

## ITEM 1

### LETTER OF AGREEMENT RE: VACATION SCHEDULING

The Company will employ persons as summer relief at Hamilton Steel up to the maximum degree practicable to improve vacation scheduling.

The Company recognizes the desirability of scheduling vacation during the summer months of the year; therefore, it is the Company's intention to provide employees with two (2) or more weeks of vacation entitlement, with two (2) weeks of vacation scheduled during the period from June 1<sup>st</sup> to August 31<sup>st</sup>, during the first round of vacation bookings.

If conditions beyond the Company's control prevent it from carrying out this commitment, the Department Manager will discuss the matter with the Chief Steward of the department involved with the objective of working out suitable alternative arrangements.

## ITEM 2

### LETTER OF AGREEMENT RE: SPECIAL LEAVES OF ABSENCE FOR ELECTED AND APPOINTED OFFICIALS

1. An employee who becomes a candidate or the senior campaign manager of a candidate for election to the office of Provincial or Federal Member of Parliament, or to the political office of Mayor or Regional Chairman, Alderperson or School Trustee will be granted a leave of absence for such purpose. In the event that an employee is appointed to or elected to any of the offices as set out above, the leave of absence for such employee will be extended for the period of time he/she serves in such office.
2. In the event that an employee is elected as an official of the United Steelworkers or appointed by the District Director of the United Steelworkers as a staff representative of the Union, the employee, upon written request by the International Office of the Union, will be granted a special leave of absence for the term of his/her elected office or appointment.
3. Company Service for any such employee as specified in 1, 2 or 7 shall be retained for the period prior to his/her leave of absence and, for the purposes of Section 7 Seniority only, shall accumulate during such leave.
4. The Company will extend Group Insurance Benefits (except Weekly Indemnity and Long Term Disability) provided that any such employee pays the full premiums for such coverage.

5.
  - (a) For the purposes of eligibility for Pensions or Deferred Life Annuities as provided in Section II of the Agreement for a Pension Plan, credited service shall include any calendar month during the whole of which an employee is on leave of absence in accordance with paragraph 2. of Item 2.
  - (b) For the purposes of determining the amount of Pension or Deferred Life Annuity as provided in Section III of the Agreement for a Pension Plan, credited service shall not include any calendar month during the whole of which an employee is on leave of absence in accordance with paragraph 2. of Item 2.
  - (c) The monthly pension payable shall be calculated based on the pension formula in effect at the date of retirement.
  - (d) This amendment shall apply only to an employee who has been on leave of absence in accordance with paragraph 2. of Item 2 for a period of more than five (5) years from the date such leave began.
6. For the purposes of 2. above, it is agreed that not more than five (5) employees will be granted such special leave of absence at any one time.
7. In the event that an employee is placed on casual employment with the International Union it is agreed that the Company shall extend Group Insurance benefits to the employee. The International Union shall be responsible for covering the cost of such benefits for the period of the leave and for any vacation pay owing to the employee for the period of the leave. While on leave the employee shall continue to accumulate pension credits and the Company shall be responsible for the costs associated with the accumulation of these pension credits. The International Union agrees to give the Company advance notice of any employee who is to be placed on casual employment with it.

### **ITEM 3**

#### **LETTER OF AGREEMENT RE: EMPLOYEE ABSENCES**

It is understood that when an employee is absent from work it is the employee's obligation to notify the Company of such absence in advance of the start of the scheduled shift. Notification of an absence shall be given to the employee's Shift Manager and in the event that the Shift Manager is not readily available, notification shall be made to another designated person in the department. Such notification shall specify the nature, reasons, and expected duration for such absence.

It is an employee's obligation to justify each absence which, at the request of the

Company, will require the employee to produce a doctor's certificate.

Failure to notify or justify any absence shall constitute an unjustifiable absence.

It is understood that this Letter of Agreement shall apply in all cases of absence including those absences specifically dealt with under various provisions of the Basic Agreement.

#### ITEM 4

### LETTER OF AGREEMENT RE: STEWARD SELECTION

In accordance with the provisions of Clause 9.01 of the Basic Agreement, the Union shall be entitled to select Chief Stewards and Assistant Chief Stewards as follows:

<b>Divisions</b>	<b>Chief Stewards</b>	<b>Assistant Chief Stewards</b>
<u>Primary Operations</u>		
- Blast Furnace/Ore Dock	1	2
- Coke Ovens /Sinter Plant	1	1
- Basic Oxygen Furnace (BOF)	1	5
- Caster	1	2
<u>Rolling and Finishing</u>		
- Hot Strip	1	4
- Conditioning	1	1
- Cold Roll Sheet	1	5
- Coated	1	2
<u>Bar &amp; Billet</u>		
- #1 Bar Mill	1	1
- #3 Bloom & Billet & #3 Conditioning	1	1
<u>Maintenance Services</u>		
- Assigned Mechanical	1	8
- Electrical	1	4
- Mechanical Shops/ Stores	1	4
- Mobile/Diesel, Derricks and Tractor Garage	1	1
- Yard Services	1	1
- Utilities	1	2

**GRAND TOTAL = 60**

The above total shall be read and construed to mean not more than the number referenced.

For a workforce of up to five thousand employees, the Union shall be entitled to select 120 stewards. The Union shall also be entitled to select additional stewards in the ratio of one steward for each thirty-four employees in excess of a workforce of five thousand.

In the event of the creation of a new department or the major restructuring of an existing department, the parties will review the steward representation within that department.

## ITEM 5

### LETTER OF AGREEMENT RE: CLAUSE 7.13

The parties recognize that the application of Clause 7.13 (a) (iv) could result in the layoff of an employee senior to another employee who has been retained in the plant. In such case, for the purposes of Clause 7.13 (a) (iv) only, the following shall apply:

1. If the displaced employee, who is to be laid off work, is senior to another employee in any Division and is qualified, subject to Clause 7.06, to perform the job held by the junior employee, such senior employee will be assigned to such job and the junior employee will be laid off work from the Company. In the event that such senior employee is not entitled to any such job, the provisions of 2. below shall apply.
2. If the displaced employee who is to be laid off work is senior in service to another employee junior in service in any Division who is occupying a designated job as a result of his appointment under Clauses 7.07 or 7.13 such senior employee, subject to Clause 7.13 (b) will be assigned to such designated job, and the junior employee will be laid off work. In applying the provisions of Clause 7.06 (b) with respect to the assignment of such senior employee to such designated job, the Company will provide such senior employee with up to two (2) weeks training, provided that such employee has the basic knowledge necessary to absorb such training.
3. With respect to the application of 2. above, the following shall apply:
  - (a) A designated job shall be any job so designated, in writing, by the parties.
  - (b) An employee who alleges that he/she has not been given proper consideration with respect to the application of this procedure, may file a grievance in this regard, provided that such employee will not be entitled to more than fourteen (14) days retroactive wages, if such grievance is successful, and the provisions of Clause 9.19 shall be read and construed accordingly. A grievance may not be submitted alleging that a job has been improperly omitted from the list of jobs designated by the parties. It is further understood and agreed that no other employee may file a grievance

with respect to any aspect of the application of these provisions.

- (c) The procedure as described will only take effect as of the commencement of the Basic Agreement, and will have no retroactive application. It is further understood that these provisions shall only be considered in conjunction with the provisions of Clause 7.13 (a) (iv) of the Basic Agreement.
4. A former employee who is recalled and rehired to work for the Company in accordance with Clause 7.13 (h), if assigned to a designated job, as specified in 3 (a) above, at the time of his/her return to work, shall be provided with up to two (2) weeks training, provided such employee has the basic knowledge necessary to absorb such training.

## ITEM 6

### LETTER OF AGREEMENT RE: SECTION 7

For the purposes of Section 7, the following are the Divisions, Departments, and units for the purpose of Clause 7.10:

<b>Division</b>	<b>Department</b>	<b>Unit</b>
<b>Primary Operations</b>	Blast Furnace	- E Furnace - PCI
	Coke Ovens	-#7 Battery and Associated Coal Handling Systems - Sinter Plant
	Raw Materials	- Ore Dock
	B.O.F.	- Cranes - Services - Floor - Track - Transportation
	Caster	- Continuous Casting
	Mechanical Electrical	- Mechanical - Electrical
<b>Rolling &amp; Finishing</b>	Strip Mill	- 56" Mill Rolling - 56" Mill Shipping

	Conditioning	- Roll Shop - #2 Conditioning
	Cold Roll Sheet	- Rolling, Annealing & Temper Mill - Sheet Process & Shipping - Pickling
	Coated	- #2 Galvanize - #3 Galvanize - 'Z' Line
	Mechanical	- Mechanical
	Electrical	- Electrical
<b>Bar &amp; Billet</b>	#1 Bar Mill	- #1 Bar Mill - #1 Roll Shop
	#3 Bloom & Billet	- #3 Bloom & Billet & #3 Conditioning
	Mechanical	- Mechanical
	Electrical	- Electrical
<b>Maintenance Services</b>	Yard Services	- Trucks and Maintenance
	Mobile Equipment	- (MESC) Mobile Equipment Service Centre - Diesel Shop - Tractor Garage - Derricks
	Stores	- Stores
	Utilities	- Primary Operations - Rolling & Finishing & Bar & Billet - Central Boiler Station (CBS) & Auxiliaries - By-Products - Plant
	Mechanical	- Mechanical

Shops

- Machine Shop
- Fab Shop
- Carpenter Shop
- Caster Shop
- Hydraulic Shop
- Pipe Shop
- Mobile Equipment Department
- Electrical Shop

Electrical

- Electrical

Any temporary vacancy which occurs under Clause 7.10 in a unit as defined above, will be filled from among the employees on the shift within such unit.

## ITEM 7

### LETTER OF AGREEMENT RE: 12-HOUR SHIFT SCHEDULE

#### Implementation and Application

This letter sets out the conditions under which the parties agree to implement a schedule of working hours, designated as the "T" schedule and attached hereto as Appendix "A", applicable only to employees in the departments that request implementation of this schedule.

For the purposes of this Agreement, the above-mentioned departments shall be referred to as the "Designated Departments".

It is understood that this agreement covers only those employees in the Designated Departments who are working schedules in the same pattern as the "T" schedule attached after having reached agreement between the Company and Union and signed a letter of intent outlining the implementation of such schedule.

In view of the potential impact on employees and operations, this schedule will be subject to continuous monitoring by the Company and the Union and in any event, the parties agree to meet and review the impact of the schedule during the fifth month following its implementation. Representatives of the Company and the Union will meet from time to time at the request of either party, for the purpose of reviewing the experience relative to the operation of such schedule and more specifically to discuss any change in conditions in areas such as: safety and health, absenteeism, operational capability, legislative prohibition, etc., with the view to determining whether such schedule should be continued or terminated. The Company or the Union may, upon giving thirty (30) days written notice to the other party, terminate the application of the schedule.

In the event the schedule is terminated, in accordance with the provisions of this letter,

the parties agree that the schedule in place in each Designated Department prior to the implementation, will be put into effect, unless the parties mutually agree to implement another schedule.

It is understood that following approval by the Company of the request of employees in each of the Designated Departments, the Union will conduct a vote, by secret ballot, of all of the employees in each of the Designated Departments to determine their true wishes with respect to the application of the scheduling agreement. It is understood that employees designated by the Union to conduct such vote will be paid by the Company. Payment for any such Union designate shall be at his/her average hourly rate during the preceding pay period and shall not exceed a total of fifty (50) hours in any particular vote for all of the Union designates. Provided that at least seventy (70) percent of the employees, in any of the Designated Departments, vote in favour of the schedule, it will be instituted in such Designated Department. Failure to approve the proposed schedule by the employees in any one of the Designated Departments will not affect the implementation of the schedule in any other Designated Department where the schedule is accepted.

It is further understood that there will be no decrease in the number of employees employed in the Designated Departments as a result of the implementation of this 12 hour shift schedule.

It is further understood that the number of jobs comprising the day shift crew(s) shall be determined by the Company. However, the number of day shift jobs shall not be reduced as a result of the implementation of this 12 hour shift schedule. The Company shall provide the Union with a list of all day shift jobs in any designated department prior to the implementation of a 12 hour shift schedule in such department.

In addition, the parties agree the implementation of this 12 hour shift schedule in the Designated Departments is without prejudice to either party regarding possible future applications of 12 hour shift schedules elsewhere in Hamilton Steel, or, with regard to any other issues between the parties.

### **Applications of the Basic Agreement**

It is understood and agreed that the provisions of the Basic Agreement referenced below shall be applied in accordance with the following:

Clauses 7.07, 7.11, Mechanical Advice Notices -

Permanent vacancies under Clause 7.07, temporary vacancies under Clause 7.11 and Advice Notices under Item 10 re: Mechanical Seniority that arises in an area to which the twelve hour shift Letter of Agreement has application shall be so designated when they are posted. The successful applicants to such posted vacancies shall be subject to the terms and conditions referenced herein.

In the event that there are no applicants to the above-mentioned Advice Notices, the Company will fill such vacancies in accordance with Item 10 re: Maintenance Seniority. When the assignment of an employee pursuant to Item 10 of the Letter of Agreement re: Maintenance Seniority is from a job on an eight hour schedule to a job on a twelve hour schedule and, the employee so assigned elects to work in excess of eight hours in a work day, such hours will be paid at overtime rates.

Clause 7.10 - A vacancy under this Clause arising on a job in a Designated Department shall be filled in accordance with the provisions of Clause 7.10. Only employees to which the twelve hour shift Letter of Agreement has application shall be eligible to fill the Clause 7.10 vacancy in a Designated Department.

Notwithstanding the above, it may be necessary to assign an employee working an eight hour shift schedule to fill a Clause 7.10 vacancy arising on a job on a twelve hour shift schedule. Where the duration of such assignment is one calendar week or longer, the provisions of Clause 5.08, as amended hereinafter, shall apply to the employee so assigned. Where the duration of such assignment is for less than one calendar week, an employee who elects to work in excess of eight (8) hours in a work day shall be paid at overtime rates for such hours.

In recognition of the fact that an employee filling Clause 7.10 vacancies may not work a schedule identical to those in the Appendices attached, it is agreed that such employee shall be scheduled to work an average of forty (40) hours per week during the period referenced in Clause 5.08 (b) as amended hereinafter. Scheduled vacation shall be deemed to be scheduled work for the purposes of this provision. Provisions for payment will be administered as per existing practice established as a result of the Letter of Understanding Re: Item 45 dated 24 October 1997 and renewed in the 2006 Negotiations.

In the event the Company determines a need to transfer significant numbers of employees from one department to another or from one area to another within a department, and such transfer will involve employees moving from an eight hour schedule to a twelve hour schedule, senior Company management will notify the Union Executive immediately in order to meet and review the situation prior to any transfers taking effect.

### **Amendments to the Basic Agreement**

The Company and the Union agree that the following shall constitute amendments to the Basic Agreement in order to give effect to a "T" schedule provided herein where and when it applies to an employee.

The implementation or termination of such schedule shall not result in the payment of overtime hours or any other premiums which could otherwise be applicable. The term "day" or "working day" as used through the Basic Agreement shall mean either a regularly scheduled work day of eight (8) hours or twelve (12) hours whichever the case may be. Specifically:

5.02 Is amended to read:

"(a) The normal work day for purposes of Clauses 5.02 to 5.06 inclusive shall be eight (8) hours of work or twelve (12) hours of work in a 24-hour period as the case may be."

5.06 Is amended by adding the following:

"When an employee is scheduled to a 12-hour shift, he/she will be provided with one thirty (30) minute lunch period and one twenty (20) minute lunch period. The first lunch period will be scheduled within the middle four hours of the first eight (8) hours of the shift and the second lunch period will be scheduled as soon as possible after the completion of the first eight (8) hours of the shift."

With respect to the Continuous Caster Department Clause 5.06 is amended to read as follows:

"When an employee is scheduled to a 12-hour shift, he/she will be provided with one thirty (30) minute lunch period and one twenty (20) minute lunch period. The first lunch period will be scheduled within the middle four hours of the first eight (8) hours of the shift and the second lunch period will be scheduled as soon as possible after the completion of the first eight (8) hours of the shift."

Notwithstanding this express provision the Company will provide an additional thirty (30) minute relief period within the first four (4) hours of the shift on the following occupations:

- Strand Operator
- Steel Pourer
- Mold/Tundish Operator
- Utilityman A - Floor

It is agreed and understood that the granting and scheduling of relief periods is subject to the needs of particular operations but will not be unreasonably withheld.

5.08 Is amended to read as follows:

"Regular hours scheduled and worked in accordance with the schedule attached hereto will be paid for at straight time rates. Overtime rates shall be paid for:

- (a) Time worked in excess of eight (8) or twelve (12) hours in a work day;

- (b) Time worked in excess of 160 hours in each period consisting of two consecutive bi-weekly pay periods, as designated time worked if an employee is notified that he/she is required to work on his/her scheduled day off, provided however that this provision shall not apply in the case where an employee's schedule is changed to another shift or to a new working schedule which provides alternative day(s) off and such change in schedule is in accordance with the provisions of Clause 5.05. A day(s) lost from work as a result of the application of Section 7 shall not be considered as a scheduled day(s) off for the purpose of this clause. The Company will designate the day(s) lost from work as the result of the application designated by the Company;
- (c) Time worked before his/her regular starting time when an employee is called in before the regular starting time of any shift of eight (8) or twelve (12) hours;
- (d) Time worked after his/her regular quitting time when an employee is held after the regular quitting time of any shift of eight (8) or twelve (12) hours;
- (e) Time worked if an employee is notified that he/she is required to work on his scheduled day off, provided however that this provision shall not apply in the case where an employee's schedule is changed to another shift or to a new working schedule which provides alternative day(s) off and such change in the schedule is in accordance with the provisions of Clause 5.05. A day(s) lost from work as a result of the application of Section 7 shall not be considered as a scheduled day(s) off for the purpose of this clause. The Company will designate the day(s) lost from work as the result of the application of Section 7.
- (f) The first eight (8) hours worked on the designated downturn on the 168 hours per week "T" schedule.

5.14 Is amended to read as follows:

"Turn premiums will be paid as follows:

- (a) (i) for hours worked by an employee on his/her regularly scheduled day turn from 4:00 p.m. until 8:00 p.m. or 3:00 p.m. to 7:00 p.m. as applicable - forty (40) cents.
- (ii) for hours worked by an employee on his/her regularly scheduled night turn from 8:00 p.m. until 12:00 midnight or 7:00 p.m. to 11:00 p.m. as applicable -forty (40) cents.

(iii) For hours worked by an employee on his/her regularly scheduled night turn from 12:00 midnight until 8:00 a.m. or 11:00 p.m. to 7:00 a.m. as applicable - fifty-five (55) cents.

(b) The appropriate turn premiums under (a) above shall be paid to an employee who works a full overtime day of night turn as defined therein."

5.17 Is amended by adding the following:

"This clause shall not apply to an employee scheduled in accordance with the schedule hereto for a given week and works such hours according to such schedule."

9.07 Is amended by adding the following:

"When the employee is working a 12 hour shift pattern, the Shift Manager will make known his/her decision to the employee within five (5) calendar days."

12.03 Is amended by adding the following:

"The expression 'employee's regularly scheduled hours' shall mean eight (8) hours. However, when a statutory holiday falls on a day on which an employee is scheduled to work a twelve hour shift but is not required by the Company to work such shift, the special allowance shall be calculated on the basis of twelve (12) hours."

16.01 Is amended by adding:

"The expression 'period of time' shall mean either eight (8) or twelve (12) hours."

16.02 Is amended to read:

"An employee shall be permitted time off from work up to a maximum of three (3) days for the purposes of arranging and attending the funeral of a member of his/her immediate family or, where he/she does not attend the funeral, one (1) day or two (2) days for attendance at a memorial service. Where any of such days fall on a scheduled work day for the employee, he/she shall be paid a bereavement allowance for each day equivalent to eight (8) or twelve (12) times the average hourly rate earned by him in the preceding pay period. Immediate family shall mean spouse, son, daughter, mother, father, sister, brother, grandmother, grandfather, grandson, granddaughter, mother-in-law, father-in-law, sister-in-law or brother-in-law, or a common law spouse and mother, father, sister, or brother of such common law spouse,

provided the employee has co-habited with such spouse for three (3) or more years.

For the purpose of this clause, the terms "sister-in-law" and "brother-in-law" shall be defined as the brother or sister of the employee's spouse and the wife or husband of the employee's brother or sister.

### **Overtime Meal Allowance**

It is agreed that an employee who works more than three (3) consecutive hours overtime immediately after having worked a regularly scheduled eight (8) hour or twelve (12) hour shift, will be paid a \$6.50 meal allowance in his/her regularly bi-weekly pay.

### **Filling of Vacancies**

For the duration of this agreement, vacancies caused by absences and other operating requirements within each of the Designated Departments will be filled through the use of voluntary overtime.

In recognition of the importance of this issue to the successful implementation and continuation of 12 hour shifts, the Union agrees to emphasize the need for full and continued co-operation of the employees involved. In addition, should a situation arise where voluntary overtime proves insufficient to meet the operating needs of any of the Designated Departments, representatives of the Union executive and senior Company representatives agree to meet immediately to discuss and resolve the matter.

### **Cooperative Wage Study (CWS) Program**

It is understood and agreed that the implementation of this schedule will not in itself result in any amendment or modification to the CWS program or cause the Union or any employee to claim that an existing job description and classification has changed.

In the future, new jobs will continue to be described and classified on the basis of a regular eight (8) hour shift of work and no consideration will be given to the extended hours of work beyond eight (8) hours.

### **Maximum Working Periods**

Employees will be allowed mutual shift changes provided no employee will be allowed to work more than four consecutive 12 hour shifts nor will an employee be allowed more than four consecutive days off, except in the case of scheduled vacations. No employee will be allowed to work a double shift while working a 12 hour schedule. Employees will be allowed to arrange early relief of up to 4 hours. Such arrangements will be made between the employees subject to the approval of their supervisor. Such approval will

not be unreasonably withheld.

### **'Y' Schedule - 160 Hours Per Week**

The terms and conditions under which the parties agree to implement a schedule of working hours designated as "Y" schedule (attached hereto as Appendix B) shall be as reflected in the provisions of this Item with the following amendments:

1. It is understood that the reference to the "T" schedule shall mean "Y" schedule.
2. The designated eight (8) hour turns reflected on the "Y" schedule attached result in a downturn every Wednesday from 8:00 a.m. to 4:00 p.m. The parties agree that the "Y" schedule may provide for one eight (8) hour downturn per week on some other calendar day and/or time as may be determined by the Company.
3. It is understood and agreed that Clause 5.08 (f) has no application to the "Y" schedule.

### **'F' Schedule - 120 Hours Per Week**

The terms and conditions under which the parties agree to implement a schedule of working hours, designated as 'F' schedule (attached hereto as Appendix 'C') shall be as reflected in the provisions of this Item with the following amendments:

1. It is understood that the reference to the 'T' schedule shall mean 'F' schedule.
2. Clause 5.08 (b) is amended to read:  
  
"Time worked in excess of 120 hours in each period of three consecutive calendar weeks as designated by the Company."
3. It is understood and agreed that Clause 5.08 (f) has no application to the 'F' schedule.

### **"P" Schedule - 80 Hours Per Week**

The terms and conditions under which the parties agree to implement a schedule of working hours, designated as 'P' schedule (attached hereto as Appendix D) shall be as reflected in the provisions of this Item with the following amendments:

1. It is understood that the reference to the 'T' schedule shall mean 'P' schedule.
2. Clause 5.08 (b) is amended to read:

"Time worked in excess of 80 hours in each period of three consecutive calendar weeks as designated by the Company."

3. It is understood and agreed that Clause 5.08 (f) has no application to the 'P' schedule.
4. The parties agree that the "P" schedule pattern may be initiated on a Monday or a Tuesday as reflected on Appendix D. In either case, the designated eight (8) hour turn shall be the last scheduled day shift in the calendar week.

**APPENDIX "A"**

**"T" SCHEDULE - 168 HOURS PER WEEK**

	<b>S M T W T F S</b>	<b>S M T W T F S</b>	<b>S M T W T F S</b>	<b>S M T W T F S</b>
8 am to 8 pm	D C C B[B]A A	A D D C[C]B B	B A A D[D]C C	C B B A[A]D D
8 pm to 8 am	B A A D D C C	C B B A A D D	D C C B B A A	A D D C C B B
Days Off	A B B A A B B	B A A B B A A	A B B A A B B	B A A B B A
Days Off	C D D C C D D	D C C D D C C	C D D C C D D	D C C D D C C

[ ] = Designation for payment purposes only.

**APPENDIX "B"**

**"Y" SCHEDULE - 160 HOURS PER WEEK**

	<b>S M T W T F S</b>	<b>S M T W T F S</b>	<b>S M T W T F S</b>	<b>S M T W T F S</b>
8 am to 8 pm	D C C[B]B A A	A D D[C]C B B	B A A[D]D C C	C B B[A]A D D
8 pm to 8 am	B A A(D)D C C	C B B(A)A D D	D C C(B)B A A	A D D(C)C B B
Days Off	A B B A A B B	B A A B B A A	A B B A A B B	B A A B B A A
Days Off	C D D C C D D	D C C D D C C	C D D C C D D	D C C D D C C

[ ]= Designated 8 hour shift: 4 p.m. to 12 midnight.

( ) = Designated 8 hour shift: 12 midnight to 8 a.m.

Downturn scheduled as determined by the Company.

**APPENDIX "C"**

**"F" SCHEDULE - 120 Hours Per Week**

	<b>S M T W T F S</b>	<b>S M T W T F S</b>	<b>S M T W T F S</b>
8 am to 8 pm	B B C C C - -	A A B B B - -	C C A A A - -
8 pm to 8 am	A A A B B - -	C C C A A - -	B B B C C - -
Days Off	C C B A A A A	B B A C C A A	A A C B B A A
	B B	B B	B B
	C C	C C	C C

**APPENDIX "D"**

**"P" SCHEDULE - 80 HOURS PER WEEK**

<b><u>Week #1</u></b>	<b><u>S</u></b>	<b><u>M</u></b>	<b><u>T</u></b>	<b><u>W</u></b>	<b><u>T</u></b>	<b><u>F</u></b>	<b><u>S</u></b>
8 a.m. - 8 p.m.		A	A	A	[A]		
8 p.m. - 8 a.m.		B	B	B			
<b><u>Week #2</u></b>	<b><u>S</u></b>	<b><u>M</u></b>	<b><u>T</u></b>	<b><u>W</u></b>	<b><u>T</u></b>	<b><u>F</u></b>	<b><u>S</u></b>
8 a.m. - 8 p.m.		B	B	B	[B]		
8 p.m. - 8 a.m.		A	A	A			

[ ] - Denotes 8 hour shift (8 a.m. - 4 p.m.)

- OR -

<b><u>Week #1</u></b>	<b><u>S</u></b>	<b><u>M</u></b>	<b><u>T</u></b>	<b><u>W</u></b>	<b><u>T</u></b>	<b><u>F</u></b>	<b><u>S</u></b>
8 a.m. - 8 p.m.		A	A	A	[A]		
8 p.m. - 8 a.m.		B	B	B			
<b><u>Week #2</u></b>	<b><u>S</u></b>	<b><u>M</u></b>	<b><u>T</u></b>	<b><u>W</u></b>	<b><u>T</u></b>	<b><u>F</u></b>	<b><u>S</u></b>
8 a.m. - 8 p.m.		B	B	B	[B]		
8 p.m. - 8 a.m.		A	A	A			

[ ] - Denotes 8 hour shift (8 a.m. - 4 p.m.)

## ITEM 8

### LETTER OF AGREEMENT RE: WORK RESTRUCTURING AT HAMILTON STEEL

#### **Joint Hamilton Steel Senior Restructuring Committee**

The Company and the Union agree that there is a need to continue to restructure to varying degrees in various businesses within Hamilton Steel the way work is described, performed, and assigned over the term of this Agreement. The parties recognize the role of the Local Union as an advocate for the interests of its membership and the right of Hamilton Steel Management to manage and be held accountable for its decisions regarding the businesses within the Works.

In order to establish the proper forum for the exchange of information and discussion of ideas and approaches for resolution of issues that arise (including mutual agreement to guidelines, work rules or practices, etc.), the parties agree to the establishment of a Joint Hamilton Steel Senior Restructuring Committee.

#### **Mandate**

Without limitation on the advocacy role played by the Local Union or the rights and responsibilities of Hamilton Steel Management, it is recognized that areas of mutual interest exist with regard to the ongoing restructuring of work within the businesses at Hamilton Steel. This presents opportunities for Hamilton Steel Management and the Local Union to discuss and attempt to mutually agree on a course of action or basis for resolution in these areas.

The overall mandate is to find mutually acceptable ways and means to deal with the ongoing restructuring of work as described above in the Hamilton Steel business in order to ensure competitive position in both the short and long term. The opportunities for stability of employment and maintenance or improvement of wage and benefit levels may be enhanced by such activity.

The Committee shall have the authority by mutual agreement to establish joint sub-committees to deal with particular issues as part of restructuring. Each such sub-committee will be given a specific mandate, sufficient resources, and be held accountable for reporting recommendations to the Senior Restructuring Committee. Examples of such sub-committee activity may include:

- a) examining or developing proposals for new or modified job levels,
- b) changes to existing schedules,
- c) amendments to work practices, conditions, or jurisdictional rules relative to specific circumstances,

- d) the establishment and implementation of job skills and/or educational training programs targeted to enhance the employment security of senior employees,
- e) the establishment of Health and Safety training programs,
- f) ensuring appropriate consideration of Health and Safety issues related to restructured jobs or revised working procedures or facilities,
- g) administration of contracting out provisions.
- h) administration of grievance and arbitration procedures.

It is understood that there will be a requirement from time to time to establish multi-functional committees in order to improve the efficient operation and effectiveness of such committees. The parties agree to maximize the effective utilization of existing committee representatives and resources, and avoid duplication of committee activities wherever possible with regard to these work restructuring initiatives.

The parties agree that the Senior Restructuring Committee shall not interfere with the traditional activities of the Job Evaluation program and related procedures referred to Section 6 of the Basic Agreement. The parties also agree that the Senior Restructuring Committee shall not eliminate or interfere with any committees established by the Basic Agreement.

It is further understood that in the event the parties are unable to reach agreement, the provisions of the Basic Agreement shall apply.

### **Structure**

The Joint Hamilton Steel Senior Restructuring Committee shall be composed of not more than two (2) representatives from Hamilton Steel Management and two (2) representatives from the Local Union Executive.

The additional involvement of others shall be by the mutual agreement of the parties depending on the particular issues and circumstances involved.

The Committee shall meet quarterly or more often as circumstances require and where mutually agreed.

The time spent by each of the two (2) Union Executive members of the Committee shall be considered to be time worked for all purposes and paid for by the Company at the individual's regular rate of pay. The maximum total annual payment for this purpose shall be 1,000 hours.

## **Information**

It is recognized that information relative to the financial and commercial performance of the Hamilton business is of value to the Local Union. Similarly, information related to facilities utilization, levels of operation, planned and approved Hamilton Steel capital spending, anticipated levels of employment, and overtime hours worked is of particular significance to the Local Union in the carrying out of its mandate.

Hamilton Steel Management agrees therefore to discuss information and receive input from the Local Union relative to these items as they relate to Hamilton Steel. Such information shall be discussed with the Union members of the Hamilton Steel Joint Senior Restructuring Committee on a quarterly basis or more often as necessary and as mutually agreed.

## **Education/Influence**

The Hamilton Steel Joint Senior Restructuring Committee recognizes there are areas of mutual interest where awareness, educational, or lobbying activities may be appropriate. Where the parties agree, the appropriate resources will be assigned to these activities. Examples may include this type of interaction with customers, suppliers, Hamilton Steel employees, various levels of government (Municipal, Regional, Provincial, Federal), community groups, educators, and professional, trade, or industry-based organizations.

## **Specific Actions Of Senior Restructuring Committee**

### **1. Operator-Maintenance**

The Company and the Union agree to establish the parameters and key elements of an "Operator-Maintenance" job description. The CWS committee shall be provided additional hours to a maximum of sixty (60) shifts during the above referenced ninety (90) day period for this purpose.

Consistent with these parameters and elements, various specific job descriptions will be developed and applied according to the needs of the various businesses within Hamilton Steel as part of the ongoing restructuring activities and efforts to improve the cost-effective use of employee's skills.

Issues related to the establishment and implementation of these jobs, including the development of the necessary skills and Health and Safety training programs, issues related to the timing of training, and methods for establishing employee qualifications shall be consistent with the provisions of this Letter.

### **2. Seniority Alignment**

The Company and the Union recognize the desirability of bringing into balance

the Union's desire to maintain the employment of the more senior employees in circumstances of reduced levels of employment, and the Company's requirement to ensure the employees retained in these same circumstances have the necessary skills and ability to perform the required work.

It is therefore agreed between the Company and the Union that it shall be the objective of the parties through the management of the Hamilton Steel Joint Senior Restructuring Committee to develop mutual acceptable ways and means of providing the necessary skills and educational training for senior employees so as to enhance the likelihood of achieving this balance over the term of this agreement.

Furthermore, the parties will continue to seek mutually agreeable solutions to specific issues arising in any decrease in working force circumstance. As has been our understanding in situations where the parties are unable to agree, the provisions of the Basic Agreement shall apply.

### **3. Training**

As part of the ongoing restructuring of Hamilton Steel, the Company and the Union agree that over the term of the Basic Agreement, the Senior Restructuring Committee will implement a Hamilton Steel Training Plan. The Company and Union agree to establish a Hamilton Steel Training Committee that will oversee training activity within Hamilton Steel and will report to the Senior Restructuring Committee. The Hamilton Steel Plan will:

- (a) encompass training of bargaining unit members;
- (b) ensure that the necessary skills and ability to perform work both now and in the future are present in the workforce;
- (c) ensure that the principle of seniority is respected;
- (d) ensure that all employees are provided with the opportunity for greater training, and in upgrading their skills in both specific and generic skills;
- (e) be based on a jointly developed needs analysis which will attempt to balance training requirements of the current and future production and operational practise, and the training needs of individual workers.

## ITEM 9

### LETTER OF AGREEMENT RE: PLANT RELOCATION

The Company is prepared to discuss with the Union any intention to relocate an operating department to some other location outside of the Hamilton Steel jurisdiction. Such discussion will consider such matters as the displacement of employees and their entitlement under the provisions of Section 7, Section 18, the application of Supplementary Unemployment Benefit, and any other consideration to which they may be entitled. These discussions will take place under the provisions of Clause 1.02.

## ITEM 10

### LETTER OF AGREEMENT RE: MAINTENANCE SENIORITY

It is understood that insofar as any provisions of this agreement are specifically in conflict with any provisions of the Basic Agreement, the provisions of this agreement shall prevail.

#### A. SENIORITY

For all purposes of this Agreement, the following will be considered as separate sections of the Maintenance Department: General Mechanical, Roll Turners, Millwright, Pipefitter, Carpenter, Rigger, Welder, Ironworker, Steamfitter and Machinist. The following will be considered as separate skilled trade sections of the Electrical Department: Electrical Maintenance, Instrumentation, Electronics, Construction and Electrical Shops. Mobile Equipment will consist of Mobile Technician, Hoisting Engineer and Mobile Support.

1. There shall be a separate service list for each section based on Company service.
2. For the purpose of applying the provisions of Clause 7.10 of the Basic Agreement in the General Mechanical section, only those employees on the subsection which the vacancy occurs will be considered. For the purpose of this provision, the following will be the subsections of the General Mechanical Section: Machine Shop, Fabricating Shops, Carpenter Shop, Car Repair, Hydraulic Shop, and Pipe Shop. It is understood that Non Destructive Technicians are assigned to the Fabrication Shop and they may be assigned, on a daily basis to any area of the plant.
3. Whenever the term "department" is used in any provision of the Basic Agreement, the term "section" shall be substituted in place thereof when applying any such provision in the Maintenance Departments.

## **B. LAYOFF AND RECALL PROCEDURE**

The parties hereto agree that the layoff and recall procedure in the Maintenance Departments will be applied in the following manner:

1. A reduction in working forces will be made subject to the provisions of Clause 7.06 of the Basic Agreement in the following manner:
  - (a) Within each section on the basis of the employee's Company Service in the section, and
  - (b) The Company and Union agree that in the case of cutbacks, the Chief Stewards will meet with the Division Manager - Maintenance Services in order to determine the most equitable method of honoring seniority with respect to Maintenance with the understanding that it will be the most junior person cutback and/or laid off. For the purposes of this item it is agreed that "cutback" shall mean a Company imposed displacement from a skilled trade job to a non-skilled trade job.
  - (c) An employee displaced from any Maintenance section shall be assigned directly to the non skilled occupation in Maintenance Services on the basis of his/her Company Service, subject to Clause 7.06.
  - (d) An employee who cannot be retained in the non- skilled occupations in Maintenance Services in accordance with (b) above, shall be provided available work in accordance with the provisions of Clauses 7.13 (a) (ii), (iii) and (iv) of the Basic Agreement.

### **2. Recall**

In the event of a recall to each of the above-mentioned sections, such recall shall be on the basis of an employee's Company service, subject to Clause 7.06 of the Basic Agreement.

## **C. Preferred Schedules in the Maintenance Departments**

Notwithstanding the Company's right to schedule working hours and determine which schedules exist in each of the designated Division/Designated Work Areas, the Company shall continue to schedule the senior service/qualified employees to their preference of the existing schedules with those areas as attached hereto.

Subject to Clause 7.06, seniority shall be the governing factor for the purpose of determining work assignments, shift schedules and vacation selection.

Work assignments, schedules and vacation selection will be conducted annually and implemented on the first day of each new year. The selection process will occur in each Division prior to the first of each year subsequent to a meeting between the Department Maintenance Manager and the appropriate Chief Stewards. All selections will remain in effect for the subsequent year.

The above does not preclude the Company from filling short term vacancies in a manner best suited to the operation.

**DESIGNATED WORK AREAS FOR:**

<b>Division</b>	<b>Mechanical Work Areas</b>	<b>Electrical Work Areas</b>
Primary Operations	Ironmaking(BF, CO, SP)	Ironmaking(BF, CO, SP)
	Steelmaking(BOF, Caster)	Steelmaking(BOF, Caster)
	PO Support(Cranes)	PO Support(Cranes)
	Caster Shop	
Rolling, Finishing & Coated Operations	Hot Strip Mill	Hot Strip Mill
	Cold Rolling	Cold Rolling
	Coated	Coated
	R&F Support(Cranes, Hydraulics, Bullgang)	R&F Support(Cranes, Instrumentation & Electrical, Bullgang)
Billet & Bar	Billet and Bar	Billet and Bar
Maintenance Services	Utilities Mechanical	Utilities Electrical
	Maintenance Services-(includes Carpenter, Rigger, Pipefitter, Steam Fitter, Ironworker, Welder, Machinst, NDT).	Power & Yards
		Scales, Electronics and Instrumentation
		Electrical Construction
	<b>Shops</b>	
	Carpenter Shop	Electrical Shop
	Machine Shop	
	Fab. Shop	
Hydraulic Shop		
Pipe Shop		
Mobile Equipment Department.		

## **D. WORK ASSIGNMENTS**

### **Across Divisions - Primary/Rolling, Finishing & Coating/Billet & Bar/Maintenance Services**

1. Whenever it is necessary as determined by the Company, to increase the number of maintenance personnel in one Division and decrease in another Division, an advice notice shall be posted in all Divisions of the plant. It is recognized that the filling of this vacancy could result in other subsequent vacancies, which will be filled by this singular posting. Only those employees on the plant wide seniority list for which this vacancy occurs, shall be eligible to apply. The Division in which the decrease will occur will be identified.
2. Applicants for the assignment may indicate up to four choices in order of preference.
3. The Company shall assign the employee(s) eligible to fill the vacancy subject to Clause 7.06 of the Basic Agreement. Exceptions will be discussed with the appropriate Chief Steward.
4. In the event that no one applies to fill the vacancy(ies): the company shall assign the junior service employee(s) from the Division being reduced.
5. It should be noted that the assignment of Electrical or Mechanical apprentices does not constitute a permanent assignment in this context. An apprentice completing his/her apprenticeship and becoming a journeyman shall not in itself permanently increase the number of electrical or mechanical personnel in a Division.

### **Within Divisions - Primary/Rolling, Finishing & Coating/Billet & Bar/Maintenance Services**

1. Whenever the Company determines that a permanent assignment within a Division exists, which does not increase the total number of Electrical or Mechanical personnel in a Division, an advice notice shall be posted within the Division only.
2. Applicants for the assignment shall also indicate their choice(s) of work area (e.g. Ironmaking, Steelmaking, etc.) in order of preference.
3. The Company shall assign the senior qualified employee(s) eligible to fill the vacancy(ies). Exceptions will be discussed with the appropriate Chief Steward. The senior applicant filling the vacancy(ies) shall be assigned in

accordance with the terms of the Basic Agreement. In the event that no one applies to fill the vacancy(ies), the Company shall assign the required number of junior qualified employees from within the Division.

4. It is agreed that for the purpose of this Item, the words 'junior qualified section person' will be interpreted to mean a section person who has attained the starting Rate of his/her particular skill trade.
5. It should be noted that the assignment of Electrical or Mechanical apprentices does not constitute a permanent assignment in this context. An apprentice completing his/her apprenticeship and becoming a journeyman shall not in itself permanently increase the number of Electrical or Mechanical personnel in a Division.
6. Whenever a temporary assignment occurs in designated work areas requiring movement of personnel between the areas in order to meet operational needs of a specific facility, or to minimize the requirement for contractors, the following procedure outlines the method to be used to select the personnel for the temporary assignment.
  - a) If the movement is required for an emergency condition as defined in Item 13 (j), an attempt shall be made to determine if volunteers who possess the required qualifications are available. If there are no qualified volunteers, any qualified employee will be moved and assigned to meet the needs of the operation.
  - b) If the movement is required for a planned condition:
    - i) An attempt will be made to determine if volunteers who possess the required qualifications are available and whose movement would not require a schedule change for the designated work area.
    - ii) An employee who possesses the required qualifications will be moved to meet the needs of the operation if it would not require a schedule change for the employee to be moved.
    - iii) If the employee to be moved is required to have his/her schedule changed on the basis of the temporary assignment, then subject to Clause 7.06, employees will be assigned on the basis of seniority.
  - c) In all cases of the temporary movement of employees, a meeting will be held prior to the movement taking place, with the appropriate Chief Steward and a Company representative.
  - d) This procedure is to be used to provide the greatest flexibility to

the Company in dealing with operational needs, while ensuring that the movement of employees is carried out in a fair and equitable manner.

## **ITEM 11**

### **LETTER OF AGREEMENT RE: PERMANENT LAYOFFS AND CLOSURE OF A DEPARTMENT**

#### **1. General Intent**

The overriding goal of the Company and the Union is to avoid the necessity of layoffs at Hamilton Steel. To that end the Company and the Union have agreed to review and implement changes in work organization that will enhance the efficiency and productivity of the existing workforce and to a comprehensive program to review and reduce contracting out by the Company of work that can be performed by the bargaining unit workforce.

#### **2. Notice of Permanent Layoffs or Closure of a Department**

Where the Company intends to lay off permanently ten (10) or more employees or to close an existing department, the Company shall give notice of its intention as soon as practicable and in the case of a department closure, twelve (12) months prior to its effective date.

The notice shall specify the operation or facilities involved, the nature of the work affected, the employees affected, and the reasons for the Company's decision.

#### **3. Adjustment Committee Structure**

A Committee shall be established and responsible for consideration of alternatives to the intended permanent layoff or department closure, planning and execution of assistance to the employees affected by the layoff or shutdown, obtaining such financial assistance as available from government programs and other sources to support the adjustment program, counselling employees affected by the layoff or shutdown, determining training programs and individual training assignments that would be eligible for funding.

The Committee shall consist of four members, two from the Company and two from the Union. It is understood that additional members may be added to the Committee depending on the circumstances associated with the particular shutdown or closure as mutually agreed to by the parties.

The Company shall provide to the Committee such information as the Committee may require to complete its work including:

- (i) information as to alternatives considered by the Company's decision and the Company's reasons for rejecting such alternatives, and
- (ii) information regarding the employees affected such as age, service, pension status, etc.

The Company shall pay for the time for work performed by the Union members of the Adjustment Committee to a maximum of forty-eight (48) hours in a calendar month for each member of such Committee unless extended by mutual agreement.

**4. Rights of Employees Under Notice of Layoff or Closure as a result of Facility Shutdown or Closure**

When an employee has received notice of layoff, such employee shall be afforded time off the job for the purpose of attending job interviews subject to the needs of the particular operation up to a maximum of sixteen (16) hours per month. The Company shall pay such employee for one-half of such time at the employee's average hourly rate in the preceding pay period.

Department Supervision shall discuss with any such employee ways to accommodate the time required by an employee to attend any training program or course during his/her period of notice of layoff.

Time off in accordance with the above shall be considered credited service for pension purposes.

Nothing herein precludes an employee from requesting a leave of absence in accordance with Clause 15.01(a) of the Basic Agreement.

**5. Funding of Adjustment Programs**

The Adjustment Committee shall explore the various levels of government for funding where applicable, consider and recommend possible Company contributions as may be required to attract the maximum available public funding.

**6. Early Retirement**

Where it has been determined that there is no alternative but to reduce the bargaining unit, the Company shall consider incentives for employees eligible to retire in an effort to reduce or eliminate the required layoff. Incentives may include:

- a) enhanced basic or bridge benefits

- b) enhanced pre-retirement vacation benefits
- c) unreduced early retirement
- d) unreduced early retirement at age 55 with age and service totalling 70 or more and at any age with age and service totalling 80 or more.

**7. Severance**

An employee who has been laid off for a period of thirty-five (35) weeks in any period of fifty-two (52) consecutive weeks and who is not entitled to recall pursuant to Clause 7.03 of the Basic Agreement shall be entitled to severance pay.

The Company shall add to the amount payable in accordance with the applicable legislation sufficient monies to ensure that such employee receives the equivalent of two normal non-overtime weeks for each year of service to a maximum of fifty-two (52) weeks.

**8. Deferred Pension**

Any employee who is permanently laid off from the Company and whose recall rights have expired or been waived and whose age and seniority total 55 or more at the date of layoff shall be entitled to a deferred pension beginning at the earliest date that he or she would have been eligible to retire had he/she continued to work for the Company. Where such employee has 10 or more years of seniority, such deferred pension shall include any applicable bridging benefits.

**9. Recall**

The Company and the Union have agreed to an extension of recall rights to provide that employees shall have the right to recall equal to two (2) times their seniority to a maximum of six (6) years. Former employees with the right to recall would have the right to turn down recall to a temporary job.

Recall rights shall be terminated automatically when an employee elects to receive severance pay.

**10. Preferential Hiring**

Employees laid off by the Company shall have preferential hiring rights for a period of time equal to their recall rights.

**11. Supplementary Unemployment Benefit (SUB)**

Company contributions to the SUB fund shall be 10 cents per hour worked.

Weekly benefits shall be \$ 200.00 until the fund is exhausted at which point the Company will fund a deficit in the amount of two million dollars, and the weekly benefit shall be \$150.00 until such time as the two million dollar deficit maximum has been reached.

## **ITEM 12**

### **LETTER OF AGREEMENT RE: PERSONS EMPLOYED AS SUMMER RELIEF**

Notwithstanding the provisions of Section 7 of the Basic Agreement, persons employed as summer relief will not acquire service and may be terminated by the Company at any time. It is agreed that the termination of such an employee will not be subject to the grievance and arbitration procedures.

In addition, persons employed as summer relief will not be eligible to participate in the Group Insurance Program.

The above provisions shall not apply to former employees who have recall entitlement and who are employed temporarily as summer vacation relief. It is understood that such employees will accumulate service for the period of their summer vacation relief but are not considered to have been recalled under the provisions of Section 7 nor do the provisions of Clause 7.13 apply during the period of their summer vacation employment.

## **ITEM 13**

### **LETTER OF AGREEMENT RE: CONTRACTING OUT AND COST CONTROL**

The Company and the Union are committed to the productive utilization of bargaining unit employees so as to minimize the requirement for the contracting out of work both inside and outside Hamilton Steel and have accordingly agreed as follows:

#### **A. BASIC CONCEPT**

In determining whether work should be contracted out or accomplished by the employees the guiding principle is that work the employees can do, or can be reasonably trained to do, shall be performed by the employees.

Accordingly, the Company shall not contract out work for performance inside or outside Hamilton Steel unless it demonstrates that such work meets one of the following exceptions.

#### **B. EXCEPTIONS:**

##### **1. Work in the Plant:**

- (a) Production, service, all maintenance and repair work, all installation, replacement and reconstruction of equipment and productive facilities, other than that listed in Sub-paragraph B-1-(b) below, may be contracted out if (i) the consistent practice has been to have such work performed by employees of contractors or (ii) it is more reasonable (within the meaning of paragraph C below) for the Company to contract out such work than to use its own employees.
- (b) Major new construction including major installation, major demolition, major replacement of equipment and productive facilities of Hamilton Steel may be contracted out. As regards the term "major", above, this means a project exceeding \$500,000 Canadian on any single and discrete project.
- (c) Notwithstanding the provisions of sub-paragraphs (a) and (b) of this section 1, the Company will undertake to continue past practice with regard to construction and peripheral work in order to minimize the likelihood of layoffs for employees and maximize the opportunities for work for existing employees and former employees with entitlement to recall.

**2. Work Outside the Plant:**

- (a) Should the Company contend that maintenance or repair work to be performed outside the plant or work associated with the fabricating of goods, materials or equipment purchased or leased from a vendor or supplier should be exempted from this Item, the Company must demonstrate that it is more reasonable [within the meaning of paragraph (c) below] for the Company to contract for such work (including the purchase or lease of the item) than to use its employees to perform the work or to fabricate the item.

Notwithstanding the above, the Company may purchase standard components or parts or supply items produced for sale generally, termed for purposes of this agreement "Standard Purchased Items".

It is agreed that Standard Purchased Items includes all components or parts or supply items purchased by the Company prior to July 31, 1990.

**3. Capital Expenditures:**

It is understood that the application and/or interpretation of the provisions of this Item shall not obligate the Company to commit to any

capital expenditures other than as it deems necessary.

**4. Mutual Agreement:**

Work contracted out by mutual agreement of the parties pursuant to paragraph (F) below.

**C. REASONABLENESS**

In determining whether it is more reasonable for the Company to contract out work than use its own employees, the following factors shall be considered:

1. Whether the employees will be adversely impacted as a result of a decision to contract out or not contract out any work. In this regard, the Company will not contract out work that will result in employees losing a shift(s) of work, or in the discharge or layoff of employees. In addition, in the event that an employee is laid off work in accordance with the provisions of the Basic Agreement, the Company will not contract out, subsequent to his/her layoff, and during his/her period of entitlement to recall, the work that such employee previously performed or is qualified to perform in accordance with Clause 7.06. It is further agreed that the Company shall not contract out any work in any department that has experienced a reduction in manpower by attrition, retirement, layoff or otherwise (i.e. Workplace Safety Insurance Board, Long Term Disability, etc.) so long as there are any bargaining unit members with recall rights at Hamilton Steel, subject to the other provisions of this paragraph C.
2. Desirability of recalling former employees with entitlement to recall.
3. Availability of qualified employees (whether active or former employees with entitlement to recall) for a duration long enough to complete the work.
4. Availability of required equipment on hand or by lease or purchase, provided that either the capital outlay of the purchase of such equipment or the expense of leasing such equipment, is not an unreasonable expenditure in all the circumstances at the time the proposed decision is made, subject to paragraph C 5.
5. The expected duration of the work and the time constraints associated with the work.
6. Whether the decision to contract out the work is made to avoid any obligation under the collective bargaining agreement or benefits agreements associated therewith.

7. Whether the work is covered by a warranty necessary to protect the Company's investment. For purposes of this subparagraph, warranties are intended to include work performed for the limited time necessary to make effective the following seller guarantees:
  - (a) Manufacturer guarantees that new or rehabilitated equipment or systems are free of errors in quality, workmanship or design.
  - (b) Manufacturer guarantees that new or rehabilitated equipment or systems will perform at stated levels of performance and/or efficiency subsequent to installation.

Warranties are commitments associated with a particular product or service in order to assure that seller representations will be honoured at no additional cost of the Company.

8. In the case of work associated with leased equipment, whether such equipment is available without a commitment to use the employees of outside contractors or lessors for its operation and maintenance.
9. Whether, in connection with the subject work or generally, the Union is willing to waive or has waived restrictive working conditions, practices or jurisdictional rules.

#### **D. CONTRACTING OUT COMMITTEE**

1. A regularly constituted Committee consisting of not more than (4) persons, half of whom shall be designated by the Union in writing to the Company and the other half designated in writing to the Union by the Company shall deal with matters and resolve problems in connection with the operation, application and administration of the foregoing provisions.
2. In addition to the requirement of paragraph F. below, such Committee may discuss any other current matters with respect to contracting out brought to the attention of the Committee.
3. Such Committee shall meet at least once each month.

#### **E. NOTICE AND INFORMATION**

Before the Company finally decides to contract out an item of work, the Union committee members will be notified. Except as provided in paragraph H. below (Standard Purchased Item Procedure which will be reviewed monthly versus individually) such notice will be given in sufficient time to permit the Union to invoke the grievance and arbitration procedure as defined in Section 9 of the Basic

Agreement unless emergency situations prevent it. Such notice shall be in writing and shall be sufficient to advise the Union members of the Committee of the location, type, description of work duration and timetable of the work to be performed so that the Union members of the Committee can adequately form an opinion as to the reasons for such contracting out. Such notice shall contain the information set forth below:

1. Location of work
2. Type of work:
  - a. Service
  - b. Maintenance
  - c. New Construction
3. Description of Work
4. Crafts or occupations involved
5. Estimated duration of the work
6. Anticipated utilization of the employees during the period
7. Effect on operations if work not completed in timely fashion.

Within ninety (90) days following the effective date of this agreement, the Parties shall develop a form notice for the submission of the information described above.

Either the Union members of the Committee or the Company members of the Committee may convene a prompt meeting of the Committee. Should the Union committee members believe a meeting is necessary, they shall so notify the Company members in writing within two (2) days (excluding Saturdays, Sundays and Holidays) after receipt of such notice and such a meeting shall be held within one (1) day (excluding Saturdays, Sundays and Holidays) thereafter. The Union members of the Committee may include in the meeting the Union representative from the area in which the matter arises. At such meeting, the Parties will review the description of the work to be performed and the reasons for contracting out such work. Upon their request, the Union members of the Committee will be provided any and all relevant information in Hamilton Steel Management's possession relating to the reasonableness factors set forth in paragraph C. above. Included among the information to be made available to the Committee shall be the opportunity to review copies of any relevant proposed contracts with the outside contractors. This information shall be kept confidential. Repetitive or consistent failure to keep such information confidential shall waive the Local Union 1005 Committee's entitlement to such information for the balance of the term of this Basic Agreement if such failure is grieved by Works Management and such grievance is upheld by an arbitrator. The Company members of the Committee shall give full consideration to any comments or suggestions by the Union members of the Committee and to any alternate plans proposed by the Union members for the performance of the work by the employees. Except in emergency situations, such discussion, if required, shall take place before any final decision is made as to whether or not such work will be contracted out.

Should the Company committee members fail to give notice as provided above, then not later than thirty (30) days from the date of the commencement of the work a grievance relating to such matter may be filed under the grievance and arbitration procedure. Should it be found in the arbitration of a grievance alleging a failure of the Company to provide the notice or information required under this paragraph E that such notice or information was not provided, that the failure was not due to an emergency requirement, and that such failure deprived the Union of reasonable opportunity to suggest and discuss practicable alternatives to contracting out, the Arbitrator shall have the authority to fashion a remedy, at his/her discretion, that he/she deems appropriate to the circumstances of the particular case. Such remedy, if afforded, may include earnings and benefits to grievors who would have performed the work, if they can be reasonably identified, and shall be consistent with the provisions of this Basic Agreement.

#### **F. MUTUAL AGREEMENT AND DISPUTES**

The Committee may resolve the matter by mutually agreeing that the work in question either shall or shall not be contracted out. Any such resolution shall be final and binding but only as to the matter under consideration and shall not affect future determination under this Item.

If the matter is not resolved, or if no discussion is held, the dispute may be processed by filing a grievance in accordance with Section 9 of the Basic Agreement, relating to such matters. Nothing herein shall preclude the Union from referring a grievance to arbitration through Section 49 of The Ontario Labour Relations Act (OLRA).

#### **G. EXPEDITED ARBITRATION PROCEDURE**

In the event that either the Union or the Company requests Expedited Arbitration (Section 49) OLRA of any dispute arising under this Item, it shall be in accordance with the following:

1. In all cases, except emergencies, Expedited Arbitration Procedure shall be implemented prior to letting a binding contract.
2. Within three (3) days (excluding Saturdays, Sundays and Holidays) after either the Union or the Company members of the Committee determine that the Committee cannot resolve the dispute, either Party may advise the other in writing that it is invoking this Expedited Arbitration Procedure.

The Parties agree that the grievance will not be the subject of grievance meetings pursuant to Section 9 of the Basic Agreement, and will be referred directly to arbitration through Section 49 of The Labour Relations

Act (OLRA).

3. An Expedited Arbitration hearing shall be scheduled in accordance with Section 49 of the OLRA. The Arbitrator shall hear the dispute and, if circumstances dictate, must render a verbal decision at the conclusion of the hearing. Such decision shall bear only on the matter under consideration and shall not affect future determinations under this Item.

#### **H. STANDARD PURCHASED ITEMS PROCEDURE**

1. Within ninety (90) days following the effective date of this agreement the Company will provide the Union members of the Committee with the original list of Standard Purchased Items as defined in article B.2.(a). The Committee will meet promptly to discuss and review the list and, if requested, the facts underlying Hamilton Steel Management's inclusion of any Standard Purchased Item on the list.
2. In the event that the Company intends to add an item(s) to the list, information will be provided to the Union in the form of a contracting out notice not later than the regularly scheduled meeting of the Committee next following the purchase of the item. Addition of such item(s) will be dealt with by mutual agreement or under the provisions of paragraph H.5. below. All other such additions will be listed for review by the Committee prior to permanent inclusion on the Standard Purchased Item list.
3. A Standard Purchased Item will remain on the Standard Purchased Item list until deleted by mutual agreement.
4. Purchased components or parts or supply items required to maintain a new facility will be exempt from this procedure for a period of twelve (12) months from start-up.
5. If the Union and the Company members cannot reach agreement that an item is a Standard Purchased Item, the dispute may be processed further by filing, within thirty (30) days of the date of the last discussion, a grievance in Step 3 of the complaint and grievance procedure. Such grievance shall include all items in dispute.

#### **I. ANNUAL REVIEW**

Commencing on or before August 1 of each year the Company committee members shall meet with the Union committee members for the purpose of (i) reviewing all work whether inside or outside the plant which the Company anticipates may be performed by outside contractors or vendors at some time during the following calendar year, (ii) determining such work which can be

performed by the employees and (iii) identifying situations where the elimination of restrictive working conditions or practices would promote the performance of any such work by the employees. The Union committee members shall jointly be entitled to participate in this study to review those aspects of any current or proposed contracts concerning items of work performed by outside contractors and vendors. The information must remain confidential.

Not later than September 1 of each year, the Union and the Company committee members shall jointly submit a written report to the Local Union President and to the Vice President General Manager Operations, responsible for Hamilton Steel, or their designees describing the results of this review. Specifically, the report should list (a) all items of work which the Parties agree will be performed by the employees during the following year, (b) all items of work which the Parties agree would be performed by outside contractors and vendors, and (c) those items on which the Parties disagree. If the Parties disagree, the report will state the reason for such disagreement.

As to individual items of work, the Local Union President and the Vice President General Manager Operations, responsible for Hamilton Steel or their designees, may (a) affirm the plant recommendation, (b) disagree with respect to the plant recommendation as to specific items and either (i) refer their dispute to arbitration under a procedure to be established by the Parties, or (ii) refer the matter back without resolution in which case the specific disputes will be handled under the provisions of this Item at the time they may arise or (c) refer the matter back with recommendations as to further action to resolve the matter by the Parties to the Basic Agreement.

## J. DEFINITIONS

The following definitions shall apply to the provisions of this item:

**Emergency:** A situation that requires immediate action to be taken to correct a serious health and safety situation, to correct an immediate environmental situation, or prevent the shut-down of an operating facility and for which qualified members of the workforce are not available to provide the required skills/service within the necessary time frame and all related work until affected operations are back to normal as a result of an emergency.

**Practice:** The term practice will be defined by the Contracting Out Committee within sixty (60) days following the effective date of this agreement.

## ITEM 14

### LETTER OF AGREEMENT RE: EMPLOYEE AND FAMILY REFERRAL PROGRAM (EFRP)

The parties recognize that our organization's most important asset is our employees, and that human problems have the potential of being successfully addressed, provided that they are identified in their early stages and an individual effort is made to obtain assistance from an appropriate resource. Whether alcoholism, drug abuse, physical illness, mental or emotional stress, marital distress, financial problems, family conflict or other concerns, these are human problems which may have a profound impact upon the lives of employees affected, their families, and their job performance.

The Union and the Company wish to foster and maintain an attitude of assistance towards such problems when encountered by an employee, or member of his/her immediate family. Therefore, the parties agree to establish and maintain an employee assistance program designed to:

1. Prevent or resolve personal, social or health problems which may have a negative impact on work performance.
2. Enable employees to improve their quality of life, and
3. Assist troubled employees in arranging for appropriate outside resources.

An employee will be able to participate in the EFRP on a confidential basis. With the exception of general information demonstrating the existence and availability of an EFRP, an employee's participation will not be referred to by either party in an arbitration proceeding relating to discipline. An individual who participates in the administration of the EFRP shall not be used by either party as a witness with respect to an employee's involvement in the EFRP.

The Company will make every reasonable effort to facilitate an employee's participation in the EFRP, including attendance at a counselling or treatment program to which such employee has been referred under the EFRP.

Each participant in the EFRP holds particular rights and responsibilities related to the Program. An employee who participates in the program is entitled to maintain his or her privacy. All actions required in the administration of the Program will be performed in a manner which will maintain a high level of confidentiality and respect for privacy. An employee's participation, in itself, shall not jeopardize job security and/or create discrimination in promotional opportunities. A participant is responsible for his or her rehabilitation, with the EFRP providing assistance only. He or she must decide on the nature and extent of the treatment program and will not hold the Company or the Union

liable for the treatment results or for any matter arising out of the EFRP. It is recognized that any participation in the Program is voluntary.

Nothing in this Agreement prohibits the Company from disciplining any employee notwithstanding that such employee is participating, has participated or intends to participate in the EFRP. The Company maintains the right to establish standards or performance and to administer and exercise its established disciplinary policy distinctly from the EFRP. The Union maintains its right to ensure the fair and equitable treatment of its members and to protect their rights in accordance with the established grievance procedure.

A decision by the Union or the Company to withdraw from this agreement must be given in writing to the other party no less than thirty (30) days prior to such action.

It is understood that any EFRP will not result in any additional costs as the result of the implementation of such program, except as may be agreed to by the Company.

## **ITEM 15**

### **LETTER OF AGREEMENT RE: OUTSIDE EDUCATIONAL COURSES**

#### **Tuition Reimbursement Programme**

The Company encourages employees to improve their vocational development in the Company through educational courses. Where the employee attends such a course with advance approval by the Company, he/she will be reimbursed for the regular tuition fees upon evidence that he/she has satisfactorily completed the course. Where the Company instructs the employee to take a course as part of his/her job duties, all expenses will be paid by the Company.

Extension courses offered by accredited universities, high schools, technical training centres, and professional associations are eligible. To be approved by the Company, the course must be of a type that can reasonably be expected to improve the performance and development of employees in relation to their careers in the Company but is not required to be wholly vocational.

#### **Government Training Assistance and Educational Programmes**

The Company will continue to explore the feasibility of providing additional programmes of instruction to facilitate any required upgrading of basic educational qualifications. Various levels of government have, in recent years, increasingly concerned themselves with industrial training. The Company commits itself to continue to investigate the various training facilities of the Ontario and Federal Governments and to utilize such facilities and services to the extent that it is practicable.

## ITEM 16

### LETTER OF AGREEMENT RE: ASSIGNMENT OF INJURED and DISABLED EMPLOYEES

It is agreed that the objective of the program is to provide regular and meaningful work to assist in the rehabilitation of Hamilton Steel employees (hourly-rated and salary), who are medically assessed to be temporarily or permanently disabled as the result of occupational or non-occupational injury/illness. The mandate of the committee is to return employees to meaningful and productive work, in compliance with current Human Rights legislation, including the company's duty to accommodate an injured or disabled employee.

Employees may be temporarily assigned to existing work and will be subject to the provisions of Section 7 regarding recall to their pre-accident/injury department.

In the event of a decrease in the workforce or layoff, the provisions of Section 7 will prevail.

#### **Administration of Program**

The Rehabilitation Committee shall be comprised of the following:

1. A representative from the Plant Human Resources Department.
2. A Company appointed doctor.
3. The Local Union President or his/her delegate.
4. The Chairperson of Workers' Compensation, Employment Insurance and Pension Committee or his/her delegate.
5. The Grievance Committee chairperson, or delegate
6. A supervisory representative from the injured employee's department.

#### **Function of the Rehabilitation Committee**

1. The Committee will review the disposition of each employee and on the basis of medical opinion determine the category of participation as outlined best suited for the rehabilitation/accommodation of an employee either as a result of an industrial or non-industrial accident/illness.
2. The Committee will participate in the interview with the injured employee and any other party involved to ensure there is a clear understanding and acceptance

of the conditions applicable to the employee.

3. The Committee will determine the temporary or permanent assignment of an employee to available work in his seniority department or other departments of Hamilton Steel. The provisions of Clause 7.13 will have application to this assignment and the employee will have recall rights on that basis.
4. Upon successful completion of a work trial, all hours worked on a work trial by an employee will be hours considered for vacation entitlement.

Any disputes or disagreements arising from participation in any part of this program are to be referred to the Local Union President and the Vice President General Manager, Operations or his delegate for resolution, prior to referring the matter through the grievance procedure.

## ITEM 17

### COST-OF-LIVING ALLOWANCE

1. Effective in the first pay period in February, 2007 and in each February thereafter during the term of the Basic Agreement, the Company shall pay to each employee, thirty-five cents (\$0.35) for each straight time hour worked representing a prepayment of cost-of-living allowance monies at an anticipated 2% rate of inflation.
2. The annual increase of (\$0.35) shall be floated and cumulative throughout the term of the Basic Agreement.
3. Effective with the first pay period following the release of the Consumer Price Index (1971 = 100 Base) for August, 2007, when compared to August, 2006 for each .30 increase, an additional cost-of-living allowance of one (1) cent will be paid in the event that the cost-of-living allowance exceeds 3% inflation in the preceding year.
4. Effective with the first pay period following the release of the Consumer Price Index (1971 = 100 Base) for each of the following years, when compared to the Consumer Price Index for the years as shown below, a cost-of-living allowance of one (1) cent per hour shall be paid in the event that the cost-of-living allowance exceeds 3% inflation.
  - a) August, 2008 compared to August, 2007
  - b) August, 2009 compared to August, 2008.
5. Any increase in the cost-of-living allowance payable, as calculated above will be paid for straight time hours worked only and will not be paid for overtime hours, premiums or used as a basis for calculation of overtime.

6. Cost-of-living allowance payments made to an employee shall not be included for purposes of calculating an employee's vacation and statutory holiday pay entitlement.
7. Any cost-of-living allowance soft float accumulated under this Basic Agreement shall be rolled into the Base Rate upon ratification of the next Basic Agreement on or before July 31, 2010.

The continuance of the cost-of-living allowance shall be contingent upon the availability of the relevant monthly Statistics Canada Consumer Price Index in its present form and calculated on the same basis as the Index for August 1, 1996 (1971= 100 Base). No adjustments retroactive or otherwise shall be made in the Index by Statistics Canada during the term of this Agreement.

## **ITEM 18**

### **LETTER OF AGREEMENT - PAYMENT PLANS**

#### **A. PRODUCTIVITY PAYMENT PLAN**

A new Productivity Payment Plan (hereinafter referred to as PPP) is to be developed based on area productivity and paid on a pay period basis; the existing Supplementary Payment Plan (SPP) shall be rolled into the new PPP guarantee.

1. The parties will develop a PPP to provide an incentive opportunity. The plan design will follow the following principles:
  - (a) Fair to employees and stake holders, easy to understand, provide prompt performance feedback;
  - (b) Limited number of plans designed around saleable product (eg. Slab, hot band, finished coil); limited number of measurement factors;
  - (c) Factor basis is historical mix adjusted average, 100% historical = base (0%), based on prime production product to schedule;
  - (d) Calculated on base wage/level;
  - (e) All hours scheduled in a week will be factored in calculations, production average to be calculated over a 24 hour basis;
  - (f) All employees involved in production or support of production will participate in the same opportunity. Employees who support multiple units will receive an average of the units covered;

- (g) Internal quality deduction of 1:1 and external deductions 3:1;
  - (h) Ratio of compensation: 2% for every 1% increase in production;
2. The PPP incorporates the SPP payment as a minimum payment.  
In the event such Plans have not been agreed to by the effective date SPP will continue. SPP continues until exceeded by the new PPP.
  3. New or modified PPPs shall be established in accordance with the following procedure:
    - (a) The Company will develop the proposed new PPP.
    - (b) The proposed new PPP will be submitted and explained to the Local Union Productivity Committee along with such additional employees as the Committee shall deem appropriate. The explanation shall include all information reasonably required to understand how the new PPP was developed. The Union shall be afforded a full opportunity to be heard with regard to the new PPP.
    - (c) Should agreement on a new PPP not be reached, the new PPP may be installed and the employees affected shall give the Plan a fair trial.
    - (d) The Union Productivity Committee may file a grievance at any time from 90 to 180 days from the date of installation of a new Plan. Such grievance shall be filed in Step 2 of the grievance procedure and shall be decided on the basis of the standard referred to in Paragraph 1 above.
  4. The Company shall incorporate newly created jobs into existing incentive plans or establish new Productivity Plans to cover newly created jobs.

The Company shall also modify existing incentive plans where new or changed conditions resulting from technological improvements made by the Company in the interest of improved methods or products, or from changes in equipment, manufacturing processes or methods, materials processed, or quality or manufacturing standards or errors in development of such plans impact the earnings opportunity established in this Article positively or negatively, as the case may be, provided under an existing incentive plan. In all other circumstances, existing incentive plans shall remain unchanged.

5. The Company shall be permitted to establish an interim rate that may be used while the new Productivity Plan is being developed. The interim rate shall consist of, in addition to the applicable base rate of pay, a special hourly interim allowance equal to the percentage equivalent of the straight time average hourly earnings

above the base rate of pay during the six (6) pay periods immediately preceding implementation of the interim rate. If the job involved is a new job, the interim rate shall be the applicable average interim rate found by relating the job requirements of such new job to the job requirements of the existing jobs under the previously existing incentive plan and shall be based solely on the incentive earnings of the related job(s) under the old plan.

6. In the event that a Plan becomes out of line relative to other plans, the parties will review the plans and decide the proper adjustment. If the adjustment is to reduce the opportunity provided by the Plan, the employees will be compensated for the adjustment based on six (6) months lost opportunity.

## **B. SUPPLEMENTARY PAYMENT PLAN**

The Company will establish a Supplementary Payment Plan (hereinafter referred to as SPP) calculated and paid in accordance with the following and will be paid as a minimum guarantee against the Productivity Payment Plan.

1. Payment will be applicable as per job levels as follows:  
  
Level 2 = .266, Level 3 = .418, Level 4 = .570, Level 5 = .760, Level 6 = .950,  
Level 7 = .988, Level 8 = 1.064.
2. Each employee who qualifies in accordance with paragraph 4 below, shall be paid a payment calculated as follows:
  - (a) The specified rate in accordance with paragraph 1 above, multiplied by the actual hours worked by the employee during such period, and
  - (b) The provisions of paragraph 5 below shall apply.
3. An employee will be eligible to participate in SPP:
  - (a) Effective on the day following the date he completes his probationary period, as specified in the Basic Agreement, and
  - (b) Provided the employee is on the payroll of the Company on the last day of the pay period for which SPP is calculated, except that an employee whose employment is terminated before such date for any of the following reasons shall be considered eligible during the pay period in which such termination occurs.
    - (i) Retirement on a pension under the provisions of the Pension Plan.

(ii) Death.

(iii) Laid off for lack of work as provided under Clause 7.13 (a) of the Basic Agreement.

4. The rate applicable under SPP shall be paid for all hours worked by an employee but shall not be increased by reason of having been earned in overtime. Hours not worked, even though compensated in accordance with a specific provision of the Agreement and deemed to be hours worked for other purposes, shall not be considered to be hours worked for the purpose of SPP.
5. Payments made to an employee under SPP shall be included for purposes of calculating an employee's vacation and Statutory Holiday pay entitlement.
6. The Company and the Union have agreed that all employees will be expected to perform their traditional duties and to co-operate in the traditional manner.
7. It is understood and agreed that any employee eligible under the provisions of SPP who participates in a strike, shall forfeit the greater of any entitlement to payment from the date of his participation to the end of any such pay period.

Participation in a strike continuing into the next pay period will result in the further application of the above paragraph.

8. It is understood and agreed that the Basic Agreement shall be read and construed with the necessary changes so as to give full effect to the provisions of SPP and in the event of any conflict, the provisions of this Plan shall govern, subject only to the provisions of the Productivity Payment Plan.

## **C. PROFIT SHARING PLAN**

### **1. Introduction**

The parties agree to establish a profit sharing plan (hereinafter referred to as PSP) that aligns employees with other stakeholders and shareholders.

The profit sharing pool (the Pool) will be 5% of the contribution above the Earnings Threshold. Active employees shall receive 80% of the Pool and retirees that are below an acceptable minimum pension shall receive 20% of the Pool.

The Earnings Threshold will be established based on combination of corporate overhead, retiree costs, financing costs, taxes and capital expenditure spending.

The parties will jointly develop a description of the calculations used to derive profit sharing payments under the PSP for each quarter and distribute it to each

Participant. The parties agree to review and modify the PSP to meet the intent as stated.

## **2. Level of Payout**

The Company agrees that it will create a Pool consisting of a percentage of the Company's contribution, as defined below, and to distribute the Pool within forty-five (45) days of the end of each fiscal quarter, in the manner described below. The fourth quarter payment will be distributed within 15 days following the date of the auditor's opinion of the Company's annual audited financial statements, which may include an adjustment for the correction of errors in prior quarters.

## **3. Calculation of Profits**

For the purpose of this Plan:

The Company's Contribution shall be defined as Hamilton Earnings before Interest, Taxes, Depreciation and Amortization as reported on the consolidated financial statements of the Company ("Consolidated EBITDA"), prepared in compliance with Canadian Generally Accepted Accounting Policies (GAAP) and the contractual exclusions listed below:

- (i) Income or loss related to any charges or credits (whether or not identified as special credits or charges) for unusual, infrequently occurring or extraordinary items as defined by GAAP, including credits or charges for plant closures, business dispositions and asset sales that are not normal operating charges or credits of the Company.
- (ii) Any cost or expense associated with any Benefit Trust or other similar vehicle;
- (iii) Any cost or expense associated with the Plan or any other profit sharing or similar plan for any of the Company's employees;
- (iv) Any payments, fees or other expenses that are not in the normal course of business paid directly or indirectly to any person or entity who directly or indirectly owns or controls any equity or equity-like interest in the Company.

## **4. Individual Entitlement**

The Pool will be divided among all employees (Participants) on the basis of the Hours (as defined below) of each such Participant in the calendar weeks within each fiscal quarter:

- a) Hours shall include the following, but shall not exceed fifty-six (56) hours for any week for any Participant: hours worked (including straight time and overtime hours), hours on Union business (8) hours a day, while receiving WSIB benefits (based on the number of days absent from work while receiving such benefits).
- b) Any payments made to a Participant pursuant to this PSP shall not be included in the Participant's earnings for purposes of determining any other pay, benefit or allowance of the Participant.

## **5. Administration of the Plan**

- a) The Plan will be administered by the Company in accordance with its terms and the costs of administration shall be the responsibility of the Company. Upon determination of each quarterly profit calculation, such calculation shall be forwarded to the Union accompanied by a Certificate of Officer signed by the Chief Financial Officer of the Company, providing a detailed description of any adjustments made to Earnings Before Interest and Taxes and stating that Profit was determined in accordance with GAAP and that quarterly profit was calculated in accordance with this Section.
- b) The Union shall have the right to review and audit any information, calculation or other matters concerning the Plan. The Company shall provide the Union with any information reasonably requested in connection with its review. The reasonable actual cost incurred by the Union in connection with any such audit shall be paid from the Pool and deducted from the amount otherwise available under the Pool for distribution to employees.
- c) In the event that a discrepancy exists between the Company's Profit Sharing calculation and the results obtained by the Union's review the Union and Company shall attempt to reach an agreement regarding the discrepancy. In the event that they cannot resolve the dispute, either party may submit such dispute to final and binding arbitration under the grievance procedure provided in this Agreement.

## **ITEM 19**

### **LETTER OF AGREEMENT RE: VACATION PAY**

The parties have agreed to the following with respect to the calculation of vacation pay under the provisions of the Basic Agreement.

The term "calendar quarter year" which is used in Clause 11.03(a) shall mean the periods of time outlined below:

<b>Calendar Year</b>	<b>Calendar Quarter Year</b>	<b>Period of Time</b>
2007	First	Dec 17/2006 to Mar 24/2007
	Second	Mar 25/2007 to June 30/2007
	Third	July 1,/2007 to Sept 22/2007
	Fourth	Sept 23/2007 to Dec 15/2007
2008	First	Dec 16/2007 to Mar 22/2008
	Second	Mar 23/2008 to June 28/2008
	Third	June 29/2008 to Sept 20/2008
	Fourth	Sept 21/2008 to Dec 13/2008
2009	First	Dec 14/2008 to Mar 21/2009
	Second	Mar 22/2009 to June 27/2009
	Third	June 28/2009 to Sept 19/2009
	Fourth	Sept 20/2009 to Dec 12/2009
2010	First	Dec 13/2009 to Mar 20/2010
	Second	March 21/2010 to June 26/2010
	Third	June 27/2010 to Sept 18/2010
	Fourth	Sept 19/2010 to Dec 11/2010

The term "vacation year" which is used in Clause 11.03(b) shall mean the periods of time outlined below.

<b>Vacation Year</b>	<b>Period of Time</b>
2007	June 18, 2006 to June 30, 2007
2008	July 1, 2007 to June 28, 2008
2009	June 29, 2008 to June 27, 2009
2010	June 28, 2009 to June 26, 2010
2011	June 27, 2010 to June 25, 2011

Nothing in this letter shall affect any employee's vacation entitlement which is determined under Clause 11.01 of the Basic Agreement.

## **ITEM 20**

### **LETTER OF AGREEMENT RE: DISCRIMINATORY HARASSMENT**

The following policy with respect to discriminatory harassment is endorsed by both parties:

Hamilton Steel and the United Steelworkers believe that the human rights of all employees must be protected, so as to ensure that every person is treated with dignity and respect.

No individual should suffer from or be exposed to harassment at work, based upon that person's race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, handicap, age, record of criminal offences, family, marital or employment status. Harassment is a course of conduct or comment that offends or abuses a person on any of the grounds stated above, where such behaviour is known or ought reasonably be known to be offensive and unwelcome.

Sexual harassment is a particularly objectionable type of discriminatory course of conduct or comment which cannot be tolerated, as it represents an unwarranted intrusion upon a person's sexual dignity as a man or woman. Sexual harassment may take a variety of forms such as unsolicited or unwelcome gender-based comments, gestures and physical contact, or the control or alteration of working conditions so as to coerce submission to sexual advances.

In order to ensure the consistent application of this policy, it is both the right and the responsibility of any employee who believes that he or she has been subjected to harassment as defined above to immediately report such concerns to the designated representative. The Company will advise the designated Union representative of such allegation. All allegations will be fully investigated in a confidential manner. The complainant will be advised of the results of the investigation.

Any employee who, as a result of a full investigation is determined to be in violation of this policy may be subject to disciplinary action, up to and including discharge from employment.

### **Investigation and Resolution Procedure**

- A. The Company and Union plant will discuss the establishment of a mutually acceptable procedure for investigation and resolution of allegations of discriminatory harassment. Each party will designate one person who will be the designated Management and Union representative for purposes of investigating allegations at the plant level.
- B. In addition to the investigative procedure established at each plant, the following Appeal procedure is established in the event that an allegation is not satisfactorily resolved:
  1. The employee who claims a personal violation of the Policy may, within

thirty (30) days of the date he or she is advised of the results of the investigation, at the plant level, appeal the allegation in writing to the two-person Appeal Committee as established hereinafter. The Committee will, as soon as possible following receipt of the written appeal, meet and review the facts pertaining to the allegation. The Appeal Committee may, at their discretion, seek any additional pertinent information by interviewing the complainant and other employees at the plant location. The Committee may attempt to resolve the allegation by suggesting a course of action to the appropriate plant Company and Union designated representatives. In the event that the allegation is not resolved in this manner, the Committee will prepare and issue a report of their findings and recommendations. Such report will be issued in confidence to the plant designated representatives who shall endeavour to resolve the allegation with the complainant and the local plant management. In the event that the matter continues to be unresolved, the Management of the plant will determine whether an employee has been in violation of the Policy and what appropriate disciplinary action will be taken. Nothing herein precludes or limits the employee's entitlement to pursue a complaint through the grievance procedure with regard to any disciplinary action taken against him.

2. The Appeal Committee will be composed of one person designated by the U.S.W. as referenced in the Union's Policy document re Discriminatory Harassment and a Corporate Human Resources Manager. The two persons so appointed will remain the permanent Appeal Committee to investigate and attempt to resolve all appeals from the various plants of the Company.
  3. The Union and the Company may substitute another person as their permanent designated Appeal Committee member but it is intended by both parties that their designated member be appointed on a long term basis where possible.
- C. It is understood and agreed that the procedure established by this Letter of Agreement to investigate and resolve harassment complaints does not deny any employee from pursuing his/her complaint through the applicable legislative procedure and the internal procedure is intended as an alternative process which the individual may elect at his/her option. It is further understood that any complaint pursued through the internal procedure shall not be arbitrable, nor shall any documents, reports, discussion or information arising out of or during the procedure be introduced as evidence or referred to in any other legislative procedure.

## **ITEM 21**

### **LETTER OF AGREEMENT RE: TIMEKEEPING AND LATENESS**

Pay deductions for lateness or leaving work early, or payments for overtime worked will be calculated in fifteen (15) minute increments.

It is agreed that an employee who is late once in a pay period will not be penalized a fifteen (15) minute deduction if such lateness is five (5) minutes or less. For the purposes of this provision, it is understood that the exemption will apply to both a deduction initiated by the Payroll Department and a deduction that may otherwise be directed by the employee's Shift Manager based upon lateness on the job. An employee may suffer a deduction in pay if he/she is more than five minutes late in reporting for work on the job.

Any lateness in excess of five (5) minutes or any lateness in excess of the one in a pay period will result in a deduction from the employee's pay.

The existing Company rules regarding a deduction from an employee's pay for failure to record time in or out of the plant will remain unchanged and a fifteen (15) minute deduction from an employee's pay for such failure will be in effect.

Where an employee has reason to believe he/she has failed to properly record time in or out of the plant and such employee notifies his/her Shift Manager of such failure within two (2) hours after the start of or end of such employee's scheduled shift, the fifteen (15) minute deduction from the employee's pay for failure to record time in or out of the plant will be waived provided it can be determined by the Company that such employee has been on his/her job for the entire shift.

## **ITEM 22**

### **LETTER OF AGREEMENT RE: EDUCATION FUND**

A Fund will be established to assist all employees at Hamilton Steel who wish to improve their education through attendance at seminars, school classes or such other training programs as may enhance the development and performance of the employee, including the establishment of an appropriate Union training and educational facility.

The Education Fund will be administered by the local Union, and once per year the Company may request a meeting with the Union to review the financial position and the administration of the Fund.

The Company will contribute three (3) cents per hour worked to the Education Fund and such contribution will be made for all hours worked. Hours not worked, even though compensated in accordance with a specific provision of the Agreement and deemed to be hours worked for other purposes, shall not be considered to be hours worked for the

purpose of this Fund. Contributions to the Fund will be made quarterly, in the middle of the month immediately following completion of each calendar quarter year as specified in Item 19 of the Basic Agreement.

It is clearly understood that this Fund is strictly an education fund, to be utilized only for the education of employees of Hamilton Steel in accordance with the general purposes as outlined above. If it is determined by the Company that this Fund is not being utilized in the agreed upon manner, the Company may withhold contributions to the Fund until it is satisfied that the Fund is being properly utilized. In the event that the Company does decide to withhold any contributions for this reason, the Union may appeal the decision of the Company through the grievance and arbitration provisions of this Agreement.

### **ITEM 23**

#### **LETTER OF AGREEMENT RE: PREFERENTIAL HIRING**

The Company will give preferential consideration to a person who has been laid off from a Works of the Company, and who possesses recall rights, for purposes of hiring into permanent vacancies at another Works in the same geographic area, provided that such person is physically fit and possesses the necessary basic skills to perform the available work. In order to be eligible for such consideration, the former employee must make special application to the Company so as to declare his interest for alternative employment. Such applicants shall be assessed on the basis of their former service. In this regard the company agrees to the following:

- (a) The Plant Human Resources Department telephone number and address at each plant of the Company will be provided by the Company to each laid off employee;
- (b) Upon being laid off, an employee will be provided an employment application form;
- (c) The Company will notify the appropriate local Union(s) of any new employment opportunities as soon as practicable prior to hiring with monthly updates;
- (d) Each Plant Human Resources Department will prepare a listing of former employees on layoff and their general skills. Such listing will be supplied to all plants and local Unions in the geographic area. The Company shall accept application from the laid off employees, and forward them to the plant that the laid off employee has designated on the application form.

If an eligible laid off person is subsequently hired by the Company at another Works, he/she will be granted service for purposes of Pension, Group Insurance, Vacation Entitlement and Supplementary Unemployment Benefit Plan credits, provided such person successfully completes the normal probationary period in effect at the new Works.

It is understood and agreed that an employee who fails to waive his/her recall entitlement to his/her former Works before the completion of his/her probationary period will be terminated, and ineligible for any further consideration in accordance with these provisions. Where an employee has waived his/her recall entitlement during his/her probationary period, and is subsequently terminated by the Company prior to the completion of such probationary period, the employee's waiver of recall entitlement to his/her former Works shall be declared null and void.

### **Transfer of Operations**

It is further understood and agreed that employees at a Works who are laid off as a result of the transfer by the Company of equipment from one Works to another will be given preferential consideration for new employment in accordance with the above provisions.

In the event of the future hire of such person in accordance with these and the above provisions, full Company service will additionally be provided for the sole purpose of determining the period of recall entitlement, should such person be laid off from the new Works.

### **Relocation Assistance**

The Company agrees to jointly investigate with the Union any entitlement that an employee may have, who is hired in accordance with the above provisions, for financial relocation assistance as a result of available Federal or Provincial Programs.

## **ITEM 24**

### **LETTER OF AGREEMENT RE: INTERPRETATION OF CLAUSE 7.02**

The Company and the Union have agreed as follows:

1. The service and employment of an employee who is absent from work due to a disability, regardless of whether it is compensable under the Workplace Safety & Insurance Act or not, will be terminated in accordance with Clause 7.02 when he/she is laid off for lack of work.
2. Such former employee will be entitled to recall in accordance with Clause 7.03 and if so recalled, will be deemed to be rehired provided that:
  - (a) if he/she is unable to report for work within the prescribed period due solely to being disabled with the same disability which he/she was suffering at the date of his/her layoff and termination as provided in paragraph one above, and
  - (b) if such disability is compensable under the Workplace Safety & Insurance

Act for the period in respect of which temporary total or temporary partial disability payments are made under the said Act and providing he/she has not been so disabled for more than twelve (12) consecutive months since the month in which such disability began, or

- (c) if such disability is not compensable under the Workplace Safety & Insurance Act, for the period in respect of which he/she is eligible for weekly indemnity benefits under the Group Insurance Program for such disability.
- 3. A former employee who is deemed to be recalled and rehired in accordance with the above provisions, will be deemed to be an employee for all purposes of the Agreement for an Insurance Program and the Agreement for a Pension Plan.
- 4. The provisions of Clause 7.02(f) shall not be affected by changes in the Workplace Safety & Insurance Act.

## **ITEM 25**

### **LETTER OF AGREEMENT RE: SENIORITY - TRANSPORTATION, BASIC OXYGEN FURNACE (BOF) DEPARTMENT**

It is agreed and understood that the following shall be applicable to Transportation, BOF Department.

- 1. It is intended that senior qualified employees be scheduled up to 40 hours per week whenever available. If a reduction of operations occurs prior to the start of the shift, senior qualified employees on the shift who are affected by the reduction may displace junior employees, subject to the provisions of paragraph 7 as set out herein.
- 2. (a) The Company will convene a meeting with the Chief Steward – BOF Department prior to the implementation of a job bid in order to review the number of jobs and labour pool positions to be included in the job bid and to determine the appropriate number of employees that will comprise the group posted during such job bid. The posted labour pool position will not indicate the scheduled days off and such days off will be determined by operational requirements. When it can be determined that an employee either on long term disability will be off work or unable to perform his/her duties under Special Circumstances for an extended time his/her name will be left off the annual job bid. If the employee returns back to work prior to the next job bid the employee may exercise his/her right under paragraph 7 to displace the most junior employee on a job of his/her choice.

The determination of the appropriate group size will be based upon limiting the completion of the job bid to a four (4) week period. Lists should be limited to no more than thirty (30) employees.

- (b) On or before January, on an annual basis and in accordance with the provisions of paragraph 3 below, the employee most senior in Company service will be given his/her choice of jobs and subsequently, the next most senior employee will be given his/her choice of remaining jobs and so on in order of Company service until all such jobs are filled in accordance with Clause 7.06 of the Basic Agreement. It is understood that with respect to the annual job bid such vacancies will not be posted throughout the Primary Division.
  - (c) All posted temporary vacancies will cease to exist immediately following the completion of a job bid. If it is determined by the Company that there is a further requirement to have posted temporary vacancies, the Company will post such jobs subsequent to the job bid.
- 3.
- (a) A list of jobs available in the different occupations will be posted together with an up-to-date seniority list of employees.
  - (b) Each group of employees will be allowed a maximum of seven (7) days to select their choice of jobs within either occupation subject to Clause 7.06 of the Basic Agreement.
  - (c) It is the responsibility of each employee in each group to signify his/her choice of job at the earliest possible time. An employee must indicate his/her choice by signing his/her name beside the job chosen in accordance with his/her Company Service. If, for any reason, an employee is going to be absent during the seven (7) day period, he/she must leave a list of his/her choice of jobs by completing and filing a bid card with the department office prior to his/her absence. The department will list the employee's name next to his/her choice of job, in order of Company Service, of all employees that are absent and have indicated to the department by the completion of bid cards prior to leaving, their choice of jobs.
  - (d) When an employee is absent during his/her bid period due to sickness or other unforeseen reasons he/she will, where possible, be contacted by the Company to determine his/her choice of jobs.
  - (e) If an employee fails to indicate his/her choice of jobs within the designated time in accordance with the above provisions, he/she will be assigned by the Company to a job in his/her last permanent assigned occupation in

accordance with the employee's Company Service and such employee shall accept such job assignment.

4. (a) Whenever a posted permanent or a posted temporary vacancy in the section occurs, such vacancy shall be filled in accordance with Clauses 7.07 and 7.11 of the Basic Agreement. Where reference is made to Department and Division in Clauses 7.07 and 7.11 of the Basic Agreement, it will be read and construed as meaning unit and Department respectively.
  - (b) When two or more employees filling temporary vacancies under the provisions of paragraph 4(a) within the same occupation and the temporary vacancy held by the most senior Company service employee ceases to exist, such employee will not be provided the opportunity to utilize his/her seniority in order to displace the most junior Company service employee holding a temporary vacancy within that same occupation. Such senior service employee shall return to the job he/she previously held prior to his/her appointment to the temporary vacancy.
5. For the purposes of filling temporary vacancies in the Transportation unit of the BOF Department, the provisions of Clause 7.10 of the Basic Agreement shall apply.

6. **Transportation Labour Pool**

An employee in the Transportation unit of the BOF Department who is considered by the Company to be qualified to perform the job of Remote Control Operator, Conductor Remote Control, and who is not permanently assigned to such occupations will have his/her name entered on the Transportation Labour Pool in the Transportation unit of the BOF. Transportation Labour Pool employees will be required to be qualified to fill all vacancies in Transportation. Employees assigned to the Transportation Labour Pool will not be allowed to exercise his/her rights under the provisions of Clause 7.10 (b).

7. **Layoff Procedure**

An employee who is displaced from his/her job due to a decrease in operations shall be assigned to the job held by the most junior Company Service employee in that same occupation. The employee thus displaced shall be assigned to the job held by the most junior Company Service employee in the same job classification, subject to Clause 7.06. The employee who is subsequently displaced shall be assigned to the Transportation Labour Pool listing.

In any event, if these conditions are expected to continue for more than thirty (30) days, the parties hereto shall review the status of the employees to be affected with a view to finding an acceptable solution for any problem which may arise where no solution is reached, Section 7.13 of the Basic Agreement shall be applied.

8. In the event that it is determined there is a need for additional employees in the Transportation unit of the B.O.F. Department the Company will, subject to Clause 7.06, give preferential consideration to those former employees of the Transportation Department who are desirous of returning to their former department.

### **Special Circumstances**

Special circumstances affecting an employee's job status in the unit, such as sickness, age, family problems or medical problems, shall have to be considered as "special cases" and the decisions made according to individual merit. Such cases may be reviewed periodically to justify the employee's right to a particular job.

The Company will convene a meeting with the Chief Steward of the employee's unit prior to granting special circumstances to the employee with the view to finding an acceptable solution for any problem. Where possible, the employee being accommodated will be retained in his/her unit.

It is understood and agreed that insofar as any provisions of this Agreement are specifically in conflict with any provisions of the Basic Agreement, the provisions of this Agreement shall prevail.

## **ITEM 26**

### **LETTER OF AGREEMENT RE: SENIORITY - TRACK, BASIC OXYGEN FURNACE DEPARTMENT**

It is agreed and understood that the following shall apply to Track, BOF Department.

### **Breakdowns**

The employee displaced as a result of a breakdown prior to the start of a shift will displace the junior Company service employee within the occupation group.

The employee displaced as a result of a breakdown after the start of a shift will result in the employee being offered alternative work.

### **Special Circumstances**

Special circumstances affecting an employee's job status in the unit, such as sickness, age, family problems or medical problems, shall have to be considered as "special cases" and the decisions made according to individual merit. Such cases may be reviewed periodically to justify the employee's right to a particular job.

The Company will convene a meeting with the Chief Steward of the employee's unit prior

to granting special circumstances to the employee with the view to finding an acceptable solution for any problem. Where possible, the employee being accommodated will be retained in his/her unit.

It is understood and agreed that insofar as any provisions of this Agreement are specifically in conflict with any provisions of the Basic Agreement, the provisions of this Agreement shall prevail.

**SUPPLEMENTARY**

**UNEMPLOYMENT**

**BENEFIT PLAN**

DATED  
June 22, 2006

between

**HAMILTON STEEL GP INC., as general partner of and on behalf of  
Hamilton Steel Limited Partnership**

(Hereinafter called the "Company")

- AND -

**LOCAL UNION NO.1005  
United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial  
and Service Workers International Union  
(formerly, United Steelworkers of America)  
(Hereinafter called the "Union").**

## ARTICLE I

### DEFINITIONS

The following terms, wherever used in this Agreement, shall have the meanings set forth below:

- (a) **"Basic Agreement"** means the collective bargaining agreement between the parties hereto relating to wages and other terms and conditions of employment, which may be in effect at the particular time.
- (b) **"Plan"** or **"Supplementary Unemployment Benefit Plan"** means the "~~Hamilton Steel~~ Supplementary Unemployment Benefit Plan for Bargaining Unit Employees" set forth in Appendix "A" hereto.
- (c) **"Employee"** or **"Employees"** shall have the same meaning as in the Basic Agreement.
- (d) **"Trustee"** shall have the same meaning as in the Plan.
- (e) **"Fund"** means the "Hamilton Steel Supplementary Unemployment Benefit Plan Trust Fund".
- (f) **"Net Worth"** shall have the same meaning as in the Plan.

## ARTICLE II

### PLAN

- (a) The Plan, which became effective on April 1, 1969, and which has been amended from time to time to July 31, 2002, shall be and is hereby further amended effective June 22, 2006, so as to read as set forth in Appendix "A" hereto and forming a part of this Agreement, subject to obtaining and retaining the approval of the appropriate authorities as specified in the Plan.
- (b) The Hamilton Steel Supplementary Unemployment Benefit Plan shall be available to all employees who are eligible according to its terms.

- (c) It is understood and agreed that the Hamilton Steel Supplementary Unemployment Benefit Plan may be made available by the Company to other persons eligible according to its terms, who are employed by Hamilton Steel, or its associated companies in Canada.

### **ARTICLE III**

#### **GENERAL PROVISIONS**

- (a) Not later than the fifteenth (15th) day of each month, the Trustee shall furnish to the Company a statement showing the Fund receipts and amounts, if any, paid from the Fund, during the preceding month. The Company shall furnish a copy of such statement to the Union.
- (b) Each year, not later than the fifteenth (15th) day of February, the Trustee shall furnish the Company with a statement showing the Net Worth of the Fund as of the close of the last business day of the preceding year and the amounts paid from the Fund during the preceding year. The Company shall furnish a copy of such statement to the Union.
- (c) In the operation of the Plan, statistics and information will not be kept separately for particular groups of persons.
- (d) The Company will designate a representative who will be available to discuss and review the statement referred to in (b) above with a designated representative of the Union.
- (e) The Union agrees that, during the term of this Agreement, neither it nor its representatives will cause or sanction a slowdown, strike or other stoppage of or interference with work arising out of or conducted in connection with any effort to induce modification of or amendments or addition to the Supplementary Unemployment Benefit Plan provided for by this Agreement or the terms or conditions under which its benefits are provided.
- (f) Nothing contained in this Agreement or the Plan shall be deemed to give an employee the right to be retained on the payroll of the Company, or shall interfere with the right of the Company to terminate the employment of an employee.
- (g) No matter respecting this Agreement or the Plan or any difference arising thereunder shall be subject to the grievance or arbitration procedure established in the Basic Agreement.
- (h) In the event that during the term of this Agreement the Company's contribution

to the Supplementary Unemployment Benefit Plan shall not be required in accordance with the provisions of Article III, Clause 3.01 or shall terminate in accordance with Article VII, Clause 7.03, such contributions as would otherwise be made shall be accumulated by the Company and the total monthly contribution or the remainder thereof shall be transferred to the "Hamilton Steel In Trust Insurance Program Account" when required by the Company. In the event that the Company does not transfer such accumulated contributions, in whole or in part, then such accumulated contributions or balance thereof may be used for any other purpose as the Parties may agree at the termination date of this Agreement.

#### ARTICLE IV

##### DURATION & TERMINATION OF PLAN

The Plan as set forth in Appendix "A" hereto shall remain in full force and effect until July 31, 2010, and shall thereafter continue for a further period of one (1) year unless during the one hundred and ten (110) day period immediately preceding the expiration date, either party shall give written notice to the other that it desires revisions or termination of the Plan at its expiration date. Where notice of revision is given, negotiations shall commence during the ninety (90) day period immediately preceding the expiration date.

IN WITNESS WHEREOF the parties have caused their names to be subscribed to this Agreement by their duly authorized representatives this 22nd day of June, 2006.

**For:**

Hamilton Steel GP Inc.  
As General Partner of and on  
Behalf of Hamilton Steel  
Limited Partnership

R. Mott  
D. Bates  
W. McKenzie  
K. Smith

**For:**

Local Union 1005  
United Steel, Paper and Forestry,  
Rubber, Manufacturing, Energy, Allied  
Industrial and Service Workers International  
Union

R. Gerstenberger  
G. Howe  
J. Lombardo  
J. Miller  
J. Balloch  
J. Camarro  
J. Stevenson  
T. DePaulo

## ARTICLE I

### DEFINITIONS

- 1.01 (a) Agreement for a Supplementary Unemployment Benefit Plan shall mean the agreement between the Company and Local Union 1005, United Steelworkers, with respect to this Plan.
- (b) Applicant shall mean a former Employee whose service and employment were terminated when he was temporarily laid off for lack of work and who is entitled to recall in accordance with the Basic Agreement.
- (c) Basic Agreement shall mean the collective bargaining agreement relating to wages and other terms and conditions of employment which may be in effect at the particular time between the parties signatory to the Agreement for a Supplementary Unemployment Benefit Plan.
- (d) Company shall mean ~~Hamilton Steel GP Inc., as General Partner for and on behalf of Hamilton Steel Limited Partnership.~~
- (e) Credit Point shall have the same meaning as specified in the Plan.
- (f) Day shall mean calendar day unless otherwise specified.
- (g) Employee shall mean any hourly rated person who is regularly employed by the Company (or by such of its subsidiary or associated companies as may, from time to time, be permitted by the Company to participate in the Plan as employers) and who is represented by a Union with which an Agreement for Supplementary Unemployment Benefit Plan has been executed.
- (h) Financial Position shall have the same meaning as specified in the Plan.
- (i) Fund shall mean the Hamilton Steel Supplementary Unemployment Benefit Plan Trust Fund.

- (j) Maximum Funding Position shall have the same meaning as specified in the Plan.
- (k) Month shall mean calendar month unless otherwise specified.
- (l) Net Worth shall mean the difference between the total assets and the total liabilities of the Fund at any given time.
- (m) Person shall mean either an Applicant or an Employee as defined hereto.
- (n) Plan shall mean this Hamilton Steel Supplementary Unemployment Benefit Plan as amended or modified from time to time.
- (o) Plant shall mean a location of the Company identified as having Employees who are covered by this Plan.
- (p) Public Funds shall mean any money made available by the Government, either federal, provincial or municipal, or any agency of such governments.
- (q) Service shall mean service as defined by the Basic Agreement and is synonymous with seniority.
- (r) Straight time hours worked shall mean all hours for which an Employee actually performs work for the Company and for which he is compensated at the regular rate of pay as prescribed by the Basic Agreement.
- (s) Trustee shall mean the Trustee of the Fund.
- (t) Employment Insurance Act shall mean the Employment Insurance Act that may be in force and effect as amended from time to time, and the Benefits then applicable.
- (u) Employment Insurance Benefit shall mean the benefit paid, pursuant to the Employment Insurance Act, to persons on account of their unemployment.
- (v) Union shall mean Local 1005 of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (formerly known as United Steelworkers of America), which is currently signatory to the Basic Agreement with the Company.

- (w) Week shall mean calendar week unless otherwise specified.
- (x) Weekly Benefit shall mean the Weekly Benefit as specified in this Plan.
- (y) Year shall mean calendar year unless otherwise specified.
- (z) All hours worked shall mean all hours for which an Employee actually performs work for the Company and for which he is compensated and shall include work performed and paid for at overtime rates and work performed on statutory holidays in accordance with the provisions of the Basic Agreement.

## ARTICLE II

### GENERAL PROVISIONS

#### **2.01 Establishment of Fund**

The Company shall establish a Fund, in accordance with the Plan, with a trust company or companies selected by the Company as Trustee to hold and invest the Fund and to make payments out in accordance with the provisions of a trust agreement to be entered into in connection with this Plan. The Company's contributions shall be made into the Fund and the Company's liability for benefits is limited to the ability of the Fund to meet the payment of all benefits and expenses associated with the administration of this Fund.

#### **2.02 Maximum Funding**

A maximum funding position of the Fund shall be established for each calendar month.

The Maximum Funding Position shall be two million dollars (\$2,000,000).

#### **2.03 Fund's Financial Position**

A financial position of the Fund shall be calculated each calendar month. The Company shall determine this Financial Position by dividing the Net Worth of the Fund as of the last business day of the preceding calendar month by the Maximum Funding Position for such month as determined in 2.02 above. This quotient is to be expressed as a percentage. The Financial Position calculated for each calendar month shall relate to each week ending

in that calendar month for the purposes of applying the benefit level as set forth in Article IV and the credit point cancellation as set forth in Article V.

**2.04 Adjustments for Errors**

Neither the Maximum Funding Position nor the Financial Position are to be adjusted retroactively due to any error which may be discovered in the computations or data used in making the computations. Any error discovered, will be corrected in the next month's computations.

**ARTICLE III**

**CONTRIBUTIONS TO THE FUND**

**3.01 Contributions by the Company**

The Company shall make a contribution to the Fund equal to ten cents (\$0.10) multiplied by the total number of all hours worked by each Employee during the preceding months, or such lesser amount as will bring the Net Worth of the Fund up to the Maximum Funding Position as provided in Clause 2.02.

The Company shall not be required to make any contributions to the Fund with respect to any month for which the Financial Position equals or exceeds 100%.

**3.02 Payment of Contributions**

Such contributions as are required by this Plan to be made to the Fund by the Company shall be made monthly and shall be made prior to the end of the month following the month for which the calculation was made.

**ARTICLE IV**

**WEEKLY BENEFITS OF THE PLAN**

**4.01 Weekly Benefits**

Provided there are sufficient monies in the Fund, the Weekly Benefit payable to an eligible Applicant shall be two hundred (\$200) for each week in the calendar month for which the weekly benefit is claimed. In any week the combined weekly payments received from the plan and the

weekly rate of unemployment insurance benefits do not exceed 95 per cent of the employee's weekly earnings.

Any payments in respect of guaranteed annual remuneration or in respect of deferred remuneration or severance pay benefits are not reduced or increased by payments received under this plan.

**4.02 Deficit Financing**

In recognition of the unique circumstances following the ratification of the 1990 Basic Agreement, the Company shall, on a one time basis, advance to the Fund monies to a maximum deficit of two million dollars (\$2,000,000) and the Weekly Benefit payable to an eligible Applicant for any weeks in which a benefit is claimed shall be one hundred dollars (\$100) for each week in the calendar month for which the Weekly Benefit is claimed subject to Clause 4.03.

**4.03 Effect of Low Financial Position of Fund**

Where the current Financial Position of the Fund is less than four (4) percent of the maximum deficit financed, there shall be no Weekly Benefit paid to an eligible Applicant.

**4.04 Reduction of Weekly Benefit**

The Weekly Benefit shall be reduced by the amount of any Public Funds received or receivable for which an Applicant may be eligible in respect of his unemployment during the week for which he is claiming a benefit under this Plan, with the exception of welfare payments duly authorized by the General Welfare Assistance Act (Ontario), or any equivalent legislation in other Provinces and the Employment Insurance Benefits. The Employment Insurance Benefit which would have otherwise been payable to the Applicant shall be determined in accordance with the Schedule of Rates of Benefit provided in the Employment Insurance Act based upon the Applicant's last contribution paid to the Employment Insurance Fund while he was an Employee of the Company.

**4.05 Deductions from Benefits**

The Company or the Trustee shall deduct from any Weekly Benefit under this Plan all sums of money required to be withheld by reason of any law or regulation for payment of taxes or otherwise to any federal, provincial or municipal government.

**4.06 Cessation of Benefits**

A Weekly Benefit shall cease upon the date that the Applicant is required by the Company to report for work when notified of his recall from layoff.

## **ARTICLE V**

### **DURATION OF WEEKLY BENEFITS**

#### **5.01 Duration**

The number of weeks for which an eligible Applicant shall receive Weekly Benefits shall be determined by the number of Credit Points which he has accumulated. The maximum number of weeks which an Applicant may draw Weekly Benefits is fifty-two (52) weeks during any twelve (12) consecutive calendar months.

#### **5.02 Credit Points**

- (a) Credit Points are to be used for the sole purpose of determining the duration of Weekly Benefits of an Applicant, but shall have no fixed value in terms of either time or money.
- (b) Credit Points shall be credited to an Employee at the rate of one (1) Point for each forty (40) straight time hours worked commencing on or after January 1, 1968, provided, however, that an Employee:
  - (i) may not have to his credit more than fifty-two (52) Credit Points at any one time; and
  - (ii) shall not be credited with any Credit Points prior to the first day he completes eighteen (18) months of Service.

**5.03** An Applicant shall have deducted from his credit one (1) Credit Point for each Weekly Benefit payable to him.

#### **5.04 Forfeiture of Credit Points**

Any Person covered by this Plan shall forfeit permanently all Credit Points which he has to his credit under this Plan if he:

- (a) has his service and employment terminated for any reason other than layoff, or
- (b) while on layoff has his entitlement to recall terminated in

accordance with the Basic Agreement, or

- (c) wilfully misrepresents any fact in connection with an application by him for a Weekly Benefit under the Plan.

## ARTICLE VI

### ELIGIBILITY FOR BENEFITS

#### **6.01 Application for Benefits**

An Applicant to be eligible must make application for a Weekly Benefit in the manner prescribed hereunder and must meet the eligibility requirements in 6.03.

**6.02** The Company shall have the right to establish reasonable rules, regulations and procedures concerning the time and place at which an Applicant shall report in order to comply with the eligibility requirements and concerning the form, content and substantiation of Weekly Benefits.

- (a) For any week of qualifying layoff an Applicant must apply for each Weekly Benefit that he may claim under this plan within five (5) days following receipt of his Employment Insurance Benefit for such week. The Employment Insurance Benefit shall be presumed to have been received by the Applicant on the date following the date set forth on the cheques therefore, or on the date of the copy of the pay receipt of similar document.
- (b) An Applicant must report in person to make initial application for a Weekly Benefit at the location designated by the Company. For any subsequent week during the same continuous period of layoff, such Applicant may apply for his Weekly Benefit, either in person or by mail, as determined by the Company.
- (c) An Applicant shall be required to produce evidence satisfactory to the Company:
  - (i) that he has received payment of an Employment Insurance Benefit for the week for which he is claiming a Weekly Benefit under this Plan, or
  - (ii) that he was not eligible to receive an Employment Insurance Benefit for the week for which he is claiming a Weekly Benefit under this Plan solely due to the reasons set forth in Clause

6.03 (c);

- (iii) of the amount earned from all sources during such week and the source thereof;
- (iv) and such further evidence or additional information as the Company may deem necessary.

### **6.03 Eligibility - Weekly Benefit**

An Applicant shall be eligible for a Weekly Benefit beginning with the first complete calendar week following the effective date of this Plan, provided that with respect to the week for which the Applicant is claiming such benefit he:

- (a) has a minimum of eighteen (18) months of service with the Company;
- (b) is on a qualifying layoff as provided in 6.04;
- (c) received an Employment Insurance Benefit in accordance with the Employment Insurance Act or was ineligible for an Employment Insurance Benefit due solely to:
  - (i) not having, prior to his layoff, a sufficient period of work in employment covered by Employment Insurance; or
  - (ii) the requirement to serve a two week waiting period prior to eligibility as stipulated in the Employment Insurance Act; or
  - (iii) the limitation under Employment Insurance on the period of time for which Employment Insurance Benefits are payable to the applicant;
- (d) has to his credit at least one (1) Credit Point to be cancelled in accordance with 5.03;
- (e) has not refused an offer of available work when recalled by the Company in accordance with the Basic Agreement and reports for work on the date required by the Company;
- (f) was not serving in Her Majesty's Armed Forces of Canada;
- (g) was not eligible for and was not receiving any accident or sickness or other disability benefit (other than a survivor's allowance or a

disability benefit under Workers' Compensation laws or other laws which he received while in active employment with the Company prior to layoff) whether publicly or privately financed, or a Company financed pension or retirement benefit;

- (h) has registered at and complied with the regulations of the Employment Insurance Commission and has not failed or refused to accept employment deemed suitable by the Employment Insurance Commission.

#### **6.04 Layoff Provision**

- (a) Except as provided in (b) hereof, an Applicant shall be considered to be on a qualifying layoff when he is not required by the Company to work and does not perform any work in a week, commencing on or after the week following the week in which this Plan becomes effective, because he was temporarily laid off work in accordance with the seniority provisions of the Basic Agreement.
- (b) An Applicant shall not be considered on a qualifying layoff for purposes of Clause 6.04 (a) when work is not available to him as a consequence of:
  - (i) disciplinary reasons, or
  - (ii) any strike, slowdown, work stoppage, or any dispute of any kind, by any Employees or any other person employed by the Company, or any picketing (whether or not by Employees), at any Company Plant or Plants which interferes with production at that, or at any other Plant of the Company, or
  - (iii) sabotage or insurrection, or
  - (iv) any act of God, or
  - (v) any war or hostile act of a foreign power, or
  - (vi) any fault attributable to the Applicant.

#### **6.05 Administrative Delays - Employment Insurance Benefits**

- (a) With respect to any week for which an Applicant has applied for a Weekly Benefit under this Plan and for which his claim for an Employment Insurance Benefit has been denied and has been

- appealed in accordance with the Employment Insurance Act, the Weekly Benefit which would otherwise be payable to him shall be set aside from the Fund pending final disposition of the Applicant's Unemployment Insurance claim appeal, and
- (b) If the Employment Insurance Benefit claim is subsequently paid to the Applicant, the money set aside from the Fund as a contingent liability upon the Fund shall be paid to such Applicant and one Credit Point cancelled, provided, however, he has to his credit one Credit Point required to be cancelled in accordance with Clause 5.03 at the time such Weekly Benefit is paid.

## **ARTICLE VII**

### **EFFECTIVENESS AND CONTINUATION OF THE PLAN**

#### **7.01 Income Tax Rulings**

The Company shall not be required to make any contributions to the Fund or to make the Plan effective unless and until it shall have received from the Minister of National Revenue and any other applicable government authority, a currently effective ruling or rulings satisfactory to the Company declaring that all contributions to the Fund shall constitute a currently deductible expense under the Income Tax Act and under any other applicable income tax law, as now in effect or as may be hereafter amended or may hereafter become effective.

#### **7.02 Employment Insurance Rulings**

The Company shall not be required to make any contributions to the Fund or to make the Plan effective unless and until it shall have received a ruling or rulings satisfactory to it from the appropriate authority of the Canadian government that the Weekly Benefits will be permitted in accordance with the Employment Insurance Act without:

- (a) requiring additional payment of contributions to the Employment Insurance Fund either by the Company or any Employee participating in this Plan, and
- (b) affecting the entitlement of or level of payment to an applicant for Employment Insurance Benefits.

#### **7.03 Revocation or Modification of Rulings**

Upon revocation or upon modification in such a manner as to be no longer

satisfactory to the Company of any of the above rulings or approvals in this Article, no further contributions shall be made to the Fund and all obligations of the Company under the Plan shall cease and the Plan shall thereupon terminate and be of no further effect.

The Company shall notify the Union and shall meet with the Union representative and endeavour to modify the Plan to the extent necessary to obtain renewal of the above-mentioned rulings or approvals satisfactory to the Company. If such rulings and approvals are obtained, the Plan as amended shall become effective as of the date of such rulings and approvals. If, however, at the end of thirty (30) days from the date of the Company's notification no renewal has been obtained, the assets of the fund shall be disposed of as set forth in Clause 7.05.

#### **7.04 Withholding Requirements**

If the Company shall be required at any time to withhold any amount from any contribution to the Fund by reason of any federal, provincial or municipal law or regulation, the Company shall have the right to deduct such amount from such contribution and to pay only the balance to the Fund.

#### **7.05 Termination of Plan**

Upon termination of the Plan:

- (a) Any Weekly Benefit liability incurred prior to the date of termination which has not, as of this date, been discharged, will be met only to the extent that the then Net Worth of the Fund (including any outstanding contributions) is able to meet such liability, and pay all other expenses arising out of the administration of this Plan.
- (b) Any assets remaining after the application of (a) above, shall revert to the Company.

### **ARTICLE VIII**

#### **ADMINISTRATION**

**8.01** The Company shall have the exclusive right to administer this Plan, including but not limited to the right to establish reasonable rules, regulations and procedures, to use customary accounting techniques and to make all appropriate determinations pursuant to this Plan. The Company

will inform the Commission of any change to the Plan within 30 days after the effective date of the change.

- 8.02** The Company shall be reimbursed each year for the cost, if any, of forms and stationery supplies, banking and auditing fees, and all calculation charges. The Company shall submit an itemized statement to the Trustee (a copy of which will be sent to the Union) at the end of each year of the costs incurred and shall be reimbursed from the Fund for that year.

The Company will inform the Commission of any change to the plan within thirty (30) days after the effective date of the plan.

## **ARTICLE IX**

### **APPEAL PROCEDURE**

**9.01 Board of Appeal**

There shall be established a Board of Appeal, hereinafter called the "Board" consisting of one Company representative and one Union representative.

**9.02 First Step**

- (a) An Applicant who alleges he was incorrectly determined ineligible for a Weekly Benefit under the Plan or the amount of the Weekly Benefit paid was incorrect, may file an appeal in writing to the Human Resources Department in an attempt to settle such allegation. The written appeal shall state full particulars of the allegation and shall be signed by the aggrieved Applicant.
- (b) The Human Resources Department shall give a written decision within seven (7) days of the date that the appeal was filed. An appeal not adjusted at this step may be appealed to the Second Step.

**9.03 Second Step**

- (a) Notice of appeal must be given in writing within five (5) days of the date of the written decision at First Step to the Board. The Board shall meet within seven (7) days and attempt to resolve the appeal submitted. Within seven (7) days after the date of such meeting the Board shall notify the parties hereto in writing of their agreement or failure to reach agreement. An agreement reached by the Board shall be final and binding.
- (b) Where the Board so notifies the parties hereto to the effect that no

agreement has been reached, the Union may, within three (3) days of the date of such written notification, notify the Company in writing of its intention to submit the appeal to a Board of Arbitration. Such notice shall set forth the facts to be relied upon and the provisions of the Plan which are alleged to have been violated.

**9.04** Only an appeal, filed in writing within seven (7) days of the mailing to an Applicant of either (i) a notice of denial of his claim, or (ii) a cheque for a Weekly Benefit, may be submitted under this Article IX.

**9.05** Appeals which are not presented or processed within the time limits specified in Article IX shall not be processed through the appeal procedure without the consent of the Company and in any event are not arbitrable.

**9.06** The appeals procedure set forth in this Article shall not be used to protest or appeal a denial of an Employment Insurance Benefit.

**9.07** **Arbitration**

Only an appeal which has been properly filed and processed in accordance with the provisions of this Article IX may be referred to arbitration as provided hereunder.

**9.08** **Board of Arbitration**

The Board of Arbitration shall consist of the Company representative on the Board of Appeal, the Union representative on the Board of Appeal and a third person selected by them to act as Chairman.

**9.09** Where the two representatives to the Board of Arbitration fail to agree on the selection of a chairman within seven (7) days of the date of notice of the appeal being referred to arbitration, an appointment shall be made by the Minister of Labour for the Province upon the request of either representative.

**9.10** (a) The decision of the Board of Arbitration shall be final and binding upon any person concerned and upon both parties. The decision of a majority is the decision of the Board of Arbitration, but if there is no majority the decision of the Chairman governs. There shall be no appeal from the decision of a Board of Arbitration.

- (b) The Board shall not have any authority to alter, modify or change any of the provisions of this Plan, or to substitute any new provisions in lieu thereof, or to give any decision contrary to the terms and provisions of this Plan, and shall have no jurisdiction other than to determine, in accordance with the provisions of this Plan;
  - (i) whether the appeal was filed and processed within the time and in the manner specified in this Article;
  - (ii) whether the Applicant is eligible with respect to the Weekly Benefit claimed;
  - (iii) the amount of any Weekly Benefit payable.

**9.11 Expenses and Remuneration  
- Board Chairman and Representatives**

- (a) The Union and the Company shall each pay one half of the remuneration and expenses of the Chairman of the Board of Arbitration.
- (b) The Union representative and the Company representative on the Board of Appeal and the Board of Arbitration shall serve without recompense from the Fund established under this Plan.

**9.12** A Board of Arbitration and the Board of Appeal shall have no jurisdiction to determine questions arising under the Basic Agreement, even though relevant to the appeal before the Boards. All such questions shall be determined through the regular procedures provided therefore by the Basic Agreement and all determinations made pursuant to such Basic Agreement shall be accepted by the Boards.

**ARTICLE X**

**MISCELLANEOUS**

**10.01 Liability**

The provisions contained in this Plan express completely all obligations of the Company with respect to the financing of the Plan and providing for benefits and payments.

**10.02 Management Functions**

Neither the rights of an Employee to employment nor the Company's right to discipline or discharge shall be enlarged or limited by reason of any provision of this Plan. Nothing contained herein shall be deemed to qualify, limit or alter in any manner the Company's authority to manage the Company as provided in Clause 4.01 of the Basic Agreement.

**10.03 Status of Persons Receiving Benefits Under the Plan**

Neither the Company's contributions nor any Weekly Benefit paid under the Plan shall be considered a part of any Employee's earnings for any purpose. A person by reason of receiving a benefit does not have his status as a former Employee under the Basic Agreement amended or changed in any way. Nor shall he thereby acquire any right to participate in, accrue credits or receive benefits under any other employee benefit plan to which the Company contributes, than he would otherwise be entitled to were he not receiving any Weekly Benefit under this Plan.

**10.04 Non-Alienation of Benefits**

No Weekly Benefit shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution or encumbrance of any kind and any attempt to accomplish the same shall be void.

**10.05 No Vested Interest**

No person shall have any right, title, or interest in or to any of the assets of the Fund or in or to any Company contribution thereto.

**10.06 To Whom Benefits Are Payable**

Weekly Benefits shall be payable under this Plan only to the person who is eligible therefore, except where the Company;

- (a) finds that such person is deceased, in which event, such Weekly Benefit, which is payable with respect to the period of qualifying layoff immediately preceding the week in which such person died, may be paid to one or more of his heirs, testamentary legatees, beneficiaries, executors or administrators as the Company may decide; or
- (b) receives evidence satisfactory to it that such person is unable by reason of physical or mental infirmity arising from any cause whatsoever to receive such payment or to give valid release therefore and there is no guardian, committee or other representative

legally responsible for the estate of such person, in which event such Weekly Benefit, which is payable with respect to the period of qualifying layoff immediately preceding the week in which such person became disabled, may be paid as the Company may decide, to any member of the family of such person or to any other person who is managing the affairs of such person or is then maintaining such person in trust; and the release of the person to whom such payment is made in trust shall be a valid and complete discharge of such payment.

**10.07 Method of Payment**

Weekly Benefits will be paid in the third week following the week in which this Plan becomes effective and on every second week thereafter and shall be for the two-week period preceding the week in which payment is made.

**10.08 Overpayment - Weekly Benefits**

If the Company determines that any Benefits paid under the Plan should not have been paid or should have been paid in a lesser amount (as the result of a subsequent disqualification for Employment Insurance Benefits or otherwise), written notice thereof shall be mailed to the recipient and he shall return the amount of overpayment to the Trustee. If such recipient shall fail to return such amount promptly, the Trustee shall arrange for the amount of the overpayment to be reimbursed to the Fund by making a deduction from future Benefits otherwise payable to such recipient or by requesting the Company to make a deduction from compensation otherwise payable to him, or both. The Company may make such deductions from the Employee's compensation and in such event shall pay the amount deducted to the Trustee. At such time as such overpayment is recovered by the Fund, the number of Credit Points, if any, theretofore cancelled with respect to such overpayment of Benefits shall be restored to such Employee, subject to the provisions of Article V.