Agreement

between

Ford Motor Company
Of Canada, Limited

And

National Union, C.A.W.
And its Local 1324

September 19, 2005

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MEMORANDUM OF AGREEMENT entered into on the 19th day of September 19, 2005

BETWEEN:

FORD MOTOR COMPANY OF CANADA, LIMITED, hereinafter called the "company"

-and

NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA) and its Local 1324, hereinafter called the "union"

WITNESSETH:
ARTICLE 1
RECOGNITION

The company recognizes the union for the duration of this agreement as the exclusive bargaining agent on behalf of the employees of the company in the bargaining unit described as follows:

1.01 All office and clerical employees of Ford Motor Company of Canada, Limited at Bramalea, except:
   (a) all employees falling within the bargaining unit represented by Local 584 as its bargaining agent;
   (b) supervisors and persons above the rank of supervisor;
   (c) confidential secretaries to department managers and persons above the rank of department manager;
   (d) qualified engineers doing engineering work;
   (e) plant protection officers;
   (f) employees employed in a confidential capacity in matters relating to labour relations;
   (g) employees of the employee relations department;
   (h) field personnel and field personnel trainees of the regional sales office;
   (i) employees employed in a confidential capacity in matters relating to financial operations. Without limiting the generality of the foregoing, examples of such employees are: financial analysts, depot coordinators, accountants, inventory research analysts, depot analysts, traffic analysts, fleet sales clerks, regional administrative clerks, business management clerks.

1.02 It is understood and agreed that the above bargaining unit does not include technical personnel. Without limiting the generality of the foregoing, examples of such technical personnel are: industrial engine analysts, data control analysts, depot warehouse coordinators.

1.03 In the event of a dispute arising between the company and the union with respect to the exclusion of a person under the provisions of this article, the question shall be referred as an appeal to the umpire at step three of the general grievance procedure.

ARTICLE 2
RESERVATIONS TO MANAGEMENT

2.01 The union recognizes the right of the company to hire, promote and demote, transfer, suspend or otherwise discipline and discharge any employee, subject to such regulations and restrictions governing the exercise of these rights as are expressly provided in this agreement and subject to the right of the employee concerned to lodge a grievance in the manner and to the extent herein provided. Any change in rules and regulations to be observed by employees shall be negotiated by the parties.

2.02 The union further recognizes the right of the company to operate and manage its business in all respects in accordance with its commitments and responsibilities. In addition, the location of plants, the products to be manufactured, the schedules of production, the methods, processes and means of manufacturing and office operations, are solely the responsibility of the company.

2.03 The company agrees that it will not exercise its management rights for the purpose of restricting or limiting the rights of its employees herein granted.

ARTICLE 3
MODIFIED UNION SHOP AND CHECK-OFF OF UNION DUES

3.01 All employees within the bargaining unit defined in Article 1 who are members of the union as at the date of this agreement or who subsequently become members of the union will be required to continue to be members of the union as a condition of employment with the company.

3.02 Any employee within the bargaining unit defined in Article 1 who is hired subsequent to the date of this agreement shall become a member of the union within thirty (30) days of his/her hiring and will be required to continue to be a member of the union as a condition of his/her employment.

3.03 In the case of members of the union, the company will deduct from the first pay in each calendar month the monthly dues, initiation fees and all other assessments and dues authorized by the constitution of the union.
In the case of any employee within the bargaining unit defined in article 1 who is not a member of the union, the company will deduct from the first pay in each calendar month the monthly dues for general union purposes as authorized by the constitution of the union. It shall be a condition of remaining in the employment of the company that such employee authorize the company to make such deduction.

All sums deducted as above together with a record of those from whose pay deductions have been made and the amounts of such deductions shall be remitted monthly by the company to the financial secretary of the union. The remittance shall be by cheque.

The recording in the books of the company of the amounts so deducted shall constitute such amounts as moneys held by the company in trust for the union.

The company will notify the Trustee under the Supplemental Unemployment Benefit Plan to deduct as provided in the Plan from each employee’s Regular Supplemental Unemployment Benefits:

(a) the monthly dues and other assessments and dues authorized by the constitution of the union for each employee who is a member of the union, and

(b) the monthly dues for general union purposes as authorized by the constitution of the union for each employee who is not a member of the union, provided that at the time of such deduction there is in the possession of the company a subsisting written assignment, executed by the employee. In the case of each employee hired after January 1, 1977, and for any employee in employment prior to January 1, 1977 who is laid off after January 1, 1977 and authorizes the deduction of dues from his/her regular Supplemental Unemployment Benefits, the authorization shall be in the form attached as appendix ‘C’. The company will further notify the Trustee to make the deductions from the Regular Supplemental Unemployment Benefits for weeks ending in the calendar month in a manner agreed upon with the union.

Any employee shall have the right to become a member of the union by paying the initiation fee and complying with the constitution and by-laws of the union.

Any dispute as to an alleged breach of the provisions of this article or as to the interpretation of any of the terms of conditions thereof shall be dealt with under the general grievance procedure beginning at step three.

ARTICLE 4
UNION ACTIVITIES

The union and members of the union shall not on company time conduct union activities except as in this agreement expressly provided, nor shall union meetings of any kind be held at any time on the company’s premises without the prior written consent of the company.

The company will provide for the use of the union bulletin boards located by the company in its offices and it is agreed that the use by the union of such bulletin boards shall be restricted to the posting thereon only of such notices as shall have received the prior approval of the employee relations manager or his/her nominee, which approval shall not be unreasonably withheld, and which notices shall be restricted to notices of the following types:

(a) notices of union recreational and social affairs;

(b) notices of union elections, appointments and results of elections;

(c) notices of union meetings; (d) credit union notices.

ARTICLE 5
MISCELLANEOUS

In continuance of the policy established and maintained since the inception of their collective bargaining relationship, the company and the union acknowledge that the provisions of this agreement shall apply to all employees without discrimination, and in carrying out their respective obligations under this agreement, neither will discriminate against any employee on account of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offences, marital status, same-sex partnership status, family status, or handicap as prohibited under applicable human rights legislation.

The company and the union agree to encourage the use of the procedure outlined in Appendix ‘E’ of the Collective Agreement whenever a complaint is made regarding discrimination against an employee.

Wherever in this agreement the masculine gender is used, it shall also include the feminine.
5.03 It is recognized that supervisors and other employees perform work of the same type as that which is assigned to employees in the bargaining unit, but such work will not be done by supervisors or other excluded employees for the purpose of reducing the number of employees in the bargaining unit.

ARTICLE 6
NO STRIKE OR LOCKOUT

6.01 Neither the union nor any of its officials or representatives nor any members of the bargaining unit shall during the life of this agreement authorize, take part in, call, countenance, or encourage any strike or any stoppage or curtailment of any of the company's operations or picket any of the company's plants or premises or otherwise restrict or interfere with the company's operations, whether by refraining from reporting for work or in any other way, and the company will not engage in a lockout during the life of this agreement.

6.02 In the event of termination of this agreement in accordance with section 23.01, there shall not be a strike of members of the bargaining unit until such action has been authorized by the national executive board of National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada), and a copy of such authorization shall have been delivered to the company.

6.03 If at any time after the termination of this agreement, there shall be a strike of members of the bargaining unit, or if they shall take part in a stoppage or curtailment of the company's operations, whether such strike, stoppage or curtailment has been called or authorized by the union or not, then:

(a) the union shall take such steps as may be necessary to ensure that all employees who do not come within the bargaining unit shall be permitted free and unobstructed entrance into and exit from the premises and plants of the company in order that such employees may at all times be enabled to perform the regular duties to which they are assigned; and

(b) the union shall take such steps as may be necessary to ensure that all employees required for urgent maintenance repairs to the company's plants or premises will be permitted free and unobstructed entrance into and exit from such plants or premises. Provided that if at any time during such dispute the company attempts to have employees do the work generally performed by employees in the bargaining unit as defined in article 1 thereupon the union no longer shall be bound by the provisions of this article.

6.04 The company reserves the right to discipline or discharge any employee who violates any provision of this article.

6.05 The words "strike" and "lockout" as used herein are agreed to have the meanings defined for these words in the Ontario Labour Relations Act in force at the date of this agreement.

ARTICLE 7
REPRESENTATION

7.01 The appointment by Local 1324 and recognition by the company of the committeeperson and of the chairperson of the negotiating committee as hereinafter provided shall be conditional upon his/her being an employee having regular company duties to perform and having at least twelve (12) months' seniority with the company.

7.02 Not in use.

7.03 (a) Local 1324 may appoint and the company shall recognize a negotiating committee consisting of the one (1) committeeperson and the chairperson of the negotiating committee.

(b) A national representative of the union may be present and participate in meetings between the negotiating committee and the human resource manager or his/her nominee. More than one national representative may participate with the committee whenever mutually agreed upon.

(c) The president of Local 1324 or his/her nominee shall be an ex-officio member of the negotiating committee provided that, to be an ex-officio member, he/she must be an employee of the company and also provided that he/she shall not be paid by the company while attending meetings of the negotiating committee.

7.04 (a) The appropriate allocation of the committeeperson to his/her jurisdictions shall be the responsibility of the union.

(b) The committeeperson shall be allocated as provided in section 7.04(a) to represent a designated group of employees (hereinafter referred to as his/her "jurisdiction"). Such allocation shall be described from time to time in Appendix 'A'.

7.05 The committeeperson shall, with the consent of his/her supervisor, be permitted to leave his/her regular company duties for a reasonable length of time to function as a committeeperson as in this agreement provided. Prior to functioning as a committeeperson in a department other than that in which he/she
is employed, he/she shall first report to the department manager of that department, provided that if the department manager is not available he/she shall report to any supervisor in the department. Absence from his/her regular company duties for the purpose of functioning as a committeeperson as in this agreement provided shall not exceed four (4) hours in any one (1) working day, up to a total of ten (10) hours for the period Monday through Friday, inclusive, in any one (1) calendar week. In the event a committeeperson is continued at work on a Saturday, the above mentioned absence on that day shall not exceed one (1) hour.

7.06 The chairperson of the negotiating committee shall, with the consent of his/her supervisor, be permitted to leave his/her regular company duties for a reasonable length of time to function as chairperson as in this agreement provided. Absence from his/her regular company duties for the purpose of functioning as chairperson as in this agreement provided shall not exceed eight (8) hours in any one working day, up to a total of twenty (20) hours for the period Monday through Friday, inclusive, in any one (1) calendar week. In the event the chairperson is continued at work on a Saturday, the above mentioned absence on that day shall not exceed one (1) hour.

7.07 The consent of the supervisor to the committeeperson or the chairperson of the negotiating committee who has been recognized by the company as provided in this article leaving his/her regular company duties for the purpose of functioning as committeeperson or chairperson, as the case may be, as in this agreement provided, shall not be unreasonably withheld.

7.08 Not in use.

7.09 Upon request of the committeeperson or the chairperson of the negotiating committee, the company shall review the volume of work required of such employee, taking into consideration the time he/she is permitted to leave his/her regular company duties as the committeeperson or chairperson, as the case may be, as in this agreement provided, shall not be unreasonably withheld.

7.10 (a) An employee when elected to any of the following named offices of Local 1324: president, vice-president, recording secretary, financial secretary, treasurer, guide, sergeant at arms or trustee, shall not, so long as such employee retains said office, be required by the company to work on a shift of which the regular quitting time is later than 6:00 p.m. The foregoing provisions shall also apply to the committeeperson and the chairperson of the negotiating committee.

(b) The company agrees to make available two (2) filing cabinets with three (3) drawers equipped with locks for the combined use of the employee who is chairperson of the negotiating committee and the committeeperson.

7.11 Local 1324 shall notify the company in writing from time to time of:

(a) the names of the chairperson of the negotiating committee and of the committeeperson, the respective effective dates of their appointment and the names of former members whom they may be replacing.

(b) the names of the employees elected to the offices enumerated in section 7.10(a), the respective dates of their election, and the names of former officers whom they may be replacing.

7.12 Wherever the term “department manager” is used in this agreement it shall be deemed to include a nominee of the department manager concerned.

ARTICLE 8
GENERAL GRIEVANCE PROCEDURE

8.01 No grievance shall be considered which usurps the function of management provided that the question of whether or not the subject matter of the grievance comes within this provision may itself be carried through the grievance procedure as part of the grievance and determined accordingly.

8.02 (a) If an employee is a member of the union, the consent of the union, must be obtained prior to the initial presentation of any grievance and to the filing of each appeal to the next step in the grievance procedure.

(b) If an employee is not a member of the union, then any step in the grievance procedure hereinafter set out may be taken by him/her directly with the appropriate representative of management or through his/her committeeperson or the chairperson of the negotiating committee.

8.03 The decision of management at each step of the grievance procedure will be delivered to the appropriate representative of the union if the grievance has been lodged through representatives of the union or directly to the employee concerned if under the provisions of section 8.02(b) he/she has lodged the grievance personally.

8.04 (a) Any employee having a grievance, including a grievance respecting his/her salary, may present it in writing to
his/her department manager on forms to be supplied by the company on request of the employee or his/her committeeperson, without inquiry on the part of the company as to why such form is requested by or on behalf of the employee. The department manager shall deal with the grievance and shall deliver his/her decision in writing, whenever practicable, not later than the second regular working day next following the day upon which he/she receives the grievance. (Step one)

(b) The company may, however, at its discretion decline to consider any grievance which is lodged more than ten (10) working days after the cause of the grievance should have become known to the employee.

8.05 (a) If the decision of the department manager be not satisfactory to the employee concerned, an appeal there from may be lodged in writing and signed by the employee with the employee relations manager within three (3) regular working days of delivery of the decision.

(b) Thereupon if the appeal has been lodged through the chairperson of the negotiating committee, the appeal shall be placed upon an agenda for consideration at the conference next following between the employee relations manager and the negotiating committee. A conference shall be arranged not more often than once per calendar week between the employee relations manager and such committee for the consideration of appeals so appearing on the agenda at which the appeals listed thereon are to be discussed.

(c) Management's decision on appeals taken up at a conference shall be in writing and shall be delivered to the chairperson of the negotiating committee not later than the third regular working day next following the day upon which the conference is held. (Step two)

(d) If the appeal from the decision of the department manager has been lodged by the employee independently of the negotiating committee, then the employee relations manager shall deal with the appeal and deliver his/ her decision in writing to the employee concerned not later than the third regular working day next following the day upon which the appeal to the employee relations manager was lodged.

8.06 In respect to all grievances other than those dealing with an employee's individual salary, the following procedure shall apply:

If management's decision is not satisfactory to the employee concerned, written notice of appeal signed by the employee may be served on the employee relations manager within four (4) regular working days of the delivery of the decision appealing therefrom to an umpire. (Step three)

8.07 (a) The impartial umpire shall be a person jointly selected by the parties and shall continue to serve only so long as he/she continues to be acceptable to both parties.

If at any time either party desires to terminate the service of the umpire, it shall give notice in writing to that effect, specifying the date of termination, and sending one (1) copy to the umpire and one (1) copy to the other party.

The party terminating the umpire's services shall specify in its notice whether or not it is agreeable to have said umpire render decisions in all cases pending before him/her up to the date of said termination, and if it determines that the umpire may decide such pending cases, the umpire shall render decisions thereon not later than thirty (30) days from the date of said notice.

If the party terminating the services of the umpire elects not to have the cases pending before him/her decided by that umpire, he/she shall render no further decisions subsequent to the time fixed in the notice, and all cases then pending before him/her shall be referred to his/her successor or to any other person the parties may agree upon.

Pending the selection of a new umpire, the parties shall, if necessary, forthwith request the Minister of Labour for Ontario to designate a sole umpire to hear and determine appeals in the interim.

(b) The parties have agreed on rules of procedure to govern appeals to the umpire. The rules are set out in appendix 'D' to this agreement.

(c) It shall be the obligation of the umpire to the company and the union to rule on cases heard by him/her within thirty (30) days after the hearing. Priority shall be given to deciding discharge cases. If, for good and proper reasons additional time is required, the umpire may request an extension of the time limits set forth above by the parties and a reasonable extension thereof shall be granted.

8.08 The decision of the umpire shall be final and binding.

8.09 The umpire shall not alter, add to, subtract from, modify or amend any part of this agreement. This shall not prevent him/her from setting aside or modifying a penalty which he/she considers to be unjust or unreasonable.

8.10 Subject to any law or any regulation having the force of law, scale of salaries and classifications may be the subject of a supplementary agreement and unless otherwise provided therein,
the umpire hereunder shall have no jurisdiction in relation to such scales and classifications, but this shall not affect his/her jurisdiction over the matter of the application to any employee of such classifications as may from time to time be in effect.

8.11 The expense of the umpire, if any, shall be borne in equal shares by the company and the union, or, if a grievance has been appealed to the umpire by an employee who is not a member of the union without the consent of the union, such expense shall be borne in equal shares by the company and the employee concerned. The shares shall be paid directly to the umpire by each.

8.12 An employee appearing before the umpire on the hearing of his/her appeal shall, if his/her grievance is sustained by the umpire, be paid by the company at his/her regular rate of salary for such time so expended by him/her at the hearing as may be certified by the umpire to have been reasonably necessary for the purpose of such hearing, provided this shall not be construed as obligating the company so to pay employees concerned in a group grievance, save to the number of such employees whose evidence given at the hearing the parties agree is essential to the proper hearing of the appeal.

8.13 In the event of an appeal to an umpire under this article, a full-time official or representative of Local 1324 or of National Automobile, Aerospace, Transportation and General Workers Union of Canada will, on request made to the employee relations manager, be permitted to view any office operation which is to be the subject of review by the umpire in the hearing before him/her on such appeal.

8.14 The union shall be notified in writing by the company of any grievance taken up by an employee in the bargaining unit directly with his/her department manager or other relevant representative of management and also of the decision of management thereon.

8.15 In the absence or inability to act of the company representatives referred to throughout the grievance procedure, the company may act through nominees of the respective representatives.

8.16 The grievance procedure hereinbefore prescribed shall apply to a grievance lodged by a group of employees, save that an appeal on a group grievance shall not be rejected on the ground of lack of signature by the employees alleging the grievance, provided at least two such employees sign each notice of appeal.

ARTICLE 9
SPECIAL GRIEVANCE PROCEDURE

9.01 The following special procedure shall be applicable to a grievance alleging improper discharge of an employee or suspension of an employee for six (6) or more working days and may be used by an employee alleging discrimination as defined in section 5.01 of this agreement.

(a) The grievance may be lodged in writing with the employee relations manager within three (3) regular working days of the discharge or suspension. In the case of an allegation of discrimination the grievance may be lodged in writing by the affected employee within five (5) regular working days after the cause of the grievance should have become known to the employee.

(b) The employee relations manager will review the discharge, suspension or allegation of discrimination and whenever practicable render his/her decision within three (3) regular working days after receipt of the grievance.

(c) If the decision is not satisfactory, the matter may then proceed on the giving of the prescribed notice of appeal as an appeal to an umpire at step three of the general grievance procedure.

9.02 Notwithstanding anything contained elsewhere in this agreement, no grievance shall be lodged or prosecuted against the termination of employment by the company of a probationary employee unless the employee alleges that his/ her discharge is not for cause or unless the employee alleges that he/she has been discriminated against in such termination of employment by reason of union activity, and the umpire shall not reverse his/her termination of employment on any other ground. This shall not prevent a probationary employee from lodging a grievance on any other working condition.

9.03 On request by a discharged employee to his/her department manager, the employee will be given an opportunity to discuss his/her discharge with his/her committeeperson or with the chairperson of the negotiating committee before leaving the company's premises.

9.04 An allegation by the union that the company has violated or misinterpreted this agreement may be lodged in writing by the chairperson of the negotiating committee with the employee relations manager and shall be reviewed by the employee relations manager and his/her decision thereon shall be given as in the case
of an appeal to him/her on a grievance. If the decision of the employee relations manager be not satisfactory to the union, the matter may then proceed as an appeal to an umpire at step three of the general grievance procedure.

**ARTICLE 10**

**CONFERENCES**

10.01 Conferences between the negotiating committee and representatives of the company shall be held at the request of either party. Matters to be discussed at any such conference shall be listed in an agenda to be supplied by the party requesting the conference to the other party at least one (1) working day prior to the day for which the conference is requested, unless otherwise arranged by the parties.

**ARTICLE 11**

**ADMINISTRATION OF DISCIPLINE**

11.01 When an employee is called to an interview by a member of the staff of the employee relations office, for the purpose of investigating alleged misconduct which may result in suspension or discharge of such employee, he/she shall be notified that, if he/she desires, he/she may require the presence of his/her committeeperson at such interview. A committeeperson when called to such an interview at the request of the employee concerned shall not have the time spent on these duties charged against the time allowance provided under this agreement for him/her to function as a committeeperson.

11.02 If following such investigation, an employee is suspended or given a warning, he/she shall be given written notice of such suspension or warning.

**ARTICLE 12**

**SENIORITY**

12.01 (a) The company recognizes that seniority is an important factor to be considered along with the important factors of merit and ability in all moves, transfers, promotions, layoffs, reinstatements and recalls but when merit and ability are relatively equal as between employees, then seniority is recognized as the prevailing factor in the making of a selection.

(b) Fundamentally, rules respecting seniority are designed to provide to employees an equitable measure of security based on their seniority as established under this agreement.

(c) Any employee who has basic seniority in one (1) bargaining unit and who, as of December 1, 1984, is on the active employment rolls of another bargaining unit or who subsequently is placed or transferred to another bargaining unit under circumstances where he/she does not carry his/ her seniority with him/her, shall, at his/her first layoff there after in a layoff which appears to the company to be one which will exceed twenty-four (24) calendar days, have his/her seniority determined by whichever of the following he/she then elects:

(i) Such employee may irrevocably waive his/her seniority in his/her basic bargaining unit and retain at the other bargaining unit his/her latest date-of-entry seniority, which will then become his/her basic seniority (it being understood that such waiver will not break the employee's "company seniority" for purposes of such plans as the vacation, jury duty pay, SUB or retirement plans where company, rather than office, seniority is taken into account); or

(ii) Such employee may elect to return to his/her basic bargaining unit, in which event he/she shall be placed in, or on the recall list of, his/her basic seniority unit with full credit for seniority accumulated while working in the other unit to be included in determining his/her seniority in such basic unit, and he/she shall retain no seniority rights in any other bargaining unit.

Any employee who does not elect (i), above, in writing at the place designated by the company within five (5) calendar days after his/her layoff shall be deemed to have elected (ii).

12.02 An employee who on the effective date of this agreement is employed in the bargaining unit shall have the seniority which he/she had attained in the bargaining unit as of that date.
12.03  (a) Upon completion of employment to the extent of ninety (90) days within any period of twelve (12) consecutive months, an employee shall be entitled to have his/her name placed on the seniority list of the department in which he/she is employed; provided that whenever the seniority list of a department consists of names of less than ten (10) employees, the company shall arrange to group this seniority list with one or more seniority lists in order that no seniority list shall consist of the names of less than ten (10) employees.

(b) For the purposes of this agreement employees grouped on a seniority list as provided in section 12.03(a) shall be considered to be members of the same department.

12.04  The name of an employee shall appear on a seniority list as of the date of his/her employment, provided that the date of employment of an employee who shall have completed intermittent employment to the extent of ninety (90) days, within any period of twelve (12) consecutive months, shall be considered to be the date three (3) months prior to the date upon which such employee shall have attained seniority.

12.05  An employee shall be considered a probationary employee until he/she shall have become entitled to have his/her name placed upon a seniority list and as such shall not have any seniority rights.

12.06  The company shall post revised seniority lists as required in each department every three (3) months. Three (3) copies of the seniority list of each department shall be supplied to the chairperson of the negotiating committee.

12.07  Seniority rights of an employee shall cease for any one of the following reasons:

(a) if the employee quits his/her employment;
(b) if the employee is discharged and such discharge be not reversed through the grievance procedure;
(c) if the employee fails to report for duty for five (5) consecutive working days. (This clause shall not apply if the employee furnishes satisfactory reasons to the employee relations department for such failure.);
(d) if the employee fails to return to work within five (5) consecutive working days after notification so to do to his/her address on the records of the company. (This clause shall not apply if the employee furnishes satisfactory reasons to the employee relations department for such failure.);
(e) if the employee is not called upon to perform work for the company for a period of thirty-six (36) consecutive months or for a period equal to his/her seniority at the date when he/she last performed work for the company, whichever shall be the greater; provided, however, that for a seniority employee at work on or after October 16, 1982, seniority rights shall cease if the employee is not called upon to perform work for the company as follows:

<table>
<thead>
<tr>
<th>Seniority at Date</th>
<th>Seniority Ceases if Not Called Upon to Perform Work for the Company for:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 years but less than 3 years</td>
<td>48 months</td>
</tr>
<tr>
<td>3 years but less than 4 years</td>
<td>60 months</td>
</tr>
<tr>
<td>4 years but less than 10 years</td>
<td>Period equal to seniority plus 12 months</td>
</tr>
<tr>
<td>10 years but less than 11 years</td>
<td>132 months</td>
</tr>
<tr>
<td>11 years and more</td>
<td>Period equal to seniority</td>
</tr>
</tbody>
</table>

Commencing October 16, 1982 this section 12.06(e) shall not apply to an employee having seniority if the employee is not called upon to perform work for the company due to sickness or injury arising out of and in the course of employment with the company and covered by the Workers’ Compensation Act.

(f) If the employee retires or is retired under the terms of the Retirement Pension Plan, in which case the following provisions shall apply:

(i) he/she shall on such retirement cease to be an employee;
(ii) if he/she has been retired on total and permanent disability pension and if he/she recovers, he/she shall have his/her seniority reinstated as though he/she had been continued on a sick leave during the period of his/her disability retirement;
(iii) if he/she retires or is retired otherwise than on a total and permanent disability pension and is subsequently re-employed he/she shall be considered a new employee and without seniority, and shall not acquire or accumulate any seniority thereafter, except for the purpose of applying the eligibility rules applicable to vacations with pay, he/she shall be treated on the basis of the seniority he/she had at the time of his/her retirement.

(g) If the employee is issued a separation payment by the company pursuant to the Separation Payment Plan;
(h) if the employee is issued a termination payment by the company pursuant to the Termination Payment Plan, the Income Maintenance Benefit Plan, the Voluntary Termination of Employment Plan or the Lump Sum Payment Plan, in which event his/her seniority shall cease as of the date his/her application for such termination payment was received by the company.

12.08 (a) Notwithstanding his/her seniority status, a committeeperson shall be continued at work when work is available in his/her jurisdiction which he/she is able and willing to do.

(b) Notwithstanding his/her seniority status, in the event of a layoff of employees, the chairperson of the negotiating committee shall be continued at work when work is available in the bargaining unit which he/she is able and willing to do.

12.09 In the event of an employee suffering a major disability, exception may be made to the seniority provisions of this agreement in favour of such employee, but in the event of a layoff or a recall after a layoff he/she shall be subject to the seniority provisions of this agreement which would have applied had he/she not been disabled. Following recall after a layoff, exception may again be made to the seniority provisions of this agreement in favour of such employee.

12.10 (a) In the event of a reduction of available work in any classification the employee in such classification in the department concerned having the least amount of seniority shall be the employee affected by such reduction and he/she and any employee displaced because of a transfer shall be retained at work consistent with his/her seniority in accordance with the following procedure provided in each case that the employee affected possesses the qualifications required by the company for the efficient performance of the work available:

(i) the employee affected shall be transferred to the classification which he/she was in immediately prior to being transferred to his/her present classification provided such prior classification was in the department concerned, and is not more than one salary class lower than his/her present salary class;

(ii) if not entitled to transfer under section 12.10(a)(i) then he/she shall be transferred to a position in his/her department one salary class lower than his/her present salary class;

(iii) if not entitled to transfer under section 12.10(a)(i) or (ii) then he/she shall be transferred to a position in his/her department two (2) salary classes lower than his/her present salary class or in the next successively lower salary classes;

(iv) if not entitled to transfer under section 12.10(a)(i), (ii) or (iii) then he/she shall be transferred to the position in his/her department occupied by the employee having the least amount of seniority;

(v) in the event that such reduction results in the layoff of an employee such layoff shall be made in accordance with section 12.11.

(b) An employee who is displaced under the provisions of sections 12.10(a) or 12.11 because of a reduction in staff and who is offered a position which pays a rate of salary lower than that which the employee was receiving at the time of his/her displacement, shall have the option of accepting the work available to him/her or being laid off. An employee so laid off shall designate to the company at the time of layoff, the minimum rate of salary to be used for the purpose of determining the openings for which the employee wishes to be recalled consistent with section 12.14 when an opening becomes available. The rate of salary so designated may be equal to, but shall not exceed, the highest rate of salary received by such employee during the period of his/her employment in the bargaining unit.

If the rate of salary to be offered for an opening that becomes available is less than the rate of salary so designated, the company shall not be required to notify him/her. He/she shall be recalled to work, however, consistent with section 12.14 when the rate of salary for an opening that becomes available is equal to or greater than the minimum rate of salary so designated by him/her. When such employee is offered a position for which he/she would receive a rate of salary which is equal to or greater than the minimum rate of salary designated by him/her, he/she must accept the position offered him/her; otherwise he/she shall have no further right to recall and shall be considered to have resigned from the company.

12.11 In the event a layoff becomes necessary, the company shall retain at work the employees having the greatest amount of seniority provided that these employees possess the qualifications required by the company for the efficient performance of the work available. In order to carry out the intent of this section, the company shall first terminate the employment of temporary employees and lay off probationary employees, provided that employees with seniority possess the qualifications required by the company for the efficient performance of the work available.
12.12  (a) In the event that probationary employees are to be continued at work during a layoff, the company shall give consideration to retaining the probationary employees having the greatest amount of service.

(b) A probationary employee whose employment is being terminated by the company when a layoff is being carried out shall be informed at the time of separation from the payroll that his/her employment with the company has been terminated and that he/she will not be given consideration in any recall to work. The committeeperson concerned shall also be informed.

12.13  The chairperson of the negotiating committee or his/her nominee will be notified prior to a layoff of the proposed date of layoff, the approximate number of employees to be laid off, and the names and classifications of those employees.

12.14  When the company considers it necessary to increase the number of employees in the bargaining unit, former employees who attained seniority prior to being laid off shall be recalled consistent with their seniority, provided they have the qualifications required by the company for the efficient performance of the work available.

12.15  When probationary employees are being recalled to work following a layoff, the company shall give consideration to recalling the probationary employees having the greatest amount of service. Former probationary employees who were informed at the time of separation that their employment with the company was terminated shall not be entitled to consideration when probationary employees are being recalled under this provision.

12.16  In the event that the qualifications required by the company for a position in dispute are questioned under the grievance procedure by the employee or employees affected, these qualifications will be fully explained by the company in discussions with the negotiating committee, unless the grievance has been taken up directly with the appropriate representative of management as provided in section 8.02(b). If, in the opinion of an umpire under the grievance procedure, the factors taken into account by the company in making a selection under the provisions of this article are not pertinent to the qualifications required by the company affecting the position in dispute, then the company’s decision may be overruled by the umpire, in which event the company shall be obligated to reconsider the employees affected by a transfer, layoff or recall and to make a selection based on those of the factors determined by the umpire to be pertinent to the qualifications required by the company affecting the position in dispute.

ARTICLE 13

TRANSFERS, DEMOTIONS AND PROMOTIONS

13.01  (a) In the event of demotion, a supervisor or person above the rank of supervisor who was, at the time he/she was promoted to a supervisory position, employed in the bargaining unit may, at any time, consistent with his/her accumulated seniority, be transferred to the classification and department in which he/she was employed at the time of his/her promotion and upon such transfer he/she shall be placed upon the seniority lists in accordance with his/her accumulated seniority. If the classification in which he/she was employed at the time of his/her promotion no longer exists, the transfer to the bargaining unit shall be made by retaining him/her at work in the department in which he/she was employed at the time of his/her promotion in accordance with his/her accumulated seniority, or, in the event that he/she does not have sufficient seniority or the qualifications required to move into such department, then by retaining him/her at work in the bargaining unit in accordance with his/her accumulated seniority.

(b) In the event of demotion, a supervisor or person above the rank of supervisor who has never been employed in the bargaining unit may, at any time, consistent with his/her accumulated seniority, be transferred to the bargaining unit by retaining him/her at work in the department in which he/she was a supervisor or person above the rank of supervisor in accordance with his/her accumulated seniority, or, in the event that he/she does not have sufficient seniority or the qualifications required to move into such department, then by retaining him/her at work in the bargaining unit in accordance with his/her accumulated seniority.

(c) A person other than a supervisor or person above the rank of supervisor who is excluded from the bargaining unit and who was previously employed in the bargaining unit may, at any time, consistent with his/her accumulated seniority, be transferred to the classification and department in which he/she was employed at the time of his/her leaving the bargaining unit and upon such transfer he/she shall be placed upon the seniority lists in accordance with his/her accumulated seniority, or, in the event that he/she does not have sufficient seniority or the qualifications required to move into such department, then by retaining him/her at work in the bargaining unit in accordance with his/her accumulated seniority.
(d) A person other than a supervisor or person above the rank of supervisor who is excluded from the bargaining unit and who was never employed in the bargaining unit may be transferred to the bargaining unit only if no employee is on layoff and when such a transfer takes place he/she shall be placed upon the seniority lists in accordance with his/her accumulated seniority after he/she has completed employment to the extent of ninety (90) days within any period of twelve (12) consecutive months.

13.02 For employees hired or rehired on or after December 1, 1976, the following provisions of this section 13.02 will apply:

(a) An employee who has attained seniority and is employed in a classification subject to the jurisdiction of the union, who is promoted to a supervisory position, and is thereafter transferred or demoted to a classification subject to the jurisdiction of the union, shall accumulate seniority while working in a supervisory position, for any period prior to November 24, 1979, and when so transferred or demoted shall commence work in a job generally similar to the one he/she held at the time of his/her promotion with the seniority ranking he/she had at the time of his/her promotion plus the seniority accumulated while he/she was working in the supervisory position, for any period prior to November 24, 1979.

(i) Notwithstanding the above, a seniority employee promoted to a supervisory position as a vacation replacement on or after October 22, 1979, shall continue to accumulate seniority for a period not to exceed six (6) months.

(b) An employee who has attained seniority and is employed in a classification subject to the jurisdiction of the union, who is transferred to a classification excluded from the bargaining unit, and is thereafter transferred to a classification subject to the jurisdiction of the union, shall accumulate seniority while working on the excluded classification and when so transferred shall commence work in a job generally similar to the one he/she held at the time of his/her transfer, with the seniority ranking he/she had at the time of his/her transfer, plus the seniority accumulated in accordance with the provisions of section 13.02 (b) (ii) below while he/she was working on the excluded classification. No employee shall be transferred under this section 13.02 (b) at a time when any employee having the right to be recalled from layoff is on layoff from the bargaining unit. An employee hired directly to an excluded classification shall acquire no seniority rights under this agreement.

(ii) A seniority employee who has been transferred to an excluded classification prior to October 22, 1979, shall continue to accumulate seniority while working in an excluded classification. A seniority employee who is transferred to an excluded classification on or after October 22, 1979, will not accumulate seniority while working in an excluded classification.

(c) The provisions of section 13.01 shall continue to apply to all employees other than those referred to in section 13.02.

13.03 For the purposes of this article 13, "accumulated seniority" means:

(a) in the case of persons employed at Bramalea on October 13, 1965, the seniority to which the employee would be entitled under the provisions of this agreement calculated as if all his/her service with the company prior to October 16, 1982 had been in the bargaining unit; and

(b) in the case of persons not employed at Bramalea on October 13, 1965, the seniority to which the employee would be entitled under the provisions of this agreement calculated as if all his/her service with the company at Bramalea prior to October 16, 1982 had been in the bargaining unit.

13.04 Whenever "bargaining unit" is referred to in this article 13 it shall be deemed to include any bargaining unit at Bramalea which was described in predecessor agreements between the company and the union. A person who, prior to the existence of the bargaining unit at Bramalea, was promoted to a supervisory position or transferred to a position which would have resulted in his/her exclusion from the bargaining unit if one had existed at that time, shall be considered to have been promoted or transferred from the bargaining unit if he/she would have been included in the bargaining unit had it existed at the location where he/she was employed at the time of his/her promotion or transfer.

13.05 If an employee be transferred from one (1) department to another, he/she shall incur no loss of seniority.

13.06 (a) When an opening occurs in a department, the company shall post a notice to the department for five (5) consecutive working days on the bulletin board used by the department concerned. A copy of each such notice shall be supplied to the committeeperson of the jurisdiction in which the opening has occurred and to the chairperson of the negotiating committee. Any employee within the department may apply for such opening provided that all replies must be submitted to the department manager within five (5) working days from the time of posting. The department manager shall select the senior employee
in the department who makes application hereunder and who has the qualifications required by the company for the efficient performance of the work required, provided that if the opening is one used as training for more responsible work, the department manager shall satisfy him/herself that the employee selected has the merit and ability to be a candidate for further advancement. The job advertising procedure shall apply only to the filling of the initial opening and the opening created by the move of the successful applicant except when the opening created by the move of a successful applicant is for a position which is in a higher salary class than the initial opening, in which case the opening created by such move shall be treated as an initial opening. In the event that further vacancies are created by the move of a successful applicant, the department manager concerned may fill such vacancies in accordance with the other provisions of sections 13.06(a) and (b) without posting notices of opening, provided that preference will be given to the other applicants, if any, for the opening which the aforementioned successful applicant was appointed to fill. The names of employees selected to fill such openings and vacancies will be posted by the company on the said bulletin boards for one calendar week. Openings for salary class 09 or below positions will be filled by company placements and notices will be posted for information purposes only.

(b) For the information of employees in all of the other departments, a copy of each notice of opening posted hereunder shall be posted on the bulletin boards used by such departments and the names of employees selected to fill such openings and vacancies will be posted on such bulletin boards for one (1) calendar week.

(c) If no suitable applicant within the department concerned applies, the department manager will give first consideration to the applications, if any, of other employees and, if none is selected by him/her, shall take such further steps as may be required to fill the opening.

13.07 In the event that the qualifications required by the company for a position in dispute are questioned under the grievance procedure by the employee or employees affected, these qualifications will be fully explained by the company in discussions with the negotiating committee, unless the grievance has been taken up directly with the appropriate representative of management as provided in section 8.02 (b). If, in the opinion of an umpire under the grievance procedure, the factors taken into account by the company in making a selection under the provisions of this article are not pertinent to the qualifications required by the company affecting the position in dispute, then the company’s decision may be overruled by the umpire, in which event the company shall be obligated to reconsider the applications which are submitted for that opening and to make a selection based on those of the factors determined by the umpire to be pertinent to the qualifications required by the company affecting the position in dispute.

13.08 In carrying out the provisions of sections 12.01, 12.10, 12.12, 12.13, 12.14, 12.15, 13.06 and 13.07, the company shall have the right to allocate and reallocate operations among employees performing the same type of duties within the same salary range in each section or department as the case may be.

13.09 (a) In making work assignments among employees within a classification, the department manager shall give consideration to any preferences expressed in writing by employees concerning work assignments and the relative seniority of such employees, in order that employees in each classification may be appropriately assigned from time to time, in accordance with their individual preferences and relative seniority, always having regard to the efficient operation of the department. (b) The preferences to which consideration will be given in any particular case will be those which had been submitted in writing to the department manager prior to the end of the period of two working days during which the notice of opening in the classification concerned had been posted.

(c) The preference which resulted in the reassignment of an employee and any other preferences which had been submitted by him/her will be cancelled upon his/her assignment on the basis of a preference he/she submitted and any preference subsequently submitted by him/her will not be considered in making work assignments during the period of six (6) months following the date of his/her reassignment. This paragraph (c) will not apply in any case where operations which were performed by an employee while on the position he/she occupied prior to having exercised a preference are reassigned to him/her.

(d) The preference submitted by an employee will be cancelled in the event that the employee declines the assignment for which the preference was expressed and any preference for the same assignment subsequently submitted by him/her will not be considered in making work assignments during the period of six (6) months following the date when he/she declined.

13.10 Any proposed promotion (excepting promotions to supervisory positions) or demotion will be first discussed with the committee-person in the jurisdiction concerned.
13.11  (a) An employee included in the bargaining unit shall not be transferred to a position excluded from the bargaining unit unless the employee concerned agrees to such transfer.

(b) The chairperson of the negotiating committee will be notified of the name of any employee included in the bargaining unit who is promoted to a supervisory position.

13.12 Notwithstanding any other provisions of this agreement, if the company transfers any of its office operations from another location to Bramalea, the employee transferred as the incumbent of the position concerned shall, if entitled under section 1.01 to be included in the bargaining unit, be transferred to the bargaining unit to perform the operation concerned, with seniority calculated as if all his/her service with the company had been in the bargaining unit, provided there is no employee on layoff having a greater amount of seniority and the qualifications required by the company for the efficient performance of the work required.

ARTICLE 14
HOURS OF WORK AND OVERTIME

14.01 The normal working hours for each employee consist of eight (8) hours per day and forty (40) hours per week.

14.02  (a) An employee shall receive payment at one and one-half times his/her equivalent hourly rate for all time required to be worked:

(i) in excess of eight (8) hours in any one day provided, however, than an employee shall not receive such payment for such excess time worked if it be less than one-half hour in any one day, or

(ii) on Saturdays, provided, however, that an employee shall not receive such payment for time worked in the minor portion of a shift (not exceeding one-half hour) when such minor portion occurs on a Saturday.

(b) An employee shall receive payment at double his/her equivalent hourly rate for all time required to be worked on Sundays, provided, however, that an employee shall not receive such payment for time worked in the minor portion of a shift (not exceeding one-half hour) when such minor portion occurs on a Sunday.

(c) An employee's equivalent hourly rate shall be calculated by dividing the employee's annual salary by two thousand and eighty (2,080). Subject to the foregoing provisions where an employee is not entitled to overtime payment for periods of less than one-half hour, payment shall be calculated to the nearest tenth of an hour.

14.03  (a) When reasonably practicable, the company shall give twenty-four (24) hours' notice of overtime to employees. Such notice shall also be given to the committeeperson representing the employees concerned, provided he/she is then at work. Whenever it is reasonably possible to do so, he/she shall be notified before the employees concerned, but in any event he/she shall subsequently be provided with written notice of such overtime work.

(b) A committeeperson shall be continued at work when overtime work is available in his/her jurisdiction which he/she is able and willing to do.

14.04  (a) When work is required to be performed during overtime, the company will, insofar as is practicable, assign such overtime work to the employee who usually performs the particular operations required.

(b) When additional employees are required for overtime work to supplement the employees who usually perform the particular operations required, the company will select employees who have the qualifications required for the efficient performance of such work. The company will, insofar as is practicable, rotate such additional overtime among employees within the department concerned who have the required qualifications.

ARTICLE 15
SALARIES

15.01  (a) Effective September 19, 2005 each employee on the active roll shall be granted an increase in base monthly salary of $78.00.

(b) Effective September 19, 2005, but after the application of the general salary increase provided in section 16.01(a), each employee assigned to a position in salary class 11 or above and who is on the active roll shall be granted a special increase in base monthly salary of $66.73.

(c) Effective October 1, 2006, each employee on the active roll shall be granted an increase in base monthly salary of $52.00.

(d) Effective October 1, 2007, each employee on the active roll shall be granted an increase in base monthly salary of $52.00.
(e) For the purpose of applying the provisions of the Retirement Pension Plan, the Supplemental Unemployment Benefit Plan, the Separation Payment Plan, the Automatic Short Week Benefit Plan and Appendix B of this Agreement, the base monthly salary of an employee shall not be increased by the salary increase provided in section 15.01(a) and section 15.01(b) prior to the effective date of this Agreement.

(f) It is understood and agreed that in no instance will the increases in salary provided in this section 15.01 result in an employee receiving a base monthly salary which exceeds the maximum of the applicable salary range.

15.02 (a) To settle the assignment of salary classes for new classifications placed in effect during the life of the agreement the following procedure shall apply: Within thirty (30) days of the introduction of such a new classification, the company will assign a tentative salary class to the classification and notify the union thereof in writing immediately. Negotiations will be held at the local level, but if a satisfactory resolution is not made there, then the matter will be referred to a salary committee of four (4), two (2) appointed by the company and two (2) by the union, who shall consider the matter in the context of the classification and salary class structure in effect at that time. The negotiated salary class, if higher than the temporary salary class, shall be applied retroactively to the date of the establishment of the tentative salary class assigned to the classification except as otherwise mutually agreed.

(b) The procedure described in section 15.02(a) shall also be applied to settle the assignment of salary classes in any case where the company assigns a different salary class to an existing classification.

15.03 (a) Effective September 19, 2005 and thereafter during the period of this Agreement, each employee shall receive a cost-of-living allowance as set forth in this section. The cost-of-living allowance shall not be added to the salary range for any classification, but only to each employee's straight-time earnings. The cost-of-living allowance shall be taken into account in computing overtime and shift premiums, and in determining pay for vacations, holidays, jury duty and bereavement.

(b) Effective with the adjustment scheduled for December 1, 2005, the cost-of-living allowance will be based on the Consumer Price Index published by Statistics Canada (1986 = 100) in accordance with the Letter of Understanding signed by the parties. Continuance of the cost-of-living allowance shall be contingent upon the availability of the Index in its present form and calculated on the same basis as the Index for July, 2005, unless otherwise agreed upon by the parties. If Statistics Canada changes the form or the basis of calculating the Index, and such Index is required to determine the cost-of-living allowance pursuant to the provisions of this agreement, the parties agree to ask Statistics Canada to make available, for the life of this agreement, a monthly Index in its present form and calculated on the same basis as the Index for July, 2005.

(c) Adjustments during the period of this Agreement shall be made at the following times:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Average of the Consumer Price Indexes for Based Upon Three-Month</th>
<th>of Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 1, 2005</td>
<td>August, September, October, 2005.</td>
<td></td>
</tr>
<tr>
<td>First pay period beginning on or after March 1, 2006 and at three-calendar-month intervals thereafter to June 1, 2008</td>
<td>November, December, 2005 and January, 2006 and at intervals thereafter to February, March and April, 2008.</td>
<td></td>
</tr>
</tbody>
</table>

(d) (i) Effective September 19, 2005, and until November 30, 2005, the cost-of-living allowance shall be $8.67 per month.

(ii) Effective December 1, 2005 and for the next three (3) three-month periods as provided in section 15.03(c), the cost-of-living allowance shall be in accordance with the following table:

<table>
<thead>
<tr>
<th>Three-Month Average Canadian Consumer Price Index</th>
<th>Cost-of-living Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>162.7 or less</td>
<td>None</td>
</tr>
<tr>
<td>162.8</td>
<td>$3.46 per month</td>
</tr>
<tr>
<td>162.9</td>
<td>$6.93 per month</td>
</tr>
<tr>
<td>163.0</td>
<td>$8.67 per month</td>
</tr>
<tr>
<td>163.1</td>
<td>$10.40 per month</td>
</tr>
<tr>
<td>163.2</td>
<td>$13.87 per month</td>
</tr>
</tbody>
</table>
and so forth with a $1.73 adjustment for each .058 change in the Average Index until August 31, 2008. All adjustments will be calculated in accordance with the Letter of Understanding signed by the parties.

(e) (i) In the event that Statistics Canada does not issue the appropriate Consumer Price Index on or before the beginning of one of the pay periods referred to in section 15.03(c), any adjustment in the cost-of-living allowance required by such appropriate Index shall be effective at the beginning of the first pay period after the Index has been officially published.

(ii) No adjustment, retroactive or otherwise, shall be made in the amount of the cost-of-living allowance due to any revision which may later be made in the published figures used in the calculation of the Canadian Consumer Price Index published by Statistics Canada, as applicable, for any month or months on the basis of which the cost-of-living allowance has been determined.

(f) The amount of the cost-of-living allowance payable under the provisions of this section will be paid in the following manner:

(i) The amount due for hours paid at straight time will be accumulated and paid quarterly. Payment will be made in the first pay day following the end of each quarterly period.

(ii) The amount due for hours worked at overtime premiums and the amount that results from the inclusion of the cost-of-living allowance in computing shift premiums, will be paid at the time the premium payment is made.

(g) Effective September 19, 2005, but after the application of the salary increase provided in section 15.01(a) and 15.01(b), $280.81 shall be deducted from the $289.43 cost-of-living allowance in effect immediately prior to that date and $280.81 shall be added to the base monthly salary of each employee on the active roll.

15.04 (a) An employee shall receive a special premium payment of:

(i) 5% of his/her earnings, including overtime premium and cost-of-living allowance, for the performance of work commenced on or after 10:30 a.m. but before the following 7:00 p.m.

(ii) 10% of his/her earnings, including overtime premium and cost-of-living allowance, for the performance of work commenced on or after 7:00 p.m. but before the following 5:00 a.m.

(b) An employee’s equivalent hourly rate shall be calculated by dividing the employee’s annual salary by two thousand and eighty (2,080).

15.05 (a) When death occurs in an employee’s immediate family (that is, current spouse; parent or stepparent; grandparent; parent, stepparent or grandparent of current spouse; child or stepchild; brother, half-brother or stepbrother; sister, half-sister or stepsister; grandchild; son-in-law or daughter-in-law) a seniority employee, on request, will be excused for any three (3) regularly scheduled working days, or any four (4) regularly scheduled working days in the case of the death of an employee’s current spouse, parent, child, brother, or sister (or for such fewer days as the employee may be absent) during the three (3) days, or four (4) days in the case of the death of the employee’s current spouse, parent, child, brother, or sister (excluding holidays defined in section 16.01, Saturdays and Sundays) immediately following the date of death provided appropriate documentation regarding the death is submitted to the company. In the event a member of the employee’s immediate family as above defined dies while in the active service of the Canadian Armed Forces, the employee may, should the funeral be delayed, have his/her excused absence from work delayed until the period of three (3) or four (4) normally scheduled working days which includes the date of the funeral.

(b) No deduction will be made from the regular salary of an employee excused from work under this section, but the employee will not receive shift premiums or any other extra payment for time that he/she might have worked if he/she had been present during the time he/she was excused.

15.06 An employee who is summoned to and reports for jury duty (including coroner’s juries and duty required in connection with the Ontario Public Institution Inspection Act) as prescribed by applicable law (subject to the eligibility requirements set out below), will be paid by the company the difference between the daily jury duty fee paid by the court (not including travel allowances or reimbursement of expenses) and his/her regular salary (that is, base salary plus cost-of-living allowance but excluding shift premiums or any other extra payment) for the time, excluding overtime, that he/she otherwise would have been scheduled to work. In order to receive payment under this section an employee must meet all of the following eligibility requirements:

(a) The employee shall have attained seniority as of the date of commencement of the jury duty.

(b) The employee shall have given prior notice to the company that he/she has been summoned for jury duty.
The employee shall furnish satisfactory evidence to the company that he/she reported for or performed jury duty on the days for which he/she claims payment.

The employee would otherwise have been scheduled to work for the company on the day for which he/she claims payment.

ARTICLE 16
HOLIDAY PAY PLAN

16.01 (a) Any employee who performs authorized work on the day of observance of any of the following holidays:
    Good Friday, the Monday after Easter, the Friday before Victoria Day, Victoria Day, Canada Day, Civic Holiday, the Friday before Labour Day, Labour Day, Thanksgiving Day, and for the year 2005, December 26, 27, 28, 29 and 30; and for the year 2006, January 2 and December 25, 26, 27, 28 and 29; and for the year 2007, January 1 and December 24, 25, 26, 27, 28 and 31; and for the year 2008, January 1 shall be paid for each hour of authorized work performed on such day at double his/her equivalent hourly rate, provided, however, that an employee shall not receive such payment for time worked in the minor portion of a shift (not exceeding one-half hour) when such minor portion occurs on any such day.

(b) An employee’s equivalent hourly rate shall be calculated by dividing the employee’s annual salary by two thousand and eighty (2,080). Payment shall be calculated to the nearest completed tenth of an hour.

(c) Specific authorization by the company shall be required for all work performed on the day of observance of one of the above holidays in order that the employee may be eligible for holiday pay.

(d) In computing salary payments with respect to any of the holidays defined in this article 16 for an employee who does not perform work on such holiday, the appropriate special premium payment provided in section 15.04 will be included, provided the employee would have been entitled to receive such payment if the day had not been observed as a holiday, and provided further that, in order to be eligible for the special payment provided in section 15.04, the employee must have performed work either on the last scheduled working day before the holiday, or on the next scheduled working day after the holiday.

16.02 Each of the above holidays shall be observed on the day upon which it falls unless otherwise declared by the Government of Canada or the Province of Ontario, except as otherwise agreed between the company and the union.

ARTICLE 17
VACATION WITH PAY PLAN

17.01 Employees will be granted annual vacation with pay in accordance with the following provisions:

(a) An employee who was on the active roll of the company as of December 1 of the preceding year and who had twenty (20) or more years’ seniority as of that date shall be entitled to a paid vacation of forty (40) days during the current calendar year.

(b) An employee who was on the active roll of the company as of December 1 of the preceding year and who had ten (10) but less than twenty (20) years’ seniority as of that date shall be entitled to a paid vacation of thirty-five (35) days during the current calendar year.

(c) An employee who was on the active roll of the company as of December 1 of the preceding year and who had three (3) but less than ten (10) years’ seniority as of that date shall be entitled to a paid vacation of thirty (30) days during the current calendar year.

(d) An employee who was on the active roll of the company as of December 1 of the preceding year and who had two (2) but less than three (3) years’ seniority as of that date shall be entitled to a paid vacation of twenty-four (24) days during the current calendar year.

(e) An employee who was on the active roll of the company as of December 1 of the preceding year and who had one (1) but less than two (2) years’ seniority as of that date shall be entitled to a paid vacation of twenty-three (23) days during the current calendar year.

(f) An employee who was on the active roll of the company as of December 1 of the preceding year and who had less than one (1) year seniority as of that date shall be entitled to a paid vacation of eight and one-half (8.5) days during the current calendar year.

(g) An employee who was not on the active roll of the company as of December 1 of the preceding year but who was on the active roll of the company as of June 1 of the current calendar...
year shall be entitled to a paid vacation of one (1) week during the
current calendar year.

(h) The vacation pay of an employee shall be based on
his/her regular salary in effect during the period of his/her vacation.
The appropriate special premium payment provided in section
15.04 will be included in vacation pay, provided the employee
would have been entitled to receive such payment if the period had
not been taken as vacation.

(i) An employee’s vacation shall be taken during the
current calendar year in which it is applicable and at a time agreed
to by his/her supervisor.

(j) If one of the holidays specified in article 16 is
observed by the company on a normal working day (Monday
through Friday, inclusive) during an employee’s vacation, he/she
shall be entitled to an extra day of vacation which shall be added
to the beginning or end of his/her vacation period.

17.02 An employee who leaves the employ of the company
during the current calendar year for any reason, on or after
completion of six (6) months’ continuous service, shall be entitled
to pay in lieu of vacation as follows:

(a) An employee who was on the active roll of the
company as of December 1 of the preceding year and who had
twenty (20) or more years’ seniority as of that date shall be entitled
to forty (40) days’ pay in lieu of vacation if vacation has not already
been taken.

(b) An employee who was on the active roll of the
company as of December 1 of the preceding year and who had
ten (10) but less than twenty (20) years’ seniority as of that date
shall be entitled to thirty-five (35) days’ pay in lieu of vacation if
vacation has not already been taken.

(c) An employee who was on the active roll of the
company as of December 1 of the preceding year and who had
three (3) but less than ten (10) years’ seniority as of that date shall
be entitled to thirty (30) days’ pay in lieu of vacation if vacation has
not already been taken.

(d) An employee who was on the active roll of the
company as of December 1 of the preceding year and who had
two (2) but less than three (3) years’ seniority as of that date shall
be entitled to twenty-four (24) days’ pay in lieu of vacation if
vacation has not already been taken.

(e) An employee who was on the active roll of the
company as of December 1 of the preceding year and who had
one (1) but less than two (2) years’ seniority as of that date shall
be entitled to twenty-three (23) days’ pay in lieu of vacation if
vacation has not already been taken.

(f) An employee who was on the active roll of the
company as of December 1 of the preceding year and who had
less than one (1) year seniority as of that date shall be entitled to
eight and one-half (8.5) days’ pay in lieu of vacation if vacation has
not already been taken.

(g) An employee who was not on the active roll of the
company on December 1 of the preceding year but who was on
the active roll of the company on June 1 of the current year shall
be entitled to one (1) weeks’ pay in lieu of vacation if vacation has
not already been taken.

(h) If an employee who has been paid pay in lieu of
vacation under this section 17.02 during the current year shall
subsequently become entitled to a paid vacation during the current
year, then any necessary adjustment shall be made to ensure that
the employee will not be granted a greater amount of paid vacation
than he/she would have been granted if he/she had not been paid
in lieu of vacation.

17.03 (a) A reinstated employee who is not eligible under the
provisions of sections 17.01 or 17.02 above shall be entitled to a
paid vacation during the current calendar year calculated on the
following basis:

<table>
<thead>
<tr>
<th>Seniority as of December 1 of Preceding Year</th>
<th>Paid Vacation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 Year</td>
<td>1.5 days for each month of active employment in the preceding calendar year up to a maximum of 8.5 days of paid vacation.</td>
</tr>
<tr>
<td>1 but less than 2 years</td>
<td>1.5 days for each month of active employment in the preceding calendar year up to a maximum of 23 days of paid vacation.</td>
</tr>
<tr>
<td>2 but less than 3 years</td>
<td>1.5 days for each month of active employment in the preceding calendar year up to a maximum of 24 days of paid vacation.</td>
</tr>
</tbody>
</table>
Seniority as of December 1 of Preceding Year

Paid Vacation

3 but less than 10 years 2.0 days for each month of active employment in the preceding calendar year up to a maximum of 30 days of paid vacation.

10 but less than 20 years 2.5 days for each month of active employment in the preceding calendar year up to a maximum of 35 days of paid vacation.

20 or more years 3.0 days for each month of active employment in the preceding calendar year up to a maximum of 40 days of paid vacation.

For the purpose of the above calculation, an employee shall be considered to have been in active employment during any month for which he/she received any salary payments from the company.

(b) In the event that a reinstated employee, who is eligible under the provisions of section 17.01(e) or 17.02(e) above, should be entitled to greater benefits under section 17.03(a) above than under section 17.01(e) or 17.02(e), the provisions of section 17.03(a) shall apply.

17.04 In any case where the employee would be entitled to greater benefits under the provisions of this article 17, an employee's vacation and vacation pay shall be calculated on the basis of his/her service as shown on company records instead of his/her seniority.

17.05 If any date referred to in this plan falls on a Saturday, Sunday or holiday, the effective date shall be the first full working day following.

17.06 An hourly employee who is transferred to the salary roll prior to July 2 in any year shall be entitled to a paid vacation during that year as set out in section 17.01 (a), (b), (c), (d) or (e) above, whichever is applicable. His/her seniority with the company prior to his/her transfer shall be counted in computing the period of vacation. Any vacation with pay previously obtained in the current year on an hourly basis by such employee shall be deducted from his/her salary roll vacation. An hourly employee who is transferred to the salary roll on or after July 2 in any year shall be entitled only to the vacation with pay, if any, which he/she would have received during that year as an hourly employee.

17.07 Employees who are eligible for vacation with pay in accordance with the provisions of Section 17.01 will receive a special payment of $1,700.00 on June 30, 2006, June 29, 2007 and June 30, 2008 if they are then on the active roll of the company. Employees who qualify for only a portion of their full vacation with pay entitlement under Section 17.03 shall receive the same proportion of this payment. Employees not on the active roll of the company the date the payment is due but who are subsequently reinstated to the active roll during the current vacation year will be paid the special payment either at the time they take their vacation or at the end of the vacation year.

17.08 This vacation with pay plan is subject to the provisions of "The Employment Standards Act" (Ontario), wherever such provisions provide greater benefits than this plan.

ARTICLE 18

LEAVE OF ABSENCE

18.01 (a) An employee desiring leave of absence shall make application to his/her supervisor. All requests for leave of absence for more than three (3) working days shall be made on forms provided by the company and shall be dealt with by the human resources manager.

(b) Leave of absence not exceeding one (1) year shall be granted to an employee for the time during which he/she is serving a sentence of imprisonment imposed on a conviction arising from the operation or use of a motor vehicle. In the event that an employee should be sentenced to imprisonment following conviction for any other offence, the appropriate local may submit the case to the vice president of human resources for his/her consideration and he/she shall then, at his/her discretion, decide whether any, and if so how much, leave of absence [not exceeding one hundred and twenty (120) days] shall be granted to the employee while serving his/her sentence of imprisonment.

18.02 (a) The president and the financial secretary-treasurer of Local 1324, in the event that they become, and so long as they remain, full-time officers of the union, provided they are employees of the company at the time of their election, shall be granted leave of absence by the company.

(b) An employee of the company who may be come a staff officer or staff representative of the national union shall be granted leave of absence by the company.
(c) An employee who has acquired seniority and who becomes pregnant will on request be granted an extended maternity leave of absence without pay of up to twelve (12) months' duration. An employee granted an extended maternity leave of absence who desires reinstatement at work shall notify the human resources department, in writing, not less than thirty (30) days prior to the date of termination of the extended maternity leave of absence.

(d) An employee having seniority who is elected or selected for a full-time public office which takes him/her from his/her employment with the company will, upon written request, receive a temporary leave of absence for the term of such office, and upon his/her return will be reinstated at work consistent with his/her seniority in the classification and department in which he/she was engaged last prior to his/her leave of absence.

18.03 The applicant for leave of absence shall be notified in writing of the disposition of his/her application as promptly as is reasonably possible after the application is submitted and a record thereof shall be kept in the human resources office.

18.04 Seniority shall accumulate during the period of any leave of absence.

18.05 Upon returning from a leave of absence granted by the company, an employee will be reinstated at work consistent with his/her seniority in the classification and department in which he/she was engaged last prior to his/her leave of absence. In the event that such classification or department, or both, no longer exist, the employee's reinstatement will be in accordance with the provisions of this agreement that would apply if he/she were affected by a reduction of available work in the classification or department, as the case may be, in which he/she was engaged last prior to his/her leave of absence.

ARTICLE 19
SICK LEAVE PAYMENTS

19.01 (a) (i) An employee who is absent from work because of personal illness or injury and who has not attained seniority at the time his/her absence commences shall be paid his/her full salary throughout the first five (5) working days of such absence commencing with the date of the absence; (ii) Effective for absences commencing on or after December 1, 1976, an employee who is absent from work because of personal illness or injury who has attained seniority at the time his/her absence commences shall be paid his/her full salary throughout the first twenty-one (21) working days of such absence commencing with the date of the absence, and 50% of his/her full salary throughout the ensuing forty-two (42) working days of such absence;

(iii) In order to qualify for any payment under (i) and (ii) above, an employee may be required to furnish to the company satisfactory proof of such illness or injury.

(b) More than one illness resulting from the same or a related cause shall be treated as a single illness, unless the employee recovers sufficiently between illnesses to return to work for at least thirty-one (31) calendar days and all absences from work resulting from a single illness shall be accumulated for the purpose of sick leave payments so that an employee shall not be entitled to payment hereunder for a single illness for a longer period of time than that set out above.

19.02 An employee who is entitled to Workers' Compensation Benefits, or disability benefits provided under any Unemployment Compensation Law, and is also eligible for sick leave pay shall be entitled to a total benefit no greater than his/her full monthly salary at date of disability. If the combined amount of his/her sick leave payments and the benefits he/she is eligible for under Workers' Compensation Law and the disability benefits he/she is eligible for under any Unemployment Compensation Law is in excess of his/her full monthly salary at date of disability, he/she shall turn over to the company or the company may withhold an amount equal to such excess.

19.03 The company will provide for all employees to be covered by a disability insurance policy, providing benefits in accordance with the terms of such insurance policy upon expiration of the period during which an employee is entitled to full pay under section 19.01.

19.04 An employee absent from work because of personal illness or injury, where such absence commenced prior to June 1, 1968, shall continue to be subject to the terms of Article 19 of the prior Collective Agreement until the employee has returned to work.
ARTICLE 20
INSURANCE

20.01 For the duration of this Agreement, the Insurance Program shall be that set out in Appendix B and is hereinafter referred to as the "Program". It consists of two parts, each made a part of this Agreement, one known as "Group Life and Disability Insurance" and one known as "Hospital-Surgical-Medical-Drug-Dental-Vision Expense Coverages" or "H-S-M-D-D-V Program".

20.02 The company will pay the contributions due from it for the Program in respect to insurance premiums and subscription rates in accordance with the terms of the Program. The company by payment of its contributions shall be relieved of any further liability with respect to the benefits of the Program. The company shall receive and retain any divisible surplus, credits or refunds or reimbursements under whatever name arising out of the Program.

20.03 The company shall arrange for the administration of the Program, subject to its provisions. The company shall be under no obligation by reason of the Program except in good faith to endeavour to obtain its coverages and to fulfill any other obligations specifically required in this article 20 or in the Program.

20.04 The umpire shall have no jurisdiction over any matter arising under this article 20 or under the Program.

20.05 (a) Except as otherwise specifically provided in the Program, its H-S-M-D-D-V Program provisions shall become effective on September 19, 2005.

(b) Except as otherwise specifically provided in the Program, its Group Life and Disability Insurance provisions shall become effective on September 19, 2005 with respect to employees then at work, and on the first day worked thereafter with respect to other employees. Group Life and Disability Insurance for employees for whom the provisions of the Program shall not have become effective shall be governed by the provisions, conditions, and limitations of the Program as constituted on the date each such employee was last actively at work.

(c) For those to whom they become applicable, the provisions of the Program shall be in lieu of the provisions of the previous programs, and benefits under the Program shall be reduced where benefits received under the previous programs would reduce benefits if they had been received under this Program.

ARTICLE 21
TRANSFER OF OPERATIONS

21.01 If the company transfers any of its office operations from one location to another at Bramalea, then any employee whose job is so transferred shall transfer to the same job at the new location and retain all his/her existing employee benefits within the bargaining unit at Bramalea relating to seniority, pensions, vacations with pay, insurance and holidays.

21.02 If the company transfers any of its office operations from Bramalea to a new location and the transfer does not fall within the terms of section 21.01 above, then any employee whose job is so transferred may at his/her option either transfer to the same job at the new location or exercise his/her existing seniority rights within the Local 1324 bargaining unit from which the transfer is made.

21.03 The employee shall, in writing, notify the human resources department of the company at Bramalea of his/her election, within thirty (30) days of the mailing by the company of a notice to the employee, addressed to him/her at his/her address as recorded with the human resources department of the company, advising him/her that his/her job is to be transferred and of his/her rights of election. If the employee elects to transfer to the same job at the new location, then subject to the laws in force at the new location and to the agreement of the bargaining agent (if any) for an existing bargaining unit of the company at that location, then the employee shall be entitled to retain his/her existing employee benefits relating to seniority, pension, vacations with pay, insurance and holidays.

21.04 Such employee shall, as of the date of transfer to the new location, lose his/her seniority rights at Bramalea. It is understood and agreed that this right of transfer does not apply to any jobs which may be created in the central office of the company in Oakville.

21.05 (a) An employee who is on the active employment roll shall be eligible for a transfer moving allowance if he/she is transferred from one office location of the company to another office location of the company pursuant to section 21.03 provided:

(i) his/her new office location is at least eighty (80) kilometres distant from his/her original office location and he/she moves his/her permanent residence as a result of his/her transfer; and
(ii) he/she files an application for a transfer moving allowance not later than six (6) months after the first day he/she worked at his/her new office location.

(b) Effective for expenses incurred on or after October 7, 2002, the amount of an employee's transfer moving allowance will be the amount shown in the following table:

<table>
<thead>
<tr>
<th>Kilometers Between Office Locations</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>80 - 159</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>160 - 479</td>
<td>$3,300.00</td>
</tr>
<tr>
<td>480 - 799</td>
<td>$3,600.00</td>
</tr>
<tr>
<td>800 - 1,599</td>
<td>$3,900.00</td>
</tr>
<tr>
<td>1,600 or more</td>
<td>$4,200.00</td>
</tr>
</tbody>
</table>

(c) In the event an employee who is eligible to receive a transfer moving allowance under this section is also eligible to receive a moving allowance or its equivalent under any present or future federal or provincial legislation, the amount of transfer moving allowance provided under this section, when added to the amount of moving allowance provided by such legislation, shall not exceed the maximum amount of the transfer moving allowance the employee is eligible to receive under this section.

(d) Only one transfer moving allowance will be paid where more than one member of a family living in the same residence are transferred pursuant to section 21.03.

21.06 (a) In the event of permanent discontinuance of work in the company's offices at Bramalea the union will furnish a list of such laid off employees by classification to the company, and these employees will be given hiring consideration with respect to employment in the bargaining unit represented by Local 240 CAW at the Windsor offices of the company.

(b) An employee who is on the active employment roll will be eligible for a layoff moving allowance if he/she is laid off from one office location of the company (hereinafter called his/her original office location) as a result of a discontinuance of operations or is laid off as a result of a reduction in force, and is offered and accepts an offer of employment at another location of the company (hereinafter called his/her new office location) pursuant to section 21.06 (a) and the preferential placement provision described in the letter exchanged between the company and the union dated October 18, 1993 and if:

(i) his/her new office location is at least eighty (80) kilometres distant from his/her original office location and he/she moves his/her permanent residence as a result of accepting the offer of employment at his/her new office location; and

(ii) he/she had one (1) or more years of seniority on the last day he/she worked at his/her original office location and has not incurred a break in seniority on or prior to the date on which the application is made to the company; and

(iii) he/she files an application for a layoff moving allowance not later than six (6) months after the first day he/she worked at his/her new office location.

(c) Effective for expenses incurred on or after October 7, 2002, the amount of a layoff moving allowance will be the greater of (A) the amount of Separation Payment which would have been paid under The Separation Payment Plan to the applicant assuming that he/she would have been eligible for a Separation Payment as of the date of his/her application for such layoff moving allowance or (B) an amount equal to his/her unused Credit Units under the Supplemental Unemployment Benefit Plan as of the date his/her application is received by the company multiplied by $40.00; provided, however, that such layoff moving allowance will in no event be greater than the amount shown in the following table:

<table>
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<td>$3,900.00</td>
</tr>
<tr>
<td>1,600 or more</td>
<td>$4,200.00</td>
</tr>
</tbody>
</table>

(d) In the event an employee who is eligible to receive a layoff moving allowance under this section is also eligible to receive a moving allowance or its equivalent under any present or future Federal or Provincial legislation, the amount of layoff moving allowance provided under this section, when added to the amount of moving allowance provided by such legislation, will not exceed the maximum amount of the layoff moving allowance the employee is eligible to receive under this section.
(e) A layoff moving allowance will be payable in a lump sum. Any layoff moving allowance payable under this section 21.06 will be paid by the company subject to the terms and conditions specified in section 6.05 (g) (i) (3) of the Supplemental Unemployment Benefit Plan.

(f) The amount received under the provisions of this section 21.06 will be deducted from any Separation Payment that the employee subsequently becomes eligible to receive under the Separation Payment Plan.

(g) Only one (1) layoff moving allowance will be paid where more than one (1) member of a family living in the same residence are relocated pursuant to section 21.06 (a).

ARTICLE 22
NOTICES PURSUANT TO AGREEMENT

22.01 All notices required to be given by either party to the other pursuant to the provisions of this agreement shall be in writing and shall be sufficient if sent by registered mail addressed, if to the union, to:

Local 1324,  
National Automobile, Aerospace, Transportation and General Workers Union of Canada  
(CAW-Canada),  
Brampton, Ontario,

and, if to the company, to:

Human Resources Manager,  
Ford Motor Company of Canada, Limited,  
Brampton, Ontario,

or respectively so addressed if delivered personally to the president or vice president of the local union or to the human resources manager of the company at Bramalea.

ARTICLE 23
TERMINATION

23.01 (a) This agreement shall become effective as of the September 19, 2005 and shall remain in effect until 11:59 p.m. on the 16th day of September, 2008 or until terminated as provided below, whichever occurs later.

(b) If either party desires to bargain with a view to the renewal, with or without modifications, of this agreement or to the making of a new agreement, such party shall, at least sixty (60) days prior to the 16th day of September, 2008, give written notice to the other party of such desire. Such notice shall, as far as possible, list the subject matter of the proposed changes or modifications but the parties shall have the right to alter the said list before and during bargaining. Within ten (10) days after receipt of such notice the other party shall arrange a conference to bargain on the proposed modifications or changes.

(c) Should no agreement be reached in such bargaining prior to 11:59 p.m. on the 16th day of September, 2008, the parties agree to continue this agreement in operation while such bargaining continues, but in no event in excess of a period of one year therefrom. Bargaining shall be deemed to be continuing until:

(i) either party has notified the other in writing that it considers bargaining to be at an end, and

(ii) the happening of one of the following:

1. Seven (7) days have elapsed after a conciliation board has reported to the Minister of Labour, or

2. Fourteen (14) days have elapsed after the Minister of Labour has released to the parties a notice that he/she does not deem it advisable to appoint a conciliation board, whereupon the agreement shall terminate as of the date of the happening of whichever of (i) or (ii) shall last occur.
ARTICLE 24
RATIFICATION

24.01 The union represents that its membership has duly ratified this agreement and authorized its execution by the union.

IN WITNESS WHEREOF this agreement has been duly signed.

FORD MOTOR COMPANY OF CANADA, LIMITED

By: Stacey Allerton Firth
M. J. Southon
E. C. Kozma
R. M. Derhodge

NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA) AND ITS LOCAL 1324

By: B. Hargrove
J. O'Neil
P. Nash
A. Keeney
R. Monchamp

ARTICLE 25
SUPPLEMENTAL AGREEMENTS

25.01 (a) Simultaneously with the execution of this agreement, the company and the union have agreed upon supplemental agreements and exhibits which are made parts of this agreement as described below:

(i) Supplemental Agreement Concerning Income Maintenance Benefit Plan and Voluntary Termination of Employment Plan
   Exhibit F

   Income Maintenance Benefit Plan
   Exhibit F-1

   Voluntary Termination of Employment Plan
   Exhibit F-2

(ii) Supplemental Agreement Concerning CAW Legal Services Plan
    Exhibit C

    No matter respecting the above Exhibits shall be subject to the grievance procedure established in this agreement.

    (b) In the event of any conflict between the provisions of this agreement and the provisions of the Exhibits referred to in section 25.01, the provisions of the Exhibits shall prevail.
APPENDIX A
ALLOCATION TO JURISDICTIONS OF COMMITTEEPERSONS
(as published from time to time)

APPENDIX B
GROUP LIFE AND DISABILITY INSURANCE
HOSPITAL-SURGICAL-MEDICAL-DRUG-DENTAL-
VISION EXPENSE COVERAGES
(H-S-M-D-D-V PROGRAM)
2005 AGREEMENT – LOCAL 1324
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GROUP LIFE AND DISABILITY INSURANCE

1. Coverages

The following coverages, each as hereinafter described, shall be provided under the company's group insurance contract with London Life Insurance Company (or another reputable insurer or insurers of the company's choice):

(a) life insurance, and
(b) total and permanent disability benefits, and
(c) survivor income benefits, and
(d) accidental death and dismemberment insurance, and
(e) extended disability insurance.

2. Company Contributions

The company shall pay the full premium for the applicable coverage of an employee under the group insurance contract:

(a) for any month he/she receives pay from the company for any time during such month, and
(b) for life insurance provided after the month in which the employee becomes age 65 if he/she is insured at age 65.

The company shall also pay full premium for the applicable coverages for periods during which coverages are continued under section 12 without cost to the employee and shall pay the portions of the premium not covered by employee contributions for periods during which coverages are continued under section 12 by employee contributions.

3. Schedule of Benefits

(a) For employees under age 65:

(1) Life Insurance

The amount of group life insurance shall be an amount equal to 24 times the base monthly salary of each insured employee. Total and permanent disability benefits are based on an amount of life insurance in force and as described in section 8.

(2) Accidental Death and Dismemberment Insurance

The amount of A. D. & D. insurance is equal to the principal amount of life insurance.

(3) Survivor Income Benefits Insurance

For certain eligible survivors, monthly benefits are described in section 9 below.
(4) Monthly Extended Disability Insurance
For eligible insured employees monthly extended disability benefits are in amounts equal to 60% or 50% of base monthly salary as described in section 11 below.

"Base Monthly Salary" to be used in determining life, accidental death and dismemberment, and extended disability benefits, shall, for disabilities commencing or for deaths occurring after the employee has so worked, be:
(i) The employee’s Base Monthly Salary as defined in section 6(a) for employees who last work before October 16, 2006.
(ii) The employee’s Base Monthly Salary as defined in section 6(a), plus the sum of (A) the cost-of-living allowance in effect on October 16, 2006, minus (B) $8.67, for employees who last work on or after October 16, 2006 but before October 16, 2007.
(iii) The employee’s Base Monthly Salary as defined in section 6(a), plus the sum of (A) the cost-of-living allowance in effect on October 16, 2007, minus (B) $8.67, for employees who last work on or after October 16, 2007.

(b) For employees age 65 and older:
(1) Life Insurance - 10 or more Years
If an employee is insured at age 65 and has 10 or more years of creditable service under the Retirement Pension Plan at the end of the month in which he/she attains age 65, his/her Life Insurance shall be continued until his/her death. However, the amount of insurance shall be gradually reduced (at the rate of 2% of the amount in force at age 65) each month after he/she becomes age 65 until an ultimate amount of Life Insurance called "Continuing Group Life Insurance" (CGL) is reached.

The Continuing Group Life Insurance (CGL) amount will be determined by multiplying by 1-1/2% his/her years of creditable service under the Retirement Pension Plan at the end of the month in which he/she attains age 65. This amount will then be multiplied by the amount of Life Insurance in force at age 65.

The reduction of Life Insurance commences at age 65. The minimum amount of CGL is the greater of 15% of Life Insurance in force at age 65 [with ten (10) years of creditable service] or, for deaths occurring on or after September 27, 1999, $5,000.00. If the amount of Life Insurance in force at age 65 is less than $5,000.00, the CGL is the amount of Life Insurance in force at age 65 or $500.00, whichever is greater.

(2) Life Insurance - Less than 10 Years
If an employee remains employed after age 65 but has less than ten (10) years of creditable service under the Retirement Pension Plan, his/her Life Insurance will be continued subject to the reductions described in (1) above. However, if his/her seniority breaks or if he/she is on layoff in excess of twenty-five (25) consecutive months, Life Insurance is discontinued; provided, however, that such an employee attains ten (10) years of creditable service after his/her 65th birthday will have his/her life insurance in force at the end of the month in which he/she attains age 65 reduced and continued as provided in (1) above.

(3) Those Becoming Insured After Age 65
If an employee becomes insured after age 65, the amount of his/her life insurance (until discontinued under the provision of (2) above) will be determined in accordance with the schedule of benefits in Section 3 above, subject to the reductions described in (1) above, as though he/she had been insured since age 65.

(4) Years of Participation
For purposes of (1) and (2) above, years of participation (prior to age 65) in group life and disability insurance, if any, after an employee last ceases active work before age 65, are added to creditable service under the retirement pension plan in determining eligibility for and amounts of continuing group life insurance.

4. Commencement of Coverage
Coverage becomes effective as set forth below, provided the employee (excluding the conditions described in (a) (1) herein) has completed the full employment procedure.

(a) Employees hired or rehired: The first of the month following date employed, except:
(1) that if an employee hired or rehired dies as a result of bodily injuries prior to becoming insured for life insurance, accidental death and dismemberment insurance and survivor income benefits, such insurance coverages shall be provided for such death but only if:
(i) a benefit would be payable for such death under section 10 if such employee were insured at the time of such injuries,
(ii) the bodily injuries are caused solely by employment with the company, and
(iii) the bodily injuries result solely from an accident in which both the cause and result are unexpected and definite as to time and place; and
(2) that extended disability benefit insurance coverages do not commence until the first of the fourth month following date employed for employees hired or rehired.

(b) Employees reinstated: Date of reinstatement, if insured at last termination;

Provided, however, that if accident or sickness keeps him/her from work on the day he/she would otherwise become insured, the insurance does not take effect until the day he/she returns to work.

For an employee who does not make written application before the date that particular coverages otherwise become effective, such coverages become effective on the day he/she makes written application provided he/she is then at work, otherwise on the day he/she returns to work.

Provided, however, that in the event the company otherwise qualifies for a premium reduction under the Employment Insurance Act, coverage will be provided on the date necessary to retain the company’s eligibility for Employment Insurance premium reduction.

5. When Scheduled Amounts of Insurance Change
Changes in the employee's scheduled amounts of benefits as a result of changes in his/her base monthly salary rate will be made as follows:

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<th>If In A</th>
<th>The Change Takes Effect On</th>
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<tr>
<td>January 1</td>
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<td>April 1</td>
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<td>July 1</td>
<td>August 1</td>
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<tr>
<td>October 1</td>
<td>November 1</td>
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</tbody>
</table>

Provided, however, that if accident or sickness keeps him/her from work on the day the change would otherwise be effective, the change does not take effect until the day he/she returns to work.

6. Benefit Payments
(a) General

Life and accidental death and dismemberment claims are paid upon submission of satisfactory proof of death, accident or loss. Survivor income benefits are paid upon continuing proof of eligibility as a survivor. Extended disability benefits are paid to the eligible employee monthly following exhaustion of sick leave payments, subject to receipt of due proof. Reinstated extended disability benefits are paid to an eligible laid-off employee weekly subject to receipt of due proof.

Except for survivor income benefits, benefit payments shall be based upon the employee's base monthly salary (exclusive of shift differentials, overtime, cost-of-living allowance or other extras) on the last day he/she worked preceding death or disability, or if higher, on the scheduled amounts applicable to him/her as described in section 5.

If an employee is assigned a lower rated job because of an occupational disability with a resulting loss in pay, his/her benefit payments shall be based on his/her base monthly salary at the time of injury, during periods while he/she is at work and for which he/she receives weekly workers' compensation for such loss in pay.

(b) Incompetents

If the person to whom a payment is otherwise payable is incompetent or otherwise incapable of giving a valid release, the insurer may withhold payment until a guardian of such person is appointed or, at its option in the case of payments due on a weekly or monthly basis, pay any relative of such person by blood or marriage or any other individual or institution appearing to it to have assumed custody of such person. The liability of the insurer shall be fully discharged to the extent of such payment.

(c) Settlement Options

The amount of any valid life insurance or accidental death and dismemberment insurance claim for death shall be paid in one sum or in a fixed number of monthly or yearly installments for each $1,000 in accordance with the settlement options made available by the insurer.

In the event that provision for payment of such a claim by installments has not been made by the employee prior to his/her death, then such provision may be designated by the beneficiary last named by the employee.

(d) Recovery of Benefit Overpayments

If it is determined that any benefits paid to an employee should not have been paid or should have been paid in a lesser amount, written notice thereof shall be given to such employee and he/she shall repay the amount of the overpayment to the insurer.

If the employee fails to repay such amount of overpayment promptly, the insurer may arrange to recover the amount of the overpayment by making an appropriate deduction or deductions
from any future benefit payment or payments payable to the employee or the company at the insurer's request may make an appropriate deduction or deductions from future compensation payable by the company to the employee.

(e) Subrogation
In the event of any payment to the employee under the Life and Disability Insurance Plan for loss of income for which the employee may have a cause of action against a third party, the trustee of the Ford Group Health Trust (the trustees) the administrator or the company will have their interest subrogated in this regard. This will entitle the trustee, the administrator or the company to be reimbursed for any amount, that the employee recovers for loss of income from the trustees, the administrator or the company which exceeds the employee's actual loss of income.

The employee will execute and deliver such instruments and papers as may be required and do whatever else is necessary to secure such rights. The employee may take no action which may prejudice the subrogation rights.

The subrogation rights referred to above do not apply to an individual plan purchased by the employee specifically for wage loss replacement.

(f) Spouse
Wherever "wife", "husband" or "spouse" is used it shall mean the person to whom the employee is, and has been for at least one year, legally married; or if there is no such wife, husband or spouse, it shall mean the person who has been cohabiting and residing with the employee in a conjugal relationship for an immediately preceding continuous period of at least one year and has been publicly represented by the employee as the employee's spouse.

7. Life Insurance
(a) Benefit
If an employee dies from any cause while insured, the amount for which he/she is insured shall be paid to the person he/she has named as beneficiary. Subject to the provisions of any applicable laws, in the event the last named beneficiary dies before the employee, or if no beneficiary shall have been named, the life insurance will be paid to the employee's spouse, if living; if not living, equally to the employee's surviving children; if none survive, to either the employee's mother or father, or to both equally if both survive; if there are no such survivors, to the executors or administrators of the employee's estate. For the purpose of this section 7 (a) only, the term "spouse" shall include the person to whom the employee had been legally married for less than one (1) year or with whom the employee had been cohabiting and residing with in a conjugal relationship for an immediately preceding continuous period of at least one (1) year, and had been publicly represented by the employee as the employee's spouse.

(b) Beneficiary Designation
Subject to the provisions of any applicable laws, an employee has the right to name the beneficiary of his/her choice, and to change his/her beneficiary at any time. The beneficiary is that designation he/she has last made as indicated on the records of the Insurer.

When the Insurer receives notice of a beneficiary change, the change then relates back to and takes effect as of the date the employee signed such notice, according to the date shown thereon, whether or not he/she is living when the Insurer received such notice, but without prejudice to the Insurer on account of any payment it may have made before receipt of such written notice.

(c) Assignment
Life insurance is not assignable.

8. Total and Permanent Disability Benefits
(a) Benefit
An employee eligible for total and permanent disability benefits can elect to have his/her life insurance paid to him/her in fifty (50) monthly installments at the rate of $20.00 for each $1,000.00 of life insurance for which he/she is insured on the date of commencement of such disability. If an employee returns to work after receiving any such installments, his/her life insurance amount will be reinstated in an amount determined in accordance with the provisions of section 3. If he/she subsequently collects disability installments, they are to stop when their total plus the total of installments paid for any previous disability equals the amount of his/her life insurance in force at the time of the subsequent disability.

(b) Eligibility
To be eligible for total and permanent disability benefits, an employee must:
- Be totally and permanently disabled,
- Be no longer eligible to receive sick leave payments or extended disability benefits; provided, however, an employee
shall not qualify earlier than the completion of the maximum period of eligibility for such benefits by reason of a waiver as provided under section 11 (f).

- Have completed at least a four (4) month period of such disability,
- Have either ten (10) years of creditable service under the retirement pension plan or ten (10) years of participation under group life and disability insurance at the end of the month in which such disability begins,
- Notify the insurer on its prescribed forms within one (1) year from the date premiums on his/her insurance have been paid, and
- Submit to the insurer satisfactory written proof of such disability, as required herein.

The insurer shall reserve the right to require the employee to submit to physical examination by physicians designated by it. An employee shall be deemed to be totally and permanently disabled only if he/she is not engaged in regular employment or occupation for remuneration or profit and on the basis of medical evidence satisfactory to the insurer the employee is found to be wholly and permanently prevented from engaging in regular employment or occupation with the company at the plant or plants where he/she has seniority for remuneration or profit as a result of bodily injury or disease, either occupational or non-occupational in cause.

(c) Benefits Upon Death

If the employee should die before all the monthly installments have been paid, the balance will be paid to his/her beneficiary in a lump sum. If all the installments have been paid, or if the unpaid balance is less than $500.00, his/her beneficiary will receive $500.00.

Payment of total and permanent disability benefits will in no way affect any benefit the employee may be entitled to under the retirement pension plan.

(d) Limitation

An employee does not qualify for total and permanent disability benefits for disability which results from service in the armed forces, unless he/she has been in employment with the company at least 10 years after separation from such service.

9. Survivor Income Benefits

(a) Transition Survivor Income Benefit

If an employee dies while insured for survivor income benefits, leaving one or more survivors, as defined below, the insurer shall begin payment of not more than twenty-four (24) monthly survivor income benefits ("Transition Survivor Income Benefits"), provided at least one of such survivors is living on the first day of the month following the employee's death and then qualifies as his/her survivor, and provided that no waiver of benefits is in force.

Effective October 1, 2002, the amount of the monthly Transition Survivor Income Benefit payable to the eligible class A, class B or class C survivors of employees shall be $750.00 per month for any such benefit payable for months commencing on or after October 1, 2002 but before October 1, 2003 and $775.00 per month for any such benefit payable for months commencing on or after October 1, 2003, except that for any month in which an eligible class A survivor has a dependent child as defined in subsection (a)(2) herein and for any month in which an eligible class B survivor has no parent surviving, the amount of the Transition Survivor Income Benefit shall be $825.00 per month for any such month commencing on or after October 1, 2002 but before October 1, 2003 and $850.00 per month for any such benefit payable for months commencing on or after October 1, 2003.

For months in which two (2) or more eligible class B or class C survivors share a benefit, each survivor's share is computed as a fraction of the benefit that would be paid to him/her as a sole survivor, according to his/her own eligibility for statutory benefits.

The first such benefit is payable on the first day of the month following the employee's death. Thereafter, a monthly survivor income benefit is payable on the first day in each of the next twenty-three (23) months, but if on the first day of any month after the employee's death no person then living qualifies as his/her survivor, no such benefit is payable for that month or any subsequent month.

Survivors are classified and defined as follows:

1. A "Class A Survivor" means the employee's surviving spouse.
2. A "Class B Survivor" means the employee's child who at the employee's death and at the time a survivor income benefit first becomes payable to such child is both unmarried and either (i) under 21 years of age, or (ii) at least age 21 but under age 25 or (iii) totally and permanently disabled at any age over 21; provided, however, that a child under clause (ii) or (iii)
must have been legally residing with and dependent upon the employee at the time of his/her death. A child ceased to be a class B survivor upon marrying, or if not totally and permanently disabled, upon reaching his/her 25th birthday. To qualify as the employee's child, the child must be one of the following:

(i) the employee's own child born prior to the first of the month following the employee's death,

(ii) the employee's legally adopted child or a child with respect to whom he/she had initiated legal adoption proceedings which were terminated by his/her death,

(iii) the employee's step-child who resided with him/her at the time of his/her death.

3. A "Class C Survivor" means the employee's parent for whom he/she had, during the calendar year immediately preceding his/her death, provided at least 50% of such parent's support, if such parent was

(i) the employee's father or mother by blood relationship, or

(ii) the employee's adopting parent.

4. The survivors entitled to each monthly survivor income benefit that becomes payable under this subsection 9(a) shall be determined as follows:

(i) the employee's class A survivor who is living on the first day of a month shall be entitled to the benefit payable for such month;

(ii) if the employee's class A survivor is not living on the first day of a month, persons who qualify on that day as his/her class B survivors, excluding any then deceased, shall be entitled to the benefit payable for that month; two (2) or more such persons share the benefit equally;

(iii) if the employee's class A survivor is not living on the first day of a month and no living person qualifies on that day as the employee's class B survivor, persons who qualify on that day as the employee's class C survivors, excluding any then deceased, shall be entitled to the benefit payable for that month; two (2) such persons to share the benefit equally.

(iv) In any case in which the class A eligible survivor does not receive Survivor Income Benefits because of a waiver under section 9(d), any payments of Transition Survivor Income Benefits to a class B or class C eligible survivor shall be determined as if the deceased class A eligible survivor had not waived such benefits. In no event, however, would any such benefit be paid to a class B or class C eligible survivor for any month for which Transition Survivor Income Benefits would have been payable to the class A eligible survivor except for the waiver or for any month subsequent to twenty-four (24) calendar months after date of death of the insured employee.

(b) Bridge Survivor Income Benefit

There shall also be payable in accordance with the terms and conditions of this subsection to a class A eligible survivor, as defined in subsection (a)(1) above, who is 45 years of age or more on the date of the employee's death, or whose age (to the nearest 1/12) when combined with the employee's years of creditable service under the Retirement Plan, both of which to be determined as of the date of the employee's death, totals 55 or more, and who has received twenty-four (24) monthly payments of the Transition Survivor Income Benefit provided in subsection (a) above, an additional survivor income benefit (hereinafter referred to as a Bridge Survivor Income Benefit). Effective October 1, 2002 the amount of the Bridge Survivor Income Benefit payable to a class A survivor shall be $750.00 per month for any such benefit payable for months commencing on or after October 1, 2002 before October 1, 2003 and $775.00 for any such benefit payable for months commencing on or after October 1, 2003, except that for any month in which the survivor has a dependent child as defined in subsection (a)(2) above, the amount of the Bridge Survivor Income Benefit shall be $825.00 per month for any such month commencing on or after October 1, 2002 but before October 1, 2003 and $850.00 per month for any such month commencing on or after October 1, 2003.

Such benefit shall be paid as follows:

(i) The Bridge Survivor Income Benefit will become payable commencing with the first month following the month for which the 24th monthly payment of the Transition Survivor Income Benefit is paid.

(ii) The Bridge Survivor Income Benefit will cease to be paid immediately upon the occurrence of:

(a) the death of the class A eligible survivor;

(b) the remarriage of the class A eligible survivor or upon such eligible survivor's acquiring a spouse within the meaning of section 6(f).

(c) attainment by class A eligible survivor, age 65, or such lower age at which Old Age Security Benefits become payable under any federal legislation, as now in effect or hereafter enacted or amended;

(d) the commencement of a period covered by a waiver in accordance with (d) below.
(c) Assignment and Attachment
An employee may not assign his/her survivor income benefits and his/her survivors may not assign any monthly survivor income benefit that becomes payable.
To the extent permitted by applicable law, monthly survivor income benefits shall not be subject to attachment or other encumbrance or subject to the debts or liability of any survivor.

(d) Waiver
An eligible class A survivor of an employee may execute a waiver with respect to any right to receive survivor income benefits for any period by completing a waiver form furnished by the company for that purpose, regardless of the date the deceased employee last worked, such waiver being effective the first of the second month following the month in which such waiver is received by the company. No survivor income benefits shall be payable for any period covered by such waiver, provided, however, any month in which a survivor income benefit is not paid because of such waiver shall be counted as if it is a month for which a benefit is paid under (a) above for the purpose of determining the maximum number of monthly transition survivor income benefits. An eligible class A survivor may revoke such a waiver by completing the appropriate form furnished by the company, such revocation being effective with respect to survivor income benefits payable on and after the first of the second month following the month in which such revocation is received by the company.

(e) Proof of Death and Entitlement
Survivor income benefits become payable only if due proof of the employee's death is submitted to the insurer. Payment of each monthly survivor income benefit is subject to the condition that the person claiming the benefit submit to the insurer due proof of entitlement to such benefit.

10. Accidental Death and Dismemberment Insurance
(a) Benefit
If an employee has an accidental bodily injury and dies or incurs any of the other losses described below as a result of, and dies within one year of or incurs any of the other losses within two (2) years of such accident, the employee or his/her designated beneficiary receives the following benefits, provided the employee is insured for this coverage at the time of such injury and at the time of such loss:

<table>
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<tr>
<th>Loss</th>
<th>Benefit</th>
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<tr>
<td>Accidental death or accidental loss of more than one of the following: hand, foot, or sight of an eye. Accidental loss of use of more than one of the following: hand or foot.</td>
<td>Equal to principal amount of life insurance in force.</td>
</tr>
<tr>
<td>Accidental loss of one of the following: hand, foot, or sight of an eye. Accidental loss of use of one of the following: hand or foot.</td>
<td>Equal to one-half principal amount of life insurance in force.</td>
</tr>
</tbody>
</table>

Loss of a hand or a foot means loss by severance at or above the wrist or ankle joint; and loss of sight of an eye means total and irrecoverable loss of sight.

Loss of Use means total and irrecoverable loss of the ability to perform every action the hand or foot was able to perform before the accident occurred, beyond correction by surgical or other means. No benefits will be paid for loss of use if benefits for loss by dismemberment of the same hand or foot are paid or payable as a result of the same accident. Loss of Use will be considered a loss only if it is continuous for one (1) year.

It is further provided, however, that if the loss suffered by an insured employee is such that the employee or his/her estate is entitled to indemnity or compensation under the Workplace Safety and Insurance Act, 1997 or any other workers' compensation laws (but not including flight in an aircraft owned or leased by the company or while traveling outside of Canada or the U.S.A.) the amount payable for such loss shall be twice the amount determined from the above schedule.

(b) Definition of Accidental Injury
Accidental injury is one that occurs directly and solely through external, violent and accidental means.

(c) Examination
In the case of dismemberment or Loss of Use claims, the insurer has the right as often as it may reasonably require to examine the employee at its expense while the claim is pending. It also has the right to make an autopsy, where not forbidden by law, in connection with accidental death claims.
(d) Limitations
No payment shall be made for any loss caused wholly or partly, directly or indirectly, by:

- Disease, or bodily or mental infirmity, or medical or surgical treatment thereof,
- Any infection, except infection caused by an external visible wound accidentally sustained,
- Self-destruction or intentionally self-inflicted injury while sane or insane,
- War, or any act of war, whether declared or undeclared,
- The employee's act of aggression, participation in a felonious enterprise or illegal use of drugs.

The total amount payable on account of more than one of the losses listed in (a) above sustained in any one accident shall not exceed the amount equal to the principal amount of the life insurance in force.

(e) Assignment
Accidental Death and Dismemberment Insurance is not assignable.

11. Extended Disability Benefits
(a) Eligibility for Benefits
An employee who exhausts sick leave payments at full salary under article 19 and who, at the time he/she exhausts such payments and during a continuous period of disability thereafter, is totally disabled as defined in (c)(1) below receives monthly extended disability benefits for the period described in (c) below.

Certain employees not eligible for sick leave payments under article 19 may be eligible for limited benefits as described in section 15.

(b) Amount of Benefit
The extended disability benefit is payable at the rate of 50% of base monthly salary during the first two (2) months of disability benefit payments, 60% of base monthly salary during the following ten (10) months of disability benefit payments and at the rate of 50% of base monthly salary during the balance of the entitlement period. Base monthly salary for purposes of this section shall be the base monthly salary in effect at the commencement of disability, except, with respect to employees last at work on or after November 18, 1984 and prior to September 15, 1987, "base monthly salary" for purposes of establishing extended disability benefits is reduced by $104.00.

Provided, however, that in the event the company otherwise qualifies for a premium reduction under the Employment Insurance Act, the above disability benefit payments (including any payments under article 19) shall not be less than the amount necessary to retain the company's eligibility for Employment Insurance premium reduction.

(1) The "Total Benefits Rule" becomes effective after sick leave payments under article 19 cease and provides that if the total monthly benefits to which an employee is entitled from company and governmental sources (including Workers' Compensation but excluding permanent partial payments for an unrelated work-related disability) exceed the applicable percentage of base monthly salary set out below, the extended disability benefits payable will be reduced by the amount of such excess.

| Retirement Pension Plan Percentage of Creditable Service Base Monthly Salary |
|-----------------|-----------------|-----------------|
| Less than 20 years | 70%             |
| 20 years of more  | 75%             |

(2) Extended disability benefit computations will presume eligibility for and receipt of statutory disability benefits under any existing or future federal or provincial legislation providing for such benefits. Amounts deducted from extended disability benefits on this basis are paid upon presentation of satisfactory evidence that these benefits were applied for and denied; provided, however, that a reduction in extended disability benefits is made in an amount equal to statutory disability benefits (benefits of disabled contributor only) that would have been payable except for refusal to accept vocational rehabilitation services.

No such reduction will be effective during the first twelve (12) months of disability benefit payments.

Effective with respect to benefits payable to an employee:

(i) for the 14th and subsequent months of a disability period on or after April 1, 1971 regardless of when the employee last worked, the amount of the benefit from governmental sources under subsections (b)(1) and (2) above shall not be increased subsequent to the first day for which the reduction under this subsection is effective. If the amount of such an increase is a result of a correction of the original determination of the amount an appropriate adjustment shall be made.
(ii) for disabilities after September 30, 1976, regardless of when the employee last worked, the amount of the benefit payable under the Retirement Pension Plan with respect to the "Total Benefits Rule" is not increased subsequent to the first day for which extended disability benefits are payable, except that the amount of such increase is not disregarded if it represents an adjustment in the original determination of the amount of such benefit.

(iii) last at work on or after November 18, 1984 and prior to September 15, 1987, "base monthly salary", for purposes of the "Total Benefits Rule" referred to in section 11(b)(1) above, shall be reduced by $104.00.

(3) Benefits payable for less than a full calendar month are pro-rated on the basis of the ratio of working days of eligibility to total working days in the month.

(4) The insurance company may require each applicant or recipient of extended disability benefits to certify or furnish verification of the amounts of his/her income from sources listed in (b)(1) above. The amount of any extended disability benefit payments in excess of the amount that should have been paid, after reduction for such other benefits, may be deducted from future extended disability benefits.

(5) Commencing October 1, 2002 and each subsequent October 1 for the term of the agreement, the net monthly Extended Disability Benefit, as determined in accordance with (1) through (4) of this Section 11(b), for any employee receiving such Benefit on that date, will be indexed at a rate of 90% of the annual change in the Consumer Price Index published by Statistics Canada (1986=100) as of the preceding July. The annual change shall be determined by dividing the twelve (12) month average of the Consumer Price Index as of such preceding July by the similar average as of July in the previous year and then deducting 1.0. The maximum Consumer Price Index change, subject to this adjustment, will be limited to 5% in any year. In no event shall an employee in receipt of Extended Disability Benefit at any adjustment date exceed the Extended Disability Benefit applicable to an active employee, in the same classification, as provided in the Schedule of Benefits for employees in Schedule of Benefits section 3(a).

(c) Commencement and Duration of Benefits

(1) Benefits are payable when a disabled employee has exhausted sick leave payments at full salary under article 19, or has exhausted the weekly benefits for which the employee was eligible under the provisions of section 15 below, and is:

(i) under a doctor's care; and

(ii) during the first twelve (12) months of disability, is unable to perform all duties of the employee's occupation; or

(iii) after the first twelve (12) months of disability, for an employee to be deemed totally disabled, by accidental bodily injury or sickness, the employee must either (1) be unable to engage in any gainful occupation for which he/she is reasonably qualified by education, training and experience, or (2) not be engaged in regular occupation or employment for remuneration or profit and be prevented by bodily injury or disease from engaging in any regular occupation or employment with the company at the plant or plants where he/she has seniority.

The requirement that an employee be under a doctor's care shall be deemed to have been met if an employee under treatment for alcohol or drug abuse in a residential or outpatient substance abuse treatment facility approved for benefits under the H-S-M-D Program furnishes the insurance company with certification of disability, provided either by the facility's physician director, or by a physician consultant selected by the facility, based on information furnished by, and upon the recommendation of, the therapist who is supervising the employee's therapy. For such certification to be acceptable, the physician director or physician consultant providing it must be a licensed doctor of medicine.

(2) The minimum period of eligibility for extended disability benefits is twelve (12) months except as noted below. The maximum period during which extended disability benefits may be payable shall be:

(i) in the case of an employee at work on or after November 18, 1984, who has ten or more years of seniority as of the day on which disability commenced, the number of months terminating with the end of the month in which the employee attains age 65; and

(ii) in the case of an employee who has less than ten years of seniority as of the day on which disability commenced, a period equal to the employee's full months of seniority at commencement of disability. In any event, extended disability benefits shall not be payable beyond the date of the employee's death, the first of the second month following the month
in which the employee attains age 65, or the time that he/she no longer satisfies the disability requirement.

For an otherwise eligible employee with less than twelve (12) months continuous service, extended disability benefits will be payable for a period equal to his/her period of employment from date of hire or rehire to date of commencement of disability. In the event that such an employee is confined to a hospital or is in receipt of lost time benefits because of employment with the company under workers' compensation laws or other laws providing benefits for occupational injury or diseases, but excluding specific allowance for loss or 100% of use of a bodily member or permanent partial disability payments for a work-related disability unrelated to the disability for which extended disability benefits are payable benefits will continue to be payable while he/she continued to be so confined or to receive lost time benefits but in no event after twelve (12) months of such benefits (for pregnancy see (g) below) have become payable for the same period of disability. If an employee's return to work with the company is not effective to qualify him/her for a new period of sick leave payments (i.e. an ineffective return to work) or if he/she engages in some gainful occupation or employment other than one for which he/she is reasonably qualified by education, training or experience, his/her satisfying of the disability requirement shall not be deemed to end but his/her extended disability benefit shall be suspended for the period of the ineffective return to work or the period he/she engages in such occupation or employment.

(3) If monthly extended disability benefits payable to an employee who was at work on or after October 1, 1974, and commenced receipt of extended disability benefits on or after October 1, 1975, are discontinued because the employee no longer satisfies the disability requirement, and within two (2) weeks of the effective date of such discontinuance and before the employee returns to work with the company, he/she again becomes disabled so as to satisfy the disability requirement, monthly extended disability benefits are resumed.

(4) For purposes of applying the maximum period for monthly extended disability benefits, a month in which such benefits are partially or wholly offset by benefit payments from sources listed in (b) (1), above, or suspended under (c) (2) above, or not paid between periods of disability under the circumstances described in (c) (3), above, are counted as a full month. Fractions of the first and last month are counted as fractions of a month.

(5) The cumulative total number of months during any previous periods of eligibility for extended disability benefits, regardless of whether for the same or related disabling condition, reduces the maximum number of monthly benefit payments for which the individual is otherwise eligible when extended disability benefits again commence.

(d) Rehabilitation

There is no ineligibility for extended disability benefits because of work which is determined to be primarily for training under a recognized program of vocational rehabilitation.

(e) Proof of Disability

The insurer may require an applicant, as a condition of eligibility, to submit to examinations by a physician designated by it for the purpose of determining his/her initial or continuing disability.

(f) Waiver

An employee may waive irrevocably any right he/she may have to receive extended disability benefits with respect to any period of disability by completing a waiver form furnished by the insurer for that purpose. No extended disability benefits shall be payable for any period of disability covered by such waiver.

(g) Pregnancy

Extended disability benefit shall be payable while an employee is on an authorized pregnancy leave of absence or could be placed on a pregnancy leave of absence by the company in accordance with any pregnancy leave provision of the relevant provincial statutes.

12. When an Employee Stops Working for any Reason Before Age 65

(a) Quit or Discharge

Coverage for an employee whose employment is terminated, except as provided under other subsections of this section 12, shall terminate as follows:

(1) For an employee whose employment is terminated by quitting or being discharged, coverage terminates as of the date he/she quits or is discharged, except that for a discharged former employee who has a grievance pending to protest his/her loss of seniority, coverage terminates as of the end of the month in which employment terminates;

In the case of an employee whose grievance is withdrawn and the employee is undergoing treatment for substance abuse, such employee for the period of treatment, may continue coverage of
Group Life Insurance by paying the premiums listed under schedule II in section 12(l);

(2) For an employee whose employment is terminated for failing to report or overstaying leave, coverage terminates as of the end of the month in which seniority is broken;

(3) For an employee whose employment is terminated for reasons not otherwise provided for in this section 12, coverage shall terminate as of the end of the month in which employment is terminated;

(4) If an employee is suspended or on strike, all the insurance referred to in section 1 will be continued at the sole expense of the company for one (1) month following the month in which the suspension or strike commenced.

Life insurance and survivor income benefits coverages remain in effect for thirty-one (31) days following the employee's last day worked, except that under the circumstances set out in (a)(4) above life insurance and survivor income benefits remain in effect for thirty-one (31) days following the end of the period for which the company has continued such coverages.

(b) Layoff

If an employee is laid off, all of his/her insurance coverages will be continued for one month after the month in which he/she was laid off.

(i) one (1) full calendar month of layoff (for which he/she receives no pay), not to exceed twenty-four (24) months, for each full four weeks of regular benefits to which the employee's credit units would entitle him/her, pursuant to the Supplemental Unemployment Benefit Plan on the basis his/her seniority and the credit unit cancellation base as of the last day worked prior to layoff or, if an employee is initially credited during such layoff with credit units under the SUB Plan his/her entitlement shall be established as of the date such credit units are credited; or

(ii) the number of months of coverage, up to a maximum of twenty-four (24) months, for which he/she would be eligible on the basis of his/her years of seniority as of the last day worked prior to layoff, in accordance with the following table:

<table>
<thead>
<tr>
<th>Year(s) of Seniority on Last Day Worked Prior to Layoff</th>
<th>Maximum Number of Months for Which Coverage will be Provided Without Cost to Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1</td>
<td>0</td>
</tr>
<tr>
<td>1 but less than 2</td>
<td>2</td>
</tr>
<tr>
<td>2 but less than 3</td>
<td>4</td>
</tr>
<tr>
<td>3 but less than 4</td>
<td>6</td>
</tr>
<tr>
<td>4 but less than 5</td>
<td>8</td>
</tr>
<tr>
<td>5 but less than 6</td>
<td>10</td>
</tr>
<tr>
<td>6 but less than 7</td>
<td>12</td>
</tr>
<tr>
<td>7 but less than 8*</td>
<td>13*</td>
</tr>
<tr>
<td>8 but less than 9*</td>
<td>14*</td>
</tr>
<tr>
<td>9 but less than 10*</td>
<td>15*</td>
</tr>
<tr>
<td>10 and over</td>
<td>24</td>
</tr>
</tbody>
</table>

* Applicable to an employee at work on or after November 17, 2002

Such months of coverage under the above formula shall be for months following the last month for which coverages were provided under the first paragraph of this subsection (b). If he/she remains on layoff beyond the period for which coverages are provided hereunder, he/she may continue Life Insurance, Accidental Death and Dismemberment Insurance and Survivor Income Benefit coverage for up to an additional twelve months of layoff by paying the applicable contributions referred to in (l) below.

(c) Leave of Absence (Other Than Sickness or Accident)

If an employee goes on approved leave of absence, except an employee serving in the capacity of National Union Representative, all of his/her insurance coverages will be continued for the first full month of the leave. Throughout the rest of an approved non-medical leave of absence, such an employee can continue all of his/her insurance coverages in force by paying the applicable contributions referred to in (l) below.

If an employee goes on an approved leave of absence in accordance with article 18.02 of the Collective Agreement while serving in the capacity of national union representative, he/she may continue Life and Accidental Death and Dismemberment Insurance and Survivor Income Benefits coverage by paying the applicable contributions referred to in (l) below.
(d) Pregnancy

During the period of an absence due to pregnancy the company will continue all of an employee's insurance coverages in force through the duration of the approved leave.

(e) Leave of Absence Due to Sickness or Accident

In the case of an employee on leave of absence due to sickness or accident, the company will continue all of his/her insurance coverages then in force for a period equal to his/her seniority when such absence commenced; provided however, that if an employee's leave of absence is cancelled because the period of such leave equalled the length of his/her seniority the company shall continue to make contributions for the employee's insurance for any month in which the employee continues to receive extended disability benefits provided under section 13 of the insurance program subsequent to such cancellation. (Extended Disability Insurance terminates when maximum duration of benefits is reached.)

In the event extended disability benefits cease, pursuant to the insurer's medical examination, while an employee's doctor continues to certify to total disability and if the employee remains on leave of absence due to sickness or accident, extended disability shall remain in force but in no case would the duration of benefits exceed the maximum period for which benefits would have been payable at the onset of disability as set forth in section 11(c), Commencement and Duration of Benefits.

If an employee remains continuously and totally disabled beyond the period for which the company pays the entire cost, he/she may continue his/her Life and Accidental Death and Dismemberment Insurance in force by paying the applicable contributions referred to in (l) below.

If an employee is placed on an approved leave of absence due to sickness or accident as a result of a recall from layoff, the company will provide Life and Accidental Death and Dismemberment Insurance and Survivor Income Benefits coverage for any month while he/she remains totally and continuously disabled and on a leave of absence due to sickness or accident on the same basis as if he/she ceased active work because of disability.

If an employee qualifies for, and elects to receive monthly Total and Permanent Disability Benefits, Accidental Death and Dismemberment Insurance is not continued after such benefits begin.

(f) Early and Special Early Retirement

If an employee retires early under the Retirement Pension Plan, the company will continue his/her Life and Accidental Death and Dismemberment Insurance in force to age 65.

(g) Disability Retirement

If an employee retires under the disability retirement provisions of the Retirement Pension Plan, the company will continue his/her life insurance and survivor income benefits coverage until age 65. The company will also continue his/her Accidental Death and Dismemberment Insurance until age 65 unless he/she elects to receive the monthly total and permanent disability benefit.

(h) Uninsured Retirees

An uninsured employee retiring before age 65, under the Retirement Pension Plan without returning to work from layoff or leave of absence shall become insured, if he/she is then under age 65, on the first day of the month following the month in which seniority is broken because of such retirement for the same coverages he/she otherwise could have continued at the time of his/her retirement in the amount he/she had in force while last working. Such coverages shall then be continued as provided in (f) or (g) above.

(i) Termination (Excluding Retirement) Within Five Years of Normal Retirement

If the employment of an employee terminates for any reason (except retirement) within five (5) years of his/her normal retirement date (or earlier, if he/she is still insured within five years of his/her normal retirement date) and he/she has at least five years of creditable service under the Retirement Pension Plan as of the date which precedes by five years his/her normal retirement date, he/she may continue life insurance, survivor income benefits coverage and accidental death and dismemberment insurance until his/her normal retirement date by paying the applicable contributions referred to in (l) below based on the amount of life insurance he/she had in force while working unless terminated for total and permanent disability in which event the company will pay the cost.
(j) **While a Grievance is Pending**

While an employee has a grievance pending to protest his/her loss of seniority from discharge, failure to report or overstaying leave under section 12.07 (b), (c) or (d), or has been suspended, he/she may continue his/her life insurance, survivor income benefits coverage, and accidental death and dismemberment insurance after the last month for which the company has contributed by paying the applicable contributions referred to in (l) below. If he/she is reinstated or his/her period of suspension is reduced, the company will reimburse him/her for premium payments that the company would have paid had he/she remained at work.

(k) **Limitations**

1. **Age**

Contributions, if any, which an employee may make for continuing any of the insurance coverages under any of the situations described in this section 12, may not be continued beyond the month in which he/she becomes age 65. At the end of such month, all insurance other than life insurance terminates and his/her life insurance becomes subject to the provisions of section 3(b).

2. **Work Elsewhere**

No insurance will be continued while an employee is working elsewhere except if he/she qualifies under subsection (f), (g), (h), (i) or (j) of this section, or if he/she is on leave of absence for political office or union business, or for any month for which the company continues coverage without contribution by the employee.

(l) **Payment of Premiums**

In all of the circumstances described in this section (except (a)) the company pays all or part of the premium. An employee must contribute his/her portion of the premium in order to keep his/her insurance in force when required to do so. Monthly contribution required and the amount payable are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Employee Then Contributes</th>
<th>In Accordance with the Appropriate Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Quit or Discharge</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Layoff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Leave of Absence, except Medical &amp; Union Leave</td>
<td></td>
<td></td>
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<tr>
<td>(4) Union Leave of Absence (Local Union)</td>
<td></td>
<td></td>
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<tr>
<td>(5) Union Leave of Absence (National Representatives)</td>
<td></td>
<td></td>
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<tr>
<td>(6) Pregnancy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(7) Medical Leave of Absence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(8) Early &amp; Special Retirement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(9) Disability Retirement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(10) Termination Within 5 Years of Normal Retirement Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(11) While a Grievance is Pending</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Monthly Contribution Rates:
The monthly contribution an employee is required to pay depends upon the insurance coverage in force when he/she ceased work and the kinds of insurance which can be continued.

13. Conversion of Life Insurance
(a) If all of an employee's life insurance terminates after he/she ceases active work but before age 65
   If an employee ceases active work and is eligible for continued insurance beyond the end of the month in which he/she ceased active work, as provided under section 12, his/her group life insurance, including survivor income benefits coverage, will stay in force:
   • thirty-one (31) days following the end of the period for which the company pays the full cost, or
   • if he/she is eligible to continue his/her insurance for an additional period beyond such month, thirty-one (31) days following the end of the month for which premium contributions are paid and accepted, except that Survivor Income Benefits remain in force only as provided in section 12 (g), after he/she retires under the Retirement Pension Plan.
   If an employee ceases active work and is not eligible for continued insurance beyond the end of the month in which he/she ceases active work, as provided under section 12, his/her life insurance, including survivor income benefits coverage, will stay in force 31 days following his/her last day worked.
   During the applicable thirty-one (31) day period, an employee may convert, without medical examination, to any individual policy of life insurance then customarily issued by the insurer, except term insurance (other than term insurance which is limited to a one-year convertible term plan). This is done by making application and paying the required premium to the insurer. The premium for the individual policy will be that required by the class of risk to which the employee belongs, the form and amount of the individual policy, and his/her age. The maximum amount of the individual policy will be equal to the amount of his/her group life insurance, including survivor income benefits in force on the day immediately preceding the thirty-one (31) day period during which he/she can convert to an individual policy. However, the individual policy may be in any lesser amount (minimum $500.00) that he/she selects.
   In determining the maximum amount of individual life insurance to which an employee may convert, the total of all monthly survivor income benefits that would have become payable to his/her survivors under section 9 had he/she died on the day before the 31 day period for converting will be included assuming that persons who would then have qualified as his/her survivors did not become ineligible for such benefits because of marriage or death.

(b) If employment terminates at or after age 65
   An employee may convert to an individual policy of life insurance, without medical examination, as described in subsection (a) above, if his/her employment terminates at or after age 65, except that:
   1. he/she must apply and pay the first premium for the individual policy within thirty-one (31) days following his/her termination date, and
   2. the maximum amount of the individual policy to which he/she may convert is reduced by the amount of continuing group life insurance for which he/she becomes eligible, and
   3. when the individual policy becomes effective, his/her group life insurance remaining in force will be reduced by the amount of such individual policy.
   During the thirty-one (31) day period of converting in accordance with this subsection (b), his/her group life insurance, including survivor income benefits, stays in force, except that survivor income benefits do not stay in force after he/she retires under the Retirement Pension Plan.
14. Termination of Insurance

An employee's insurance under this plan will terminate on the earliest of the following dates:
(a) The date the group insurance contract terminates;
(b) The date of expiration of the period for which the employee's last premium contribution (if any is required) is made;
(c) The end of the month in which the employee is transferred to an ineligible class of employees;
(d) With respect to each insurance coverage, the date the provision of the group insurance contract relating to such insurance coverage terminates;
(e) With respect to accidental death or dismemberment insurance, the date total and permanent disability payments become payable;
(f) The end of the month in which he/she ceases active work unless he/she continues his/her insurance coverages as provided in section 12;
(g) The end of the day on which he/she quits or is discharged unless he/she has a grievance pending to protest the loss of his/her seniority.

15. Reinstatement of Extended Disability Benefits During Layoff

(a) Benefit
The weekly disability benefit shall be equal in amount to the applicable extended disability benefit calculated on the basis of 4.33 weeks per month.

(b) Eligibility Requirement
Extended disability insurance shall be reinstated, subject to the modifications set forth herein, for an employee who:
• becomes wholly and continuously disabled by accidental bodily injury or sickness while on a qualifying layoff as defined in the Ford-CAW Supplemental Unemployment Benefit Plan (SUB Plan) and while insured for life insurance.
• has been eligible for a regular benefit under the SUB Plan, or ineligible solely because of allocation of vacation pay as earnings, or has been employed by another employer, immediately prior to the employee becoming disabled,
• applies for the benefit and furnishes the insurer with satisfactory proof of disability, and with respect to each week for which a benefit is claimed the employee must:
  • be unable to perform all duties of his/her occupation,
  • be under a doctor's care,
  • have to the employee's credit at least a credit unit under the Ford-CAW Supplemental Unemployment Benefit Plan.

The requirement that an employee be under a doctor's care shall be deemed to have been met if an employee under treatment for alcohol or drug abuse in a residential or outpatient substance abuse treatment facility approved for benefits under the H-S-M-D Program furnishes the insurance company with certification of disability, provided either by the facility's physician director, or by a physician consultant selected by the facility, based on information furnished by and upon the recommendation of, the therapist who is supervising the employee's therapy. For such certification to be acceptable, the physician director or physician consultant providing it must be a licensed doctor of medicine.

(c) Payment of Benefits
Benefits start on the first day following the last day for which a regular benefit was payable to the employee if he/she was receiving regular benefits immediately prior to his/her becoming disabled, otherwise on the first day of qualifying disability. No benefit shall be payable beyond the time that the employee no longer satisfies the disability requirement except that, if he/she remains on qualifying layoff under the SUB plan, benefits shall be payable for remaining days in the same week as defined in the SUB plan for which he/she does not receive a regular benefit.

(d) Suspension or Reduction of Benefits
No benefit shall be payable for any week in which:
• the employee receives a sick leave payment or extended disability benefit under section 11 of this program, or
• the Credit Unit Cancellation Base is below the applicable dollar amount at which supplemental unemployment benefit is payable in accordance with the employee's seniority as provided in section 2.04 (b) of the Supplemental Unemployment Benefit Plan.

The benefit for any week shall be reduced by the amount of any disability benefit he/she receives for the same week under a plan financed in whole or in part by another employer, and also by the amount of any employment insurance benefit he/she receives or is eligible to receive for the same week.

(e) Other
Except as specifically modified herein benefits under this section 15 shall be governed by the applicable provisions of section 11.
16. — NOT IN USE —

17. Group Insurance Contract
   A representative of the company and the union will sign and approve a copy of the group insurance contract and any riders or amendments thereto.

18. Informal Procedure for Review of Claims
   The informal procedure for review of denied claims applies to all claims, whether initially denied or denied after some payment has been made.
   1. Group insurance representative to send formal notification letter to any employee whose extended disability payments are denied or terminated.
   2. The letter advising employee of denial of claim will also inform him/her if he/she has any questions regarding the denial they may be referred to the plant group insurance office.
   3. Upon request, the group insurance office will advise what, if anything, the employee can do to support his/her claim.
   4. The employee may request a union representative to discuss the claim with management.
   5. Upon request, a representative of management will review the employee's case with the union representative. At this meeting, there will be furnished to the union representative all the material pertinent to the claim including any detailed explanations of the reason for the denial of the claim.
   6. If after discussion with the management representative, the union representative contests the disposition of the case, he/she can refer the case to the president of the appropriate local or his/her designated representative for discussion with the Manager, Health Insurance Claims Department of Great-West Life Assurance Company. At such time he/she should advise local management of his/her intention. The president of the local will also notify the National Secretary-Treasurer CAW, and the Manager, Personnel Services of the company who will review the case and advise the Manager, Health Insurance Claims Department, Great-West Life of their views which are to be considered by the insurance company in its review of the claim.
   7. If the case is not resolved following discussion with the Manager, Health Insurance Claims Department, Great-West Life Assurance Company, the company and the President of the appropriate local or his/her designated representative will review the case and if they are unable to resolve the case, the company at the request of the union will request a review by a mutually agreed to third party and will incorporate in such request the union's position.
   8. The third party will report to the union and the company its action as the result of such review. The results of this report will be final and binding on the company, the union, the employee, and the insurance carrier.

19. Company-Union Committee
   A committee composed of two members designated by the union and two members designated by the company shall be established to study and evaluate the Group Life and Disability Insurance Program and to make recommendations to the parties to the Collective Agreement regarding implementing pilot programs and making modifications to the program for the purpose of improving the functioning of the program and to reduce costs while continuing to provide the level of the benefits under and consistent with the intent of the program. In the performance of its duties, this committee shall consult and advise with representatives of organizations providing the Group Life and Disability Insurance benefits and services and keep the parties to the Collective Agreement informed with respect to the problems which arise in the operation of the program.
Mr. C. D. Meneghini  
President, Local 1324  
International Union, United Automobile,  
Aerospace and Agricultural Implement  
Workers of America  
P. O. Box 27  
Brampton, Ontario  

Dear Mr. Meneghini:

This will confirm our understanding with respect to proof of claim for extended disability benefits in the case of an employee who (1) is under treatment for alcohol or drug abuse in a residential or outpatient substance abuse treatment facility approved by O.H.I.P. or in an appropriate facility approved by the company's Chief Medical Officer and (2) meets all the conditions of eligibility for extended disability benefits set forth in section 11 of the Group Life and Disability Insurance Program if he/she is deemed to be under a doctor's care.

The company will arrange with the London Life Insurance Company to consider as proof of claim a certification that such an employee is wholly and continuously disabled and unable to perform all duties of his/her occupation, when such certification is provided either by the facility's physician director, or by a physician consultant selected by the facility, based on information furnished by and the recommendation of the therapist who is supervising the employee's therapy. The physician director or physician consultant furnishing such certification shall be a licensed doctor of medicine.

Yours very truly,

FORD MOTOR COMPANY  
OF CANADA, Limited  
R. M. Szostak  
Industrial Relations Manager  
General Parts and Service
Mr. C. D. Meneghini  
President, Local 1324  
International Union, United Automobile  
Aerospace and Agricultural Implement  
Workers of America  
P. O. Box 27  
Brampton, Ontario  

December 1, 1976  

Dear Sir:

The union has stated that they want to avoid the possibility of a problem concerning the extended disability insurance area, i.e. use of company medical officers to terminate an extended disability claim.

The company states that it does not and will not use company doctors to terminate an extended disability claim.

Yours very truly,  

R. M. Szostak  
Industrial Relations Manager  
General Parts and Service  

Mr. J. Whyte  
President, Local 1324  
International Union, United Automobile,  
Aerospace and Agricultural Implement  
Workers of America  
P. O. Box 2067  
Bramalea, Ontario  
L6T 3S3  

October 16, 1982  

Dear Mr. Whyte:

During the 1982 negotiations, the company and the union discussed the benefit levels for employees who became disabled prior to January 1, 1974 and who are eligible for extended disability benefits on October 16, 1982.

The company agreed that, notwithstanding the provisions of section 11(b), an employee who is not entitled to a disability benefit under any existing or future provincial or federal legislation for a month of disability on or after October 16, 1982 shall receive the applicable amount for such month determined in accordance with the Schedule of Benefits in effect at the commencement of the employee's disability increased by $100 and subject to reductions in accordance with subsection (b).

Yours very truly,  

A. D. MacLean  
Industrial Relations Manager  
General Parts and Service
November 18, 1984

Mr. J. Whyte
President, Local 1324
International Union, United Automobile,
Aerospace and Agricultural Implement
Workers of America
P. O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Mr. Whyte:

Effective June 27, 1971, cash sickness benefits were provided under a revision to the Federal Unemployment Insurance Act, Bill C-229, to employees absent from work due to non-occupational illness or pregnancy.

The parties agreed by letter dated January 15, 1973 as follows:

"Subject to conditions remaining as at present, the company will continue to make salary payments and provide disability insurance for all eligible employees as currently provided in Article 19 of the Collective Agreement dated February 1, 1971, notwithstanding the introduction of disability benefits under the Unemployment Insurance Act, 1971, and the present regulations made thereunder, except that disability insurance benefits for pregnancy will not be payable to any such employee eligible for pregnancy benefits under the Act".

It is understood and agreed that the above agreement will continue and be applicable to the Collective Agreement between the parties dated November 18, 1984 except that:

1. In the event the aggregate gross amount of the unemployment insurance pregnancy and or disability benefits an employee would be eligible to receive, by her full and timely compliance at the earliest possible date with the requirements for receipt, during all periods of disability arising out of a pregnancy is less than sixteen times the weekly disability benefit amount established under the insurance program, any difference will be paid to such employee but only for that part of the period of disability for which an unemployment insurance pregnancy and or disability benefit was not payable.

2. The determination of any amount payable hereunder will be made only upon termination of eligibility for payment of the unemployment insurance disability and or pregnancy benefits related to any such pregnancy. Such continuation of salary payments and disability insurance are not to prejudice any right of the company to exercise any of the options provided under the Collective Agreement between the parties dated November 18, 1984 related to federal or provincial cash sickness laws now or hereafter provided.

Yours very truly,

R. M. Szostak
Industrial Relations Manager
General Parts and Service

Concur: M. J. Whyte
Dear Mr. Whyte:

During the 1984 negotiations, the company agreed that, with respect to medical examinations requested by the insurance company in accordance with section 8 (b) and section 11 (e) of appendix ‘B’ to the Collective Agreement, an employee whose residence is located more than sixty-four (64) kilometres from the office where a medical examiner will perform the examination will be reimbursed, upon request, at the rate of eighteen cents (18¢) per kilometre for kilometres actually driven from his residence to such physician’s office and back by the most direct route.

Yours very truly,

R. M. Szostak
Industrial Relations Manager
General Parts & Service

During these negotiations the company and the union discussed a proposal to provide an Integrated Disability Benefit which would incorporate disability benefits now provided under the Pension Plan, the SUB Plan and the Ford Canada Insurance Program. However, there was not sufficient time during these negotiations for the parties to work out the involved details necessary to provide such a benefit.

Therefore, the parties have agreed to study the proposal and, if mutually agreeable, to jointly work out the provisions and procedures necessary to implement an Integrated Disability Benefit under the Ford Canada Insurance Program at the earliest practicable date. The benefit would be provided without disruption of any existing levels of benefits available to employees and retirees.

Yours very truly,

R. M. Szostak
Industrial Relations Manager
General Parts and Service

Concur: M. J. Whyte
Dear Mr. Whyte:

The surviving spouses of employees who elect to take a lump sum pension payment in accordance with the Ontario Pension Benefits Act of 1987, are eligible for a residual monthly pension benefit and would otherwise meet the eligibility requirements for Transition and/or Bridge Benefits under the Group Life and Disability Insurance Program, will be given the option to choose which benefit to receive. Such surviving spouses who choose to receive benefits under the insurance plan will become eligible again to receive the pension benefit following the exhaustion of eligibility for insurance benefits.

Yours very truly,

FORD MOTOR COMPANY
OF CANADA, Limited
R. M. Szostak
Employee Relations Manager
Canadian Parts Sales
& Distribution

Concur: M. J. Whyte

Mrs. R. A. Monchamp
President and Chairperson of the Negotiating Committee –
Local 1324
National Automobile,
Aerospace and Agricultural Implement
Workers Union of Canada (CAW-Canada)
P. O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Mrs. Monchamp:

During the current negotiations, the union requested clarification of the company’s position with respect to the treatment of a surviving spouse in the situation where an employee has been cohabiting with a person of the opposite sex, legally marries such person and the employee subsequently dies prior to meeting the requirement of being legally married for at least one year prior to the death of such employee.

Notwithstanding the provision of article 6(f) of the Group Life and Disability Plan, any continuous period of time the employee and the person of the opposite sex had been cohabiting and residing together, and such person was being publicly represented by the employee as his or her spouse during the period immediately preceding the employee's legal marriage to such person, will be included in the period of time which may be used to satisfy the requirement to be legally married for at least one year prior to the death of the employee.

Yours very truly,
R. M. Szostak
Employee Relations Manager
Canadian Parts Sales
& Distribution

Concur: R. A. Monchamp
Mrs. R. A. Monchamp  
President and Chairperson of the Negotiating Committee –  
Local 1324  
National Automobile, Aerospace,  
Transportation and General  
Workers Union of Canada (CAW-Canada)  
8000 Dixie Road  
Bramalea, Ontario L6T 3J7  

Dear Mrs. Monchamp:  

This will confirm our understanding reached during the current negotiations with respect to certain disability benefits.  
Sickness and Accident Benefits will be provided for those employees who claim total disability due to a sterilization or sterilization reversal procedure on the same basis as for other illness claims.  
Sickness and Accident benefits will also be provided to women who are totally disabled and/or hospitalized due to infertility treatment.  

Yours very truly,  
FORD MOTOR COMPANY OF CANADA, Limited  
R. M. Szostak  
Human Resources Manager  
Parts Operations  

Concur: R. Monchamp  

Mr. B. Hargrove  
National President  
National Automobile, Aerospace,  
Transportation and General Workers  
Union of Canada (CAW-Canada)  
205 Placer Court  
Willowdale, Ontario  
M2H 3H9  

Dear Mr. Hargrove:  

During these current negotiations the union has expressed concern over the income of certain disabled employees.  
To this end the company has agreed to review the current total monthly income of certain disabled employees who are receiving Extended Disability Benefits. The review will include a determination of the total monthly income which will include any company Pension Benefit, Extended Disability Benefit, CPP/QPP Benefits and any Workers' Compensation Benefits received.  
The company agrees to pay to the employee the difference between the total of these benefits and $1,800.00 per month. This amount, the Extended Disability Special Payment, will be effective beginning January 1, 2003 and will be made from the Extended Disability Benefit Plan. This Payment will continue as long as the employee is entitled to Extended Disability.  
It is further understood that the employee will be required to provide either a copy of a current CPP/QPP cheque statement or a signed Authorization to Communicate Information form by July 1, 2003. Failure to provide this documentation will cause the Payment to be discontinued and any overpayment will be recovered.  
Commencing October 1, 2003 and each subsequent October 1, the total of the Extended Disability Special Payment and the net monthly Extended Disability Benefit will be indexed in the same manner as outlined in Section 11 (b)(5).  

Yours very truly,  
FORD MOTOR COMPANY OF CANADA, Limited  
T. P. Hartmann  
Vice President,  
Human Resources  

Concur: R. A. Monchamp
HOSPITAL-SURGICAL-MEDICAL-DRUG-DENTAL-
VISION EXPENSE COVERAGE
(H-S-M-D-D-V Program)

1. Coverages
(a) The company at its sole expense will grant the following plans to all eligible employees and to their eligible dependents as defined in the said plans:
   (1) Hospital and Medical Benefits shall be those provided under the Ontario Health Insurance Plan (O.H.I.P.);
   (2) Supplementary coverage for Semi-Private Hospital Accommodation Benefits as set forth in exhibit VI hereof;
   (3) Prescription Drug Benefits as set forth in exhibit VII hereof;
   (4) Hearing Aid Expense Benefits Program as set forth in exhibit VIII hereof;
   (5) Dental Expense Benefits Program as set forth in exhibit IX hereof;
   (6) Supplementary coverage for Long Term Care Facility Expense Benefits as set forth in exhibit X hereof;
   (7) Prosthetic Appliance and Durable Medical Equipment Expense Benefits Program as set forth in exhibit XI hereof;
   (8) Vision Expense Benefits Program as set forth in exhibit XII hereof.
(b) Enrollment Classifications
   Subject to the provisions of the applicable plans and (b)(2) below, at the employee's option, coverage under this Section 1 may include protection for (i) self only, (ii) self and spouse, or (iii) self and family (including only spouse and eligible children).
   For purposes of this H-S-M-D-D-V section eligible dependents shall include:
      (i) Spouse to whom the employee is legally married, or the person who has been cohabiting and residing with the employee in a conjugal relationship for an immediately preceding continuous period of at least one (1) year, and has been publicly represented by the employee as the employee's spouse. Where more than one 'spouse' exists, the employee shall designate the participant and provide proof of relationship.
   (ii) Eligible children shall include any unmarried child (A) of the employee by birth, legal adoption, or legal guardianship, while such child legally resides with and is dependent upon the employee; (B) of the employee's spouse and who is residing in and a member of the employee's household; (C) as defined in (A) and (B) above but who does not reside with the employee but is the employee's legal responsibility, and for whom the employee provides principal support as defined by the Canadian Income Tax Act, and who was reported as a dependent on the employee's most recent income tax return or who qualifies in the current year for dependency tax status.
   For the purposes of section 2, the term "eligible children" shall also include orphans of employees provided they were covered as a dependent at the time of the employee's death and for as long as they otherwise continue to meet the above criteria or until they become the dependent of someone else.
   A child as defined in (A), (B) or (C) above, is included until the end of the calendar year in which he/she attains age 25, provided he/she is unmarried and in full time attendance at school, and the employee recertifies eligibility annually. A child as defined in (A), (B) or (C) above is covered regardless of age if totally and permanently disabled as defined hereinafter, provided that such child after the end of the calendar year in which the child attains age 19 must be dependent upon the employee within the meaning of the Canadian Income Tax Act and must legally reside with and be a member of the household of the employee. "Totally and permanently disabled" means having any medically determinable physical or mental condition which prevents the child from engaging in substantial gainful activity and which can be expected to result in death or to be of long-continued or indefinite duration.
   No person may be considered a dependent of more than one employee except as provided in (d), Coordination of Benefits for eligible children where both parents work for Ford.
   (c) Third Parties
   It is understood that the provisions herein and in the attached exhibits are agreements between the company and the union and, although they set forth intended arrangements involving third parties, they shall not be relied upon by any such third party as establishing any right against the company or the union.
   (d) Co-ordination of Benefits
A. The H-S-M-D-D-V Program set forth in appendix B of the Collective Agreement provides benefits in full, or a reduced amount which, when added to the benefits payable and the cash value of services provided by any "other plans", will equal 100% of "Allowable Expenses" incurred by the person for whom claim is being made. This provision does not apply during any month in which the individual has paid 50% or more of the cost of the other plan. "Allowable Expenses" include any necessary and reasonable charges for items of expense which are covered in whole or in part under the H-S-M-D-D-V Program set forth in appendix B of the Collective Agreement or the other plan to which this provision applies. "Other plans" include any plan of medical or dental coverage provided by group insurance or other arrangement of coverage for individuals in a group whether or not the plan is insured; provided that such other plan will not be considered a "plan" for the purposes of the Coordination of Benefits provisions during any month for which the individual has paid 50% or more of the cost of that plan.

To administer this provision, and to determine whether the carrier will reduce benefits, it is necessary to determine the order in which the various plans will pay benefits. This will be determined as follows:

1. A plan with no coordination of benefits provision will pay its benefits before a plan which contains such a provision;
2. A plan which covers an individual other than as a dependent will pay its benefits before a plan which covers the individual as a dependent;
3. A plan which covers an individual as a dependent of the covered person with the earliest day and month of birth in the calendar year will pay its benefits first;
4. Where the above do not establish the order of payment, the benefits shall be pro-rated between or amongst the plans in proportion to the amounts that would have been paid under each plan had there been coverage by just that plan.

The carrier may release or obtain any information and make or recover any payments it considers necessary to administer this provision.

B. In cases where both spouses are employed by the company and only for claims incurred while both spouses would otherwise be eligible for company-paid H-S-M-D-D-V Program benefits coverage under their own contract as an employee in accordance with the provisions of section 3 or sections 2 and 5, the coordinated H-S-M-D-D-V Program described under section A above will be provided under the contract of the employee who elects coverage for self and spouse or self and family.

To administer this provision the employee who elects coverage for self and spouse or self and family must enroll his/her spouse for coordinated coverage as an employee on a form provided by the company and the company will advise the carrier concerning the continuing eligibility status of such spouse either as an employee actively on the payroll in accordance with section 3 or as an employee who has ceased to be actively on the payroll in accordance with sections 2 and 5.

C. In cases where both parents of a child, as defined in 1(b)(ii) above, and who are each otherwise eligible for company-paid H-S-M-D-D-V Program benefits coverage under their own contract as an employee in accordance with the provisions of section 3 or sections 2 and 5, the coordinated H-S-M-D-D-V Program described under section A above will be provided, where both parents have enrolled the same child as a dependent for purposes of the H-S-M-D-D-V Program on a form provided by the company. Under this provision, no more than two employees may enroll the same child as their dependent.

(e) Subrogation

In the event of any payment for services under the H-S-M-D-D-V program set forth in appendix B of the Collective Agreement, the carrier will be subrogated to all the covered person's rights of recovery therefor against any person or organization except against insurers on policies of insurance issued to and in the name of the covered person, and the covered person will execute and deliver such instruments and papers as may be required and do whatever else is necessary to ensure such rights. The covered person may take no action which may prejudice the carrier's subrogation rights and all sums recovered by the covered person by suit, settlement or otherwise in payment for services covered under the H-S-M-D-D-V program set forth in appendix B of the Collective Agreement must be paid over to the carrier.

2. Company Contributions

(a) While Employed

The company will make monthly contributions for the following month's coverage on behalf of each subscribing employee while he/she is at work (as defined below) toward the cost of the hospital-surgical-medical-drug-dental-vision hearing aid coverages...
described in section 1 above equal to the full subscription rate of premium charge for the classification or coverage to which the employee shall have subscribed according to his/her enrollment classification.

For purposes of this section, an employee shall be considered "at work" in any month if he/she receives pay from the company for any time during such month, except that, for employees hired or rehired, the company's obligation to make monthly contributions for hospital-surgical-medical-drug coverages will commence with the contribution due for the month as set out in section 3, and for employees terminating, the company's obligation shall be as set out in section 5.

(b) Leave of Absence due to Sickness or Accident

In the case of employees on leave of absence due to sickness or accident or while an employee is receiving extended disability benefits after exhaustion of reinstated Extended Disability Benefits under section 15 of the Group Life and Disability Insurance part of the Program, the hospital-surgical-medical-drug-dental-vision-hearing-aid coverages (but not dental expense coverage for absences commencing prior to September 16, 1979 provided however, that if an employee who continues to be eligible for company-paid hospital-surgical-medical-drug-vision and hearing aid coverages does not have company-paid dental expense coverage as of October 5, 1987 such company-paid dental expense coverage will be reinstated effective with the following month's coverage and continued in accordance with this section 2(b)) referred to in section 1 above will be continued at the sole expense of the company for the benefit of such employees and eligible dependents for a period equal to the seniority of the employee concerned at the time the leave of absence commences, beginning with the month following the month in which the leave of absence begins, provided that the term of the absence continues for so long.

(c) During Layoff

In the case of employees on layoff meeting the conditions of section 1.02 of the Supplemental Unemployment Benefit Plan, the company will make monthly contributions toward the cost of hospital-surgical-medical-drug-dental-vision-hearing aid coverage under section 1 on behalf of each subscriber and his/her eligible dependents, until the end of the month following the month the layoff begins. Thereafter, hospital-surgical-medical-drug-vision-hearing aid coverages (but not dental expense coverage) under section 1 above shall be provided for a laid-off employee and his/her eligible dependents, without cost to the employee during a layoff meeting the conditions of section 1.02 of the Supplemental Unemployment Benefit Plan on the basis of the greater of (i) one full calendar month of layoff (for which he/she receives no pay), not to exceed twenty-four (24) months, for each full four (4) weeks of regular benefits to which the employee's credit units would entitle him/her, pursuant to section 3 of the Supplemental Unemployment Benefit Plan on the basis of his/her seniority and the Credit Unit Cancellation Base as of the last day worked prior to layoff or, if an employee is initially credited during such layoff with credit units under the SUB Plan his/her entitlement shall be established as of the date such credit units are credited, or (ii) the number of months of coverage, up to a maximum of twenty-four (24) months, for which he/she would be eligible on the basis of his/her years of seniority as of the last day worked prior to layoff, in accordance with the following table:

<table>
<thead>
<tr>
<th>Year(s) of Seniority as of Last Day Worked Prior</th>
<th>Maximum Number of Months for Which Coverage Will Be Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1</td>
<td>0</td>
</tr>
<tr>
<td>1 but less than 2</td>
<td>2</td>
</tr>
<tr>
<td>2 but less than 3</td>
<td>4</td>
</tr>
<tr>
<td>3 but less than 4</td>
<td>6</td>
</tr>
<tr>
<td>4 but less than 5</td>
<td>8</td>
</tr>
<tr>
<td>5 but less than 6</td>
<td>10</td>
</tr>
<tr>
<td>6 but less than 7</td>
<td>12</td>
</tr>
<tr>
<td>7 but less than 8*</td>
<td>13*</td>
</tr>
<tr>
<td>8 but less than 9*</td>
<td>14*</td>
</tr>
<tr>
<td>9 but less than 10*</td>
<td>15*</td>
</tr>
<tr>
<td>10 and over</td>
<td>24</td>
</tr>
</tbody>
</table>

* Applicable to an employee at work on or after November 17, 2002

Such months of coverage under the above formula shall be for months following the last month of the employee's coverage for which contributions were made while he/she was at work.

(d) For Retired Employees

The company will make monthly contributions for the following month's coverage on behalf of retired employees (not including a former employee entitled to or receiving a deferred vested pension).
The continued coverage to which retired employees are entitled will be only the hospital-surgical-medical-drug-dental-vision-hearing aid coverages as described above.

The company may, from time to time, request that retired employees attest to the eligibility status of their dependents towards whose coverage the company contributes. If the retired employee fails to comply with such request, the company may reduce the retired employee’s coverage to that of “self only”, unless it can be demonstrated that he/she has an eligible dependent.

(e) For Surviving Spouse

(1) The company will make monthly contributions for the following month’s hospital-surgical-medical-drug-dental-vision care-hearing aid coverage on behalf of (i) the surviving spouse (determined in accordance with article 1.01(r) of the Retirement Pension Plan) of a retired employee as defined in (d) of this section or (ii) a surviving spouse eligible to receive benefits under the Retirement Pension Plan (including for this purpose a surviving spouse who would receive such benefits except for receipt of survivor income benefits under the Group Life and Disability Insurance part of this Program), a surviving spouse of a deceased employee who at the time of his/her death was eligible to retire on an early or normal pension under the Retirement Pension Plan, or (iii) for employee deaths occurring on or after October 5, 1987, a surviving spouse eligible for monthly survivor income benefits provided under the Group Life and Disability Insurance part of this Program for the duration of such eligibility for survivor income benefits and the eligible dependents of any such spouse, for the hospital-surgical-medical-drug-dental-vision-hearing aid coverages provided under section 1 above.

The company may, from time to time, request that such surviving spouses attest to the eligibility status of their dependents towards whose coverage the company contributes. If the surviving spouse fails to comply with such request, the company may reduce the surviving spouse’s coverage to that of “self only”, unless it can be demonstrated that the survivor had an eligible dependent.

(2) Effective for coverage beginning the month following October 5, 1987 all current surviving spouses who continue to be eligible for monthly survivor income benefits provided in section 9 (a) and 9(b) of the Group Life and Disability Insurance part of this program will be eligible for company-paid hospital-surgical-medical-drug-dental-vision-hearing aid expense coverage for the duration of such continuing eligibility for monthly survivor income benefits.

(3) The company will make monthly contributions for hospital-surgical-medical-drug-dental-vision-hearing aid expense coverages provided under section 1 above for a surviving spouse of an employee who was actively at work on or after September 16, 1979 whose loss of life results from accidental bodily injuries caused solely by employment with the company, and results solely from an accident in which the cause and result are unexpected and definite as to time and place; provided, however, such coverage shall not include dental, vision or hearing aid expense coverages if the employee had less than one year of seniority at date of death, and shall terminate upon the remarriage or death of the surviving spouse.

(f) For an employee on leave of absence other than for disability, hospital-surgical-medical-drug-dental-vision-hearing aid coverages will be continued until the end of the month following the month in which the employee was last in active service.

(g) If an employee is cleared to return to work by the company’s medical or employee relations department following a discharge or a layoff but is unable to return to active work due to a subsequent disability the employee will be eligible for reinstatement of company-paid hospital-surgical-medical-drug-dental-vision-hearing aid expense coverage on the first day of the month following the month in which the employee is cleared to return to work. Such reinstated coverage will then be continued from the date of the approved disability leave of absence in accordance with the provisions of section 2(b) above.

3. Commencement of Coverage

(a) An employee hired or rehired shall become eligible:

(1) for hospital-surgical-medical-drug coverages on the first day of the fourth calendar month following the month in which employment commences, subject to the provisions of the applicable plans;

(2) for dental and hearing aid coverages and for vision coverage under section 1 (a) (8) on the first day of the calendar month next following the month in which the employee is actively at work after he/she acquires one year of seniority.
4. Continuation of Coverages

(a) Extended Coverage During Layoff
An employee may continue his/her hospital-surgical-medical-drug-vision-hearing aid coverages (but not dental expense coverage) during layoff without a break in seniority through the twelfth consecutive month following the last month of his/her coverage for which contributions were made by the company under section 2 (a) and 2 (c) above.

(b) Extended Coverage During Leaves
An employee on approved leave of absence, other than for disability, may continue hospital-surgical-medical-drug-dental-vision-hearing aid coverages for up to twelve (12) consecutive months following the last month of coverage for which the company contributed for the employee while in active service, provided the employee's seniority is not broken and contributions for such coverages continue to be made in accordance with subsection (e) herein.

An employee on an approved local union leave of absence, may continue such hospital-surgical-medical-drug-dental-vision-hearing aid coverage during the period of renewed union leaves of absence.

(c) While Grievance Pending
When an employee has a grievance pending to protest loss of seniority from discharge, failure to report or overstaying leave under sections 12.07 (b), (c) or (d), or has been suspended, the employee may continue hospital-surgical-medical-drug-dental-vision-hearing aid coverages while the grievance is pending by paying the full subscription rate or premium charge for such continuation, following the last month for which the company has contributed.

In the case of an employee whose grievance is withdrawn and the employee is undergoing substance abuse treatment, such employee may continue as a member of the group while undergoing such treatment but without contribution from the company. The employee shall contribute the full monthly premium or subscription charge for health care coverages.

(d) Employee Suspended or On Strike
If an employee is suspended or on strike, hospital-surgical-medical-drug-vision-hearing aid coverages (but not dental expense coverage) provided under section 1 will be continued at the sole expense of the company for one (1) month following the month in which the suspension or strike commenced.

(e) Payment for Continuation
An employee continuing coverage under subsections (a), (b) or (c) of this section beyond the period for which contributions were made by the company must pay the full subscription rate or premium charge for such continuation; provided, however, that if an employee who has continued coverage under subsection (c) is reinstated following such loss of seniority, the company will reimburse him/her for all the contributions in respect to coverage hereunder which the company would have made if the employee had remained at work.

5. Termination of Coverage

(a) Hospital-Surgical-Medical-Drug-Dental-Vision-Hearing Aid Coverages.
Hospital-surgical-medical-drug-dental-vision-hearing aid coverages for an employee who quits, shall terminate as of the end of the day employment is terminated.

Hospital-surgical-medical-drug-dental-vision-hearing aid coverages for an employee whose employment is terminated by being discharged, failing to report or overstaying leave, shall terminate as of the last day of the month in which employment is terminated unless such a former employee incurring a break in seniority by being discharged, failing to report or overstaying leave has a grievance pending to protest his/her loss of seniority under section 12.07 (b), (c) or (d), of the Collective Agreement except that, in the case of an employee whose grievance is withdrawn and the employee is undergoing substance abuse treatment, such employee may continue as a member of the group while undergoing such treatment by paying the full subscription rate or premium charge for such continuation. Except as provided above, hospital-surgical-medical-drug-vision-hearing aid coverages shall terminate as of the last day of the month following the month in which an employee was last at work unless continued under section 2 or 4 above.

(b) Dental Expense Coverage
Except for dental expense coverage continued under section 2(b), 2(c), 2(d), 2(e), 4(b) and 4(c), dental expense coverage shall terminate as of the last day of the month in which an employee was last at work, except that (i) for an employee whose employment is terminated by quitting, dental expense coverage shall terminate as of the end of the day in which loss of seniority occurs and (ii) for an employee on a layoff meeting the conditions of section 1.02 of the Supplemental Unemployment Benefit Plan or
for an employee incurring a break in seniority by being discharged, failing to report or overstaying leave who has a grievance pending to protest his/her loss of seniority under article 9 of the collective agreement, dental expense coverage shall terminate as of the last day of the month following the month in which the employee was last at work. Notwithstanding the above, an employee may continue dental expense coverage while on approved local union leave under section 4(b).

6. Availability of Coverage

Any provision as to the coverage to be provided or as to eligibility for coverage or for continuation of coverage hereunder is limited by the availability of such coverage from the plans.

7. Enrollment

An eligible employee or retired employee electing to enroll for applicable coverages must complete an application for the coverages in which he/she elects to participate. A surviving spouse electing to enroll for applicable coverages must complete an application for coverages if the applicable plan so requires.

8. Federal of Provincial Medical, Hospital, Surgical, Prescription Drug, Dental, Vision, Hearing Aid Expense Benefits Laws

(a) (1) The provisions of this H-S-M-D-D-V Program shall not be applicable to employees, former employees (including retired employees), or surviving spouses who are or may become eligible for Medical, Hospital, Surgical, Prescription Drug, Dental, Hearing Aid, Vision Expense Benefits under any federal or provincial law. Compliance by the company with such laws shall be deemed full compliance with the provisions of this H-S-M-D-D-V Program with respect to any such employees, former employees, or surviving spouses eligible for benefits under such laws. If such benefits exceed the benefits provided under the H-S-M-D-D-V Program, the company may require from any such employees, former employees, or surviving spouses such contributions as it may deem appropriate for such excess benefits.

(2) Where the benefits under such laws are on a generally lower level than the corresponding benefits under the H-S-M-D-D-V Program, the company shall, to the extent it finds it practicable, provide benefits supplementary to the governmental benefits to the extent necessary to make the total benefits as nearly comparable as practicable to the benefits provided by the H-S-M-D-D-V Program for employees, former employees, or surviving spouses not subject to such laws.

(b) The provisions of subsection (a) above to the contrary notwithstanding, the company may, wherever the substitution of a private plan is authorized by any such law, modify the provisions of this agreement to the extent and in the respects necessary to secure the approval of the appropriate governing body to substitute the plan provided by the agreement in lieu of any plan provided by such law, and upon such modification and approval as a qualified plan, the company may make the plan provided by the H-S-M-D-D-V Program available to employees, former employees, or surviving spouses subject to such law with such employee, former employee, or surviving spouse contributions as may be appropriate with respect to any benefits under such modified plan which exceed the benefits provided under the agreement.

(c) Medical, Hospital, Surgical, Prescription Drug, Dental, Vision, Hearing Aid Expense Benefits provided employees, former employees (including retired employees), or surviving spouses, under this H-S-M-D-D-V Program may be reduced by the amount of such benefits provided under any federal or provincial law as now in effect or hereafter enacted or amended.

9. Company-Union Committee

A committee composed of two (2) members designated by the union and two (2) members designated by the company shall be established to study and evaluate this H-S-M-D-D-V Program and to make recommendations for the purpose of achieving the maximum coverage and service for those covered by the various hospital-surgical-medical-drug-dental-vision-hearing aid plans for the money spent for such protection. In the performance of its duties, this committee may consult with and seek advice from representatives of the carriers that currently provide services with respect to the H-S-M-D-D-V Program. The committee may also consult with representatives of other companies within the health care industry and may submit recommendations to the company and the CAW and, when agreed to jointly, may commit the parties to implement pilot programs and plan changes. The committee will keep the parties to the Collective Agreement informed with respect to any problems which may arise.
EXHIBIT I
DENTAL EXPENSE BENEFITS PROGRAM

I. Enrollment Classifications

Dental Expense Benefits coverage for an eligible employee, retired employee or surviving spouse shall include coverage for eligible dependents as defined for hospital-surgical-medical-drug coverage provided under the H-S-M-D-D-V Program.

II. Description of Benefits

Dental Expense Benefits will be payable, subject to the conditions herein, if an employee, retired employee, surviving spouse or eligible dependent, while dental expense coverage is in effect with respect to such individual, incurs covered dental expenses.

Effective January 1, 2006, Covered Dental Expenses will be reimbursed based on the Provincial Dental Association and/or Licensed Denture Therapists’ schedule of fees in effect one (1) year prior to the date Covered Dental Expenses are incurred.

III. Covered Dental Expenses

Covered dental expenses are the usual charges of a dentist which an employee, retired employee or surviving spouse is required to pay for services and supplies which are necessary for treatment of a dental condition, but only to the extent that such services and supplies are customarily employed for treatment of that condition, and only if rendered in accordance with accepted standards of dental practice. Such expenses shall be only those incurred in connection with the following dental services which are performed, except as otherwise provided in section VII (B), by a licensed dentist and which are received while insurance is in force. Payments for covered dental expenses performed by a licensed dentist (or a licensed dental hygienist under conditions specified in section VII (B) (1)) shall be based upon the applicable percentage of the lesser of the dentist's usual charge for the service or of the fee specified for the service in the Provincial Dental Association Schedule of Fees as defined in section XIII, but only for the services set forth below, and not for any other services listed in such fee schedule. Provided, however, that in the event no Provincial Dental Association Schedule of Fees is in effect one (1) year prior to the date covered dental expenses are incurred.

Covered Dental Expenses performed by a licensed denture therapist in accordance with section VII (B) (2) shall be based upon the applicable percentage of the lesser of the denture therapist's usual charge for the service or of the fee specified for the service in the Ontario fee schedule for Licensed Denture Therapists as defined in section XIII, but only for the services set forth below, and not for any other services listed in such fee schedule. Provided, however, that in the event no Ontario fee schedule for Licensed Denture Therapists is in effect one (1) year prior to the date such covered dental expenses are incurred, payments under this section III shall be made on the basis of the usual, reasonable and customary charges for the service rendered or supply furnished one (1) year prior to the date covered dental expenses are incurred.

(A) The following covered dental expenses shall be paid at 100% of the dentist's usual charge but not more than the amount specified therefor in the Provincial Dental Association Schedule of Fees:

(1) Routine oral examinations and prophylaxis (scaling and cleaning of teeth), but not more than twice each in any period of twelve (12) consecutive months (except that effective December 1, 1984, it shall be once in any period of nine (9) consecutive months).

(2) Topical application of fluoride, provided that such treatment shall be a covered dental expense only for persons under 20 years of age, unless a specific dental condition makes such treatment necessary.

(3) Space maintainers that replace prematurely lost teeth for children under 19 years of age.


(B) The following Covered Dental Expenses shall be paid at:

(i) 100% of the dentist's or denture therapist's usual charge, or
(ii) 100% of the amount specified therefor in the Provincial Dental Association Schedule of Fees, or when applicable, in the Ontario fee schedule for Licensed Denture Therapists, whichever of (i) or (ii) is less:

1. Dental x-rays, including full mouth x-rays (but not more than once in any period of thirty-six (36) consecutive months), supplementary bitewing x-rays (but not more than once in any period of nine consecutive months) and such other dental x-rays as are required in connection with the diagnosis of a specific condition requiring treatment.

2. Extractions, including those described in section III (C)(4).

3. Oral surgery, including surgery described in section III (C)(4).

4. Amalgam, silicate, acrylic, synthetic porcelain, and composite filling restorations to restore diseased or accidentally injured teeth.

5. General anesthetics and intravenous sedation when medically necessary and administered in connection with oral or dental surgery.

6(a) Treatment of periodontal and other diseases of the gums and tissues of the mouth, including provisional splinting Intra Coronal (ODA Code 43111) and Extra Coronal (ODA Codes 43211, 43231, 43241, 43261, and 43271), Periodontal Appliance (ODA Codes 43611 and 43612) and a Temporomandibular Joint appliance (ODA Codes 43711 and 43712) as an adjunctive periodontal service.

6(b) Periodontal appliances (codes 43611 and 43612) will be covered when provided for the treatment of bruxism (grinding of teeth) and performed by a licensed dentist. Coverage for benefits will be limited to one appliance in any twenty-four (24) month period.

7. Endodontic treatment, including root canal therapy.

8. Injection of antibiotic drugs by the attending dentist.

9. Repair or recementing of crowns, inlays, onlays, bridgework or dentures; or relining or rebasing of dentures more than six (6) months after the installation of an initial or replacement denture, but not more than one relining or rebasing in any period of thirty-six (36) consecutive months.

10. Inlays, onlays, gold fillings, or crown restorations to restore diseased or accidentally injured teeth, but only when the tooth, as a result of extensive caries or fracture, cannot be restored with an amalgam, silicate, acrylic, synthetic porcelain, or composite filling restoration.

11. Porcelain veneers for all covered persons for treatment of the following conditions: amelogenesis imperfecta; Hutchinson’s incisors, and hypo maturation.

12. Pit and fissure sealants for permanent molars for children up to and including age fourteen.

(C) The following covered dental expenses shall be paid at:

(i) 50% of the dentist’s or denture therapist’s usual charge, or

(ii) 50% of the amount specified therefor in the current Provincial Dental Association Schedule of Fees, or when applicable, in the current Ontario fee schedule for Licensed Denture Therapists, whichever of (i) or (ii) is less:

1. Initial installation of fixed bridgework (including inlays and crowns as abutments).

2. Initial installation of partial or full removable dentures (including precision attachments and any adjustments during the six (6) month period following installation).

3. Replacement of an existing partial or full removable denture or fixed bridgework by a new denture or by new bridgework, or the addition of teeth to an existing partial removable denture or to bridgework, but only if satisfactory evidence is presented that:

(a) The replacement or addition of teeth is required to replace one or more teeth extracted after the existing denture or bridgework was installed; or,

(b) The existing denture or bridgework cannot be made serviceable and, if it was installed under this Dental Expense Benefits Program, at least five (5) years have elapsed prior to its replacement; or,
(c) The existing denture is an immediate temporary denture which cannot be made permanent and replacement by a permanent denture takes place within twelve (12) months from the date of initial installation of the immediate temporary denture.

Normally dentures will be replaced by dentures but if a professionally adequate result can be achieved only with bridgework, such bridgework will be a covered dental expense.

(4) Orthodontic procedures and treatment (including related oral examinations) consisting of surgical therapy, appliance therapy, and functional/myofunctional therapy (when provided by a dentist in conjunction with appliance therapy) for covered persons under 21 years of age, provided, however, that benefits will be paid after attainment of age 21 or continuous treatment which began prior to such age.

IV. Maximum Benefit

The maximum benefit payable for all covered dental expenses incurred during any twelve (12) month period commencing October 1, and ending the following September 30, (except for services described in section III (C)(4) above) shall be $2,800.00 effective October 1, 2005 for each individual.

For Covered Dental Expenses in connection with orthodontics including related oral examinations described in section III (C)(4) above, the maximum benefit payable shall be $3,600.00 during the lifetime of each individual, with a maximum of $3,200.00 applicable to covered dental expenses provided after October 1, 2002 but before October 1, 2005.

For services, appliances and supplies provided by a denture therapist under section III (B) and (C), or a Licensed Dental Hygienist under section III (A), the benefit payable shall not exceed the lesser of the dentist's usual charge or the amount specified in the current Provincial Dental Association schedule of fees for such service, appliance or supply.

V. Predetermination of Benefits

If a course of treatment can reasonably be expected to involve covered dental expenses of $200.00 or more, a description of the procedures to be performed and an estimate of the dentist's charges must be filed with the prepayment agency prior to the commencement of the course of treatment.

The prepayment agency will notify the employee and the dentist of the benefits certified as payable based upon such course of treatment. In determining the amount of benefits payable, consideration will be given to alternate procedures, services, or courses of treatment that may be performed for the dental condition concerned in order to accomplish the desired result. The amount included as certified dental expenses will be the appropriate amount as provided in sections III and IV, determined in accordance with the limitations set forth in section VI.

If a description of the procedures to be performed and an estimate of the dentist's charges are not submitted in advance, the prepayment agency reserves the right to make a determination of benefits payable taking into account alternate procedures, services or courses of treatment, based on accepted standards of dental practice. To the extent verification of covered dental expenses cannot reasonably be made by the prepayment agency, the benefits for the course of treatment may be for a lesser amount than would otherwise have been payable.

This predetermination requirement will not apply to courses of treatment under $200.00 or to emergency treatment, routine oral examinations, x-rays, prophylaxis and fluoride treatments.

VI. Limitations

(A) Restorative:

(1) Gold, baked porcelain restorations, crowns and jackets.

If a tooth can be restored with a material such as amalgam, payment of the applicable percentage of the charge for that procedure will be made toward the charge for another type of restoration selected by the patient and the dentist. The balance of the treatment charge remains the responsibility of the patient.

(2) Reconstruction.

Payment based on the applicable percentage will be made toward the cost of procedures necessary to eliminate oral disease and to replace missing teeth. Appliances or restorations necessary to increase vertical dimension or restore the occlusion are considered optional and their cost remains the responsibility of the patient.
(B) Prosthodontics:
   (1) Partial Dentures.
      If a cast chrome or acrylic partial denture will restore the dental arch satisfactorily, payment of the applicable percentage of the cost of such procedure will be made toward a more elaborate or precision appliance that patient and dentist may choose to use, and the balance of the cost remains the responsibility of the patient.
   (2) Complete Dentures.
      If, in the provision of complete denture services, the patient and dentist decide on personalized restorations or specialized techniques as opposed to standard procedures, payment of the applicable percentage of the cost of the standard denture services will be made toward such treatment and the balance of the cost remains the responsibility of the patient.
   (3) Replacement of Existing Dentures.
      Replacement of an existing denture will be a covered dental expense only if the existing denture is unserviceable and cannot be made serviceable. Payment based on the applicable percentage will be made toward the cost of services which are necessary to render such appliances serviceable. Replacement of prosthodontic appliances will be a covered dental expense only if at least five (5) years have elapsed since the date of the initial installation of that appliance under this Dental Expense Benefits Program, except as provided in section III(C)(3) above.

(C) Orthodontics:
   (1) If orthodontic treatment is terminated for any reason before completion, the obligation to pay benefits will cease with payment to the date of termination. If such services are resumed, benefits for the services, to the extent remaining, shall be resumed.
   (2) The benefit payment for orthodontic services shall be only for months that coverage is in force.

(D) Periodontics:
   (1) The following periodontal services will be covered dental expenses only if performed by a Periodontist:
      (a) Gingival Curettage (ODA Code 42111)
      (b) Provisional Splinting Intra Coronal (ODA Code 43111)
      (c) Provisional Splinting Extra Coronal (ODA Codes 43211, 43231, 43241, 43261, 43271)
      (d) Occlusal Equilibration (ODA Codes 43311, 43312, 43313, 43314 and 43319)
      (e) Scaling (ODA Codes 11111 to 11117 and 11119) and Root Planing (ODA Codes 43421 to 43426 and 43429)
      (2) A Temporomandibular Joint (TMJ) appliance (ODA Codes 43711 and 43712) will be a covered adjunctive periodontal service only when performed by a certified dental specialist (i.e.; periodontist, orthodontist, prosthodontist and oral surgeon).

VII. Exclusions

Covered dental expenses do not include and no benefits are payable for:
(A) Charges for services, treatment, appliances and supplies which are specified in the Provincial Dental Association Schedule of Fees but which are not set forth above.
(B) Charges for treatment by other than a dentist, except that (1) scaling or cleaning of teeth and topical application of fluoride may be performed by a licensed dental hygienist if the treatment is rendered under the supervision and guidance of the dentist and (2) a denture therapist licensed under the Ontario Denture Therapists Act, 1974 (or a comparable provider licensed in a province other than Ontario), may provide such services, appliances and supplies as are authorized by his/her license.
(C) Charges for veneers or similar properties of crowns and pontics placed on or replacing teeth, other than the ten upper and lower anterior teeth.
(D) Charges for services or supplies that are cosmetic in nature, including charges for personalization or characterization of dentures.
(E) Charges for prosthetic devices (including bridges), crowns, inlays and onlays and the fitting thereof which were ordered while the individual was not insured for Dental Expense Benefits or which were ordered while the individual was insured for Dental Expense Benefits but are finally installed or delivered to such individual more than sixty (60) days after termination of coverage.
(F) Charges for the replacement of a lost, missing, or stolen prosthetic device.
(G) Charges for failure to keep a scheduled visit with the dentist.
(H) Charges for replacement or repair of an orthodontic appliance.
(I) Charges for services or supplies which are compensable under a Workers' Compensation or Employer's Liability Law.
(J) Charges for services rendered through a medical department, clinic, or similar facility provided or maintained by the patient's employer.
(K) Charges for services or supplies for which no charge is made that the patient is legally obligated to pay or for which no charge would be made in the absence of dental expense coverage.
(L) Charges for services or supplies which are not necessary, according to accepted standards of dental practice, or which are not recommended or approved by the attending dentist.
(M) Charges for services or supplies which do not meet accepted standards of dental practice, including charges for services or supplies which are experimental in nature.
(N) Charges for services or supplies received as a result of dental disease, defect or injury due to an act of war, declared or undeclared.
(O) Charges for services or supplies from any governmental agency which are obtained by the individual without cost by compliance with laws or regulations enacted by any federal, provincial, municipal or other governmental body.
(P) Charges for any duplicate prosthetic device or any other duplicate appliance.
(Q) Charges for any services to the extent for which benefits are payable under any health care program supported in whole or in part by funds of the federal government or any province or political subdivision thereof.
(R) Charges for the completion of any insurance forms.
(S) Charges for prescription drugs.
(T) Charges for oral hygiene and dietary instruction.
(U) Charges for a plaque control program.
(V) Charges for implantology.

VIII. Proof of Loss

The prepayment agency reserves the right at its discretion to accept, or to require verification of, any alleged fact or assertion pertaining to any claim for Dental Expense Benefits. As part of the basis for determining benefits payable, the prepayment agency may require x-rays and other appropriate diagnostic and evaluative materials.

IX. Administrative Manual

Policies, procedures and interpretations to be used in administering Dental Expense Benefits shall be incorporated in an Administrative Manual. Among other things the Manual shall:
(A) Explain the benefits and the rules and regulations governing their payment.

(B) Include administrative practices and interpretations which affect benefits.
(C) Define professionally recognized standards of practice to be applied to benefits and procedures.
(D) List the eligibility provisions and limitations and exclusions of the coverage, and procedures for status changes and termination of coverage.
(E) Provide the basis upon which charges will be paid, including provisions for the benefit payment mechanism and protection of individuals against excess charges.
(F) Provide for cost and quality controls by means of predetermination of procedures and charges, utilization and peer review, clinical post-treatment evaluation and case reviews involving individual consideration of fees or treatment.

X. Prepaid Group Practice Option

The company will make arrangements for employees to be afforded the option to subscribe for dental expense coverage under approved and qualified prepaid group practice plans, instead of dental expense coverage hereunder. An employee who has retired from an area in which the coverage described in this section X is made available to employees shall be given the option to subscribe to the prepaid group practice plan in that area instead of dental expense coverage hereunder; provided, however, that the company's contributions toward coverage under such group practice plans shall not be greater than the amount the company would have contributed for dental expense coverage hereunder.

XI. Definitions

The term "dentist" means a legally licensed dentist practicing within the scope of the dentist's license. As used herein, the term "dentist" also includes a legally licensed physician authorized by the physician's license to perform the particular dental services rendered.

The term "denture therapist" means a denture therapist licensed under the Ontario Denture Therapists Act, 1974, (or a comparable provider licensed in a province other than Ontario), practicing within the scope of the denture therapist's license.
The term "reasonable and customary charge" means the actual fee charged by a dentist or a denture therapist for a service rendered or supply furnished but only to the extent that the fee is reasonable taking into consideration the following:

1. The usual fee which the individual dentist or denture therapist most frequently charges the majority of patients for a service rendered or a supply furnished; and,

2. The prevailing range of fees charged in the same area by dentists or denture therapists of similar training and experience for the service rendered or supply furnished; and,

3. Unusual circumstances or complications requiring additional time, skill, and experience in connection with the particular dental service or procedure.

The term "area" means a metropolitan area, a county or such greater area as is necessary to obtain a representative cross section of dentists rendering such services or furnishing such supplies.

The term "course of treatment" means a planned program of one or more services or supplies, whether rendered by one or more dentists, for the treatment of a dental condition diagnosed by the attending dentist as a result of an oral examination. The course of treatment commences on the date a dentist first renders a service to correct or treat such diagnosed dental condition.

The term "Ontario fee schedule for Licensed Denture Therapists" means the fee schedule specified in section II. The term "Provincial Dental Association Schedule of Fees" means the fee schedule specified in section II.

The term "orthodontic treatment" means preventive and corrective treatment of all those dental irregularities which result from the anomalous growth and development of dentition and its related anatomic structures or as a result of accidental injury and which require repositioning (except for preventive treatment) of teeth to establish normal occlusion.

The term "ordered" means, in the case of dentures, that impressions have been taken from which the denture will be prepared; and, in the case of fixed bridgework, restorative crowns, inlays and onlays, that the teeth which will serve as abutments or support or which are being restored have been fully prepared to receive, and impressions have been taken from which will be prepared the bridgework, crowns, inlays or onlays.

XII. Cost and Quality Controls

The carrier will undertake the following review procedures and mechanisms and report annually to the Joint Health Care Committee.

A. Utilization Review

Analysis of various reports displaying such data as procedure profiles, utilization profiles and covered dental expense benefits payments summaries to evaluate the patterns of utilization, cost trends and quality of care.

B. Price Reviews

Where possible, price reviews or other audit techniques shall be conducted to examine records, invoices and laboratory facilities and materials and to verify that charges for covered persons are the same as for other patients. These examinations may include patient interviews and clinical evaluations of services and supplies received.

C. Evaluation of Services and Supplies Received

On a random or selective basis, covered persons who have received services under dental expense benefits will be selected for subsequent evaluation and examination by consulting providers to ensure that the services and supplies reported were actually provided and were performed in accordance with accepted professional standards.

D. Survey of Services and Supplies Received

On a random or selective basis covered persons who have received services under dental expense benefits may be sent a questionnaire to:

1. determine the level of satisfaction with respect to these services;
2. determine whether services for which dental expense benefits were paid were actually received;
3. determine whether providers recommend unnecessary optional services or supplies; and
4. identify other problem areas.
E. Claims Processing
The carrier may conduct audits of claims being processed such as an analysis of patient histories and screening for duplicate payments in addition to the normal eligibility, benefit and charge verifications.

F. Provider Review
When the carrier or a covered person does not agree with the appropriateness of a service provided or a charge made under dental expense benefits by a dentist practicing in Ontario, the matter may be presented to the Royal College of Dental Surgeons of Ontario (the licensing and regulating body of dentistry) for resolution. Similar matters involving other providers may be referred by the carrier to the appropriate licensing agency or, where operative, to peer review. The carrier will seek to establish peer review where it does not exist.

XIII. Data
The prepayment agency shall furnish the company and the union such information and data as may be mutually agreed upon by the parties with respect to dental expense coverage.

EXHIBIT II
UTILIZATION REVIEW AND COST CONTAINMENT

I. Annual Cost Containment Reports
Each H-S-M-D-D-V carrier shall be required to report annually on its cost containment efforts for the preceding year, including but not limited to (a) a description of its cost containment activities, (b) the results/savings, (c) problems, and (d) plans for the next year. The report shall cover the preceding calendar year and shall be submitted to the company-union committee by May 15 each year. The company-union committee may specify the content or format for such reports.

II. Other Activities
The company-union committee shall investigate, consider and, upon mutual agreement, engage in other activities that may have high potential for cost savings. This may involve instituting by mutual agreement other H-S-M-D-D-V Programs or establishing pilot programs.

III. Review
The results of any activities in I and II, above, would be reviewed prior to the expiration of the collective agreement so that the parties to the agreement may be prepared to consider the continuation or modification of the review programs and other activities of the company-union committee.
EXHIBIT III
HEARING AID EXPENSE BENEFITS PROGRAM

I. Enrollment Classifications

Hearing Aid Expense Benefits coverage for an eligible employee, retired employee or surviving spouse shall include coverage for eligible dependents as they are defined for hospital-surgical-medical-drug expense coverage under the H-S-M-D-D-V program.

II. Description of Benefits

Hearing Aid Expense Benefits will be payable, subject to the conditions herein, if any covered person, as defined in section III (I), while hearing aid expense coverage is in effect with respect to such covered person, incurs covered hearing aid expense.

III. Definitions

As used herein:
(A) "physician" means an otologist or otolaryngologist who is board certified or eligible for certification in the otologist's or otolaryngologist's specialty in compliance with standards established by the respective professional sanctioning body, who is a licensed doctor of medicine legally qualified to practice medicine and who, within the scope of the doctor's license, performs a medical examination of the ear and determines whether the covered person has a loss of hearing acuity and whether the loss can be compensated for by a hearing aid;

(B) "audiologist" means any hospital-affiliated audiology clinic approved by the Ontario Health Insurance Plan, or an equivalent facility in a province other than Ontario. Such clinics shall conduct audiometric examinations and hearing aid evaluation tests for the purpose of measuring hearing acuity and determining and prescribing the type of hearing aid that would best improve the covered person's loss of hearing acuity. The foregoing services shall be performed by a physician or if not a physician, by a person who (1) possesses a master's or doctorate degree in audiology or speech pathology from an accredited university, or (2) possesses a Certificate of Clinical Competence in Audiology from the American Speech-Language-Hearing Association and (3) is qualified in the province in which the service is provided to conduct such examinations and tests. An audiology clinic that is not hospital affiliated may be designated an audiologist by the program carrier, if the carrier determines that (1) such clinic has facilities which are equivalent to the hospital-affiliated clinics described above and (2) audiometric examinations and hearing aid evaluation tests conducted by such clinic are performed only by a physician or by a person described in the third sentence of this section III(B);

(C) "dealer" means any participating person or organization that sells hearing aids prescribed by an audiologist to improve hearing acuity in compliance with the laws or regulations governing such sales, if any, of the province in which the hearing aids are sold;

(D) "participating" means having a written agreement with the program carrier pursuant to which services or supplies are provided under this program;

(E) "hearing aid" means an electronic device worn on the person for the purpose of amplifying sound and assisting the physiologic process of hearing, and includes an ear mould, if necessary;

(F) "ear mould" means a device of soft rubber, plastic or a nonallergenic material which may be vented or nonvented that individually is fitted to the external auditory canal and pinna of the patient;

(G) "audiometric examination" means a procedure for measuring hearing acuity that includes tests relating to air conduction, bone conduction, speech reception threshold and speech discrimination;

(H) "hearing aid evaluation test" means a series of subjective and objective tests by which an audiologist determines which make and model of hearing aid will best compensate for the covered person's loss of hearing acuity and which make and model will therefore
be prescribed, and shall include one visit by the covered person subsequent to obtaining the hearing aid for an evaluation of its performance and a determination of its conformity to the prescription;

(I) "covered person" means the eligible employee, retired employee, eligible surviving spouse and their eligible dependents;

(J) "dispensing fee" means a fee predetermined by the program carrier to be paid to a dealer for dispensing hearing aids, including the cost of providing ear moulds, under this Program;

(K) "covered hearing aid expense" means the charges incurred for hearing aids of the following functional design: in-the-ear, behind-the-ear (including air conduction and bone conduction types), on-the-body, in-the-canal, completely-in-the-canal, digital, programmable and binaural (a system consisting of (2) complete hearing aids) but only if (i) the hearing aid is prescribed based upon the most recent audiometric examination and most recent hearing aid evaluation test and (ii) the hearing aid provided by the dealer is the make and model prescribed by the audiologist and is certified as such by the audiologist;

In order for the charges for a hearing aid as described in section III (K) to be payable as Hearing Aid Expense Benefits under this program, upon each occasion that a covered person receives such a hearing aid the covered person must first obtain a medical examination of the ear by a physician and such examination or such examination in conjunction with the audiometric examination must result in a determination that a hearing aid would compensate for the loss of hearing acuity, in addition, in the case of a binaural hearing aid system, the carrier must determine that such a system is necessary, based upon professionally accepted standards, to compensate adequately for the loss of hearing acuity;

(L) "acquisition cost" means the actual cost to the dealer of the hearing aid.

IV. Benefits

The covered person may obtain:

A. hearing aids that the dealer shall have agreed to furnish covered persons in accordance with the following reimbursement arrangements:
   1. the acquisition cost of the hearing aid; and
   2. the dispensing fee, and

B. repairs of hearing aids from the dealer effective October 5, 1987. If the covered person requests unusual services from the dealer, the covered person shall pay the full additional charge therefore.

V. Limitations

Frequency: If a person has received a hearing aid for which benefits were payable under the program, benefits will be payable for each subsequent hearing aid only if received more than thirty-six (36) months after receipt of the most recent previous hearing aid, for which benefits were payable under the program.

VI. Exclusions

Covered hearing aid expense does not include and no benefits are payable for:

(A) Medical examinations, audiometric examinations or hearing aid evaluation tests;
(B) Medical or surgical treatment;
(C) Drugs or other medication;
(D) Hearing aids provided under any applicable workers' compensation law;
(E) Hearing aids ordered:
   1. before the covered person became eligible for coverage;
   or
   2. after termination of coverage;
(F) Hearing aids ordered while covered but delivered more than sixty (60) days after termination of coverage;
(G) Charges for hearing aids for which no charge is made to the covered person or for which no charge would be made in the absence of Hearing Aid Expense Benefits coverage;
(H) Charges for hearing aids which are not necessary, according to professionally accepted standards of practice, or which are not recommended or approved by the physician;
(I) Charges for hearing aids that do not meet professionally accepted standards, including charges for any services or supplies that are experimental in nature;
(J) Charges for hearing aids received as a result of ear disease, defect or injury due to an act of war, declared or undeclared;
(K) Charges for hearing aids provided by any governmental agency that are obtained by the covered person without cost by compliance with laws or regulations enacted by any federal, provincial, municipal or other governmental body;
(L) Charges for hearing aids to the extent benefits therefor are payable under any health care program supported in whole or in part by funds of the federal government or any province or political subdivision thereof;
(M) Replacement of hearing aids that are lost or broken unless at the time of such replacement the covered person is otherwise eligible under the frequency limitations set forth herein;
(N) Charges for the completion of any insurance forms;
(O) Replacement parts for and repairs of hearing aids;
(P) Persons enrolled in alternative plans; and
(Q) Eye glass-type hearing aids, to the extent the charge for such hearing aid exceeds the covered hearing aid expense for one hearing aid under section III (K).

VII. Administrative Manual

Hearing Aid Expense Benefits program policies, procedures and interpretations to be used in administering the program shall be developed by the program carrier after review and approval by the company and the Union.

VIII. Data

The program carrier annually shall furnish the company and the Union such information and data as mutually may be agreed upon by the parties with respect to hearing aid expense coverage.

IX. Cost and Quality Controls

The program carrier shall undertake appropriate review procedures to assure a high degree of cost and quality control. Where appropriate, such actions may include utilization review, price review and evaluation of services received.

EXHIBIT IV

VISION EXPENSE BENEFITS PROGRAM

I. Enrollment Classifications

Vision Expense Benefits coverage for an eligible employee, retired employee or surviving spouse shall include coverage for eligible dependents as they are defined for hospital-surgical-medical-drug expense coverage under the H-S-M-D-D-V program.

II. Description of Benefits

Vision Expense Benefits will be payable, subject to the conditions herein, if any covered person, while vision expense coverage is in effect with respect to such covered person, incurs covered vision expense.

III. Definitions

As used herein:
(A) "physician" means any licensed doctor of medicine legally qualified to practice medicine and who within the scope of his/her license performs vision testing examinations and prescribes lenses to improve visual acuity;
(B) "optometrist" means any person licensed to practice optometry in the province in which the service is rendered;
(C) "optician" means any person licensed in the province in which the service is rendered to supply eyeglasses prescribed by a physician or optometrist to improve visual acuity, to grind or mould the lenses or have them ground or moulded according to prescription, to fit them into frames and to adjust the frames to fit the face;
(D) "lenses" means ophthalmic corrective lenses as prescribed to be fitted into frames;
(E) "contact lenses" means ophthalmic corrective lenses as prescribed;
(F) "frames" means standard eyeglass frames into which two (2) lenses are fitted;

(G) "covered person" means the eligible employee, retired employee, eligible surviving spouse and their eligible dependents;

IV. Schedule of Eligible Services

Effective October 1, 2005, reimbursement for prescription eye glasses (frames and/or lenses) or contact lenses every twenty-four (24) months up to a maximum of:

<table>
<thead>
<tr>
<th>Type of Lenses</th>
<th>Maximum Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Vision Lenses</td>
<td>$200.00</td>
</tr>
<tr>
<td>Bi-focal Lenses</td>
<td>$255.00</td>
</tr>
<tr>
<td>Multi-focal Lenses</td>
<td>$325.00</td>
</tr>
<tr>
<td>Contact Lenses</td>
<td>$210.00</td>
</tr>
</tbody>
</table>

Effective October 1, 2005, reimbursement to a maximum of $65.00 for a routine eye examination, once in a twenty-four (24) month period, provided by either an optometrist or physician (as defined in III) for patients aged 20 through 64 when the benefit is not covered by the person's provincial health care plan.

Repairs (not replacements) at the usual and customary rates as determined by the carrier will be allowed in addition to the above scheduled amounts.

Reimbursement for laser eye surgery up to a maximum lifetime benefit of $325.00. A covered person reimbursed for such laser eye surgery will be not eligible for any other reimbursement under this Exhibit IV for a period of forty-eight (48) months.

Commencement of the benefit period is based on the initial date vision benefits are received.

V. Limitations

Frequency

(A) If a covered person has received lenses and frames or contact lenses for which benefits were payable under the Schedule of Eligible Services, or the prior program, subsequent benefits will be payable only if received more than twenty-four (24) months after the date of the most recent approved claim. If the reimbursement maximums have not been reached, subsequent claims will be allowed within the twenty-four (24) month period, up to the applicable reimbursement maximums. Lenses and frames received under the company's prescription safety glasses program shall not be considered lenses and frames received under this program.

(B) A covered person with diabetes or other medical conditions requiring frequent lens changes (as substantiated by an ophthalmologist) will be eligible for new lenses whenever they have a prescription change.

(C) Contact lenses will be covered every twelve (12) months, when the covered person's visual acuity cannot otherwise be corrected to at least 20/70 in the better eye, or when medically necessary due to keratoconus, irregular astigmatism, irregular corneal curvature or physical deformity resulting in an ability to wear normal frames.

(D) Repairs to frames will not be subject to a frequency limitation.

VI. Exclusions

Covered Vision Expense does not include and no benefits are payable for:

(A) Vision examinations, for covered persons under age 20 and over 64, or at any age for patients with medical conditions or diseases affecting the eyes whereby the provincial health plan provides the insured benefit.

(B) Medical or surgical treatment;

(C) Drugs or medications;

(D) Procedures determined by the Program carrier to be special or unusual, such as, but not limited to, orthoptics, vision training, subnormal vision aids and aniseikonic lenses;

(E) Lenses or frames furnished for any condition, disease, ailment or injury arising out of and in the course of employment;

(F) Lenses or frames ordered:

(1) before the covered person became eligible for coverage; or

(2) after termination of coverage;

(G) Lenses or frames ordered while insured but delivered more than 60 days after coverage terminated;

(H) Charges for lenses or frames for which no charge is made that the covered person is legally obligated to pay or for which no charge would be made in the absence of Vision Expense Benefits coverage;
(I) Charges for lenses or frames which are not necessary, according to accepted standards of ophthalmic practice, or which are not ordered or prescribed by the attending physician or optometrist;
(J) Charges for lenses or frames which do not meet accepted standards of ophthalmic practice, including charges for any such lenses or frames which are experimental in nature;
(K) Charges for lenses or frames received as a result of eye disease, defect or injury due to an act of war, declared or undeclared;
(L) Charges for lenses or frames from any governmental agency which are obtained by the covered person without cost by compliance with laws or regulations enacted by any federal, provincial, municipal or other governmental body;
(M) Replacement of lenses or frames which are lost or broken unless at the time of such replacement the covered person is otherwise eligible under the frequency limitations set forth in section V;
(N) Charges for the completion of any insurance forms;
(O) Vision benefits which are not dispensed by an Optometrist, an Optician or an Ophthalmologist;
(P) Follow up visits associated with the dispensing and fitting of contact lenses; and;
(Q) Charges for eye glass cases.

EXHIBIT V
PROSTHETIC APPLIANCE AND DURABLE MEDICAL EQUIPMENT EXPENSE BENEFITS PROGRAM

I. Enrollment Classifications
Prosthetic Appliance and Durable Medical Equipment Expense Benefits coverage for an eligible employee, retired employee or surviving spouse shall include coverage for dependents as they are defined for hospital-surgical-medical-drug expense coverage under the H-S-M-D-D-V program.

II. Description of Benefits
Prosthetic Appliance and Durable Medical Equipment Expense Benefits will be payable, subject to the conditions herein, if any covered person, as defined in section III (B), while prosthetic appliance and durable medical equipment expense coverage is in effect with respect to such covered person, incurs covered prosthetic appliance and durable medical equipment expense.

III. Definitions
As used herein:

(A) "physician" means a legally qualified and licensed medical practitioner. Solely in connection with the prescribing of prosthetic lenses under section IV (A) (2) (a), an optometrist who is legally licensed to practice optometry at the time and place services are performed shall be deemed to be a physician to the extent that he/she renders services he/she is legally qualified to perform:

(B) "covered person" means the eligible employee, retired employee, eligible surviving spouse and their eligible dependents;

(C) "covered prosthetic appliance and durable medical equipment expense" means charges incurred for prosthetic appliances in accordance with section IV (A) or for durable medical equipment in accordance with section IV (B);
(D) "prosthetic appliance" means an external prosthetic device or an orthotic appliance as described in IV (A);

(E) "durable medical equipment" means an item of equipment as described in IV (B);

(F) "provider" means a facility or dealer which supplies prosthetic appliances or durable medical equipment;

(G) "usual, reasonable and customary" means the actual amount charged by a provider for a prosthetic appliance or for durable medical equipment, but only to the extent that the amount is reasonable and takes into consideration:

1. the usual amount that the provider most frequently charges the majority of the provider's patients or customers for the prosthetic appliance or durable medical equipment provided;
2. the prevailing range of charges made in the same area by similar providers for the prosthetic appliance or durable medical equipment furnished; and
3. with respect to prosthetic appliances only, unusual circumstances or complications requiring additional time, skill and experience in connection with a particular prosthetic appliance.

IV. Benefits

(A) Prosthetic Appliances

1. When obtained from a provider by a covered person on the advice in writing of the attending physician, benefits will be payable on a usual, reasonable and customary charge basis for external prostheses and orthotic appliances which replace all or part of a body organ (including contiguous tissue) or replace all or part of the functions of a permanently inoperative or a malfunctioning body organ. Benefits shall also be payable for the replacement, repairs, fittings and adjustments of such devices. To be covered under this benefit, however, the advice in writing of the attending physician must include a description of the equipment as well as the reason for use or the diagnosis.

2. Included in the external prostheses and orthotic appliances for which benefits shall be payable are:

(a) Artificial arms, legs, eyes, ears, noses, larynxes, prosthetic lenses (for people lacking an organic lens or following cataract surgery); aniseikonic lenses; above or below knee or elbow prostheses; external cardiac pacemakers; terminal devices, such as a hand or hook whether or not an artificial limb is required.

(b) Rigid or semi-rigid supporting devices (such as braces for the legs, arms, neck or back), splints, trusses; and appliances essential to the effective use of an artificial limb or corrective brace.

(c) Ostomy sets and accessories (including disposable gloves), catheterization equipment, urinary sets, external breast prostheses (including surgical brassieres) and orthopedic shoes (when used as an integral part of an orthotic appliance).

(d) Wig or hairpiece, including duplicates, when hair loss is due to chemotherapy or radiation treatment, alopecia (excluding the following natural non-medical conditions causing hair loss: luminaris, male pattern baldness, prematura, senilis and totalis), hypothyroidism, traumatic scalp and scalp fungal infection.

(e) Cochlear implants.

(f) Effective October 1, 2002, when medically required as a result of severe osteoarthritis, Synvisc (or an equivalent viscosupplementation product) will be an eligible benefit only when treatment is prescribed and administered by an orthopedic surgeon and only when documentation is provided as to why surgery is not a viable alternative. The benefit will be limited to a treatment cycle maximum of $300.00, and a total treatment maximum of $1,200.00, per thirty-six (36) month period. This benefit is not eligible when prescribed in conjunction with/or within one (1) year of the provision of a custom-made knee brace under this Plan.

3. Exclusions from this benefit IV (A) include, but are not limited to:

(a) Dental appliances, hearing aids and, except as provided above, eyeglasses;

(b) Non-rigid appliances and supplies such as elastic stockings, garter belts, supports and corsets.

(B) Durable Medical Equipment

1. When obtained from a provider by a covered person, benefits will be payable on a usual, reasonable and customary charge basis for the purchase or rental of durable medical equipment, subject to the following:
(a) The equipment must be:
   (i) prescribed by a licensed physician;
   (ii) reasonable and necessary for the treatment of an illness or injury, or to improve the functioning of a malformed body member;
   (iii) able to withstand repeated use;
   (iv) primarily and customarily used to serve a medical purpose;
   (v) generally not useful to a person in the absence of illness or injury; and
   (vi) appropriate for use in the home.
(b) The rental price of the durable medical equipment shall not exceed the purchase price. The decision to purchase or rent shall be based on the physician’s estimate of the duration of need as established by the original prescription.
(c) When the durable medical equipment is rented and the rental extends beyond the original prescription, the physician must re-certify (via another prescription) that the equipment is reasonable and medically necessary for the treatment of the illness or injury. In the event the recertification is not submitted, benefits will cease as of the original duration of need date or thirty (30) days after the date of death, if earlier.
(d) When the durable medical equipment is purchased, benefits shall be payable for repairs except that routine periodic maintenance is excluded.
(e) Included in the durable medical equipment for which benefits shall be payable are:
   (i) Hospital beds (with or without mattresses), rails, cradles and trapezes;
   (ii) Crutches, canes, patient lifts, walkers and wheelchairs (or electric scooters in lieu of a wheelchair);
   (iii) Bedpans, commodes, urinals - if patient is bed confined and portable toilets for a patient who has otherwise qualified for a commode;
   (iv) Oxygen sets and respirators; (if the prescription is for oxygen, the physician must indicate how it is to be administered and what apparatus is to be used);
   (v) Decubitus (ulcer) care equipment, dialysis equipment, dry heat and ice application devices;
   (vi) I.V. stands, intermittent pressure units, sitz baths, traction equipment, vapourizers and standard whirlpool baths; (including installation costs up to a maximum of $500.00).
   (vii) Electromagnetic coil bone growth stimulator;
   (viii) Home glucose monitors (glucometers and dextrometers);
   (ix) Disposable diapers and cloth diapers for all incontinent persons;
   (x) Effective October 1, 2002, allowance of up to $1,000.00 for pressure injection devices for insulin or insulin infusion pump once every five (5) years when such pressure injection device or insulin pump is used in lieu of needles and syringes;
   (xi) Raised toilet seats for all medical conditions;
   (xii) Soft casts to a maximum of $30.00 per cast;
   (xiii) Reusable underpads for wheelchairs to a maximum of 6 per year;
   (xiv) One (1) pair of custom made corrective footwear per year (excluding off-the-shelf orthopedic foot wear) to a maximum of $750.00 per year;
   (xv) Geriatric chairs on a one (1) time only basis to a maximum of $2,000.00;
   (xvi) Bath tub rails up to a lifetime maximum of $100.00.
   (xvii) A maximum allowance of $400.00 toward the purchase of up to two (2) pairs of custom-made foot orthotics in any thirty-six (36) month period. The orthotics must be purchased from a provider who is a member in good standing of the Green Shield Canada Automotive Preferred Provider Service Agreement (PPO) for custom-made foot orthotics.
(f) Exclusions from this benefit IV (B) include, but are not limited to:

(i) Deluxe equipment such as motor driven wheelchairs and beds, except when such deluxe features are necessary for the effective treatment of a patient's condition and required in order for the patient to operate such equipment without assistance;

(ii) Items that are not primarily medical in nature or are for comfort and convenience (e.g., bed-boards, overbed tables, adjust-a-bed, bathtub lifts, telephone arms, air conditioners, etc.);

(iii) Physicians' equipment (e.g., infusion pumps, sphygmomanometer, stethoscope, etc.);

(iv) Disposable supplies (e.g., disposable sheaths and bags, elastic stockings, etc.);

(v) Exercise and hygienic equipment (exercycle, Moore wheel, bidet toilet seats, bathtub seats, etc.);

(vi) Self-help devices that are not primarily medical in nature (e.g., elevators, sauna baths, etc.); and

(vii) Arch supports including off the shelf foot orthotics.

V. Limitations

Covered Prosthetic Appliance and Durable Medical Equipment Expense does not include and no benefits are payable for:

(A) Prosthetic appliances or durable medical equipment furnished for any condition, disease, ailment or injury arising out of and in the course of employment;

(B) Charges for prosthetic appliances or durable medical equipment for which no charge is made that the covered person is legally obligated to pay or for which no charge would be made in the absence of Prosthetic Appliance and Durable Medical Equipment Expense Benefits coverage;

(C) Charges for prosthetic appliances or durable medical equipment (or items or special features related thereto) which are not necessary, according to accepted standards of medical practice, or which are not ordered or prescribed by the attending physician;

(D) Charges for prosthetic appliances or durable medical equipment which do not meet professionally accepted standards, including charges for any such appliances or equipment which are experimental in nature;

(E) Charges for prosthetic appliances or durable medical equipment received as a result of disease, defect or injury due to an act of war, declared or undeclared;

(F) Charges for prosthetic appliances or durable medical equipment from any governmental agency which are obtained by the covered person without cost by compliance with laws or regulations enacted by any federal, provincial, municipal or other governmental body;

(G) Charges for any prosthetic appliances or durable medical equipment to the extent for which benefits are payable under any health care program supported in whole or in part by funds of the federal government or any province or political subdivision thereof;

(H) Charges for the completion of any insurance forms.

EXHIBIT VI

SEMI-PRIVATE HOSPITAL ACCOMMODATION BENEFIT

I. Enrollment Classifications

Semi-Private Hospital Accommodation Benefit coverage for an eligible employee, retired employee or surviving spouse shall include coverage for eligible dependents.

II. Description of Benefits

Semi-Private Hospital Accommodation Benefit will be payable, subject to the conditions herein, if any covered person, while Semi-Private Hospital Accommodation coverage is in effect with respect to such covered person, incurs covered semi-private hospital accommodation expense.

III. Definitions

As used herein:

(A) "covered person" means the eligible employee, retired employee, eligible surviving spouse and their eligible dependents.

(B) "covered semi-private hospital accommodation expense" means the charges incurred for semi-private hospital accommodation in accordance with section IV.
IV. Benefits

The covered person may obtain semi-private hospital accommodation benefits that the hospital shall have agreed to furnish covered persons in accordance with the following reimbursement arrangement:

(A) Effective January 1, 2006, reimbursement for the difference in cost, to a maximum of $200.00 per day, between standard ward charges and the cost of semi-private accommodation in a public general hospital when the standard ward charges are paid by any Provincial Government Health Plan of the Province in which the patient is a resident and when the patient is occupying, or has occupied an active treatment bed.

(B) Effective January 1, 2006 reimbursement for the difference in cost, to a maximum of $200.00 per day, between standard ward charges and the cost of semi-private accommodation in a convalescent or rehabilitation hospital or a convalescent or rehabilitation wing in a public general hospital when the standard ward charges are paid by any Provincial Government Health Plan of the Province in which the patient is a resident and when the patient is occupying or has occupied a convalescent or rehabilitation bed.

(C) In a public chronic hospital or chronic wing facility of a public general hospital, a maximum reimbursement of up to $30.00 per day for one hundred and twenty (120) days per benefit year (beginning with the first paid claim) for the difference between the charges for a standard ward and the cost of semi-private accommodation when the patient has occupied semi-private accommodation.

(D) In a public chronic hospital or chronic wing facility of a public general hospital, a maximum reimbursement equal to the provincially approved co-pay amount not to exceed $60.00 per day will be paid toward the chronic care co-pay charge for a one hundred and twenty (120) day period following the expiration of the co-pay benefit period paid by the Provincial Government Health Plan.

(E) In a public hospital in a bed designated as an Alternate Level of Care bed by the attending physician, a maximum reimbursement of up to $30.00 per day up to one hundred and twenty (120) days per Benefit Year (beginning with the first paid claim) for the difference between the charge for a standard ward and the cost of semi-private accommodation when the patient occupies semi-private accommodations.

(F) In a public hospital in a bed designated as an Alternate Level of Care bed by the attending physician, a maximum reimbursement of up to $47.53 per day will be paid toward the chronic care co-pay charge for up to one hundred and twenty (120) days following the expiration of the co-pay benefit period paid by the Provincial Government Health Plan.

(G) Effective January 1, 2006 and following the expiration of the one hundred and twenty (120) day period provided for in C, D, E and/or F above, the maximum reimbursement for patients in a public chronic hospital or chronic wing facility of a public general hospital, or in a bed designated as an Alternate Level of Care bed by the attending physician, will be provided up to the reimbursement level that would otherwise be payable under the Long Term Care Facility Expense Benefit.

V. Limitations

(A) Where the subscriber or dependent has occupied a chronic bed in a semi-private room, either in, or outside, of the province of residence, a maximum of up to $30.00 difference per day, shall be allowed for a maximum of one hundred and twenty (120) days in any twelve (12) month period.

(B) To be eligible for reimbursement for occupancy of a chronic bed, accommodation must be in a public chronic hospital or a chronic wing facility of a public general hospital.

(C) No benefit shall apply to semi-private accommodation in a nursing home, T.B. sanitarium or mental hospital.

(D) Payment of benefits is contingent upon the Provincial Health Insurance Plan in the province in which the patient resides accepting or agreeing to pay the ward or standard rate.

(E) Reimbursement shall not be made in respect to any eligible expense unless a claim is filed as required by the carrier.
VI. Exclusions

Covered semi-private hospital accommodation benefit does not include and no benefit is payable for:

(A) semi-private hospital accommodation where the covered person is not occupying an active treatment bed, a rehabilitation or convalescent bed, or a chronic care bed.

(B) charges for completion of any insurance forms.

(C) charges for semi-private hospital accommodation where such benefits are provided to the covered person without cost by compliance with laws or regulations enacted by any federal, provincial, municipal or other governmental body.

VII. Intent of Exhibit VI

Inclusion of this exhibit VI to the insurance program resulting from the 1984 negotiations should not be interpreted to remove or limit any previously existing coverage.

EXHIBIT VII

PRESCRIPTION DRUG BENEFITS

I. Enrollment Classifications

Prescription drug coverage for an eligible employee, retired employee or surviving spouse shall include coverage for eligible dependents (including only spouse and eligible children).

II. Description of Benefits

Prescription drug benefits will be payable, subject to the conditions herein, if an employee, retired employee, surviving spouse or eligible dependent, while Prescription Drug coverage is in effect with respect to such individual, incurs covered prescription drug expense.

III. Definitions

As used herein:

(A) "covered person" means the eligible employee, retired employee, eligible surviving spouse and their eligible dependents.

(B) "covered prescription drug expense" means the charges incurred for prescription drug expense for such drugs as described below and are either drugs obtained from a participating or member pharmacy payable in accordance with section IV.A., or for drugs obtained from a non-participating pharmacy payable in accordance with section IV.B.

(C) "drug" means and includes any substance:

(i) that is listed in the Green Shield Canada Drug Formulary 13 as of November 11, 1996;

(ii) that is a new drug product marketed after November 11, 1996 and is recommended for inclusion by Green Shield Canada's Pharmaceutical and Medical Consultants. When Green Shield Canada does not recommend a new drug for inclusion on the formulary or if Green Shield Canada requires additional assistance they will engage the services of an
independent external scientific review agency to assist in this review.

The criteria for inclusion into the formulary shall be that the new drug product offers therapeutic advantage to existing products in the formulary, is lifesaving or cost effective. Provided that for the purposes of this Agreement, drug shall be deemed in its meaning not to include any substance or preparation if the same shall be offered for sale by a Member Pharmacy or a Pharmaceutical Chemist, or sold by a Member Pharmacy or Pharmaceutical Chemist as, or as part of, a food, drink, or cosmetic or for any purpose other than the prevention or treatment of any ailment, disease or physical disorder.

(D) "participating or member pharmacy" means corporations, partnerships, sole proprietorships, public clinics, or public hospitals as shall from time to time become member pharmacists bound by a carrier member pharmacy agreement. A participating or member pharmacy is one who provides dispensing services in accordance with the agreement with the carrier.

(E) "pharmacy agreement" means the provider of service agreement with the carrier respecting the payment for the dispensing of prescriptions by which member pharmacies agree to be bound.

(F) "prescription" means an order or direction either oral or in writing, given by a practitioner ordering or directing that a stated amount of any drug, or drugs as specified in such order be dispensed by a member pharmacy or a pharmaceutical chemist for a person named in such order or direction. Prescription also includes prescription services.

(G) "pharmaceutical chemist" means a legally qualified pharmaceutical chemist.

(H) "practitioner" means a practitioner legally qualified to practice the professions of medicine or dentistry.

(I) "dispensing fee" means the amount charged by a pharmacy for the professional services of the pharmacy for the dispensing or fulfillment of a prescription order or refill.

IV. Benefits

Effective January 1, 2006:

(A) From a participating or member pharmacy, the covered person may obtain prescription drugs subject to payment by the covered person of $0.35 for each separate prescription order and refill. In the event the agreement with the carrier provides for a maximum allowable dispensing fee in excess of $11.00, the covered person will be responsible for the excess.

(B) From a non-participating pharmacy, the plan shall pay the usual, reasonable and customary charge paid to a participating or member pharmacy for any prescription drug dispensed by a Pharmaceutical Chemist, a hospital, medical clinic, physician or dentist, less $0.35 for each such separate prescription order and refill. The covered person will be responsible for any additional charges assessed by the non-participating pharmacy over and above those paid by the plan, including any dispensing fee charge over $11.00.

(C) Whenever a generic equivalent for the prescribed drug is available, reimbursement under the Plan will be provided as follows:

(1) when a drug prescribed for a covered person has a generic equivalent (regardless of interchangeability), the maximum benefit under the Plan for such drug will be limited to the cost of the lowest priced generic equivalent drug, less the co-pay stated in IV (A) and IV (B) above, and;

(2) when the covered person chooses the more costly drug, in lieu of the lowest priced generic drug, such person will be responsible for the difference in cost;

(3) sections C(1) and C(2) above are subject to the provisions of the "Adverse Drug Reaction" letter dated September 19, 2005 on page 178 of the 2005 Collective Agreement.
V. Choice of Pharmacy

The subscriber may choose any member pharmacy or pharmaceutical chemist recorded in the records of the carrier as a member in good standing at the time of dispensing of any prescription then authorized by the carrier. The carrier has the right to terminate the membership of any member pharmacy in accordance with the terms of the pharmacy agreement.

VI. Exclusions

Covered Prescription Drug Benefits expense does not include and no benefits are payable for:

(A) Vitamin products, except those which must be injected;
(B) Proprietary medicines defined in Division 10 of the Food and Drug Act of Canada;
(C) Blood and blood plasma;
(D) Contraceptive foams or gels; or appliances whether or not such prescription is given for medical reasons;
(E) Medication, cosmetics, laxatives and medicines which may be lawfully sold or offered for sale in places other than in a retail pharmacy, and which are not normally considered by practitioners as medicines for which a prescription is necessary or required.
(F) Prescription for drugs or products not listed in the latest issue of the Green Shield pharmaceutical directory that lists the drug products described in section III C of exhibit VII.
(G) Prescriptions for which the patient may be compensated under the Workplace Safety and Insurance Act, 1997 or obtains reimbursement from a municipal, state, provincial or federal government, agency or foundation.
(H) Charges for completion of any insurance forms.

VII. Limitations

(A) Syringes, disposable syringes and needles, diabetic testing agents and insulin are paid at a reasonable, usual and customary suggested retail price.
(B) Injectable medicine injected by a physician are paid for at the cost of the injectable medicine only.
(C) Syringes, disposable syringes and needles will not be a covered benefit under Prescription Drug Expense Benefits for a period of five (5) years from the date that an insulin pressure injection device is approved by the carrier as a covered durable medical equipment expense under the Prosthetic Appliance and Durable Medical Equipment Expense Benefits set forth in Exhibit V.

EXHIBIT VIII
LONG TERM CARE FACILITY EXPENSE BENEFITS

The company shall continue its arrangements to make available the supplementary coverage for Long Term Care Facility expense benefits provided under section 1 (a) (6) of the H-S-M-D-D-V program of appendix 'B' to the Collective Agreement.

Benefits will be provided for the patient co-payment expense for each day an insured person resides in a Long Term Care Facility, as an approved resident as determined under the Long Term Care Act 1994. The benefit payment under such coverage for the patient co-payment expense in an approved Long Term Care Facility shall be the difference between the daily allowance paid to the Long Term Care Facility by the Province of Ontario in a standard ward and the Long Term Care Facility's daily charge up to the semi-private rate. Effective January 1, 2006, the maximum payable under the Long Term Care benefit is $1,724.32 per month regardless of the type of accommodation occupied. For residents in a Long Term Care Facility prior to January 1, 2006, the patient co-payment expense for each day the insured person resides in a Long Term Care Facility as an approved resident and as determined under the Long Term Care Act 1994, will continue as provided in appendix B of the 2002 collective agreement. The benefit payment under such coverage for the patient co-payment expense in an approved Long Term Care Facility shall be the difference between the daily allowance paid to the Long Term Care Facility by the Province of Ontario in a standard ward and the Long Term Care Facility's daily charge up to the semi-private rate, if such accommodation is occupied.

Benefits shall be provided upon submission of proof satisfactory to the insurer that a covered person has been approved as provided under the Act and a payment of an allowance for such care was made on behalf of such person by the Province of Ontario for each such day for which benefits under the program are claimed.
EXHIBIT IX
PARAMEDICAL COVERAGE

I. Company Arrangements

The Company shall arrange, effective October 1, 2002, to make available a Paramedical Benefit as set forth in this Exhibit as follows:

II. Enrollment Classifications

Paramedical Benefits coverage for an eligible employee, retired employee or surviving spouse shall include coverage for dependents as they are defined in Section 1(b) of the H-S-M-D-D-V Program.

III. Description of Benefits

Paramedical Benefits will be payable, subject to conditions herein.

IV. Definitions

As used herein:

(A) "physician" means any licensed doctor of medicine legally qualified to practice medicine;

(B) "Practitioner of Chiropracty" means a provincially licensed Doctor of Chiropractic (D.C.);

(C) "Practitioner of Podiatry" means provincially licensed Doctor of Podiatric Medicine (D.P.M.);

(D) "Practitioner of Chiropody" means a provincially licensed chiropodist holding a diploma in Chiropody (D.Ch.) or equivalent;

(E) "Doctor of Naturopathy (N.D.)" means one who is accredited through the Provincial Naturopathic Association and is a graduate of a recognized school of naturopathy;

(F) "Registered Massage Therapist" means one who is accredited and registered with the appropriate provincial licensing board for massage therapists and a graduate of a recognized school of massage therapy; and

(G) "covered person" means the eligible employee, retired employee, eligible surviving spouse and their eligible dependents.

V. Eligible Benefits and Limitations

(A) The services (excluding x-rays) of a Practitioner of Chiropracty are an eligible benefit. Effective October 1, 2005, chiropractic treatments will be reimbursed at a maximum rate of $25.00 per visit, to an annual maximum of $450.00.

Effective October 1, 2005, in provinces where chiropractic treatments are covered by a provincial benefit plan, reimbursement shall be at a maximum rate of $15.00 per visit until the applicable provincial benefit plan is exhausted and at a maximum rate of $25.00 per visit thereafter, to an annual maximum of $450.00.

(B) Treatments provided by a Practitioner of Chiropody, when prescribed by a physician, and a Practitioner of Podiatry are eligible. Podiatry treatments are eligible when they occur subsequent to the exhaustion of the applicable provincial benefit period maximum. These benefits will be reimbursed at a maximum rate of $11.45 per visit for either Podiatry or Chiropody. Effective October 1, 2005, the annual combined maximum is $325.00 per benefit year per covered person.

(C) The services of a Doctor of Naturopathy (N.D.) are an eligible benefit and will be reimbursed at a maximum of $25.00 per visit. Effective October 1, 2005, the annual maximum is $325.00 per benefit year per covered person.

(D) The services of a Registered Massage Therapist are an eligible benefit, when prescribed by a physician and will be reimbursed at a maximum of $45.00 per visit, to an annual maximum of $200.00 per benefit year per covered person.
VI. Exclusions

The above listed paramedical benefits do not include and no benefits are payable:
(A) for remedies, supplies, vitamins, herbal medications or preparations;
(B) where the service is necessary as a result of a motor vehicle accident, unless there is no such coverage under a motor vehicle insurance policy or such coverage has been exhausted; and
(C) if the covered person is a resident of a long term care facility, unless such services otherwise provided by the long term care facility has been exhausted.

EXHIBIT X
EXTENDED HEALTH CARE SERVICES

I. Company Arrangements

The Company shall make available Extended Health Care Services as set forth in this Exhibit as follows:

II. Enrollment Classifications

Extended Health Care Services coverage for an eligible employee, retired employee or surviving spouse shall include coverage for dependents as they are defined in Section 1(b) of the H-S-M-D-D-V Program.

III. Description of Benefits

Extended Health Care Services will be payable subject to conditions herein. Any failure to comply with any of the conditions herein may result in non-payment of a claim.

IV. Eligible Benefits and Limitations

(A) Out-of-Province Coverage – Supplementary coverage is provided to pay physicians, or to reimburse patients, for covered medical-surgical and hospital expenses incurred under certain circumstances outside the patient's province of residence. "Covered services" are those medical-surgical services for which a fee is scheduled under the fee schedule for the provincial medical-surgical plan and those hospital services for which a benefit is provided under the ward coverage of the provincial hospital. Benefits are provided under such coverage upon submission of proof satisfactory to the Insurer that a member received covered services out of the province of his/her residence because of:
(i) accidental injury or emergency medical-surgical services, or
(ii) referral for medical-surgical care by the member's attending physician.

The benefit payment for covered medical-surgical expenses incurred equals the fee charged for such services less the fee scheduled under the provincial medical-surgical plan for the covered services received, but only to the extent that the fee charged is reasonable and customary in the area where covered services are received.

The benefit payment for covered hospital expenses incurred equals the hospital's charge for covered services in semi-private accommodations, less the sum of the payments made by the provincial and supplementary hospital plans.

(B) Special Assistance for Out-of-Province Claims – World Access Canada, an international medical service organization, is retained by the carrier to provide special assistance regarding facilitating claims payment and funds transfers to a provider (i.e. physician, hospital or clinic) for hospital, surgical, medical services covered under the patient's out-of-province hospital, surgical, medical expense benefits plan and provincial health insurance plan. Such assistance will provide that the payment for such covered medical services to the provider will be guaranteed by the carrier when the provider or covered patient calls a pre-arranged toll-free number. In cases where a provider will not agree to bill the patient's out-of-province hospital, surgical, medical expense benefit plan or the applicable provincial health insurance plan for covered services as provided above, the carrier will arrange for a direct payment of the eligible hospital, surgical, medical expenses to the provider or directly to the patient if such patient incurred
eligible hospital-surgical-medical expenses resulting in financial hardship to the patient. Such direct payment to either the provider or the patient will be subject to proper claims submissions by the patient.

Insured persons are encouraged to contact World Access Canada whenever possible prior to incurring hospital, surgical, medical expenses so that patients can confirm that the services they are requesting will be covered medical expenses under the out-of-province plan. A multilingual World Access Canada assistance specialist can provide direction to the best available medical facility or physician that can provide the appropriate care. In serious medical cases, the World Access Canada physician will provide case management (i.e. the physician will follow the patient's medical progress to ensure that he/she is receiving the best available medical treatment and keep in constant communication with the patient's family, family physician and the treating physician). Patients who are hospitalized for treatment of an accidental injury or a medical emergency are advised to contact World Access Canada if their in-hospital treatment will continue beyond 5 days so that the World Access Canada physician can consult with the treating physician and the patient's family physician and can arrange for air or land ambulance repatriation for the patient (and the patient's accompanying spouse) to a hospital in the patient's province of residence for such continuing treatment. Such repatriation is mandatory, where the attending physician and family physician or admitting physician determine that the patient is medically fit to travel and appropriate arrangements have been made to admit the patient into the provincial health care system.

Reimbursement will be provided (to a maximum of $1,000.00) for the cost of returning the patient's personal use motor vehicle to their place of residence or nearest appropriate vehicle rental agency when the patient is repatriated to their province of residence.

(C) Ambulance Services – Land Ambulance: When it is medically essential for a covered patient to travel by a licensed land ambulance service (municipal, hospital, private or volunteer) either in the patient's province of residence or out of the patient's province of residence, and the patient's Provincial Government Health Insurance Plan makes a payment towards the cost, if available, a benefit will be provided for the patient co-payment charge, if any, up to the usual, reasonable and customary rate, as determined by the carrier, for the area where the service was received.

Emergency Air Ambulance Services: When it is medically necessary for a covered patient to travel by an air ambulance from a location in North America to the patient's province of residence, a benefit will be provided for the amount charged to the patient and, when necessary, for the air fare of an accompanying medical attendant as well as the air fare of an accompanying spouse, provided that:

1. there is a demonstrated need for the patient to be confined to a stretcher or for a medical attendant to accompany the patient during the journey;
2. the patient is admitted directly to a hospital in the patient's province of residence;
3. the patient's Provincial Government Health Insurance Plan makes a payment towards the cost, if available;
4. medical reports or certificates from both the dispatching and receiving physicians are submitted; and
5. proof of payment including air ticket vouchers or air charter invoices are submitted.

(D) Nursing Services – When there is a clear medical necessity for the nursing services of a registered nurse (RN) or a registered practical nurse (RPN), a benefit will be provided for the amount charged to the patient for such services for up to six (6) hours per day, provided that:

1. The nursing services are prescribed by a physician and the physician and/or appropriate party responsible for accessing applicable government programs and/or funding indicates:
a. the level of nursing skill required;
b. the amount of time in each day required for nursing services; and
c. the approximate length of time that nursing services are required.

(2) The RN or RPN is not a relative.
(3) The RN or RPN is currently registered with the appropriate nursing association when the services are performed.
(4) The patient is not in an institution (i.e. hospital, long term care facility, etc.).
(5) The rate charged for nursing care does not exceed the usual and customary charges for the applicable geographic area.

(6) All applicable provincial or federal government assistance (based on age, disability, income, etc.) is applied for.

In determining the necessity for the nursing services and to ensure all available co-ordination with government programs the carrier will undertake an independent nursing services assessment.

(E) Personal Support Worker – A Personal Support Worker (PSW) commonly known as a homemaker or health care aid, is an eligible benefit when prescribed by a physician and only when used in conjunction with the Nursing Services benefit referenced in (D) above, provided that:
(1) the Personal Support Worker must have a certificate from an accredited program and be employed by a provincially recognized, bonded health care provider;
(2) reimbursement will be the amount charged to the covered person for such service up to $25.00 per hour to a maximum of five (5) hours per week.

Benefits reimbursed under sections (D) and (E) above will be limited to a total annual maximum of $12,000.00. Should any covered person reach the annual maximum of $12,000.00 provided above for nursing services and personal support worker, their coverage will be continued at up to two (2) hours a day for the nursing services of a Graduate Registered Nurse (RN).

(F) Nutritional Supplements – In cases where it is medically necessary due to illness or a concomitant medical condition, nutritional supplements are a covered benefit when these products are prescribed by a physician as the sole source of nutrition either orally or by tube feeding. The following conditions must be met prior to approval:
(1) The individual must have an oropharyngeal or gastrointestinal disorder resulting in oesophageal dysfunction or dysphagia (i.e. neuromuscular disorder); or
(2) The individual must have a malabsorption or maldigestion or significant stomach failure where food is not tolerated (i.e. pancreatic insufficiency); or
(3) The individual must have a primary diagnosis of cancer and be actively receiving chemotherapy, radiation therapy or palliative care. The benefit will be limited to the lesser of 220 servings or $500.00 per year and available only when the individual would qualify for the Nursing Services benefit. All applicable Provincial and Federal government assistance must be applied for prior to consideration for coverage and an assessment and re-evaluation of the patient's condition must be done on a semi-annual basis.

Exclusions under this program include but are not limited to prescribed weight loss in the treatment of obesity, food allergies, body building, meal replacement, convenience, or as a replacement to breast feeding. Individuals that are able to tolerate some solid foods and require only supplementation in addition to food will not be eligible for this benefit.

(G) Speech Therapy – In cases where an employee or eligible dependent require speech therapy as prescribed by a physician and the therapy is provided by a Speech Language Pathologist or Speech Therapist, as licensed under the appropriate provincial College of Audiologists and Speech Language Pathologists, and only after all provincial and federal government programs and/or assistance has been applied for and accessed reimbursement will be provided for such therapy. Effective October 1, 2005, the annual maximum for such
therapy is limited to $1,100.00 per participant, and shall include reimbursement of a one-time only initial assessment fee, to a maximum of $125.00.

The benefit does not include the cost of subsequent hearing aid tests, other assessment tools, any supplies, handbooks, tapes, forms, reports or follow-up correspondence.

(H) Psychologist Services – In cases where an employee or eligible dependent requires counselling services for personal, family or marital problems, a benefit will be provided toward this service.

Counselling provided by a registered clinical psychologist or a Master of Social Work will be reimbursed at a rate of $50.00 per visit to an annual maximum of $600.00 per benefit year per participant.

For eligible dependent children under the age of fourteen (14), a psychological assessment performed by a registered clinical psychologist may be reimbursed once in a lifetime, to a maximum of $500.00. Any amounts claimed for psychological assessments will be included in the annual psychological services maximum set out above for the year in which it is claimed. The benefit is provided only for counselling, and a one-time psychological assessment, and is not intended to cover the costs of any forms, reports other than psychological assessment, or follow-up correspondence.

LETTERS - H-S-M-D-D-V

January 1, 1974

Mr. C. D. Meneghini
President, Local 1324
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America
P. O. Box 27
Brampton, Ontario

Dear Mr. Meneghini:

As discussed during negotiations the company agrees to furnish annually the following data:

1. data as to the number of employees and surviving spouses with hospital-medical-surgical-drug expense coverages provided at company expense by enrollment classification and local plan area, during a representative month in the preceding calendar year;

2. presumptive premium or subscription rate for the ensuing year by enrollment classification, by local plan area;

3. presumptive premium or subscription rates for the ensuing year for sponsored dependents, if applicable, by local plan area.

Yours very truly,
W. R. Malseed
Industrial Relations Manager
General Parts and Service
December 1, 1976

Mr. C. D. Meneghini,  
President, Local 1324  
International Union, United Automobile,  
Aerospace and Agricultural Implement  
Workers of America  
P. O. Box 27  
Brampton, Ontario

Dear Sir:

With reference to section 1 of the H-S-M-D-D-V program, the term "eligible dependents as defined in the said Plans" shall include for purposes of the H-S-M-D-D-V program, "children under 25 years of age, or at any age if totally and permanently disabled, who are unmarried, legally residing with and dependent on the employee and must either qualify in the current year as a dependent under the Canadian Income Tax Act for establishing the employee’s withholding tax exemptions or have been reported as a dependent on the employee’s most recent income tax return".

This undertaking reflects the provisions of the Minutes of Settlement related to the Collective Agreement dated October 13, 1965, which were implemented by the company effective November 1, 1966.

Yours very truly,  

FORD MOTOR COMPANY  
OF CANADA, Limited  
R. M. Szostak  
Industrial Relations Manager  
General Parts and Service

December 1, 1976

Mr. C.D. Meneghini  
President, Local 1324  
International Union, United Automobile,  
Aerospace and Agricultural Implement  
Workers of America  
P. O. Box 27  
Brampton, Ontario

Dear Sir:

This is to confirm the understanding given during 1976 contract discussions as to the implementation of section 1(d) and section 8 of the H-S-M-D-D-V program set out in Appendix ‘B’.

The company undertakes that the options available thereunder to provide for coordination of benefits with respect to Hospital-Surgical-Medical-Drug-Dental-Vision-Hearing Aid Expense Benefits or to provide a plan of Hospital-Surgical-Medical-Drug-Dental-Vision-Hearing Aid Benefits supplementary to such governmental benefits or substitute a plan of Hospital-Surgical-Medical-Drug-Dental-Vision-Hearing Aid Expense Benefits for such governmental benefits will not be exercised except by mutual agreement between the company and the Union.

Yours very truly,  

FORD MOTOR COMPANY  
OF CANADA, Limited  
R. M. Szostak  
Industrial Relations Manager  
General Parts and Service
December 1, 1976

Mr. C. D. Meneghini
President, Local 1324
International Union, United Automobile,
Aerospace and Agricultural Implement
Workers of America
P. O. Box 27
Brampton, Ontario

Dear Sir:

As we discussed during negotiations, it is agreed that the following procedure will govern continued insurance coverage for employees on union leave:

Local Union Leave
The company will undertake to maintain all group insurance and Hospital-Surgical-Medical-Drug-Vision-Hearing Aid coverages for an employee and his eligible dependents while he/she is on approved leave of absence for the purpose of fulfilling his responsibilities as President or as Financial Secretary-Treasurer of his local union. The company will pay the appropriate premiums. Such an employee, while on an approved local union leave, may continue dental expense coverage for the duration of the approved local union leave.

The amount of insurance, established at the commencement of his leave, will be upgraded according to the insurance amounts which would be applicable to his base monthly salary were he/she working in the office. The upgrading takes place following contract negotiations, and incorporates any new benefits which may be applicable, and thereafter as of the dates set out in section 5 of the program to redetermine the correct amounts of insurance applicable to each employee on such leave.

Employees on Leave to Work for the National Union
The present practice will be continued whereby an employee on approved leave of absence to work for the national union will be allowed to maintain his group Life, Accidental Death and Dismemberment Insurance and Survivor Income Benefits Insurance and Hospital-Surgical-Medical-Drug-Vision-Hearing Aid coverages (but not dental expense coverage) by paying the contributions outlined in the program.

The amount of insurance, established at the commencement of his leave, will be upgraded according to the insurance amounts which would be applicable to his base monthly salary were he/she working in the office. The upgrading takes place following contract negotiations, and incorporates any new benefits which may be applicable, and thereafter as of the dates set out in section 5 of the program to redetermine the correct amounts of insurance applicable to each employee on such leave.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
R. M. Szostak
Industrial Relations Manager
General Parts and Service
October 16, 1982

Mr. J. Whyte
President, Local 1324
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)
P. O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Sir:

During current negotiations, we were requested to provide you with a letter relative to retroactive hospital-surgical-medical-drug-dental-vision-hearing aid coverages for surviving spouses and their eligible dependents. Subject to the regulations of the applicable plan the company will attempt to arrange with Ontario Health Insurance Plan, Green Shield Prepaid Services Inc., and the Excelsior Life Insurance Company, or their affiliates, to provide retroactive coverage in accordance with the following:

1. Coverage for the eligible surviving spouses and their eligible dependents referred to in section 2(e) of the insurance program, not enrolled for coverage following the date the employee or retired employee dies, will be effective retroactive to the date coverage would have been effective if enrollment had occurred at the proper time; however, the retroactivity may not exceed twelve months from the date the enrollment actually occurred, and in no event may such retroactive coverage be effective prior to the date the survivor became eligible for coverage under the Agreement.

2. The company will pay the group premium or subscription charges due for all retroactive coverage referred to above.

Yours very truly,
A. D. MacLean
Industrial Relations Manager
General Parts and Service

October 16, 1982

Mr. J. Whyte
President, Local 1324
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)
P. O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Sir:

Where permitted by Green Shield Prepaid Services Inc., The Excelsior Life Insurance company, or their affiliates, and Ontario Health Insurance Plans, under the policies or contracts under which the employee is covered, the company may permit an employee to elect hospital, medical, prescription drug, vision, hearing aid coverages (but not dental expense coverage) for a dependent other than those presently provided for, who is related to the employee by blood or marriage or a member of his household, dependent upon the employee for more than half of his support as defined in the Canadian Income Tax Act and must either qualify in the current year as a dependent under the Canadian Income Tax Act for establishing the employee's withholding tax exemptions or have been reported as a dependent on the employee's most recent Income Tax return.

Coverages provided under this letter for a dependent enrolled at the time of an employee's death may be continued at the option of the employee's surviving spouse while such spouse is enrolled for coverages as provided in section 2(e) and section 4(d).

The employee or surviving spouse as applicable shall pay the entire cost of coverage for such dependents.

Yours very truly,
A. D. MacLean
Industrial Relations Manager
General Parts and Service
November 18, 1984

Mr. J. Whyte
President, Local 1324
International Union, United Automobile
Aerospace and Agricultural Implement
Workers of America
P. O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Mr. Whyte:

This will confirm our understanding reached during these negotiations with respect to employees or retired employees receiving services through approved residential substance abuse treatment facilities.

The company shall make arrangements to provide coverage for the payment of any daily charge levied on an employee or a retired employee who is under treatment for substance abuse in a residential substance abuse treatment facility which has been approved by the company Medical Director. Benefits will be provided under such coverage only for employees who are actively involved in the Ford-UAW Substance Abuse Program and are admitted to a treatment facility on the recommendation of the company Medical Director.

The payment of such benefits will be contingent upon the employee's or retired employee's successful completion of required treatment.

Yours very truly,

R. M. Szostak
Industrial Relations Manager
General Parts and Service

Concur: J. Whyte

October 5, 1987

Mr. M. J. Whyte
President, Local 1324
National Automobile, Aerospace
and Agricultural Implement
Workers Union of Canada (CAW-Canada)
P. O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Mr. Whyte:

In the event of the introduction of new or expanded provincial or federal programs providing dental benefits generally similar to those provided under Appendix 'B' to the Collective Agreement, the following principles will apply with respect to section 8 of the H-S-M-D-D-V program in Appendix 'B'.

1. The company will maintain the current negotiated level of dental benefits as nearly equal as practicable through supplementation, if necessary.

2. Commencing with the date any such dental benefits become available and continuing through September, 1990, the company will pay to the appropriate agency providing benefits any required direct premiums for eligible employees or dependents for such dental benefits up to the level of the benefits provided under Appendix 'B'.

Yours very truly,

R. M. Szostak
Industrial Relations Manager
Canadian Parts Sales and Distribution

Concur: M. J. Whyte
September 24, 1990

Mr. M. J. Whyte
President - Local 1324
National Automobile, Aerospace
and Agricultural Implement
Workers Union of Canada (CAW-Canada)
P. O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Mr. Whyte:

During the recent negotiations, the union expressed concern that employees and their eligible dependents did not have current information on the dental benefit utilization during a plan year.

The company agreed to ask the dental expense benefit carrier to show plan year-to-date benefit payments on the explanation of benefits accompanying each benefit payment.

Yours very truly,

FORD MOTOR COMPANY
OF CANADA, Limited
R. M. Szostak
Employee Relations Manager
Canadian Parts Sales and Distribution

Concur: M. J. Whyte

September 24, 1990

Mr. M. J. Whyte
President - Local 1324
National Automobile, Aerospace
and Agricultural Implement
Workers Union of Canada (CAW-Canada)
P. O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Mr. Whyte:

During the recent negotiations considerable discussion took place concerning advantages to the parties of having an annual meeting with the union benefit representatives and the company benefit representatives in attendance.

The purpose of the meeting would be mainly for educational purposes and would cover such topics as, but not be limited to, new legislation, new or updated procedures as they affect the negotiated benefits, and other matters that would improve the knowledge and proficiency of the benefits representatives.

The national union will be given the opportunity to review the agenda, and make necessary recommendations, as well as attend and participate in the proceedings.

In this connection, the company has agreed to provide pay for lost time (eight hours base pay rate plus COLA) to union benefit representatives who attend the annual meeting. The employee who has been designated as the regular replacement for the union benefit representative may be activated for the day the benefit representative attends the annual benefit meeting.

Yours very truly,

FORD MOTOR COMPANY
OF CANADA, Limited
R. M. Szostak
Employee Relations Manager
Canadian Parts Sales and Distribution

Concur: M. J. Whyte
October 18, 1993

Mrs. R. A. Monchamp
President and Chairperson of the Negotiating Committee –
Local 1324
National Automobile,
Aerospace and Agricultural Implement
Workers Union of Canada (CAW-Canada)
P. O. Box 27
Brampton, Ontario

Dear Mrs. Monchamp:

This will confirm our understanding with respect to prescription drug coverage for employees, retired employees, surviving spouses and their eligible dependents who are age 65 or older.

Prescription drug benefits for residents of Ontario who are age 65 or older are available without cost to the individual under the Ontario Drug Benefit program. It is understood that Ontario residents age 65 or older who are eligible for prescription drug coverage under the H-S-M-D-D-V program shall be required to present their prescriptions for dispensing under the Ontario Drug Benefit program. Benefits as outlined under exhibit VII of the H-S-M-D-D-V Program shall continue to be provided for covered prescription drug expenses to the extent that benefit coverage for such expenses is not available under the Ontario Drug Benefit program.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
R. M. Szostak
Employee Relations Manager
Canadian Parts, Sales & Distribution

October 18, 1993

Mrs. R. A. Monchamp
President and Chairman of the Negotiating Committee –
Local 1324
National Aerospace and Agricultural Implement Workers Union of Canada (CAW-Canada)
P. O. Box 2067
Bramalea, Ontario

Dear Mrs. Monchamp:

During these negotiations, the parties renewed their commitment for the company-union committees defined in exhibit II of the HSMDDV program and section 19 of the Group Life and Disability Insurance Program to investigate, consider and, upon mutual agreement, engage in activities that may have high potential for cost savings, while achieving the maximum coverages and service for the employee covered for health care benefits. These activities may also include the implementation of pilot programs to improve the functioning of the programs and reduce costs under the Group Life and Disability Insurance and the HSMDDV programs.

The HSMDDV program coverages to be discussed may include, but will not be limited to, the following:

• Study and evaluate mail order pharmacy arrangements and, if mutually acceptable, implement a pilot program that will give employees, retired employees and surviving spouses an option to purchase their drugs through a mail order pharmacy without the requirements of a co-pay.
• Consider implementing alternative systems for the delivery of benefits such as dental capitation plans and preferred provider organizations.
• Study and evaluate the CAW Medication Awareness Pilot Program in St. Catharines and the Sunnybrook Hospital Program to determine the feasibility of developing and implementing a similar program specifically for Chrysler employees and retirees.
• Review the drug products removed by the Ontario Drug Benefit Plan from their formulary that they have determined to be no longer therapeutically necessary or because there is a cheaper substitute available, in order to determine whether such drug products should also be removed from the employee's Drug Plan.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
R. M. Szostak
Employee Relations Manager
Canadian Parts, Sales & Distribution
• Study the proposed Ontario long term care program which includes alternatives to extended care in nursing homes and homes for the aged.
• Study and evaluate the concept of a flat fee schedule for vision care benefits, in place of the current vision program utilizing participating providers.
• Meet with the carrier to discuss the implementation of a mutually acceptable third party adjudication process when the dental consultant and practitioner do not agree on an alternate dental procedure.
• The Group Life and Disability Insurance Programs topics which may be discussed shall include;
• The integration of Extended Disability Benefits with the Unemployment Insurance Disability Benefits.
• A method of encouraging employees in receipt of EDB benefits and/or disability retirement benefits to reapply to Canada Pension Plan when initially denied disability benefits.
• Meet with London Life for the purpose of ensuring timely S&A payments and to discuss possible revisions to the supplementary form in an effort to reduce the frequency of the requests.

The parties agree that the company-union committees will begin discussions on these issues as soon as practicable after negotiations and will meet no less frequency then three times each year.

Yours very truly,
R. M. Szostak
Industrial Relations Manager
General Parts and Service

Concur: R.A. Monchamp

Mrs. R. A. Monchamp
President and Chairperson of the Negotiating Committee - Local 1324
National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada)
8000 Dixie Road
Bramalea, Ontario L6T 3J7

Dear Mrs. Monchamp:

During the course of these negotiations there was considerable discussion concerning the "Controlled Prescription Drug Plan". This resulted in a modification to the plan which involves Green Shield Canada and where necessary an impartial third party to review the addition of new drugs as a covered benefit.

Despite this change a number of administrative issues required clarification as follows:

• Green Shield Canada will review drugs introduced since October 1, 1993 for inclusion into the formulary. If Green Shield Canada does not recommend a new drug for inclusion on the formulary or Green Shield Canada requires additional assistance they will engage the services of an independent external scientific review agency to assist.
• Participants who inadvertently pay out-of-pocket for a drug not included on the formulary will be reimbursed on an exception basis for the initial prescription pending a prescription change by the participant's physician to a covered drug.
• Participants who have a specific diagnosed medical condition (not including a personal preference) that requires the use of a specific drug for therapeutic or life saving conditions and such drug is not included as a covered benefit will be reimbursed on an exception basis.
The parties also agree to meet and discuss any other concerns that may arise from the modification of the plan with the intent to resolve in a mutually satisfactory manner.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
R. M. Szostak
Human Resources Manager
Parts Operations

October 7, 2002

Mr. B. Hargrove
National President
National Automobile, Aerospace, Transportation and General Workers
Union of Canada (CAW-Canada)
205 Placer Court
Willowdale, Ontario
M2H 3H9

Dear Mr. Hargrove:

This will confirm our understanding reached during 2002 negotiations with respect to carriers for health care coverages provided for salaried employees represented by Local 1324 in the Province of Ontario.

It was agreed that the company shall continue arrangements with Green Shield Canada to be the carrier for the Prescription Drug Benefits, Semi-Private Hospital Accommodation Benefit, Out of Province Coverage, Prosthetic Appliance and Durable Medical Equipment Expense Benefits Program, and Long Term Care Expense Benefits for salaried employees in the Province of Ontario.

Effective January 1, 2003, or as soon as practicable thereafter, the Company will arrange to change the carrier for the Dental Expense Benefits Program, Vision Expense Benefits Program and Hearing Aid Expense Benefits Program for salaried employees in the Province of Ontario to Green Shield Canada.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
T. P. Hartmann
Vice President,
Human Resources

Concur: B. Hargrove
Mr. B. Hargrove  
National President  
National Automobile, Aerospace,  
Transportation and General Workers  
Union of Canada (CAW-Canada)  
205 Placer Court  
Willowdale, Ontario  
M2H 3H9  

Dear Mr. Hargrove:

This letter outlines our understanding reached with regards to the Dental Plan.

The parties are jointly concerned about the future direction the Ontario Dental Association (ODA) and Canadian Dental Association (CDA) may take with regards to their pricing methodology. As these changes are as yet undefined, their impact on the Dental Plan cannot be assessed.

It has therefore been agreed that upon the completed assessment of changes introduced by the ODA and/or CDA, the parties shall determine if the Dental Plan should be modified. Consideration of such modifications would include but not be limited to establishing a participating provider network and designing an auto industry dental fee guide.

The parties would intend to introduce any mutually agreed upon modifications within the term of the 2002 agreement.

Yours very truly,  
FORD MOTOR COMPANY  
OF CANADA, Limited  
T. P. Hartmann  
Vice President,  
Human Resources  

October 7, 2002

Mr. B. Hargrove  
National President  
National Automobile, Aerospace,  
Transportation and General Workers  
Union of Canada (CAW-Canada)  
205 Placer Court  
Willowdale, Ontario  
M2H 3H9  

Dear Mr. Hargrove:

During the current negotiations the parties discussed the rising cost of health care services and identified areas for cost saving consideration. The Semi-Private Hospital Accommodation was one area reviewed and concerns were heard regarding the escalating cost and associated value of this benefit and the inconsistent billing by some hospitals.

The parties have agreed to jointly address these concerns with the hospital corporations serving the communities in which Ford employees and the Canadian Auto Workers members reside.

Yours very truly,  
FORD MOTOR COMPANY  
OF CANADA, Limited  
T. P. Hartmann  
Vice President,  
Human Resources
Dear Mr. Hargrove:

During 2005 negotiations, the union requested that employees be provided with a plasticized Green Shield Canada benefit identification card to replace their current paper card.

The company agreed to explore with Green Shield Canada the feasibility of providing employees with a more durable card.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
Stacey Allerton Firth
Vice President, Human Resources

Dear Mr. Hargrove:

During 2005 negotiations, the parties discussed the revisions to the drug plan and the concerns of the union that a brand name drug may be prescribed in lieu of a generic equivalent. In the case where a physician indicates a brand name drug is medically required, Green Shield Canada must be provided with a copy of the "Canadian Adverse Drug Reaction Monitoring Program" form completed by the physician that has been submitted to Health Canada to determine eligibility for payment of the cost of the prescribed drug. If it is determined that the brand name drug is medically required, the plan will pay the cost of the brand name drug.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
Stacey Allerton Firth
Vice President, Human Resources
APPENDIX C
ASSIGNMENT AND AUTHORIZATION FOR
DEDUCTION OF UNION DUES

To my employer: Date: ____________________________

Location ________________________________________

Address ____________________________, Ontario

I hereby assign to Local 1324, C.A.W. from any Regular Supplemental Unemployment Benefits to be paid to me, in accordance with the provisions of any Collective Agreement in force from time to time between the Ford Motor Company of Canada, Limited (hereinafter called the "company") and National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) and its Local 1324 (hereinafter called the "union") the monthly dues and other assessments and dues authorized by the constitution of the national union. I authorize and direct the Trustee of the Supplemental Unemployment Benefit Plan Fund to deduct such amounts from any Regular Supplemental Unemployment Benefits payable to me during each calendar month in accordance with such arrangements as may be agreed to between the company and the union, and to remit the same to Local 1324, C.A.W.

I may revoke this assignment as of any anniversary date hereof by written notice, signed by me, of such revocation received by the company at the above address by registered mail, return receipt requested, not more than twenty (20) days and not less than ten (10) days before any such anniversary dates.

Signed ________________________________________

Social Insurance Number _________________________

Street & No. _________________________________

City ________________________ Province _____________

APPENDIX D
RULES OF PROCEDURE GOVERNING
APPEALS TO THE UMPIRE

1. It is the intention that appeals shall normally be heard in the order of date of appeal at the last step of the grievance procedure. However, where the appropriate local and the company are agreed that a particular appeal should be expedited and heard ahead of its turn, or that a particular appeal should be deferred, then the particular appeal shall be heard out of turn accordingly.

2. From time to time the parties to this Agreement shall request the umpire to reserve sufficient days to hear appeals to be allocated to him/her.

3. Each list of appeals to be heard by the umpire shall comprise appeals arising within the same bargaining unit. The appropriate local and the company shall from time to time settle each list of appeals to be allocated to and heard by the umpire.

4. Appeals on each list of appeals allocated to the umpire shall be heard by him/her on the next reserved day or days not less than 30 days following the date of allocation of such list. When mutually agreed between the appropriate local and the company, a particular appeal may be heard by the umpire on an earlier day.
APPENDIX E
HARASSMENT/DISCRIMINATION
INTERNAL COMPLAINT RESOLUTION
PROCEDURE ("The Procedure")

During the current negotiations, the parties discussed Human Rights issues in the workplace. The parties have committed to implementing the Procedure for the benefit of all Ford Motor Company of Canada, Limited employees. In addition, the parties agreed to outline the Procedure within the context of this Appendix.

Ford Motor Company of Canada, Limited and the National Union CAW are committed to providing a harassment and discrimination free workplace. Providing fair and equitable treatment for all employees is best achieved in an environment where all individuals interact with mutual respect for each others' rights, dignity, and worth.

Workplace Harassment/Discrimination Policy
Every employee has the right to work in an environment free of discrimination and harassment. This right includes the responsibility on the part of all employees to eliminate harassment and discrimination in our workplace, whether by employees, suppliers, contractors, or other non-employees at the workplace. The policy and procedure set out below will act as a guide to retirements and social guidelines regarding the recognition and prevention of harassment and discrimination.

This policy exists to underline the seriousness of workplace harassment and discrimination and to establish that there is no acceptable level of harassment or discrimination at Ford of Canada. Harassment, discrimination, or solicitation, whether verbal, physical, or environmental is unacceptable, and will not be tolerated. Employees who feel that they are being harassed, solicited, or discriminated against are encouraged to seek protection under this policy.

Definitions
For the purposes of this Appendix, Employee includes any person within any bargaining unit recognized in the Collective Agreement.

The Workplace is defined as any company facility and includes areas such as offices, shop floors, restrooms, cafeterias, lockers, conference rooms, and parking lots. In addition, it also includes all non-company locations or facilities that are attended by Employees in the course of their employment.

Discrimination is defined as unequal treatment of an individual based on one of the following grounds rather than individual merit: race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offences, marital status, family status, or handicap, or other grounds prohibited by applicable human rights laws.

Discrimination may be direct when it takes the form of explicit discrimination by a person acting on his or her own behalf or it can be systemic when it is of any type (direct, indirect, or constructive) when it pervades an employment system within the Workplace.

Harassment is defined as a "course of vexatious comment or conduct that is known or ought reasonably be known to be unwelcome", that denies individual dignity and respect on the basis of any of the following grounds: race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offences, marital status, family status, handicap, or other grounds prohibited by applicable human rights laws.

Harassment includes, but is not limited to, the following examples of comment or conduct that are based on a prohibited ground:

• Unwelcome remarks, jokes, innuendoes or taunting about another's body, attire, gender, handicap, racial or ethnic background, sexual orientation, etc., which causes awkwardness or embarrassment.
• Refusing to work or share facilities with another employee because of the other's gender, disability, sexual orientation, racial, religious or ethnic background, etc.
• Backlash or retaliation for the lodging of a complaint or participation in an investigation.

Sexual harassment, as a specific form of harassment, is defined as unwelcome or unwanted conduct of a physical or verbal sexual nature, and this conduct substantially interferes with an individual's employment or creates an intimidating, hostile, or offensive work environment.
Sexual harassment includes but is not limited to:

- Displaying visuals of a sexual or otherwise sexually suggestive nature such as pornographic pictures, posters, cartoons or simulation of body parts.
- Leering (suggestive staring) or other gestures.
- Verbal commentary of a sexual nature, obscene comments, or insults about the individual.
- Unnecessary physical contact such as touching, patting, pinching, or assault.

Sexual solicitation is defined as an advance made by a person in a position to confer, grant, or deny a benefit or advancement to the person being solicited where the person making the solicitation knows or ought to know that it is unwelcome, or where there is a reprisal or a threat of reprisal for the rejection of the solicitation by a person in a position to confer, grant, or deny a benefit or advancement.

Supervisory Responsibilities and Frivolous Complaints

Properly discharged supervisory responsibilities, including disciplinary action or conduct that does not interfere with a climate of understanding and respect for the dignity and worth of Ford of Canada employees, are not harassment or discrimination.

The pursuit of frivolous allegations through this procedure could have a detrimental effect on the spirit and intent for which this policy was rightfully developed and such allegations will be discouraged.

Filing a Complaint

If an employee believes that he/she has been harassed, solicited, and/or discriminated against as defined in this policy, that employee (hereinafter called the Complainant) should:

- tell the alleged harasser(s) /solicitor(s)/discriminator(s) (hereinafter called the Respondent(s)) to stop, if possible;
- document the event(s), complete with the time, date, location, names of witnesses and details of each event, if possible.

If the Complainant does not feel able to approach the Respondent(s) directly, or, if after being told to stop, the Respondent(s) continues, the Complainant should:

- lodge a complaint either directly or through a person on his/her behalf with any company or union representative, including any employment equity or Human Resources representative.

Investigation

In minor cases, the company and union agree that the union may try to resolve a harassment or discrimination complaint informally using the CAW Internal Procedure without a full investigation when so requested by the Complainant. The outcome of this attempted resolution will be communicated to the company employment equity representative. If the Complainant disagrees with the attempted resolution, or if the complaint involves more than minor issues, there will be a joint investigation of the complaint according to established methods. Once informed of a complaint requiring joint investigation, the representative will immediately inform his/her counterpart and together these two will conduct a thorough joint investigation according to established methods. Where the Complainant is a woman and the complaint involves sexual harassment, sexual solicitation, or gender discrimination, the joint investigation team will include at least one woman.

The joint investigation will include an interview of the Complainant and may include interviewing the Respondent(s), witnesses and other persons named in the complaint. If any CAW member who is to be interviewed, so wishes, he/she may have union representation present during the interview. It is the intention of the union and the company that, in most cases, the investigation will take place within five (5) days and shall be concluded fourteen (14) days after lodging a complaint.

The Company and the Union recognize the importance of maintaining confidentiality with respect to appendix “E” complaints. The parties will select the interview time and location having consideration for the need to maintain confidentiality. The identity of the Complainant, the Respondent(s), and the nature of the complaint will be kept confidential and only persons with a need to know will be informed of the complaint. Records of the investigation, including interviews, evidence and recommendations will be securely maintained in the offices of the company employment equity representative and the local union president or designate.
Resolution

Upon completion of their investigation, the joint investigators will meet with and present their recommendations for resolution to the company’s local Decision Review Committee (the "Committee"). The Committee will be comprised of two senior managers appointed by the plant manager. These appointees will have been appropriately trained regarding harassment and discrimination issues.

The Committee will review the investigation report and the recommendations for resolution. While in most cases this material will form the basis for the committee’s decision, the Committee is not precluded from contacting other sources, including separately interviewing the Complainant and the Respondent(s) if necessary, in order to render a proper disposition. If any CAW member who is to be interviewed, so wishes, he/she may have union representation present at the interview. In addition, the Committee may review the potential disposition with the Complainant in an effort to ensure that the resolution appropriately addresses his/her concerns. The Committee will conduct its interviews and deliberations in the same confidential manner as is required of the joint investigation team, and all Committee records will be securely maintained in the offices of the Committee members.

The union and the company agree that in most cases, the Committee's decision will be rendered within twenty-one (21) days of the presentation of the investigators' recommendations. The Committee will render its decision in writing and will provide copies to the Complainant, the Respondent(s), and the designated union representative.

If the Complainant is not satisfied with the disposition of the Committee, he/she may appeal the decision to the company's National Review Board (the "Board"). If the Respondent(s) is not satisfied with the decision, he/she may appeal to the Board or file a grievance pursuant to the Collective Agreement. The Board will consist of the following individuals: the company's human resources manager, a member of the central labour affairs staff, and a member of the company's legal department.

Appeals will be heard by the Board within twenty-one (21) days of their filing. The hearings shall be held in as informal a manner as is reasonably possible.

The Board will establish basic written rules for the conduct of appeals and will make such rules available to the parties prior to the start of each appeal.

The Board shall allow the parties a fair opportunity to present their evidence and positions including what they believe would be a fair and reasonable disposition of the complaint under appeal. The Board will conduct its interviews and deliberations in the same confidential manner as is required of the joint investigation team, and all Board records will be securely maintained. If any CAW member who is to be interviewed, so wishes, he/she may have union representation present at the Appeal. The Board shall provide the parties to the Appeal with a written decision within fourteen (14) days of the conclusion of the Appeal.

It is the intention of the union and the company that, in most cases, the entire timeframe between the initial lodging of the complaint and the rendering of the appeal decision of the Board should take no longer than ninety (90) days. It is understood that the Procedure is intended to be a "user friendly" method to resolve complaints of harassment or discrimination at company facilities.

The pursuit of frivolous allegations through the Procedure could have a detrimental effect on the spirit and intent for which this policy was rightfully developed and such allegations should be discouraged by the union and the company.

Right to Refuse

A bargaining unit employee alleging harassment or discrimination in the workplace is encouraged to use the above procedure to resolve a complaint. However, it is agreed, in principle, that in serious cases of harassment or discrimination, or when the safety of an employee is being threatened directly or indirectly by the Respondent(s), it may be necessary for that employee to leave the job. Before any employee takes such action, the parties agree that details with respect to the procedure regarding the ability of employees to leave their jobs as outlined above will be developed by the Master Employment Equity Committee and will be implemented as part of the Procedure no later than June 30, 2003.

The purpose of this Policy and Procedure is to allow the CAW and Ford of Canada the opportunity to address and resolve internal problems related to the objective of achieving a harassment and discrimination free workplace. This Policy and Procedure in no way precludes the Complainant's right to seek action under the applicable Human Rights legislation.

The parties also agree to communicate this information about the Procedure to the workforce prior to June 30, 2003 through local union newsletters, bulletin board notices and company publications or any other mutually agreed upon method of communication.
Recommended Investigation Guidelines are outlined below for the use of the investigators.

**INVESTIGATION GUIDELINES**

**Complaint**

Every effort should be made to have the Complainant submit a written complaint. This request should be submitted in a supportive, rather than an intimidating manner.

A written complaint enables the Respondent(s) and the investigators to deal with a clear and concise description of allegations. Therefore, if the Complainant does not file a written complaint, the investigator(s) will draft a written form of complaint which the Complainant will have an opportunity to review and consent to.

**Prior to the Investigation**

Before commencing an investigation, the investigators should consider and recommend to company management how to address the interim situation during the investigation. Consideration may be given to whether the Complainant and/or the Respondent(s) be moved to a new assignment or sent home.

The Respondent(s) should be advised of the existence of the complaint at the beginning of the investigative procedure. The investigators must determine the extent of the details provided based on each specific case. In some cases, it would be appropriate to put all the allegations to the Respondent(s) immediately and hear his or her response. In other cases, the investigators may wish to interview others first and establish some factual context for the interview with the Respondent(s), in which case the Respondent(s) may be informed of the existence of the complaint and its general nature and told he or she will be provided with details and interviewed later.

**Interviews**

To ensure an effective investigation and accurate documentation of the investigation:

a) the Complainant, the Respondent(s), and the pertinent witnesses for both the Complainant and the Respondent(s) will be interviewed;

b) the interview timing and location will recognize the need to conduct the investigation in a confidential manner;

c) the investigators will prepare detailed and accurate notes of each interview;

d) in some cases, if permitted by the interviewee, the interview will be tape-recorded;

e) in serious cases, the investigators may wish to have a transcriber prepare a verbatim record;

f) the investigators will prepare a summary of each interview and ask the interviewee to review, date, and sign the summary;

g) an interviewee may request and obtain any record, written or tape-recorded, of his or her own interview, but not that of other interviewees.

**After the Interviews**

The Complainant and the Respondent(s) will not be provided with copies of the interview summaries prepared by the investigators, other than their own interview records.

However, the Complainant and the Respondent(s) will be provided with the names of witnesses, if these are required to enable them to respond. They do not have the right to confront witnesses or to cross-examine them.

**Investigators’ Report**

The investigators will meet with the Decision Review Committee to present their written findings. This document serves as a record of the basis of the Company’s decision. It should include: the allegations and defense, the evidence obtained, an analysis of the evidence for its relevance and credibility, the findings as to whether the allegations of discrimination, harassment, sexual harassment, or sexual solicitation are, or are not, proven on the balance of probabilities (i.e., more likely than not), and any factors which may affect disciplinary action.
APPENDIX F
MEMORANDUM OF UNDERSTANDING
EMPLOYMENT EQUITY

During current negotiations, the parties reaffirmed the policy of the company and the CAW as outlined in article 5 of the Collective Agreement, that the provisions of the agreement be applied without discrimination to all employees covered by the agreement with regard to race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offences, marital status, family status, or handicap.

The company reaffirmed its policy to extend opportunities to all qualified applicants and employees on a non-discriminatory basis for employment and advancement within the company.

While recognizing that it is the right of management to hire, assign, and promote qualified candidates subject to the terms and conditions of the Collective Agreement, the parties agree to undertake certain joint activities to further implement these non-discriminatory policies following ratification of this agreement.

Local Committee:
An Employment Equity Committee will be established at the Bramalea office, consisting of no more than two union representatives to be selected by the local CAW chairperson from within the existing representation structure. The local chairperson will also act as an ex-officio member of the committee. If there are no women in the existing representation structure, the local CAW chairperson shall select one committee member from among the women actively employed in the bargaining unit at the location. A woman selected by the local CAW chairperson for this purpose will be permitted to leave work when required during straight-time hours to function as a committee member and will be paid by the company at her regular straight-time rate.

A comparable number of management representatives will be appointed. It is recognized that Local Committees will require ongoing assistance and direction. Accordingly, a Master Employment Equity Committee, consisting of two National Union representatives, the CAW/Ford Master Negotiating Committee Chairperson, the National Employment Equity Coordinator and four company representatives has been established. The Master Committee will meet quarterly to review local committee activity.

The local committee shall:
(a) Devote attention to the designated groups as follows:
(b) Play a role in the development and implementation of the joint Employment Equity Plan. This role could include information gathering, barrier identification, the development of goals and timetables, and other elements of the plan that require local input.
(c) Develop a communication strategy to educate employees and raise awareness through events such as the White Ribbon Campaign and Human Rights Day.
(d) Conduct harassment complaint investigations as outlined in the workplace harassment policy and procedure.
(e) Attend the annual three (3) day meeting designed to update committee members on the latest developments and strategies in the field. The company will be responsible for wages, transportation and lodging expenses. The union will be responsible for per diem expenses.

Members of the Local Committees may:
(a) Participate in community and/or school career awareness programs designed to inform people about potential employment opportunities at Ford of Canada.
(b) Establish and maintain working relationships with local designated group organizations.
(c) Develop informational communiqués to encourage designated group members to apply for technical and skilled positions.
(d) Identify the type(s) of technical jobs which would require training. Make recommendations to the local parties after considering the availability of community resources.
(e) Consult with the Master Employment Equity committee and the local apprentice committee to develop and implement a pre-apprenticeship training program for designated group members.

Section (1) Communication of Workplace Harassment Policy and Procedure
The company has agreed to develop a Workplace Harassment Policy and Procedure booklet. Further, media coverage of the policy and procedure will be incorporated in the equity plan communication strategy.
Section (2) Union Leadership Harassment Training

The company agrees to deliver the three-day harassment and human rights program for newly-elected and appointed union representatives who have not already attended this training. The timing, location(s), and trainers will be determined by the Master Employment Equity Committee. Travel time, if required, is to be included in the three-day period.

The Master Employment Equity Committee will update the one-day Employment Equity Program for the individuals detailed above.

Section (3) Violence Against Women

The parties recognize that women sometimes face situations of violence or abuse in their personal life that may affect their attendance or performance at work. The parties agree that when there is adequate verification from a recognized professional (i.e., doctor, lawyer, professional counsellor), a woman who is in an abusive or violent personal situation will not be subjected to discipline without giving full consideration to the facts in the case of each individual and the circumstances surrounding the incident otherwise supportive of discipline. This statement of intent is subject to a standard of good faith on the part of the company, the union, and affected employees, and will not be utilized by the union or employees to subvert the application of otherwise appropriate disciplinary measures.

Section (4) White Ribbon Campaign

In recognition of the problem of violence against women, local employment equity committees will organize a White Ribbon Campaign at each location. Employees will be asked to wear a white ribbon on December 6th in remembrance of women who died from acts of violence and to raise awareness of the issue of violence against women. In addition, where feasible, operations will cease in order to observe a minute of silence each year on December 6 at 11:00 a.m. Should December 6 fall on a non-production day, the moment of silence will be observed on a day mutually agreed upon by the local union and plant management. Flags will be flown at half-staff to mark this occasion.

Section (5) Women’s Advocate

The parties recognize that female employees may sometimes need to discuss with another woman matters such as violence or abuse at home, or workplace harassment. They may also need to find out about specialized resources in the community such as counsellors or women’s shelters to assist them in dealing with these and other issues.

For this reason the parties agree to recognize that the role of women’s advocate in the workplace will be served by the CAW female member of the Local Union Employment Equity Committees, in addition to her other duties relating to employment equity. The trained female Employment Equity Representative will meet with female members as required, discuss problems with them and refer them to the appropriate community agency when necessary.

The company agrees to establish a confidential phone line that female employees can use to contact the female Employment Equity Representatives. As well, the company will provide access to a private office so that confidentiality can be maintained when a female employee is meeting with a female Employment Equity Representative.

The Local Employment Equity Committees will develop appropriate communications to inform female employees about the advocacy role that the female Employment Equity Committee members play.

The Women’s Advocates will participate in an annual training program. The two-day training program includes travel and will be held at the end of the Annual three-day Employment Equity Meeting.

The company will be responsible for wages, transportation, and lodging expenses. The union will be responsible for per diem expenses.

Section (6) Employment Equity Programs

The company and the union reaffirmed their commitment to Employment Equity.

While the parties recognize that there is increasing representation of the four designated groups within the hourly workforce, the company and the union agreed that they must increase special efforts aimed at achieving a representative number of women, visible minorities, persons with disabilities and aboriginal persons throughout the workforce of Ford of Canada.

The parties agreed that a diverse workforce is beneficial and desirable, and that their proactive efforts on employment equity are
fundamental to the company. The parties are committed to jointly develop an Employment Equity Plan on behalf of CAW bargaining units at Ford of Canada by year end 1998. This plan will include the following:

- an up-to-date census
- a workforce analysis and review of employment systems
- the identification of systemic barriers to the designated groups
- a review of current recruitment, promotion, and training practices
- goals and timetables for hiring the designated groups
- goals and timetables for reducing or eliminating systemic barriers to the designated groups
- accommodation for people with disabilities
- a clear and ongoing commitment to a workplace free of harassment
- identification of positive measures such as work and family measures, skills updating, pre-apprenticeship training, etc. that could help retain and advance the designated groups in the Ford workforce
- an annual review procedure to monitor the progress of the program.

The company has developed an Employment Equity Plan for the Federal Contractors Program. Elements of this plan may form the basis for the new joint Employment Equity Plan when the parties are in agreement.

**APPENDIX G**

**JOB SECURITY AND WORK OWNERSHIP**

Over the years the company and the union have regularly addressed worker concerns over income and job security. Recognizing that employment levels will fluctuate with changes in the marketplace, the parties have negotiated programs to provide workers and their families with a measure of income security unparalleled in Canadian industry. Further, recognizing that longer term employment levels will be affected by in-plant changes in technology and the in-plant organization of work, the parties have negotiated programs to encourage attrition and thereby prevent or limit potential layoffs.

During the 1990 negotiations, a milestone agreement on Job and Income Protection Program was reached by the company and the CAW which was intended to limit and prevent layoffs. The Agreement established a workable procedure to deal with the extensive structural change occurring in the industry at that time, and which clearly has continued to date.

In 2005 negotiations the company and the union focused on the impact of outsourcing decisions and their impact on individual workers, their families, and their communities.

Of critical importance to the union during these negotiations was the concept of "work ownership", defined as protection against the outsourcing of work which has been performed on a historical basis in a quality and efficient manner at reasonable cost. From a CAW perspective, work ownership was described as a principle intended to be consistent with on-going changes in the workplace.

In keeping with this concept, the company advised the union that it will not outsource any major operations during the life of the Agreement. In addition, the company commits there will be no reduction in community employment levels as a result of outsourcing during the term of this Agreement.

1 Ford Motor Company of Canada, Limited Bramalea employees in the Local 1324 bargaining unit.
APPENDIX H
AGREEMENT CONCERNING MATERNITY, ADOPTION
AND PARENTAL LEAVES OF ABSENCE

SECTION 1. DEFINITIONS

1.1 "Active Service" - An Employee is in Active Service in any pay period in which they perform some work for the Company.
1.2 "Bargaining Unit" means a unit of employees covered by the Collective Agreement.
1.3 "Base Hourly Rate" as to an Hourly Employee means with respect to a Maternity, Adoption or Parental Allowance benefit, the Employee's straight-time hourly rate plus the amount of cost-of-living allowance in effect on the Employee's last day of work.
1.4 "Base Weekly Salary" as to a Salaried Employee means with respect to a Maternity, Adoption or Parental Allowance benefit, the Employee's weekly salary plus the amount of cost-of-living allowance in effect during the pay period in which the employee last worked.
1.5 "Collective Agreement" means any applicable collective agreement between the Company and the Union which incorporates this Plan by reference.
1.6 "Company" means Ford Motor Company of Canada, Limited.
1.7 "Employment Insurance Benefits" means an employment insurance special benefit as defined in Sec. 12.(3)(a) and Sec. 12.(3)(b) of the Canadian Employment Insurance Act.
1.8 "Seniority" means Seniority status under the Collective Agreement.
1.9 "Union" means National Automobile, Aerospace, Transportation and General Workers Union of Canada, (CAW-Canada).
1.10 "Weekly Straight-Time Pay" means an amount equal to an Hourly Employee's Base Hourly Rate multiplied by (forty) 40, or a Salaried Employee's Base Weekly Salary.

SECTION 2. MATERNITY LEAVE OF ABSENCE

A Maternity Leave of Absence will be granted, subject to the following:

2.1 The employee started her employment at least thirteen (13) weeks prior to the expected birth date.
2.2 The employee makes formal application for a Maternity Leave of Absence at least two (2) weeks prior to the date the leave is to begin. Such application must be accompanied by a certificate from a legally qualified medical practitioner stating the expected birth date.
2.3 (a) Section 2.2 will not apply to an employee who stops working because of complications caused by her pregnancy or because of a birth, still-birth, or miscarriage that happens earlier than the employee was expected to give birth.
   (b) Employees described in subsection (a) above must, within two weeks of stopping work provide:
      (i) written notice of the date the maternity leave began or is to begin; and
      (ii) a certificate from a legally qualified medical practitioner that
        (a) in the case of an employee who stops working because of complications caused by her pregnancy states the expected due date;
        (b) in any other case, states the date of the birth, still-birth, or miscarriage and the date the employee was expected to give birth.
2.4 The leave may begin no earlier than seventeen (17) weeks before the expected birth date provided whenever an employee has a live birth, the leave must begin on the date of the birth. The leave may begin no later than the expected birth date or the date the baby is born, whichever is earlier.
2.5 The maternity leave of an employee who is entitled to take parental leave ends seventeen weeks after the maternity leave began or earlier if the employee provides four (4) weeks written notice.
2.6 The maternity leave of an employee who is not entitled to take parental leave ends on the later of the day that is seventeen weeks after the maternity leave began or the day that is six (6) weeks after the birth, still-birth or miscarriage.
2.7 Employees who are not eligible by reason of service will not be granted maternity leave. Personal leave of absence will be granted to such employees in lieu of maternity leave.
2.8 In the event a designated vacation shutdown period is scheduled during the period of Maternity Leave of Absence, the employee will be deemed to be on vacation and in receipt of his/her vacation pay for which he/she is eligible during such period. The balance of the Maternity Leave of Absence will be served following such designated shutdown period during which the employee was paid vacation pay.

SECTION 3. ADOPTION LEAVE OF ABSENCE

An Adoption Leave of Absence will be granted, subject to the following:

3.1 The employee started their employment at least thirteen (13) weeks prior to the coming of the child into the custody, care and control of a parent for the first time and is an adoptive parent (whether or not the adoption has been legally finalized).

3.2 The employee makes formal application for an Adoption Leave of Absence at least two (2) weeks prior to the date the leave is to begin. Such application must be accompanied by evidence of the adoption.

3.3 The leave must begin no later than fifty-two (52) weeks after the child comes into custody, care and control of the employee for the first time.

3.4 The Adoption Leave of Absence will end thirty-seven (37) weeks after it began or on an earlier day if the employee provides four (4) weeks written notice.

3.5 In the event a designated vacation shutdown period is scheduled during the period of Adoption Leave of Absence, the employee will be deemed to be on vacation and in receipt of his/her vacation pay for which he/she is eligible during such period. The balance of the Adoption Leave of Absence will be served following such designated shutdown period during which the employee was paid vacation pay.

3.6 Employees who are not eligible by reason of service will not be granted Adoption Leave of Absence. Personal Leave of Absence will be granted to such employees in lieu of Adoption Leave of Absence.

SECTION 4. PARENTAL LEAVE OF ABSENCE

A Parental Leave of Absence will be granted, subject to the following:

4.1 The employee has qualified for a Maternity Leave of Absence in the circumstances of a live birth, an employee, not having given birth to a child, is the parent of a child or is in a relationship of some permanence with a parent of the child and plans on treating the child as his or her own and has thirteen (13) weeks of service prior to the date of the Parental Leave of Absence.

4.2 The employee makes formal application for a Parental Leave of Absence at least two (2) weeks prior to the date the leave is to begin. Such application must be accompanied by the Certificate of Birth of the child where application is made by an employee not entitled to take a Maternity Leave of Absence.

4.3 Parental Leaves of Absence will begin:

(a) in the case of an employee who has taken a Maternity Leave of Absence, immediately following the Maternity Leave of Absence unless the newborn child has not yet come into the custody, care and control of the employee for the first time, or

(b) in the case of the employee who is not entitled to take a Maternity Leave of Absence, no later than fifty-two (52) weeks after the child is born or comes into the custody, care and control of the employee for the first time.

4.4 The Parental Leave of Absence will end thirty-five (35) weeks after it began or on an earlier day if the employee provides four (4) weeks written notice in the case of an employee who has taken a Maternity Leave of Absence, thirty-seven (37) weeks after it began or an earlier day if the employee provides 4 weeks written notice in the case of the employee who has not taken Maternity Leave of Absence.

4.5 In the event a designated vacation shutdown period is scheduled during the period of Parental Leave of Absence, the employee will be deemed to be on vacation and in receipt of his/her vacation pay for which he/she is eligible during such period. The balance of the Parental Leave of Absence will be served following such designated shutdown period during which the employee was paid vacation pay.
4.6 Employees who are not eligible by reason of service will not be granted Parental Leave of Absence. Personal Leave of Absence will be granted to such employees in lieu of Parental Leave of Absence.

SECTION 5. MATERNITY LEAVE ALLOWANCE

5.1 Maternity Leave Allowance is payable only for Maternity Leave of Absences occurring on or after the 6th day of August, 1997.
5.2 A Maternity Leave Allowance is payable only to those employees who have attained Seniority.
5.3 An employee who is in receipt of Employment Insurance Benefits shall be paid up to sixteen (16) weeks [fifteen (15) weeks plus one (1) waiting period] of Maternity Leave Allowance equivalent to an amount that when added to Employment Insurance Benefits will equal 75% of Weekly Straight-Time Pay provided the employee has been in Active Service in the Bargaining Unit within one year of the commencement of their Maternity Leave of Absence. Payment of this allowance will cease if the employee ceases to qualify for Employment Insurance Benefits.
5.4 An employee who is not in receipt of Employment Insurance Benefits for all or a portion of the sixteen (16) weeks of Maternity Leave Allowance due primarily to having either been previously laid off by the Company or on an approved Maternity Leave or Absence shall be paid Maternity leave Allowance for up to sixteen (16) weeks at a rate equivalent to an amount that when added to Employment Insurance Benefits will equal 75% of Weekly Straight-Time Pay provided the employee has been in Active Service in the Bargaining Unit within one (1) year of the commencement of their Maternity Leave of Absence.
5.5 Notwithstanding subsections 5.1 through 5.4 above, if it is determined that an employee would have qualified previously for a pregnancy benefit under Section 11(k) of the Group Life and Disability Insurance Program, the employee shall be paid up to sixteen (16) weeks [fifteen (15) weeks plus one (1) waiting period] of Maternity Leave Allowance equivalent to an amount that when added to Employment Insurance Benefits will equal 75% of Weekly Straight-Time Pay. Payment of this allowance will cease at the point in which payment would have ceased under the Prior Plan.

5.6 The receipt of a Maternity Leave Allowance does not reduce the employee's Accumulated Sick Leave, Vacation Leave, Severance Pay or any other accumulated credits arising from employment.

SECTION 6. ADOPTION LEAVE ALLOWANCE

6.1 An Adoption Leave Allowance is payable only to employees who have a child placed with them for the purpose of adoption on or after the 6th day of August, 1997.
6.2 An Adoption Leave Allowance is payable only to those employees who have attained Seniority.
6.3 An employee who is in receipt of Employment Insurance Benefits shall be paid up to thirty-five (35) weeks of Adoption Leave Allowance equivalent to an amount that when added to Employment Insurance Benefits will equal 65% of Weekly Straight-Time Pay provided the employee has been in Active Service in the Bargaining Unit within one (1) year of the commencement of their Adoption Leave of Absence. Payment of this allowance will cease if the employee ceases to qualify for Employment Insurance Benefits.
6.4 An employee who is not in receipt of Employment Insurance Benefits for all or a portion of the thirty-five (35) weeks of Adoption Leave Allowance period due primarily to having either been previously laid off by the Company or on an approved Adoption Leave of Absence shall be paid Adoption Leave Allowance for up to thirty-five (35) weeks at a rate equivalent to an amount that when added to Employment Insurance Benefits will equal 65% of Weekly Straight-Time Pay provided the employee has been in Active Service in the Bargaining Unit within one (1) year of the commencement of their Adoption Leave of Absence.
6.5 The receipt of an Adoption Leave Allowance does not reduce the employee's Accumulated Sick Leave, Vacation Leave, Severance Pay or any other accumulated credits arising from employment.

SECTION 7. PARENTAL LEAVE ALLOWANCE

7.1 A Parental Leave Allowance is payable only for Parental Leave of Absences commencing on or after the 6th day of August, 1997.
7.2 A Parental Leave Allowance is payable only to those employees who have attained Seniority.
7.3 An employee who is in receipt of Employment Insurance Benefits shall be paid up to thirty-five (35) weeks of Parental Leave Allowance equivalent to an amount that when added to Employment Insurance Benefits will equal 65% of Weekly Straight-Time Pay provided the employee has been in Active Service in the Bargaining Unit within one (1) year of the commencement of their Parental Leave of Absence. Payment of this allowance will cease if the employee ceases to qualify for Employment Insurance Benefits.

7.4 An employee who is not in receipt of Employment Insurance Benefits for all or a portion of the thirty-five (35) weeks of Parental Leave Allowance period due primarily to having either been previously laid off by the Company or on an approved Parental Leave or Absence shall be paid Parental Leave Allowance for up to thirty-five (35) weeks at a rate equivalent to an amount that when added to Employment Insurance Benefits will equal 65% of Weekly Straight-Time Pay provided the employee has been in Active Service in the Bargaining Unit within one (1) year of the commencement of their Parental Leave of Absence.

7.5 The receipt of a Parental Leave Allowance does not reduce the employee's Accumulated Sick Leave, Vacation Leave, Severance Pay or any other accumulated credits arising from employment.

MATERNITY, ADOPTION AND PARENTAL LEAVES OF ABSENCE
LETTER OF UNDERSTANDING

Maximum Payment for Waiting Period
The parties agree that in the case of where an employee qualifies for a Maternity Leave Allowance and has previously served Employment Insurance waiting periods, a maximum benefit (75% of Weekly Straight-Time Pay) is payable either during or at the end of the Maternity or subsequent Parental Leave of Absence.

Proof of Entitlement
Employees making application for Maternity, Adoption and Parental Leaves of Absence will be required in all cases to provide to the company proof of birth or adoption, satisfactory to the Company.

APPENDIX I
SPECIAL CONTINGENCY FUND

September 19, 2005

Mr. B. Hargrove
National President
National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada)
205 Placer Court
Toronto, Ontario M2H 3H9

Dear Mr. Hargrove:

During the 2005 negotiations the Company and the Union agreed that:

1. A Special Contingency Fund will be continued during the term of this Collective Agreement.

2. Such Special Contingency Fund will equal an accrual by the Company of $2.60 per overtime hour worked by all covered Employees in excess of five percent (5%) of straight time hours worked by such covered Employees for all pay periods commencing after the effective date of this Agreement.

3. During this Collective Agreement, the Special Contingency Fund will be utilized only in support of the following plans and programs:

   (i) the Legal Services Plan,
   (ii) Child Care programs,
   (iii) the C.A.W. Leadership Training Program (P.E.L.),
   (iv) research leadership and development,
   (v) Training Review Committee,
   (vi) The Social Justice Fund,
   (vii) The Retiree Fund,
   (viii) The Skilled Trades Fund,
   (ix) The Dependent Children Scholarship Program,

At any point in time the Special Contingency Fund Balance shall be equal to the cumulative accrual calculated in section 2 above, less the cumulative utilization calculated in this section 3.
The cumulative accrual and utilization shall include balances carried forward from prior Agreements.

4. Funding for the above mentioned plans and programs will be determined as follows:

   (i) funding for the Legal Services Plan in the amount of $0.14 per hour worked,

   (ii) funding for the C.A.W. Leadership Training Program (P.E.L.) will be provided in the amount of $0.07 per hour worked,

   (iii) funding for research, leadership and development activities of the Union will be provided in the amount of $0.05 per hour worked,

   (iv) funding for programs and activities of the Training Review Committee will be provided pursuant to the letter between the parties,

   (v) funding for the Social Justice Fund in the amount of $0.06 per hour worked,

   (vi) funding for the Retirees Fund in the amount of $0.03 per hour worked,

   (vii) funding for the Skilled Trades Fund in the amount of $0.05 per hour worked,

   (viii) funding for the Dependent Children Scholarship Program,

   (ix) funding for the Child Care program in the amount of $0.07 per hour worked.

5. The parties agree that in the event that the Special Contingency Fund balance is insufficient to provide funding for the above mentioned plans and programs as required in paragraph 5, the amount of required funding in excess of the Special Contingency Fund balance will be recovered as an offset against future Special Contingency Fund accruals.

6. As of the end of this Collective Agreement period, the parties would negotiate the usage of any balance then remaining in the Special Contingency Fund.

   Yours very truly,
   FORD MOTOR COMPANY OF CANADA, Limited
   Stacey Allerton Firth
   Vice President,
   Human Resources

   Concur: B. Hargrove
LETTERS AND STATEMENTS EXCHANGED BETWEEN THE UNION AND THE COMPANY

For the information of all concerned the following letters and statements exchanged between the union and the company are reproduced and appear hereafter.

These letters and statements do not form part of the Collective Agreement.

- Administration -

December 1, 1984

Mr. R. White
UAW Director for Canada and
International Vice President
International Union, United Automobile,
Aerospace and Agricultural Implement
Workers of America
205 Placer Court
Willowdale, Ontario
M2H 3H9

Dear Mr. White:

During the 1984 negotiations the parties discussed the significant impact the changes in the business climate have had on the way the company and the union conduct their business. More importantly, the parties recognized and agreed that prosperity, secure employment and the mutual interest of all depended upon our ability to work together to meet the competitive challenge of today's market through growth development and adaptation.

Both parties also recognize that positive change is possible only when progressive, cooperative attitudes exist at all levels of our two organizations. When we find such attitudes are lacking, the company and the union must work vigorously to instill them.

To ensure that a mechanism exists that is responsive to these objectives, the parties agreed to establish a Joint Communications Program at Bramalea and Windsor which will provide a new framework to promote management/union relationships through better communications, systematic fact finding and advance discussion of certain business developments that are of mutual interest and significant to the union, the employees and the company.

It is understood that the make-up, organization, and procedures of the Joint Communications Program do not replace collective bargaining and are not subject to the grievance procedure of the collective agreement.

The parties recognize that information to be made available frequently is of a sensitive nature and may have important competitive implications. Accordingly, they agree that information and data shared at these meetings will be accorded appropriate confidential treatment and will not be disclosed to outside firms, agencies or persons without the consent of the party providing it. The list of matters to be dealt with by the program is always subject to the mutual agreement of the parties.

The make-up and organization of the program will be entirely at the discretion of the local parties at Bramalea and Windsor, however, it is suggested that meetings be held at least semi-annually. More frequent meetings may be held if both parties mutually agree.

The Joint Communications Program will deal with a variety of matters having special interest to the employees, the local union, and the management at Windsor or Bramalea. Among these might be:

• Identifying ways of improving communications through all organizational levels.
• Discussing the overall business climate and certain business developments within the scope of available business knowledge and the functional responsibilities of the Windsor and Bramalea components.
• Determining principal matters of concern to the employees, union and management.
• Discussing and clarifying general office and administrative matters (e.g., inter-departmental relationships, internal communications procedures and organizational structure) and improving approaches and attitudes.
• Addressing other matters the local parties agree are appropriate for discussion.

Periodically, the programs at Windsor and Bramalea will be given financial and business presentations prepared by the company's central labour relations staff and finance staff and by the international union. These presentations will be developed to keep the local union leadership and the employees informed of the performance and outlook of the company as a whole.
The company's vice president, industrial relations and the Canadian director of the UAW or their designated representatives will periodically visit the company facilities at Bramalea and Windsor to review and discuss information or issues and concepts important to the program mission and will maintain liaison with the local programs to assist and encourage them as appropriate.

Yours very truly,
A. W. Hanlon
Vice President
Industrial Relations

October 16, 1987

Mr. M. J. Whyte
President, Local 1324, C.A.W.
P.O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Mr. Whyte:

During the 1987 negotiations, the union requested that T-4 slips be available by the end of January each year.

The company indicated that there are a number of external factors beyond our control which influence our ability to prepare the T-4 slips. Nonetheless, the company assured the union that every effort will continue to be made to process and distribute the T-4 slips as early as possible in the New Year.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
R. M. Szostak
Industrial Relations Manager
Canadian Parts Sales & Distribution
Mr. B. Hargrove  
National President  
National Automobile, Aerospace and  
Agricultural Implement Workers  
Union of Canada (CAW-Canada)  
205 Placer Court  
Willowdale, Ontario  
M2H 3H9

October 7, 2002

Dear Mr. Hargrove:

During the 2002 negotiations the parties agree that, following ratification and before the printing of the Collective Agreement booklets, one representative appointed by the President of the national union and one representative appointed by the Vice President, Employee Relations will review existing letters and statements contained in these booklets. The purpose of this review is to identify and remove outdated letters and statements.

Yours very truly,
FORD MOTOR COMPANY OF CANADA, Limited  
T. P. Hartman  
Vice President,  
Human Resources

Mr. B. Hargrove  
National President  
National Automobile, Aerospace,  
Transportation and General Workers  
Union of Canada (CAW-Canada)  
205 Placer Court  
Willowdale, Ontario  
M2H 3H9

November 11, 1996

Dear Mr. Hargrove:

During the current negotiations the parties discussed the application of temporary absence work release programs approved by the Ministry of Correctional Services. The company agreed that it would participate in such programs in a timely fashion when approved by the Ministry of Correctional Services provided that:

1. the employee's seniority had not already been broken.  
2. the nature of the misconduct which had resulted in a jail sentence had not already impacted the employer/employee relationship.  
3. the company had no plans to either suspend or discharge the employee for absence from work or other shop rule violation occurring apart from the issue for which the Ministry approached the company.

Any problems which may arise in connection with this letter will be reviewed for resolution between national union, CAW and Central Labour Relations Staff.

Yours very truly,
FORD MOTOR COMPANY OF CANADA, Limited  
D. J. McKenzie  
Vice President,  
Employee Relations

Concur: B. Hargrove
September 19, 2005

Mr. B. Hargrove
National President
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
205 Placer Court
Toronto, Ontario
M2H 3H9

Dear Mr. Hargrove:

The company expects its suppliers to have responsible labour relations, treat their employees in a fair and equitable manner, and avoid conduct which violates federal or provincial labour and employment laws.

The union may, from time to time, raise concerns about its relationship with certain suppliers. The company commits to take these concerns seriously. The parties recognize that instances in which these matters arise are based on the particular facts of the situation, and therefore plan to continue to deal with these matters on a case by case basis as they have in the past and in compliance with all applicable laws. When such concerns do arise, the company has agreed to inform individual suppliers either through direct contact, letter or both, of the following principles:

• The importance the company places on its relationship with the CAW and the positive value of that relationship.
• The company does not encourage suppliers to resist organizing efforts by their employees.
• The considerations involved in awarding contracts to suppliers, including cost, quality, delivery capability, technology, and responsible labour relations.
• The expectation that suppliers treat employees in a fair and equitable manner, including respecting their right to decide whether or not to join a union in an atmosphere free of intimidation, interference, or risk of reprisal.
• The expectation that suppliers avoid conduct or communication which violates federal or provincial labour and employment laws and respect the company’s relationship with its CAW partners.

• The practice by which certain suppliers recognize the union as bargaining agent for employees when the union signs up more than 50% of the employees in a particular operation, which is currently non-represented, there is no other trade union seeking to represent the employees, and the employee signatures are verified by an independent third party. (In those instances, the appropriate labour legislation will govern the bargaining process in the same way as if certification had been granted by the labour board.)
• The company will not take retaliatory action, such as canceling or refusing to renew contracts with a supplier based on a decision of that supplier’s employees to join a labour union.

The company agrees to send each new supplier a letter informing them of the preceding principles, including the importance the company places on its relationship with the union and the positive value of that relationship, within sixty (60) days of the effective date of a new supplier contract. A copy of this letter will be provided to the union. Additionally, the company will meet with the union, from time to time as required, to discuss its supplier companies, including the need for responsible labour relations.

Ford of Canada believes that the above process will improve overall labour relations within the broader business community. The parties believe this environment will positively contribute to Ford of Canada’s success and its ability to compete in the global marketplace.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
Stacey Allerton Firth
Vice President,
Human Resources
October 1, 1999

Mr. B. Hargrove  
National President  
National Automobile, Aerospace,  
Transportation and General  
Workers Union of Canada (CAW - Canada)  
205 Placer Court  
Willowdale, Ontario  
M2H 3H9

Dear Mr. Hargrove:

During the current negotiations, the parties discussed the inclusion of spouses of the same sex in the Company's contractual provisions regarding spouses where permitted by law.

The parties agreed that the term "spouse" will be interpreted to mean the person to whom the employee is legally married, or if there is no such person, the person who has been cohabiting and residing with the employee in a conjugal relationship for an immediately preceding continuous period of at least one year, and has been publicly represented by the employee as the employee's spouse.

Effective October 1, 1999 this definition will be applicable to section 15.05(a) of the Collective Agreement.

Employees will be required to provide satisfactory proof to the Company of the conjugal relationship and public representation of the spouse.

Yours very truly,  
FORD MOTOR COMPANY  
OF CANADA, Limited  
D. J. McKenzie  
Vice President,  
Human Resources

- Statements (1974) -

Whenever reasonably practicable, within 7 days following the hiring or reinstatement of an employee falling within the bargaining unit represented by Local 1324 U.A.W., the company will notify the chairman of the negotiating committee of the name, social insurance number, and date of hire or reinstatement of such employee and the department and classification to which he/she has been assigned.

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Effective with the date of settlement of the Agreement, the company will provide the union with a list of all employees laid off from the bargaining unit and who are subject to being recalled under the terms of the agreement. Such list shall show the name, seniority date, and date of layoff of each employee included therein, and may be updated from time to time at the request of the chairman of the negotiating committee.
- Bereavement -

November 11, 1996

Mrs. R. A. Monchamp
President and Chairperson
of the Negotiating Committee - Local 1324
National Automobile, Aerospace,
Transportation and General
Workers Union of Canada (CAW-Canada)
8000 Dixie Road
Bramalea, Ontario L6T 3J7

Dear Mrs. Monchamp:

This will confirm our undertaking to you that the bereavement pay provisions of the Collective Agreement will be administered as follows:

The requirements that the bereavement period shall begin on the first full day of absence following death and shall be three or four regularly scheduled days of work during the three or four days (excluding holidays and Saturdays and Sundays) immediately following death are hereby waived when the date of the funeral is outside the three or four-day period. In these situations, bereavement payment will be made to eligible employees for any three or four regularly scheduled days not necessarily consecutive, up to and including the date of the funeral. To cite an example, if the death occurs on Sunday and the funeral is held on Friday, an employee would be eligible for any three or four days of absence from regularly scheduled work occurring Monday through Friday.

In addition, if in the opinion of local management travel considerations in attending a funeral are involved, up to two calendar days immediately following the funeral may be considered as part of his/her three or four-day bereavement pay eligibility period, provided such days are within the employee's regular five-day week and he/she is scheduled to work such days. Calendar days for this purpose include holidays and Saturdays and Sundays. For example, where a funeral is held on Friday and local management determines two days' return travel time is required for an employee, Saturday and Sunday would be the calendar days immediately following the funeral and, as they are not within his/her regular five-day work week bereavement payment would not be made for these two days.

Yours very truly,

R. M. Szostak,
Human Resources Manager,
Parts Operations

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October 7, 2002

Mr. B. Hargrove
National President
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
205 Placer Court
Willowdale, Ontario M2H 3H9

Dear Mrs. Monchamp:

During the current negotiations the parties discussed the application of section 15.05 of the collective agreement. In particular, the union raised the situation in which an otherwise eligible employee, for justified reasons related to the death of a family member, requires bereavement leave on a day other than one of the first three (3) or four (4) normally scheduled working days. In response to the union's concerns, the company stated an employee will be excused from work and be eligible for pay for any three (3) or four (4) normally scheduled working days within the ten (10) calendar day period immediately following the death of a member of the employee's immediate family as defined, provided the absence is related to the family member's death appropriate documentation regarding the death is submitted to the company.

Yours very truly,

T. P. Hartmann
Vice President,
Human Resources

FORD MOTOR COMPANY
Dear Mrs. Monchamp:

During the 2005 negotiations, the parties discussed the benefits of utilizing accurate information of specific job classifications within the bargaining unit for the purposes of job posting processes, for training and orientation of new or transferred employees and for salary grade and wage rate evaluation needs.

The parties reaffirmed their commitment to developing meaningful and accurate job descriptions for job posting purposes as well as to undertaking the construction of reference aids where necessary to ensure the effective transfer and training of newly-appointed personnel. It is further mutually understood that the development of these training aids is a shared responsibility between the parties, department management and respective employee to positively contribute and support this effort.

Yours very truly,
R. M. Derhodge
Human Resources Manager
Parts Operations

- Statement (1982) -

The following classifications have been identified as those that have a qualified and trainee relationship:

Customer Order Clerk  
Sales Order Clerk  
Service Parts Merchandiser  
Technical Services Clerk  
Specifications Clerk  
Keypunch Operator

It is understood that the parties may mutually agree to add to this list from time to time.

It is recognized that in each of the above named jobs the trainee performs duties closely allied to those performed by the qualified employee, and in time the trainee grows in experience and familiarity with all phases of the job to the point where he/she can carry the same responsibilities as the qualified employee. The trainee will qualify for upgrading to the qualified position following completion of 12 months of satisfactory service as a trainee, or, based on an assessment of each individual's progress, upon completion of a shorter period, if, in the judgment of management, the trainee has become fully qualified in less than 12 months.

It is understood that
(a) All openings in the above classifications will initially be advertised as requiring a qualified employee. Consideration of applications and selection of the successful applicant will be made in accordance with section 13.03.
(b) In the event that there are no qualified applicants for the opening and the requirements of the company can be met by having a trainee do the work, then the company will advertise the opening as a trainee job and consideration of applications and selection of the successful applicant will be made in accordance with section 13.03, provided however that preference may be given to the applications, if any, of employees who have previously accumulated 6 or more months of experience on the applicable trainee classification. Following completion of the required period of training, the employee will be upgraded to the qualified classification.
(c) The openings described in paragraphs (a) and (b) above may be advertised simultaneously in the initial notice of opening in any case where the company would be prepared to select a trainee to do the work in the event that there were no qualified applicants.
It is also understood that during periods when there is no change in the actual number of the work force in each of the classifications of work covered by this understanding, there will be a movement of work between the various employees in these classifications which is essential not only from the point of view of providing adequate training for these employees but also to maintain an equitable balance of the work load as between employees.

This understanding has been reached so as to provide bargaining unit employees promotional opportunities in line with the company policy of promotion from within and at the same time provide the company with the opportunity for training certain employees over a stated period of time when qualified personnel are not available.

It is also understood that in carrying out reductions of the work force as provided in article 12 the company will continue the practice of allowing a more senior surplus employee having the qualifications required by the company for the trainee position involved to displace a more junior employee who is identified as a trainee provided the trainee has not acquired experience as a trainee for more than 3 calendar months at the time the exercise of seniority takes place.

- Statement (2005) -

During 2005 negotiations, the company agreed to evaluate the following salaried classification at the Bramalea Parts Distribution Centre: Tax and Ratio Analyst.

- Discipline -

October 18, 1993

Mrs. R. A. Monchamp
President and Chairperson of the Negotiating Committee -
Local 1324
National Automobile,
Aerospace and Agricultural Implement
Workers of Canada (CAW-Canada)
P.O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Mrs. Monchamp:

In applying progressive discipline for repeated infractions of the rules, the company does not consider infractions which occurred more than 12 months prior to the infraction being considered, and the same applies when an employee is being discharged as an unsatisfactory employee.

The company also advises you that procedures shall be instituted by the company to ensure that prior infractions which occurred more than one year previously are effaced from the employee’s active disciplinary record in use for the purpose of determining current disciplinary measures.

Yours very truly,
R. M. Szostak
Employee Relations Manager
Canadian Parts Sales & Distribution
September 19, 2005

Mrs. R. A. Monchamp
President and Chairperson
of the Negotiating Committee - Local 1324
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
8000 Dixie Road
Bramalea, ON
L6T 2J7

Dear Mrs. Monchamp,

This is to confirm the undertaking given to you during the 2005 negotiations that if an employee is represented by a chairperson or a committeeperson at an interview held under the provisions of section 11.01 which results in a suspension or warning, the committeeperson will be notified in advance of the warning or suspension where practicable and provided with a copy of such notice of suspension or warning.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
R. M. Derhodge
Human Resources Manager
Parts Operations

- Employment Equity -

September 24, 1990

Mr. M. J. Whyte
President, Local 1324
National Automobile, Aerospace and
Agricultural Implement Workers
Union of Canada (CAW-Canada)
P.O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Mr. Whyte:

During 1990 negotiations, the parties reviewed results of the Ford-CAW workplace census.

It is agreed that, despite recent initiatives, Affirmative Action target groups remain underrepresented among employees included in CAW bargaining units.

The company advised the union that at locations where the representation of target groups is not reflective of the surrounding labour market, it is the company’s objective to progressively increase the percentage of target group employees, to community levels, as future hiring takes place.

The parties agree that it may be difficult to simultaneously stimulate meaningful increases of all four designated groups at a particular company location. Accordingly, the local Joint committees will develop recommendations to management, that concentrate efforts on increasing the percentage of designated group members where gains can be achieved most expeditiously.

The Joint Committees will monitor hiring activities at all locations and investigate any situations where the numbers of designated group members being hired do not meet the joint goal of accelerating the pace of achieving in-plant target group levels comparable to those in the surrounding community.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
R. M. Szostak
Employee Relations Manager
Canadian Parts Sales & Distribution

Concur: M. J. Whyte
October 18, 1993

Mrs. R. A. Monchamp
President and Chairperson
of the Negotiating Committee - Local 1324
National Automobile, Aerospace
and Agricultural Implement
Workers Union of Canada (CAW-Canada)
P.O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Mrs. Monchamp,

During 1993 negotiations the company and the union discussed employment equity at length and reaffirmed their mutual commitment to a workplace free of harassment and discrimination. In this regard, the parties agreed that the current rules of personal conduct would be amended to include the following:
"Harassing or discriminating against any employee, contract personnel, or visitor."
The parties also agreed that the amended rules of personal conduct would be posted at all company locations as soon as practicable following these negotiations.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
R. M. Szostak
Employee Relations Manager
Canadian Parts Sales & Distribution

Concur: R. A. Monchamp

--- Employment Standards -

November 11, 1996

Mr. B. Hargrove
National President
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
205 Placer Court
Willowdale, Ontario
M2H 3H9

Dear Mr. Hargrove:

During the current negotiations the union expressed concern that the possibility of future legislative changes negatively impacting existing employment standards as set forth in the Employment Standards Act (Ontario) June 5, 1995. During the negotiation process the parties acknowledged their reliance on this legislation as forming a basis for past practices in respect of employment standards not otherwise specifically covered by the Collective Agreement. As an outgrowth of these discussions, the parties came to the following agreement:

(A) The rights, benefits, terms or conditions of employment as set out as employment standards in the Employment Standards Act, and Regulations made thereunder, as they existed on June 5, 1995, as the same relates to the union, the company and/or its employees, shall be minimum requirements incorporated within this Collective Agreement; however, where this Collective Agreement provides higher remuneration in money or a greater right, benefit, term or condition of employment in favour of an employee(s) with respect to a particular standard, this Collective Agreement shall prevail. A violation of the rights, benefits, terms or conditions of employment as set out as employment standards in the Employment Standards Act and Regulations made thereunder, as they existed on June 5, 1995, as the same relates to the union, the company and/or its employees, may be subject to the grievance procedure of this Collective Agreement or may be prosecuted and enforced through the procedural mechanisms offered by the Employment Standards Act and Regulations thereunder, as they exist from time to time, but not both.
During the 1996 negotiations, the union expressed the concern that the provincial government has and would amend the Employment Standards Act and or Regulations in a manner adverse to the interests of the union and Ford bargaining unit employees. It was agreed that the parties shall meet within thirty (30) days after the introduction of a Bill amending the ESA to the legislature to discuss the proposed Bill. The parties agree that the union and/or Ford bargaining unit employees shall not be disadvantaged in any way by any amendments to the ESA or Regulations thereunder made by the provincial government. It is agreed that for example, if any part of the Collective Agreement or past practice of the parties provides a greater right, benefit, term or condition of employment than the amendment to a particular employment standard (such as an amendment to the 8 x 48 hours of work rule), then the Collective Agreement or past practice shall prevail and apply. The parties agree that a difference between them relating to the application, alleged violation or interpretation of the above provisions may be subject to the grievance procedure under this Collective Agreement.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
D. J. McKenzie
Vice President,
Employee Relations

- Grievance Procedure -

Mr. C. D. Meneghini
President, Local 1324
International Union, United Automobile,
Aerospace and Agricultural
Implement Workers of America
P.O. Box 27
Brampton, Ontario

Dear Mr. Meneghini:

The company and the union have long recognized that the mutually satisfactory resolution of employee complaints in the grievance procedure, by authorized company and union officials, results in a final and binding determination for both parties as well as the employee involved. The parties' recognition of this principle has contributed stability and certainty to the grievance procedure. Accordingly, the company views any attempt to reinstitute such claims by either party as being antithetical to the purposes for which the grievance procedure was established.

However, subject to the provisions of section 8.08 of the parties' collective agreement, in those instances where the UAW's International Executive Board, Public Review Board, or Constitutional Convention Appeals Committee have reviewed a grievance disposition and found that such disposition was improperly concluded by the union body or representative involved, the international union may so inform the central labour relations staff of the company and request in writing that such grievance be reinstituted in the parties' grievance procedure at the same level at which it was originally settled. After receipt of such written request, the grievance will be so reinstituted by the company.

It is understood by the parties, however, that the company will not be liable for any back pay claims from the time of original disposition to the time of reinstatement of the grievance, and it is further agreed that the reinstatement of any such grievance shall be conditioned upon agreement by the union and the employee(s) that neither will pursue such back pay claim against the company.
This letter is not to be construed as modifying in any other way either party's rights or obligations pursuant to the collective agreement or the final and binding nature of any other grievance resolutions. It is also understood by the parties that this letter of understanding and the company's obligation to reinstitute grievances consistent with the conditions set forth above and upon written request from the international union, can be terminated by either party upon thirty (30) days' notice in writing, to that effect.

Yours very truly,
R. M. Szostak
Industrial Relations Manager
General Parts and Service

Mr. B. Hargrove
National President
National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada)
205 Placer Court
Toronto, Ontario
M2H 3H9

Dear Mr. Hargrove,

During 2005 negotiations, the company and the union agreed to request Professor E. E. Palmer to act as sole umpire in the Grievance Procedure under the Collective Agreement dated September 19, 2005.

Should the sole umpire be unable to act for a prolonged period, representatives of the national union and the central labour affairs staff of the company may select one or more persons to act instead of the sole umpire during this period.

Yours very truly,
FORD MOTOR COMPANY OF CANADA, Limited
Stacey Allerton Firth
Vice President,
Human Resources

Concur: B. Hargrove

September 19, 2005
During the 1996 negotiations, the union raised its concern regarding possible future changes to the Ontario Occupational Health and Safety Act and Regulations. In addition, a number of agreements were reached regarding the health and safety of employees which are outlined in a separate letter. Notwithstanding this arrangement, the parties understand that should changes to the legislation and/or the Ontario Ministry of Labour's support for the subject legislation change to render inoperative these agreements, a mechanism will have to be determined to maintain the functional dimension of these rights.

Consequently, until such time as the union or the company has a reasonable concern that legislation could be passed which so affects the employee's right to refuse unsafe work, local company and union representatives shall meet within 10 days' notice or a written request to meet. The parties will make a good faith effort to arrive at a fair and workable solution to the problem in a forthright and expeditious manner. In this regard, local company and union representatives will be assisted and supported by the Chairperson of the Ford Council for the CAW and the Manager, Labour Relations and Hourly Personnel, Ford of Canada.

It was further agreed that any changes to the regulations would also be reviewed by the above mentioned parties in order to assess the impact on employee health and safety. The parties agreed that the provisions of the legislation in effect on the date of this agreement would be considered a minimum standard.

Yours very truly,

FORD MOTOR COMPANY OF CANADA, Limited
R. M. Szostak
Human Resources Manager
Parts Operations

During the 2005 negotiations, the parties discussed representation needs for members of Local 1324 with respect to Health and Safety, Ergonomics and Employee Assistance.

The Company confirmed it will continue the practice of utilizing the appropriate Local 584 representative to provide Local 1324 bargaining unit members for assistance on matters involving Health and Safety, Ergonomics and Employee Assistance during the term of the Collective Agreement.

Yours very truly,

FORD MOTOR COMPANY OF CANADA, Limited
R. M. Derhodge
Human Resources Manager
Parts Operations

During 2005 negotiations, the parties discussed the need for supplemental systems to support the needs of hearing impaired employees during circumstances requiring emergency evacuations. The company confirmed its willingness to explore physical and process improvements that provide an improved level of communication as required in these circumstances and to solicit the support and guidance from local fire and emergency agencies in this regard.
Dear Mr. Hargrove:

The company and the union, as provided for in section 16.02 of the Collective Agreement dated September 19, 2005, hereby record their agreement that for the years 2006, 2007 and 2008, the day of observance of the Canada Day holiday shall be Friday, June 30, 2006, Friday, June 29, 2007 and Friday, July 4, 2008 and the terms and provisions of the Collective Agreement dated September 19, 2005 shall be read and construed accordingly.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
Stacey Allerton Firth
Vice President, Human Resources

Mr. B. Hargrove
National President
National Automobile, Aerospace, Transportation and General Workers
Union of Canada (CAW-Canada)
205 Placer Court
Toronto, Ontario
M2H 3H9

September 19, 2005

Dear Mr. Hargrove:

During 2005 negotiations, the parties discussed how the efforts of the men and women who have served, and continue to serve our country during times of war, conflict and peace could be honored in company plants and offices.

It was agreed that each year on November 11, where feasible, operations will cease at 11:00 AM in order that all workers may pause in a silent moment of remembrance for those who fought for Canada in the First World War (1914-1918), the Second World War (1939-1945), and the Korean War (1950-1953), as well as those who have served thereafter.

Yours very truly,
FORD MOTOR COMPANY OF CANADA, Limited
Stacey Allerton Firth
Vice President, Human Resources
- Job Security/Income Security -

September 24, 1990

Mr. R. White  
National President  
National Automobile, Aerospace and Agricultural Implement Workers Union of Canada (CAW-Canada)  
205 Placer Court  
Willowdale, Ontario  
M2H 3H9

Dear Mr. White:

During 1990 negotiations the company discussed the confidential nature of the circumstances which are normally associated with a sale of all or part of the business. The parties agreed that it may not be practical in every instance to provide the union with appropriate notice as contemplated in the letter regarding job and income security. The company agreed, however, that it would advise the union as far in advance as possible when contemplating a sale of all or part of the business.

Yours very truly,  
FORD MOTOR COMPANY OF CANADA, Limited  
D. J. McKenzie  
Vice President, Employee Relations

Mr. B. Hargrove  
National President  
National Automobile, Aerospace and Agricultural Implement Workers Union of Canada (CAW-Canada)  
205 Placer Court  
Willowdale, Ontario  
M2H 3H9

Dear Mr. Hargrove:

During 1993 negotiations the parties discussed the extensive structural change that has already, and will continue to take place, in the North American automotive industry. Our discussions focused on two key aspects of this complicated issue: the need to maintain each Ford of Canada location as a productive manufacturer of world class quality products in the North American automotive market and to ensure that Ford of Canada employees, who contribute to the success of the company, have their jobs and incomes protected as restructuring actions are taken. In addition, we have recognized the importance of the parties at both the local and national level continuing an ongoing dialogue about all the aspects of the business to ensure that the important goals are achieved.

With these objectives in mind, we have agreed that the understanding listed below will govern the parties in the event that restructuring or productivity-related actions may result in permanent job losses. These permanent job losses are those occasioned by specific actions taken by the company. For example, outsourcing, the introduction of new technology, sale of part of the company, and consolidation of operations would be actions contemplated by this understanding. The understanding would not apply to normal cyclical fluctuations in demand or the reduction of employees on ‘temporary’ assignments. It is also understood that this program does not replace the ongoing discussions which continually take place at the local level regarding production standards and manpower requirements.

1. Where such permanent loss of jobs is considered, one year notice will be provided to the union in the case of plant closure and six months notice will be provided to the union in the case of a potential permanent job loss related to a restructuring as referred above. The information supplied to the union will include the number of employees who could potentially be
impacted and the rationale for the decision. It is understood
that the information will be used for discussions between the
parties and the workforce, and will be considered confidential.
The union will have the opportunity to make proposals which
could alter or modify the decision.
2. During the course of these discussions, the objectives of the
parties will be the retention of the jobs in question. To that end,
the parties will discuss opportunities to retain or replace the
jobs which are being discontinued. The union will have thirty
days from the date of notice to make proposals which could
make it feasible to retain or replace the jobs in question.
3. If job losses become unavoidable and management decides to
reduce the size of the workforce, every effort will be made to
use attrition to manage the required reductions. The use of
attrition is the subject of a separate letter between the parties.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
D. J. McKenzie
Vice President,
Employee Relations

October 18, 1993

Mr. B. Hargrove
National President
National Automobile, Aerospace and
Agricultural Implement Workers
Union of Canada (CAW-Canada)
205 Placer Court
Willowdale, Ontario
M2H 3H9

Dear Mr. Hargrove:

During 1993 negotiations the parties discussed the job
counselling and job placement assistance needs of employees
permanently laid off as a result of an office closing. These
discussions resulted in the parties acknowledging their mutual
responsibilities to assist such employees in their efforts to secure
suitable alternate employment. Accordingly, that in those
instances, if any, where employees are permanently laid off as a
result of an office closing the parties agree that the local union may
appoint one (1) representative to the Adjustment Committee that is
provided for in the Collective Agreement between Ford Motor
Company of Canada, Limited and National Union, CAW, covering
hourly employees.
The appointed union representative will, with twenty four (24)
hours advance notice to supervision, be authorized to leave work
to attend Adjustment Committee meetings and perform other
Adjustment Committee activities, as determined by the Adjustment
Committee.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
D. J. McKenzie
Vice President,
Employee Relations
October 18, 1993

Mr. B. Hargrove
National President
National Automobile, Aerospace and
Agricultural Implement Workers
Union of Canada (CAW-Canada)
205 Placer Court
Willowdale, Ontario
M2H 3H9

Dear Mr. Hargrove:

During the 1993 negotiations the parties agreed that in the event of a stand-alone plant closure, pre-retirement income maintenance program (PRIMP) benefits will be payable to eligible employees based on the following terms and conditions:

(i) Eligible employees are those employees at the affected plant:
   (a) who are between age 50 and 55 with at least 10 years of credited service at the date of the plant closure and are not eligible for Regular Early Retirement; or
   (b) who are at least age 48.1 but under age 50, with at least 9.1 years of credited service at the date of plant closure, who are placed on layoff and who then attain age 50 with at least 10 years of credited service.

(ii) Eligible employees will receive monthly PRIMP benefits equal to (a) the sum of the basic and supplementary benefit rates in effect under the provisions of the applicable pension plan at date of commencement of PRIMP benefits, multiplied by (b) the employee's credited service at the date of plant closure or, if later, the date at which the employee attains age 50 with at least 10 years of credited service;

(iii) Unless otherwise elected by both the employee and the surviving spouse (as defined in the applicable pension plan), PRIMP payments will be reduced by 5% of the amount calculated in (ii) above, excluding any supplementary benefit amount, in order to provide PRIMP benefits to the surviving spouse, in an amount equal to 60% of the portion of the employee's PRIMP benefit which is based upon the basic benefit amount, after the application of the 5% reduction. In the event the employee's spouse predeceases the employee, the employee's unreduced PRIMP benefit will be payable, upon notification of the death of the spouse. PRIMP benefits will be payable until the first date at which the employee is, (or would have been eligible in the event of the death of the employee), eligible for Special Early Retirement;

(iv) On each October 1 following their commencement, PRIMP benefits will be re-computed in accordance with PCOLA adjustments applicable to employees retired under the pension plan on or after October 1, 1993.

(v) Employees or surviving spouses in receipt of PRIMP benefits would be eligible for Special Early retirement benefits from the applicable pension plan at age 55 (or at the date the employee would have attained age 55, in the case of a surviving spouse), at which time the calculation of the pension payable will be based on the employee's credited service and benefit rates at the time of plant closure or, if later, the date at which the employee attains or would have attained age 50, adjusted for PCOLA;

(vi) Employees and surviving spouses will be eligible for continued health care and group insurance coverage when in receipt of PRIMP benefits.

(vii) The Maximum Company Liability under the Income Maintenance Benefit Plan, will be reduced by the amount of any PRIMP benefits paid to eligible employees.

(viii) Employees age 50 but not yet age 55 who are eligible for PRIMP benefits at the date of plant closure will also be eligible for the lump sum retirement allowance.

Yours very truly,

FORD MOTOR COMPANY
OF CANADA, Limited
D. J. McKenzie
Vice President,
Employee Relations
Mr. B. Hargrove  
National President National Automobile, Aerospace,  
Transportation and General Workers  
Union of Canada (CAW-Canada)  
205 Placer Court  
Willowdale, Ontario  
M2H 3H9  

Dear Mr. Hargrove:

During the term of the 1996 Collective Agreement, the company will advise the National Union on a bi-annual basis of announced outsourcing actions planned for units covered by this Collective Agreement. Information concerning replacement work will be similarly provided.

Yours very truly,  
FORD MOTOR COMPANY  
OF CANADA, Limited  
D. J. McKenzie  
Vice President,  
Employee Relations

Mr. B. Hargrove  
National President  
National Automobile, Aerospace,  
Transportation and General Workers  
Union of Canada (CAW-Canada)  
205 Placer Court  
Willowdale, Ontario  
M2H 3H9  

Dear Mr. Hargrove:

During the 1996 negotiations the union raised concerns that they were not being notified of restructuring actions that may result in permanent job losses.

The company indicated that necessary arrangements would be made to ensure that the local union is advised of all such actions.

Yours very truly,  
FORD MOTOR COMPANY  
OF CANADA, Limited  
D. J. McKenzie  
Vice President,  
Employee Relations
Dear Mrs. Monchamp,

During the 1999 negotiations the company agreed to provide three Special Early Retirement windows in years 2000, 2002, and 2004. The union agreed that in any event the take rate presents operational issues. The company will schedule such retirements in a manner consistent with production requirements.

Yours very truly,

FORD MOTOR COMPANY
OF CANADA, Limited
S. L. Norris
Human Resources Manager
Parts Operations

Mr. B. Hargrove
National President
National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada)
205 Placer Court
Willowdale, Ontario
M2H 3H9

Dear Mr. Hargrove:

During 1999 negotiations, in a separate letter between the parties, we described the process that would be followed in the event that restructuring actions may result in permanent job losses. In that letter we agreed that the objective of the parties will be the retention of the jobs in question. We also agreed that if job losses become unavoidable, every effort will be made to use attrition to manage the required reductions.

The instant letter describes the process that will be implemented, and the benefit entitlements that will be provided to employees under three separate scenarios: 1) closure of stand-alone plants, 2) closure of a plant(s) at a multi-plant site, and 3) restructuring actions resulting in permanent job losses at any plant. The scenarios are detailed below as follows:

**PLANT CLOSING**

**Stand-Alone Plants**

As closure approaches and operations begin to wind down, employees who (1) are any age and have 28.1 or more years of creditable service; (2) are age 54 or older but less than age 60 and within two years would have sufficient combined years of age and creditable service to equal 85 or more; and (3) are age 60 or older but less than age 65 and have ten or more years of creditable service or are age 61 or older but less than age 65 and have 9.1 but less than 10 years of creditable service, will be contacted regarding retirement under the regular early retirement provisions of the retirement pension plan and if then eligible for regular early retirement, may retire immediately and receive the retirement allowance provided by separate letter agreement dated October 18, 1993. Employees who are age 55 or older but less than age 65 and who have ten or more years of creditable service (including any such employees who are also eligible for regular early retirement) will be offered special early retirement commencing on
or before the announced closing date and be eligible upon so retiring to receive the retirement allowance. Employees who are age 50 or older but less than age 55 and have 10 or more years of creditable service at the date of closure and are not eligible for regular early retirement will be offered benefits under the Pre Retirement Income Maintenance Program (PRIMP) and be eligible to receive the retirement allowance upon commencement of PRIMP.

At time of closure, remaining employees, including eligible employees who declined to elect immediate regular early retirement or who declined the offer of special early retirement or PRIMP, will be placed on layoff. All such employees with 5 or more years of seniority, except those who meet the age and service requirements for regular or special early retirement or PRIMP, will be eligible to apply immediately upon layoff for a lump sum payment under the Voluntary Termination of Employment Plan (VTEP). Any laid off employee who elects not to apply immediately for VTEP or who is ineligible for VTEP because he/she has less than 5 years of seniority at layoff or because at layoff he/she meets the age and creditable service requirements for regular or special early retirement or PRIMP will

• be eligible for regular benefits under the Supplemental Unemployment Benefit (SUB) Plan provided he/she has at least one year of seniority as of his/her last day worked prior to layoff;
• be offered employment at other company facilities in accordance with the parties’ understanding on preferential placement; and
• provided he/she had 5 or more years of seniority as of his/her last day worked prior to layoff and does not meet the age and creditable service requirements for regular early retirement upon exhausting his/her eligibility for regular SUB and did not meet the age and creditable service requirements for special early retirement or PRIMP at time of layoff, be eligible for IMP benefits under the Income Maintenance Benefit Plan.

An employee with 5 or more years of seniority who elects not to apply for VTEP at time of layoff will be eligible to make subsequent application for such a payment, reduced by the sum of any IMP benefits he/she had received while on layoff prior to ultimately making application for VTEP, provided that he/she does not meet the age and service requirements for regular early retirement at the time application is made and did not meet the age and service requirements for special early retirement or PRIMP at time of layoff and provided further that such application is filed within the maximum time limits set forth in the Voluntary Termination of Employment Plan.

Multi-Plant Sites

On a site-wide basis, separately for skilled trades and non-skilled employees and for skilled employees, by trade, before closing layoffs are effected, the number of employees in the workforce will be reduced by:

1. Laying off employees with hire or rehire dates on or after the date closing was announced;

2. Offering the opportunity to: (a) retire immediately if eligible for regular early retirement, and receive the retirement allowance; or (b) if not eligible to retire immediately, or if option (2) (a) is not chosen, be placed on layoff, with eligibility for regular SUB, to employees at any age who have 28.1 or more years of creditable service;

3. Offering the opportunity to: (a) retire immediately if eligible for regular early retirement, and receive the retirement allowance; or (b) if not eligible to retire immediately, or if option 3 (a) is not chosen, be placed on layoff, with eligibility for regular SUB, to employees (excluding those who also may be in (2) above) who are age 54 or older but less than age 65 and who within two years would have sufficient combined years of age and creditable service to equal 85 or more;

4. Offering immediate special early retirement to employees (including those who also may be in (2) or (3) above but excluding those in 2 (a) and 3 (a)) who are age 55 or more but less than age 65 and who have 10 or more years of creditable service with eligibility to receive the retirement allowance;

5. Offering the opportunity to be placed on layoff, with eligibility for regular SUB, to employees who are age 60 or older but less than age 65 and have 10 or more years of creditable service or are age 61 or older but less than age 65 and have 9.1 but less than 10 years of creditable service; and

6. Offering employees who have 5 or more years of seniority (excluding those in (2), (3), (4) and (5) above) an opportunity to apply for VTEP.

If the total number of employees who accept an offer under (2), (3), (4), (5) or (6) above, combined with the number of employees laid off under (1) above, exceeds the number of jobs that will be permanently lost due to the closing, individual elections under (2),
(3), (4), (5) and (6) will be effected in seniority order until the resulting number of separations equals the expected job loss.

At time of closure, the reduction in force provisions of the Collective Agreement will be implemented. An employee with 5 or more years of seniority who is laid off as a result of the reduction in force and who at time of layoff does not meet the age and creditable service requirements for regular or special early retirement will be eligible to apply immediately upon layoff for a lump sum payment under VTEP. Any laid off employee who elects not to apply immediately for VTEP or who is ineligible for VTEP because he/she has less than 5 years of seniority at layoff or because he/she meets the age and creditable service requirements for regular or special early retirement will

- be eligible for regular benefits under the SUB Plan;
- be offered employment at other company facilities in accordance with the parties’ understanding on preferential placement or be eligible for recall to work at a plant in the same unit, whichever may occur first; and
- provided he/she had 5 or more years of seniority as of his/her last day worked prior to layoff and does not meet the age and creditable service requirements for regular early retirement upon exhausting his/her eligibility for regular SUB and did not meet the age and creditable service requirements for special early retirement at time of layoff, be eligible for IMP benefits under the Income Maintenance Benefit Plan.

An employee with 5 or more years of seniority who elects not to apply for VTEP at time of layoff will be eligible to make subsequent application for such a payment, reduced by the sum of any IMP benefits he/she had received while on layoff prior to ultimately making application for VTEP, provided that he/she does not meet the age and creditable service requirements for regular early retirement at the time application is made and did not meet the age and creditable service requirements for special early retirement at the time of layoff and provided further that such application is filed within the maximum time limits set forth in the Voluntary Termination of Employment Plan.

PERMANENT JOB LOSS

In the event management decides that workforce reductions resulting in permanent job loss as a consequence of restructuring actions cannot be accomplished in a timely and efficient manner through normal attrition, the following steps will be taken, separately for skilled trades and non skilled employees and for skilled employees, by trade:

(1) Employees who have not attained seniority will be placed on layoff.
(2) If the number of separations that can be accomplished through implementation of (1) above is less than the number of jobs that will be lost, employees at any age who have 28.1 or more years of creditable service will be offered the opportunity to: (a) retire immediately, if eligible for regular early retirement, and receive the retirement allowance; or (b) if not eligible to retire immediately, or if option (2) (a) is not chosen, be placed on layoff with eligibility for regular SUB. If at the time of workforce reduction there are employees with less than one year of seniority at work, step 2(b) will not apply. If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under (1) above, exceeds the number of jobs that will be permanently lost, this offer will be implemented in seniority order for accepting employees until the combined number of actual and scheduled separations equals the number of jobs lost.
(3) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees (excluding those who may also be in (2) above) who are age 54 or older but less than age 65 and who within two years would have sufficient combined years of age and creditable service equal to 85 or more will be offered the opportunity to: (a) retire immediately, if eligible for regular early retirement, and receive the retirement allowance; or (b) if not eligible to retire immediately, or if option (2) (b) is not chosen, be placed on layoff with eligibility for regular SUB. If at the time of the workforce reduction there are employees with less than one year of seniority at work, step 3(b) will not apply. If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the two preceding steps, exceeds the number of jobs that will be permanently lost, this offer will be implemented in seniority
order for accepting employees until the combined number of actual and scheduled separations equals the number of jobs lost.

(4) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees (including those who also may be in (2) or (3) above but excluding those in (2) (a) or (3) (a) above) who are age 55 or more but less than age 65 and who have 10 or more years of creditable service will be offered special early retirement and be eligible to receive the retirement allowance upon retirement. If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the three preceding steps, exceeds the number of jobs that will be permanently lost, special early retirements will be approved in seniority order until the combined number of actual and scheduled separations equals the number of jobs lost.

(5) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees who are age 60 or older but less than age 65 and have 10 or more years of creditable service or are age 61 or older but less than age 65 and have 9.1 or more but less than 10 years of creditable service will be offered the opportunity to be placed on layoff with eligibility for regular SUB. If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the four preceding steps, exceeds the number of jobs that will be permanently lost, this offer will be implemented in seniority order for accepting employees until the combined number of actual and scheduled separations equals the number of jobs lost. If at the time of the workforce reduction there are employees with less than one year of seniority at work, employees will not be offered the opportunity to be placed on layoff with eligibility for Regular SUB Benefits.

(6) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees who have 5 or more years of seniority (excluding those in (2), (3), (4) and (5) above) will be offered an opportunity to apply for VTEP. If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the five preceding steps, exceeds the number of jobs that will be permanently lost, this offer will be implemented in seniority order until the combined number of actual and scheduled separations equals the number of jobs lost.

These actions will be taken and administered on a site-wide basis at multi-plant sites.

If these measures fail to stimulate sufficient additional attrition to accomplish the necessary workforce reductions, the reduction in force provisions of the Collective Agreement will be implemented. An employee with 5 or more years of seniority who is laid off as a result of the reduction in force and who at time of layoff does not meet the age and creditable service requirements for regular or special early retirement will be eligible to apply immediately upon layoff for a lump sum payment under VTEP. Any laid off employee who elects not to apply immediately for VTEP or who is ineligible for VTEP because he/she has less than 5 years of seniority or because he/she meets the age and creditable service requirements for regular or special early retirement will:

- be eligible for regular benefits under the SUB Plan;
- be offered employment at other company facilities in accordance with the parties' understanding on preferential placement (or at a multi-plant site, be eligible for recall pursuant to the Collective Agreement, whichever may occur first); and
- provided he/she had 5 or more years of seniority as of his/her last day worked prior to layoff and does not meet the age and creditable service requirements for regular early retirement upon exhausting his/her eligibility for Regular SUB and did not meet the age and creditable service requirements for special early retirement at time of layoff, be eligible for IMP benefits under the Income Maintenance Benefit Plan.

An employee with 5 or more years of seniority who elects not to apply for VTEP at time of layoff will be eligible to make subsequent application for such a payment, reduced by the sum of any IMP benefits he/she had received while on layoff prior to ultimately making application for VTEP, provided that he/she does not meet the age and creditable service requirements for regular early retirement at the time application is made and did not meet the age and creditable service requirements for special early retirement at the time of layoff and provided further that such application is filed within the maximum time limits set forth in the Voluntary Termination of Employment Plan.

Following the notice of a restructuring event and if, after steps (1) through (6) above have been completed, the number of
separations achieved is less than the number of jobs lost then the
difference between the number of separations and the jobs lost will
be accumulated as a reserve. The company will repeat steps (2)
through (6) every six months, or earlier by mutual agreement
among the parties, during any period in which employees at the
affected location remain on indefinite layoff until a number of
additional separations equal to the lesser of the reserve or the
number of employees on indefinite layoff, is achieved.

In addition, the company and the union through mutual
agreement, implement steps (2) through (6) at other company
locations during any period of time when the number of required
separations has not been achieved.

The above commitments were executed in a spirit that
recognizes the need to ensure that Ford of Canada operations
produce world-class quality products as efficiently as possible.
That recognition, coupled with the commitments we have
negotiated to protect the jobs and incomes of our employees,
should help to assure that both parties achieve our shared
objective of maintaining Ford of Canada as a viable entity in the
North American automotive market.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
D. J. McKenzie
Vice President,
Human Resources

Mr. B. Hargrove
National President
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
205 Placer Court
Toronto, Ontario
M2H 3H9

Dear Mr. Hargrove:

During the 2005 negotiations the parties discussed methods of
providing retirement incentives to employees who are retirement
eligible under the Regular or Special Early Retirement provisions
of the Retirement Pension Plan, on the date of a plant closing or
permanent job loss identified under the Job and Income Security
Program.

Accordingly, after September 19, 2005 any employee who is
retirement eligible under the provisions of the Job and Income
Security Program as of the date of the closure or permanent job
loss, will be given the option of taking a Retirement Allowance of
$70,000.00.

The parties agreed that receipt of the Retirement Allowance is in
lieu of any SUB entitlement that may have been provided under the
provisions of the Job and Income Security Program and the
SUB Plan.

Acceptance of this option will result in the immediate retirement
of the employee.

All payments made under the terms of this agreement will be
recoverable from future SUB contributions on a dollar for dollar
basis for all pay periods in which SUB contributions exceed the
total amount of Regular Benefits paid and the Percentage
Relationship of Fund Assets to Maximum Funding is greater
than 40%.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
Stacey Allerton Firth
Vice President,
Human Resources
Dear Mr. Hargrove:

During 2005 negotiations, the union requested the company recognize employees who retire by providing a retiring bonus. In response, the company indicated that during the term of the current agreement, it will provide to employees who are retirement eligible under the Normal or Early Retirement provisions of the Retirement Pension Plan, the following:

A $25,000 lump sum paid as a retirement allowance to employees who do not qualify for the $70,000.00 restructuring incentive detailed in the letter on page 250 of the agreement, but who retire under one of the two aforementioned provisions during the term of the agreement.

Payment of this allowance will be made upon the retirement of the employee.

All payments made under the terms of this agreement shall be applied against the Income Security Maximum Company Liability pursuant to section 8(16) of the Supplemental Unemployment Benefit Plan.

Yours very truly,

FORD MOTOR COMPANY OF CANADA, Limited
Stacey Allerton Firth
Vice President,
Human Resources
Mr. M. J. Whyte  
President, Local 1324  
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)  
P.O. Box 2067  
Bramalea, Ontario  
L6T 3S3

Dear Mr. Whyte:

During these negotiations, the union expressed concern regarding the potential impact of new technology on employees and on the scope of the bargaining unit. Over the years the parties have recognized that a continuing improvement in the standard of living of employees depends upon technological progress, better tools, methods, processes and equipment and a cooperative attitude on the part of all parties in such progress. Continued technological progress is also essential to the company’s growth and to its ability to compete effectively. Technological progress can contribute to the company’s well-being and thereby to the economic well-being of employees.

Both parties recognize that the pace and form of future technological change and its implications cannot be forecasted confidently. At the same time, the company understands the union’s legitimate concern that advances in technology may alter, modify or otherwise change the job content and responsibilities of bargaining unit employees.

The parties recognize that advances in technology may alter, modify or otherwise change the job responsibilities of included employees and that a change in the means, method or process of performing a work function, including the introduction of computers or other new or advanced technology, will not serve to shift the work function normally and historically performed by included employees to excluded employees. This is to assure you it is not the company’s policy to assign to excluded employees work normally assigned to included employees at a particular location. The company fully respects the integrity of the bargaining unit and has no intention of altering its composition by assigning to excluded employees work that has been performed traditionally and exclusively by included employees.

The union has also voiced concern about the possibility that new, technologically impacted bargaining unit work will not be awarded to included employees because they are insufficiently trained to perform it. In view of the company’s interest in affording maximum opportunity for employees to progress with advancing technology, the company shall make available appropriate specialized training programs for employees to perform the new or changed work normally performed by included personnel, where such programs are reasonable and practicable.

Yours very truly,
R. A. P. Rideout  
Industrial Relations Manager  
General Parts and Service
Dear Mr. Whyte:

During the 1982 negotiations the union again expressed concern over the introduction of new technology as well as the effect of such technology on the health and safety of employees.

The company reaffirmed its commitment to continue discussion on new technology matters as outlined in our letter of November 16, 1979.

The company also recognizes those concerns and shares the union's interest in ensuring such changes do not adversely affect any employee's health or safety.

Because of our shared interest, both parties will work jointly through the established committee to ensure open communication and to respond to the interests of employees.

Following negotiations the committee will meet to discuss methods of attaining these goals as well as any specific matters which may be raised within the committee.

Yours very truly,

A. D. MacLean
Industrial Relations Manager
General Parts and Service

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Mr. C. D. Meneghini
President, Local 1324
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America
P.O. Box 27 Brampton, Ontario

Dear Mr. Meneghini:

During 1976 negotiations the union asked the company to outline its position with respect to scheduling employees to work overtime.

The company confirmed that all hours of work on Sundays, the holidays referred to in Section 16.01 (a) of the collective agreement dated December 1, 1976 and all hours of work in excess of 48 in a week are voluntary for employees in the local 1324 bargaining unit.

Yours very truly,

R. M. Szostak
Industrial Relations Manager
General Parts and Service
December 1, 1976

Mr. C. D. Meneghini  
President, Local 1324  
International Union, United Automobile,  
Aerospace and Agricultural Implement Workers of America  
P.O. Box 27  
Brampton, Ontario  

Dear Mr. Meneghini:

Under current company policy, an employee is paid a premium amounting to one-half of his/her equivalent hourly rate for all time worked over 8 hours in a continuous period of 24 hours, where at the request and for the convenience of the company, the employee returns to work within a relatively short period of time and would not otherwise receive compensation at a premium rate. Examples of situations where this premium payment is not applicable include:

- hours which are compensated at a premium rate;
- situations resulting from balance out, short work week, overtime;
- adjustments for the convenience of an employee;
- normal shift change;
- temporary or part-time employees.

In the event that this policy is changed by the company, you will be advised.

Yours very truly,
R. M. Szostak  
Industrial Relations Manager  
General Parts and Service

November 11, 1996

Mr. B. Hargrove  
National President  
National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada)  
205 Placer Court  
Willowdale, Ontario  
M2H 3H9  

Dear Mr. Hargrove:

During the 1996 negotiations the union requested that the company ensure that no employees work beyond twelve hours on one shift.

The company confirmed that actions would be initiated to advise operating management that, except in emergencies, no employee shall be permitted to work beyond twelve hours on one shift.

Yours very truly,
D. J. McKenzie  
Vice President,  
Employee Relations

FORD MOTOR COMPANY OF CANADA, Limited
Dear Mr. Hargrove:

During the 2002 negotiations, in conjunction with discussions regarding the Job and Income Security Program, the parties discussed the application of the preferential placement guidelines contained in the letter dated October 18, 1993.

The parties agree that in circumstances involving permanent reductions or a plant closure at a multi-plant site, the arrangements specified in the letter dated October 18, 1993 and section 12.01(c) will take effect. The parties also agreed that when reductions are related to a stand-alone plant closure, exceptions will be made to these arrangements such that employees who transfer to another location will receive an adjusted seniority date at the new location which will be the date that notice of closure was given to the union. Such employees, when transferred to an opening at the new location, may displace employees hired at that location after the date the notice of closure was provided to the union.

Yours very truly,

FORD MOTOR COMPANY
OF CANADA, Limited
T. P. Hartmann
Vice President,
Human Resources

Concur: R. A. Monchamp

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Mrs. R. A. Monchamp
President and Chairperson
of the Negotiating Committee - Local 1324
National Automobile, Aerospace and Agricultural Implement Workers of Canada (CAW-Canada)
P.O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Mrs. Monchamp:

During 1993 negotiations, the company reconfirmed to the union that it would continue to consider laid off employees for preferential hiring in the company's hourly work force, following the company's commitments to honour and fill Master Agreement requirements.

Yours very truly,

FORD MOTOR COMPANY
OF CANADA, Limited
R. M. Szostak
Employee Relations Manager
Canadian Parts Sales & Distribution

Concur: R. A. Monchamp
October 18, 1993

Mr. B. Hargrove
National President
National Automobile, Aerospace
and Agricultural Implement
Workers Union of Canada (CAW-Canada)
205 Placer Court
Willowdale, Ontario
M2H 3H9

Dear Mr. Hargrove:

This will confirm the understanding reached during the 1993 negotiations concerning arrangements under which employees laid off as a result of a permanent discontinuance of operations or other reduction in force where the company and the union agree there is no reasonable likelihood of recall may be eligible for preferential placement opportunities in another bargaining unit comprised of office employees during the term of the new Collective Agreement.

After being placed on the preferential placement lists, in accordance with procedures to be established by the company, those employees retaining seniority recall rights shall be given preference for placement on available work, or if none is available, the opportunity to displace probationary employees, on jobs for which they are qualified or could qualify within a reasonable period of time in the Windsor or Bramalea offices of the company, as the case may be.

Each office shall maintain an availability list of its applicants. An office after exhausting its recall list shall endeavour to fill its hiring requirements from availability lists at the other office.

It is recognized that the company has to maintain the ability to promptly fill employment requirements and assure that personnel are capable of performing jobs. Accordingly, the company shall endeavour to place applicants in seniority order, consistent with their prior job experience. It is understood that placement on the basis of seniority will not be feasible in every instance. However, where deviations are contemplated, particularly with respect to evaluation of employment records, the circumstances shall be discussed in advance with the local union and disputes shall be subject to immediate appeal to the company’s central labour relations staff and the national union.

If an employee’s employment record is determined to be unsatisfactory, such employee will be placed on a probationary letter for a period of 3 months at his/her new location.

Employees placed in a new office shall have date-of-entry seniority in that office, but this will not break an employee’s seniority for the purpose of the vacation with pay, holiday pay, jury duty pay, supplemental unemployment benefits or retirement plans where company, rather than office, seniority is taken into account.

Employees who refuse an initial offer of work pursuant to these preferential placement arrangements shall have their names removed from all preferential placement lists for a period of six (6) months. Following this six (6) month period, their names automatically will be placed, one final time, on the preferential placement list.

The job security arrangements covered by this letter have potentially complex administrative implications. The company at times may not be able to fully conform with these provisions, and accordingly, shall not be liable for back pay on any claims arising from their administration with the remedy for any violation limited to future placement opportunities for aggrieved employees.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
D. J. McKenzie
Vice President,
Employee Relations

Concur: B. Hargrove
Mr. B. Hargrove  
National President  
National Automobile, Aerospace and Agricultural Implement Workers  
Union of Canada (CAW-Canada)  
205 Placer Court  
Willowdale, Ontario  
M2H 3H9

October 18, 1993

Dear Mr. Hargrove:

During the recently concluded negotiations, the union expressed concern regarding seniority employees who are laid off as a result of a restructuring action which results in permanent job losses, who secure employment through the preferential placement procedures at other plants covered by the Agreement and within five years of the original layoff date are again indefinitely laid off without expectation of recall.

The company agrees that under these circumstances the employees will be given the option to remain on layoff from the last facility where they were employed or to exercise their rights relative to the options under the job and income security program that were available to them at the time of the original layoff.

Yours very truly,

FORD MOTOR COMPANY  
OF CANADA, Limited  
D. J. McKenzie  
Vice President,  
Employee Relations

- Seniority -

October 16, 1982

Mr. M. J. Whyte  
President, Local 1324  
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America  
P.O. Box 2067  
Bramalea, Ontario  
L6T 3S3

Dear Mr. Whyte:

This will confirm the parties' understanding that, provisions of Article 12 to the contrary notwithstanding, laid-off employees having one or more years of seniority at the time of layoff, who, pursuant to section 12.07, either have ceased to have seniority during the term of the 1979 collective agreement or ceased to have seniority during the term of the new collective agreement and subsequently are rehired during the term of the new collective agreement, shall receive a new adjusted seniority date upon completion of their probationary period for purposes of paragraphs 1, 2, and 3. In such cases, the new seniority date shall be based on an employee's rehire date adjusted by adding an amount of service equivalent to that acquired as of the last day of work prior to ceasing to have seniority.

A rehired employee entitled to a new seniority date as provided herein shall be subject to the same terms of the new collective agreement that apply in the case of any other rehire on or after October 16, 1982.

1. Vacation eligibility and entitlement shall be determined in accordance with article 17 of the new collective agreement, but using the new seniority date to determine "years of seniority" beginning with the vacation eligibility date (December 1,) immediately following attainment of seniority after rehire.

2. With respect to the Insurance Program, the rehired employee's eligibility for and the amount and type of insurance coverages shall be based on the new seniority date.

3. With respect to The Supplemental Unemployment Benefit Plan, The Separation Payment Plan and The Automatic Short Week Benefit Plan, the rehired employee's new seniority date shall be used as the basis for the employee's "seniority" for Plan purposes, with Credit Unit accrual rate and applicable

- Statement (1984) -

During the 1984 negotiations the parties discussed the circumstances where an employee preferentially placed at a new location is subsequently discharged. In any such case where the employee has been discharged for inability to perform assigned work, the parties agreed that the seniority at his/her former location will be retained.
percentage for crediting Guaranteed Annual Income Credit Units provided on the same basis as for employees hired or rehired prior to the effective date of the new collective agreement.

4. For purposes other than those described in paragraphs 1, 2 and 3 of this letter, an employee rehired into the bargaining unit in which the employee held recall rights when seniority ceased shall establish new seniority based on the rehire date adjusted by adding an amount of service equivalent to that acquired in that bargaining unit as of the last day of work prior to ceasing to have seniority.

Yours very truly,
S. J. Surma
Vice President
Industrial Relations

- Strike -

November 22, 1965

Mr. C. T. Brown
Industrial Relations Manager
Ford Motor Company of Canada, Limited
Brampton, Ontario

Dear Mr. Brown:

We recognize the importance to the company and the union of maintaining power houses, etc. offices and plants in operation during disputes, and that at such times employees employed in any power house, boiler house, propane plant, transformer station or any substation of the company, employees required for urgent maintenance repairs to the company's plants and the company's plant supervision, plant protection staff and office staff excluded from the bargaining unit represented by Local 1324 should be able to move freely through picket lines. I write to confirm that this arrangement will be scrupulously observed by this local. To eliminate any possibility of confusion, the company will in such circumstances provide a means of identification for each employee and shall notify the union of the persons concerned.

Yours very truly,
J. C. Maloney,
President,
Local 1324 (UAW)
September 16, 1979

Mr. M. J. Whyte
President, Local 1324
International Union, United Automobile,
Aerospace and Agricultural Implement
Workers of America
P.O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Mr. Whyte:

This is to advise you that as long as the union observes the
undertakings in its letter dated November 22, 1965, the company
will, upon request, permit two union representatives to make an
inspection tour of the parts distribution centre office at Bramalea
notwithstanding that a strike is in progress.

Yours very truly,
R. A. P. Rideout
Industrial Relations Manager
General Parts and Service

- Substance Abuse -

September 19, 2005

Mr. B. Hargrove
National President
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
205 Placer Court
Toronto, Ontario
M2H 3H9

Dear Mr. Hargrove:

During 2005 master negotiations, the company agreed to pay
short-term family counselling during the term of the Collective
Agreement.
This short-term family counselling will be modeled after the
family counselling program which was in effect during the 2002
Collective Agreement.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
Stacey Allerton Firth
Vice President,
Human Resources
October 7, 2002

Mr. B. Hargrove
National President
National Automobile, Aerospace,
Transportation and General
Workers Union of Canada (CAW-Canada)
205 Placer Court
Willowdale, Ontario  M2H 3H9

Dear Mr. Hargrove,

Subject:  Smoking Cessation

During 2002 negotiations the company and union discussed the adverse impact of smoking, both on the health of the employee who smokes and on the health of other employees in the workplace. The parties also discussed the advantages of a smoke free workplace and the need for effective programs to comply with provincial legislation regarding smoking in the workplace.

To this end the company agrees that during the term of the 2002 Agreement, local management will periodically offer in-plant smoking cessation programs offered by the Canadian Lung Association, the Canadian Cancer Society or the Ontario Heart and Stroke Foundation. Employees will be able to participate in such programs on their own time and at their own expense; however employees who successfully complete the program (stopped smoking for six (6) consecutive months) will be eligible for reimbursement under the terms of the Tuition Refund Program (maximum $200.00).

Yours very truly,
FORD MOTOR COMPANY OF CANADA, Limited
T. P. Hartmann
Vice President,
Human Resources

- Training -

- Statement (2005) -

During 2005 negotiations, the company and the union discussed training identified by the CAW-Ford National Training Review Committee which may be relevant for members of Local 1324. The company agreed to consider the requests from employees to attend training classes where appropriate having regard for the employee's classification.
Mr. B. Hargrove  
National President  
National Automobile, Aerospace,  
Transportation and General Workers  
Union of Canada (CAW-Canada)  
205 Placer Court  
Willowdale, Ontario  
M2H 3H9

Dear Mr. Hargrove,

The Tuition Refund Program, established by the company following the 1965 negotiations, is revised effective October 7, 2002 as follows:

Under the Program, the company refunds tuition up to $2,000.00 per calendar year (up to $3,250.00 per calendar year for approved courses taken at an accredited college or university) to seniority employees on the active employment rolls who satisfactorily complete after-hours courses approved by the company at accredited business schools, high schools, and trade or vocational schools. The training may be either job-related or for the employee's advancement within the company. Employee participation in the Program is voluntary. The Program is administered by the company under terms and conditions established by it from time to time.

It is understood that those employees on a leave of absence for a defined term, such as but not limited to leaves granted under the provisions of Appendix H as well as those on leaves as defined in Article 18 would also be considered eligible.

In addition to the above, a seniority employee who is indefinitely laid off, may utilize the Tuition Refund Program for the purpose of approved vocational training to qualify for any available or potential employment opportunities. This expanded tuition refund eligibility shall not exceed $2,000.00 ($3,250.00 for courses taken at an accredited college or university) and the employee must apply for such refund within twenty-four (24) months from the effective date of layoff. The company also agrees to reimburse an employee for up to $200.00 for the purchase of books.

The Grievance Procedure set forth in Article 8 of our Collective Agreement has no application to, or jurisdiction over, any matter relating to this Program.

Yours very truly,
FORD MOTOR COMPANY OF CANADA, Limited
T.P. Hartmann
Vice President,  
Human Resources
Mr. B. Hargrove  
National President  
National Automobile, Aerospace,  
Transportation and General Workers  
Union of Canada (CAW-Canada)  
205 Placer Court  
Toronto, Ontario  
M2H 3H9  

Dear Mr. Hargrove:  

During the 2005 negotiations, the company agreed to continue the dependent children scholarship program. This program will reimburse up to $1,500.00 per year to eligible children of active and retired employees enrolled in an accredited Canadian university. This program will be administered consistent with the guidelines contained in a similar program offered by the parent company.

Yours very truly,  
FORD MOTOR COMPANY  
OF CANADA, Limited  
Stacey Allerton Firth  
Vice President,  
Human Resources
The union will cooperate fully in providing the company with all documents regarding the C.A.W. Leadership Training Program (P.E.L. Trust) as it may require in order to maintain the aforementioned income tax ruling received from the Department of National Revenue and related to the deductibility of amounts paid by the company to the P.E.L. Trust.

It is understood and agreed that the portion of the P.E.L. Trust Fund represented by the company’s contributions will be used solely and exclusively to provide paid educational leaves and related benefits for employees of the company who attend sessions of the labour education program as described by the union during these negotiations. Annually the union will provide the company with an audited statement prepared by an independent public accounting firm certifying that all expenditures made from the P.E.L. Trust Fund were made in accordance with the intent and purposes of the Trust Deed dated July 3, 1979, establishing the P.E.L. Trust.

A leave of absence for participation in the union's program will be granted by the company in accordance with the provisions of the agreements to seniority employees designated by the President of the national union to the Vice President, Human Resources for the company on four (4) weeks' advance written notice specifying the employee's name and dates of requested absence, provided no such absence will result in any loss of efficiency or disruption of operations at the company's plants. Employees granted such leaves will be excused from work without pay for up to twenty (20) days of class time, plus travel time where necessary, said leaves of absence to be intermittent over a twelve (12) month period from the first day of leave during the term of the 2005 Collective Agreement.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
Stacey Allerton Firth
Vice President,
Human Resources

Concur: B. Hargrove

September 19, 2005
Mr. B. Hargrove
National President
National Automobile, Aerospace,
Transportation and General
Workers Union of Canada (CAW- Canada)
205 Placer Court
Toronto, Ontario
M2H 3H9

Dear Mr. Hargrove:

During 2005 negotiations, the parties discussed the Social Justice Fund which has been established to provide financial assistance to such entities as food banks, registered Canadian charities, and international relief measures to assist the innocent victims of droughts, famines and other dislocations.

Subject to the following conditions, the company will make quarterly contributions to such a fund equal to $0.06 for each straight time hour worked in the preceding thirteen (13) week period. The quarterly contribution will be made available from the Special Contingency Fund. The contribution will be payable on the following dates:

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<tr>
<th>Hours Worked</th>
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<tr>
<td>09/26/05 - 12/25/05</td>
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<td>06/30/08 - 09/28/08</td>
<td>10/31/08</td>
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The company will make these quarterly payments provided that:

(a) the union maintains the incorporation of the fund as a non-profit corporation under the Canada Corporations Act, and ensures that all necessary steps are taken to maintain the corporation in proper legal standing and that all requirements of the Act are met;
the union registers the non-profit corporation as a charity under the Income Tax Act of Canada and maintains the registration in good standing;

(c) the union obtains and maintains a favourable Income Tax Ruling from the federal Department of National Revenue that all contributions which the company makes to the non-profit corporation are tax deductible;

(d) the union provides the company with annual audited financial statements of, and summaries of each year’s donations made by the non-profit corporation.

(e) the objects, by-laws and resolutions of this non-profit corporation should limit it to making the following types of financial contributions:

(i) contributions to other Canadian non-partisan charities that are registered under the Income Tax Act,

(ii) contributions to non-partisan international relief efforts that are recognized by the Canadian International Development Agency (CIDA), or any successor body that performs like functions,

(iii) contributions to any Canadian or international non-partisan efforts to which other Canadian charities that are registered under the Income Tax Act are also making financial contributions,

(iv) contributions to any non-governmental and non-partisan development group recognized by CIDA and registered as a charity under the Income Tax Act.

The company will pay each quarterly contribution as set forth above, as long as the requirements of points (a) to (d) above continue to be met by the union.

Yours very truly,

FORD MOTOR COMPANY
OF CANADA, Limited
Stacey Allerton Firth
Vice President,
Human Resources

Concur: B. Hargrove

Mr. B. Hargrove
National President
National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada)
205 Placer Court
Toronto, Ontario
M2H 3H9

Dear Mr. Hargrove:

During 2005 negotiations, the parties held extensive discussions concerning the need for child care. To address these needs, the company will:

• Accrue $0.07 per hour worked for the Child Care Fund.

• Provide a subsidy of $12.00 per full day for childcare for dependent children, age 0 through 6 but not after August 31 of the year in which age 6 is attained, that is:
  - licensed under the Day Nurseries Act
  - registered as a non-profit or co-operative

• For half day care, the company will provide a subsidy of $6.00 per day.

• Provide a subsidy to a maximum of $6.00 per day for dependent children ages up to age 10 who do not qualify for the half or full day subsidy for the use of licensed not-for-profit before school, after school, or both before and after school care.

• The benefit will apply equally to all licensed, non-profit childcare centres and services, including in-home care and the CAW Windsor Centre.

• The benefit will be capped at annual maximum of $2,400.00 per year, per eligible child.

• Greenshield Canada will administer the benefit. The benefit will be payable directly to the service provider.

• In no circumstance would the company pay more than 50%.

September 19, 2005
• The National Union will work with existing licenced non-profit childcare centres and services in an effort to extend their service to CAW members, such as for extended hours to cover shift work. (This does not include any bricks and mortar or new construction.) During the life of this Agreement, up to $150,000.00 can be used from the Child Care Fund for this purpose.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
Stacey Allerton Firth
Vice President,
Human Resources

September 19, 2005

Mr. B. Hargrove
National President
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
205 Placer Court
Toronto, Ontario
M2H 3H9

Dear Mr. Hargrove:

During 2005 negotiations, the parties discussed an employee automotive discount program and an automotive insurance benefit for employees.

Discount Program

The parties agreed to implement an automotive discount program consisting of the following features:

• $2,000.00 discount for eligible employees from the hourly employee New Vehicle Purchase Plan price on eligible vehicles
• applicable to ONE (1) purchase or lease made on or after January 1, 2006 and during the term of the 2005 collective agreement only
• eligible vehicles are new vehicles assembled in North America eligible under the hourly employee New Vehicle Purchase Plan
• eligible employees are those employees actively at work at the time of the purchase or lease with at least one (1) year of seniority.

Following bargaining, the parties will meet to discuss the administration of this program.

Insurance Program

The parties discussed a new insurance benefit for eligible employee purchases or leases of new vehicles. The parties agreed that the details of the actual proposal will be left to the CAW to work out with an insurance carrier and all applicable regulatory bodies. The benefit will consist of the following features:
• The new vehicle $1,000.00 benefit for auto insurance obtained through a benefit carrier, chosen by the CAW, would be applicable to vehicles purchased or leased under the new Discount Program described above.
• Company to pay the benefit into a Trust to be held by the CAW as soon as practical but no later than four (4) weeks after the employee has purchased such auto insurance for a vehicle purchased or leased under the new Discount Program described above.
• Program to be administered by CAW.
• Program to be launched, if practical, before May 1, 2006.
• Program to be retroactive to all vehicles purchased or leased under the new Discount Program on or after January 1, 2006.

If the CAW has not provided the company by April 1, 2006 confirmation, in a form acceptable to the company, that the Insurance Program proposal (which includes a satisfactory trust agreement, funding and an arrangement with an insurance carrier) is acceptable to all applicable regulatory authorities, complies with all applicable legal requirements, and any required regulatory approvals have been obtained, the parties may decide to extend the deadline of May 1, 2006 in order to obtain this confirmation required by the company prior to launch.

Yours very truly,
FORD MOTOR COMPANY OF
CANADA, Limited
Stacey Allerton Firth
Vice President,
Human Resources

- Vacations -

December 1, 1976

Mr. C. D. Meneghini
President, Local 1324
International Union, United Automobile,
Aerospace and Agricultural Implement
Workers of America
P.O. Box 27
Brampton, Ontario

Dear Mr. Meneghini:

Incidental to the discussions related to the additional vacation provided in the settlement of 1976 negotiations, the union expressed concern over the possibility that work would accumulate during the period of an employee's vacation, with the result that the employee would be responsible for an unduly heavy workload upon returning from vacation.

It has been and will continue to be the policy of the company to adopt measures which are appropriate in each situation, depending on the circumstances, for the purpose of assigning work on a reasonable basis.

However, in view of the concern expressed by the union in this respect, arrangements will be made for representatives of the union to meet with senior members of management at the national parts distribution centre for the purpose of discussing this matter.

Yours very truly,
R. M. Szostak
Industrial Relations Manager
General Parts and Service
November 16, 1979

Mr. M. J. Whyte
President, Local 1324
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)
P.O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Mr. Whyte:

During the 1979 negotiations, the union expressed concern with respect to company vacation scheduling practices and the desire of employees to maximize the opportunities for vacation during prime time.

The company assured the union that, while it was mindful of the employees’ interests in this regard, equal consideration also had to be given to maintaining efficient office operations.

The parties agreed that, in previous years, vacation scheduling problems have been satisfactorily resolved as the result of meaningful discussions between the parties and a sincere interest by both parties to seek resolutions that were satisfactory to both points of view.

The company assured the union that it will continue to be mindful of employees’ vacation scheduling preferences and will continue to sincerely address related problems.

Yours very truly,
R. A. P. Rideout
Industrial Relations Manager
General Parts and Service

November 11, 1996

Mr. B. Hargrove
National President
National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada)
05 Placer Court
Willowdale, Ontario
M2H 3H9

Dear Mr. Hargrove:

During the current negotiations, the parties agreed that an employee absent from work as a result of a pregnancy leave of absence shall be deemed to be in active employment for the purpose of calculating the amount of paid vacation in accordance with section 17.03 of the Collective Agreement, provided such employee would have otherwise been scheduled to work during the period of such pregnancy leave.

Yours very truly,
D. J. McKenzie
Vice President, Employee Relations
FORD MOTOR COMPANY OF CANADA, Limited
September 19, 2005

Mrs. R. A. Monchamp  
President and Chairperson of the  
Negotiating Committee – Local 1324  
National Automobile, Aerospace and  
Agricultural Implement  
Workers of Canada (CAW-Canada)  
P.O. Box 2067  
Bramalea, Ontario  
L6T 3S3

Dear Mrs. Monchamp:

During the 2005 negotiations, the parties discussed intermittent issues regarding the scheduling of vacation time and operating or personnel issues that affect the proper utilization of vacation entitlement.

The parties reaffirmed their commitment to ensuring that all vacation entitlement is taken within the calendar year that it is provided, and to proactively identify and address concerns that may impact the attainment of this mutual objective.

Yours very truly,
FORD MOTOR COMPANY  
OF CANADA, Limited  
R. M. Derhodge  
Human Resources Manager  
Parts Operations

- Statement (2005) -

During the 2005 negotiations, the parties reviewed vacation entitlement practices for retiring employees. The company confirmed that an employee who retires from the company at the end of the calendar year and who works (or was excused from work with pay) on the last regularly scheduled work day of the year, is considered to have fulfilled the eligibility requirements for vacation entitlement for the succeeding year and shall receive payment in lieu of such entitlement.
Mr. C. D. Meneghini  
President, Local 1324  
International Union, United Automobile,  
Aerospace and Agricultural Implement  
Workers of America (UAW)  
P.O. Box 27  
Brampton, Ontario

Dear Mr. Meneghini:

During 1976 negotiations you enquired into the company policy relating to the employment of temporary employees. You indicated that you are aware of this policy and you asked the company to confirm it in a letter addressed to you.

Temporary employees are hired for periods of temporary employment. They are paid on the basis of a daily rate. This rate is calculated as 1/22nd of the current minimum base monthly salary applicable to the classification concerned plus current cost-of-living allowance, rounded to the next highest quarter of a dollar. The daily rate is adjusted to reflect increases in cost-of-living allowance, and general salary increases which take effect during a temporary employee's period of employment.

In any case where the temporary employee had previously been employed by the company on the particular job being performed, in the capacity of a regular employee, the daily rate is 1/22nd of the highest base salary such employee was paid as a regular employee, plus the then existing cost-of-living allowance, rounded to the next highest quarter of a dollar, in the event that this calculation produces a higher daily rate than the first calculation.

Instead of the provisions of Section 14.02(a) (ii) and 14.02(b) of the Collective Agreement, a temporary employee receives payment at one and one-half times his/her equivalent hourly rate for all time required to be worked in excess of 40 hours in any one week. For the purpose of computing this payment, an employee's equivalent hourly rate is calculated by dividing the employee's daily rate by 8. Subject to the provisions where an employee is not entitled to overtime payment for periods of less than one-half hour, payment is calculated to the nearest tenth of an hour.

Temporary employees accrue no credit towards acquiring seniority.

The company may discharge or terminate a temporary employee, in which case the employee has access to the grievance procedure in cases of claimed discrimination on account
of race, creed, colour, nationality, age, sex, ancestry or place of origin.

Temporary employees are entitled to union representation, including access to the regular grievance procedure, in cases of alleged violation of rights arising out of this Letter of Understanding.

Temporary employees are subject to the provisions of article 3 of the collective agreement.

Temporary employees are not covered by the Retirement Pension Plan, the Supplemental Unemployment Benefit Plan, the Separation Payment Plan, the Automatic Short Week Benefit Plan or the Insurance Program.

Temporary employees have only such rights, privileges, compensation or benefits as are expressly provided by the following provisions of the collective agreement:

Section 14.02 (a) (i) Daily Overtime Premiums, except that, for the purpose of computing these premiums, an employee’s equivalent hourly rate is calculated by dividing the employee’s daily rate by 8. Subject to the provisions where an employee is not entitled to overtime payment for periods of less than one-half hour, payment is calculated to the nearest tenth of an hour.

Section 15.04 Shift Premium - The conditions of employment for temporary employees are also governed by the requirements of applicable legislation for such purposes as holiday pay and vacation pay.

Yours very truly,
R. M. Szostak
Industrial Relations Manager
General Parts and Service

Concur: Mr. C. D. Meneghini

Mr. C. D. Meneghini
President, Local 1324
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America
P.O. Box 27
Brampton, Ontario

Dear Mr. Meneghini:

During 1976 negotiations the union was assured that, in any case where a Notice of Opening includes an outline of duties, educational requirement or description of qualifications required by the company which differs significantly from the corresponding outline of duties, educational requirement or description of qualifications required by the company included in the last previous Notice of Opening for the same classification, the company will notify the committeeperson concerned of the difference. Whenever it is reasonably possible, the committeeperson will be notified before the Notice of Opening is posted.

Yours very truly,
R. M. Szostak
Industrial Relations Manager
General Parts and Service

December 1, 1976
November 16, 1979

Mr. M. J. Whyte
President, Local 1324
International Union, United Automobile,
Aerospace and Agricultural Implement
Workers of America
P.O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Mr. Whyte:

The provision for posting and filling openings under section 13.06 of the collective agreement provides that, "If no suitable applicant within the department concerned applies, the department manager will give first consideration to the applications, if any, of other employees and, if none is selected by him, shall take such further steps as may be required to fill the opening."

In the course of discussions during 1979 negotiations, it was claimed that, in certain cases, proper consideration was not being given to applicants who were not members of the department concerned. The company assured the union that all supervisors will be reminded of the requirements of this provision, to ensure that proper consideration is given to such applicants.

In the event that you should decide, in any particular case, that proper consideration has not been given to an applicant, you should bring the matter to my attention.

Yours very truly,

R. A. P. Rideout
Industrial Relations Manager
General Parts & Service

November 16, 1979

Mr. M. J. Whyte
President, Local 1324
International Union, United Automobile,
Aerospace and Agricultural Implement
Workers of America (UAW)
P.O. Box 2067
Bramalea, Ontario
L6T 3S3

Dear Mr. Whyte:

This will confirm the understanding given to you during the 1979 negotiations regarding the movement of successful applicants for job openings posted under article 13. In any situation where a successful applicant is not transferred to the classification for which he/she applied within 15 working days from the day his/her name was published as the successful applicant, he/she will be paid, effective the 16th working day following the day when his/her name was published as the successful applicant, the salary that he/she would have received if he/she had been transferred on that date to the classification for which he/she applied.

Yours very truly,
R. A. P. Rideout
Industrial Relations Manager
General Parts & Service
Mr. M. J. Whyte  
President, Local 1324  
International Union, United Automobile,  
Aerospace and Agricultural Implement  
Workers of America (UAW)  
P. O. Box 2067  
Bramalea, Ontario  
L6T 3S3

Dear Mr. Whyte:

Where an employee has been absent from work for 90 days, and the company determines that an employee will be assigned on a temporary basis to perform the work of the absent employee after the period of 90 days has expired, except in any case where the absent employee is expected to return to work within the next 30 days, a Notice of Opening will be posted and the opening will be filled in accordance with the provisions of section 13.03 of the collective agreement, unless other arrangements are mutually agreed upon. The Notice of Opening will indicate that the assignment will be on a temporary basis, and that the successful applicant will be returned, consistent with his/her seniority, to his/her former classification and department upon completion of the temporary assignment. The opening created by the move of the successful applicant for the temporary assignment will be filled by the company by reassignment or by hiring an employee to perform the work for the duration of the temporary assignment.

The above arrangements will be applicable with respect to absences commencing on or after November 16, 1979.

Yours very truly,
R. A. P. Rideout  
Industrial Relations Manager  
General Parts and Service

October 16, 1987

Mr. M. J. Whyte  
President, Local 1324  
National Automobile, Aerospace and  
Agricultural Implement Workers  
Union of Canada (CAW-Canada)  
P. O. Box 2067  
Bramalea, Ontario  
L6T 3S3

Dear Mr. Whyte:

During these negotiations, the parties discussed at great length, union claims that work presently performed by bargaining unit personnel could, in the future, be transferred to excluded positions or that new work being created would be inappropriately assigned to excluded positions. The parties agree the union may request information relevant to a job, supervisor or employee so that it may conclude its investigation of the claim. The company will provide such relevant information and its position on the matter within 30 days. The union and the company will meet as necessary and attempt to resolve any remaining disputes between them. In the event that any such dispute cannot be resolved locally, representatives of the national union and the central labour relations staff will meet in an effort to resolve the dispute.

In the event that such dispute remains unresolved, the union may submit such claim to an adjudicator, as per the attached letter to Mr. Vic Pathe, Assistant Deputy Minister of Labour concerning the appointment of an adjudicator by the Ontario Labour Relations Board.

It is expressly understood and agreed that the adjudicator, in making his/her decision, will have regard to the applicable provisions of the collective agreement.

Yours very truly,  
FORD MOTOR COMPANY  
OF CANADA, Limited  
R. M. Szostak  
Industrial Relations Manager  
Canadian Parts Sales & Distribution
Mr. Vic Pathe  
Assistant Deputy Minister of Labour  
400 University Avenue, 16th Floor  
Toronto, Ontario  

Dear Mr. Pathe:  

During our recent negotiations between CAW and the Ford Motor Company of Canada, Limited, the parties discussed the potential problem with future positions that are not included in the bargaining units and which the union believes should be included.  
The union and the company agree to address this matter, if necessary, by establishing a Joint Committee to attempt to work out an agreement on any position in question.  

We recognize there may be certain areas when no agreement may be possible and where both parties could use the assistance of someone experienced in the area of office and technical bargaining unit work.  

The parties are requesting that you select someone who has had experience in this field at the Ontario Labour Relations Board and whom we could call in to settle any unresolved issue.  

The company and union have agreed that both parties could accept the decision of the individual selected by the Board as final and binding.  

We realize the parties would have to work out any remuneration arrangement with such a person if and when they are needed.  

NATIONAL UNION, CAW-CANADA  
R. White  

FORD MOTOR COMPANY OF CANADA, Limited  
D. J. McKenzie  

Mr. M. J. Whyte  
President, Local 1324  
National Automobile, Aerospace and Agricultural Implement Workers Union of Canada (CAW-Canada)  
P.O. Box 2067  
Bramalea, Ontario  
L6T 3S3  

Dear Mr. Whyte:  

During the recent negotiations the parties discussed the erosion of salary bargaining units by reassigning the work outside of a unit.  

This letter will confirm it is not the company’s policy to reassign bargaining unit work so as to erode bargaining units covered by the collective agreement, unless the company can demonstrate clear economic, organizational, or geographic reasons for such reassignments. Furthermore, the company will notify the union prior to any such reassignment of work.  

Any claim that the company has reassigned bargaining unit work contrary to the aforementioned policy, shall, after verbal discussion of the claim with industrial relations, be submitted as a grievance by the president at the second step of the grievance procedure within thirty (30) days after the claim arises.  

If not disposed of at the second step within the prescribed time limit, the union may request the grievance be submitted to binding arbitration within forty (40) days of the original claim. If the union does not give written notice of its desire to submit the grievance within forty (40) days of the original claim, the matter shall be considered settled, unless said time limit is extended by mutual consent.  

Very truly yours,  
FORD MOTOR COMPANY OF CANADA, Limited  
R. M. Szostak  
Industrial Relations Manager  
Canadian Parts Sales & Distribution  

Concur: M. J. Whyte
Mrs R. A. Monchamp  
President and Chairperson of the  
Negotiating Committee – Local 1324  
National Automobile, Aerospace,  
Transportation and General Workers  
Union of Canada (CAW-Canada)  
P.O. Box 2067  
Bramalea, Ontario  
L6T 3S3

Dear Mrs. Monchamp:

During the 2002 negotiations, the union raised concerns with the job posting process. The prompt transfer of successful applicants is an objective shared by both the company and the union. However, circumstances surrounding each job posting may vary and impact the transfer process of successful applicants.

The company reiterated its commitment to the union to continue to transfer successful applicants as quickly as possible.

Yours very truly,

FORD MOTOR COMPANY  
OF CANADA, Limited  
G. M. Briscoe  
Human Resources Manager  
Parts Operations

- Statement (2005) -

During 2005 negotiations, the company and the union discussed at great length the implications of various restructuring, consolidating, and integration actions.

The company will advise the union of changes in the workforce and/or job functions, as they become known, in order to allow for meaningful advance discussion.

The parties recognized that some adjustment of the workforce and changes to job assignments, tasks and responsibilities will be necessary to provide a flexible and efficient operation that meets customer service requirements.

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During the 2005 negotiations, the company discussed the development and utilization of a supplemental workforce that would provide for continuous customer service and time off the job for the salaried bargaining unit.

The parties agreed that the operational framework for this type of program could not be adequately explored and addressed during negotiations and the parties agreed to convene a series of discussions as soon as practicable to develop the parameters and processes for implementation.

The parties reaffirmed the commitment to work cooperatively and expeditiously toward exploring, developing and implementing this program within the existing provisions of the collective agreement.

- Statement (1974) -

During 1973 negotiations, the parties discussed the application of section 13.06 of the collective agreement.

In the course of this discussion, it was recognized that those employees who had expressed preferences in writing under this section during the term of the collective agreement dated February 1, 1971 had been assigned in accordance with their respective preferences. On the basis of this experience, it is expected that, in carrying out the provisions of section 13.06 of the collective agreement dated January 1, 1974, at least one employee who has expressed a preference in writing concerning his/her work assignment will be moved in accordance with the preference he/she has expressed in connection with the filling of each opening posted under section 13.03.
- Wages and Cola -

Mr. B. Hargrove
National President
National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW- Canada)
205 Placer Court
Toronto, Ontario
M2H 3H9

Dear Mr. Hargrove:

This letter is to confirm certain agreements reached by Ford Motor Company of Canada, Limited and the National Union, CAW, regarding the calculation of the Cost-of-Living Allowance pursuant to Section 15.03 of this Agreement.

It was agreed that the parties shall calculate the monthly Consumer Price Index beginning with the month of August 2005, using the Consumer Price Index (1986 = 100) for August 2005 published in September 2005 by Statistics Canada, and each month thereafter during the term of the Agreement through the Index for April 2008.

In applying the provisions of Section 15.03 of the new Collective Agreement, the company shall prepare a notification letter to the union setting forth the Consumer Price Index for each of the three months that form the basis for an adjustment, and the average of those three months rounded to the nearest 0.1 index point using the Engineering Method of Rounding as described in the attachment. This notification letter will be prepared and sent to the union after publication of the appropriate Consumer Price Indexes for the third month used for each adjustment period in accordance with Section 15.03(c) of the Collective Agreement dated September 19, 2005.

If the union claims that the company's calculation in any particular instance were not made in accordance with the terms of this Letter of Understanding, it may refer the matter to the Umpire at Step 3 of the Grievance Procedure as set forth in Article 8 of the Collective Agreement.

Yours very truly,

FORD MOTOR COMPANY
OF CANADA, Limited
Stacey Allerton Firth
Vice President,
Human Resources

Concur: B. Hargrove

Attachment

Engineering Method of Rounding

The following rules of rounding shall apply:
1. If the leftmost of the digits discarded is less than 5, the preceding digit is not affected. For example, when rounding to four digits, 130.646 becomes 130.6.
2. If the leftmost of the digits discarded is greater than 5, or is 5 followed by digits not all of which are zero, the preceding digit is increased by one. For example, when rounding to four digits, 130.557 becomes 130.6.
3. If the leftmost of the digits discarded is 5, followed by zeros, the preceding digit is increased by one if it is odd and remains unchanged if it is even. The number is thus rounded in such a manner that the last digit retained is even. For example, when rounding to four digits, 130.5500 becomes 130.6 and 130.6500 becomes 130.6.
October 7, 2002

Mr. B. Hargrove  
National President  
National Automobile, Aerospace,  
Transportation and General Workers  
Union of Canada (CAW-Canada)  
205 Placer Court  
Willowdale, Ontario  
M2H 3H9

Dear Mr. Hargrove:

During 2002 negotiations, the company and the union agree that for purposes only of applying the increase in base monthly salaries described in section 16.01(a) of the Collective Agreement dated October 7, 2002, and only during the period September 23, 2002 up to October 7, 2002, the employees to whom such increase shall be granted shall include only:

(i) employees on the active roll of the company as at October 7, 2002;
(ii) employees on laid-off status as at October 7, 2002;
(iii) employees on the inactive roll of the company as at October 7, 2002 but who performed work for the company on or after September 23, 2002; and
(iv) employees who have retired under the provisions of the Retirement Pension Plan dated September 27, 1999 after September 23, 2002.

Yours very truly,
FORD MOTOR COMPANY
OF CANADA, Limited
T. P. Hartmann
Vice President,
Human Resources

- Statement (1974) -

In any case where a normal salary increase is being withheld under the procedures applicable to performance review and salary adjustments, the company will notify the committeeperson concerned as soon as possible after the employee has been so advised.
PROCEDURES APPLICABLE TO PERFORMANCE REVIEW AND SALARY ADJUSTMENTS PLAN

1. (a) An employee on the active roll of the company who is paid a base salary which is less than the job rate applicable to his/her assigned job will be eligible for semi annual normal salary adjustments as set out in the attached schedule provided his/her performance, considering length of time on present job, is satisfactory.
(b) When an employee's base salary is within one (1) normal salary increase of the job rate applicable to his/her job, his/her next normal salary increase will be adjusted to an amount sufficient to bring his/her base salary up to the job rate.
(c) Should a normal salary increase have the effect of bringing an employee's base salary to within less than $10.00 of the job rate of his/her assigned job, then his/her base salary will be increased to equal the job rate.
(d) The company reserves the right to withhold a normal salary increase where, in the opinion of the company, an employee's work record, attendance record or conduct does not justify such an increase. In such a case, the employee will be advised of any such increase withheld and the reasons for so doing. Where an increase is withheld there will be a special salary review in three months or less from the date of the last review.
(e) If a normal salary increase is withheld on two normal performance reviews, the company will take such steps as are necessary to remove the employee from the job. If the circumstances warrant, the company will undertake to relocate the displaced employee in a position more suited to his/her capabilities.

2. (a) An employee who is on layoff, leave of absence or sick leave for less than one month during the six (6) month period under review shall have such time credited towards his/her eligibility for normal salary progression.
(b) An employee who is on layoff, sick leave or leave of absence, for more than one (1) month during the six (6) month period under review shall have his/her anniversary date for purposes of performance review and salary review be re-established accordingly. Should such employee return to a different job, then the date of his/her return to work shall be used as the date from which to calculate any future normal salary adjustments.

3. (a) An employee who is transferred from one job to another job in a higher salary class and who is paid a base salary above the minimum rate but less than the job rate for the higher salary class will be granted an increase amounting to one normal salary increase for the higher salary class or increased to the job rate for the higher salary class whichever is the lesser.
(b) An employee who is transferred from one job to another job in a higher salary class and is paid a base salary less than the minimum of the salary range applicable to the higher salary class, shall receive a salary increase sufficient to bring his/her base salary up to the minimum of such salary range or receive a salary increase equal to one normal salary increase for the higher salary class whichever amount is the greater.
(c) The date that an employee transfers from a job in one salary class to another job in a higher salary class shall be used as the date from which to calculate any future normal salary increases.

4. (a) An employee who is transferred from one job to another job in the same salary class or a lower salary class shall, if his/her base salary is at or below the job rate for the job to which he/she is transferred, retain his/her salary as of the time of the transfer. In such a case, he/she shall become eligible for salary increases up to the applicable job rate in the same manner that he/she would have, had the transfer not been effected.
(b) If an employee is transferred from one job to another job in the same salary class or a lower salary class and his/her base salary is above the job rate applicable to the job to which he/she is transferred, the company may, at its discretion, reduce the employee's base salary to the highest of:
   (i) the job rate applicable to the job to which he/she is transferred; or
   (ii) the highest base salary received on the job if the employee previously performed the job to which he/she is transferred; or
   (iii) a salary which provides the same percent age of salary differential above the job rate for the job to which he/she is transferred as the salary differential his/her present salary provides above the job rate for his/her present job, provided...
that in no instance will the salary exceed the maximum of the applicable salary range.

Any such reduction of the employee’s base salary shall take effect three (3) months after the date of the transfer, except as provided in 4(c).

(c) (i) In the event that the demotion results in a salary reduction which exceeds 5% of the employee’s existing base salary, the total reduction in salary will be effected by applying a series of reductions of 5% of the employee’s base salary progressively with the first reduction taking place three (3) months after the date of the demotion and further reductions taking place at three (3) month intervals thereafter, until the total reduction in salary has been effected.

(ii) In the event that the demotion results from the employee being the successful applicant for, or requesting to be moved to a job in a lower salary class, the total amount of salary reduction resulting from demotion will be effective on the date of the demotion, except as provided in 4(c) (iii).

(iii) In the event that the demotion is for reasons of ill health, or if the employee had been advised that he/she was affected by a reduction of available work in his/her classification prior to being selected as the successful applicant for a job in a lower salary class, the total reduction in salary will be effected in accordance with section 4(b) and, if applicable, in accordance with section 4(c) (i).

(iv) In the event that an employee is transferred to a job in a higher salary class during the period when his/her salary is being progressively reduced as a result of demotion, his/her salary will be adjusted to the salary that he/she would have received if he/she had been demoted directly from his/her former job to the job in the higher salary class.

(d) In the event that the demoted employee is subsequently promoted to a job in a higher salary class, the company may, at its discretion, increase the employee’s base salary to the highest of

(i) the base salary he/she was receiving at the time he/she last worked on the job if the employee previously performed the job to which he/she is transferred, plus any general salary increases and transfers from cost-of-living allowance to base salary that he/she would have been entitled to had he/she remained on that job; or

(ii) in the case of promotion to a job in the same salary class as the job from which he/she was originally demoted or a lower salary class, a salary which provides the same percentage of salary differential to the job rate for the job to which he/she is promoted as his/her salary prior to demotion provided to the then existing job rate for the job from which he/she was demoted; or

(iii) in the case of promotion to a job in a higher salary class than the salary class for the job held prior to having been demoted to his/her present position, a salary calculated by adding the salary increase determined by applying the appropriate provision of paragraph 3 above to a salary which provides the same percentage of salary differential to the job rate for the job from which he/she was demoted as his/her salary prior to demotion provided to the then existing job rate for the job from which he/she was demoted; or

(iv) his present salary plus a salary increase equal to one normal salary increase for the new job class, provided that in no instance will the employee’s base salary be less than the minimum or more than the maximum of the salary range for the new job class.

(e) The salary of an employee who has been on the inactive roll and who returns to work in a classification having the same salary class as the classification in which he/she was employed immediately prior to his/her absence shall be determined as follows:

(i) in the case of an employee who has been off work due to illness, the salary he/she was receiving when he/she last worked for the company, adjusted to compensate for general salary increases and transfers of cost-of-living allowance to base salary;

(ii) in the case of an employee who has been off work for some reason other than illness for a period not exceeding twelve (12) months, the salary he/she was receiving when he/she last worked for the company, adjusted to compensate for general salary increases and transfers of cost-of-living allowance to base salary;

(iii) in the case of an employee who has been off work for some reason other than illness for a period exceeding twelve (12) months, the salary he/she was receiving when he/she last worked for the company, adjusted to compensate for transfers of cost-of-living allowance to base salary, provided that his/her salary shall not be less than the minimum of the present salary range for the classification concerned.

(f) The salary of an employee who has been on the inactive roll and who returns to work in a classification having a different salary class from the classification in which he/she was employed immediately prior to his/her absence shall be determined as follows:
(i) In the case of an employee who has been off work due to illness, the salary he/she would have received if he/she had been transferred directly to the new job at the time when he/she last worked for the company, adjusted to compensate for general salary increases and transfers of cost-of-living allowance to base salary, the same as if he/she had remained on the active roll;

(ii) In the case of an employee who has been off work for some reason other than illness for a period not exceeding twelve (12) months, the salary he/she would have received if he/she had been transferred directly to the new job at the time when he/she last worked for the company, adjusted to compensate for general salary increases and transfers of cost-of-living allowance to base salary, the same as if he/she had remained on the active roll;

(iii) In the case of an employee who has been off work for some reason other than illness for a period exceeding twelve (12) months, the salary he/she would have received if he/she had been transferred directly to the new job at the time when he/she last worked for the company, adjusted to compensate for transfers of cost-of-living allowance to base salary, provided that his/her salary shall not be less than the minimum of the present salary range for the classification concerned.

(g) In cases where a surplus employee through placement is transferred to a job in a salary class which is higher than the salary class for the position previously performed, the employee will not be eligible for a promotional increase but will be transferred at a rate equal to the minimum rate of the new salary class, or at his/her existing rate whichever is the greater. In the latter instance the employee will be eligible for salary increases up to the applicable job rate commencing six (6) months from the date of transfer or in the same manner that he/she would have, had the transfer not been effected.

5. (a) An employee whose job is reclassified to a classification having a lower salary class shall retain his/her base salary as at the time of reclassification or shall receive the maximum rate for the new classification, whichever amount is the lesser.

(b) An employee whose job is reclassified to a classification having a higher salary class shall be dealt with in accordance with 3 (a) or (b) as applicable and 3 (c).

6. Except as otherwise specifically provided, an employee's salary will be adjusted on transfer so that it falls within the limits of the applicable salary range.

<table>
<thead>
<tr>
<th>Salary Class</th>
<th>Minimum</th>
<th>Job Rate</th>
<th>Maximum</th>
<th>Normal Salary Increment</th>
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NOTE: Above ranges do not include COLA
### FORD OF CANADA
#### Locals 240 & 1324 Bargaining Units
#### Effective October 1, 2006
#### Salary Ranges

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<tr>
<th>Salary Class</th>
<th>Minimum</th>
<th>Normal Rate</th>
<th>Normal Maximum</th>
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NOTE: Above ranges do not include COLA.

### FORD OF CANADA
#### Locals 240 & 1324 Bargaining Units
#### Effective October 1, 2007
#### Salary Ranges

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<th>Salary Class</th>
<th>Minimum</th>
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NOTE: Above ranges do not include COLA
SUPPLEMENTAL AGREEMENT
CONCERNING CAW-FORD LEGAL SERVICES PLAN

Agreement made at Toronto, Ontario this September 19, 2005.

BETWEEN:

FORD MOTOR COMPANY OF CANADA, Limited hereinafter called the "company"

AND:

LOCAL 1324 OF NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA) hereinafter called the "union local".

WHEREAS Exhibit H to the Collective Agreement dated September 19, 2005 between the company and National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada), herein called the "union", provides that the CAW-Ford Legal Services Plan shall be applicable to employees within any other bargaining unit for which the union or one of its locals is the certified bargaining agent when such certified bargaining agent signs an agreement with the company making the said Plan applicable to such employees;

AND WHEREAS the union local is the certified bargaining agent for the company’s employees within the bargaining unit represented by the union local;

AND WHEREAS the parties hereto desire to apply the said Plan to such employees within that bargaining unit;

NOW THEREFORE the parties agree that:

Effective as of September 19, 2005 the said Plan shall become applicable to the employees of the company for whom the union local is the certified bargaining agent.

IN WITNESS WHEREOF the parties have hereunto signed.

FORD MOTOR COMPANY OF CANADA, Limited

By:

LOCAL 1324 OF NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA).

By:
INDEX FOR LETTERS & STATEMENTS – LOCAL 1324

(S) - denotes statement

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