

COLLECTIVE AGREEMENT

BETWEEN

RHEEM CANADA LIMITED

and

**UNITED STEEL, PAPER and FORESTRY, RUBBER,
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL
AND SERVICE WORKERS INTERNATIONAL UNION**

Local Union No. 9042-109

November 18, 2011 to November 17, 2014

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The purpose of this Agreement is to maintain a harmonious relationship between the Company and its Employees and to provide an amicable method of settling any differences or grievances which might possibly arise.

ARTICLE 1 - RECOGNITION

1.01 The Company recognizes the Union as the exclusive bargaining agent of all Employees of Rheem Canada Limited save and except supervisors, persons above the rank of supervisor, office and sales staff.

1.02 Salaried Employees will not do work ordinarily performed by employees in the bargaining unit except for:

- a) instruction or training;
- b) investigation, experimentation or development;
- c) emergency situations which will not replace members of the Bargaining Unit or to cause loss of earnings.

In any of the situations referred to in (a) or (b) above, the Department Steward will be advised of the intent of a salaried employee to perform work normally done by the Bargaining Unit.

1.03 The Company agrees to establish a practice of not contracting out jobs normally performed by members of the Bargaining Unit, so as to replace any such members, or to cause loss of earnings. This provision will not apply in cases of emergency which will be discussed with the Union before any action is taken by the Company.

1.04 The Company agrees that in the event of an existing operation being transferred to another site within a 50-mile radius (to include Metropolitan Toronto) of its current location, then the U.S.W.A. would be recognized as the Bargaining Agent for the Employees therein.

Should the Company relocate its operation as described above, adversely affecting an employee's employment, (being laid off) a meeting will be held between the Company and the Union. The intent of this meeting would be to endeavour to place those persons, whose jobs have been relocated. In the event of a relocation of operations, current employees will be given preference, by seniority for available jobs, at the new location, qualifications permitting.

1.04 (b) In the event of a planned relocation of operations, or planned permanent closure, provided the Company does not offer reasonable alternate employment, the Company agrees to pay severance pay in the amount of one (1) weeks regular wages for a regular non-overtime work week, per year of service to a maximum of thirty (30) weeks upon termination of employment.

ARTICLE 2 - DISCRIMINATION

2.01 The Company and the Union agree that no Employee shall in any manner be discriminated against or coerced, restrained or influenced because of race, creed, colour, sex, national origin, membership or activity in any labour Organization.

ARTICLE 3 - MANAGEMENT FUNCTION

3.01 The Union recognizes the right of the Company to hire, promote, transfer, demote and layoff employees and to suspend, discharge or otherwise discipline employees for just cause subject to the right of any employee to lodge a grievance in the manner and to the extent as herein provided.

The Union further recognizes the right of the Company to operate and manage its business in all respects, to maintain order and efficiency in its operations, and to determine the location of its operations, its products, the scheduling of its operations and its methods, processes, and means of conducting its business.

The Union further acknowledges that the Company has the right to make and alter, from time to time, rules and regulations to be observed by employees, which rules and regulations shall not be inconsistent with the provisions of this Agreement.

ARTICLE 4 - UNION SECURITY

4.01 (a) It is agreed that all present Employees shall become and remain members of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International for the duration of this Agreement and all new employees hired during the life of this Agreement shall become and remain members of the Union.

(b) An Employee who shall tender an initiation fee (if not already a member) and the periodic dues uniformly required as a condition of acquiring or retaining membership shall be deemed to meet the membership and dues deduction conditions of this Article.

4.02.01 The Company shall deduct Union dues including where applicable, initiation fees and assessments, on a weekly basis, from the total earnings of each employee covered by this agreement. The amount of dues shall be calculated in accordance with the Union's Constitution.

4.02.02 All dues, initiation fees and assessments shall be remitted to the Union forthwith and in any event no later than 15 days following the last day of the month in which the remittance was deducted. The remittance shall be sent to the International Secretary Treasurer of the United Steelworkers, AFL - CIO- CLC, P.O. Box 13083, Postal Station 'A'

Toronto, Ontario M5W1V7 in such form as shall be directed by the Union (if the collective agreement does not have the International Union as the party then the word "Union" should be changed to "International Union") to the Company along with a completed Dues Remittance Form R-115. A copy of the Dues Remittance Form R-115 will also be sent to the Union office designated by the Area Coordinator.

4.02.03 The remittance and the R-115 form shall be accompanied by a statement containing the following information:

- a) A list of the names of all employees from whom dues were deducted and the amount of dues deducted;
- b) A list of the names of all employees from whom no deductions have been made and reasons;
- c) This information shall be sent to both Union addresses identified in article .02 in such form as shall be directed by the Union to the Company.

4.02.04 The Union shall indemnify and save the Company harmless against all claims or other forms of liability that may arise out of any actions taken by the Company in compliance with this article.

4.02.05 The Company, when preparing T-4 slips for the employees, will enter the amount of Union dues paid to the employee during the previous year.

4.03 The Union shall indemnify and hold harmless the Company against any and all liability which may arise by reason of the check off by the Company of an amount equivalent to Union dues from Employees' wages in accordance with this Agreement.

4.04 The Company agrees to enter year to date totals for total earnings, taxes, Unemployment Insurance, Canadian Pension Plan and union dues on the weekly deduction summary sheets attached to the Employees' pay cheques.

ARTICLE 5 - REPRESENTATION

5.01 The Union may elect or appoint and the Company shall recognize two (2) stewards, one of whom shall be the Chief Steward. Each Steward at the time of his/her appointment or election, shall have at least six (6) months seniority, shall be on the active roll of the Company and shall at all times while on Company property be subject to the rules and regulations to be observed by Employees.

5.02 One (1) additional Steward will be recognized for the partial second shift

5.03 A Steward with the approval of his/her Supervisor, which approval shall not be unreasonably withheld, shall be permitted during his/her working hours to leave his/her regular duties for a reasonable length of time to investigate and settle grievances. Such absence shall

be recorded on a card supplied by the Company if the Company so requests.

5.04 In seeking the approval of his/her Supervisor to leave his/her regular duties, the Steward shall specify where he/she is going and with respect to a grievance arising in the Supervisor's area he/she shall specify the nature of the grievance(s) and the Employee(s) involved. Upon entering the area of a Supervisor other than his/her own to investigate and settle a grievance the Steward shall notify the Supervisor of the nature of the grievance(s) and the Employee(s) involved.

5.05 Upon request to and with the approval of his/her Supervisor (which approval shall not be unreasonably withheld) a Steward will be allowed to consult with the Chief Steward concerning grievances in his/her jurisdiction.

5.06 (a) The authorization of a Supervisor to a Steward to leave his/her work during working hours without loss of time or pay is subject to the understanding that the time will be devoted to the prompt handling of grievances and will not be abused and that he/she will perform the work to which he/she is assigned at all times except when necessary to leave his/her work to handle grievances as provided herein. Whenever in the opinion of the Operations Manager more than reasonable time is being taken by the Chief Steward or Stewards to accomplish investigation and adjustment of a grievance, he/she may decline to approve payment for such time as he may consider to be excessive.

(b) The Company will endeavour to schedule meetings with Union Committees, Stewards, or member of Union Executive during normal working hours. Time spent on such matters outside of normal hours will be compensated for at time and one-half only if such meetings have been requested by Management.

(c) Notwithstanding the number of Employees recognized by the Company on the various Committees as designated by this Collective Agreement, the Local Union President shall be entitled to attend Committee Meetings.

5.07 The Union shall notify the Company in writing of the names of Stewards, the effective date of their respective appointments and the name of the former Stewards they are displacing or discontinuing.

5.08 Notwithstanding their seniority status the President/Unit Chair or designate and Chief Steward or designate as referred to in 5.01 of Local Union 7042-109 shall in the event of layoff be retained or returned to a job, the duties of which they have the ability to perform. In the event there are more than thirty (30) active employees in the facility one additional steward shall be added to this article.

The Company will not schedule other than the day shift for the Local Union President.

5.09 The Company agrees to recognize and deal with a Negotiating Committee of not more than two Employees plus the President/Unit Chair, who shall be regular Employees of the Company, along with representatives of the International Union.

The Company agrees to allow members of the Negotiating Committee of not more than two Employees plus the President/Unit Chair, the day off work without loss of pay, on each day the Committee is scheduled to meet with Management.

5.10 The Company agrees to recognize a Labour/Management Relations Committee consisting of representatives of the Company and the Union. The Committee shall meet at the request of either party for the purpose of discussing matters of mutual concern. The Committee shall have power to make recommendations to the Union and the Company. Time spent by Employees in carrying out functions of the Committee shall be considered to be time worked.

ARTICLE 6 - GRIEVANCE PROCEDURE

6.01 The parties to this Agreement are agreed that it is of the utmost importance to adjust complaints and grievances as quickly as possible. It is understood that an employee has no grievance until he/she has first given his/her immediate supervisor an opportunity to adjust his/her complaint

6.02 No grievance shall be considered which was not filed within five (5) working days after the circumstances which gave rise to it came to the attention of or should have come to the attention of the Employee concerned.

6.03 Grievances shall be adjusted and settled as follows:

Step No. 1

The employee with the Department Steward shall advise the employee's immediate supervisor of their grievance or complaint and shall give the supervisor three (3) days to adjust the complaint or grievance.

Step No. 2

In the event the grievance is not resolved at Step 1, a written notice of appeal may be presented to the Human Resources Department, setting forth the nature of the grievance, the date of the matter complained of, and provisions of this agreement that the Company has allegedly violated. The Operations Manager, and other Supervisory personnel as deemed required, shall meet with the Chief Steward, President/Unit Chair and Steelworkers International Representative (as deemed required by the Union) within five (5) working days of receipt of this appeal, and render his/her decision in writing to the Chief Steward not later than three (3) working days next following the date upon which the

meeting was held.

6.04 If the final settlement of the grievance is not completed as above and if the grievance is one which concerns the interpretation or alleged violations of this Agreement the grievance may be referred within seven (7) working days (but not thereafter) by either party to arbitration as hereinafter provided. The party requesting arbitration shall accompany its request by a statement describing the facts of the grievance and the issue to be decided by the arbitrator.

6.05 Should a difference arise between the Company and the Union regarding the interpretation or alleged violation of this Agreement which could not otherwise be resolved at lower steps of the grievance procedure because of the nature or scope of the subject matter of the grievance it may be taken up at Step No. 2 of the grievance procedure outlined above. If no satisfactory settlement is reached, either party may within seven (7) working days after receipt of the other's decision (but not thereafter) file a request for arbitration in the manner outlined in Article 7. The party requesting arbitration shall accompany its request by a statement describing the facts of the grievance and the issue to be decided by the arbitrator.

6.06 A complaint or grievance which has been disposed of pursuant to the grievance and/or arbitration provision of this Agreement, shall not again be made the subject matter of a complaint or grievance during the life of this contract or any extension thereof.

6.07 Notwithstanding anything contained in this Agreement the time limits provided for herein may be extended in writing, by mutual agreement of the parties.

ARTICLE 7 - ARBITRATION

7.01 Where a difference arises between the parties relating to the interpretation, application or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this Agreement has been violated, or that any employee has been unjustly disciplined, either of the parties may, after exhausting the grievance procedure established by this Agreement, notify the other party in writing of its desire to submit the difference or allegation to arbitration. The notice shall contain a selection of three names being the first party's proposal for mutual agreement on the choice of one of those named to act as a single arbitrator. The recipient of the notice shall within five (5) days advise the other party of its acceptance, naming one of the three to act as a single arbitrator, or reject the selection and submit three alternate names to act as a single arbitrator. If the parties cannot agree on the selection of a single arbitrator either party may request the Minister to appoint a single arbitrator.

7.02 No person may be appointed as Arbitrator who has been directly involved in an attempt to negotiate or settle a grievance.

7.03 The Arbitrator shall hear and determine the matter and shall be final and binding upon the parties, and upon any Employee affected by it.

7.04 An Arbitrator shall not be authorized to make any decisions inconsistent with the provisions of this Agreement or to alter, modify, or amend any part of this Agreement or to adjudicate any matter not specifically assigned to him or her by the statement of the party requesting arbitration. The Arbitrator shall, however, have power to modify or set aside any penalty imposed by the Company relating to the grievance then before him or her. The Arbitrator may decide whether or not retroactive wages are payable because an Employee has been deprived of wages as a result of a violation of the Agreement by the Company.

7.05 Each of the parties to this Agreement will jointly bear, share and share alike the expenses of the Arbitrator.

7.06 Either party may request the services of the Ontario Labour Relations Act.

ARTICLE 8 • DISCHARGE AND DISCIPLINARY PROCEDURE

8.01 A suspended or discharged seniority Employee or the Chief Steward may present a grievance in writing to the Operations Manager or his/her designated representative at Step No. 2 of the grievance procedure. The Union will not question the dismissal of any probationary Employee nor shall the dismissal be the subject of a grievance unless the Employee alleges that he/she has been discriminated against in such discharge by reason of Union activity, and an arbitrator shall not reverse his/her discharge on any other grounds.

8.02 When an Employee has been suspended or dismissed without notice he /she shall have the right to interview his/her Steward for a reasonable period of time before leaving the premises provided that in cases where it is necessary to immediately expel a discharged Employee from the operations, the Steward shall be advised.

8.03 Such special grievance may be settled by confirming the Management's action in dismissing the Employee with or without compensation for time lost or by any other decision that is considered just and equitable in the opinion of the conferring parties.

8.04 Written notice of disciplinary action, to include a copy of attendance records in cases of discipline for absence, shall be given in the presence of a Union Steward where possible, with a copy to the Union. The parties agree that past written disciplinary actions issued to an Employee that have exceeded 12 months will not be taken into consideration in administering discipline.

Employees will be advised that a disciplinary matter is being investigated and dealt with within five (5) working days of the day that the precipitating incident came to the attention of the Company.

An employee's disciplinary record will be "frozen" during periods of layoff due to lack of work.

8.05 Justice and Dignity Provision

(a) An employee whom the Company suspends or discharges for an alleged absentee or tardiness violation, or an employee whom the Company alleges has quit, shall be retained at, or returned to active work until any grievance contesting such suspension or discharge is finally resolved through the grievance and arbitration procedure.

Grievances involving employees, who are retained at work under this provision, will be handled in the Expedited Arbitration Procedure, unless the Company and the Union mutually agree otherwise. If the Arbitrator upholds the suspension or discharge of an Employee retained at work, the penalty shall be instituted after receipt of the arbitration decision.

(b) An employee whom the Company suspends or discharges, shall be retained at, or returned to active work and is expected to perform in a satisfactory manner while this procedure is followed (excluding the following situation stated in 8.05 (c)), until the Operations Manager, as per article 6.03, renders the decision of the second stage of the grievance procedure in writing.

(c) Where the suspension or discharge is for insubordination, harassment, fighting, theft and willful destruction of Company property, or there is a violation of the Ontario Occupational Health and Safety Act, or the safety of other employees or management may be at risk, or where the employee is obviously impaired by alcohol, or drugs or other intoxicating or mind altering substance, the provision of article 8.05 (b) shall not apply.

ARTICLE 9-SENIORITY

9.01 Seniority, as referred to in this Agreement shall mean length of continuous service in the Bargaining Unit, and shall prevail on an operations wide basis. Seniority shall be applied in determining preference for filling of Job Postings, Vacations, Layoffs and Recall and as set out in other provisions of this Agreement. As per the Merger Agreement Nov. 2008, the employee shall be placed on the seniority list with one day less seniority than the most junior person covered under the terms and conditions of the Rheem Collective Agreement November 18, 2008 (P&M)

9.02 (a) An employee shall be considered probationary for 720 hours worked, and will have no seniority rights during this period. After the probationary period, seniority shall date back to the date on which his employment began. A probationary employee shall receive Company benefits and the regular wage rate of the job after 480 hours worked.

(b) All new employees will be introduced to their department steward if they are available.

9.03 A Seniority List shall be posted on the Bulletin Board, by the Company, within 30 days of the signing of this Agreement. An up to date copy of this Seniority List shall be supplied to the Union every six (6) months.

(a) The Company and the Union agree to meet and review the need for establishing testing for new job postings or for re-testing current position(s) before implementing any such test.

9.04 (a) The Company recognizes that in filling job vacancies, (except positions excluded from the Bargaining Unit) senior Employees shall be entitled to preference.

In recognition, however, of the responsibility of the management for the operation of the Operations, it is understood and agreed that Management shall have the right to pass over any Employee if it considers that the Employee does not have the ability to perform the work. The Company agrees not to use this consideration in an unreasonable manner.

(b) Before awarding a permanent vacancy to an employee under this subsection, notice of the vacancy will be posted for three (3) working days, during which time employees may apply in writing for the position. An employee may apply for a vacancy, which would not be a promotion to him/her, through the established procedure, when a vacancy exists. The successful applicant to a lateral or downward move will not be permitted to make a further lateral or downward move for a period of six (6) months.

The Company will grant a ten (10) day familiarization period to the senior employee posting into a job class 9 or lower.

After the familiarization period, employees who cannot satisfactorily perform the requirements of the job will be disqualified and placed by the Company into a job that is held by the least senior employee in the operations whose job he/she can perform.

Employees awarded a job in job class 10 or above through the above job posting procedure who do not satisfactorily perform the requirements of the job will be disqualified and placed by the Company into a job that is held by the least senior employee in the operations whose job he/she can perform.

During the first ten (10) working days on the job, the employee may at his/her discretion return to his/her previous classification.

Up to two (2) additional moves will be allowed for each original permanent

vacancy. All subsequent assignments shall be made by the Company. Temporary vacancies will be subject only to the original posting.

All applicants will be notified of the successful applicant within five (5) working days of the expiration of the job posting. The successful applicant will be placed on his/her new job, or will receive the rate of pay for the new job within ten (10) working days after notification.

(c) A vacancy will be temporary for up to twenty (20) consecutive working days; this period may be extended by mutual agreement. When it becomes apparent that a temporary vacancy will extend beyond twenty (20) working days the Company will post and award the temporary vacancy as per Article 9.04 (a) and (b) and such postings shall include the expected date of duration of such temporary vacancy. At the conclusion of the temporary vacancy, the Employee in the temporary vacancy will return to his/her original job.

(d) Successful applicants as defined in Clause 9:04 (a) to a lead hand position will serve up to a six (6) month assessment period as lead hand before becoming permanent to the position.

The vacancy created as a result of this appointment will be posted as a temporary position for the six (6) month period after which it will be posted as a permanent position, provided the lead hand concerned successfully completes the assessment period and becomes permanent in the position. In the event that the lead hand is, in the opinion of the Company, deemed not suitable for the position within the six (6) months assessment period he/she will be returned to his/her previous job.

(e) If a bargaining unit employee, other than the lead hand, is requested by the Supervisor to train another employee, the trainer will be paid at a rate of two (2) job class increments higher than the current rate. Current pay tier(s) will apply based on date of hire.

9.05 (a) Where circumstances require a reduction in the work force for a period to exceed five (5) working days, seniority shall be the governing factor providing the employee has the ability to perform the available work. Students will be the first to be laid off, followed by probationary employees. Then in order of seniority, employees affected by the layoff, (or the recall of such employees) shall have the opportunity to displace the least senior employee in any classification on any shift. An employee bumping or displacing into a job class seven (7) or lower will be granted a five (5) day familiarization period. After the familiarization period, employees who cannot satisfactorily perform the requirements of the job will be disqualified and placed by the Company into a job that is held by the least senior employee in the operations whose job he/she can perform.

In recognition however of the responsibility of the Management for the operation of the Operations it is understood and agreed that Management shall have the right to pass over any Employee if it considers that the Employee does not have the ability to perform the work

available. The Company agrees not to use this consideration in an unreasonable manner.

When employees are to be laid off under this Article, the Company will provide the Employees with Written Notice two (2) working days in advance of the layoff, and will provide to the Union a list of Employees to be laid off.

After the Union has received its copy of the layoff notice, discussions will take place between the Company and the Union regarding any Employee laid off out of seniority.

If there are any changes following this discussion causing other persons to be laid off instead of those already notified, such persons shall receive notice of layoff prior to the end of their shift.

(b) Temporary layoffs of the work force for not more than three (3) working days, may be made without the application of the layoff provisions of this Agreement, provided that no Employee may be temporarily laid off under this sub-section for more than nine (9) working days in a calendar year. The Company and the Union may, by mutual agreement, extend the application of this sub-section. The nine (9) working days referred to above will include one-half (1/2) day (4 hour) layoffs excepting lay-offs that are the result of the depletion of employees in any department due to actions taken relative to the letter of understanding concerning heat and humidity.

The Company retains the right to determine at what point all operations will be suspended due to depletion of the workforce.

However, should an Employee who having had the above mentioned nine (9) days layoff and while attempting to exercise his/her bumping rights would conflict with a senior Employee's rights, as referred to in 9.01, a meeting between the Company and the Union shall take place and the junior Employee in such situation will be laid off regardless and the senior employee in such situation will be retained provided he/she can perform the available work.

The Company will give notice of temporary lay off not later than the middle of the Employee's scheduled shift on the workday prior to the day(s) of layoff.

(c) In a planned reduction of the work force, students will be the first to be laid off followed by probationary employees. Employees will be considered for recall in order of seniority and recalled to the first available position provided they are able to perform the available work, and ultimately to their original position prior to the layoff. In the event that an employee is laid off out of a classification in a department he/she will be recalled to that job when it becomes available without resorting to the job posting procedure.

9.06 The Company will endeavour to place employees who are disabled in their employment with the Company on jobs, which they are capable of performing.

9.07 An Employee will lose his/her seniority, and his/her employment with the

Company shall terminate for any of the following reasons:

- a) If he/she quits;
- b) If he/she is discharged and such discharge is not reversed through the grievance procedure;
- c) If he/she is laid off and fails to return to work within five (5) working days after he/she has been notified to do so by registered mail to his/her last known address;
- d) If he/she overstays a leave of absence without cause acceptable to the Management;
- e) If he/she absents himself/herself for more than three (3) working days without notifying the Management;
- f) In the event of unexpected accident or illness the Employee must advise the Company as soon as possible and upon his/her return must supply a medical certificate where the Company so requests;
- g) An Employee who has less than five (5) years seniority at the date of layoff will have his/her seniority maintained during continuous layoff for a period of up to one (1) year. An Employee who has five (5) years or more seniority at the date of layoff will have his/her seniority maintained during continuous layoff for a period of up to two (2) years;
- h) An Employee away from work due to a non-industrial accident or illness and who has properly reported such accident or illness will be subject to the provisions of Clause 9.07 (g).
- i) An employee will accumulate credit for continuous service while absent due to an industrial accident or illness during the period of time that the Workplace Safety & Insurance Board determines that the Employee is temporarily totally disabled or until such time the Workplace Safety & Insurance Board determines that such Employee is permanently and totally disabled and unable to return to employment with the Company.

9.08 If Employees, belonging to this Bargaining Unit, are appointed to a supervisory or other salaried position within the Company, outside of the Bargaining Unit, they will retain but not accumulate seniority as it stands on the day they leave the Bargaining Unit for a period of up to a maximum of twelve (12) months. At any time during this maximum twelve (12) month period the Employee may return with the seniority retained on leaving, provided that such Employee pays to the Union an amount equal to the Union dues that would have been paid had the Employee remained within the Bargaining Unit. The Employee returning to the Bargaining Unit will be placed in an open vacancy.

ARTICLE 10 - NOTICE OF LAYOFF

- 10.01** The Company will grant five (5) working days notice of permanent layoff.
- 10.02** The Company will grant two (2) months notice in the event of a planned, permanent plant closure or a planned relocation of its operation.

ARTICLE 11 - REPORTING ALLOWANCE

11.01 When an Employee reports for work on time on his/her regular shift unless previously otherwise notified he/she shall be paid for not less than four (4) hours at his/her standard hourly rate, provided he/she reports promptly to his/her Supervisor, and accepts such work as he/she may be directed to by his/her Supervisor. If he/she refuses such work, he/she shall not be entitled to pay there under.

11.02 The provisions of the above paragraph shall not apply when such lack of work is due to circumstances beyond the Company's reasonable control or when the Employee has been absent from work and has failed to advise the Company of his/her intention to return before so reporting. In such cases, the Employee may be sent home and paid only for the actual time worked.

11.03 When an Employee is called in to work at a time other than his/her regular shift he/she shall be paid four (4) hours pay at his/her standard hourly rate or for the time actually worked at the applicable overtime premium whichever is the greater. When an Employee is called in to work and that time runs into his/her normal shift, the time worked prior to his/her normal shift will be treated as overtime.

ARTICLE 12 - STATUTORY HOLIDAYS

- 12.01** The Statutory Holidays are designated as: -
- Day before Christmas Day
 - Christmas Day
 - Boxing Day
 - Day before New Years Day
 - New Years Day
 - Family Day
 - Good Friday
 - Victoria Day
 - Dominion Day
 - Civic Holiday
 - Labour Day
 - Thanksgiving Day
 - Floater

The date of the Floating Holiday is to be mutually established. The total holidays are thirteen (13) per contract year.

12.02 An Employee will be paid for eight (8) hours at his/her straight time hourly rate exclusive of shift and overtime premiums for the day of observance of the above designated holidays provided he/she meets all of the following rules: -

- a) The Employee has been employed thirty (30) calendar days as of the date of the holiday.
- b) The Employee must have worked the full scheduled shift on the last scheduled working day prior to and the next scheduled working day after such holiday.
- c) An Employee granted a one-day leave of absence, or who is absent because of provable sickness or injury, or is on a Union leave of absence under Section 15.04 on the last scheduled working day prior to or on the next scheduled working day after such holiday, shall be deemed to have met the requirements of this Section.
- d) This article does not apply to Employees who are off work and collecting Workplace Safety & Insurance Board Benefits on the last scheduled working day prior to and the next scheduled working day after statutory holidays.

ARTICLE 13 – VACATIONS

No single day's vacation will be given between the months of July 1st and August 31st, with the exception for medical or emergency.

13.01 Employees with less than one (1) year's service as of June 30th in any year will be entitled to receive a vacation of one (1) week, during such year and shall receive as their vacation pay an amount equal to four percent (4%) of their gross earnings in the preceding year.

13.02 Employees with one (1) year's service or over as of June 30th in any year will be entitled to receive a vacation of two (2) weeks during such year and shall receive as their vacation pay an amount equal to four percent (4%) of their gross earnings in the preceding year.

13.03 Employees with five (5) years of service or over as of June 30th in any year shall be entitled to receive a vacation of three (3) weeks during such year and shall receive as their vacation pay an amount equal to six percent (6%) of their gross earnings in the preceding year.

13.04 Employees with ten (10) years of service or over as of June 30th in any year shall be entitled to receive a vacation of four (4) weeks during such year and shall receive as their vacation pay an amount equal to eight percent (8%) of their gross earnings in the preceding year.

13.05 Employees with twenty (20) years of service or over as of June 30th in any year will be entitled to receive a vacation of five (5) weeks during such year and shall receive as their vacation pay an amount equal to ten percent (10%) of their gross earnings in the preceding year.

13.06 Employees with twenty-five (25) years of service or over as of June 30th in any year will be entitled to receive a vacation of six (6) weeks during such year and shall receive as their vacation pay an amount equal to twelve percent (12%) of their gross earnings in the preceding year. As per the Merger Agreement Nov.2008, the employee shall be placed on the seniority list with one day less seniority than the most junior person covered under the terms and conditions of the Rheem Collective Agreement November 18, 2008 (P&M)

13.07 Vacation pay will not be allowed for vacations not taken. Any unused vacation privileges will be allowed to accumulate until conditions permit them to be exercised during the calendar year.

13.08 When an Employee's scheduled vacation day coincides with a paid Statutory Holiday or another day established by statute or decree for its observance, the Employee will work and be paid at a rate of time and one-half (1 1/2) in lieu of time off for the first scheduled work day following his/her scheduled vacation period, or the remaining vacation day will be scheduled at a later date to be mutually agreed to by the Company and Employee.

13.09 Employees who have worked a minimum of 1,040 hours during the vacation calculation period and who have been absent from work due to accident or illness for thirty (30) or over consecutive calendar days, shall have their vacation pay calculated at the greater of forty (40) hours at their current wage rate or two percent (2%) of gross earnings for each week of vacation entitlement. The Company has agreed to supply a statement of the calculation of vacation pay upon request.

13.10 To encourage Employees to take their vacations during the months of December, January, February, and March, a Vacation Bonus of \$40.00 per full week of vacation taken, will be paid to employees who take their vacation entitlement during the aforesaid months.

13.11 Employee's must submit their vacation request before April 1st. The Employee's weeks vacations will be scheduled, where practical, giving preference to employees based on seniority. Vacation schedules shall not be changed without the consent of the affected employee except in the case of emergency.

13.11 (a) Employees wishing to take vacation time between January 1st and January 31st of any year shall have their request for such vacation submitted between November 15th and December 1st of the previous year to be considered on a seniority basis, requests received after December 1st will be assigned on a first come basis, without consideration of seniority. Employees wishing to take earned vacation time between February 1st. and March 31st of any year shall have their request for such vacation submitted by no later than January 20th of that year. Vacation will be scheduled where practical, giving preference to employees based on seniority. Requests submitted after January 20th and prior to March 31st for vacation time between February 1st and March 31st shall be considered on a first come basis without consideration given to seniority.

13.12 Employees with twenty-five (25) or more years of service will be entitled to one (1) additional vacation day for each year of service over twenty-five (25) years, up to a maximum of five (5) days.

- i. When an Employee accumulates twenty-five (25) years of service as of June 30th in any year, he/she will be entitled to receive a vacation of six (6) weeks plus one (1) day during such year and shall receive as their vacation pay an amount equal to twelve point four percent (12.4%) of their gross earnings in the preceding year.
- ii. When an Employee accumulates twenty-six (26) years of service as of June 30th in any year, he/she will be entitled to receive a vacation of six (6) weeks plus two (2) days during such year and shall receive as their vacation pay an amount equal to twelve point eight percent (12.8%) of their gross earnings in the preceding year.
- iii. When an Employee accumulates twenty-seven (27) years of service as of June 30th in any year, he/she will be entitled to receive a vacation of six (6) weeks plus three (3) days during such year and shall receive as their vacation pay an amount equal to thirteen point two percent (13.2%) of their gross earnings in the preceding year.
- iv. When an Employee accumulates twenty-eight (28) years of service as of June 30th in any year, he/she will be entitled to receive a vacation of six (6) weeks plus four (4) days during such year and shall receive as their vacation pay an amount equal to thirteen point six percent (13.6%) of their gross earnings in the preceding year.
- v. When an Employee accumulates twenty-nine (29) years of service as of June 30th in any year, he/she will be entitled to receive a vacation of six (6) weeks plus five (5) days during such year and shall receive as their vacation pay an amount equal to fourteen percent (14.0%) of their gross earnings in the preceding year.

ARTICLE 14 - PAY ON DAY OF INJURY

14.01 An Employee injured in an industrial accident (during working hours) shall be paid for the time lost on the day he/she was injured at his/her applicable hourly rate at the time of the accident.

ARTICLE 15 - LEAVE OF ABSENCE

15.01 The Company may grant leaves of absence without loss of seniority up to six (6) months to Employees for personal reasons having due regard to the operations of the operations, provided such request is made in writing, submitted a minimum of three (3) working days prior to the date required, excluding personal emergency and the reasons for the leave of absence stated. Extensions for further periods may be applied for and granted at the discretion of the Company. Such leave of absence if granted will be without pay and without loss of seniority subject to the provisions of Article 12.02. The president of the Union will be notified in writing of all leaves under this article.

15.02 Any leave of absence will be in writing and no such leave will affect any Employee's seniority rights when used for the purpose granted. If an Employee works elsewhere while on leave of absence, he/she will lose all seniority unless he/she has written permission from the Company to do such work.

15.03 Any Employee of the Company appointed as an International Representative of the Union as long as the Union office held by him/her is a full time position shall be granted leave of absence by the Company for a period of two (2) years and may be extended for an additional two (2) year period and while on such leave of absence shall accumulate seniority.

15.04 Upon one (1) week's advance notice, the Company will grant a leave of absence of up to one (1) day to two (2) Union Representatives to attend meetings of the Area Council of the International Union and upon request may grant a leave of absence to a Union representative to attend a Union Convention, Conference or School. The Company will respond to written requests for a leave-of-absence within three (3) working days of receipt of the written request.

15.05 The Company will grant maternity / paternity leave as prescribed by Provincial regulation.

ARTICLE 16 - BEREAVEMENT PAY AND JURY DUTY

16.01 In case of a death in the immediate family of an Employee, the Company shall grant a leave of absence with pay not to exceed seven (7) days in the death of an employee's spouse or child, four (4) days for mother, father, three (3) days for mother-in-law, father-in-law, brother, sister, grandparents, and grandchildren.

In case of the death of an employee's sister-in-law, brother-in-law, he/she will be allowed one (1) day's absence at his/her regular rate, for the day of the funeral.

To be eligible for such bereavement pay, the Employee must not be off work on account of illness, accident, compensation, or layoff at the time for which the leave is requested.

16.02 The Company shall pay to any Employee who may be required to serve as a juror or who may be subpoenaed by the Crown to appear as a Crown witness, the difference between the amount received for such service and the amount the Employee would normally have received for a regular work day, provided that the said Employee shall return to work each day immediately upon being discharged from jury duty where practicable.

16.03 The Employee may be required to present written proof that he/she was required to and did serve as a juror during the period for which he/she requests his/her pay.

ARTICLE 17 - SAFETY AND HEALTH

17.01 The Company agrees to continue to make every reasonable effort to provide safe and healthful conditions of work for its Employees. It will also continue to make available to its Employees protective equipment and protective clothing when necessary and required by the conditions peculiar to the job and without cost to the Employees. The Union agrees to co-operate

with the Company in encouraging its Employees to observe such safety and health regulations as from time to time may be prescribed.

17.01 a) The Company agrees to comply with the Employment Standards Act in furnishing healthful working conditions and safe and sanitary devices. Whatever machinery and equipment the Company furnishes shall meet all the required legal standards of safety and sanitation. Safety matters shall be the subject of discussion between the Company and the Union. The Union agrees that it will endeavour to have its members observe all safety rules.

17.01 b) Video Display Terminal

The Company shall agree to take every reasonable step to:

1. Ensure the VDT's have adjustable keyboards and screens;
2. Minimize lighting glare;
3. Proper design of seating arrangements.

Additionally, a pregnant employee shall not be required to operate such VDT equipment against her will and such employee may elect to take an unpaid leave of absence for the length of the pregnancy as provided in Article 12. Further, the Company will make a good faith effort to re-assign the VDT work of a pregnant Employee where it does not adversely affect the operation of the Company.

17.02 The Company and the Union shall maintain a Joint Safety and Health Committee consisting of three (3) members from the Union, with equal representation from the Company.

The purpose of the Joint Committee shall be to make recommendations to the Operations Manager for the elimination of unsafe practices and unsafe working conditions. The Committee shall meet once per month, and shall have as its primary purpose, the prevention of accidents, and the prompt investigation of the nature and cause of accidents or injury. Minutes of all Meetings shall be kept, and copies posted on the Bulletin Board. Prior to the regular monthly meeting, the Committee may inspect the workplace for the purpose of identifying hazardous conditions or unsafe practices. At the conclusion of the inspection, a written report will be prepared. The recommendations and suggestions of this report as well as the action to be taken to correct unsafe conditions or practices will be discussed at the monthly meeting of the Joint Safety and Health Committee.

A Union Safety Committee Member will be called upon to participate in Dept. of Labour Plant Inspections, and / or inspections of any environmental or safety nature within the operations as they occur. The Joint Health and Safety Committee will review the results of such inspections at the monthly meeting.

Reports of all inspections performed under Article 17 as well as all records of accidents and occupational illness shall be made available to the Joint Health and Safety Committee.

17.03 The Company shall provide adequate First Aid for all Employees during their working hours. The names of trained First Aid Attendants will be posted on the Bulletin Boards.

17.04 (a) Safety and Health Training

General: The Company recognizes the special need to provide appropriate safety and health training to all Employees. Training Programs shall recognize that there are different needs for safety and health training for newly hired Employees, Employees who are transferred or assigned to a new job and Employees who require periodic retraining. The Safety and Health Committee may make recommendations on these and other safety education matters.

(b) Training of Newly Hired Employees

Newly hired Employees shall receive training in the general recognition of safety and health hazards, their statutory and basic labour contract rights and obligations and the purpose and operation of the Company's Safety, Health and Medical functions, and the Joint Safety and Health Committee. In addition, upon initial assignment to a job, such Employees shall receive training on the nature of the operation or process, the safety and health hazards of the job, the safe working procedures, the purpose, use and limitations of personal protective equipment required, and other controls or precautions associated with the job.

The Joint Safety and Health Committee shall, upon request, be afforded the opportunity to review the training program for newly hired Employees at Operations Level.

(c) Training of Other Employees

The training of Employees other than those newly hired by the Company shall be directed to the hazards of the job or jobs on which they are required to work. Such training shall include hazard recognition, safe working procedures, purpose, use and limitations of special personal protective equipment required and any other appropriate specialized instruction.

(d) Retraining

As required by an Employee's job and assignment area, periodic retraining shall be given on safe working procedures, hazard recognition, and other necessary procedures and precautions.

The Joint Health and Safety Committee will be informed prior to installation of any major piece of equipment or machinery, for the purpose of ensuring that all health and safety considerations are met.

17.05 Employee Recovery Program

The Company and the Union recognize that many health, social and behavioural problems can be successfully treated, and that treatment is in the best interest of the workers, the Union and the Company. Therefore, the Company and the Union agree to work co-operatively, within the framework of existing contractual agreements, to provide effective professional and confidential assistance and access to treatment for those Employees in need.

17.06 (a) A Boot Allowance of up to \$135.00 Yr.1; \$140.00 Yr.2; \$145.00 Yr. 3 will be allowed to all other Employees when new boots are required. An additional \$10.00 Boot Allowance will be paid for those Employees purchasing boots with metatarsal guards.

(b) The Company agrees to pay the cost of Prescription Glasses for employees and their dependants to a maximum of \$200.00 every two years, when new glasses are required.

17.07 The Company agrees to keep a Log Book at each First Aid Station, which will be used to record name, date, time and reason for First Aid.

17.08 The Company agrees to pay the cost of registration and lost time for Committee approved Occupational Health and Safety Education courses, to a maximum of five (5) weeks per year, to be shared by the Committee Members.

17.09 The Company agrees to co-operate in the early and safe return to work of employees as prescribed by the Workplace Safety and Insurance Act, who have become disabled as a result of work related injuries. The Company further agrees to first make a reasonable attempt to modify the employee's current workstation, if required, to meet his/her functional abilities. The Company will consider recommendations made by the Joint Health and Safety Committee concerning these modifications.

17.10 Members of the Joint Health and Safety Committee will be allowed a one (1) day, paid leave of absence to observe the Day of Mourning, when such a day falls on a work day.

ARTICLE 18-GENERAL

18.01 The Company agrees to provide two (2) Bulletin Boards for the use of the Union, at appropriate locations upon which the Union shall have the right to post Notices relating to matters of interest to the Union and the Employees. Providing the Announcements or Notices do not contain anything offensive, or reflect in a negative manner upon the Company or any of its Employees.

18.02 **Copies of Agreement**

The Company agrees to pay the cost of having printed an adequate number of copies of the Collective Agreement and to supply one copy to each Employee as soon as possible after the date of signing of the current Collective Agreement, and thereafter upon the date of hiring.

(b) The Company shall provide the Union with two (2) electronic versions of this agreement within two (2) weeks of signing the agreement, in both Word and PDF formats. The PDF file will be in a searchable file and will include a signature page.

18.03 Method of Payment

The Company will pay each hourly Employee weekly, by direct deposit, at the employee's option in a sealed envelope, which will be distributed on Thursdays. The Union agrees not to hold the Company responsible for mechanical and other failures that may cause the pay to be issued on Fridays.

ARTICLE 19 - HOURS OF WORK AND OVERTIME

19.01 The following paragraphs are intended to define the normal hours of work and shall not be construed as a guarantee of hours of work per day or week or otherwise.

19.02 The standard workweek is one of forty (40) hours consisting of five (5) days of eight (8) hours each, Monday through Friday, inclusive. [Monday through Friday may be subject to change by mutual consent between the Company and the Union, for any new positions.]

19.03 The standard working hours are defined as follows but may be subject to change by mutual consent between the Company and the Union.

(a) Single Shift Operations: The shift will commence at 6:00 a.m. and end at 5:00 p.m. with staggering start times. No one shift to exceed eight (8) hours with one-half hour for lunch.

(b) Double Shift Operations: The first shift will commence at 7:00 a.m. and end at 3:00 p.m. and the second shift will commence at 3:00 p.m. and end at 11:00 p.m. All Employees on a two shift operation will be allowed a twenty-minute (20) paid lunch period with a five-minute (5) wash-up before the lunch period and a further five (5) minute wash-up at the end of the working day, in lieu of any other paid break periods provided under this Agreement.

(c) Triple Shift Operations: The first shift will commence at 7:00 a.m. and end at 3:00 p.m. The second shift will commence at 3:00 p.m. and end at 11:00 p.m. The third shift will commence at 11:00 p.m. and end at 7:00 a.m. All Employees on a three (3) shift operation will be allowed a twenty-minute (20) paid lunch period with a five-minute (5) wash-up before the lunch period and a further five-minute (5) wash-up at the end of the working day, in lieu of any other paid break periods provided under this Agreement.

(d) The standard shift for employees required for set up duties may commence and end one (1) hour prior to the aforementioned times.

(e) Employees working in departments requiring shift work, may be required to work rotating shifts

19.04 Shift assignments for each calendar week in which there is a change will be posted or otherwise made known to the Employees affected by 2:00 p.m. Thursday of the preceding week. Assignments may be changed by the Company at any time providing, however, that any changes made after 2:00 p.m. Thursday of the week preceding the calendar week in which the change will be compensated by the payment of time and one-half for the hours worked outside of the previously scheduled shift. This premium payment shall apply to the first shift worked following the shift change, but not in the case of job posting awards or in the case of Employees being recalled from layoff.

19.05 The Company will pay a premium of thirty (.30) cents per hour for all Employees employed on the second shift and a premium of thirty-five (.35) cents per hour for all Employees employed on the third shift.

19.06 There will be a ten (10) minute break during the first four (4) hours of each shift and a ten (10) minute break during the second four (4) hours of each shift. Employees will be permitted a five (5) minute wash-up before the lunch period and a further five (5) minute wash-up at the end of their working day.

Employees who for personal or other reasons leave the operations at a time other than their regular quitting time will be allowed a five (5) minute wash-up period.

Employees working more than one (1) hour of overtime will be permitted a ten (10) minute break prior to the commencement of such overtime.

Employees working three hours or more of overtime will be permitted an additional ten (10) minute break at the commencement of their third hour of overtime.

19.07 All employees who work more than two (2) hours following directly after their regular shift shall have ten dollars (\$10.00) added to their wages for each such occasion as a supper allowance.

19.08 Time and one half the standard hourly rate will be paid as follows:

(a) For authorized time worked in excess of eight (8) hours in a twenty-four (24) hour period.

(b) For authorized time worked on a Saturday that does not form part of an Employee's standard workweek;

(c) For authorized time worked beyond the forty (40) hours standard work week;

19.09 Double the standard hourly rate will be paid as follows:

(a) For authorized time worked on a Sunday that does not form part of an Employee's standard workweek;

(b) For authorized time worked in excess of twelve (12) hours in a twenty-four (24) hour period;

(c) For authorized time worked in excess of eight (8) hours on a Saturday that does not form part of an Employee's standard workweek.

(d) For authorized time worked on a statutory holiday or day established by statute or decree in lieu thereof and such double time shall be in addition to the statutory holiday pay.

19.10 There shall be no pyramiding of overtime.

19.11 (a) In distributing overtime work; the Company will give first preference to the Employee who performs the majority of such work during the preceding shift.

(b) Where there is more than one person performing the same amount of work on a particular classification during the same day, overtime will be distributed as follows:

- 1) most senior in the classification;
- 2) next most senior in the classification until all in classification have been asked;
- 3) most senior qualified employee in the department.

In distributing Saturday or Sunday overtime work the Company will give first preference to the employee who performs the majority of such work during the Thursday "Day" shift.

If on a particular line requiring Saturday or Sunday overtime there is an "afternoon" shift assigned, the employees on that "afternoon" shift will be given preference, for the overtime assignment, after exhausting all qualified employees working on that line on the "day" shift, but before any qualified employee in another department is asked.

Note: Classification means Job Description.

19.12 The Company will give notice of overtime as far in advance as is practicable. Overtime is accepted on a voluntary basis. When an employee accepts and agrees to work the scheduled overtime and fails to report for that overtime his/her absence will be included in the employee's attendance record.

When overtime is to be worked on a weekend affected Employees will be advised during their shift on the previous Thursday when practicable. Overtime may be cancelled by the Company in the event of a breakdown of equipment or cessation of operations beyond the control of the Company.

ARTICLE 20 - TECHNOLOGICAL CHANGE

20.01 The Company is concerned about the impact on Employees and conditions of employment resulting from technological improvements and automation. Accordingly, the Company and the Union agree to the following:

20.02 For the purpose of this agreement technological change shall be understood to mean a change related to the introduction of new or modified equipment, material or process that significantly affects the security of employment of Employees in the Bargaining Unit.

20.03 It is the intent of the Company to notify the Union, as far in advance as possible as to the technological changes that will take place.

20.04 Displacement of Employees, and Job Postings resulting from technological change will be handled in accordance with the provisions of this Collective Agreement.

20.05 Where technological changes occur which do not displace an Employee but which through advanced technology of that equipment, material or process, change the requirements or procedures; the Company will make every effort to retrain the existing operator of that equipment. The operator shall be given adequate time, in the opinion of the Company to become proficient on the new equipment.

20.06 The Company recognizes that in some instances, and due to circumstances beyond its control or the Employee's control, it may not be possible to retrain the existing operator, in which case the Company agrees after making reasonable effort at retraining that Employee, that the Employee will be displaced from the job but he/she will be subject to the provisions of Article 9.05 (a) of this Agreement. Any job so vacated would then be subject to Article 9.04 (a) and (b) of this Agreement.

20.07 Nothing in the foregoing shall be construed to prevent the Company from hiring and employing, for temporary periods, a person or persons to operate the new or revised machinery while retraining the former operator.

20.08 The Company will not exercise its rights and obligations detailed above in an arbitrary or discriminatory manner nor in a manner contrary to the specific provisions of the Collective Agreement.

ARTICLE 21 ■ NO STRIKES - NO LOCKOUTS

21.01 In view of the orderly procedure established by this Agreement for the settling of disputes and the handling of grievances, the Union agrees, that during the lifetime of this Agreement, there will be no strike, slowdown or stoppage of or interference with work or production, either complete or partial and the Company agrees that there will be no lockout of Employees.

21.02 The Union further agrees that it will not involve any Employee of the Company, or the Company itself, in any dispute, which may arise between any other employee and the Employees of such other employer.

ARTICLE 22 - GROUP INSURANCE

22.01 (a) The Company agrees to provide Group Insurance coverage including Life Insurance and Accidental Death and Dismemberment Insurance in the amounts listed below:

EFFECTIVE	Dec 1/08	Dec 1/09	Dec 1/10
Life Insurance	\$34,000	\$34,250	\$34,500
A.D. & D.	\$30,000	\$30,050	\$30,100
EFFECTIVE	12/1/04		
Retiree Life Insurance	\$4,000	\$4,000	\$4,000

(b) The Company agrees to provide Weekly Indemnity coverage to a maximum of twenty-six (26) weeks, starting with the first day of a non-occupational accident or the fourth day in case of sickness in the following amount:

EFFECTIVE	Dec 1/08	Dec 1/09	Dec 1/10
Weekly Indemnity	\$485.00/week	\$490.00/week	\$495.00/week

22.02 The Company agrees to provide a Major medical Plan to provide benefits for such items as private duty nursing and dental treatment in case of accident. Benefits will be 100% of all eligible charges, except as specified below for dental coverage. The Major Medical Plan will also provide that drugs dispensed by a licensed pharmacist will be on a no deductible basis. A Dental

Plan effective January 1, 2005 similar to Blue Cross Plan #7 with Rider #1, based on the 2004 O.D.A. fee schedule will provide 90% coverage for Employees and dependents as defined. Effective January 1, 2008 the Dental Plan will be based on the Current O.D.A. fee schedule with a 10% cost share to be paid by the employee.

Effective January 1, 1999 the Company will pay for dentures and the maintenance of them at fifty percent (50%).

Effective January 1, 2005 the Company will pay fifty percent (50%) of orthodontic billing to a lifetime maximum of \$2,500 per employee dependent.

Drug Card –Generic drug substitution; however an employee is covered for the costs of a brand name drug if the doctor writes “no substitution” in the prescription. If there is no generic brand available, name brand will be given at no additional cost and there will be no dispensing fee.

22.03 RETIREE BENEFITS

The Company will allow major medical coverage for retired employee and spouse, provided the employee reimburses the Company with the applicable premiums. This applies to early retirees at the age of fifty-five (55), with a minimum of thirty (30) years of service. This is a letter of understanding for the current agreement only.

22.04 The Company agrees that when a major medical drug claim exceeding \$50.00 has not been paid by the Insurance Carrier within fourteen (14) calendar days from the date of submission by the employee to the Company, the Company will, upon request by the Employee, pay the amount of the claim to the Employee within three (3) working days. Upon receipt of the cheque from the Insurance Carrier, the Employee will reimburse the Company.

ARTICLE 23 - PENSION PLAN

23.01 The Company has agreed to make available to all Employees hired prior to November 17th, 2008, in the Bargaining Unit, a Defined Pension Plan as described in Schedule "A" to this Agreement.

Effective December 1, 2003 the Defined Pension Plan shall be amended to increase the minimum monthly pension to \$38.00 per month, multiplied by Credited Service.

Effective November 18th, 2008, all P&M employees who have completed the probationary period, including employees in the DB Plan, will receive an annual company contribution in the amount of \$1000.00 to an RRSP payable on November 17th, 2012; \$1500.00 November 17, 2013; and \$2,000.00 November 17th, 2014.

23.02 Effective December 1, 1994, Employees with thirty (30) or more years of service may retire with full Pension Benefits.
Effective December 1, 2006, Employees with thirty (30) or more years of service may retire with full pension benefits provided they are a minimum of fifty-five (55) years of age. This age qualification does not apply to those employees who have attained thirty (30) years of service as of November 30, 2006.

23.03 No matter affecting the plan or its application or administration shall be subject to grievance or arbitration procedures.

ARTICLE 24-WAGES

24.01 The Co-operative Wage Study (C.W.S.) Manual for Job Description, Classification and Wage Administration, dated November 18th, 1968, (herein referred to as "the Manual") is incorporated into this Agreement as Appendix "B" and its provisions shall apply as if set forth in full herein.

24.02 Each Employee's job shall be described and classified and a rate of pay applied to such Employee in accordance with the provisions of this Agreement.

24.03 The Company agrees that as a November 18, 2008 the Classification and Wage Schedule as provided in Appendix "A" will take effect, and will be amended as follows:

A one time Lump Sum Payment of \$1000.00 (gross) will be paid to all non-probationary Employees actively on the payroll on the date of ratification of this Agreement. Employees on Workplace Safety & Insurance Board Benefits, Weekly indemnity or Employment Insurance sick benefits will receive this payment one week following their return to active employment if their return to active duty occurs within one (1) year of the ratification.

APPENDIX "A" CLASSIFICATION CLASSIFICATION AND WAGE SCHEDULE

Effective November 18th, 2008

Work Class	Work Class Rate	Probationary Rate	Student Rate
1	\$18.585	\$15.940	\$14.940
2	\$18.805	\$16.160	\$15.160
3	\$19.025	\$16.380	\$15.380
4	\$19.245	\$16.600	\$15.600
5	\$19.465	\$16.820	\$15.820
6	\$19.685	\$17.040	\$16.040
7	\$19.905	\$17.260	\$16.260
8	\$20.125	\$17.480	\$16.480
9	\$20.345	\$17.700	\$16.700
10	\$20.565	\$17.920	\$16.920
11	\$20.785	\$18.140	\$17.140
12	\$21.005	\$18.360	\$17.360
13	\$21.225	\$18.580	\$17.580
14	\$21.445	\$18.800	\$17.800
15	\$21.665	\$19.020	\$18.020
16	\$21.885	\$19.240	\$18.240
17	\$22.105	\$19.460	\$18.460
18	\$22.325	\$19.680	\$18.680
19	\$22.545	\$19.900	\$18.900
20	\$22.765	\$20.120	\$19.120
21	\$22.985	\$20.340	\$19.340
22	\$23.205	\$20.560	\$19.560
23	\$23.425	\$20.780	\$19.780
24	\$23.645	\$21.000	\$20.000
25	\$23.865	\$21.220	\$20.220
26	\$24.085	\$21.440	\$20.440

Effective November 18th, 2009

Work Work Class Probationary Student

Class	Rate	Rate	Rate
1	\$18.985	\$16.340	\$15.340
2	\$19.205	\$16.560	\$15.560
3	\$19.425	\$16.780	\$15.780
4	\$19.645	\$17.000	\$16.000
5	\$19.865	\$17.220	\$16.220
6	\$20.085	\$17.440	\$16.440
7	\$20.305	\$17.660	\$16.660
8	\$20.525	\$17.880	\$16.880
9	\$20.745	\$18.100	\$17.100
10	\$20.965	\$18.320	\$17.320
11	\$21.185	\$18.540	\$17.540
12	\$21.405	\$18.760	\$17.760
13	\$21.625	\$18.980	\$17.980
14	\$21.845	\$19.200	\$18.200
15	\$22.065	\$19.420	\$18.420
16	\$22.285	\$19.640	\$18.640
17	\$22.505	\$19.860	\$18.860
18	\$22.725	\$20.080	\$19.080
19	\$22.945	\$20.300	\$19.300
20	\$23.165	\$20.520	\$19.520
21	\$23.385	\$20.740	\$19.740
22	\$23.605	\$20.960	\$19.960
23	\$23.825	\$21.180	\$20.180
24	\$24.045	\$21.400	\$20.400
25	\$24.265	\$21.620	\$20.620
26	\$24.485	\$21.840	\$20.840

Effective November 18th, 2010

Work Class	Work Class Rate	Probationary Rate	Student Rate
1	\$19.385	\$16.740	\$15.740
2	\$19.605	\$16.960	\$15.960
3	\$19.825	\$17.180	\$16.180
4	\$20.045	\$17.400	\$16.400
5	\$20.265	\$17.620	\$16.620
6	\$20.485	\$17.840	\$16.840
7	\$20.705	\$18.060	\$17.060
8	\$20.925	\$18.280	\$17.280
9	\$21.145	\$18.500	\$17.500
10	\$21.365	\$18.720	\$17.720
11	\$21.585	\$18.940	\$17.940
12	\$21.805	\$19.160	\$18.160
13	\$22.025	\$19.380	\$18.380
14	\$22.245	\$19.600	\$18.600
15	\$22.465	\$19.820	\$18.820
16	\$22.685	\$20.040	\$19.040
17	\$22.905	\$20.260	\$19.260
18	\$23.125	\$20.480	\$19.480
19	\$23.345	\$20.700	\$19.700
20	\$23.565	\$20.920	\$19.920
21	\$23.785	\$21.140	\$20.140
22	\$24.005	\$21.360	\$20.360
23	\$24.225	\$21.580	\$20.580
24	\$24.445	\$21.800	\$20.800
25	\$24.665	\$22.020	\$21.020
26	\$24.885	\$22.240	\$21.240

APPENDIX "B" CLASSIFICATION

TIER TWO

CLASSIFICATION AND WAGE SCHEDULE

(for hourly Employees hired on/after November 18, 2008 for the following three (3) work classes)

(for hourly Employees hired on/after November 18, 2011 JC12 rates apply)

Effective November 18th, 2011

Work Class	Work Class Rate	Probationary Rate	Student Rate
5	\$18.170	\$15.525	\$14.525
8	\$18.920	\$16.275	\$15.275
10	\$19.420	\$16.775	\$15.775
12	\$19.890	\$17.275	\$16.172

Effective November 18th 2012

Work Class	Work Class Rate	Probationary Rate	Student Rate
5	\$18.700	\$16.055	\$15.055
8	\$19.450	\$16.805	\$15.805
10	\$19.950	\$17.305	\$16.305
12	\$20.420	\$17.805	\$16.702

Effective November 18th 2013

Work Class	Work Class Rate	Probationary Rate	Student Rate
5	\$19.240	\$16.595	\$15.595
8	\$19.990	\$17.345	\$16.345
10	\$20.490	\$17.845	\$16.845
12	\$20.960	\$18.345	\$17.242

***Note: All new hires effective November 18, 2008 will not be eligible for defined benefit Pension plan benefits**

24.04 Effective on the date specified in Section 24.03, all Employees shall have their rates of

pay adjusted as follows:

(a) If the Employee is not receiving an out-of-line differential prior to the date specified in Section 24.03, the rate of pay of such Employee shall be adjusted to conform to the standard hourly rate for that Employee's job, as provided in Section 24.03.

(b) If the Employee is receiving an out-of-line differential prior to the date specified in Section 24.03, the rate of pay of such Employee shall be increased by the amount by which the rate for Job Class 1 has been increased, as provided in Section 24.03 and the following shall govern:

1. If the Employee's new rate resulting from such increase is greater than the standard hourly rate for the job, as provided in Section 24.03, the amount by which such Employee's new rate is greater than the rate provided in Section 24.03 shall become such Employee's new out-of line differential (which shall replace the former out-of-line differential) and shall apply in accordance with the provisions of this Agreement.

2. If the Employee's new rate resulting from such increase is equal to or less than the standard hourly rate for the job, as provided in Section 24.03, the rate of pay of such Employee shall be adjusted to conform to the standard hourly rate for the job, as provided in Section 24.03, and the former out-of-line differential shall be terminated.

24.05 As of the date the Standard Hourly Wage Scale becomes effective, the standard hourly rate for each job class shall be the standard hourly rate for all jobs classified within such job class and shall so continue for the duration of the Standard Hourly Wage Scale and shall be applied to any Employee in accordance with the provisions of this Agreement

24.06 Each standard hourly rate established under Section 24.03 shall be:

(a) The established rate of pay for all hours paid for on a non-incentive job; and

(b) The established hourly base rate and minimum guaranteed rate of pay under any incentive applied to the job in accordance with the provisions of this Article.

24.07 Except as otherwise provided by this Agreement, the established rate of pay for each production or maintenance job, other than a trade or craft or apprentice job, shall apply to any Employee during such time as the Employee is required to perform such job.

24.08 Except as otherwise provided by this Agreement, the established rate of pay for a trade or craft or apprentice job shall apply to any Employee during the time such Employee is assigned to the respective rate classifications in accordance with the provisions of this Agreement.

Out-of-Line Differentials

24.09 The Company shall furnish to the Union a list agreed to by the Company and the Union of Employees who are to be paid "out-of-line differential". Such list shall contain the following information:

- (a) Name of incumbent to whom such out-of-line differential is to be paid.
- (b) Job title of job on which out-of-line differential is to be paid.
- (c) Job Classification of such job.
- (d) Standard hourly rate of such job.
- (e) Amount of out-of-line differential.
- (f) Date such out-of-line differential became effective.

24.10 Except as such out-of-line differential may be changed by the means hereinafter provided, any Employee included in the list referred to in Section 24.09 shall continue to be paid such out-of-line differential during such time as the Employee continues to occupy the job for which the differential was established.

24.11 If an Employee with an out-of-line differential is transferred or assigned to a job having a higher standard hourly rate, then the differential shall be reduced by the amount of the increase in the standard hourly rate.

24.12 If, as a result of layoff and the exercise of seniority rights, an Employee with an out-of-line differential is moved to a job having a lower standard hourly rate, then the out-of-line differential shall be cancelled.

24.13 If such Employee referred to in Sections 24.11 and 24.12 shall be returned to the job for which the out-of-line differential was established, the out-of-line differential shall be reinstated except as it may have been reduced or eliminated by other means.

24.14 When an employee would, in accordance with the terms of his Agreement, be entitled to receive his/her regular rate, he/she shall also receive any out-of-line differential to which he/she is entitled.

24.15 In addition to the means herein provided, increases in the increment between job classes shall be used to reduce or eliminate out-of-line differentials.

24.16 Except for the application of out-of-line differentials as called for herein, the terms of this Agreement governing transfers shall apply.

Temporary Transfer

24.17 (a) An Employee who is temporarily transferred from his/her regular job shall be paid the standard hourly rate of the job to which he/she has been transferred, provided such rate is not less than that of his/her regular job. If the rate of the job to which he/she is temporarily transferred, but not as a result of a layoff is less than the rate of his/her regular job, he/she shall be paid the rate of his/her regular job during the period of such temporary transfer.

(b) Temporary transfers may be made for up to twenty (20) consecutive working days. However, this time may be extended by mutual consent between the Company and the Union. Experience so gained will not be taken into account when awarding job postings.

Incentives

24.18 Should the Company desire to install incentives to cover any jobs, the following shall govern:

(a) The standard hourly rates for the respective jobs shall be the base rates and minimum hourly guaranteed rates for such incentives.

(b) The Company shall work out the details of the plan and submit it in detail to the Union Executive.

(c) The Company shall, at such time furnish such explanation with regard to the development and determination of the proposal as shall be reasonably required to enable the Union representative to understand how such proposal was developed and determined and shall afford the Union a reasonable opportunity to discuss the proposal plan.

(d) If the Union agrees with the plan it shall be introduced on a date to be mutually agreed upon.

(e) If agreement is not reached it shall be discussed by the referees set forth in the C.W.S. Manual, who shall attempt to agree on the plan and its installation.

(f) If agreement is not reached, the Company may introduce the plan on a trial basis for a 30 day period and in no event longer than 90 calendar days, the actual period to be specified by the referees.

(g) If agreement is not reached during the trial period the plan shall be referred back to the referees, who shall modify the plan to reach agreement by the parties or upon failure to agree on a modification, the plan shall not be continued during the life of the Collective Agreement.

General

24.19 Any mathematical or clerical errors made in the preparation, establishment or application of job descriptions, classifications or standard hourly rates shall be corrected to conform to the provisions of this Agreement.

24.20 Except as otherwise provided, no basis shall exist for an Employee covered by this Agreement to allege that a wage rate inequity exists.

24.21 If the Company and Union fail to reach agreement upon any job description(s), classifications(s) or assignment of personnel through the procedure provided in Article 4 of the manual, such matter shall be processed through the grievance procedure beginning at the step immediately preceding arbitration and continuing through to arbitration if necessary.

24.22 The Company agrees to deduct \$0.01 per hour from each Employee's wages to be forwarded monthly to those designated by the union to administer the Union Humanitarian Fund. This deduction shall be voluntary on the part of each individual employee.

Leave of Absence for Union C.W.S. Committee

24.23 The Company agrees to grant leave of absence from their regular work to three (3) Employees who shall be selected by the union to act on its C.W.S. Committee. Employees so selected shall:

- (a) Accumulate any seniority to which they normally would be entitled; and
- (b) Receive their regular rate of pay from the Company as based upon a normal work week; and
- (c) Return to their regular employment when their work on the C.W.S. Committee is completed.
- (d) After the program is installed, in future activities in processing new or changed jobs, the Committee shall be afforded time off, only in proportion to the number of new or changed jobs to be processed at the same above conditions.

ARTICLE 26 - DURATION

26.01 Subject to the terms of the Memorandum of Settlement, this Agreement shall become effective on November 18th, 2011 and shall continue in full force and effect until November 17th, 2014 and shall continue to operate automatically thereafter during annual periods of one year each unless either party notifies the other in writing not more than ninety (90) days prior to the annual expiration date, that a revision or discontinuance is desired.

DULY EXECUTED BY THE PARTIES HERETO AS OF THE 18th DAY OF November, 2011

ACCEPTED AND APPROVED: UNITED STEEL, PAPER and FORESTRY, RUBBER,
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL and SERVICE WORKERS
INTERNATIONAL UNION
Local I 9042-109
RHEEM CANADA LTD.

Donna Shipstone

Dave McPherson

Steve Gasparinho

Christine McLeod

E. Grady

S. Brady

Dennis Williamson

Wm. Ostan

Pam Ross

LETTER OF UNDERSTANDING

(November 18, 1975)

During periods of excessive heat and humidity when an Employee feels he cannot continue with his work assignment, he will report to his Foreman. In the event that no relief can be given the employee, will be allowed permission to punch out and leave the plant, being paid only for the hours actually worked.

Should any department be depleted to the point where efficient operations cannot be maintained, the Company may, at its discretion, close it down for the remainder of the shift. Employees affected will be paid only for the hours actually worked.

RHEEM CANADA LIMITED

November 18, 2004

D. Robertson

S. Brady

L. J. Williamson

ACCEPTED AND APPROVED:
UNITED STEELWORKERS OF AMERICA
Local 6868

Per:

E. Grady

M. Taylor

K. McLeod

C. Robinson

February 9, 1990

LETTER OF UNDERSTANDING (PLANT)

The Company and the Union have agreed to set up a Joint Committee to work together to address the Pay Equity Legislation.

For the Company

Larry J. Williamson

For the Union

Ed. Grady

**LETTER OF INTENT
BETWEEN
UNITED STEELWORKERS OF AMERICA LOCAL 6868
AND RHEEM CANADA LTD.**

It is hereby agreed that it is the intent of the Union and the Company to meet outside of the collective bargaining process to maintain the following:

- 1) Modified duty program, the purpose of which is to provide work opportunities, if available, for employees of Rheem Canada who are currently off work or may go off work due to work related injury.
- 2) Pay Equity.
- 3) A program to advance interested, qualified employees into the skilled trade area.

For the Union

Edward Grady

For the Company

Larry Williamson

November 1998

SCHEDULE A

Employee Benefits

Employee Benefits	2011	2012	2013
Life Insurance ¹	\$34,000	\$34,250	\$34,500
A.D. &D. ¹	\$30,000	\$30,050	\$30,100
Weekly Indemnity ¹	\$485/wk	\$490/wk	\$495/wk

- beginning the first day of a non-occupational accident, or fourth day of sickness, for a maximum of 26 weeks.

Employee and Dependent Benefits

Hospital & Surgical	100%	100%	100%
Major Medical	100%	100%	100%
Dental Plan ²	Current ODA	Current ODA	Current ODA

Pension Plan \$38.00 \$38.00 \$38.00

Normal Retirement Age is 65

- employees may elect a smaller personal pension with a survivor pension going to his/her spouse after the Employee's death, an unreduced Pension with 30 or more years of service and minimum age 55.

- All P&M employees, who have completed the probationary period, will received an annual company contribution in the amount of \$1000.00 to an RRSP, payable on November 17, 2012, \$1500.00 November 17, 2013 and \$2000.00 November 17, 2014.

Boot Allowance:	2011	2012	2013
	\$135.00	\$140.00	\$145.00
	+ \$10.00		
	Metatarsal		

Prescription Glasses : The Company will provide full coverage for employees and dependents: \$225.00 every two (2) years.

¹ These benefit increases will become effective the first day of the month following ratification date except for dental fee guides which are as indicated.

² Effective January 1, each year with a 10% cost share.

**DISTRIBUTION CENTRE
JOB CLASSIFICATION AND RATES**

<u>Position</u>	<u>JC</u>
Parts	8
Shipper	15
Lead Hand	12
Utility	12
Receiver/Utility	12
	Subject to CWS Review
Truck Driver	12
Material Handler	10
Commercial Assembly/Utility –Raypak	10
	Subject to CWS Review
Commercial Assembly/Utility-Rheem	10
	Subject to CWS Review
Tankless Assembly	10
	Subject to CWS Review
Maintenance/Janitor/Utility	5

***All positions may require shift work**