collective Labour Agreement, or subsequent to termination of this Agreement, the parties settle any difference between them, and this Agreement is reinstated or a successor Agreement is made, then such Collective Labour Agreement, if terminated, shall be reinstated to continue in full force until subsequently terminated according to its provisions as contained therein.

### **11.04 Amendment During Term**

If at any time during the term of this Agreement it shall be necessary or appropriate to make any revisions of this Agreement in order to obtain or retain the approval referred to in Section 11.01 by the relevant authorities, the Employer may make such revisions retroactively or otherwise with the consent of the Union. The making of such revisions shall be the subject of immediate negotiations between the Employer and the Union, and in such negotiations the Employer and the Union shall recognize that the Collective Labour Agreement, then in effect, was executed in the expectation that this Pension Plan or one with substantially equivalent benefits, would be and remain in effect during the term of this Agreement and of any renewal of this Agreement made prior to the negotiations.

#### **11.05 Requirement for Modified Pension Plan**

If the Employer is required by law to institute a contributory pension scheme or to modify or revise the Pension Plan to make it conform to future federal or provincial enactments dealing with minimum requirements of pension plans, the Employer may make such modifications or revisions retroactively or otherwise so as to ensure that the aggregate of the benefits provided by this Pension Plan, as revised, together with any other pension plan it may be compelled to institute shall approximate in value and nature the pension and other benefits provided under this Pension Plan providing such revisions are made without additional cost to the Employer.

#### **11.06 Duration of Agreement**

- (a) Subject to the foregoing, this Agreement shall continue in full force and effect in respect of all benefits at least until the 18th day of July, 2009 and thereafter from year to year unless either party gives to the other party notice in writing of cancellation or of proposals for revision within a period of not less than two months nor more than three months prior to the termination date, the last day of the original period or of any extended period being referred to herein as the termination date.
- (b) If either party gives to the other a notice of cancellation in accordance with the provisions of (a) above, this Agreement shall terminate in accordance with such notice.
- (c) If either party gives to the other a notice of proposals for revision in accordance with the provisions of (a) above, the parties shall meet to consider the proposed revisions within fifteen days after the date of delivery of such notice. If no agreement on the proposed revisions is reached by midnight July 18, 2009 or by midnight of any subsequent annual termination date, this Agreement shall continue in full force and effect thereafter, subject to termination upon at least sixty days' written notice by either party to the other given on or after the termination date.



**11.07 Amendment Not to Reduce Accrued Benefits**

In no event shall any revision to this Pension Plan reduce any benefits accrued to Employees, Former Employees or Pensioners prior to the effective date of revision, except as may be permitted or required under the Pension Benefits Act or Income Tax Act.

**11.08 Full Settlement**

This Agreement constitutes a full settlement of all retirement pension demands of the Union for its duration, and during the term hereof or any renewal hereof, neither the Union nor its representatives shall:

- (a) make any demand that this Agreement be changed in any respect or terminated, or that a new Pension Plan be established for the Employees, or that the Employer contribute or pay any greater amount for pensions for the Employees than it is required to pay under the provisions of Section 9.02 hereof, or
- (b) engage in, or continue to engage in, or in any manner encourage or sanction any strike or other action which will interfere with work or production at the plants of the Employer for the purpose of securing any such change, increase or termination,

and except during the last 75 days of the term of this Agreement or of any renewal thereof, the Employer shall not have any obligation to negotiate or bargain with the Union with respect to any of the matters referred to in (a) of this Section.

**11.09 Termination of Plan**

Termination of this Agreement shall not have the effect of terminating the Pension Plan in respect of accrued benefits, unless the Employer and the Union agree that the Pension Plan is to be so terminated.

If this Pension Plan is terminated, the benefits accrued to Plan termination date and payable to Employees, Former Employees and Pensioners or their surviving Spouses or Beneficiaries who have entitlements under the Pension Plan shall be provided for in an equitable and suitable manner in accordance with the provisions of the Pension Benefits Act, Income Tax Act and the Pension Plan, and subject to any agreement in force between the Employer and the Union. If any assets remain after the provision for all accrued liabilities under the Pension Plan, such assets shall be dealt with in accordance with Section 9.07.

**SCHEDULE 1**  
**INCREASES TO PENSIONS IN PAYMENT**

Pursuant to Section 2.10, an Additional Pension payable in accordance with this Schedule 1 shall commence with the pension payment due on January 1, 2002 and shall be payable for the Pensioner's lifetime, ceasing with the payment due on the first day of the calendar month immediately following the death of the Pensioner. However, where any Pensioner's Basic Pension is required to be paid in the form of a joint and survivor pension (automatic spouse option), the Additional Pension payable on behalf of such Pensioner shall be paid in the joint and survivor form on a reduced Actuarial Equivalent basis. The amount of Additional Pension granted to eligible Pensioners is set out below:

<b>Commencement Date of Basic Pension</b>	<b>Monthly Additional Pension Per Year of Credited Service</b>
Before January 1, 1971	\$5.50
January 1, 1971 to December 31, 1973	\$4.50
January 1, 1974 to December 31, 1976	\$3.50
January 1, 1977 to December 31, 1979	\$2.50
January 1, 1980 to December 31, 1982	\$1.50
January 1, 1983 to December 31, 1985	\$1.00
January 1, 1986 to December 31, 1988	\$0.50

## **LETTERS OF UNDERSTANDING**

### **LETTER #1**

Where an Employee or Former Employee is domiciled and ordinarily resident elsewhere than in the Province of Ontario, the Employer on being satisfied that there is no legal impediment in respect thereof, will hereafter accept a designation of a Beneficiary pursuant to and in accordance with the provisions of Article 7 of the Pension Plan Agreement between the Employer and the Employees in the Bargaining Unit represented by your local.

### **LETTER #2**

This will confirm the Employer policy with respect to Employees who are absent from work by reason of illness and are accumulating seniority under the terms of the Collective Labour Agreement.

The Employer will establish a system wherein it will notify such Employees and the Secretary of the Local Union at least thirty days in advance of the date on which the accumulation of seniority expires. This does not relieve the Employee of the responsibility of making application for any benefits to which he is entitled under the terms of the various Agreements between the Company and the Union and which benefits are dependent upon the Employee accumulating seniority in order to qualify for a benefit.

### **LETTER #3**

In the case of the termination of a group of Employees meeting the requirements of Section 2.03(b) or 2.04(b) of the Pension Plan, the Employer undertakes to use its best efforts to apply for acceptance by the Canada Revenue Agency of a special early retirement program which qualifies as an “approved downsizing program” under the Income Tax Act. Such special early retirement program will, to the extent permitted by the Income Tax Act, provide for the payment of early retirement pensions which are not subject to the reductions in Section 2.03(b) or 2.04(b), as the case may be, but which are otherwise determined in accordance with the applicable section.

**SIGNED AND EXECUTED AT BOWMANVILLE, ONTARIO**

this      day of                      , 2007.

**THE UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND  
SERVICE WORKERS INTERNATIONAL UNION ON  
BEHALF OF ITS LOCAL 189**

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**GOODYEAR CANADA INC.  
BOWMANVILLE FACTORY**

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