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2006 - 2008

COLLECTIVE AGREEMENT

BETWEEN

DAYCO CANADA CORP.

-and-

UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE  
WORKERS INTERNATIONAL UNION - "UNITED STEELWORKERS"  
LOCAL 906L

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I N D E X

<u>Article</u>		<u>Page</u>
1	Scope and Recognition	3
2	Relationship	3
3	Reservation of Management Rights	4
4	Check-Off of Union Dues	5
5	No Strikes or Lockouts	7
6	Union Committees and Stewards	7
7	Grievance Procedure	10
e	Seniority	18
9	Leave of Absence	24
10	Overtime	30
11	Vacations	37
12	Designated Holidays	39
13	Health and Welfare	40
14	Health and Safety	44
15	General	46
16	Wages	48
17	Lead Hands	53
18	Duration	53
	Incentive Employees Bonus	55
	Wage Schedules 'A'	56
	Wage Schedules 'B'	59
	Wage Schedules 'C'	62
	Letters of Understanding	55

**THIS AGREEMENT ENTERED INTO AS OF THE    DAY OF                    , 2006**

**B E T W E E N :**

**DAYCO CANADA CORP.**  
(hereinafter referred to as the “Company”)

- and -

**UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE  
WORKERS INTERNATIONAL UNION – “UNITED STEELWORKERS”  
LOCAL 906L**

(hereinafter referred to as the “Union”)

**ARTICLE 1 - SCOPE AND RECOGNITION**

1.01    The Company recognizes the Union as the sole bargaining agent for all *its* employees at *its* plant in the City of Toronto and the Regional Municipality of Peel, save and except supervisors, persons above the rank of supervisor, office staff, clerical staff, sales staff, time study staff, full-time quality control staff, laboratory staff, full-time security/personnel, technical engineering staff, students employed during the school vacation period, and persons regularly employed for not more than twenty-four (24) hours per week.

**ARTICLE 2 - RELATIONSHIP**

2.01    The Company and the Union agree that, except as otherwise expressly provided herein, there will be no discrimination, interference, restraint or coercion exercised or practised by the Company or the Union, or by any of their representatives with respect to membership or non-membership in the Union. The Union agrees that no Union member will conduct Union activities on the premises of the Company except as specifically permitted by this Agreement.

**ARTICLE 3 - RESERVATION OF MANAGEMENT RIGHTS**

3.01 Except as, and to the extent specifically modified by this Agreement, all rights and prerogatives which the Company had prior to the execution of this Agreement are retained by the Company and remain exclusively within the rights of the Company and its management. Without limiting the generality of the foregoing, the Company's rights shall include:

- (a) the right: to maintain order, discipline and efficiency; to make, alter and enforce, from time to time, reasonable rules and regulations, policies and practices, to be obeyed by its employees; to discipline and discharge employees for just cause. In the event the Union disputes the reasonableness of such rules and regulations, the Union shall have the right to file a policy grievance in respect thereto pursuant to the provisions of Article 7.14 of this Agreement. Such grievance shall specify the rule or rules being disputed and the grounds upon which such rule or rules is or are being disputed.
- (b) the right: to select, hire and control the working force and employees; to transfer, assign, promote, demote, classify, layoff, recall, suspend employees; to plan, direct and control operations; to select and retain employees for positions excluded from the bargaining unit and to transfer employees into the bargaining unit.
- (c) the right to determine: the location and extent of its operations and their commencement, expansion, curtailment or discontinuance; the direction of the working forces; the products to be manufactured; the standards of production; the subcontracting of work; the schedules of work and of production; the number of shifts; the methods, processes

and means of performing work; job content and requirements; quality and quantity standards; the qualifications of employees; the use of improved methods, machinery and equipment; whether there shall be overtime work and who shall perform such work; the number of employees needed by the Company at any time and how many shall operate or work on any job, operation, machine or production line; the administration of the Company's pay system; which jobs shall be incentive jobs and which jobs shall not; the number of hours to be worked; starting and quitting time. And generally, the right to manage the enterprise and its business without interference are solely and exclusively the right of the Company.

3.02 Should the Company undertake to contract out work normally performed by employees in the bargaining unit, prior to contracting out work, the Company will advise the Union of the reason for the contracting out and consider Union suggestions.

#### **ARTICLE 4 - CHECK-OFF OF UNION DUES**

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

4.02 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, PO Box 13083, Postal Station "A", Toronto, Ontario, M5W 1V7, in such form as shall be directed by the 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.

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

- (a) A list of names of all employee from who dues were deducted and the amount of dues deducted;
- (b) A list of 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 5.02 in such form as shall be directed by the Union to the Company.

4.04 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.

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

4.06 The Employer agreed to deduct and remit on a hi-weekly basis the amount of one (\$0.01) cent per hour from the wages of all employees in the bargaining unit for all hours worked and prior to the 15<sup>th</sup> day of the month following, to pay the amount so deducted to the "Humanity Fund" and to forward such payment to the United Steelworkers National Office, 234 Eglinton Avenue East, Toronto, ON, M4P 1K7, and to advise in writing both the Humanity Fund at the aforementioned address and the Local union that such payment has been made, the amount of such payment and the

names and addresses of all employees in the bargaining unit upon whose behalf such payment has been made. The Company agrees to match the employees contribution.

#### **ARTICLE 5 - NO STRIKES OR LOCKOUTS**

5.01 The Union undertakes and agrees that while this Agreement is in operation neither the Union nor any employee shall take part in or call or encourage or support or condone any strike, picketing, sitdown, slowdown, or any suspension of or stoppage of or impeding of or curtailment of or interference with work or production, which shall in any way affect the operations of the Company, and the Company agrees that it will not engage in any lockout during the term of this Agreement.

5.02 Any employee who participates in any of the foregoing conduct shall be subject to discipline up to and including discharge.

#### **ARTICLE 6 - UNION COMMITTEES AND STEWARDS**

##### **6.01 Bargaining Committee**

The Company acknowledges the right of the Union to appoint or otherwise select from the Union membership in the Company's Toronto Plant, a Bargaining Committee comprised of not more than three (3) seniority employees in good standing of the Company. The Local Union President shall be Chairperson thereof. The Company will recognize the Bargaining Committee for the purpose of handling any grievance or discussing a matter properly arising during the continuance of this Agreement.

The Company agrees to recognize five (5) stewards, who shall be seniority employees, to administer the following areas:

1 Steward (Day Shift) - Warehouse, Shipping and Receiving

1 Steward (Day Shift) - Belt Finishing

1 Steward (Day Shift) - Maintenance - including Machine Shop, Boiler Room

1 Steward (Day Shift) - Material Preparation

1 Steward (Day Shift) – Belt Building, Cure and Drum Repair/Jacket Builder

In the event the afternoon shift or night shift does not have a Bargaining Committee person, the Company will recognize an afternoon shift Steward and/or a night shift Steward for the purpose of handling grievances at Step 1 of the grievance procedure.

The Company acknowledges the right of the Union to appoint or otherwise select from the seniority employees a Chief Steward in addition to the regular Stewards.

6.02 One or two International Representatives of the Union may be present and participate in any meeting of the Bargaining Committee and the Company. The Company will not be required to meet a total of more than three (3) employees who are representatives of the Union at any time in addition to an International Representative of the Union.

6.03 **A** member of the Bargaining Committee will be permitted to leave their work and department when notified by their supervisor that there will be a meeting with representatives of the Company. The Steward shall be permitted to leave their work when they have been notified by their supervisor



for the purpose of handling a grievance at the first or second step of the grievance procedure. Such employee shall record their time of leaving and returning to work on appropriate time cards, Time away from work for the purpose herein specified shall not, on the aggregate for all stewards and committee persons, exceed three (3) hours per week.

6.04 A Bargaining Committee person or Steward required under the grievance procedure to enter another department must inform the supervisor of that department which they enter of the reason for their presence. Bargaining Committee persons or Stewards, as the case may be, shall expeditiously attend to the grievance so that no unnecessary loss of time or interference with production will result therefrom.

6.05 The Union recognizes and agrees that members of the Bargaining Committee and Stewards have their regular duties to perform in connection with their employment. The Company will compensate such Bargaining Committee persons and Stewards for time spent at the plant during their regular working hours in handling grievances of employees pursuant to the grievance procedure at their regular straight time day work hourly rate of pay, provided this privilege is not abused by the Bargaining Committee persons or Stewards, subject to the provisions of Article 6.02 hereof. Bargaining Committee persons or Stewards will not be compensated for time spent prior to or beyond the regular working hours on Union business, however, the Company will pay such Union representatives at their regular straight time rate of pay exclusive of any premiums for meetings with the Company, other than negotiation meetings, which run beyond normal quitting time. Such time shall not be considered as time worked for the purpose of determining overtime.

6.06 Notwithstanding anything otherwise contained in this Agreement, the Company may delay or defer permission to a Steward or Bargaining Committee person who wishes to leave their work pursuant to the provisions hereof, if such leaving would interfere with the efficient operation of the Plant.

6.07 The Union agrees to supply the Company with the names of Local Union officers and Committee persons and Stewards and to keep such lists up to date at all times, and the Company shall not be obliged to recognize such personnel until it has been so informed.

6.08 For the purpose of this Agreement, the Bargaining Committee and the Stewards together with the officers of the Local Union shall be deemed to be officials of the Union. The parties hereto agree that the Union officials occupy positions of leadership and responsibility to see that this Agreement is faithfully carried out.

6.09 A member of the Bargaining Committee will be last to be laid off so long as there is work required which they are qualified to perform or able within five days to show their suitability to perform the job. The provisions of this Article 6.09 shall not apply to more than three (3) members of the Bargaining Committee.

#### **ARTICLE 7 - GRIEVANCE PROCEDURE**

7.01 The grievance procedures herein provided for are among the most important matters in the successful administration of this Agreement. The Company and the Union therefore agree that the designated grievance procedure as hereinafter set forth shall serve as and constitute the sole and

exclusive means to be utilized by the grievor for the prompt disposition, decision and final settlement of a grievance arising in respect of the interpretation, application, administration or alleged violation of this Agreement, and the specifically designated grievance procedure shall be strictly followed. Wherever the term "grievance procedure" is used in this Agreement, it shall be considered as including the arbitration procedure.

7.02 "Grievance" shall mean a complaint or claim concerning unjust discipline or discharge, or a dispute with reference to the interpretation, application, administration or alleged violation of this Agreement.

7.03 The Company shall be under no obligation to consider or process any grievance unless such grievance has been presented to the Company in writing at Step 1 of the grievance procedure within five (5) days from the time the circumstances upon which the grievance is based were known or should have been known by the grievor. However, if the Company does consider or process a grievance which has been presented late, the Company shall not be estopped or precluded at any stage from taking the position that the grievance is late and not arbitrable.

7.04 All time limits referred to in the grievance procedure herein contained shall be deemed to mean "working days", i.e. exclusive of Saturday, Sunday or the holidays set out in Article 14 hereof.

7.05 No employee shall have a grievance until they have discussed their complaint with their immediate supervisor. If the employee's immediate supervisor does not promptly settle the matter to the employee's satisfaction an employee's proper grievance shall be processed as follows:

**Step No. 1**

If an employee has a grievance, the grievance shall, within the five (5) days referred to in Article 7.03 hereof, be reduced to writing and presented to the General Supervisor. If the employee wishes they may have their Steward or Bargaining Committeeperson, as the case may be, accompany them to see the General Supervisor, The General Supervisor shall give the grievor a written reply as soon as possible but not later than three (3) days after such discussion. If the General Supervisor's reply is not satisfactory to the grievor, the next step must be taken within five (5) days of the General Supervisor's answer but not thereafter.

The written grievance referred to above shall identify: the facts giving rise to the grievance; the section or sections of the Agreement claimed violated; the relief requested; and shall be signed by the employee and countersigned by their Steward.

**Step No. 2**

At this step, the written grievance shall be presented to the Plant Manager, within the aforesaid five (5) days of receipt of the General Supervisor's written reply, but not thereafter. **A** meeting will be held between the Chairperson of the Bargaining Committee together with the grievor involved, and the Plant Manager together with other representatives of management, within three (3) days of *the* presentation of the written grievance to the Plant Manager. The Plant Manager shall give his written reply to the Chairperson of the Bargaining Committee within five (5) days of such meeting.

If the Plant Manager's reply is not satisfactory to the Chairperson of the Bargaining Committee the next step must be taken within five (5) days after the delivery of the Plant Manager's reply to the Chairperson of the Bargaining Committee, but not thereafter.

**Step No. 3**

At this step, the Union shall, within the aforesaid five (5) days, notify the Human Resources Manager in writing of its desire to appeal the decision of the Plant Manager to Step 3. Shortly thereafter, a meeting will take place between the Bargaining Committee (which may be accompanied by the International Representative of the Union) and a management committee. The grievor shall be present if requested by either party. The Company shall deliver its decision in writing to the Chairperson of the Bargaining Committee, within ten (10) working days of such meeting.

**Step No. 4**

In the event the grievance is not settled at Step 3, the party having carriage of the grievance shall request arbitration of the grievance by giving notice in writing to the other party within thirty (30) days from delivery of the decision at Step 3 to the Chairperson of the Bargaining Committee, but not thereafter.

If a request for arbitration is not so given within such thirty (30) day period, the decision at Step 3 shall be final and binding upon both parties to this Agreement, and upon any employee involved.

The notice to arbitrate shall contain the name and address of the moving party's nominee to the Board, and shall also specify all of the outstanding issues of the written grievance to be dealt with by the Board and the remedy sought. The party giving such notice shall be bound by the same and shall be restricted at arbitration to the issues presented by the notice.

The recipient of the notice shall within thirty (30) days advise the other party, in writing, of the name of its appointee to the arbitration board. The two appointees so selected shall, within thirty (30) days of the appointment of the second of them, appoint a third person who shall be chairperson. If the two appointees fail to agree upon a chairperson, within the time limited, the Minister of Labour for Ontario shall, if requested within thirty (30) days from the expiry of the date upon which the two appointees are to appoint a chairperson (but not thereafter), forthwith appoint a qualified person to be chairperson. The parties recognize the provisions of Section 49 of the Ontario Labour Relations Act, R.S.O. 1990.

7.06 The arbitration board shall hear and determine the matter and shall issue a decision which shall be final and binding upon the parties and upon any employee affected by it. The decision of the majority shall be the decision of the arbitration board, but if there is no majority decision, the decision of the chairperson shall govern.

7.07 The board of arbitration shall not be authorized to make any decision inconsistent with the provisions of this Agreement, nor to alter, modify or amend any part of this Agreement, nor to adjudicate any matter not specifically assigned to it by the notice to arbitrate specified in Step 3 of Article 7.05 hereof.

7.08 Each party hereto shall bear its own costs of and incidental to any such arbitration proceedings. The fees and charges of the chairperson of the board of arbitration shall be borne equally by the two parties hereto.

7.09 The time limits and other procedural requirements set out in this Article 7 are mandatory and not merely directory, and no matter may be submitted to arbitration which has not properly been carried through all specified previous steps of the grievance procedure within the times specified. The parties recognize that in some departments and on some shifts "immediate supervisor" and "General Supervisor" shall be the same person, and the grievance shall be filed with such person after being discussed with them as a complaint, pursuant to the provisions hereof. The mandatory provisions of this Article 7 shall not be considered to have been waived by the parties or either of them unless they expressly provide a waiver thereof in writing, signed by both parties. Section 48 (16) of the Ontario Labour Relations Act shall not apply.

7.10 A grievance which has been disposed of pursuant to the grievance provisions of this Agreement shall not again be made the subject matter of a grievance. This clause shall not preclude a different grievance from being filed respecting similar but different circumstances. A grievor shall have the right to withdraw the grievance at any stage of the proceedings.

7.11 The requirements of this Article 7 are mandatory and not merely directory, therefore failure to put a grievance in writing at Step 1 in accordance with the requirements thereof shall be deemed a complete waiver and abandonment of the grievance by the grievor; also, any grievance not appealed

from one step of the grievance procedure to the next within the specified time limit shall be considered settled on the basis of the last reply.

7.12 A decision or settlement reached at any stage of the grievance procedure shall be final and binding upon all parties hereto including the complaining employee, and shall not be subject to reopening by any party except by agreement in writing. If the grievance is settled at any step of the grievance procedure both the Company Management and the Union representatives who pass on the same as provided herein shall, after ratification, sign the settlement as endorsed upon the written grievance, so that no question or argument may arise as to what the settlement was. Either party shall have the right to require the attendance of the grievor at any meeting held pursuant to the grievance procedure.

7.13 When an employee's grievance is settled by the parties or determined by a board of arbitration on the basis that the employee is entitled to be reimbursed for wages lost as a result of action on the part of the Company in violation of this Agreement, such reimbursement shall be at the employee's straight time day work hourly rate exclusive of any premiums, for such hours as the employee would have worked for the Company or for holiday pay to which he would have been entitled if the violation had not occurred, but there shall be subtracted there from any monies the employee received during such period.

7.14 **Union Policy Grievance or Company Grievance**

A Union policy grievance or a Company grievance may be submitted to the Company or the Union, as the case may be, in writing within ten (10) days from the time the circumstances upon



which the grievance is based were known. A meeting between the Company and the Union shall be held within five (5) days of the presentation of the written grievance and shall take place within the framework of Step 3 of Article 7.05. The Company or the Union, as the case may be, shall give its written decision within three (3) days of such meeting.

If the decision is unsatisfactory to the grieving party, the grievance must be submitted to arbitration within ten (10) days of the delivery of such written decision and the arbitration sections of this Agreement shall be followed.

It is expressly understood that the provisions of this paragraph 7.14 may not be used by the Union to institute a grievance directly affecting an employee or employees which such employee or employees could themselves institute, and the provisions of Article 7.05 hereof shall not thereby be bypassed.

7.15(a) **Discharge Cases**

A claim by a seniority employee that they have been discharged without just cause shall be treated as a grievance and shall commence at Step 3 of Article 7.05 provided a written grievance signed by the employee and their Department Steward is presented to the Human Resources Manager within three (3) days after the discharge. The International Representative of the Union will be permitted to attend the meeting held pursuant thereto, with the Management Committee. The Union will not question the discharge of any probationary employee nor shall such discharge be the subject of a grievance. A discharge or suspension grievance shall be referred to a single arbitrator.

The Company shall notify the Union representative (Steward/Officer) of the discharge of bargaining unit employees.

7.15(b) Should the parties agree or should the grievor satisfy the arbitrator that a seniority employee has been discharged without proper cause, such employee shall be reinstated as an employee without loss of seniority and shall be compensated in accordance with the provisions of Article 7.13 hereof subject to the right of the arbitrator to substitute such other penalty for discharge as the arbitrator deems just and reasonable in all the circumstances.

#### **ARTICLE 8 - SENIORITY**

8.01 An employee will be considered a probationary employee until they have been employed by the Company for a period of three (3) continuous calendar months. During such probationary period they will have no seniority rights but once seniority is acquired it will be regarded as having started from the date upon which such probationary period commenced. Notwithstanding any other provisions contained in this Collective Agreement, the termination of employment of a probationary employee shall be at the sole discretion of the Company.

8.02 There shall be established a seniority list showing bargaining unit employees in order of seniority. Such list shall show the employee's seniority and the department in which the employee holds such seniority. Seniority lists shall be revised once every six (6) months and copies supplied to the Union. Subject to the provisions of this Agreement, seniority shall be by department and plant-wide.

8.03 For the purpose of applying the seniority provisions of this Agreement, such seniority provisions shall be applied only to the extent expressly provided in this Agreement.

8.04 A seniority employee who is transferred to another department by seniority on an indefinite layoff (i.e. layoff for a period longer than a temporary layoff as defined herein), or on recall therefrom, shall lose seniority in their former department (i.e., in which they had department seniority) and attain seniority in the new department after sixty (60) days in the new department. However, if such employee's former job opens up within sixty (60) days in the new department, the employee shall return to their former job. **An** employee shall hold seniority in only one department at any one time.

8.05 The appointment or selection of employees for supervisory positions or for any position not subject to the provisions of this Agreement is not covered by this Agreement. A non-bargaining unit person, formerly a seniority employee in the bargaining unit, who is transferred to a position within the bargaining unit, shall be credited with seniority equal to their full accumulated service with the Company including the time worked outside the bargaining unit and they shall be placed in a job consistent with his seniority.

8.06 The parties recognize that job opportunity and security should increase in proportion to length of service. In filling permanent job vacancies (except those in respect of positions excluded from the bargaining unit) and in cases of decrease or increase of the working force, the following factors shall be considered:

- (a) Length of continuous service;

- (b) Efficiency and qualifications (as defined in Article 8.07);
- (c) Physical fitness and reliability.

Where, between employees, the qualifications in factors (b) and (c) are relatively equal, factor (a) shall govern.

8.07 When there is to be a layoff in a department the junior employees in the classifications affected shall be subject to be laid off provided the remaining employees are qualified to perform the work required.

**An** employee so subject to layoff will be assigned by the Company to available work or to work being performed by another employee with less seniority, subject always to the provisions of Article 8.06 hereof.

Wherever used in this Agreement, the words "qualified" or "qualification", or the like, shall mean presently possessed of the accomplishments which enable the person to perform the work required in accordance with the Company's quality and production standards or can, after a training period of ten days, show they are able to perform the work required in accordance with the Company's quality and production standards.

In administering Article 8.06 and the foregoing paragraphs of 8.07 hereof, the following shall apply:

- (a) "Promotion" shall be defined as a permanent transfer to a classification carrying a higher rate of pay than the employee's rate or a classification which carries a higher range of rates than the range of rates in the employee's classification.
- (b) Time spent on layoff will not count in qualifying for incremental wage increases.
- (c) In all cases of temporary layoff (i.e., up to three (3) full regular working days) due to equipment breakdown, shortage of material or other causes beyond the Company's reasonable control, seniority need not be considered.
- (d) In the event that a vacancy exists at the time of reduction of force the Company shall have the right to assign an employee affected by such a reduction of force to such vacancy providing they are qualified to perform the work in accordance with the Company's quality and production standards.
- (e) Notwithstanding anything contained in this Article 8, an employee employed in connection with the production of a new product shall not be liable to be displaced by an employee with greater seniority prior to the Company having sold the product commercially, in quantity, to customers for at least twelve (12) months.

8.08 The Company agrees to advertise permanent job vacancies (new and existing bargaining unit jobs) at Labour Grades 3 to and including 16, and Maintenance Jobs 1 to and including 7, for three (3) days. During the posting period, the Company may temporarily fill the job as it deems proper. In

order for an employee to be eligible to apply, the applicant must have the qualifications to perform the job in accordance with the Company's quality and production standards and the job vacancy must be in a wage group that is higher than or equal to the applicant's. Selection will be made in accordance with the provisions of Article 8.06 hereof. In the event there are no such qualified applicants, the Company will make its selection from those that have applied. In either case, selection will be made in accordance with Article 8.06 hereof. If an employee from the latter group is selected, they will be given a trial period of not more than ten(10) working days in order to determine their suitability for the job. If, in the judgment of the Company, the employee is not suitable for the job, they will be returned to their former job, and the Company may fill the vacancy from any source as it sees fit. An employee will be limited to one (1) successful bid, or trial, in any six (6) month period. All employees interested in the job vacancy must make application within three (3) working days. Such job posting shall apply only in respect of the original vacancy and the vacancy resulting from the filling of such original vacancy but not apply to subsequent vacancies. The Union will be provided with copies of all job posting(s), prior to the posting of the job(s). The Union will be notified of the successful applicant(s), if any, prior to such employees commencing work in the posted job(s).

8.09 **Loss of Seniority**

An employee shall lose all seniority and service rights if:

- (a) they quit their employment;
- (b) they are discharged for proper cause and not reinstated through the grievance procedure;

- (c) an employee with less than five (5) years' seniority is laid off for a period in excess of one (1) year; an employee with five (5) years or more of seniority is laid off for a period in excess of two (2) years;
  
- (d) a person on layoff fails to return to work within five (5) working days after the Company's notice of recall is sent by registered mail or telegram to the last address of the person shown on Human Resources Office records or, if the person within three (3) working days after such notice of recall is so sent fails to notify the Human Resources Office of his intention to return to work. The foregoing provisions may be waived by the Human Resources Manager in writing if the person furnishes reasons satisfactory to the Human Resources Manager for such failure on their part. In such cases of waiver, the person will not be permitted to displace another employee with less seniority who has been employed in the meantime, but will be rehired with seniority in tact when employment for which they are available and for which they have the necessary seniority is available.
  
- (e) an employee fails to return to work promptly after the expiration of any leave granted to them, unless they furnish reasons satisfactory to the Company.
  
- (f) an employee is absent from work without a reason satisfactory to the Company.

8.10 It shall be the duty of the employee or laid off person to notify the Company office promptly, in writing, of any change of address or telephone number. If an employee or laid off person should fail to do this, the Company will not be responsible for the failure of a notice to reach them and any notice sent by the Company by registered mail to the address which appears on the Company's personnel records, or telephoned to the telephone number which appears on the Company's records, shall be conclusively deemed to have been received by the employee or laid off person,

8.11 **Recall**

When there is an increase of the working force, seniority employees on layoff shall be recalled in accordance with the provisions of Article 8.06. In the event any such seniority employee is not qualified to perform the available work, the employee shall be recalled to available work, if any, in Job Classes 1 to 16. If such employee does not become qualified within five (5) days of work on such job, they shall be laid off until work becomes available for which they are qualified.

8.12 In any one layoff period, a laid off employee will continue to accumulate seniority **up** to a period of one (1) year, however, the Company shall not be obliged to make any welfare or other payments on behalf of such laid off employee.

**ARTICLE 9 - LEAVE OF ABSENCE**

9.01 All leaves of absence as referred to in this Agreement shall be without pay or any other form of compensation except the compensation specifically provided in Articles 9.09 and 9.10 hereof. **All** requests for leave of absence covered by Articles 9.02, 9.03 and 9.04 hereof shall be in writing to the employee's immediate supervisor. The Company's reply to such request shall also be in writing to the



employee. The Company will provide its reply within two (2) weeks of the receipt of the employee's written request for leave.

9.02 The Company may, in its own discretion, grant leave of absence, without pay, to any employee for legitimate personal reasons, and any employee who is absent with such permission shall continue to accumulate seniority, for a period not to exceed three (3) months during such absence.

9.03 The Company will grant leave of absence to not more than three (3) employees in good standing at the same time for legitimate Union business, such as convention delegates, for a period not to exceed ten (10) working days each year per employee and in any event, not to exceed a total of twenty (20) days per year in respect of all such employees. In addition to the foregoing, the Company will permit two (2) additional employees to be absent upon one (1) Friday per calendar year for the purpose of attending the Union's District Council meeting. In addition to the foregoing, the Local Union President will be granted similar leave of absence for Union business **up** to a maximum of twenty-five (25) days per calendar year. The foregoing, however, is subject to the limitation that such leave of absence may be withheld by the Company if the absence of any such employee will interfere with production.

9.04 Any seniority female employee will, in case of pregnancy, certified by a qualified physician, be granted a leave of absence subject to the following conditions:

- (a) The employee involved must give to the Company two (2) weeks' notice in writing of the day upon which she intends to commence her leave of absence and furnish a certificate from her attending physician confirming that she is pregnant and giving the expected day of delivery.
- (b) The leave of absence shall commence no sooner than seventeen (17) weeks before the expected due date and shall not exceed thirty-five (35) weeks. The leave may be extended, in writing, for up to sixty (60) days where the attending physician requests an extension. The provision of this Article 9.04 shall be interpreted and applied so as to be consistent with the Pregnancy and Parental Leave provision of the Employment Standards Act, R.S.O. 1990 as amended.
- (c) Seniority will accumulate during the period of such leave.
- (d) Before returning to work, the employee must provide the Company with a physician's certificate stating she is fit to perform her normal duties.
- (e) If the employee fails to report for work promptly after the expiration of the leave, she shall be considered as having voluntarily quit.

9.05 **Sick Leave**

Any employee who, because of illness or injury requiring an absence from their job for more than two (2) work days, shall, upon furnishing evidence satisfactory to the Company of such illness

or injury, which may include examination by a Company-appointed physician, be granted a sick leave for the duration of the period of their disability due to such illness or injury, except that at the end of twelve (12) months in the case of an employee with less than five (5) years' seniority, or twenty-four (24) months in the case of an employee with five (5) years' but less than ten (10) years' seniority, or thirty-six (36) months in the case of an employee with ten (10) years' or more seniority, of continuous absence because of such illness or injury, the employee's employment and seniority shall be terminated. The employee shall furnish supplementary medical evidence of disability, from time to time, as required by the Company. Failure to furnish such evidence of disability will result in the termination of the employee's employment and seniority. Before any employee on sick leave may return to work they must present a doctor's certificate stating that they have fully recovered both physically and mentally and is able to return to their regular job classification or other available work and perform such job in accordance with the Company's quality and production standards. The Company reserves the right to have any employee examined by a Company physician in connection with a sick leave.

9.06 Employees returning from authorized leave of absence granted under Article 9.02 or 9.03 will be returned to the same job provided such job exists.

9.07 Application for leave of absence shall be made in writing to the employee's immediate supervisor and it will be referred for final approval in accordance with Company policy; however, no leave will be granted for a period greater than an employee's accumulated seniority and in no case in excess of one (1) year.

9.08 If an employee overstays their leave of absence, they are presumed to have severed employment with the Company unless they can give an explanation satisfactory to the Company for their inability to return to work on the expiry date of their leave of absence.

9.09 **Jury Duty or Witness Duty**

Each seniority employee who is summoned to and reports for jury duty, as prescribed by applicable law (subject to the eligibility requirements set out below), or as a summoned subpoenaed witness (subject to the limitations that no payment shall be made where any employee subpoenaed as a witness in a matter in which the employee has an interest or where he/she is summoned in a matter where he/she is giving evidence adverse in interest to the company) shall be paid by the Company the difference between the employee's regular straight time day work hourly rate exclusive of premiums for the number of hours up to eight (8) that they otherwise would have been scheduled to work and the daily jury duty fee or witness duty fee paid by the Court (not including travelling allowance or reimbursement of expenses). The Company's obligation to pay an employee for jury duty or witness duty under this Section is limited to a maximum of sixty (60) days in any calendar year, and in order to receive payment under this Section, an employee must meet all of the following eligibility requirements:

- (a) the employee shall have given forty-eight (38) hours' notice to the Company that they have been subpoenaed for jury duty or witness duty;
- (b) the employee shall furnish satisfactory evidence to the Human Resources Manager that they reported for and performed jury duty or witness duty on the days for which they

claim payment and shall furnish acceptable proof of the amount of jury pay or witness fee received by them;

- (c) the employee would otherwise have been scheduled to work for the Company on the day or days for which they claim payment.

9.10(a) **Bereavement**

When death occurs in a seniority employee's immediate family i.e. current spouse, (spouse includes spouses as determined by the relevant family law statute or one year of co-habitation) parent, parent of current spouse, child, brother or sister of employee, legally adopted child, grandparent or grandchild, daughter-in-law, son-in-law, the employee, on request, will be excused for a period not to exceed three (3) consecutive working days, or such fewer days as the employee may be absent, immediately following the date of death. The employee shall not be entitled to receive any pay for any day upon which they would not otherwise have been scheduled to work for the Company. Payment will be based upon the employee's straight time day work hourly rate exclusive of premiums or in the case of incentive workers, the employee's average rate.

9.10(b) When death occurs to a seniority employee's brother-in-law, sister-in-law, aunt or uncle, the employee, on request, will be excused for one (1) day for the purpose of attending the funeral. The employee shall not be entitled to receive any pay for any day upon which they would not otherwise have been scheduled to work for the Company. Payment will be based upon the employee's straight time day work hourly rate exclusive of premiums or in the case of incentive workers, the employee's average rate.

9.10(c) When death occurs in a seniority employee's immediate family as defined in Article 9.10(a) hereof and where the deceased lived at a distance that would require the employee to travel in excess of 500 kilometres (one-way) in order to attend the funeral, the employee will be granted two (2) days travelling time in addition to the days granted under Article 9.10(a) for purposes of attending the funeral provided that the employee actually attends the funeral.

9.11 The Company agrees to allow employees one day off with pay to attend to take the Oath of Citizenship.

#### **ARTICLE 10 - OVERTIME**

10.01 The employee's normal work week is forty (40) hours, however, it is hereby expressly understood and agreed that the provisions of this Article 10 are for the purpose of computing overtime and shall not be construed to be a guarantee of or limitation upon the hours of work to be done per day or per week nor as a guarantee of working schedules.

The work week, for purposes of pay calculation, will be from 11:00 p.m. Sunday to 11:00 p.m. Sunday.

When three (3) continuous shifts are scheduled, shift starting times shall be:

11:00 p.m.

7:00 a.m.

3:00 p.m.

In departments 31 and 51, the normal hours of work will be between the hours of 7:00 a.m. and 5:00 p.m. including a one-halfhour unpaid lunch unless a second shift is scheduled. In the event that a sufficient number of employees in the appropriate classifications do not volunteer to work the hours required, the Company will have the right to assign employees in the appropriate classification to work the hours required by the Company. Employees will be assigned in reverse order of seniority. Employees will be given an opportunity to indicate their preference of working hours by February 1st each year. Employees who join the department after that date will be assigned by the Company to work the hours the Company requires.

10.02 An employee will be paid time and one-half (1½) their straight time rate of pay exclusive of premiums for work performed in excess of eight (8) hours in a day, except where such excess is occasioned by:

- (a) change of shift schedule;
- (b) exchange of shifts.

The term "day" as used in this Article 10.02 shall mean the twenty-four (24) hours from the commencement time of the employee's last regular scheduled shift worked.

**An** employee shall receive payment at the rate of two (2) times their straight time hourly rate of pay exclusive of premiums for the number of hours they are required to work on their seventh (7th) consecutive shift worked.

Work performed between 11:00 p.m. Sunday night and midnight Sunday night shall be considered as Monday work.

No employee will be required to take time off during their regularly scheduled work week solely for the purpose of enabling the Company to avoid payment of overtime.

An employee shall be paid at the appropriate overtime rate for work performed on Saturday and/or Sunday. However, where the overtime worked on Sunday is continuous with the employee's Monday shift, it shall be considered to have been worked as part of the Monday shift.

Stationary engineers will be required to rotate shifts.

Regularly scheduled hours not worked because of lack of work or approved leave of absence on Union business shall be deemed to be hours worked for the purposes of this Article 10.02.

#### 10.03

- (a) Where an employee is required to work overtime immediately following the conclusion of a sixth consecutive shift of work the employee will be paid overtime for such hours worked immediately following the conclusion of the shift as follows:
  - (i) If the employee works an additional two (2) hours or more continuous with the conclusion of the sixth consecutive shift of work the employee shall receive



overtime pay at the rate of two times the employee's straight time hourly rate of pay for such overtime work;

(ii) If the employee works less than two (2) additional hours continuous with the conclusion of the sixth consecutive shift of work the employee shall receive overtime pay at the rate of one and one half times the employee's straight time hourly rate of pay for such overtime work.

(b) Employees who commence such overtime will be expected to complete the required overtime hours.

10.04 Work performed in excess of the normal work week as referred to above, will not be considered to be overtime if it results from:

- (a) a change in shift or exchange of shifts requested by the employees and consented to by the supervisor;
- (b) the application of seniority in a reduction of the work force;
- (c) the granting of a request for transfer.

10.05 Employees receiving a paid lunch period will receive one (1) ten (10) minute break per shift. All other employees will receive two (2) ten (10) minute breaks per shift.

10.06 There shall be a five (5) minute clean-up period at the end of each shift. No employee shall leave their work station earlier than five (5) minutes before the end of their shift. The Compounder, Banbury Operator/Mill Operator will have ~~an~~ additional fifteen (15) minute clean-up period at the end of each shift.

10.07 **Reporting Pay**

An employee who properly reports for work at the beginning of their regular shift, unless they have been notified in advance not to report, will receive at least four (4) hours work at their straight time day work hourly rate or shall be paid for four (4) hours at their straight time day work hourly rate, except in cases of labour disputes, machinery, equipment, power or other utility breakdowns, fire, flood or any other causes, without limitation, beyond the reasonable control of the Company. Notwithstanding the foregoing, however, and regardless of the reason for which the employee's regular work is not available, they will receive at least two (2) hours' work at their straight time day work hourly rate or be paid for two (2) hours at their straight time day work hourly rate. Where an employee reports for work on their regular shift and is sent home with instructions to report on a later shift they shall be paid for two (2) hours subject to the same exceptions and conditions as set forth in this section. An employee, other than an employee who reports for work on their regular shift and is sent home with instructions to report on a later shift, who does not accept available work when offered shall not be entitled to payment for reporting. When an employee has not been working because of illness, leave of absence or any other cause, it shall be their responsibility to arrange with the Company for their return to work at least one (1) but not more than two (2) regular working days prior to the time of their intended return. It is the employee's duty to

keep the Human Resources Office informed of his correct address and telephone number, and the Company will not be liable for any payment unless such arrangements have been made.

10.08 An employee called in to do emergency work will be paid a minimum of four (4) hours' pay for such work, however, when an employee, after leaving the plant at the completion of their shift is notified to report for work four (4) hours or less prior to their regular starting time and they are expected to work through and complete their regular shift, they will be paid only for the hours worked in excess of his normal number of hours, on an overtime basis.

10.09 **Meal Allowance**

An employee shall receive Nine Dollars (\$9.00) cash for a meal when they are required to work three (3) hours or more of overtime after the completion of their regular workday without having received notice of such overtime before reporting for work.

10.10 In no case will there be a duplication or pyramiding of daily and weekly overtime or any other premium compensation.

10.11 When overtime is scheduled to be performed by employees in a department, the Company will endeavour as far as practicable to equitably allocate the overtime among qualified employees of the department who presently and normally perform the major or dominant portion of the work required. However, production lines or group operations will not be affected or interfered with. An employee on an individual operation or assignment will not be displaced for overtime. Employees

who are absent from work for any reason shall be considered not available for the allocation of overtime, and shall not be entitled to be called in.

It is not the intention of the parties to this Agreement that the Company shall be held to an obligation of equal allocation of overtime but is only intended to be a general rule for the guidance of the Company in allocating overtime. An employee who is justifiably aggrieved as a result of the Company's failure to follow this general rule shall not be entitled to money payment for overtime which has not been allocated to them in the past but shall be entitled to be allocated future overtime to restore them to a relatively equitable position with those other qualified employees in the department who presently and *normally perform* the operation upon which the aggrieved employee is involved.

#### 10.12 **Shift Premium**

An afternoon shift shall be considered as one scheduled to begin on or after 3:00 p.m. but before 9:00 p.m. A night shift shall be considered as one scheduled to begin on or after 9:00 p.m. but before 3:00 a.m. A shift premium of fifty cents (50¢) per hour will be paid for hours worked during an afternoon shift, and a shift premium of fifty-five cents (55¢) per hour will be **paid** for hours worked during a night shift. This Article 10.12 shall not apply to hours worked pursuant to Article 10.08 hereof.

The foregoing shift premiums will be paid only to employees who are actually scheduled to work such shifts, and the afternoon shift premium shall not be paid to an employee whose work on a

day shift continues past 3:00 p.m., nor will the night shift premium be paid to an employee on an afternoon shift whose work continues past 9:00 p.m.

10.13 Employees shall be paid at the rate of time and one-half (1½) the employee's straight time hourly rate of pay for all hours worked on the following holidays, in addition to holiday pay:

- New Year's Day
- Good Friday
- Victoria Day
- Canada Day
- Civic Holiday
- Labour Day
- Thanksgiving Day
- Christmas Day
- Boxing Day
- 10th designated holiday
- 11th designated holiday
- 12th designated holiday

In the event that additional holidays are proclaimed by the legislature, each such holidays so proclaimed will result in the elimination of one (1) designated holiday.

## **ARTICLE 11 - VACATIONS**

11.01 Wherever the term "vacation year" is used in this Agreement, it shall mean the year from one July 1st to the following June 30th.

11.02 **An** employee shall be entitled to an annual vacation in accordance with the following schedule on the basis of their service (i.e. seniority) at June 30th of each year:

Less than one (1) year of seniority - in accordance with the Employment Standards Act of Ontario;

One (1) year of service but less than five (5) years of service - two (2) weeks' vacation with pay computed at the rate of four percent (4%) of earnings;

Five (5) years of service but less than fifteen (15) years of service - three (3) weeks' vacation with pay computed at the rate of six percent (6%) of earnings;

Fifteen (15) years or more of service - four (4) weeks' vacation with pay computed at eight percent (8%) of earnings.

Twenty-three (23) years or more of service - five (5) weeks' vacation with pay computed at ten percent (10%) of earnings.

11.03 "Earnings" as used in this Article 11 shall not include money paid on behalf of the employee pursuant to Article 13 hereof except for sickness and accident benefits which shall be included.

Earnings shall also include vacation pay for the previous year.

11.04 Employees must take the vacation to which they are entitled and vacations may not be accumulated and carried over to a subsequent year unless the employee receives the consent of the Company. The Company will give consideration to such requests. The Company agrees to announce the vacation schedule and/or plant shutdown by April 1st of the year in question.

Employees will make written requests for vacation by April 15th of each year. The Company will advise employees whether or not their vacation request has been approved not later than May 1st. Employees making application for vacation after April 15 will not be permitted to displace an employee whose application has been approved in accordance with this Article 11.

**ARTICLE 12 - DESIGNATED HOLIDAYS**

12.01 Employees shall be paid, as provided hereinafter, for New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day, Boxing Day providing they meet all of the following eligibility rules:

- (a) the employee has attained seniority as of the date of the holiday; and
- (b) the employee must have worked their last full scheduled shift before the holiday and their *first* full scheduled shift after the holiday. However, an employee who fails to work because of a certified illness on one or both of the qualifying days, will be paid for the holiday provided he has performed some work in the week or weeks containing the qualifying days.

In addition to the foregoing, and subject to the foregoing, eligibility requirements:

- (c) There shall be a tenth (10th), eleventh (11th) and twelfth (12th) holiday to be designated by the Company after discussion with the Bargaining Committee;
- (d) In the event that any additional holidays are proclaimed by the legislature, for each holiday so proclaimed one of the designated holidays referred to in paragraph (i) immediately above shall be eliminated.

12.02 An employee who qualifies under the provisions set forth in Article 12.01 hereof shall receive pay for their normal number of daily hours for each of the twelve (12) holidays specified herein, computed at their straight time day work hourly rate of pay exclusive of premiums.

12.03 When a holiday, designated above, falls within an eligible employee's vacation period, and they are absent from work as a result of such vacation, they shall receive another day with pay to be taken at a time to be arranged with the Company. In such case, the Friday prior to the annual vacation and the Tuesday following the annual vacation shall be considered as the scheduled shifts before and after the holiday. A holiday that falls on a Saturday or Sunday shall be observed on the preceding Friday or the following Monday.

12.04 Employees who are scheduled to work on a holiday and who then fail to report for and perform such scheduled work, without a reason acceptable to the Company, shall not receive holiday pay under this section.

### **ARTICLE 13 -HEALTH AND WELFARE**

13.01 The Company also agrees to pay one hundred percent (100%) of the full cost of the premiums for a Semi-Private Hospital Plan for seniority employees not otherwise covered as a dependent.

13.02 The Company agrees to pay, on behalf of seniority employees, one hundred percent (100%) of the premium cost of a Group Life Insurance Policy, including Major Medical, to provide the following coverage:



**Term Life Insurance**

Current - \$28,000

Effective April 1, 2006 - \$29,000

Effective January 1, 2007 - \$30,000

Effective January 1, 2008 - \$31,000

The Company agrees to pay the premium cost to provide \$5,000 group life insurance coverage to retired employees who retire after June 2, 1997.

**Sickness & Accident Benefits**

Current - \$550

Effective April 1, 2006 - \$575 per week

The foregoing Sickness & Accident Benefits shall apply from the first day of non-compensable accident for a period of ten (10) working days, or from the first day of hospitalization for non-compensable sickness for up to ten (10) working days or from the fourth (4th) day of non-compensable sickness for a period of five (5) working days. First day of hospitalization for purposes of this Article will include attendance as an outpatient where the Company is advised in advance and the outpatient treatment has been scheduled in advance and the attendance in the outpatient department is required for the performance of a specific medical procedure.

When an employee has exhausted his or her Employment Insurance Sickness Benefits, the Company will provide insurance for an additional thirty-five (35) weeks.

In the event that an employee is diagnosed with a contagious disease and the Company directs the employee in writing to absent him/herself from the workplace, the Company will pay the employee an amount equal to the daily sickness and accident benefit for each working day he/she is absent during the waiting period under the sickness and accident benefits provided for in this Article.

The Company will keep the AMedi-Pac® plan during the life of this Agreement

### **Drug Card**

The Company will provide a drug card for purposes of obtaining prescription drugs, the conditions of that drug card plan shall be as discussed during negotiations and include co-ordinated benefits - positive enrolment –effective April 1, 2006 seven dollars (\$7.00)cap on dispensing fee - generic drugs.

### **Dental**

The Company will continue to provide a dental plan comparable to Blue Cross #7 including root canal and deep scaling with a \$25 deductible as follows:

Effective April 1, 2006 the Company will pay 70% of the premium cost and the employee will pay 30%, ODA rate 2005:

Effective January 1, 2007 the Company will pay 75% of the premium cost and the employee will pay 25%, ODA rate 2004:

Effective January 1, 2008 the Company will pay 80% of the premium and the employee will pay 20%, ODA rate 2007.

13.03 **Pensions**

The pension plan established effective January 1, 1982 shall be maintained, incorporating the following provisions:

- Eligibility:** One (1) year of service.
- Vesting:** After ten (10) years of service and attainment of age forty-five (45) in respect of benefits accrued prior to January 1, 1987; after two (2) years of membership in respect of benefit accruals and improvements on and after January 1, 1987.
- Normal Retirement Age:** Sixty-five (65)
- Amount of Benefit:** Current \$28.00 per month per year of credited service;  
Effective January 1, 2007- \$29.00 per month per year of credited service;  
Effective January 1, 2008 - \$30.00 per month per year of credited service;  
(Company confirms that it will provide a pension at the \$29.00 rate to employees retiring in 2006)
- Past Service:** From January 1, 1975.

13.04 **Eve Glasses**

Effective first of the month following ratification: the Company agrees to pay 100% of the premium cost to provide the following prescription eye glasses benefit plan:

- a) benefit to cover employee and family (employee's immediate dependants):

- b) not more than once in a twenty-four (24) month period;
- c) payable to the employee when purchases of prescription eyeglasses are made.

Eye Glasses - \$200.00

Eye Examination \$75.00 (effective April 1, 2006) Once every 24 months.

13.05 Benefits and plans referred to above are necessarily qualified in their entirety by reference to the underlying policies or contracts of insurance. The terms of any contract issued in respect hereof by an insurance agent or governmental agency shall be controlling in all matters pertaining to qualifications of employees for benefits thereunder and in all matters pertaining to the existence and extent of benefits and conditions.

13.06 No grievance may be processed to the Company in support of a claim or dispute with respect to the aforesaid welfare plans. Nothing contained herein shall prevent the employee or the Union from taking the matter up with the insurance company or governmental agency involved. Notwithstanding the foregoing, in the event the Company changes insurance carriers and the Union alleges there has been a change of benefits, the Union may file a grievance pursuant to the provisions of Article 7.14 hereof. There shall however be no right to grieve where any change in benefits results from governmental legislation.

#### **ARTICLE 14 - HEALTH AND SAFETY**

14.01 A seniority employee who is injured during working hours while properly performing their duties of employment and who is sent home from work by the Company or by a physician shall be

paid for the time lost on the day they were injured at their straight time day work hourly rate of pay exclusive of any premium for the unexpired portion of their scheduled work day.

14.01(a) The parties to this Agreement recognize the desirability of maintaining safe work practices in the plant, and in support of this objective it is agreed that employees must use the safety measures and equipment provided and abide by the Company's safety and sanitation rules.

14.02 The Company agrees to maintain the standards of safety, health, sanitation and work conditions in the plant required by law.

14.03 **Safety Shoes**

The Company will contribute the following amounts once per year towards the cost of safety shoes purchased during the calendar year:

Current \$110.00

Effective January 1, 2008 - \$120.00

Employees will be reimbursed in accordance with this Article upon the presentation to the Company of a receipt verifying the purchase of safety shoes during the calendar year.

Persons employed as Cure Operators, Banbury Operators, and Silicone Applicators will be reimbursed for up to two (2) pairs of safety shoes purchased per calendar year provided that receipts verifying the purchase are provided in accordance with the provisions of this Article.

14.04 The Company agrees to compensate one employee for time lost from work while attending the U.S.W. International J.H.S. Symposium to a maximum of one week.

#### **ARTICLE 15 - GENERAL**

15.01 The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Company and the Union for the life of this Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any subject or matter even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement.

#### 15.02 **Bulletin Boards**

The Company will provide space on the existing bulletin boards plus an additional bulletin board for the convenience of the Union in posting notices of Union activity and Union educational material. All such notices must be signed by the proper officer of the Union and submitted to the Manager of the authorized representative for approval before being posted. With the exception of notices limited strictly to time, place and speaker, there shall be no posting of political matter. Furthermore, there shall be no posting of matter adverse to the Company or its management.

15.03 If any provision of this Agreement is in conflict with any existing or future provincial or federal law, such provision shall become inoperative, but the validity of the remainder of this Agreement shall not thereby be impaired and shall remain in full force and effect.

15.04 When the Company makes reasonable rules and regulations governing the operation of the plant and posts same on the bulletin boards, violation of any of such rules and regulations by an employee will result in disciplinary action up to and including discharge.

15.05 (a) The Company agrees to have its work clothing service provider provide 6 pairs of coveralls for use at work for employees in the following classifications:

1. Cutter Operators
2. Drum Repair/Jacket Builder
3. Cure Operators and Builders
4. Calender / Banbury Mill / Operators
5. Compounder
6. Profilers
7. Janitor / Service Persons Maintenance
8. Skilled Maintenance

(b) Warehouse Person, Shipping & Receiving Clerk and Shipping & Receiving Coordinator to receive counter coats.

(c) The Company agrees to provide three (3) smocks per employee to employees in Labour Grades 5,6 and 9 in Department 500 and employees employed as Picker/Packer and Order Processor for use of such employees at work.

15.06 **Disciplinary Letters**

Discipline will be removed from an employee's record after eighteen (18) months from the date it is imposed provided the employee has had no further discipline during such eighteen (18) month period.

15.07 **Doctor's Note**

The Company agrees to pay the reasonable cost of doctors' notes required by the Company provided that the employee provides the Company with a bill from his physician indicating the cost of the note.

15.08 **Tool Allowance**

The Company will **pay** to employees in the Skilled – Maintenance job classifications, who have completed their probationary period, an annual tool allowance of \$400.00 in **April** of each year.

**ARTICLE 16 - WAGES**

16.01 The wages set out in the wage schedules A, B, and C attached hereto shall form part of this Agreement and be in effect during the periods set out, during the life of this Agreement,

16.02(1j) **Incentives**

The Union recognizes and agrees *that it* is the Company's prerogative to establish or discontinue incentive standards from time to time on any job or jobs, and that the Company has established an incentive system based upon and entitled "The Standard Hour Incentive System". The Union agrees that it will fully co-operate with the Company in respect of standards set by the



Company and neither the Union nor any employee or employees will impose any restrictions or limitations on the production of an individual employee or group of employees in respect of any such standards and the Union will not permit same to be imposed by any employee or employees.

The Company recognizes the right of the Union to designate a Union committee member as Union time study representative. In the event that the Company decides to make any adjustments to the present standards, the Company's industrial engineer shall promptly meet with the Union time study representative to discuss the method of measurement to be used.

16.02(2) In accordance with the foregoing, the Company has established, and may from time to time establish, incentive standards on jobs where the Company considers it practicable to do so in order that qualified, experienced employees may through extra effort and increased efficiency have an opportunity to earn better pay by producing product which meets the Company's quality standards in less time than called for by the Standard Time Value. In such case a qualified experienced employee applying themselves with proper incentive effort and skill will have an earning opportunity of approximately twenty per cent (20%) above the job base rate.

16.02(3) Employees affected by a new standard or change in standard will be notified of such new or changed standard at least forty-eight (48) hours before it is to become effective. Before the Company establishes new or changed incentive standards the employees affected will be shown the operating procedures to be followed, in sufficient detail to enable qualified experienced employees to perform the various elements of the job in the manner described in the operation description and

elemental sequence. The work measurement procedure to be used for establishing such incentive standards will be carried out only after the foregoing procedure has been followed.

16.02(4) Errors made in determining standards may be corrected by the Company unless more than a three (3) month trial period has elapsed from the time the Company has established a change in job standard as described in Article 16.02(7). Thereafter, an incorrect standard may be corrected only after consultation with the Bargaining Committee. The term "trial period" as used herein shall mean the trial period of the standard, and shall not be interpreted to mean the trial period of any employee.

16.02(5) After the three (3) month trial period referred to in paragraph 16.02(4) above, the Company will not change an established correct standard unless it makes changes in: job content, machine speed, procedure or method of performance; construction; layout: equipment; material or material specifications; design; compound; or deployment or arrangement of equipment or work force.

16.02(6) When an inexperienced employee is placed in or added to a crew operation and thereby adversely affects the production of the qualified, experienced members of the crew who are working at their proper incentive pace, they will for the period established by the learning curve, be paid in accordance therewith.

16.02(7) In the event a grievance arises out of a new or changed incentive standard, it shall not be subject *to* the grievance procedure set out in Article 7 of this Agreement but shall be processed only as follows:

When Management establishes a new standard or changes an existing standard on a job, the Bargaining Committee, if it does not agree with such standard, shall file a written grievance after the first (1st) ten (10) days of the three (3) month trial period referred to in Article 16.02(4) and (5), but not thereafter. A meeting will be held between the Company and the Bargaining Committee within five (5) days of receipt of such written grievance. The Company **will** give its written decision within three (3) days of such meeting.

If the Company's decision is not satisfactory *to* the Union, the Union shall, within five (5) days of receipt of the Company's decision, but not thereafter, file with the Company a request in writing that a Rate Board be established. The Rate Board shall consist of a representative selected by the Company and an industrial/engineering representative of the Union.

The members of the Rate Board will jointly study the job and shall issue a written decision which shall be final and binding upon the parties hereto and upon any employee affected by it. The Rate Board shall be deemed to be a Board of Arbitration and each party shall bear the costs and expenses of the representatives which it appoints. If the Rate Board is unable to reach an agreed-upon joint decision they shall so advise the Company and the Union in writing. If the Union is not at that time prepared to accept the Company's rate, the Union shall within five (5) days of receipt of the Rate Board's Decision that they are unable to agree, notify the members of the Rate Board that they

are prepared to accept the decision of a third party qualified Industrial Engineer. The Rate Board shall within five (5) days of receipt of such notice appoint an Industrial Engineer. If within such five (5) day period the members of the Rate Board cannot agree upon an Industrial Engineer, the Minister of Labour shall, upon the written request of the Union's representative, made within five (5) days from the expiry of such five (5) day period, appoint an Industrial Engineer. The Industrial Engineer shall promptly thereafter convene a meeting with the Rate Board and determine the matter in dispute and issue a decision which shall be final and binding upon both parties and upon any employee affected by it. The parties hereto will each pay one half (2) the fees and expenses of the Industrial Engineer.

If no grievance is filed within the time specified or **if** the Union does not request a Rate Board, or Industrial Engineer, within the time specified, or if the Union's representative does not request the Minister of Labour to appoint an Industrial Engineer within the time specified, the grievance shall be deemed to have been settled on the basis of the standard established by the Company, or on the basis of the Company's last reply, as the case may be. The provisions of this grievance procedure shall be deemed to be mandatory and not merely directory, and shall be deemed to comply with all requirements of the Ontario Labour Relations Act.

16.03 The Letters of Understanding attached hereto form part of this Agreement (this does not include Letter of Understanding re wages).

## **ARTICLE 17 - LEAD HANDS**

17.01 The Company may engage, select, or appoint Lead Hands and such selection shall be based primarily upon considerations of experience and skill in the overall work of the group which they lead and their ability to provide leadership therein. Where such appointment is to be made the Company will give consideration to qualified employees upon the following basis:

- (a) length of continuous service;
- (b) efficiency, experience and qualifications;
- (c) fitness and reliability.

Where as between employees, the factors in (b) and (c) are relatively equal, factor (a) shall govern.

If a leader once selected is not proving satisfactory to the Company he or she can be discontinued in that capacity by the Company. The Company may, at any time, in its discretion, eliminate leaders in any department. A leader shall be paid not less than ten cents (10¢) per hour above his own rate or the rate of the highest classification of which he is put in charge, whichever is the higher. A Lead Hand has no authority to discipline or recommend discipline, but nothing contained herein shall prevent a Lead Hand from reporting fully to Management.

## **ARTICLE 18 - DURATION**

18.01 This Agreement shall become effective on the **1st** day of **January, 2006** and shall remain in full force and effect until the **31st** day of **December, 2008**, and from year to year thereafter unless

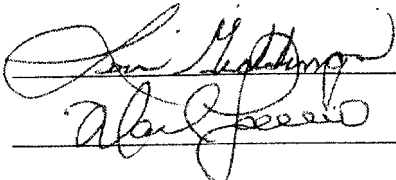
notice that amendments are required shall be given in accordance with the provisions of Article 18.02 hereof.

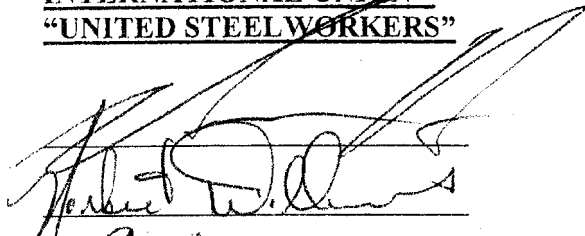
18.02 Notice that amendments are required shall only be given during the period of not more than ninety (90) days and not less than sixty (60) days prior to the 31st day of **December, 2008**, or during similar annual periods thereafter.

**DULY EXECUTED BY THE PARTIES AS OF THE DAY AND YEAR FIRST ABOVE WRITTEN.**

**DAYCO CANADA CORP.**

**LOCAL 906L**  
**UNITED STEEL, PAPER AND**  
**FORESTRY, RUBBER**  
**1 FACTURING, ENERGY**  
**LI EI INDUSTRIAL ANI**  
**FRANCE WORKERS**  
**INTERNATIONAL UNION -**  
**"UNITED STEEL WORKERS"**

  
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**Anderson**  
\_\_\_\_\_  
**Kern Stewart**  
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**INCENTIVE EMPLOYEES**

**BONUS**

Incentive employees to be paid bonuses as follows:

\$800 to be paid in the second pay period following ratification;

Year 2, \$800 to be paid in the second pay period following January 1, 2007;

Year 3, \$800 to be paid in the second pay period following January 1, 2008;

Bonus to be paid by separate cheque or deposit. The bonus amounts will be paid on an after tax basis assuming a marginal tax rate of 35%.

**SCHEDULE 'A'**  
**INCENTIVE HOURLY RATE WAGE SCHEDULE**  
**EFFECTIVE JANUARY 1, 2006**

Labour Grade	<u>Job Classification</u>	Incentive	Day Work		
			<u>Hire</u>	15 <u>Days</u>	60 <u>Days</u>
1		14.53	14.38	14.55	14.92
2		14.69	14.52	14.70	15.08
3		14.80	14.64	14.81	15.19
4		14.92	14.78	14.96	15.32
5	Sleeving, Labelling, Packing	15.04	14.89	15.08	15.44
6		15.18	15.01	15.19	15.56
7		15.26	15.12	15.31	15.67
8		15.43	15.24	15.44	15.80
9	Printer	15.56	15.39	15.57	15.92
10		15.67	15.53	15.67	16.06
11		15.80	15.63	15.82	16.20
12		15.91	15.77	15.92	16.31
13	Drum Repair	16.06	15.89	16.08	16.45
13	Jacket Builder	16.06	15.89	16.08	16.45
13	Batch Off Mill	16.06	15.89	16.08	16.45
14	Belt Cure Operator	16.19	16.01	16.20	16.55
15	Banbury Operator/Mill Operator	16.31	16.13	16.32	16.69
15	Belt Builder	16.31	16.13	16.32	16.69
15	Compounder	16.31	16.13	16.32	16.69
15	Drum Repair & Jacket Builder	16.31	16.13	16.32	16.69
16	Belt Cutter	16.42	16.26	16.45	16.82
16	Calendar/Mill Operator	16.42	16.26	16.45	16.82
16	Profiler	16.42	16.26	16.45	16.82



**SCHEDULE 'A'**  
**NON-INCENTIVE HOURLY RATE WAGE SCHEDULE**  
**EFFECTIVE JANUARY 1, 2006**

<u>Labour Grade</u>	<u>Job Classification</u>	<u>Hire</u>	<u>15 Days</u>	<u>60 Days</u>
1		15.63	15.80	16.17
2		15.77	15.95	16.33
3		15.89	16.06	16.44
4		16.03	16.21	16.57
5		16.14	16.33	16.69
6		16.26	16.44	16.81
7		16.37	16.56	16.92
8		16.49	16.69	17.05
9	Janitor	16.64	16.82	17.17
10		16.78	16.94	17.31
11	Picker/Packer	16.88	17.07	17.45
11	Service Person	16.88	17.07	17.45
11	Silicone Operator	16.88	17.07	17.45
12	Cut & Turn Operator	17.02	17.17	17.56
13	Order Processor	17.14	17.33	17.70
14	Warehouse Person	17.26	17.45	17.80
15	Shipping & Receiving Clerk	17.38	17.57	17.94
16	Shipping & Receiving Co-ordinator	17.51	17.70	18.07

**SCHEDULE 'A'**  
**SKILLED NON-INCENTIVE HOURLY RATE WAGE**  
**SCHEDULE**

**EFFECTIVE JANUARY 1, 2006**

<u>Skilled - Maintenance</u>	<u>Hire</u>	15 <u>Days</u>	60 <u>Days</u>
M-1 Oiler/Mechanic's Helper	18.53	18.72	19.08
M-2 Stationary Engineer (4th Class)	20.50	20.71	20.94
M-3 Maintenance Person Class 4	21.08	21.35	21.62
M-4 Maintenance Person Class 3	21.62	21.86	22.15
M-5 Maintenance Person Class 2	22.01	22.28	22.56
M-6 Maintenance Person Class 1	22.36	22.67	22.96
M-7 Journeyperson Electrician	23.91	24.26	24.60

**SCHEDULE 'B'**  
**INCENTIVE HOURLY RATE WAGE SCHEDULE**  
**EFFECTIVE JANUARY 1, 2007**

Labour Grade	<u>Job Classification</u>	Incentive		Cay Work	
		<u>Base</u>	<u>Hire</u>	<u>15 Days</u>	<u>60 Days</u>
1		14.53	14.38	14.55	14.92
2		14.69	14.52	14.70	15.08
3		14.80	14.64	14.81	15.19
4		14.92	14.78	14.96	15.32
5	Sleeving, Labelling, Packing	15.04	14.89	15.08	15.44
6		15.18	15.01	15.19	15.56
7		15.26	15.12	15.31	15.67
8		15.43	15.24	15.44	15.80
9	Printer	15.56	15.39	15.57	15.92
10		15.67	15.53	15.67	16.06
11		15.80	15.63	15.82	16.20
12		15.91	15.77	15.92	16.31
13	Drum Repair	16.06	15.89	16.08	16.45
13	Jacket Builder	16.06	15.89	16.08	16.45
13	Batch Off Mill	16.06	15.89	16.08	16.45
14	Belt Cure Operator	16.19	16.01	16.20	16.55
15	Banbury Operator/ Mill Operator	16.31	16.13	16.32	16.69
15	Belt Builder	16.31	16.13	16.32	16.69
15	Compounder	16.31	16.13	16.32	16.69
15	Drum Repair & Jacket Builder	16.31	16.13	16.32	16.69
16	Belt Cutter	16.42	16.26	16.45	16.82
16	Calendar/Mill Operator	16.42	16.26	16.45	16.82
16	Profiler	16.42	16.26	16.45	16.82

**SCHEDULE 'B'**  
**NON-INCENTIVE HOURLY RATE WAGE SCHEDULE**  
**EFFECTIVE JANUARY 1, 2007**

<u>Labour</u> <u>Grade</u>	<u>Job Classification</u>	<u>Hire</u>	<u>15</u> <u>Days</u>	<u>60</u> <u>Days</u>
1		16.18	16.35	16.72
2		16.32	16.50	16.88
3		16.44	16.61	16.99
4		16.58	16.76	17.12
5		16.69	16.88	17.24
6		16.81	16.99	17.36
7		16.92	17.11	17.47
8		17.04	17.24	17.60
9	Janitor	17.19	17.37	17.72
10		17.33	17.49	17.86
11	Picker/Packer	17.43	17.62	18.00
11	Service Person	17.43	17.62	18.00
11	Silicone Operator	17.43	17.62	18.00
12	Cut & Turn Operator	17.57	17.72	18.11
13	Order Processor	17.69	17.88	18.25
14	Warehouse Person	17.81	18.00	18.35
15	Shipping & Receiving Clerk	17.93	18.12	18.49
16	Shipping & Receiving Co-ordinator	18.06	18.25	18.62

## SCHEDULE 'B'

### SKILLED NON-INCENTIVE HOURLY RATE WAGE SCHEDULE

EFFECTIVE JANUARY 1, 2007

<u>Skilled - Maintenance</u>		<u>Hire</u>	<u>15</u> <u>Days</u>	<u>60</u>
M-1	Oiler/Mechanic's Helper	19.08	19.27	19.63
M-2	Stationary Engineer (4th Class)	21.05	21.26	21.49
M-3	Maintenance Person Class 4	21.63	21.90	22.17
M-4	Maintenance Person Class 3	22.17	22.41	22.70
M-5	Maintenance Person Class 2	22.56	22.83	23.11
M-6	Maintenance Person Class 1	22.91	23.22	23.51
M-7	Journeyman Electrician	24.46	24.81	25.15

**SCHEDULE 'C'**  
**INCENTIVE HOURLY RATE WAGE SCHEDULE**  
**EFFECTIVE JANUARY 1, 2008**

Labour Grade	<u>Job Classification</u>	Incentive		Day Work	
		<u>Base</u>	<u> Hire</u>	15 <u>Days</u>	60 <u>Days</u>
1		14.53	14.38	14.55	14.92
2		14.69	14.52	14.70	15.08
3		14.80	14.64	14.81	15.19
4		14.92	14.78	14.96	15.32
5	Sleeving, Labelling, Packing	15.04	14.89	15.08	15.44
6		15.18	15.01	15.19	15.56
7		15.26	15.12	15.31	15.67
8		15.43	15.24	15.44	15.80
9	Printer	15.56	15.39	15.57	15.92
10		15.67	15.53	15.67	16.06
11		15.80	15.63	15.82	16.20
12		15.91	15.77	15.92	16.31
13	Drum Repair	16.06	15.89	16.08	16.45
13	Jacket Builder	16.06	15.89	16.08	16.45
13	Batch Off Mill	16.06	15.89	16.08	16.45
14	Belt Cure Operator	16.19	16.01	16.20	16.55
15	Banbury Operator/Mill Operator	16.31	16.13	16.32	16.69
15	Belt Builder	16.31	16.13	16.32	16.69
15	Compounder	16.31	16.13	16.32	16.69
15	Drum Repair & Jacket Builder	16.31	16.13	16.32	16.69
16	Belt Cutter	16.42	16.26	16.45	16.82
16	Calendar/Mill Operator	16.42	16.26	16.45	16.82
16	Profiler	16.42	16.26	16.45	16.82

**SCHEDULE 'C'**  
**NON-INCENTIVE HOURLY RATE WAGE SCHEDULE**  
**EFFECTIVE JANUARY 1, 2008**

<u>Labour</u> <u>Grade</u>	<u>Job Classification</u>	<u>Hire</u>	<u>15</u> <u>Days</u>	<u>60</u> <u>Days</u>
1		16.73	16.90	17.27
2		16.87	17.05	17.43
3		16.99	17.16	17.54
4		17.13	17.31	17.67
5		17.24	17.43	17.79
6		17.36	17.54	17.91
7		17.47	17.66	18.02
8		17.59	17.79	18.15
9	Janitor	17.74	17.92	18.27
10		17.88	18.04	18.41
11	Picker/Packer	17.98	18.17	18.55
11	Service Person	17.98	18.17	18.55
11	Silicone Operator	17.98	18.17	18.55
12	Cut & Turn Operator	18.12	18.27	18.66
13	Order Processor	18.24	18.43	18.80
14	Warehouse Person	18.36	18.55	18.90
15	Shipping & Receiving Clerk	18.48	18.67	19.04
16	Shipping & Receiving Co-ordinator	18.61	18.80	19.17

## SCHEDULE 'C'

### SKILLED NON-INCENTIVE HOURLY RATE WAGE SCHEDULE

EFFECTIVE JANUARY 1, 2008

<u>Skilled - Maintenance</u>	<u>Hire</u>	15 <u>Days</u>	60 <u>Days</u>
M-1 Oiler/Mechanic's Helper	19.63	19.82	20.18
M-2 Stationary Engineer (4th Class)	21.60	21.81	22.04
M-3 Maintenance Person Class 4	22.18	22.45	22.72
M-4 Maintenance Person Class 3	22.72	22.96	23.25
M-5 Maintenance Person Class 2	23.11	23.38	23.66
M-6 Maintenance Person Class 1	23.46	23.77	24.06
M-7 Journeyperson Electrician	25.01	25.36	25.70



**LETTER OF UNDERSTANDING # 1**

**B E T W E E N :**

**DAYCO CANADA CORP.**

(hereinafter referred to as the "Company")

- and -

**UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING. ENERGY, ALLIED INDUSTRIAL AND SERVICE  
WORKERS INTERNATIONAL UNION – "UNITED STEELWORKERS"  
LOCAL 906L**

(hereinafter referred to as the "Union")

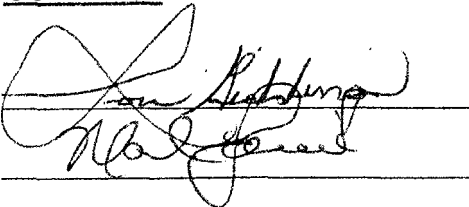
**RE: UNION MANAGEMENT MEETINGS**

This will confirm the Company's assurance provided to the Union during negotiations. The Company will co-operate with the authorized representatives of the Union to arrange meetings to discuss matters relating to the relationship between the Union and the Company. Where such a meeting is requested a proposed agenda will be provided at the time the request is made.

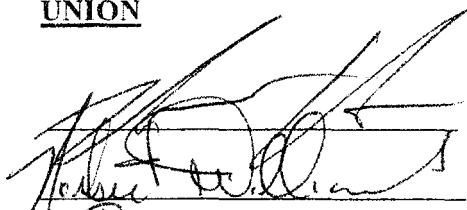
It is understood and agreed that Union Management meetings are not to be used for purposes of dealing with any grievances filed pursuant to the Collective Agreement. The parties agree that discussions held at such meetings are for purposes of improving relations between the parties and are without prejudice and "off the record".

**DATED AT *Toronto* , ONTARIO THIS *27<sup>th</sup>* DAY OF *November* , 2006.**

**COMPANY**

  
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\_\_\_\_\_  
\_\_\_\_\_

**UNION**

  
*Robert Williams*  
\_\_\_\_\_  
*Aiden*  
\_\_\_\_\_  
*Kevin Stewart*  
\_\_\_\_\_

**LETTER OF UNDERSTANDING # 2**

**B E T W E E N :**

**DAYCO CANADA COW.**

(hereinafter referred to as the "Company")

- and -

**UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE  
WORKERS INTERNATIONAL UNION – "UNITED STEELWORKERS"  
LOCAL 906L**

(hereinafter referred to as the "Union")

**RE: LIFT TRUCK OPERATOR TRAINING**

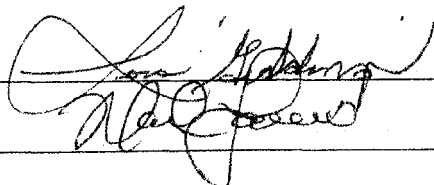
This will confirm the assurance provided to the Union during negotiations.

In order to provide existing employees who are interested in an opportunity to become qualified and certified as lift truck operators the Company will:

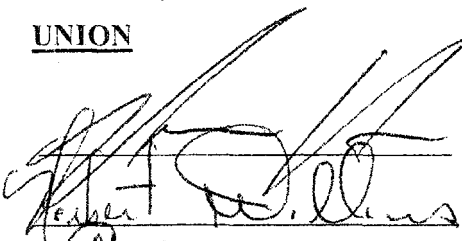
- (1) Provide an opportunity for up to six (6) employees a year to receive training as lift truck operators;
- (2) Such training course shall be conducted on three Saturdays at a time to be determined by the Company;
- (3) Such training shall be done on the employee's own time without pay;
- (4) Employees who successfully complete the training course provided for in this letter will be considered to vacancies requiring the ability to operate lift trucks in accordance with Articles 8.06 and 8.08 of the Collective Agreement.

**DATED AT *Toronto* , ONTARIO THIS 27<sup>th</sup> DAY OF *Nov.* , 2006.**

**COMPANY**

  
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\_\_\_\_\_  
\_\_\_\_\_

**UNION**

  
*Robert Williams*  
\_\_\_\_\_  
*Adrian*  
\_\_\_\_\_  
*Kevin Stewart*  
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**LETTER OF UNDERSTANDING # 3**

**B E T W E E N :**

**DAYCO CANADA CORP.**

(hereinafter referred to as the "Company")

- and -

**UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE  
WORKERS INTERNATIONAL UNION - "UNITED STEELWORKERS"  
LOCAL 906L**

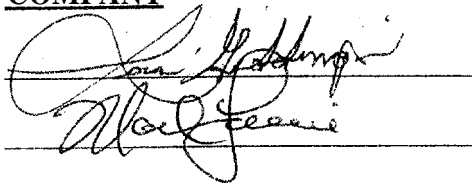
(hereinafter referred to as the "Union")

**RE: MEDICAL TESTS**

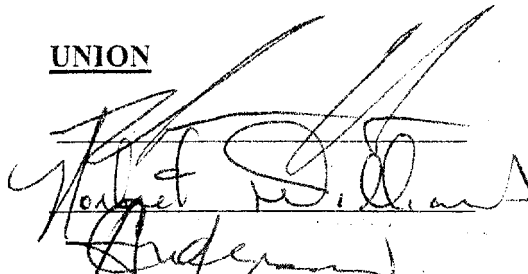
It is understood that the Company may require employees to undergo periodic medical examinations and/or biologic testing by Company designated Medical Staff as determined by the Medical Staff or Provincial Legislation.

DATED AT *Toronto*, ONTARIO THIS *27<sup>th</sup>* DAY OF *Nov*, 2006.

**COMPANY**

  
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\_\_\_\_\_

**UNION**

  
\_\_\_\_\_  
\_\_\_\_\_  
*Kevin Stewart*  
\_\_\_\_\_

**LETTER OF UNDERSTANDING # 4**

**B E T W E E N :**

**DAYCO CANADA CORP.**

(hereinafter referred to as the "Company")

- and -

**UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE  
WORKERS INTERNATIONAL UNION – "UNITED STEELWORKERS"  
LOCAL 906L**

(hereinafter referred to as the "Union")

**Re: ARTICLE 1.01**

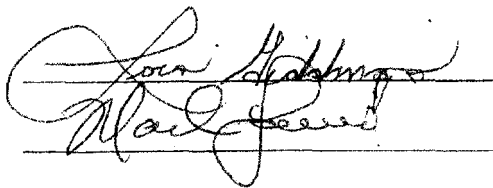
During the course of negotiations the Union raised the question of the parties understanding of Article 1.01 of the Collective Agreement. This will confirm the Agreement of the parties that both of them have understood Article 1.01 of the Agreement to mean that in the event the Company moved its existing Plant or established a new Plant or facility, to carry on activities previously carried on at the Company's existing Plant, within Toronto or the Regional Municipality of Peel, the terms of the Collective Agreement would apply to such new Plant or facility.

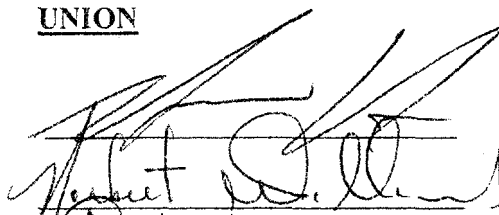
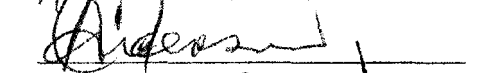

The parties further confirm that the provisions of this letter are without prejudice to the positions either of them may take in the event that the Company purchased a new Plant facility or establishes a new Plan: or facility to carry on activities unrelated to the activities carried on at the Company's existing Plant during the life of the current or previous Collective Agreement.

**DATED AT *Toronto*, ONTARIO THIS *27<sup>th</sup>* DAY OF *Nov*, 2006.**

**COMPANY**

**UNION**

  
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**LETTER OF UNDERSTANDING # 5**

**B E T W E E N :**

**DAYCO CANADA CORP.**

(hereinafter referred to as the "Company")

- and -

**UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE  
WORKERS INTERNATIONAL UNION – "UNITED STEELWORKERS"  
LOCAL 906L**

(hereinafter referred to as the "Union")

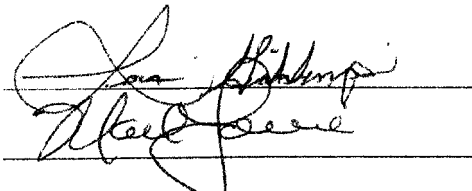
**RE: HEALTH AND SAFETY**

During the 2000 negotiations the Union raised the concerns about the possibility of amendments to the *Occupational Health & Safety Act*, which might adversely affect the interests of Union members. The Company confirmed that in the event of such amendments, the Company would continue to respect the work refusal rights of employees as contained in the existing *Occupational Health & Safety Act* in affect at the date of signing of this Agreement.

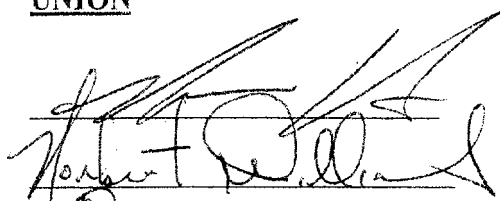
The Company also confirmed that it would continue with its practice of training current employees and new hires on health and safety matters relating to the employee's job and the responsibility of the employer and fellow employees.

**DATED AT *Toronto*, ONTARIO THIS *27<sup>th</sup>* DAY OF *Nov*, 2006.**

**COMPANY**

  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**UNION**

  
*Robert Anderson*  
\_\_\_\_\_  
*Devin Stewart*  
\_\_\_\_\_

**LETTER OF UNDERSTANDING # 6**

**B E T W E E N:**

**DAYCO CANADA CORP.**

(hereinafter referred to as the "Company")

- and -

**UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE  
WORKERS INTERNATIONAL UNION – "UNITED STEELWORKERS"  
LOCAL 906L**

(hereinafter referred to as the "Union")

**RE: UNION PRESIDENT**

The Company agrees to provide the following to assist the Union President in carrying out his duties:

- 1) The computer in the Shipper/Receiver Co-ordinator office will be equipped with e-mail for the President's use on Union business
- 2) The President will be allowed access to the fax machine used by the Shipper/Receiver Co-ordinator for use on Union business
- 3) The President will be permitted to make use of the training room for making phone calls and meeting with members provided that permission is received from the Team Leader/Manager in advance. **Any** employee meeting with the President must also obtain permission from their Team Leader/Manager in advance.
- 4) The Company is prepared to facilitate internet access for the local union president provided that such internet access is used strictly for union business. Any other use of internet access shall result in the cancellation of the privilege of internet access.

The Parties recognize that these facilities are being made available on the understanding that they will only be used for legitimate, necessary Union business. The Parties recognize that any meetings or use of communication facilities will be completed as quickly as reasonably possible in order to minimize the effect of employee absence on production.

DATED AT *Toronto*, ONTARIO THIS *27* DAY OF *Nov*, 2006.

**COMPANY**

*Ken Balthazar*  
*Mark J. J. J.*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**UNION**

*Robert W. Stewart*  
*Robert W. Stewart*  
*Robert W. Stewart*  
*Robert W. Stewart*  
\_\_\_\_\_  
\_\_\_\_\_

**LETTER OF UNDERSTANDING # 7**

**B E T W E E N :**

**DAYCO CANADA CORP.**

(hereinafter referred to as the "Company")

- and -

**UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE  
WORKERS INTERNATIONAL UNION – "UNITED STEELWORKERS"  
LOCAL 906L**

(hereinafter referred to as the "Union")

**RE: CALENDER**

During the negotiations the Union and Company representatives discussed issues relating to the Calender service person. The Union expressed the view that Calender service persons should be incentive employees. On the basis that it is entirely without prejudice to the Company's right to determine what jobs are to be paid on an incentive basis and on the understanding that this agreement does not constitute a precedent and shall not be referred to in any other matter or proceeding the Company agrees as follows:

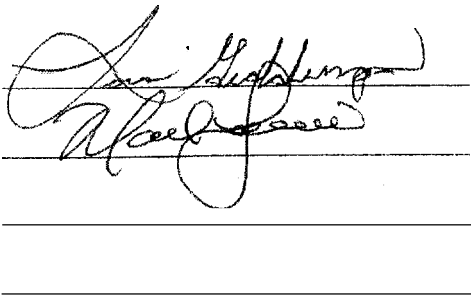
- 1) The Company will incorporate the Service Person into a revised three man calendaring standard such standard shall not result in the Company's total cost increasing as a result of such change. Such change will be implemented by May 1, 2006.
- 2) This letter of understanding shall not affect the right of the Company to revert to a two person calendar operation in the future.
- 3) Union and Company representatives will jointly meet with the existing Calender/Mill Operators prior to the implementation of these changes to explain the changes and their obligation to maintain productions levels.



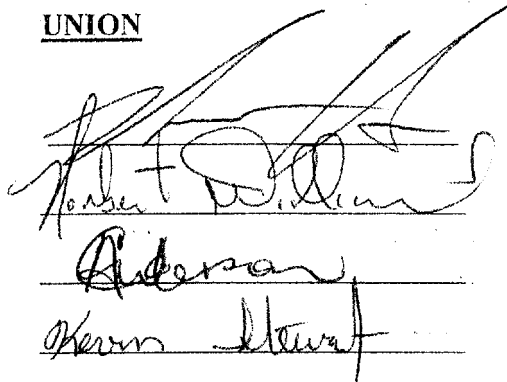
- 4) It is understood and agreed that in the event that there is any work slow down or work stoppage by Calender operators at or following the time that these changes are introduced the Company shall have the right to revert to operating the Calender with two incentive paid Calender/Mill Operators and a non-incentive Grade I1 Service Person. This shall not preclude the Company from taking any other legal action which it may choose to take as a result of any such slow down or work stoppage.

DATED AT *Toronto* , ONTARIO THIS *27<sup>th</sup>* DAY OF *Nov.* , 2006.

COMPANY

  
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UNION

  
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