

AGREEMENT entered into as of the 25th day of November, 2004

BY AND BETWEEN:

MESSIER-DOWTY INC.

Ajax, Ontario (hereinafter referred to as the "Company")

OF THE FIRST PART

and

**THE INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS**

Through its Local Lodge, Ajax Lodge 905,
(hereinafter referred to as the "Union")

OF THE SECOND PART

ARTICLE I

RECOGNITION AND COVERAGE

- 1.01** The Company recognizes the Union as the sole collective bargaining agent with respect to all matters arising under this Agreement for all of the Company's employees at its Ajax plant, save and except supervisor, persons above the rank of supervisor, office staff, sales staff, development department staff and security guards.
- 1.02** The term "employee" or "employees" as used in the Agreement shall mean only those employees who are included in the bargaining unit as described above unless the context otherwise provides. The masculine pronoun shall include the feminine pronoun where the context so requires.
- 1.03** It shall not be the policy of the Company to have supervisors or other employees who are excluded from the bargaining unit work on any occupation within the bargaining unit to the extent that this work will result in the layoff, prevent the recall of a laid-off bargaining unit employee, or cause loss of time to bargaining unit employees who normally perform such work. This shall not apply to emergencies or to situations involving the instruction and training of employees or the doing of experimental work.

**ARTICLE II
RELATIONSHIP**

- 2.01** There shall be no discrimination on the basis of race, creed, colour, nationality, ancestry, age, disability, family status, sexual orientation, sex or place of origin, or any intimidation, interference, restraint, coercion or attempted coercion by or on behalf of the Company or Union, the members or agents or by any employee with respect to any employee because of membership or non-membership in the Union.
- 2.02** The Union agrees that there will not be any Union activities or business conducted on the premises of the Company, except as permitted by this Agreement.

**ARTICLE III
MANAGEMENT FUNCTIONS**

- 3.01** The Union acknowledges that it is exclusively the function of the Company to:
- (a)** Maintain order, discipline and efficiency;
 - (b)** Hire, discharge, classify, direct, transfer, promote, demote, lay-off and suspend or otherwise discipline employees, subject to the right of employees to lodge a grievance as herein provided;
 - (c)** Make, and alter from time to time, the rules and regulations to be observed by the employees; the Company recognizes that the Union cannot be and is not a party to the making of such rules and in fact only acknowledges that it is the exclusive function of the Company to proceed with certain management functions in a manner consistent with the terms of this Agreement. In the event that an employee feels that the Company has exercised any of these functions in a manner not consistent with the terms of the Agreement, a grievance may be lodged by him to that point.

(d) Generally to manage the industrial enterprises in which the Company is engaged and without restricting the generality of the foregoing, to introduce or change machine processes, to institute changes in job assignments, methods of operation, to determine the products to be manufactured, method of manufacture, schedules of production, kinds and locations of machines and tools to be used, processes of manufacturing, the engineering and designing of its products, the control of materials and parts to be incorporated in the products produced, the extensions, limitations, curtailment or cessation of operations and all other matters concerning the operation of the Company's business not specifically dealt with elsewhere in this Agreement.

3.02 The Company agrees that these functions will be exercised in a manner consistent with the other provisions of this Agreement.

ARTICLE IV **STRIKES AND LOCKOUTS**

4.01 The Company agrees that there will be no lockout of its employees and the Union agrees that there will be no strike, slowdown, sit-down or other action which will interfere with work or production.

ARTICLE V **UNION REPRESENTATION**

5.01 The Union may appoint or otherwise select employees to serve as stewards and chief stewards whose duties shall be to assist employees in presenting their grievances to the designated representatives of the Company in accordance with the Grievance Procedure.

(a) It is affirmed that any bargaining unit member who has cause to complain or who is the subject of a complaint under the Company harassment policy may request the presence of a Union representative at any step of the complaint procedure. The function of the Union representative shall be to act as a witness with respect to the content of the meeting.

(b) The Company harassment policy will be conspicuously posted in the workplace.

5.02 The Union shall also establish a Shop Committee comprising of not more than three (3) employees selected by the union. To ensure the minimum

of interference with the Company's production, it is understood that one Shop Committee member only from each work classification will attend Company/Union meetings, this member to be selected by the Union.

- 5.03** The Union shall keep the Company notified in writing of the names of its authorized stewards including the chief stewards, the members of the Shop Committee and other officers and the respective effective dates of their appointment within 48 hours of the appointment.
- 5.04** The Union acknowledges that the stewards and members of the Shop Committee have their regular duties to perform on behalf of the Company and that such persons will first receive clearance from their supervisor before they leave their regular duties. They shall state their destination to their supervisor together with the reasons and shall report again to their supervisor at the time of their return to work. Before entering any other department, they shall report to the supervisor concerned. In the processing of grievances, there shall be a minimum of interference with the Company's operations.
- 5.05** The Union may appoint or select two (2) employees to serve on the Joint Health and Safety Committee, which will operate in accordance with the Occupational Health and Safety Act of Ontario and the regulations therefore.

The parties recognize their obligation to provide a safe and healthful working environment for employees. The parties agree to use their best efforts jointly to achieve this objective. The Company shall ensure that all employees are provided with the requisite information pertaining to health and safety. The Union Joint Health and Safety representative shall have a right of access to areas of the plant for the purpose of carrying out the duties assigned to him by the current Occupational Health and Safety legislation. A worker may refuse to work or do particular work which is likely to endanger any employee.

- (a)** The Company agrees to maintain established safety and health conditions throughout its buildings and will provide protective equipment where needed. New employees will have completed all Health and Safety training within thirty (30) days from date of hire. The Company and the Union will comply in a timely manner with all concerns pertaining to Occupational Health & Safety.
- (b)** The Company shall include a study of noise levels in their evaluation criteria when investigating new machinery and processes. When possible, efforts will be made through engineering controls to reduce hazardous noise levels on existing and future installations of processes and equipment.

- 5.06** The Union President shall not be required to work on a shift other than the day shift during his term of office. In addition, the Company will arrange that at least one other member of the Shop Committee to be on day shift at any given time.
- 5.07** New employees when hired, will be introduced to the Union Steward of the employee's section by the supervisor or his designate and details of his hiring shall be supplied to the Union, within twenty-four (24) hours from starting. At the time of hire a member of the Union Plant Committee will be given sufficient time with the new employee for union orientation.
- 5.08** The Chief Steward will be provided with a telephone line for the purpose of administration of the Collective Agreement, the operation of which will be entirely at the Union's expense. Every effort shall be made to ensure minimum disruption to production requirements during working hours. It is clearly understood that this telephone is not intended for use by the general employee population in the plant. The Company will provide space for a Union filing cabinet.
- 5.09** The Company will absorb the off-job losses of time incurred by bargaining unit members while processing grievances or attending joint Company/Union meetings, in house, after clearance with supervisor, during regular working hours. Company/Union meetings, in house, which extend beyond regular working hours, will be paid.
- 5.10** The Company will make payment, on behalf of the Union, for lost time of Union representatives when conducting Union business away from the plant, provided the company has received prior notification, detailing the hours to be paid, from the Union Recording Secretary and countersigned by the Union President. The Union will reimburse the Company all wages paid plus an additional 15% to cover associated costs.
- 5.11** Bulletin Boards
The Union shall have the privilege of posting its own notices, which have been approved by the Company, at locations specified for Union business on the Company premises. The Company shall supply bulletin boards.

ARTICLE VI
GRIEVANCE PROCEDURE

6.01 It is the mutual desire of the parties hereto that valid complaints of employees should be adjusted as quickly as possible and it understood that an employee has no grievance until he has first given his supervisor an opportunity of considering his complaint. If an employee has a complaint, he shall discuss it with his supervisor within five (5) working days after the circumstances giving rise to the complaint have come to the employee's attention, or he should reasonably have knowledge of it; except an error relating to the seniority list which may be dealt with as a grievance at any time; and failing settlement, it may then be taken up as a grievance within three (3) working days following receipt of the supervisor's decision, as follows:

STEP NO. 1 (For Grievance Form System see Appendix B)

The employee, who may request the assistance of the steward, will present his written grievance in quadruplicate, to his supervisor. Failing a settlement, the supervisor shall deliver his decision in writing within three (3) working days following the presentation of the grievance to him.
Failing settlement:

STEP NO. 2

Within three (3) working days after the decision is given under Step No. 1, the grievance may be submitted in writing by the employee, who may request the assistance of the Chief Steward, to the Manager of Human Resources or designate. The written grievance shall contain the nature of the grievance, identity of employee or employees who claim to be aggrieved, and the remedy sought. In addition the Grievor will state to the best of his ability the act or acts grieved, date of occurrence, the provision(s) of the Collective Agreement that has allegedly been violated. The Manager of Human Resources or designate shall deliver his decision in writing within five (5) working days after receiving the written grievance.
Failing settlement:

STEP NO. 3

Within five (5) working days after the decision is given under Step No. 2, the Grievor, who may request the assistance of the Shop Committee, may submit the grievance in writing to the Department Manager or other designated representatives of the Company. A meeting will then be held within twenty (20) working days between such representative of management and the shop committee and an accredited representative of the Union shall be present at the request of either the Company or the Union. The decision of the Company at this Step shall be delivered in writing within five (5) working days following such meeting.

POLICY GRIEVANCE If the Union has a policy complaint they shall discuss it with the Human Resources Manager within five working days after the circumstances giving rise to the complaint. A policy grievance is properly filed by either party where the subject matter of the grievance concerns the bargaining unit as a whole or raises an issue of collective agreement interpretation which is of general application at the time of the filing of the grievance.

Policy grievances shall not be used to bypass the individual employee grievance process where the individual employee himself could file such grievance but chooses not to.

Failing verbal resolution with Human Resources Manager, the time limits set out in Article 6 for submitting and replying to grievances shall be applicable to Policy Grievances which shall be initially filed directly with the Human Resources Manager (or Chief Steward) at Step No. 2 of the Grievance Procedure. All provisions outlined in Step 2 with respect to the provision of particulars shall be applicable to policy grievances filed.

- 6.02** Failing settlement under the foregoing procedure of any difference between the parties arising from the interpretation, application, administration or alleged violation of this Agreement, including any question as to whether a matter is arbitrable, such difference or question may be submitted to arbitration as hereinafter provided. If no written request for arbitration is received within ten (10) days after the decision under Step No. 3 is given, it shall be deemed to have been settled.
- 6.03** All agreements reached under the Grievance Procedure on behalf of the Company, the Union or any employee or employees, will be final and binding upon the Company, the Union and the employee or employees concerned.
- 6.04** Saturdays, Sundays, Plant Holidays and Vacation period will not be counted in determining the time within which any action is to be taken or completed under the provisions of Articles VI, VII and VIII.
- 6.05** Should any grievance not be submitted within the time limits specified under the Grievance Procedure, it shall be considered to have been settled unless extended by mutual agreement.
- 6.06** Any time limits specified under the provision of Articles VI, VII and VIII may be extended by written mutual agreement between the parties of this Agreement.

- 6.07** It is confirmed that the suspension of any employee by the Company is a matter which is subject to grievance and arbitration procedure.

ARTICLE VII DISCIPLINE

- 7.01** With reasonable promptitude, the Company shall notify, in writing, the chief steward, or in his absence a member of the shop committee, of any suspension or discharge outlining the reason for same.
- 7.02** No employee, after completion of his probationary period, shall be suspended or discharged without just cause. Such suspension or discharge may be the subject of a grievance.
- 7.03** Any employee who is suspended or discharged shall have the opportunity of conferring with his committee man in plant offices.
- 7.04** An employee with seniority, who feels that he has been unjustly disciplined, short of discharge, may present a grievance at **STEP NO. 1** of the Grievance Procedure. An employee who feels that he has been unjustly discharged may present a grievance at **STEP NO. 3** of the Grievance Procedure, provided that in either case the right to grieve shall be deemed to be waived if a grievance has not been presented within three (3) working days after the suspension or discharge.
- 7.05** Failing settlement by the said Grievance Procedure, a grievance regarding suspension or discharge may be submitted to arbitration as provided by Article VIII hereof and the Arbitrator shall make such settlement as deemed just.
- 7.06** When a formerly disciplined employee has accumulated a period of twelve (12) clear calendar months without further warnings, any verbal and written warnings on file will be considered inactive for future disciplinary matters.
- 7.07** When a warning notice is issued to an employee, a copy will be issued to the chief steward, or in his absence a member of the shop committee, on the same day.
- 7.08** An employee who is to be disciplined or being investigated for discipline shall have his Union representative present at the meeting if he so desires.

**ARTICLE VIII
ARBITRATION**

8.01 Whenever either party desires to submit any grievance to arbitration, written notice shall be given to the other party. Within three working days following notification, the following arbitrators' names shall be randomly picked by lot in the presence of the Union's Chief Steward and the Company's Human Resources Manager. All of the arbitrators' names shall be included in each draw. The matter shall then be submitted forthwith to the selected arbitrator. A grievance slated for arbitration shall proceed on the first date made available and mutually agreed upon by the Company and the Union.

Louisa Davie
Gerald Charney
Susan Tacon
Wes Rayner

Stanley Beck
Morton Mitchnick
Kevin Whitaker

8.02 No person may be appointed as an arbitrator who has been involved in an attempt to negotiate or settle the grievance.

8.03 No matter may be submitted to arbitration which has not been properly carried through all previous Steps of the Grievance Procedure.

8.04 The Arbitrator 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.

8.05 The proceeding of the Arbitrator will be expedited by the parties hereto and the decision of the Arbitrator will be final and binding upon the parties hereto and the employees concerned.

8.06 Each of the parties hereto will jointly bear the expenses of the Arbitrator.

**ARTICLE IX
SENIORITY**

9.01 The principle of seniority based on length of continuous service with the Company will be recognized as hereinafter provided. An employee will be considered on probation and will not be subject to the seniority provisions of the Agreement until after he has completed sixty-five(65) regular worked days employment with the Company. Upon completion of such probationary period, the employee's name will be placed on the seniority

list of his occupational group with seniority dating from the date the employee was hired by the Company.

- 9.02** It is understood that the dismissal of a probationary employee will not be the subject of a grievance.
- 9.03** Occupational seniority lists showing the name of each employee within each occupational group will be posted on the bulletin board within thirty (30) days following the execution of this Agreement and every six (6) months thereafter.
- (a)** The Occupational Groups shall be Machine Shop, Inspection, Fitting Shop, Maintenance, Indirect Labour, and Apprentices.

LAYOFFS

- 9.04 (a)** In cases of layoffs, temporary job re-assignments and recalls to work following layoffs, senior employees who, in the opinion, of the Company (which opinion will not be exercised unreasonably or discriminatory), are able and willing to do the work available, will be retained.

If a senior employee wishes to replace a junior employee, he must notify his supervisor, within three (3) working days of receiving his notice of layoff, stating the name of the employee he wishes to replace. If the senior employee is not, in the opinion of the Company, considered capable of performing the job and if to deny him the job would result in his being laid off (i.e. when there are no other junior employees in the same occupational group whom he could successfully elect to replace) he shall be allowed a familiarization period of up to five (5) days in the job of the person he wishes to replace, provided the job is in his own classification.

The decision as to whether he is capable of performing the work of the person he wishes to replace will then be made at the end of the five day familiarization period, or earlier if capability or lack of capability is demonstrated before the five days have elapsed. If management decide at that stage that he is capable of performing the work, he shall be awarded the job. If management decide at that stage that he is not capable of performing the work, he shall then be laid off, pursuant to his original lay-off notice, without further familiarization periods being allowed.

It is understood that, notwithstanding the above, familiarization periods will not be offered where to do so would endanger the safety of employees or the Company's equipment or components. It is further understood that familiarization will not include retraining and will generally be an unsupervised period for the individual to become familiar and comfortable with the job and to prove his capability to perform the job.

The Company will not be obliged to apply this provision when laying off employees for periods not exceeding, in aggregate, more than fifteen (15) working days per annum in respect of each employee.

- (b)** It is agreed that in the event of a layoff, top seniority shall be granted to not more than three (3) members of the Shop Committee provided however that there is available work which they are qualified to perform.
- (c)** The Company shall notify the Shop Committee of all layoffs prior to an employee being notified.
- (d)** No employee with seniority shall be laid off without at least fourteen (14) days notice. If the employee opts for an alternative, he can choose immediate layoff with one (1) week's pay in lieu thereof.
- (e)** No employee with seniority to be laid off until he has had the opportunity to exercise his right to replace an employee within his occupational group who has less seniority, provided that he meets the requirements set forth in paragraph 9.04(a) above and so long as he accepts the lower job rate, if applicable. The Company will inform a laid-off employee of his rights under the Collective Agreement and the employee will elect who he wishes to replace. The Company will accept this if the employee is capable of performing the work of the one he wishes to replace.
- (f)** Laid-off employees shall remain on the seniority list for a period of twenty-four (24) months. For employees hired after February 28, 1999 recall rights shall exist for twenty-four (24) months or length of seniority whichever is the lesser.
- (g)** When an employee has been recalled to, or has bumped into a different classification, he shall be returned to his former job, should the workload provide.

- 9.05** The Company shall take seniority into consideration when making promotions to positions covered by the Collective Agreement. Promotions or transfers to positions outside the bargaining unit are not governed by the provisions of this Agreement and during the first eight (8) weeks the employee is employed outside the bargaining unit he shall maintain his seniority. During this period he shall have the right to return to his former position in the bargaining unit. An employee entering the bargaining unit, at the end of sixty-five (65) regular worked days employment in the bargaining unit shall have his name entered on the appropriate seniority list with accumulated seniority for whatever time spent as an employee within the bargaining unit.
- 9.06** When an employee is transferred from one occupational group to another occupational group, he shall retain his seniority in the occupational group from which he was transferred for a period of sixty (60) calendar days after which date, if the transfer remains in effect, his total seniority will be transferred to his credit in the new occupational group.
- (a)** A transfer shall be defined in Article 9.06 as the placement of an employee into a different classification through the job posting procedure. When an employee is transferred from one occupational group to another occupational group or transferred within the same occupational group, he shall be considered to be on probation within the new classification for 60 calendar days. Should the employee not complete the probation period of 60 calendar days he will be placed back into his previous job.
- Upon completion of the 60-calendar day probation period an employee at “start” wage rate shall advance to the “90 day” wage rate.
- 9.07 (a)** In the event of a new position becoming available or a vacancy occurring in an existing position within the bargaining unit and which vacancy has to be refilled, a Job Posting will be placed on all bulletin boards advising of the position open.

(b) A Job Posting will remain on the bulletin boards for at least three (3) days or until filled and any employee may apply in writing to the Human Resources Department. All job postings shall be removed or re-posted on the first Monday of each month. The Company will commence the interview process within 15 working days of the position being posted. The successful candidate will commence their new position within 20 working days of receiving notification of their successful bid. In the event that the Company cannot move the employee into their new position within 20 working days, they will continue to receive their current rate of pay or the new rate of the posted position, whichever is higher. In the event the job posting is cancelled, the Union and all employees bidding for the position will be notified within 10 working days from the expiry of the posting.

(c) The most senior employee bidding for the opening will be considered for the job and if a determination is to be made between employees whose ability are approximately equal, that employee having the greatest seniority shall be entitled to the preference providing he has the ability to perform the work of the job classification required.

The Company shall not consider probationary employees and employees who are classified as Jr. Fitters, Jr. Inspectors and Apprentices for job postings unless such employees are affected by layoff.

(d) Upon request, should a more senior employee be unsuccessful in bidding for a job opening, he will be informed of the reasons indicating why and if applicable training requirements that may assist him in obtaining the position on future postings.

(e) The Job Posting procedure shall apply only to the initial opening and the opening created by the move of the successful applicant. Any further job openings created shall be filled at the option of the Company. An opening shall be defined as a vacancy which cannot be filled by allocation of personnel within the occupational group concerned.

(f) Employees may be hired to fill temporary vacancies without a job posting being made. Temporary vacancies shall last a maximum of eight (8) calendar weeks or less after which it must be posted as per the collective agreement.

This does not prevent the Company and the Union from mutually agreeing to extend the eight (8) week limitation on an individual basis. However, unless there is written agreement to the contrary, the eight (8) calendar week limitation shall be respected. Should the position be made permanent, the job will be posted as per 9.07(e). Any skills or experience gained by the temporary employee while in the temporary job, shall not be used to determine him more suitable for the position than an employee with seniority who applies.

- (g) Where an employee voluntarily changes his classification to a lower-rated position through the job posting procedure the Company shall classify him at the appropriate job level in the new classification. However, he shall not be classified at a job level which is more than two (2) levels lower than his existing job level.

LOSS OF SENIORITY

9.08 An employee shall lose all seniority and shall be deemed to have quit the employ of the Company if he:

- (a) Voluntarily quits the employ of the Company;
- (b) Is discharged for cause and the discharge is not reversed through the Grievance Procedure;
- (c) Fails to report for work within his classification seven (7) calendar days after being notified by the Company following a layoff by registered mail to his address on record with the Company, or fails to advise the Company within five (5) days of his intention to report for work pursuant to the notification;
- (d) Fails to inform the Company within three (3) working days of intention not to accept a temporary recall or fails to attend work within seven (7) calendar days of the sending of notice by the Company as to the existence of a temporary recall. A recall will be considered temporary if for a period of eight (8) weeks or less.
- (e) Is absent for three (3) consecutive working days without notifying the Company unless a satisfactory reason is given;
- (f) Is laid off for a period in excess of twenty-four (24) months; or as per 9:04 (f)

- (g) Does not return to work at the expiration of a leave of absence or uses a leave of absence for a purpose other than that for which it was granted;
- (h) Refuses to accept two (2) offers of temporary recall. One refusal of a temporary recall will be allowed; any further refusals will result in loss of recall rights and removal from the seniority list. A recall will be considered temporary if for a period of eight (8) weeks or less. An employee who is recalled for a period of less than 2 weeks may refuse such recall without loss of seniority providing there is a less senior employee qualified to perform such work.

9.09 It shall be the duty of employees to notify the Company promptly of any change in address. If an employee fails to do this, the Company will not be responsible for failure of any notice provided for under this Agreement to reach such an employee.

9.10 Copies of all recall notices will be given to the Recording Secretary of the Local Lodge of the Union.

9.11 The Company will endeavour to give six (6) months notification in the event of closure or partial closure. Notwithstanding the above, there will be no monetary compensation provided in lieu of this notification other than that which is provided under Employment Standards or Article 9.04 (d) above.

9.12 TEMPORARY TRANSFERS

A temporary transfer is a period in excess of 1 day in which an employee performs work outside his classification, but within his Occupational Group. Temporary transfers will not exceed seven (7) full or partial consecutive calendar days in duration and twenty (20) days aggregate per year per employee. Transfers will be assigned on a rotating basis.

If the rate of pay for the job to which an employee is transferred is less than the employee's regular rate of pay, the employee shall receive his own higher rate of pay. If the rate of pay for the job he is transferred to is a higher rated job the employee shall receive that higher rate of pay while he is performing the job, on a temporary basis.

Temporary transfers shall not be used to fill permanent job vacancies as per Article 9.07. Temporary transfers shall not occur in a classification which has employees on lay off unless the transfer is due to waiting for a recalled employee to report. Temporary transfers will not result in the layoff of employees capable of performing the work within the classification. The Union will be advised in writing prior to all transfers under this section.

9.13 TEMPORARY VACANCIES

The Company and the Union recognize that temporary employees may be required to temporarily provide additional manpower due to vacation, weekly indemnity, excess of work, etc. All temporary employees performing bargaining unit work are members of the bargaining unit and as such all terms and conditions of the collective agreement apply except as herein provided.

Individuals may be hired to fill temporary vacancies. Temporary vacancies and employees shall last a maximum of eight (8) calendar weeks.

This does not prevent the Company and the Union from mutually agreeing to extend the eight (8) week limitation on an individual basis. However, unless there is written agreement to the contrary, the eight (8) calendar week limitation shall be respected.

Should the position be made permanent, the job will be posted as per 9.07(e). Any skills or experience gained by the temporary employee while in the temporary job, shall not be used to determine him more suitable for the position than the employee with seniority who applies.

Prior to any layoff all temporary employees will be terminated.

Overtime will only be offered to temporary employees after all qualified senior and probationary employees within the classification concerned have refused. Public holidays will be paid to the temporary employees as per the Employment Standards Act Part X (10).

Temporary employees will be hired for the applicable classification and wage rate as per Appendix A of the Collective Agreement.

Should a temporary employee apply for a job posting and be successful as per Article 9.07 of the Collective Agreement the temporary employee shall then become a probationary employee.

The seniority date of a temporary employee who is awarded a full-time position will equal the date the full-time position is awarded.

No person, who is or has been employed by the Company outside of the bargaining unit, shall be eligible to work as a temporary employee within the bargaining unit, unless his record of employment with the Company has been severed in excess of one week.

ARTICLE X
LEAVE OF ABSENCE

- 10.01** The Company may grant leave of absence, without pay for a period of up to thirty (30) days for legitimate personal reasons and shall grant leave of absence up to one (1) year for military service or medical reasons as established to the satisfaction of the Company. If an employee is absent for more than twelve (12) months, he shall be deemed to have quit the employ of the Company.
- 10.02** On request of the Local Lodge, the Company will grant leave of absence without pay to not more than three (3) officials of the Local Lodge or their delegates at any one time, for the transaction of Union business and attending Trade Union Conventions, providing the leave of absence for any period is subject to Company ability to release individuals from productive duties; and if not, the Company may require the names of alternative individuals.
- 10.03** On request from the Local Lodge, the Company shall grant leave of absence without pay to an employee for a period not exceeding one (1) year for full-time employment by the Local Lodge or the International Association of Machinists provided that the number of employees who at any one time shall be granted such leave shall be mutually agreed. Seniority shall continue to accrue during such leave of absence and such employee will be rehired.
- 10.04** Notwithstanding the foregoing, leave of absences may be extended on a case by case basis with mutual agreement between the Company and the Union.

ARTICLE XI
CLASSIFICATION AND WAGE RATES

- 11.01** The classification and wage rates set forth in Appendix "A", which shall form an integral part of this Agreement, shall be in effect for the duration of this Agreement.
- (a)** The movement of an employee's rate to Level 6 shall be through an appraisal and assessment process and shall be at the sole discretion of the Company. Level 6 rates of wages shall not be subject to the rules as set out below in Article 11.03

The rates shown in Appendix "A" will remain in effect until a change is negotiated between the Company and the Union. Plant committee shall attend review meetings regarding Level 6.

- (b) The pay period will be Sunday through Saturday inclusive and shall be paid the following Friday, subject to current Revenue Canada administrative guidelines.

11.02 Should the need arise to establish a new classification, not listed in Appendix "A", the Company will advise the Union, in writing, of the new classification as well as where it will fit in the Occupational groups. The Company will also propose a rate. The classification and rate may be the subject of negotiation between the parties within ten (10) working days. Should the parties fail to reach agreement on the new classification, where the new classification fits in the classification structure as per Appendix "A", and the rate therefore, the Union may submit a grievance directly at Step No. 3. If no grievance is filed within this ten (10) working day period, the new classification and the rate will be deemed acceptable.

- (a) The parties agree it may be necessary during the life of the Collective Agreement to provide for substantial change in work assignments for an employee of an existing classification, due to change in design, material, method of manufacture or production requirements.

Where the company determines (determination will not be exercised unreasonably or discriminatory) that an employee is to be re-classified to a higher rated classification, the union shall be notified. Within 10 working days after such notice the company and union committee shall meet to determine whether such work may reasonably be assigned within an existing classification.

The parties further agree that:

1. No classification shall be changed to lower rated classification through application of this agreement.
2. This agreement shall not be used to circumvent the layoff provisions outlined in article 9.
3. Re-classification procedure is not intended to replace the job posting provisions outlined in article 9.
4. Re-classification procedure is not intended to cover the establishment of a new classification as outlined in Article 11.
5. The Company agrees to evaluate the re-classified employee's skill levels in order to determine training needs. Needs for training will be addressed as per Appendix "F" paragraph 5.
6. The re-classification shall be accompanied by an increase in pay rate, minimum of level one and maximum of level five of the new job classification, which represents an increase over their current pay as per Appendix A.

11.03 The Classification and Wage Structure in Appendix “A” shall be administered in accordance to the following.

- (a)** The rates of pay for any employee shall be only those rates as shown in Appendix A.
- (b)** A new employee may be hired at any of the wage rates shown. If hired at either Level 5 or 6 they must successfully meet the standards set out.
- (c)** Employees hired at the Start rate will progress to the 90-Day rate upon successful completion of the probation period.
- (d)** New employees after successfully satisfying the probation period will progress to the next wage rate shown in Appendix A in their classification at the first following date of either April 1 or October 1.
- (e)** Upon attainment of Level 4 an employee must actually perform work for a duration of 12 months at Level 4 prior to attaining the Level 5 rate.

Progression will automatically occur to Level 5 on April 1st and October 1st of each year.

Time spent on vacation and plant holidays shall be treated as time worked for purposes of the 12-month requirement necessary to attain Level 5. As well, up to a maximum of 12 days of justified absenteeism due to illness or injury or leave of absence will also be considered as time worked for the purposes of the 12 month requirement necessary to attain Level 5.

- (f)** Progression to each level through to Level 5 will only occur on April 1st and October 1st of each year. Any employee below Level 6 rate must successfully achieve the standard for Level 6 prior to receiving the rate.
- (g)** Advancement to Level 6 will be at April 1 of each year.

11.04 When an employee bumps into or is recalled to a lower-rated classification, he shall be frozen at the level he held in the original (higher) classification for purposes of future advancement in the original (higher) classification. Should he return to the original (higher) classification, he shall be credited with any time previously worked at his former level in the original (higher) classification for purposes of future advancement and upon re-entering his original (higher) classification he shall be paid at the level he was earning at the time he left his original classification.

While the employee is working in the lower-rated classification, he shall, upon entry into such position, be classified at the corresponding level which he had achieved in his original classification for purposes of determining his appropriate level in the lower-rated classification. While in the lower rated classification, the employee can progress to the next level(s) in that classification in accordance with article 11.03.

11.05 The classifications that the Company and Union amalgamated in the 1995 Contract Negotiations are as follows: In the Machine Shop Occupational Group, Machinist consists of: Multi Spindle Cell, CNC Machine Centre Boring, CNC Lathes, Mills Lathes and Grinders, T&C Grinder. In Inspection Occupational Group, Inspector consists of; CMM/Machine Shop Inspector, Assembly/Standards Inspector, General Inspection.

ARTICLE XII HOURS OF WORK AND OVERTIME

12.01 The normal work week will consist of forty (40) hours, (38.75 hours for shift A) provided that it is understood that it shall not constitute a guarantee of hours per day or days per week. Subject to the foregoing, all shifts shall be described in chart at 12.01 (a), Monday to Friday inclusive. Any changes to starting and stopping times will be mutually agreed. It is understood that work performed as part of, or as overtime following a normal shift, which commenced the day before a Saturday or a plant holiday will not be considered work performed on a Saturday or a plant holiday for the purposes of paragraphs 12.05.

Notwithstanding the foregoing it is understood that the Company and the Union may agree to alter the hours of Shift C to four, ten hour shifts (Monday to Thursday inclusive) based on the request of an employee(s). The Company and the Union must discuss the impact of such a change and resolve to satisfy any problems or concerns that result, which may include the exclusion of certain machines or operations from an altered shift pattern.

12.01 (a) The three-shift pattern as stated above will be the normal shift pattern of the Company. The Company will assign employees to Shift B and C on an equal rotation basis. An employee requirement for Shift A will be bid on semi-annually from these bids, the Company will fill its' requirements. Should there be an excess number of bids, the employees will be placed on a holding list. These employees will be approached for unforeseen shift "A" requirements on a voluntary basis. Should the company be unable to fill its' requirements for shift "A" by the above procedure, the least senior capable employee within the classification concerned will be assigned the shift.

Should those employees presently working shift A fail to bid, seniority will be the deciding factor. Employees who elect to work the permanent shift may be assigned on another job within their classification if necessary with no loss of wages. Shift B and C will be manned on a two week rotation basis. Nothing in the foregoing prevents employees from mutually agreeing to exchange shifts with the parties approval. It is understood that some areas of the plant may not be involved in shift work. The allocation of shift work will be done by area and not individuals.

The hours of work for all affected employees will be as follows:

Shift	A	B	C	10 Hour C
Mon.	10:45 p.m. Sunday-7:35 a.m	7:30 a.m.-4:05 p.m.	4:00 p.m.-12:05 a.m.	4:00 p.m.-2:05 a.m.
Tues.	12:00 a.m.-7:35 a.m.	7:30 a.m.-4:05 p.m.	4:00 p.m.-12:05 a.m.	4:00 p.m.-2:05 a.m.
Wed.	12:00 a.m.-7:35 a.m.	7:30 a.m.-4:05 p.m.	4:00 p.m.-12:05 a.m.	4:00 p.m.-2:05 a.m.
Thurs.	12:00 a.m.-7:35 a.m.	7:30 a.m.-4:05 p.m.	4:00 p.m.-12:05 a.m.	4:00 p.m.-2:05 a.m.
Fri.	12:00 a.m.-7:35 a.m.	7:30 a.m.-1:30 p.m.	1:15 p.m.-9:20 p.m.	
	Shift A	Shift B	Shift C	10 Hour Shift C
Break (paid)	Monday - Friday 2:00 - 2:10 a.m.	Monday – Thursday 10:00 – 10:10 a.m.	Monday – Thursday 6:00 - 6:10 p.m.	Monday – Thursday 6:00 - 6:10 p.m.
Wash Up (paid)	4:30 - 4:35 a.m.	12:30 – 12:35 p.m.	9:05 - 9:10 p.m.	9:05 - 9:10 p.m.
Lunch (paid)	4:35 - 4:50 a.m.	12:35 – 12:50 p.m.	9:10 - 9:25 p.m.	9:10 - 9:25 p.m.
Lunch (unpaid)	4:50 - 4:55 a.m.	12:50 – 12:55 p.m.	9:25 - 9:30 p.m.	9:25 - 9:30 p.m.
		Friday Break Schedule Break-paid 10:30-10:50 a.m. Break Paid 1:20 – 1:30 p.m. Employees can leave premises at 1:20 p.m.	Friday Break Schedule Break-paid 3:30-3:40 p.m. Wash Up-paid 6:05-6:10 p.m. Lunch-paid 6:10- 6:25 p.m. Lunch-unpaid 6:25-6:30 p.m.	

It is agreed that the first fifteen (15) minutes of the twenty (20) minute lunch break shall be paid at the employee's regular rate.

(b) Except in an emergency, the Company will provide one week's notice of shift change.

- 12.02** Late Starting will be deducted to the nearest tenth of an hour for the amount of lateness.
- 12.03** It is agreed that employees shall be permitted to leave the plant premises during their lunch break. Lateness in returning from lunch shall be deducted pursuant to article 12.02. Failure to return to work following the lunch break shall result in non-payment of the paid portion of the lunch break.
- 12.04** Employees asked to work at least two (2) hours of overtime on a regular workday will receive a fifteen (15) minute break at the end of their regular shift or at the end of the overtime if overtime is prior to the start of their shift. When an employee is asked to work overtime in excess of one and one-half (1 ½) hours beyond normal quitting time and is advised after 3.5 hours from his regularly scheduled shift start on the day in question, he shall be granted an additional fifteen (15) minutes break.
- 12.05** Premium overtime, on the employee's straight time hourly rate, shall be paid on the following basis:
- (a) Time and one-half shall be paid for all authorized work performed on a daily basis in excess of an employee's regular shift, provided the employee works all his scheduled hours on that shift. A daily basis shall consist of a 24 hour period with the employees regular shift centrally positioned. All hours worked on Saturday, Sunday and holidays will be paid as per 12.01, 12.05 (b) (c) (d).
 - (b) Authorized work performed on Saturday will be paid at time and one-half for the first four (4) hours and at double time thereafter.
 - (c) Double (2) time shall be paid for all authorized work performed on Sundays.
 - (d) Authorized work performed on a plant holiday will be paid at double (2) time in addition to plant holiday pay as provided in paragraph 14.01.

12.06 Overtime work will consist of three (3) hour shifts and will be distributed as equally as practicable among employees within the classifications concerned, having regard for production requirements. An employee may refuse overtime work provided that other qualified employees will perform the work, but if all qualified employees refuse then the Company may assign the work. For the purposes of the record of equal distribution of overtime, employees who refuse will be deemed to have worked the overtime, except those employees who have been asked after three and one-half (3 ½) hours from the start of their regular shift. The overtime distribution records will be maintained by the supervisor and will be available for review.

12.06 (a) Overtime equalization for new employees, or existing employees who have been bumped, recalled or transferred into a different classification will have their overtime hours equalized as practicable as possible as per article 12.06. Additionally, such employees shall have the average overtime hours, both worked and refused, of the employees in the new classification who normally perform the job, or the total overtime hours that he has accumulated, year to date in his previous classification, whichever is greater, entered next to his name on the overtime distribution record of the new classification.

12.06 (b) The overtime distribution record as per 12.06 shall be posted on a bi-weekly basis. Both the current and year to date records will be simultaneously posted for comparison.

When an employee is requested to work overtime, the number of hours shall be estimated and stated: that number of hours shall then be entered into the overtime distribution record.

When an employee is absent from work for one full pay period (Sunday to Saturday inclusive) excluding vacation, his average weekly overtime, both worked and refused, accumulated year to date shall be entered next to his name on the overtime distribution record. Except for those employees absent during the month of January, whose average shall be based on the previous year's record.

No employee shall be deemed to have worked more than four (4) hours overtime after completing his regular shift or more than eight (8) hours for each day worked on a weekend (Saturday and Sunday). For the purpose of the record of equal distribution of overtime, employees who refuse weekend overtime (Saturday and Sunday) will be deemed to have worked the overtime, except those employees who have been asked after 3.5 hours from the start of their Friday shift.

- 12.07** Employees required to report on a call-in basis will be paid at the appropriate overtime rate for hours actually worked or a minimum of four (4) hours at the appropriate overtime rate if hours actually worked are less than four (4) hours.
- 12.08** If an employee reports for work at the regular scheduled time for his shift or scheduled overtime shift, he shall be entitled to a minimum of four (4) hours work or pay at his standard hourly rate or overtime rate, whichever is applicable, unless previously notified by the Company not to report for work. The provision shall not apply when lack of work is due to conditions beyond the control of the Company, in which event such employee will receive a minimum of two (2) hours pay at his standard hourly rate or overtime rate, whichever is applicable.
- 12.09** Any employee, unless restricted by circumstances outside his control, who is unable to report for work must telephone his Supervisor or, if his Supervisor is not personally available, the designated reporting voicemail box informing them that he will not be able to attend.

ARTICLE XIII SPECIAL ALLOWANCES

- 13.01** Employees whose regular assigned working hours are shift "C" will be paid a per-hour off-shift premium of ninety (90) cents. Employees whose regular assigned working hours are shift "A" will be paid a per-hour off-shift premium of two dollars and fifty cents (\$2.50) effective ratification. The foregoing off-shift premium shall not be included when computing the employee's overtime pay.
- 13.02** A premium of **\$1.00** per hour will be paid to Lead Hands/Under Foremen (when so designated) over the highest paid employee under his jurisdiction.
- (a)** A Lead Hand is a bargaining unit worker who because of his job knowledge and experience is qualified to instruct, lead, assign work, and assist other employees but will not exercise disciplinary action. Should an employee encounter difficulty with a Lead Hand the matter will be referred to the supervisor.
- (b)** It is clearly understood that the training of all employees and the sharing of operational knowledge between employees that currently exists shall continue in the same spirit of co-operation without monetary or premium compensation, and is unaffected by the terms of this article.

It is understood that the familiarization (a generally unsupervised period) and orientation are not considered training on their own. Although, these functions may be considered to be part of the training process.

With respect to new employees on their probationary period, the Company will assign a Lead Hand to train the employee with no additional premiums to be paid. In the event that a Lead Hand is unable or unavailable to train on any given day during the new employee's probation period, the Company may assign another employee to provide such training for that day.

Where so assigned the employee shall be paid the Lead Hand premium on a daily basis where he/she devotes the majority of his/her day to training the new employee.

13.03 Employees required to work at a location other than the Ajax plant shall be subject to the following conditions:

- 1) Cost of travel to location and return will be paid for by the Company.
- 2) Travelling time to location and return will be paid at straight time, to a maximum of eight (8) hours per 24 hour period.
- 3) Overtime work will be paid as per Article 12.
- 4) The Company will reimburse all reasonable actual expenses for food, lodging, and incidentals incurred as a result of work on location. Meals on location, within the Greater Toronto Area, in which no overnight lodging is involved, will be reimbursed to a maximum of \$10.00 per meal. Employees travelling within normal business hours will be eligible for one (1) meal reimbursement only per day.

13.04 An employee who is called and serves on jury duty will be paid the difference between jury pay and his standard hourly rate of pay for such periods of jury duty as falls within the normal working day; provided that the Company may require satisfactory evidence of such jury duty and further provided that the employee shall report for work if released four (4) hours prior to the end of his normal shift. A similar provision is allowed for employees who are a subpoenaed Crown witness. Employees appearing as plaintiffs or defendants are excluded.

- 13.05** When bereavement occurs in the family of an employee, such employee will be paid at his regular rate for a maximum of three (3) days at the time of bereavement. One (1) day will be paid at regular rate for bereavement of a grandparent. Where an employee is bereaved while on vacation or leave of absence, up to three (3) days leave will be granted upon immediate notification to the Company. No payment shall be made in lieu of time off. An employee's family shall mean wife, husband, father, mother, foster parents, father-in-law, mother-in-law, son, daughter, brother, sister, common-law spouse, common-law children, grandchild. Common-law is dependent upon prior notification to Human Resources.
- 13.06** A claim for bereavement allowance must be presented within two (2) weeks of the bereavement and should an employee be requested by the Company to give satisfactory proof with respect thereto, he shall be obligated to do so in order to establish proper qualifications for payment.
- 13.07** Truck Drivers on the road at lunch time will be reimbursed to a maximum of (with a receipt per Dowty Expense Voucher) six dollars and fifty cents (\$6.50).

ARTICLE XIV PLANT HOLIDAYS

- 14.01(a)** Employees who meet the qualifications set forth in paragraph 14.02 hereof, will receive the following plant holidays, with pay computed at standard hourly rate on the basis of the number of normal working hours applicable to the work day shift given as holiday. Four (4) hours pay at standard hourly rates will be paid on the above basis for the half day (Christmas Eve).

New Year's Day
Good Friday
Victoria Day
Canada Day
Civic Day
Labour Day
Thanksgiving Day

Half of the last working day before Christmas Day
The last working day before New Year's Day
Christmas Day
Boxing Day
EXTRA DAY to be fixed each year between Christmas and New Year.
Christmas Floating Holiday #1.

December 28, 2006

Holiday	2004	2005	2006	2007
Good Friday		March 25	April 14	April 6
Victoria Day		May 23	May 22	May 21
Canada Day		July 1	July 3	July 2
Vacation		July 18 – July 29 (tentative)	July 24 – Aug. 4 (tentative)	July 23 – Aug 3 (tentative)
Civic Holiday (in lieu of)		Aug. 1	Aug. 7	Aug. 6
Labour Day		Sept 5	Sept. 4	Sept. 3
Thanksgiving		Oct. 10	Oct. 9	
Christmas Break	Dec. 24 – Jan 2, 2005	Dec. 23 – Jan 1, 2006	Dec. 22 – Jan 1, 2007	

14.02 In order to qualify for plant holiday pay, an employee must work on his regular day of employment preceding and immediately following the plant holiday, providing that the employee is not absent without permission from work on these days. If an employee is absent on either or both of such days because of authorized leave of absence, verified illness, accident, death in the immediate family or emergency illness at home and has notified his supervisor (or designated voicemail box if the supervisor is not personally available) within four hours of the start of the shift on the first day of such absence, he will be paid plant holiday pay if not receiving sick indemnity or Worker's Compensation for the designated holiday. This will not prevent the Company from taking into consideration legitimate lateness nor the granting of permission to leave on such days.

- (a) The employee who does not qualify for plant holiday pay per paragraph 14.02 and is receiving sickness/accident benefits pursuant to paragraph 18.04, will be paid the difference between his regular pay and weekly indemnity benefit for a leave of absence up to thirty (30) days. For periods in excess of thirty (30) days, he will be paid twenty-five dollars (\$25.00).
- (b) When two (2) or more holidays fall on consecutive work days, should an employee fail to qualify due to being absent on the scheduled working

days prior to or following the holiday, such employee shall not be penalized more than one (1) day of holiday pay.

- 14.03** Where any of the plant holidays referred to in paragraph 14.01 above falls on a Saturday or a Sunday and is legally proclaimed for general observance on some other day, such other day shall be considered the plant holiday.
- 14.04** Plant holidays for the night shift shall be declared the eve of the plant holiday or on the plant holiday, whichever is designated by the Company.

ARTICLE XV VACATIONS WITH PAY

- 15.01 (a)** An employee with less than twelve (12) months of continuous service at 30th of June shall receive one (1) day of vacation for each completed month of continuous service up to a maximum of ten (10) days vacation.

Vacation pay will be calculated at four percent (4%) of the total pay of the employee since starting probation, in the part year for which the vacation is given.

- (b)** An employee with twelve (12) months and less than four (4) years of continuous service at 30th of June shall receive two (2) weeks vacation.

Vacation pay will be calculated at four percent (4%) of the total pay of the employee in the year for which the vacation is given.

- (c)** An employee with four (4) years and less than ten (10) years of continuous service at 30th of June shall receive three (3) weeks vacation.

Vacation pay will be calculated at six percent (6%) of the total pay for the employee in the year for which the vacation is given.

- (d)** An employee with ten (10) years and less than twenty (20) years of continuous service at 30th of June shall receive four(4) weeks vacation.

Vacation pay will be calculated at eight percent (8%) of the total pay of the employee in the year for which the vacation is given.

- (e) An employee with twenty (20) years of continuous service at 30th of June shall receive five (5) weeks vacation.

Vacation pay will be calculated at ten percent (10%) of the total pay of the employee in the year for which the vacation is given.

- (f) In the event that the vacation requests of employees entitled to more than two (2) weeks vacation, adversely affects the Company's production, the choice of vacation shall be allocated by seniority of the employees affected, within the same classification.

- 15.02** An employee who has already established entitlement to vacation pay in any year and who terminates his employment prior to June 30th in the current year, will receive severance vacation pay at the rate of entitlement established.
- 15.03** Vacations shall be taken either during a plant shutdown or by other mutual arrangements and shall normally be a continuous three (3) week period including any such plant shutdown unless mutually agreed otherwise between the employee and his direct Supervisor. The Company shall determine and announce its vacation program not later than 1st March each year.
- 15.04** The total pay of the employee as used in paragraph 15.01 (a) to (e) inclusive shall include all payments made or due to an employee according to the terms of employment. Total pay will be calculated in the same manner as the monies reported on employees' T-4 Income Tax slips less taxable benefits. Total pay shall not include profit sharing payments or other gratuitous payments not required under the Collective Agreement.
- 15.05** Where absence due to sickness or WSIB injury, verified by a medical certificate acceptable to the Company has occurred, except for the first two (2) weeks of vacation as provided for in paragraph 15.04, vacation pay will be calculated at four (4), six (6), eight (8) and ten (10) percent (whichever is applicable) of the total pay, together with four (4), six (6), eight (8) and ten (10) percent (whichever is applicable) of the pay he would have received from the beginning of the second week of absence up to and including a maximum of a further twenty-four (24) weeks of absence. Pay he would have received during absence will be calculated at his standard hourly rate, during the period of absence, based on an eight (8) hour day or a forty (40) hour week.

15.06 The vacation year shall be from July 1st in any year until June 30th of the following year. Vacation time is not cumulative and must be used by the end of the vacation year. In order to ensure that employees take their annual vacation entitlement, employees will be advised by the first week of March of any unused vacation entitlement, which must be scheduled no later than March 30th to be taken prior to June 30th.

The Union will be informed of all unused vacation. Vacation pay will be paid to an employee as and when vacation time is taken on the regular payday(s) during the employee's vacation time.

The only exception to this shall be the vacation pay on profit sharing amounts which is payable only to employees entitled to 4% vacation pay. This vacation pay will be included in the profit sharing payments, if any.

(a) The Company and the Union agree that if an employee is in receipt of benefits from W.S.I.B., W.I. or LTD for 26 consecutive weeks within the vacation year of July 1 – June 30, and the employee, with Company agreement, decides not to schedule the unused vacation between March 1 and June 30, then the employee may request the payment of the appropriate vacation pay which is owing. The 26 week time period referred to herein will only be reduced if an employee is unable to take his entitlement due to being in receipt of W.S.I.B., W.I or L.T.D. benefits at vacation year end. The payment of such money shall be deemed to be in compliance with Article 15, duty of the Company to provide for vacations.

ARTICLE XVI GENERAL

16.01 Prior to leaving the plant during working hours or commencing a leave of absence, employees are required to obtain authorization from their supervisor or department head. In an emergency, where obtaining authorization is not possible, the employee shall leave word with a colleague for notification to Supervision.

16.02 In compliance with the Company's security regulations, all badges issued to employees must be worn at all times while in the plant and shown to the guard on entering the plant. Any access to Company property outside normal working hours or authorized overtime must have prior management approval.

ARTICLE XVII
WORKPLACE INJURIES

- 17.01** Employees who are injured at work and are sent home or to a hospital or doctor's office because of such injury, and are unable to return to work will be paid for the balance of their shift. Verification of medical unfitness for return to work may be required by the Company. Such employees must report to a representative of the Human Resources Department on a weekly basis when physically able to do so.
- 17.02** It is agreed that all reference to the Workers' Compensation Board shall apply to Workplace Safety and Insurance Board.
- 17.03** The Union will not dispute the Company's right to access of medical information from it's members WCB files, provided such information is relevant to the Company's applying for relief under the Workers Compensation Secondary Injury Enhancement Fund.

The Company will notify the Union's Worker's Compensation representative of all Workers Compensation Appeals that the Company or its agent initiate.

Such information shall be provided to the Union within three (3) working days of initiating the appeal.

- 17.04** The parties agree to the spirit and intent of the Joint Modified Work program revised on December 14, 2001 and will work together to resolve return to work issues regardless of legislated changes. The Company will provide all employees with a copy of the revised program.
- (a)** All signed agreements between the Company and the Union regarding permanent modified work programs shall continue in effect for the life of this agreement.
- 17.05** If an employee applies for W.S.I.B. benefits, and has not received monies within 3 calendar weeks from the first day of absence, and such absence is continuing, then the employee may request an advance equivalent to W.S.I.B. maximum benefits, provided the employee files medical proof of disability and signs the required form. Such form will acknowledge his commitment to repay the monies advanced from W.S.I.B. benefits subsequently received or, if such benefits are denied or are insufficient, from wages or other benefits to which he may be entitled. Repayment schedules from weekly wages shall be established at a rate of \$250.00 per week but not exceeding 30% of wages. Under no circumstances will the employee be advanced monies in excess of his total vacation pay accumulated to the first day of absence.

**ARTICLE XVIII
HEALTH PLAN**

- 18.01** The Company will pay full 100% Ontario Health Tax costs as provided by the Province of Ontario Medicare Programme during the life of the Collective Agreement. The Company shall maintain Medicare coverage and benefits in force as of October 1, 1992.
- 18.02** The Company will arrange for all members of the Bargaining Unit who make application for such coverage in the form required by the insurer, to be covered by the extra benefits (Drugs) as described in the Major Medical scheme being administered by the (London Life organization). The full 100% premium as at the first October 1989 will be paid by the Company. The Company will also absorb any future increases. The following employee benefits will not be covered; 1) all fertility drugs, 2) private hospital room coverage. Private duty nursing will be provided with an annual maximum benefit of \$25,000.00.
- 18.03** Province of Ontario Medicare programme, or same coverage, and Major Medical coverage for an employee and his eligible dependents shall commence as soon as he has completed his probationary period with the Company and shall terminate on the last day of the calendar month during which he last earned wages. Except that insurance coverage for an employee (including an employee on sick leave) who is laid off pursuant to Article IX hereof, shall terminate after thirty (30) days have elapsed from date of his separation by layoff or from the last day for which he was paid in lieu of notice of layoff. In the event of an employee's death, his coverage shall terminate immediately after two (2) clear months have elapsed from date of his death.

SICKNESS/ACCIDENT INSURANCE

- 18.04** The Company will arrange a wage indemnification plan underwritten and administered by a recognized insurance company to provide wages at sixty-six and two-thirds (66 2/3) percent, up to \$650.00 in the first year, \$660.00 in the second year and \$670.00 in the third year at time of claim, for a maximum of twenty-six (26) weeks, effective first day of the month following ratification. Benefits will be payable from the first day of absence due to accident or sickness causing hospitalization and the fourth day of absence due to sickness. Total premium for such coverage will be paid by the Company.

Weekly indemnity coverage for an employee shall commence as soon as he has completed his probationary period with the Company and shall cease instantly upon cessation of the employee's active employment.

If an employee applies for Weekly Indemnity benefits, and has not received monies within 3 calendar weeks from the first day of absence, and such absence is continuing, then the employee may request an advance equivalent to W.I. maximum benefits, provided the employee files medical proof of disability and signs the required form. Such form will acknowledge his commitment to repay the monies advanced from W.I. benefits subsequently received or, if such benefits are denied or are insufficient, from wages or other benefits to which he may be entitled. Repayment schedules from weekly wages shall be established at a rate of \$250.00 per week but not exceeding 30% of wages. Under no circumstances will the employee be advanced monies in excess of his total vacation pay accumulated to the first day of absence.

GROUP LIFE INSURANCE

18.05 The Company will arrange a death benefit of forty five thousand dollars (\$45,000.00) and Accidental Death and Dismemberment of forty five thousand dollars (\$45,000.00) under the Group Life Insurance Plan, underwritten by a recognized insurance company.

18.06 (a) Group Life Insurance coverage for an employee shall commence as soon as he has completed his probationary period with the Company and shall terminate on the last day of the calendar month during which he last earned wages. Except that insurance coverage for an employee (including an employee on sick leave) who is laid off pursuant to Article IX hereof, shall terminate after thirty (30) days have elapsed from date of his separation by layoff, or from the last day for which he was paid in lieu of notice of layoff.

18.07 The Company will contribute towards the cost of employee's safety shoes at the rate of three hundred and twenty-five dollars (\$325.00) over the life of the Collective Agreement. In addition, painters will be provided with the total cost of one pair per year.

Benefits shall commence upon completion of probationary period and shall cease upon layoff or termination of employment.

18.08 The Company will pay the total cost of prescription safety glasses through a voucher system. Glasses must be obtained from a Company identified source and meet company specifications; one pair per employee every 24 months. Effective October 1, 2000.

(a) The Company will provide a vision care benefit of up to \$220.00 in the first year, \$230.00 in the second year and \$240.00 in the third year per employee and eligible dependant every 24 months. Such benefit may be applied to laser eye surgery in lieu of lenses, frames or contact lenses.

18.09 The Company will arrange Health Guard Dental Benefits which will pay up to 80% of the amounts defined in the current ODA schedule and provide the choice of Dentacare Plus Dental, as per conditions described, 100% coverage. Full time employees become eligible for dental plan insurance at the completion of three (3) months active full time service. Effective first day of month following ratification. Dentacare Plus Dental will include the following benefits at 50% coverage to a combined lifetime maximum of \$2,000.00 in the first year, \$2050.00 year 2 and \$2100.00 in the third year. These benefits will also be put into the Traditional Fee for Service Dental Plan with a \$1,700.00 lifetime maximum in the first year, \$1750.00 in the second year and \$1800.00 in the third year.

Dentures (50%)

- the first installation, including adjustments, of a partial or full denture
- replacement of a denture that is at least five (5) years old
- replacement of a temporary denture within one (1) year of it's installation
- addition of teeth to an existing partial denture

Crown and Bridgework (50%)

- inlays, onlays, post and core, and crowns
- the first installation of bridgework
- replacement of bridgework that is at least five (5) years old

Orthodontic (50%)

- orthodontic treatment or correction of malocclusion
- only dependant children under the age of 19 years are eligible

18.10 The Company may, at any time, change the insurance carrier, provided that the coverage offered to the employees shall not be reduced or altered to the detriment of employees. Should there be a detriment to the employees; then the Company shall be liable to compensate such employees. Where there is a change in carrier, the Company will provide the Union with the new carrier policy.

18.11 Pension

(a) The Pension Plan for employees shall be as described in the document dated February 26, 1999 entitled Messier-Dowty Inc. Pension Plan for Employees – effective May 1, 1999.

- (b)** No changes shall be made to the Plan which would affect an employee's benefit entitlement under this Article, except by mutual agreement between the Company and the Union. The Company reserves the right to make any changes to the Plan that are required by regulatory authorities in order to maintain the registration status of the Plan. The Company will provide to the Union copies of any such amendments.
- (c)** The Company will provide each member of the Plan with an Annual Pension Statement by the end of March each year.
- (d)** The Union will be provided with an actuarial report concerning the Plan every three years. The Union will also be provided with an information return and financial statement annually.
- (e)** For those employees who do not elect to become members of the Messier-Dowty Inc. Pension Plan for Employees dated February 26, 1999 the prior practice (as follows) respecting mandatory retirement shall continue in effect.

The mandatory retirement age is the last day of the month in which he or she reaches the age 65.

- (f)** The Messier-Dowty Inc. Pension Plan for Employees effective May 1, 1999 will be amended effective the first day of the month following ratification to add a defined contribution provision. On and after the effective date, the Company will each month contribute 1.5% of earnings (effective October 1, 2005 amend total contribution to 2%)(as defined in Section 2.18 of the Pension Plan) to the defined contribution provision on behalf of each hourly employee covered under the collective agreement.

The provisions of the Pension Plan shall apply, with any applicable amendments necessary to give meaning to the defined contribution portion of the Plan. The institution of the Defined Contribution provision shall be in addition to the benefits provided by the Defined Benefit Plan.

Employees shall be vested in the Company contributions made on their behalf to the defined contribution provision, with credited interest, after two years of membership in the Pension Plan or at retirement, whichever is earlier. Withdrawal of contributions from the defined contribution provision is not permitted during continuous employment with the company. The benefits under the defined contribution provision are payable in addition to the pension benefits payable under the defined benefit provisions of the Pension Plan. Upon retirement, it

will be the member's decision as to the disposition of accumulated funds, subject to applicable legislation.

The Union may appoint one member to sit on the investment committee for the Plan.

18.12 L.T.D.

The Company will pay 100% of the premiums necessary to supply an insured Long Term Disability Plan for employees with at least two (2) years seniority. Highlights of the Plan are as follows:

Benefits for qualifying employees will be 60% of regular earnings, excluding overtime, to a monthly maximum of \$1,500.00 in the first year, \$1,550 in the second year and \$1,600.00 in the third year, subject to an All Source Maximum of 85% of pre-disability monthly earnings. Primary offsets are CPP, Workers Compensation, and Auto Insurance.

Waiting period is 26 weeks during which employees must have received weekly indemnity benefits. Coverage shall cease immediately upon cessation of the employee's active employment. Receipt of benefits is contingent upon presentation of satisfactory medical evidence to the carrier.

Benefits are payable for during the first 12 months of total disability where due solely to non-occupational illness or injury, impairing an employee to the extent he is unable to work at his own occupation. Thereafter until age 65, total disability shall be defined as the complete inability to work at any occupation or job, either inside or outside of Messier-Dowty, for which the employee is suited or qualified by education, training or experience.

Benefits may be terminated if the employee:

- (i) Does not provide proof of continuing total disability;
- (ii) Does not undergo medical examinations as required by the carrier;
- (iii) Does not receive standard treatment for his condition;
- (iv) Refuses to participate in a rehabilitation program recommended by the carrier;
- (v) Does not complete or refuses to follow the terms of the Reimbursement Agreement;

18.13 Coverage for employee and their dependants will be continued for all benefits (except for LTD) during an absence from work that is due to illness or injury for which an employee is receiving income replacement benefits through the Company's WI or LTD plans or during absences covered by legislated maternity or parental provisions. Benefit coverage for employees off work due to a workplace injury who are in receipt of

WSIB benefits will have the coverage for a maximum of two years. Upon an employee's death, his dependants will continue to be covered with health and dental benefits for 30 months or until the date the dependants are no longer eligible, or the date the spouse remarries (Children will still be covered).

**ARTICLE XIX
MAINTENANCE OF MEMBERSHIP AND CHECK-OFF OF UNION DUES**

- 19.01** It shall be a condition of employment that each employee within the bargaining unit, following completion of the probationary period, become and remain a member of the Union in good standing.
- 19.02** The Company shall, as a condition of employment of each employee who has completed forty (40) hours of employment, deduct from each weekly pay due to such employee, whatever sum is authorized by the Union Constitution as regular monthly Union dues uniformly levied upon all members and shall remit such dues for each current month by cheque prior to the tenth day of the month following the month in which such deductions are made, to the Financial Secretary of the Union. When an employee returns to work following Accident or Illness for which he received weekly indemnity benefits, the Company shall deduct (2) two times the authorized weekly Union dues for each full week the employee was on weekly indemnity benefits.
- 19.03** The Company will record on members T-4 Slips all Union dues paid by such employee.

**ARTICLE XX
NOTICES**

- 20.01** All written communications between both parties in matters concerning this Agreement shall be sent by Registered Mail or be made Personal Delivery, except in cases of expediency, then a verbal presentation will be acceptable and confirmed in writing within two (2) days thereafter, by Registered Mail, as follows:
1. To the Company
 To the Human Resources Manager
 2. To the Union
 To the Recording Secretary

A copy of Company notices, pertaining to the Agreement, will be passed to the Union Recording Secretary.

- 20.01 (a)** The Company will supply to the Union copies of all notices pertaining to the operation, structure, management, appointments, committee representation or other information as is necessary for the Executive of the Union to be informed of the Company's actions and direction.
- 20.02** Any notice given as above shall be deemed given and received as of the business day following the date of mailing or delivery by hand.
- 20.03** The Company will provide to the Union a list of member's names, on file addresses and wage rates the first week of November annually providing such information does not contravene legislation.

ARTICLE XXI **RENEWAL, AMENDMENT AND TERMINATION**

- 21.01** This agreement shall continue in effect until September 30, 2007, and shall continue automatically thereafter for annual periods of one year each, unless either party notifies the other in writing not less than thirty (30) days and not more than ninety (90) days prior to the expiration date that it desires to amend or terminate the Agreement.
- 21.02** Negotiations shall begin within fifteen (15) days following notification for amendment as provided in the preceding paragraph.
- 21.03** If, pursuant to such negotiations, an agreement is not reached on the renewal or amendment of this Agreement prior to the current expiration date, it shall expire unless it is extended for a specific period by mutual agreement of the parties.
- 21.04** It is understood that all previous agreements whether oral or written, by and between the Company and the Union are superseded by this Agreement.

ARTICLE XXII **TRAINING**

- 22.01** The Company and the Union will meet annually in December to determine the requirement for apprentices in the upcoming year.
 - (a)** The Company will hire machinist and maintenance apprentices in accordance with approved apprenticeship plan of the Ontario Ministry

of Colleges and Universities and in conjunction with Durham College. Classroom training, away from the plant, will be covered at the normal rate of pay. This will be carried out against regulated apprenticeship courses. The ratio of apprentices to other employees in machine categories shall not exceed one (1) to five (5). Upon completion of the normal probationary period (reference Article IX) an apprentice will establish seniority from his date of hire.

The classroom and in-plant training will be in accordance with government apprenticeship guidelines and failure to show satisfactory progress will be a cause for termination subject to the Grievance Procedure (reference Articles VI and VII).

- (b)** In the event that the Company hires junior fitters and junior inspectors the following will apply. They will be exposed to and given instruction in the various aspects of the relative position by working with qualified personnel in order to gain the necessary skills and experience to properly perform the job duties on their own. They will progress to the classification of fitter or inspector after 1800 hours worked so long as their job performance and skills so warrant in the opinion of the Company.

In any case, they will progress to the classification of fitter or inspector after 4000 hours worked.

The employee will be paid at the start rate of inspector or fitter and serve a 90 calendar day waiting period before progressing to 90 day rate.

The employee will retain their seniority date upon acceptance of the offer of inspector or fitter.

Twice annually junior fitters and junior inspectors shall be provided with a performance evaluation by supervision.

- (c)** The Company and the Union shall establish a joint apprenticeship committee made up of two members from the Company and two members for the Bargaining Unit.

The Company and Union shall each determine their own committee representatives.

It is not the intention of this article to restrict management rights of flexibility to manage apprentice work assignments.

The goal of the committee shall be:

To meet prior to the commencement of the apprenticeship to assist management in developing a structured timetable to expose apprentices to all areas of their trade offered through Messier Dowty processes. It is the intention of the parties that apprentices will follow the structured timetable; however, it is understood that timetable deviations may occur for various reasons. The schedules shall include classroom training as required by the Ontario Ministry of Colleges and Universities.

To participate in meaningful discussions following bi-annual performance evaluations with a focus of improving the apprenticeship program.

The Company will arrange for an informational presentation on Apprenticeship Programs for initial committee members.

22.02(a) The pay scale for an apprentice in relation to the minimum rate of the Machinist classification will be as follows:

Start	50%
1000 Hours	55%
2000 Hours	60%
3000 Hours	65%
4000 Hours	75%
5000 Hours	85%

(b) The pay schedule for plant Maintenance 'A' apprentices in relation to plant Maintenance 'A' classification will be as follows:

Start	60%
2000 Hours	70%
4000 Hours	80%
6000 Hours	90%

(c) Upon completion of the hours and passing the certification exam the company shall hire the apprentice as a machinist/maintenance A. The apprentice will be paid at the start rate of machinist/maintenance A and serve a 90 calendar day waiting period before progressing to the 90 day wage rate.

The apprentice will be awarded their full seniority as "date of hire" upon acceptance of the offer of machinist/maintenance A.

- 22.03** Notwithstanding Article IX hereof, the Company may retain up to four (4) employees in the apprenticeship program who would be protected in the event of layoff.
- 22.04** The parties agree that should the Company require a flaw detection helper then the Letter of Understanding #4 will take effect.
- 22.05** The Company and the Union shall establish a Developmental Training Committee made up of 3 members from the bargaining unit comprising of one (1) machinist, one (1) fitter and one (1) inspector, and (3) three members from the Company. The Company and the Union shall determine their own committee members. The mandate of the committee is to assist management in identifying core competencies. The committee will initially meet on a quarterly basis until competencies are determined, annual meetings will continue thereafter. Such committee will be chaired by the Manager of Organizational Development and Recruitment.

The Company will arrange for an informational presentation on training programs for initial committee members.

APPENDIX ' A '
Classification and Wage Rates
October 1, 2004

	Start	90 Day Rate	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
MACHINE SHOP								
Machinist	23.69	24.61	25.53	25.93	26.35	26.76	27.17	28.80
Honing	19.39	19.70	19.98	20.37	20.80	21.19	21.39	23.03
HVOF Operator	20.73	21.42	22.11	22.62	23.13	23.65	24.14	25.79
Metal Finisher	17.85	18.23	18.88					20.52
Tool Stores	17.26	17.85						19.50
INSPECTION								
Inspector	22.46	23.23	24.02	24.44	24.85	25.27	25.72	27.39
Flaw Detection	22.46	23.23	24.02	24.44	24.85	25.27	25.72	27.39
Inspector/Shipping	20.44	20.76	21.06	21.43	21.81	22.16	22.51	24.16
Receiving								
Junior Inspector	17.26	17.85						19.50
Quarantine Stores	17.26	17.85						19.50
FITTING SHOP								
Fitter	20.73	21.42	22.11	22.62	23.13	23.65	24.14	25.79
Junior Fitter	17.26	17.85						19.50
Painter	20.44	21.00	21.59	21.88	22.13	22.42	22.70	24.33
MAINTENANCE								
Maintenance A	23.69	24.61	25.53	25.93	26.35	26.76	27.17	28.80
Maintenance HVAC	23.69	24.61	25.53	25.93	26.35	26.76	27.17	28.80
Facility Maintenance	20.66	21.07	21.50	21.94	22.38	22.82	22.92	24.33
INDIRECT LABOUR								
Stores Receiver	17.26	17.85						19.50
Truck Driver	17.26	17.85						19.50
Material Handler	17.26	17.85						19.50

APPENDIX ' A '
Classification and Wage Rates
October 1, 2005

	Start	90 Day Rate	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
MACHINE SHOP								
Machinist	24.16	25.10	26.04	26.45	26.88	27.30	27.71	29.38
Honing	19.78	20.09	20.38	20.78	21.22	21.61	21.82	23.49
HVOF Operator	21.14	21.85	22.55	23.07	23.59	24.12	24.62	26.31
Metal Finisher	18.21	18.59	19.26					20.93
Tool Stores	17.61	18.21						19.89
INSPECTION								
Inspector	22.91	23.69	24.50	24.93	25.35	25.78	26.23	27.94
Flaw Detection	22.91	23.69	24.50	24.93	25.35	25.78	26.23	27.94
Inspector/Shipping	20.85	21.18	21.48	21.86	22.25	22.60	22.96	24.64
Receiving								
Junior Inspector	17.61	18.21						19.89
Quarantine Stores	17.61	18.21						19.89
FITTING SHOP								
Fitter	21.14	21.85	22.55	23.07	23.59	24.12	24.62	26.31
Junior Fitter	17.61	18.21						19.89
Painter	20.85	21.42	22.02	22.32	22.57	22.87	23.15	24.82
MAINTENANCE								
Maintenance A	24.16	25.10	26.04	26.45	26.88	27.30	27.71	29.38
Maintenance HVAC	24.16	25.10	26.04	26.45	26.88	27.30	27.71	29.38
Facility Maintenance	21.07	21.49	21.93	22.38	22.83	23.28	23.38	24.82
INDIRECT LABOUR								
Stores Receiver	17.61	18.21						19.89
Truck Driver	17.61	18.21						19.89
Material Handler	17.61	18.21						19.89

APPENDIX ' A '
Classification and Wage Rates
October 1, 2006

	Start	90 Day Rate	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
MACHINE SHOP								
Machinist	24.64	25.60	26.56	26.98	27.42	27.85	28.26	29.97
Honing	20.18	20.49	20.79	21.20	21.64	22.04	22.26	23.96
HVOF Operator	21.56	22.29	23.00	23.53	24.06	24.60	25.11	26.84
Metal Finisher	18.57	18.96	19.65					21.35
Tool Stores	17.96	18.57						20.29
INSPECTION								
Inspector	23.37	24.16	24.99	25.43	25.86	26.30	26.75	28.50
Flaw Detection	23.37	24.16	24.99	25.43	25.86	26.30	26.75	28.50
Inspector/Shipping Receiving	21.27	21.60	21.91	22.30	22.70	23.05	23.42	25.13
Junior Inspector	17.96	18.57						20.29
Quarantine Stores	17.96	18.57						20.29
FITTING SHOP								
Fitter	21.56	22.29	23.00	23.53	24.06	24.60	25.11	26.84
Junior Fitter	17.96	18.57						20.29
Painter	21.27	21.85	22.46	22.77	23.02	23.33	23.61	25.32
MAINTENANCE								
Maintenance A	24.64	25.60	26.56	26.98	27.42	27.85	28.26	29.97
Maintenance HVAC	24.64	25.60	26.56	26.98	27.42	27.85	28.26	29.97
Facility Maintenance	21.49	21.92	22.37	22.83	23.29	23.75	23.85	25.32
INDIRECT LABOUR								
Stores Receiver	17.96	18.57						20.29
Truck Driver	17.96	18.57						20.29
Material Handler	17.96	18.57						20.29

APPENDIX ' B '
GRIEVANCE FORM SYSTEM

STEP NO. 1

- a. Grievor completes grievance form - 4 copies
- b. Union Official countersigns all 4 copies
- c. All 4 copies passed to Supervisor
- d. Supervisor, if satisfied that procedure is correct, signs that he has received grievance.
- e. Supervisor gives decision in block provided, retains green copy and returns remaining 3 copies to Union Official.
- f. Union Official signs as received.

STEP NO. 2

- a. If Grievor dissatisfied, 3 copies of grievance form pass to the Manager, Human Resources or designate.
- b. The Manager, Human Resources or designate signs as received.
- c. The Manager, Human Resources or designate gives decision in block provided, retains pink copy and returns remaining 2 copies to Union Official.
- d. Union Official signs as received.

STEP NO. 3

- a. If dissatisfied, 2 copies of grievance form passed to Department Manager.
- b. Department Manager signs as received.
- c. Member of Management gives decision in block provided, 1 copy of grievance form being retained by Human Resources and Other copy being returned to Union Official.
- d. Union Official signs as received.
- e. If during the foregoing the Grievor withdraws the grievance, he will sign in the appropriate place on remaining copies.

APPENDIX 'C'
ASSESSMENT OF LEVELS

Assessment of Level 6 within each classification (where appropriate) will take place annually, on the first Monday in April.

This assessment will be carried out by Manufacturing Manager, Quality Manager and the Machine Shop Manager, except in the case of the Fitting Shop where the Fitting Shop Manager will replace the Machine Shop Manager. A Union representative will be invited to attend review meetings. Employees may request, in writing, the reason(s) for not achieving the classification Level expected. These reason(s) will be provided, in writing, by the Supervisor.

APPENDIX 'D'
JUNIOR FITTER CLASSIFICATION

The ratio of Jr. Fitters to Fitters will not exceed 1:5 throughout the Company.

APPENDIX 'E'
COLA

Using the 1971 Consumer Price Index, in year two of the contract, once the CPI change reaches 4.5% over the September 2005 base, a COLA bonus of \$.01 for each .35 change in the index, will be paid at the end of the following quarter. COLA will be subject to an annual cap of \$.35 per hour.

Using the 1971 Consumer Price Index, in year three of the contract, once the CPI change reaches 4.5% over the September 2006 base, a COLA bonus of \$.01 for each .35 change in the index, will be paid at the end of the following quarter. COLA will be subject to an annual cap of \$.35 per hour.

Payment will be made in the form of a lump sum amount and will be calculated on total hours worked during the period for which COLA applies. It is agreed that the last period for which COLA was payable under the previous contract ended on September 30, 2004.

APPENDIX 'F' CONTINUOUS IMPROVEMENT

1. The Company and the Union agree that, it is to their mutual benefit and sound economic and social goal, for the Company to continuously improve its processes and methods, in order to increase its efficiency and the quality of work life and the productivity of employees. In this way, the Company will be able to compete effectively in the marketplace and thereby provide economically secure jobs for its employees.
2. Changes may take many forms - new machinery, new processes, new products or other new ways of working.

The Company and the Union recognize that a system of continuous improvement is necessary to enable the Company to compete in its chosen market. Specifically, it is a prerequisite for doing business with Boeing that such a system exists and that it is maintained and operated effectively. Such a system should also enhance the quality of work life for employees at the Company by removing barriers to their involvement in the business, identifying and meeting training needs, improving their ability to do a quality job and removing obstacles.

3. The principles of "Total Quality Management" are agreed by the Company and the Union to substantially meet these requirements and as such, to be beneficial to employees, the Company and its customers. Both parties acknowledge that Total Quality Management is a broad subject but that, for the purposes of this agreement, the following principles are agreed to be important.
 - i) Employees should be encouraged to contribute to improving the business through involvement in teams.
 - ii) Management recognizes the need for employee involvement in decision making.
 - iii) The identification and elimination of waste is the responsibility of management and employees.
 - iv) Employees should be well informed, consulted about changes, trained to work in new ways and generally involved in the business.

4. Both parties agree that it is not the intention of this agreement, nor is it the Company's intention in introducing the changes described above, to reduce the workforce through such changes.
5. Where training is required in order to facilitate the changes required, such training will be given in regular hours at regular pay.
6. Individuals who wish to follow broader training programs (i.e. training which is not specifically required for their current job, but which is of potential benefit to their career with Messier-Dowty) will be supported by the Company for the cost of such programs, up to a maximum of \$300 per course and \$600 total per calendar year. These courses will be followed in an individual's own time. Payment for courses specifically job related will be paid in full. The Company will accommodate such training with unpaid time off where required.
7. Some training programs may be deemed partially relevant and as such may be offered on a "50:50" basis - one hour paid time and one hour of the individual's time. These programs will be optional.
8. Meetings will be held at least once per quarter between the Company and the Negotiating Committee of the Union to discuss progress or problems in implementing change. Both parties agree that more frequent meetings may be required and either party may call a meeting by giving written notice to the other party, such meetings to be held within ten (10) working days.
9. **Electronic Surveillance**
Employee identification cards and electronic surveillance equipment will not be used for surveillance of employees, nor will such equipment be installed in lunchrooms or restrooms unless discussed with the Union committee. Information gathered through any form of electronic surveillance shall not be used as the sole measure for disciplinary purposes against any member of the bargaining unit.

APPENDIX G HUMAN RIGHTS/ HARASSMENT TRAINING

During regular working hours the Company will provide facilities and opportunity for an IAM Instructor to present to all bargaining unit members, supervisors and supervisory staff hired after March 1/00 a Human Rights/Harassment program as presented to the Company.

Said program shall not be limited to less than or exceed 75 minutes in duration. The Company's Human Resources representative will participate in and evaluate all training sessions. Training shall commence

no later than March 1 and be completed before September 30, the last year of the collective agreement.

Training may be discontinued if the Company feels it is being conducted in an inappropriate manner after meaningful consultations with the union have taken place and such consultations fail to resolve Company issues.

LETTERS of UNDERSTANDING

#1 Continuous Improvement

In the pursuit of continuous improvement within the manufacturing and assembly areas the Company is implementing a cellular manufacturing process, designed to meet the necessary requirement of quality, efficiency, and scheduling. A cell is a self contained group of people and machines performing successive work steps within the classifications concerned on a set of products requiring similar production processes and/or machining. Complementing the above requirements, this method of working is also designed to and shall encourage employee involvement in decision making and problem solving. There shall be no emphasis placed on competition within or between the different cells as any ideas and improvement should be shared to benefit all bargaining unit employees.

This way of working will not influence or affect the bumping rights of employees in the event of a layoff. The transfer and job application procedure as per the Collective Agreement shall also not be affected. An employee working within or outside of a particular cell shall not be given preference or disadvantage over another, because of the cell in which he works, when applying for a job posting or transfer.

All employees working within the cell system shall have equal opportunity for training on various machines and/or procedures within their classification.

#2 SNK Operations

The Company and the Union recognize that from time to time the physical demands placed upon the machinists operating the "SNK" are such that they require assistance. In view of this, the parties agree that the material handlers may assist in the following capacity, on an incidental basis only:

1. general clean up
2. in the loading of parts and fixtures

It is also agreed that the above consideration is only for the "SNK" and that the working with and/or operation of any other machine centre, shall only be done by those within the classification concerned, unless the parties mutually agree otherwise, in writing.

#3 Students

The Company and the Union agree that the hiring of students is of sound social and economic benefit. Therefore in order to facilitate this benefit the following is agreed:

1. Students shall not be employed while any bargaining unit employee is on lay off.
2. Students shall not perform production work but only general labour functions.
3. All Students will receive in house health and safety training prior to commencing work.
4. In order to qualify for these positions applicants must be presently full-time students.
5. Wages shall be paid at the rate of \$11.00 per hour with overtime paid as per the Collective Agreement.
6. No student shall work in excess of 48 hours per calendar week.
7. Applications shall be made no later than April 30th each year.
8. Students are only eligible for Christmas and summer employment.

#4 – Flaw Detection Assignment

When the opportunity is present (in the opinion of the Company, which opinion shall be exercised reasonably and without discrimination) the most senior Jr. Inspector will be offered the opportunity to progress into the classification of Flaw Detection according to the following procedure:

- a) MIL-STD-410E as at November 1996 shall be the requirements for certification.
- b) The Company shall provide the opportunity and training in order that the above standards can be reached within a timely manner.
- c) Training and wage rates shall progress as per the following 3 stages:

Stage 1 LPI

begin training
Test (when employee feels ready)
Level 2 LPI- employee progresses to start rate for flaw detection
-the employee must work in LPI for an additional 6 month term from the 90 day rate
-Employee progresses to Level I Flaw Detection pay rate in April or October which ever comes first after completing the 6 month work term.

Stage 2 MPI

begin training
Test (when employee feels ready)
Level 2 MPI- employee progresses to Level 2 for flaw detection
-the employee must work in MPI for an additional 6 month term from the day he/she passes the MPI test
-Employee progresses to Level 3 Flaw Detection pay rate in April or October which ever comes first after completing the 6 month work term.

Stage 3 NE

begin training
Test (when employee feels ready)
NE test
- employee progresses to Level 4 for flaw detection
-the employee must work in NE for an additional 6 month term from the day he/she passes the NE test
-Employee progresses to Level 5 Flaw Detection pay rate in April should he meet the requirements for Level 5 and after completing the 6 month work term.

- Employees shall progress as outlined in Stages 1 to 3
- Employees must pass the “tests” in order to progress any further in the above procedure.
- Employees will be required to meet all eye examinations prior to the commencement of this Progress Program.
- This Progress Program is solely for the classification of Jr. Inspection to progress to the Flaw Detection Classification.

#5 - Employee Assistance Programs

The Company has established an Employee Assistance Program (EAP) with the acceptance of the Union for all full-time employees (employee past their probation period) and their immediate families who may require assistance to

resolve personal, social or health problems which may or may not arise out of the workplace.

The Company will:

- a) Adopt procedures which fully respect the principle of confidentiality.
- b) Ensure that an ongoing education program is implemented so that supervisors and Union stewards are aware of the plan and its benefits.
- c) Agree that any refusal to participate in the program must not make the worker subject to discipline. The program is totally voluntary, there will be no formal or mandatory referrals.
- d) Provide leave as necessary, to meet workers needs in meeting with referred to specialists.
- e) Assist the Union with an annual evaluation program through the use of an anonymous questionnaire.

#6 - Reference Article 14.01 – Last day worked prior to Christmas

The Company and the Union agree, for the life of this agreement, the Friday immediately preceding Christmas will be paid at the regular Stat Holiday rate. The Thursday prior to Christmas will be a regular shift.

IN WITNESS WHEREOF each of the parties hereto has caused this Agreement to be signed by its duly authorized representatives this 25th day of November, 2004.

**THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS**

Dave Thompson

Doris Duck

Danny Robertson

George Schlichter

Bill Shipman – For the International

MESSIER DOWTY INC.

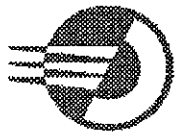
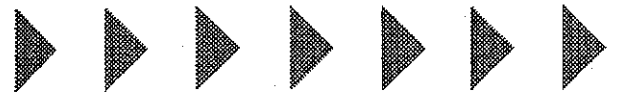
Steve Lincoln

Patricia Killin

Greg Watson

Alyson Slapkauskas

Your Benefit Plan



Messier-Dowty
sneema group

Hourly

This is a brief summary of your benefit plan. The actual terms and conditions of coverage and benefits including exclusions and limitations are contained in the group contract between your employer and Maritime Life. For detailed information about your coverage, contact either your employer or your benefit plan administrator, or Maritime Life.

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Who is eligible for coverage?

You and your dependents (your legal spouse or common-law spouse of one year and your unmarried children) are eligible for benefits so long as you are an active, permanent employee, working full-time (or temporarily part-time) for at least 24 hours per week and not working as a seasonal employee. You and your family must be insured under your provincial health care plan.

Eligible children include unmarried natural or legally adopted children and step-children under age 21 who are dependent on you for support and live with you in a parent-child relationship. An eligible child who is a full-time student and dependent solely on you for support will also qualify as a dependent until age 25. Health and dental coverage will be extended beyond the limiting age for a mentally or physically disabled child who depends solely on you for support. The child must become disabled before reaching the limiting age. Proof of the disability must be submitted to Maritime Life as required.

When do you become eligible for coverage and when does it end?

If you and your dependents are eligible, coverage for all benefits (except long term disability) begins on the effective date of this plan (if you have already completed 65 days of employment) or on the date you complete 65 days of employment. If you are eligible, coverage for long term disability begins when you have completed two years of employment. Your employer contributes 100% towards the cost of your benefits.

If you are away from work due to illness or injury on the date you would become covered for benefits, you will become covered on the date you return to work for one full day. If your dependent is confined in a hospital on the date coverage would otherwise begin, the coverage will begin when the dependent is no longer in the hospital.

Coverage for you and your dependents may be continued for all benefits (except long term disability) during an absence from work that is due to illness, injury, or pregnancy or parental leave but not beyond age 65 (or for up to 12 months if you are age 64 or older and eligible for coverage); or temporary lay-off but, not beyond the end of the month following one month from the date your absence began, or leave, but not beyond the end of the month following six months from the date your absence began. Any continuation of coverage is at your employer's option and is subject to premium payment.

Coverage for you and your dependents will end when your employment terminates, you are no longer eligible, premiums are not being paid, or this plan is cancelled, whichever is first.

If you should die while covered under this plan, your dependents will continue to be covered for health and dental care benefits until the date your dependents are no longer eligible, the date your spouse remarries (children will still be covered), 30 months after the date of your death, or the date this plan is cancelled, whichever is first.

If you are covered under two benefit plans ...

The insurance industry has set guidelines for coordinating your health and dental benefits with another insurance program such as your spouse's plan.

Coordination of benefits (COB) allows you to claim under both plans for up to a combined maximum of 100% of the covered expense. For instance, if your plan covers 80% of the cost of dental care, the 20% not covered may be claimed under your spouse's plan (depending on the deductible and coinsurance under their plan). Check that your spouse's plan provides health and dental benefits for your family and allows for coordination of benefits.

If you are covered under two benefit plans ...

(continued)

Claims for dependent children are submitted first to the plan that covers the spouse whose birthday falls earliest in the calendar year. Any part of the claim not covered under the "first" plan can then be submitted to the other spouse's plan. In other words, if your birthday falls in January and your spouse's birthday is in March, you should submit your children's claims to your plan first. Proof of payment along with copies of any expense receipts should then be sent to your spouse's plan for reimbursement of the balance (if the expense is covered under their plan).

Health Care Benefits

Your provincial health insurance plan provides basic health benefits such as hospital ward accommodation, fees for physicians and other hospital practitioners, and any drugs or blood products you may need during your hospital stay.

Your group plan is designed to cover much of your and your family's additional medical expenses (for non-occupational illnesses or injuries), over and above that provided by your provincial plan. Your plan pays 100% of eligible expenses unless otherwise noted (subject to deductibles and benefit maximums shown) for:

- Semi-private hospital accommodation (within your home province);
 - Convalescent/rehabilitation/chronic care hospital accommodation (reasonable and customary charges), if you are admitted to the convalescent/rehabilitation/chronic care hospital within 14 days of being discharged from an acute care hospital in which you were an inpatient for at least five days. A new period of disability will apply if there are at least 90 days between periods of disability;
 - Out-of-province/country emergency expenses while travelling or vacationing up to \$1,000,000 per lifetime for: semi-private hospital accommodation, other inpatient/outpatient expenses, physician services, and ambulance services. Part of the expenses must be paid by your provincial plan. You are also covered for care unavailable in Canada up to \$15,000 per lifetime when referred by your doctor, including charges for hospital accommodation (\$75 per day for 60 days), physician charges, and ambulance services;
 - Up to \$200 every 24 consecutive months for vision care expenses (lenses and frames or contact lenses when prescribed by an ophthalmologist or optometrist) including laser eye surgery. Sunglasses or safety glasses, anti-reflective coatings, or eyeglass tints other than no. 1 or no. 2 are not covered.
- The following benefits are subject to a calendar year deductible of \$10 per person but not more than \$20 per family.**
- Ambulance services, in addition to your provincial plan coverage, to transport you from the place of injury or illness to the nearest hospital where treatment is available, directly from the first hospital where treatment is given to the nearest hospital where needed specialized treatment is available, or from a hospital to a convalescent/rehabilitation/chronic care hospital;
 - Home nursing care by a registered nurse, a registered practical nurse, or a licensed practical nurse who is not a member of your family and does not normally live in your home. Charges are limited to \$25,000 per calendar year;
 - Hearing aids, one set per lifetime, prescribed by an otolaryngologist. Batteries are not covered;
 - Charges for the following registered health practitioners up to \$20 per visit for each practitioner:
 - a chiropractor, osteopath, naturopath, podiatrist, or chiropodist
 - a masseur or speech therapist (treatment must be prescribed by a doctor)
 - a physiotherapist when prescribed by a doctor;
 - Charges by a psychologist when prescribed by a doctor:
 - \$20 per half hour for individual psychotherapy and testing
 - \$25 per half hour for family therapy
 - \$10 per half hour for group therapy
 - \$20 for all other visits;
 - Eye examinations by an ophthalmologist or optometrist, if not covered under your provincial plan, up to \$50 every 24 consecutive months (12 consecutive months for anyone under the age of 18);
 - Dental care due to accidental injury only. (See dental benefits for routine dental care.);

Health Care Benefits (continued)

- Diagnostic laboratory and x-ray expenses;
- Durable medical equipment and supplies for the treatment of a specific disability. This includes rental or possible purchase of items such as hospital beds, wheelchairs, braces, artificial limbs, oxygen, and kidney dialysis equipment. Before purchasing or renting any equipment you should submit an estimate of the expense to determine whether it will be covered and to what extent. Include a letter from your doctor describing the nature of your disability and its expected duration, as well as the type of equipment you require;
- Orthopedic shoes (charges reduced by the cost of ordinary shoes) and arch supports, molds, or orthotic devices (but not for sports) recommended by a doctor;
- Drugs that are prescribed by a doctor or dentist and dispensed by a pharmacist and that normally require a prescription. Fertility drugs are covered up to six cycles per lifetime. Smoking cessation aids (including over-the-counter nicotine patches) are covered up to \$300 per lifetime. Viagra will be covered up to a maximum of \$1,000 per calendar year.

Your plan does not cover:

- non-prescription or over-the-counter drugs (except as indicated)
- charges for care, services or supplies that are covered under your provincial plan or under workers' compensation
- medical equipment or supplies that may also be used for non-medical reasons and items for personal comfort, convenience, exercise, safety, self-help, or environmental control
- expenses that you would not have been charged for if you weren't covered under this plan
- expenses resulting from or contributed to by war (declared or not), insurrection, rebellion, or participation in a riot or civil commotion; purposely self-inflicted injury; or commission of, or attempt to commit, an assault or a criminal offence

Important

Submit your claim no later than 18 months after the expense was incurred, but no later than six months after your coverage terminates.

Health care coverage ceases when you reach age 70.

Dental Care Benefits

Provincial plans generally do not cover dental care expenses. Your group plan covers necessary dental services due to non-occupational disease or injury. You may choose to enroll under the Preferred Choice plan (pays 100% of eligible routine dental expenses and 50% of major dental expenses) or the traditional plan (pays 80% of eligible routine dental expenses). Refer to your Maritime Life Preferred Dental Plan brochure for more information about the Preferred Choice plan. Coverage is based on the current year's dental association fee guide for specialist or general dental practitioners for the province in which you incurred the expense.

Expenses for major procedures and orthodontics combined are payable up to \$1,950 per lifetime under the Preferred Choice plan and up to \$1,650 per lifetime under the traditional plan.

Routine Care (100% Preferred plan, 80% traditional plan)

- one oral examination, including cleaning of teeth and bitewing x-rays, every 6 consecutive months
- application of fluoride every 6 consecutive months
- dental x-rays
- fillings (but not gold)
- extractions
- oral surgery, including excision of impacted wisdom teeth
- antibiotic drug injections by your dentist
- anaesthesia administered in connection with covered dental services
- prefabricated full-coverage restorations for primary teeth (children up to and including age 15)
- periodontal scaling and root planing (up to 8 units every 12 consecutive months)

Dental Care Benefits (continued)

- occlusal equilibration (up to 8 units every consecutive 12 months)
- treatment of periodontal and other diseases of the gums or tissues of the mouth
- endodontic treatment, including root canal therapy
- pit and fissure sealants, only one replacement sealant per tooth (children up to and including age 15)
- consultations (up to 2 units every 12 consecutive months)
- diagnostic services
- oral hygiene instruction and reinstruction every 6 consecutive months
- minor adjustments, repair, relining or rebasing of dentures (after 3 months from insertion)
- in-office and commercial laboratory charges

Dentures (50%)

- the first installation, including adjustments, of a partial or full denture
- replacement of a denture that is at least 5 years old
- replacement of a temporary denture within one year of its installation

Your plan does not cover:

- cosmetic dental care
- completion of claims forms
- broken appointments
- dental care covered under a medical benefit plan
- expenses that you would not have been charged for if you weren't covered under this plan
- stainless steel crowns on permanent teeth
- nutritional counselling
- protective athletic appliances

- denture adjustments that occur more than 3 months after the denture is installed
- addition of teeth to an existing partial denture

Crowns and bridgework (50%)

- inlays, onlays, gold fillings, and crowns
- the first installation of bridgework
- replacement of bridgework that is at least 5 years old and not serviceable

Orthodontics (50%) for dependent child under 19 years of age

- orthodontic treatment and correction of malocclusion for diagnostic procedures, therapy, appliances and correction of malocclusion

- dentures, crowns or bridgework that were ordered while you were not covered for dental benefits
- dentures, crowns or bridgework that are installed or delivered after this benefit is discontinued
- dentures, crowns or bridgework that are installed or delivered more than 31 days after your coverage terminates for any other reason
- a full mouth reconstruction, a vertical dimension correction, or diagnosis or treatment of temporomandibular joint dysfunction (TMJ)

Important

Scaling and cleaning of teeth may be done by a licensed dental hygienist. Adjustment, installation, repair, relining or rebasing of dentures may be done by a denturist, denture therapist, technician or mechanic, who is registered and practising within the scope of his license.

The plan will pay up to the least expensive service or supply that produces an adequate result. If you expect to pay over \$300 for a course of treatment, you should submit a predetermination (expense estimate) to Maritime Life for approval prior to the start of treatment. Any x-rays submitted will be promptly returned to your dentist.

You must submit your claims within 18 months following the date the expense was incurred, but not more than 6 months after the date coverage terminates, in order for benefits to be paid.

Dental care coverage ceases when you reach age 70.

Weekly Disability

Your weekly disability plan helps protect your income while you are unable to work for a short period of time due to injury or illness.

Weekly disability payments would start from the first day you miss work due to injury or after you have been away from work for three days due to illness. This three-day waiting period would not apply if you are hospitalized or undergoing outpatient surgery.

Weekly disability benefit payments are calculated as 66.7% of your weekly earnings up to a maximum of \$610 or the Employment Insurance benefit maximum that applied at the start of your disability, whichever is greater. Provided you continue to be disabled, you may receive benefits for up to 26 weeks for one period of disability.

Benefits are not paid for:

- any day you do any kind of work for pay or profit
- a disability for which benefits are payable under the Quebec Automobile Insurance Act or workers' compensation law
- a disability resulting from, or contributed to by, a purposely self-inflicted injury, war, insurrection, rebellion, riot or civil commotion; or your commission of, or intent to commit, an assault or criminal offense
- a disability during maternity or parental leave

Important

You must be seen and treated by your doctor in order for benefit payments to begin. For benefits to continue for the benefit duration, you must continue to be disabled and under the ongoing care of your doctor.

Additional medical information may be required from time to time. You should ask your doctor to provide detailed information on a timely basis to ensure no disruption in your benefit payment. As well, you may be required to report for a medical examination, as often as is reasonable, by a doctor of Maritime Life's choice. Failure to report for a medical examination may result in termination of your benefit payments.

A new waiting period and benefit duration will start if you return to work for two weeks before becoming disabled again due to the same cause, or you return to work for one full day and then become disabled due to a different cause.

You must submit your claim within six months following the start of your disability in order for benefits to be paid.

If your injury is due to a cause for which you may file a lawsuit, you will be required to complete a Reimbursement Agreement. If payment is received by you for lost income or medical or dental expenses, Maritime Life will be entitled to reimbursement and reduction of benefit payments made to you.

Weekly disability coverage ceases upon your retirement.

Long Term Disability

Your long term disability plan is designed to provide you with income protection if you become totally disabled while covered and as determined by Maritime Life, and are not able to return to work for a lengthy period of time. You must be away from work for at least 26 weeks before benefits will begin. This is called the waiting period.

Long term disability benefit payments would be calculated as follows: 60% of your monthly earnings up to a maximum monthly benefit of \$1,500.

Your LTD benefit payment will be reduced by income from any job (except under a rehabilitation or partial disability program). As well, if you qualify for benefits through the Canada/Quebec Pension Plans (CPP/QPP), or receive benefits from workers' compensation or auto insurance act, your benefit payments will be reduced accordingly. LTD benefits will be further reduced so that your monthly income does not exceed 85% of your pre-disability earnings.

Long Term Disability (continued)

Monthly income includes LTD benefits plus income from any job, any other government plan, group insurance plan, or pension plan, plus any benefits your spouse or dependents receive from CPP/QPP.

In order to receive benefits, you must be totally disabled, be seen and treated by a doctor, and meet the claim requirements. Totally disabled means that solely because of illness or accidental bodily injury, you are unable to work at your own occupation for the next 12 months. Thereafter, you must be unable to work at any occupation for which you are, or may become, qualified by education, training, or experience. To qualify you must be residing in Canada (unless you have received prior approval from Maritime Life to be covered if you reside outside of Canada.

You may continue to receive benefits as long as you are totally disabled and under the care of a doctor until the end of the month in which you reach age 65. If your long term disability benefit terminates while you are still totally disabled, your benefit payments may continue so long as you remain totally disabled.

Your benefit payments may be terminated if:

- you do not provide proof that you continue to be totally disabled
- you do not undergo a medical examination as required by a licensed doctor of Maritime Life's choice
- you are not receiving accepted standard professional treatment for your condition
- you refuse to participate in a rehabilitation program recommended by Maritime Life
- you do not complete or refuse to follow the terms of the Reimbursement Agreement

Benefits are not paid for:

- disabilities resulting from war, insurrection, rebellion, riot or civil commotion; purposely self-inflicted injury; or your commission of, or intent to commit, an assault or criminal offence
- alcohol or drug abuse unless you are receiving appropriate professional treatment for the condition
- a period of maternity or parental leave

Important

You will not have to serve a second waiting period, if you return to work for less than six months and become totally disabled again due to the same cause.

If you recover from your disability sufficiently to work part-time or full-time, you will be required to participate in a rehabilitation program or a similar program. Contact Maritime Life for details.

If your injury is due to a cause for which you may file a lawsuit, you will be required to complete a Reimbursement Agreement. If payment is received by you for past or future lost income, medical, or dental expenses, Maritime Life will be entitled to reimbursement and reduction of benefit payments made to you.

You must submit your claim within six months from the end of the waiting period in order for benefits to be paid.

Long term disability coverage ceases at age 65 or upon your retirement, if earlier.

Life Insurance

Life insurance provides financial protection for survivors in the event of the insured's death. If you die while covered, your life insurance benefit will be paid to your beneficiary.

You are covered for a life insurance benefit of \$45,000

Premium Waiver

If you become totally and permanently disabled for six months while insured, you may apply to have your life insurance coverage continue free of charge until your 65th birthday. Upon approval you may be required to submit proof of your continuing disability as required by Maritime Life.

Important

If your life insurance terminates, you may be eligible to convert the amount of coverage to an individual life insurance policy, without having to submit a health questionnaire or undergo a medical examination. Written application must be made to Maritime Life within 31 days of the date your life insurance terminates. If you die within 31 days of the date life insurance terminates, the applicable insurance benefit will be paid even if you did not apply for conversion.

If you would like to change the beneficiary for your employee life insurance, contact your benefits administrator.

All life insurance claims must be submitted within 6 months following the date of death for benefits to be paid. If you are making a claim for premium waiver under the disability provision of your life insurance coverage, the claim must be submitted within 12 months of the date you stopped working due to your disability.

Life insurance coverage ceases upon your retirement.

Accidental Death and Dismemberment Insurance

If you die or are severely injured in an accident while covered, your accidental death and dismemberment insurance (AD&D) will pay a benefit to you (in the case of injury) or your beneficiary (in the case of your death).

You are covered for an AD&D benefit of \$45,000.

Your AD&D insurance provides different levels of coverage, depending on the circumstances. For example,

For loss of (or loss of use of):	your plan would pay:
Life, both hands or feet, both arms or legs, sight of both eyes, speech and hearing	100%
One arm or leg	75%
Sight of one eye, hand or foot, speech or hearing	66 2/3%
Thumb and index finger, four fingers of one hand	33 1/3%
Hearing in one ear	16 2/3%
All toes of one foot	12 1/2%

The maximum that would be paid for all losses sustained in any one accident is 100% of the benefit.

A benefit of 200% of the coverage amount is provided for quadriplegia (total paralysis of arms and legs), paraplegia (total paralysis of legs), or hemiplegia (total paralysis of one arm and one leg on the same side of the body).

Accidental Death and Dismemberment Insurance (continued)

Benefits will not be paid: if the loss is the result of war, suicide, self-inflicted injury, service in the armed forces of any country, or travelling in any kind of aircraft as a pilot or part of the crew.

Important

Any benefit payable may be increased by 10% if the loss was sustained in an automobile accident in which you were wearing a properly fastened seat belt. Benefits are also available for transportation of a family member to you if you are hospitalized after an accident, rehabilitation for injuries sustained in an accident, day care for dependent children if you die in an accident, alterations of your home or vehicle to accommodate disabilities sustained in an accident, education for your dependent children and/or spouse if you die in an accident and repatriation of your body. Contact your benefits administrator for details.

Accidental death and dismemberment coverage ceases when you reach age 70.

Making a Claim

Health and dental claim forms are available from your benefits administrator. Send your completed and signed claim forms directly to Maritime Life. Be sure all original receipts and other documents regarding your claim are attached. You should not submit a health care claim until the amount of your expenses is more than the amount of your annual deductible, if applicable. (Annual deductibles are shown in the sections describing each of your benefits later in this brochure.) Always keep a copy of all the documents you submit with your claim for your personal records.

You may request that all or part of your health or dental reimbursement be paid directly to the person or place providing the service or item. The request must be in writing (there is a space on standard claim forms), and it is subject to Maritime Life's approval.

To claim for weekly disability, long term disability, life insurance, and accidental death and dismemberment benefits, obtain claim forms from your benefits administrator and submit your claims to them.

Call Maritime Life when you have questions

From time to time you are going to have questions about your health and dental claims and coverage. We here at Maritime Life are part of your team, and we want you to know that we're here when you need us. We can be reached from 8:00 am to 6:00 pm (local time), Monday to Friday, by calling:

Toronto ~~(416) 480-6377~~ or ~~1-877-466-1577~~

SUN LIFE
1-800-361-6212

If our customer inquiry representatives are not immediately available you can leave them a message, and they will return your call within one hour or at the start of business the following day.

Or if you prefer, you can call our automated inquiry system. By using the telephone keys on your touch tone phone, you can get immediate answers to questions about your health and dental coverages and your claim payments. The service is available from 8:00 am to 10:00 pm (eastern time), Monday through Friday, and 8:00 am to 8:00 pm (eastern time) on Saturday. Just call:

~~(416) 864-8333 (Toronto callers)~~ or ~~1-800-523-8333 (toll-free)~~

Remember, you will need your contract number (4479) and your identification number when you call.