

COLLECTIVE AGREEMENT

BETWEEN

MAGNETIC METALS LIMITED

10 Spalding Drive
Brantford, Ontario, Canada

**A WHOLLY-OWNED SUBSIDIARY OF
MAGNETIC METALS CORPORATION
AN INDUCTOTHERM COMPANY**

AND

**National Automobile, Aerospace, Transportation
and General Workers Union of Canada,
(C.A.W. - CANADA)
and its Local 397
Brantford, Ontario, Canada**

Contract Duration

February 17, 1998 to February 16, 2001

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COLLECTIVE AGREEMENT

between

MAGNETIC METALS LIMITED

A Wholly-owned subsidiary of Magnetic
Metals Corporation an INDUCTOTHERM COMPANY
hereinafter called "the Company,"

- and -

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
and GENERAL WORKERS UNION OF CANADA,
(C.A.W. - CANADA) AND ITS LOCAL 397**
hereinafter called "the Union".

ARTICLE 1 RECOGNITION

- 1.01** The Company recognizes the Union as the exclusive bargaining agent of all its employees at Brantford, save and except supervisors, persons above the rank of supervisor, office and sales staff.
- 1.02** It is agreed that supervisors, persons above the rank of supervisor, office and sales staff shall not perform the work normally performed by employees in the bargaining unit except in cases of emergency, instruction, inspection and experimentation. No employee in the bargaining unit will have the right to discipline, suspend or discharge other employees in the bargaining unit.
- 1.03** The Company will negotiate at all times necessary in the manner provided herein with the chosen accredited representatives of the Union for the purpose of determining any disputes which may now exist, or which may arise, as to wages, hours, working conditions, or any other questions arising under the terms of this agreement.

ARTICLE 2 MANAGEMENT'S RIGHTS

- 2.01** The Union acknowledges that it is in the exclusive function of the Company:
- (a) To maintain order, discipline and efficiency.
 - (b) To hire, classify, direct, promote, demote and transfer employees and to discipline, suspend and discharge employees for just cause and to increase and decrease the work force.

- (c) Generally to manage the enterprise in which the Company is engaged and, without restricting the generality of foregoing, to determine the number and location of plants, the products to be manufactured, the methods of manufacturing, the schedules of production and work, the kinds and locations of machines, tools and equipment to be used, process of manufacturing, the engineering and design of its products and facilities, and the control of materials and parts to be incorporated in the products produced handled or serviced.

2.02 The Company agrees that it will not exercise its management functions in any manner inconsistent with the terms of this agreement.

ARTICLE 3 UNION SECURITY

3.01 All present employees, and all new employees, who have completed their probationary period, shall, as a condition of employment, authorize the Company in writing, on a form approved by the Company, to deduct from their wages an amount equal to the initiation fees and union dues currently in effect according to the Constitution of the C.A.W.

3.02 All sums deducted, with a record of those from whom deductions have been made and the amount, shall be forwarded to the Financial Secretary of Local 397 not later than the 25th day of the calendar month in which such deductions were made.

3.03 Copies of applicable records pertaining to Union dues deductions, shall be given to the Plant Chairperson.

ARTICLE 4 REPRESENTATION

4.01 The Union shall be represented by an elected Plant Committee of four (4) members, consisting of three (3) Committee and one (1) Plant Chairperson. So that each shift shall have a representative, a Committeeman shall be appointed from and will represent only that shift on which he works. Members of the Plant Committee must have at least one year's seniority with the Company.

Chairperson and committeemen have super seniority on their respective shifts. All new employees will be introduced to their Committeemen by a member of management.

- (a) The Plant Chairperson will be employed on day shift.
- (b) A skilled trade Committeeman shall be elected and shall attend meetings when required to represent tradesmen on such trades issues.
- (c) The Company agrees to provide a filing cabinet for Union use along with office privileges and telephone.

The Company agrees to provide an area to the Plant Chairperson for use to conduct plant union business.

- 4.02** The Union agrees to notify the Company in writing of names and the effective date of it's Committeemen elected.
- 4.03** The Company will furnish the Plant Committee with a list of its supervisory personnel and will indicate by job titles the extent of their responsibility.
- 4.04** Grievances may be investigated or settled during working hours, and time absent from work by committeeman for this purpose will be paid for by the Company, provided the committeeman shall first obtain permission from his supervisor to be absent from work, and such time taken by the committeeman is not excessive. Such permission will not be unreasonably withheld.
- 4.05** The Union shall have the right to have either the President of the C.A.W. having jurisdiction and/or an National Representative at any meeting of the Plant Committee with the management.

ARTICLE 5
GRIEVANCE PROCEDURE AND ARBITRATION

- 5.01** Any employee having a complaint concerning the interpretation, application, administration or alleged violations of the items of this agreement, shall discuss the complaint with his Supervisor.
- The employee shall have his committeeman present during such discussions.
- 5.02** If the complaint is not satisfactorily adjusted between the employee and his Supervisor within two (2) working days the employee shall commit his complaint to writing and submit the written grievance to his Supervisor. The employee shall have the assistance of his Committeeman. The supervisor shall deal with the grievance, and give an answer not later than the second working day following the day upon which he received the grievance.
- 5.03** If the decision of the Supervisor is not satisfactory to the employee concerned, he shall appeal it in writing through the Plant Committee to the Production Superintendent or designate within two (2) regular working days from the receipt of the Supervisor's decision. The Production Superintendent or designate and the Plant Committee will arrange a meeting at a mutually satisfactory time. The Production Superintendent or designate shall give his answer within three (3) working days following the date of the meeting.
- 5.04** No grievance shall be considered where the origin of the alleged circumstances could have reasonably become known to the grievor more than five (5) working days prior to its presentation.

5.05 Whenever an employee, except a probationary employee, is discharged he will be given an opportunity of interviewing his committeeman before he is required to leave the plant, and the employee shall be so advised, provided that if because of the nature of the offense it is necessary to require the immediate expulsion of an employee from the plant, then his committeeman will be immediately notified, and he will be given an opportunity to interview the discharged employee at some convenient location. Should the employee protest his discharge, then he must lodge a grievance within three (3) working days from the date of his discharge as the third step.

In the event that any discharged employee's complaint be found to be justified then he shall be reinstated in his former job without loss of seniority and shall be reimbursed for all time lost. However, the parties may agree on any suitable arrangement deemed just and equitable under the circumstances. In the case of Arbitration, the Arbitrator may direct any suitable arrangement deemed to be just and equitable under the circumstances except that the Arbitrator shall not be empowered, if the employee is reinstated, to change the length of such employee's seniority because of time prior to the date of his discharge.

5.06 In the case of a policy grievance an allegation that either party has violated the agreement may be lodged by either party. Such grievance shall be processed beginning at the third step, and failing settlement may be carried by either party to arbitration. A policy grievance is defined and limited to one which alleges:

- (A) incorrect interpretation or administration of the agreement which may affect the collective interests of the bargaining unit;
- (B) other action which may affect the collective interests of the bargaining unit;
- (C) a breach of any announced or existing policy of the Company concerning benefits or rights established under the collective agreement;
- (D) it is the intention of the parties that the procedure provided under this clause 5.06 shall be reserved for grievances of a general nature for which the regular grievance procedure for employees is not available and that it shall not be used to by-pass the regular grievance procedure.

5.07 If a grievance has been presented to the Company in writing there shall be no interrogation of any employee or group of employees concerned in the grievance by a representative of the Company without the presence of the Committeeman of the employee(s) involved.

5.08 In the event that arbitration of a grievance concerning the interpretation, application, administration or alleged violation is desired by either party, then the other party shall be notified in writing not later than fifteen (15) days after receipt of the answer in Step No. 3. The Company and the Union shall mutually select a permanent Arbitrator who will hear all future grievances processed by the parties to arbitration.

5.09 The arbitrator shall not have jurisdiction or authority to alter or modify any of the provisions of this agreement, or to add any new provision in lieu thereof, or to give any decision, inconsistent with the terms and provisions of this agreement.

5.10 The parties will equally share the fee and expenses of the Arbitrator.

- 5.11** Conferences between the Company representative with the Plant Committee shall be held monthly. Matters to be discussed at such meeting shall be placed on an agenda to be supplied by the party requesting a conference to the other part at least one (1) working day prior to the day for which the conference is requested.

ARTICLE 6
SENIORITY

- 6.01** Fundamentally, rules respecting seniority are designed to give employees an equitable measure of security based on length of continuous service with the Company.
- 6.02** Seniority shall be plant-wide.
- 6.03** Probationary employees shall become regular employees upon completion of ninety (90) calendar days (exclusive of any lay-off and/or plant vacation shutdown) within any period of twelve (12) consecutive months. At such time they will attain seniority rights, and their seniority date will be ninety (90) calendar days prior to the date on which their seniority rights are attained. Absences during the probationary period in excess of five (5) working day except in the case of paid holidays will not be used in the accumulation of ninety (90) calendar days. In the event that more than one employee is credited with the same seniority date, the position of such employees on the plant-wide seniority list will be by alphabetical order, first by surnames and secondly by given name.
- 6.04** Seniority rights shall cease for any employee who:
- (A) Voluntarily quits the employ of the Company;
 - (B) Is discharged and such discharge is not reversed through the grievance procedure;
 - (C) Is absent from work for three (3) consecutive working days and does not provide a justifiable excuse;
 - (D) If the employee fails to notify the Company of his intention to return from a lay-off within two (2) days of notice by the Company sent by registered mail to the last address of the employee on the Company's records, or if the employee fails to return to work within one (1) week of the giving of such notice by the Company;
 - (E) If the employee is laid-off for a period of twenty-four (24) months or total length of seniority, whichever is greater;
 - (F) If the employee overstays a granted leave of absence and does not provide a justifiable excuse.
- 6.05** A plant seniority list, showing the classification of each employee, shall be maintained at all times by the Company, and shall be made available to any member of the Plant Committee.
- 6.06** Members of the Plant Committee will be retained at work as long as there is work available that they are capable of performing.

- 6.07** The promotion of employees to positions outside the bargaining unit is not subject to this collective agreement except that such employees will be entitled to seniority credit equal to their continuous service credit with the Company on return to a position which is subject to this collective agreement.

This clause will remain in effect for all employees covered by this clause prior to the signing of the 1982 agreement. After the signing of the 1982 agreement, employees who transfer out of the bargaining unit shall retain and accumulate for one (1) year their seniority in the bargaining unit. During this year they may voluntarily or involuntarily be transferred back into the bargaining unit with full seniority continuation.

- 6.08** If an employee is charged and subsequently convicted of an offense and serves a jail term he will not accumulate seniority for time lost from work. However, he will be reinstated on the Company's rolls, if he applied immediately after discharge. In the case of an offense considered serious, such as criminal, he will be reinstated on the advice of the Probation Officer, subject to agreement between the Company and the Union.

ARTICLE 7 **LAY-OFFS AND RECALLS**

- 7.01** When it becomes necessary to decrease the working force, probationary employees shall be laid off first. If further lay-offs are necessary, employees with the least amount of seniority shall be laid off on a plant-wide basis, providing those remaining employees with more seniority are capable of performing the work available and such remaining employees can exercise a bumping procedure on the following basis:
- (A) Employees shall be laid off by classification. When the junior employee of a classification is laid off he shall have the right to bump a junior employee in a higher classification who may be retained in out of seniority.
 - (B) The affected employee may elect to fill a vacancy created by a lay-off.
 - (C) If the affected employee does not exercise his right under Section 2 above he then shall bump a junior employee in a classification in the labour group in which his classification appears.
 - (D) Failing to obtain a job in this group, he will follow the same procedure in lower labour groups until such time as he finds a job in line with his seniority.
 - (E) The above procedure shall also apply when there is redistribution in the work force.
 - (F) If an employee has been reduced from a job which he had obtained through a job posting, the employee will retain recall rights to the former job unless the employee posts and is successful in obtaining a new job as provided in the Collective Agreement.
 - (G) Employees affected by Article 7, in the plant, will be allowed the option to refuse recall as provided in Article 7.01.
- 7.02** If there is a dispute as to the capability of an employee to bump a particular job, he shall be given a trial period of five (5) working days to prove his capability.

- 7.03** The Company will notify the employee of lay-off on the shift prior to the last full shift to be worked before the lay-off, and a list of the employees to be laid off will be given to the Committeeman as soon as possible before the lay-off. The company's failure to give the employee said notice shall entitle the employee to an extra day's work or one (1) day's pay in lieu thereof.

ARTICLE 8
TRANSFERS, PROMOTIONS AND DEMOTIONS

- 8.01** In promotions, the Company shall first consider qualifications to do the work required, and where this factor is relatively equal, the most senior employee will be given preference.
- 8.02** Whenever vacancies in classifications occur notices of such vacancies shall be posted on the plant bulletin board for a period of two (2) working days. Such job postings will provide a job description and rate of pay. Employees who submit their bid in writing for such posted vacancy within the two (2) day period will be interviewed by the Company and the senior of those with the qualifications to perform the work of the vacancy in a satisfactory manner will be selected.

An employee who bids on a posted job and who is not accepted shall be given reason for such non-acceptance. The Company may fill a vacancy temporarily pending outcome of the posting procedure.

Copies of vacancies and applicable rates of pay shall be given to the Chairman.

An employee who bids on a posted job and is successful, shall not be allowed to bid on another posted job for a period of ninety (90) days.

If the Company feels that the successful applicant for a job vacancy requires training, such employee may be transferred to the day shift for up to sixty (60) days to receive such training.

- 8.03** In the event of an employee suffering a major disability exception may be made to the provisions of this agreement in favour of such employee, but in the event of a lay-off or recall after lay-off he shall be subject to the seniority provisions of this agreement which would have applied had he not been disabled. Following recall after a lay-off, exception may again be made to the seniority provisions of this agreement in favour of such employee. Any such agreement will be by mutual agreement of the parties.

- 8.04** (A) The Company has the right to temporarily transfer an employee from one classification to another. While on such temporary assignment, the employee's rate will remain unchanged if assigned to a lower rated job. If the employee is assigned to a higher rated job he shall receive the rate for that classification for all hours worked by him on the temporary assignment.

If the employee is assigned to a higher rated job for a minimum of four (4) hours, then he shall receive the higher rate of pay for all hours worked on the shift.

It is understood that a temporary job will not exceed thirty (30) working days other than for an emergency or for a special provision, such as *Leave of Absence, Jury Duty, Vacations, Sickness or Accident, or Period of Bereavement*. The thirty (30) day time limit may be extended by mutual agreement.

(B) If required because of an emergency or absence of an employee, the Company may transfer the junior qualified employee off the day shift to another shift for a maximum of thirty (30) days.

8.05 The Company and the Union agree that the job classifications as outlined in Appendix "A" shall be maintained for the duration of this agreement, except as provided in this clause. When new jobs are created or changes occur in the content of existing jobs, the Company and the Union shall promptly negotiate to the end that such jobs are properly classified. In the event the parties are unable to agree upon the proper classification and the rate of pay of any job, the matter shall be referred to arbitration as provided in this agreement.

During the pendency of negotiations or arbitration, the job shall be performed on the basis proposed by the Company.

ARTICLE 9 **HOURS OF WORK - OVERTIME AND PREMIUM PAY**

9.01 Nothing contained in this agreement shall be construed as being a guarantee of any number of hours of work per day or days per week.

9.02 Forty (40) hours will constitute the regular work week and will be comprised of five (5) regular work days of eight (8) hours each, Monday through Friday inclusive.

Shift hours:	1st shift	7:00 a.m. to 3:30 p.m.
	2nd shift	3:30 p.m. to 12: 00 a.m.

If an additional shift is required, it will be scheduled from 11:30 p.m. to 8:00 a.m.

9.03 All work performed in excess of the regular shift hours shall be paid at the appropriate overtime rate. All hours worked on Sundays and paid holidays shall be paid at the rate of double time in addition to the holiday pay, and time and one half for Saturday.

9.04 Overtime work will be voluntary on the part of each employee and no employee will be penalized for refusing to work overtime.

While the Parties agree that overtime will remain voluntary, the Union agrees to the principle that overtime is required at times and will therefore be cooperative in such cases.

The Union agrees that it will not put an embargo on overtime work during the term of this agreement.

All overtime work shall be distributed equitable among employees provided they have the ability to do the work required.

All overtime worked will be recorded weekly and posted on the bulletin board beside the time clock. Overtime offered and refused will be deemed to be overtime worked for this purpose.

Records of overtime shall be maintained on an annual basis covering each year of the agreement.

- 9.05** An employee who has already left the premises of the Company after completion of this work for that day, and who is recalled for work prior to his next known reporting time, shall receive minimum pay equivalent to four (4) hours at his basic straight time hourly rate of pay.
- 9.06** Employees reporting for work who have not been previously advised not to report for work will be given work at the Company's discretion for four (4) hours or, if no work is made available, employees will be paid four (4) hours pay at the employee's basic straight time hourly rate of pay. This obligation will not apply in the following circumstances:
- When the lack of work is due to power failure, fire, flood, breakdown or circumstances beyond the reasonable control of the Company.
- 9.07** An employee who is injured in an industrial accident shall be paid for the time lost on such day he was injured for the balance of the shift during which such injury occurred at his basic straight time hourly rate of pay.
- 9.08** (A) There shall be a ten (10) minute rest period at the mid point of each half of the shift.
(B) There will be a thirty (30) minute lunch period without pay.
- 9.09** A premium of forty five (45) cents per hour effective February 17, 1998, and fifty (50) cents per hour effective February 17, 1999 will be paid to employees who are assigned to the afternoon or to the night shift.
- If an employee is required to change shifts, he will be advised of such change as early as possible in the preceding week.
- 9.10** The Company will establish permanent work shifts. Employees will be given their preference of shift within their own classification in line with their seniority.
- During the first thirty (30) working days of employment, a new employee may be assigned to any shift for evaluation and training. During this period, the employee may not be bumped by another employee for the purpose of changing shift.
- The Company may re-assign employees requiring training to the day shift for the purpose of receiving such training. The period shall not exceed sixty (60) days once per year.
- An employee may exercise his seniority for shift change only once in each six (6) month period unless otherwise agreed to by the Company and the Union. In exercising shift preference, an employee must give the Company two (2) weeks notice of his intention.
- When an employee signifies in writing his request for a shift change, he will be considered to have changed shift and be bound by the six month period. Unless both parties agree that the shift change should not take place.
- 9.11** All employees working on the 10 hour shift will be paid 10 hours pay for paid holidays (not more than 40 hours per week); except during the Christmas Shutdown, when payment will not exceed that of eight hour day shift employees.

ARTICLE 10
HOLIDAYS

10.01 The following holidays will be recognized:

New Year's Day, Good Friday, Victoria Day, Dominion Day, Civic Holiday, Labour Day, Thanksgiving Day, the last scheduled working day before Christmas Day, Christmas Day, Boxing Day, the last scheduled working day before New Year's Day and two (2) floating holidays.

<u>1998/1999</u>	<u>1999/2000</u>	<u>2000/2001</u>
Dec. 24/98	Dec. 23/99	Dec. 22/00
Dec. 25/98	Dec. 24/99	Dec. 25/00
Dec. 28/98	Dec. 27/99	Dec. 26/00
Dec. 29/98	Dec. 28/99	Dec. 27/00
Dec. 30/98	Dec. 29/99	Dec. 28/00
Dec. 31/98	Dec. 30/99	Dec. 31/00
Jan. 1/99	Dec. 31/99	Jan. 1/01

10.02 Hourly rated employees, excluding probationary employees shall be paid at their classified rate, provided they work the last scheduled working day immediately before and the first scheduled working day immediately after such paid holidays unless the employee has a justifiable reason for failing to work. In any event the employee must have been at work during the week preceding the holiday. An employee laid off within five (5) working days prior to the holiday will be paid for such holiday.

10.03 To be eligible for payment for the remainder of the Christmas - New Year's shutdown, an employee must have worked during the thirty (30) day period preceding the shutdown.

10.04 During the first two (2) months of an employee suffering disability by accident or sickness, for which he is receiving Workers' Compensation or Sickness and Accident Benefits, he shall be compensated for the difference between the benefit payment for that day and his appropriate holiday pay.

10.05 In the event that a recognized holiday falls during an employee's vacation, he shall be given an extra day of vacation time with pay.

ARTICLE 11
LEAVE OF ABSENCE

11.01 The Company may grant a leave of absence without pay and without loss of seniority for personal reasons. The leave of absence will be given in writing.

11.02 The Company will grant leave without pay to not more than two (2) employees at any one time to attend union conventions and other scheduled union business events provided that adequate notice of their request for leave is given and provided that the leave will not unduly interrupt the Company's operations.

11.03 The Company will grant leave of absence without pay and without loss of seniority to an employee who is unable to perform his regular duties because of illness or disability for the duration of his disability, but not for a period greater than one(1) year or for a period greater than the amount of his seniority at the time of inception of his disability.

11.04 The Company will grant leave of absence without pay to the Bargaining Committee to prepare amendments and to conduct and negotiate for a new contract. The Union will endeavor to give reasonable notice of such leave.

11.05 The Company agrees to pay into a special fund one cent (1¢) per hour per employee for all compensated hours for the purpose of upgrading the employee's skills in all aspects of trade union functions. Such monies to be paid on a quarterly basis into a trust fund established by the National Automobile, Aerospace, Transportation and General Workers Union of Canada (C.A.W.) and sent by the Company to the Canadian Paid Education Leave Training Program, P.O. Box 897, Port Elgin, Ontario N0H 2C0.

The Company further agrees that members of the bargaining unit, selected by the Union to attend such courses, will be granted a leave of absence without pay for twenty (20) days of class time, plus travel time, where necessary. Employees on leave of absence will continue to accrue seniority and benefits during such leave.

It is also agreed that no more than one (1) member of the bargaining unit at a time be granted a leave of absence for this purpose.

The Plant Chairperson shall be given a copy of record regarding payment to P.E.L. fund on a quarterly basis.

ARTICLE 12 ***VACATIONS***

12.01 For the purpose of calculating vacation pay, the fiscal year shall be from July 1st of any year to June 30th of the following year.

The Company and Union have reached a mutual agreement that employees will be permitted to request vacations during each calendar year, January 1 to December 31. Requests will be based on production requirements and in each case, seniority within job classification will take precedence.

12.02 Employees who have attained less than one (1) year's seniority as of June 30th of any year shall receive vacation pay in accordance with the regulations and requirements of the Employment Standards Act of Ontario.

12.03 Employees who have attained one (1) year's seniority as of June 30th of any year shall be entitled to two (2) weeks vacation. An eligible employee shall receive vacation pay of 4% of his earnings in the period July 1st to June 30th.

12.04 Employees who have attained five (5) years seniority as of June 30th of any year shall be entitled to three (3) weeks vacation. An eligible employee shall receive vacation pay of 6% of his earnings in the period July 1st to June 30th.

12.05 Employees who have attained twelve (12) years seniority as of June 30th of any year shall be entitled to four (4) weeks vacation. An eligible employee shall receive vacation pay of 8% of his earnings in the period July 1st to June 30th.

- 12.06** Employees who have attained twenty (20) years seniority as of June 30th of any year shall be entitled to five (5) weeks vacation. An eligible employee shall receive vacation pay of 10% of his earnings in the period July 1st to June 30th.
- 12.07** The vacation scheduling shall be on a “year-round” basis. In all cases, the number of employees permitted on vacation at any one time will be based on company production requirements. June, July and August will be considered as the prime period for scheduling vacations. Selection will be governed by seniority within job classification.
- 12.08** Employees entitled to more than two (2) weeks vacation may elect to take their additional vacation time on a random day basis. This random time may be taken one day at a time and must be arranged to be taken by November 1st. Employees who have not arranged their random time by November 1st forfeit their right to time off. The Company may designate that surplus random time be taken. Employees wishing to take random vacations must indicate so in writing by April 15th.
- Employees requesting a random day must request at least one week in advance and the Company will grant random days as work load permits, and on a first-come-first-served basis. The necessary one week’s notice can be waived in extenuating circumstances.
- 12.09** Employees will be paid for each day of random vacation taken for which vacation pay has not already been received eight (8) hours pay at the employee’s basic straight time hourly rate of pay. Such payment will be made in the pay period in which the random day is taken. The total amount paid for random days will be deducted from regular vacation pay cheque. Weekly Indemnity and random pay will not be paid at the same time.
- 12.10** All employees must take their full vacation entitlement prior to December 31st of each year.
- 12.11** If the employment of an employee is terminated after June 30th the employee shall receive vacation pay at the rate of 4%, 6% 8% or 10% depending on his seniority at time of termination.
- 12.12** Employees who are laid off prior to the vacation period will receive their vacation pay, if requested. If not requested, the vacation pay will be paid to them after July 1st.

ARTICLE 13
NO STRIKE AND NO LOCKOUTS

- 13.01** The words “*Strike*” and “*Lockout*” shall have the same meaning as set out in the Ontario Labour Relations Act.

ARTICLE 14
GENERAL

- 14.01** As far as reasonably practicable, employees shall be paid on Thursday of each week during regular shift hours.

When an employee has a pay shortage of \$20.00 or more, the discrepant amount will be paid on the day following the regular pay day.

- 14.02** A bulletin board shall be provided by the Company for the use of the Union. No notices shall be posted without prior approval of the Company.
- 14.03** If an employee is called to meet with Management for purpose of discipline, he shall have the opportunity to have a committeeman present, if he deems necessary.
- 14.04** When a derogatory notation is placed against the record of an employee, it will be prepared in triplicate. One copy of such notation must be given to the employee, one copy to the Plant Chair and one copy shall be initialled and retained by the Company. The employee may then treat such derogatory notation as a grievance and proceed accordingly.
- Unless such notation is presented to the employee within a reasonable time, not in any event to exceed three working days after the occurrence or discovery of the circumstance to which the notation refers, such derogatory notation shall not thereafter be used for any purpose against the employee.
- Refusal of the employee or Committeeman to sign for receipt of a derogatory notation shall disqualify the employee and the Union from proceeding under the grievance procedure.
- Such derogatory notation will remain against the records of the employee for one (1) calendar year from date of issue, at the end of which time the derogatory notation will be removed from his record.
- 14.05** The Company agrees to continue to provide and maintain adequate sanitary facilities and safety devices throughout the plant in accordance with Government requirements. A safety committee comprised of three (3) representatives of the Company and three (3) representatives from the Union, one of which will be the Union Chairman, shall meet monthly for the purpose of plant inspections, discussion of hazards, and review of accidents and shall make such recommendations to the Company as are conducive to the safe and efficient operation of the plant. The committee shall hold a meeting on the last Friday of each month.

ARTICLE 15

EMPLOYEE BENEFITS

15.01 ***Bereavement Pay***

Bereavement Pay of five (5) days will be recognized in the event of death of a Spouse or Child of an actively employed seniority employee. Bereavement Pay of three (3) days will be recognized in the event of death of a member of the immediate family consisting of Mother, Father, Sister, Brother, Grandparent, Grandchildren and current Mother-In-Law and current Father-in-law. Bereavement pay of one (1) day in the event of current Brother-In-Law or Sister-In-Law.

The Company will acknowledge the following: For purposes of Subsection (a) of section 15.01 only, an employee may designate in writing as his "current mother-in-law and current father-in-law" the mother and father of a woman with whom the employee has cohabited continuously for a period of not less than one (1) year. If such persons are designated, they shall then be deemed to be the "current mother-in-law and father-in-law" of the employee for purposes of the said Subsection (a), notwithstanding that the employee may be legally married to another woman.

If funeral of a seniority employee's Mother Father, Sister, Brother, Spouse, Children, Grandchildren and current Mother-In-Law and Father-in-Law is held on a regular work day and the employee does not attend, he will be granted one (1) day with pay on the day of the funeral. No employee will be paid for time off on regularly scheduled vacation, holiday or day off.

15.02 *Jury Duty*

The Company shall pay an actively employed seniority employee summoned for jury duty or as subpoenaed witness the difference between his straight time hourly rate for the number of hours he normally works on his regular shift and the payment he receives for Jury or Witness duty. The employee must furnish to the Company proof of Service and the amount of payment he received for such service. (Where the Jury or Witness services of the employee is not required for a full day, he will be requested to report for work if a half shift of work remains on his shift and his Jury or Witness duty pay will be adjusted accordingly). This payment does not apply if Jury or Witness duty time occurs during the employee's vacation period, plant shutdown or while the employee is absent due to disability or sickness.

The Company agrees to pay employee on afternoon/night shift for Jury Duty for pay up to 10 hours, if the employee is scheduled for a ten hour shift on the day of jury service. This will be paid at the difference between their jury duty pay and their regular shift pay.

15.03 *Insurance*

The following insurance benefits are provided at Company expense for all eligible employees:

(1) *OHIP Plan.*

For all employees and eligible dependents including Semi-private coverage.

(2) *Weekly Indemnity for Sickness and Accident*

A benefit of 66 2/3% of regular weekly earning to a maximum of 66 2/3% of insurable earnings under U.I.C. This benefit payable for a period of fifty-two (52) weeks, starting the first day of accident, the first day of hospitalization and the fourth day of sickness. All rebates from the Unemployment Insurance Commission, resulting from the Plan's qualification under the U.I.C. Rebate Plan, shall be payable in full to the Company to partially offset the cost of the improved benefit.

An employee shall be covered from the first day of a surgical procedure and/or any corrective treatment requiring anesthetic performed on an outpatient basis in a hospital or doctor's office for which cost of Fifty dollars (\$50.00) or more is either scheduled or payable by OHIP provided the employee is unable to work on such day, which is verified by a physician.

Benefits under this section for other than a whole week shall be paid on a basis of 1/7th of the weekly benefit for each calendar day the employee is disabled. If an employee becomes injured or sick while on vacation, his vacation will be stopped at that point and a claim for weekly indemnity benefits will be allowed. At the completion of the weekly indemnity period, the employee's remaining vacation will be continued. Proof of sickness or accident of a disability must be provided by a physician.

If an employee becomes disabled, he must notify the Company as soon as possible, requesting a claim form to be completed by him and his physician and returned to the Company in order that payment of the appropriate benefits can be arranged promptly.

(3) Long Term Disability

Effective February 17, 1998 a benefit of \$250.00 per month, *effective February 17, 2000* a benefit of \$300.00 per month after the 52nd week of disability, and after fifteen (15) weeks of unemployment insurance, if eligible. This benefit which is payable until age 65, supplements the disability benefit payable under the Canadian Pension Plan.

(4) Life Insurance and Accidental Death and Dismemberment

Effective February 17, 1998

\$18,000.00 - Life Insurance for eligible employees..

\$18,000.00 - Accidental Death & Dismemberment for eligible employees.

Effective February 17, 1999

\$19,000.00 - Life Insurance for eligible employees.

\$19,000.00 - Accidental Death & Dismemberment for eligible employees.

Effective February 17, 2000

\$20,000.00 - Life Insurance for eligible employees.

\$20,000.00 - Accidental Death & Dismemberment for eligible employees.

The principal amount shall be payable for:

- Loss of Life.
- Total and Irrecoverable Loss of Sight of both Eyes.
- Loss of both hands by Severance at or above wrist-joints.
- Loss of both Feet by Severance at or above ankle-joints.
- Loss of both Feet by Severance at or above ankle-joints.
- Loss of one Hand or of one Foot by Severance at or above wrist or ankle-joints respectively, together with the Total and Irrecoverable Loss of Sight of one Eye.
- Loss of one Hand and one Foot by Severance at or above wrist and ankle-joints respectively.

One-half the principle amount shall be payable for:

- Loss of one Hand by Severance at or above wrist-joints.
- Loss of one Foot by Severance at or above ankle-joints.
- Total and irrecoverable Loss of Sight of one Eye.

(5) Green Shield or Equivalent Drug Plan - 20 cents deductible.

The current drug plan will be changed to cover only drugs for which a prescription is required.

(6) Green Shield or Equivalent Dental Plan #63. Effective :

- February 17, 1998 - 1996 O.D.A. plan.
- February 17, 1999 - 1997 O.D.A. plan.
- February 17, 2000 - 1998 O.D.A. plan.

- (7) C.A.W. Extended Green Shield or Equivalent Plan Prosthetic appliance, Vision Care \$7.50 deductible, Hearing Aid, Nursing Care, Out of Province medical hospital coverage for all eligible employees and their dependents.
- (8) One month benefits will be paid for lay-off employees not to include L.T.D., S.A. or Life Insurance.
- (9) Tool insurance: once per year during the term of the new collective agreement, the Company will pay to each employee in the tool and die classification and the general maintenance classification, the sum of \$50.00 towards the cost of tool insurance on tools owned by such employee.

15.04 *Safety Shoes*

Safety shoes must be worn by all employees while working, and the Company will assist by paying to each employee, once a year towards the purchase of approved safety shoes, as follows:

- February 17, 1998	-	\$85.00
- February 17, 1999	-	\$90.00
- February 17, 2000	-	\$100.00

ARTICLE 16 PENSION PLAN

16.01 Effective January 1, 1986 the Company will institute a pension program for eligible employees in the bargaining unit. Pension benefits will be in accordance with provision of the Canada Wide Industrial Pension Plan. The Company will fund the program on the following basis:

- Effective February 17, 1998, sixty two cents (62¢) per hour per employee into pension plan to a maximum of 40 hours per week.
- Effective February 17, 1999, sixty seven cents (67¢) per hour per employee into pension plan to a maximum of 40 hours per week.
- Effective February 17, 2000, seventy two cents (72¢) per hour per employee into pension plan to a maximum of 40 hours per week.

16.02 Canada-Wide Industrial Pension Plan as described in the C.W.I.P. booklet as of January 1, 1992.

16.03 The spouse death benefit option as described in the Pension Plan Document has been added to the Collective Agreement effective September 29, 1985, funded by the Company.

ARTICLE 17 COST OF LIVING ALLOWANCE

17.01 All employees covered by this agreement shall be subject to an adjustment in Cost-of-Living Allowance calculated and paid in accordance with the provisions of this Article.

17.02 The amount of the Cost-of-Living shall be determined on the basis of the Consumer Price Index published by Statistics Canada (1986=100) and hereafter referred to as the "index".

- 17.03** For the purpose of this agreement, the base index will be the Consumer Price Index published by Statistics Canada for the month of November, 1997.
- 17.04** Cost-of-Living Allowance Adjustments will be made quarterly at the rate of one cent (1¢) per hour for each increase of .095 in the Consumer Price Index.
- The Cost-of-Living Allowance shall be included in the base rate and recognized in computing all premium pay and pay for vacations and holidays.
- 17.05** In the event Statistics Canada shall not issue the appropriate Index on or before the beginning of one of the pay periods which an adjustment is to be made as provided herein, any adjustment in the allowance required by such index shall be effective at the beginning of the first pay period after the index has been officially published.
- 17.06** No adjustment, retroactive or otherwise, shall be made in the amount of the Cost-of-Living Allowance due to any revision which later may be made in the published figures for the index for any month on the basis of which the Allowance has been determined.
- 17.07** The continuance of the Cost-of-Living Allowance shall be contingent upon the availability of the official monthly Statistics Canada Consumer Price Index in its present form and calculated on the same basis as the base index of 138.0 for November, 1997.

ARTICLE 18
WAGES

- 18.01** Schedule "A" attached sets forth the wage rates and the present classifications in effect.

ARTICLE 19
DURATION

- 19.01** A three year Agreement effective February 17, 1998 through and expiring at 12:00 midnight, February 16, 2001.
- 19.02** Either party to this Agreement may require the other party to enter into negotiations for the renewal of this Agreement by giving written notice to the other party within the period of three (3) months immediately prior to its expiry date.

SIGNED AND DATED AT Brantford, Ontario, this 11th day of December, 1997.

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND GENERAL WORKERS
UNION OF CANADA, (C.A.W.) LOCAL 397.**

D. Webster, National Representative C.A.W.
G. Linington, Plant Chairperson
R. Bray, Steward
J. Cicci, Steward
M. Martin, Steward

**MAGNETIC METALS LIMITED
A Wholly-owned subsidiary of Magnetic Metals Corporation an INDUCTOTHERM COMPANY.**

D. L. Walsh, President
J. Eisennagel, Corporate Director, Human Resources
H. Herczeg, Controller
R. Lemke, Materials Manager
R. Simpson, Human Resources Manager

August 10, 1982

Mr. Lloyd Jacques
U.A.W. Local 397
325 West Street, No. 104-B
Brantford, Ontario

Dear Lloyd:

Subject: Letter of Agreement

This letter is to confirm the understanding reached during the 1982 contract negotiations that the Company endeavor to equalize overtime wherever possible and that a letter will be drawn up for employees to sign who do not wish to have their names on the overtime equalization list and at any time they wish to have their name put back on the list, they will have the average amount of overtime in their group applied to them.

The same procedure will apply to new employees.

Yours truly,

MAGNETIC METALS LIMITED

Allan Thomson
Manufacturing Manager

cc: G. Linington
K. L. Reese

February 6, 1984

LETTER OF AGREEMENT

It has been agreed that if an employee who qualifies for vacation with pay and who has worked 1250 hours or more in the qualifying year, shall be required to take his vacation.

UNION COMMITTEE

Wayne Sinclair
Michael Dutil
Glen Tryon
Ray McCoy

COMPANY

Allan Thomson
Colin Digout

Allan Thomson
Manufacturing Manager
MAGNETIC METALS LIMITED

December 12, 1983

LETTER OF AGREEMENT

It was agreed at a meeting in my office on Friday, December 9, 1983 that the following items will take effect on that date:

1. Overtime will be averaged on both weekly and daily situations where people are off work for any reason other than vacation and bereavement. The average will be the total of hours worked and refused divided by the number of people on the list for weekly averaging and again divided by the number of days the plant is scheduled to work for daily averaging.
2. The only people who will be averaged are those people off work. If you are at work you will be asked to work overtime or if you request your name will be removed from the list.

MAGNETIC METALS LIMITED

COMPANY

Allan Thomson
Colin Digout

UNION

Mike Dutil
Gerry Linington
Ray McCoy
Wayne Sinclair

Allan Thomson
Manufacturing Manager

August 29, 1984

LETTER OF AGREEMENT

It was agreed that employees who are off on W.C.B., Weekly Indemnity or vacation will be notified that there is an opening in the plant through a job posting and that they may apply. If however they are off for more than thirty calendar days from the date of the job posting, the job will go to the person with the next highest seniority.

COMMITTEE

Mike Dutil
Wayne Sinclair
Gerald Linington
John Stryker

COMPANY

Allan Thomson

Allan Thomson
Manufacturing Manager
MAGNETIC METALS LIMITED

August 17, 1985

Mr. Gary G. Lilley
U.A.W. Local 397
325 West Street, No. 104B
Brantford, Ontario
N3R 6B7

Dear Mr. Lilley:

Re: Job postings and trial periods

This letter will confirm the understanding reached during the 1985 contract negotiations that during the term of the renewal collective agreement the following provisions regarding the above-noted subject will apply.

When an employee is successful in getting a posted job he will have five (5) working days to prove his ability to perform the job. At the end of this period if he cannot prove he can do the job, he will return to his former position. After this five (5) working day period if the employee fails to do the job, he will be taken off, and will displace the most junior employee whose job he is capable of performing.

If an employee is not successful in his first five (5) days, the next applicant who would be entitled to be selected under Article 8 will be accepted. The job will not be reposted until the second applicant has completed the five (5) day trial period.

Yours truly,

MAGNETIC METALS LIMITED

SCHEDULE "A"

<u>Group Classification</u>	Rate Range Effective 02/17/98	Rate Range Effective 02/17/99	Rate Range Effective 02/17/00
9 General Helper----- Sweeper	16.37 - 16.52	16.62 - 16.77	16.87 - 17.02
8 Press Operator ----- Warehouseman	16.87 - 17.02	17.17 - 17.32	17.47 - 17.62
7 Lift Truck-----	16.67 - 16.82	16.92 - 17.07	17.17 - 17.32
6 Annealer Packer ----- TruckDriver	16.77 - 16.92	17.02 - 17.17	17.27 - 17.42
5 Die Setter -----	17.02 - 17.17	17.27 - 17.42	17.52 - 17.67
4B Nickel Annealer Steel Receiver/Shipper-----	17.52 - 17.67	17.77 - 17.92	18.02 - 18.17
4A Electrical & Mechanical Tester & Inspector-----	17.52 - 17.67	17.77 - 17.92	18.02 - 18.17
3 General Maintenance -----	19.17 - 19.32	19.42 - 19.57	19.67 - 19.82
2 Tool Room Machinist-----	19.42 - 19.57	19.67 - 19.82	19.92 - 20.07
1 Tool & Die Maker-----	19.42 - 19.57	19.67 - 19.82	19.92 - 20.07

Groups 5,6,7,8 & 9 Automatic progression by 5 cents per hour every 30 days worked in classification to top of range.

Groups 3 & 4	Automatic progression	5 cents - 3 months.
Groups 1 & 2	Automatic progression	10 cents - 6 months

Leader - A Leader in any classification shall receive a maximum of 50 cents per hour above the maximum rate per hour of that classification.