

COLLECTIVE AGREEMENT

BETWEEN:

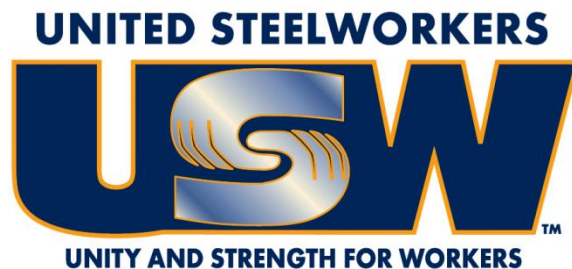
KUBOTA MATERIALS CANADA CORPORATION

Hereinafter called the "Company"

- AND -

UNITED STEEL, PAPER AND FORESTRY, RUBBER,
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND
SERVICE WORKERS INTERNATIONAL UNION
LOCAL 9393

Hereinafter called the "Union"



Effective Date: January 1, 2017

Expiry Date: December 31, 2019

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ARTICLE 1 – PURPOSE AND SCOPE

- 1.01 The purpose and intent of this Agreement is to promote mutually satisfactory relations between the Company and its hourly employees and to set forth therein the basic understanding concerning rates of pay, hours of work, working conditions and matters of administration which affect the hourly employees of Kubota at Orillia.

ARTICLE 2 – RECOGNITION

- 2.01 The Company recognizes the United Steelworkers as the bargaining agent of all employees of Kubota Materials Canada Corporation in the City of Orillia save and except supervisors, persons above the rank of supervisor, salaried office and clerical staff, sales and engineering staff.
- 2.02 Persons whether employed by the Company or from outside who are not members of the bargaining unit, shall not perform work on any jobs which are included in the bargaining unit, except for the purpose of instruction, experimentation or emergency work.

ARTICLE 3 – RELATIONSHIP

- 3.01 The Company and the Union agree that there will be no discrimination of any kind against any bargaining unit employee.
- 3.02 The Company agrees it will not interfere with, restrain, or coerce employees in their lawful right to become and remain members of the Union and to participate in its activities.
- 3.03 The Union agrees that there will be no intimidation, interference, restraint or coercion practiced upon any employees of the Company by any of its members or representatives and that there will be no Union activity, solicitation for membership or other Union business on Company time or on Company premises unless prior approval has been obtained from Senior Management. Further, the Union agrees that there will be no membership meetings of any description held on Company premises unless prior written approval is obtained from Senior Management.

ARTICLE 4 – REPRESENTATION

The Company agrees to recognize and deal with the Local Union Officers. The Company shall be notified by the Union of the names of all Union Stewards and the areas they are representing and the names of all committee members and officers. The Local Union President and the Certified Worker will be assigned to steady day shift.

4.01 **Shop Stewards:**

The Company agrees to recognize Shop Stewards, which will not exceed one (1) Steward for each twenty-five (25) employees. It is further agreed that included in the number above, the Company will recognize one (1) Steward who shall be designated/elected as "Chief Steward".

4.02 **Grievance Committee:**

The Company agrees to recognize and deal with a Union Grievance Committee of not more than three (3) employees. When the legitimate business of a Grievance Committee person or Shop Steward requires him to leave his workstation or department, he shall first receive permission from his Supervisor or Department Manager and report back to his Supervisor or Department Manager upon returning to work. Such permission shall not be unreasonably withheld.

4.03 The Company agrees that Stewards and Grievance Committee members shall not suffer loss of pay for time spent in the handling of grievances. It is understood that this shall not include hours spent outside his/her regular working hours.

4.04 **Negotiating Committee:**

(a) The Company agrees to recognize and deal with a Negotiating Committee of not more than four (4) employees along with representatives of the International Union not exceed two (2) in number.

- (b) The Company agrees to allow members of the Union Negotiating Committee the day off without loss of pay when meeting with members of Management. When negotiations are complete and subsequent to reaching a Tentative Agreement, the Company will bill the Local Union Financial Secretary for all lost time paid for Union Committee members per the following formula. The sum will be paid by the Local Union forthwith, but in any event within thirty (30) calendar days. The Company agrees to pay the cost of meeting rooms and fifty percent (50%) of lost time for the Negotiating Committee up to the first Conciliation meeting.

ARTICLE 5 – MANAGEMENT RIGHTS

- 5.01 Nothing in this Agreement shall be interpreted in any way to limit or interfere with the Company's right to extend, limit, or modify its operations, when in its sole discretion it may deem it advisable to do so.
- 5.02 Neither shall anything in this Agreement be so construed or interpreted as to deprive the Company of its rights to hire, retire, reprimand, transfer, direct, demote, promote, classify, layoff, suspend or discharge its employees for just cause, except as specified by the terms of this Agreement or by any legislated requirements relating to any of the above.
- 5.03 It shall be the exclusive function of the Company to manage the enterprise, to maintain order, discipline, and an optimum level of efficiency. To determine the extent and location of operations or processes, the kinds and locations of machines or equipment to be used, the schedule of operations of hours of work, to determine the number of employees needed at any time, and to make and enforce reasonable rules of procedure and conduct for its employees.

The Company will post all new written policies and changes to policies requiring compliance by the employees such as attendance, discipline, vacation and Bill 168, but not limited to these issues. Such policies may be posted on the appropriate bulletin board(s) or electronically.

The aforementioned rights will not be inconsistent with the provisions of this Agreement.

ARTICLE 6 – NO STRIKES OR LOCKOUTS

6.01 The parties agree that there will be no strikes, slowdowns, stoppage of work, willful interference with production, transportation or distribution, or organized refusals to work overtime or lockouts instituted by either the Company or the Union.

ARTICLE 7 – UNION SECURITY

7.01 The Company shall deduct, where applicable, dues and assessments, as a condition of employment, on a bi-weekly basis from the wages of each employee covered by the agreement, the amount of dues to be calculated in accordance with the union's constitution as long as these do not interfere with the Company's ability to hire.

7.02 All dues and assessments shall be remitted to the Union forthwith and in any event no later than 15 days following the last day of the month in which the remittance was deducted. The remittance shall be sent to the International Secretary Treasurer of the United Steelworkers AFL CIO CLC, P.O. Box 9083 Commerce Court Postal Station, Toronto, Ontario, M5L 1K1 in such form as shall be directed by the Union to the Company along with completed Dues Remittance form R-115. A copy of the Dues Remittance Form will also be sent to the Union Office designated by the Area Coordinator.

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

- a) A list of all employees from whom all dues were deducted and the amount of dues deducted;
- b) A list of names of all employees from whom no deductions have been made and the reasons;
- c) The information shall be sent to both Union addresses identified in Article 7.02 in such form as shall be directed by the Union to the Company provided any new form directed under this Article or

Article 7.02 shall not create an administrative burden on the Company.

- 7.04 The Union agrees to indemnify and save the Company harmless against all claims or other forms of liability that may arise out of, or by reason of, deductions made or payments made in accordance with this Article.
- 7.05 The Company agrees to indicate on the Bargaining Unit employee's T-4 slip the total dues paid for the previous calendar year.
- 7.06 A designated Union Executive member will be introduced to each new employee during their orientation period and allowed a fifteen (15) minute interview with each new employee to talk to them about the Union and the Company.

The Company agrees to advise the Chief Steward or his designate of new employee's completion of his/her probationary period not later than five (5) working days from date of hire.

- 7.07 In the event of a layoff because of lack of work, the Local President, Certified Worker, and the Chief Steward will be considered as having top seniority within their Job Classification.

ARTICLE 8 – HOURS OF WORK

- 8.01 The standard workweek will consist of forty (40) hours worked. These hours will normally be worked between Monday and Friday, but the Company reserves the right to specially schedule other shifts as indicated in Article 9.08 to suit production requirements.

Notwithstanding the Company's right to lay-off in the event of a shortage of work or other unforeseen circumstances, the Company agrees that no general or partial reduction of base hours will be instituted. This Agreement will have no effect on an application by the parties for UIC work sharing program.

- 8.02 An unpaid lunch break of one-half (1/2) hour, or of one (1) hour, depending on the department, will be given during each shift. A

paid ten (10) minute rest period will be allowed during both the first and the second halves of each shift. A five (5) minute wash-up period will be allowed at the end of each shift.

Rather than the unpaid lunch breaks as described above, the Company may implement paid 15 minute lunch breaks in the alternative on a schedule and structure to be set by the Company.

All employees working an eight (8) hour shift on overtime or on a Statutory Holiday are entitled to a fifteen (15) minute paid lunch break and a five (5) minute wash-up period at the end of their shift.

8.03 **Reporting Pay:**

An employee reporting for work on his, or her, regularly scheduled shift, but for whom no regular work is available, will be offered at least four (4) hours of alternative work, or receive four (4) hours pay at his or her, regular hourly rate, unless he, or she, has been notified at least two (2) hours in advance not to report for work.

The foregoing will not apply whenever the failure to supply work is due to conditions beyond the control of the Company or when an employee, who has been absent, fails to ascertain from his or her Supervisor, if work is available.

It is the responsibility of the employee to keep the Company notified of his or her current address and telephone number in order to qualify for this guarantee.

8.04 **Call Back:**

An employee who is called in to work, on an emergency basis outside of his or her normal hours, shall be guaranteed at least four (4) hours work or four (4) hours pay at the appropriate overtime rate.

8.05 Employees asked to attend a meeting will be paid at straight time for the time spent in the meeting. Employees will not be required to attend meetings with Management outside of their scheduled shift.

8.06 In case of hours lost, as a result of an accident whilst at work, an employee will be paid at his or her regular rate for the remaining hours of the shift in which the accident occurred.

8.07 **Absence from Work:**

- (a) Employees are required to notify the Company of any absences from work at least one (1) hour before their scheduled starting time. In the case of extended absences because of illness or accident, the Company may require a medical statement from a physician outlining the employee's ability or inability to return to normal duties. In this event, the Company agrees to reimburse the employees for the costs incurred in obtaining the required medical statements in order to return to work, not later than five (5) days following the submitting of the receipt.
- (b) Any employee absent for three (3) or more working days without notifying the Company will be considered to have resigned and his/her employment will be terminated unless special circumstances dictate a review and exception which will be conducted on a priority and just basis. Absence is to be reported by the employee telephoning 325-2781 and the Supervisor's extension number and reporting name, department, reason for absence and day expected to return to work.

(c) Departments:

Sand Moulding Department:	Extension 203
Shipping & Receiving Department:	Extension 287
Maintenance Department:	Extension 281
Melting Department:	Extension 228
Centrifugal Department:	Extension 212
Pattern Shop:	Extension 211
Static Cleaning Department:	Extension 308
Machine Shop:	Extension 294
Fabrication Department:	Extension 276
Insp./Radiography Department:	Extension 300
TXAX	Extension 205

Hourly Office Personnel: Respective Manager

- (d) In the case of excessive absenteeism due to reported medical conditions, the Company reserves the right to request a medical statement from a physician, prior to the employee returning to work.

8.08 Shift schedules will be posted within a reasonable period not less than three (3) working days prior to the change being put into effect. Once, posted, there will normally be no changes except in exceptional circumstances.

ARTICLE 9 – OVERTIME AND PREMIUM PAY

9.01 Overtime for which the Company will pay time and one-half (1-1/2) will include:

- (a) The hours worked in excess of the employee's regular hours in any one (1) day.
- (b) The hours worked in excess of forty (40) hours in any workweek. Paid holidays will be counted as hours worked.
- (c) The hours worked on Saturday (except as governed by Article 9.08).
- (d) All overtime is voluntary.

9.02 Overtime will be paid at double time (2X) for hours worked on Sunday (except as governed by Article 9.08).

A premium of double time (2X) will be paid for all hours worked on a paid Holiday except for the two (2) floaters as indicated in Article 10.01, in addition to any pay to which an employee is entitled to for the paid holiday.

9.03 No more than one (1) overtime provision shall apply to any hours of work.

- 9.04 Overtime rates will not be paid on excess hours due to a regular scheduled change of shift or a change of shift arranged to accommodate the personal wishes of an employee or employees.
- 9.05 To be eligible for overtime work an employee is required to obtain prior approval from the Supervisor of the department for which the work is performed.
- 9.06 Should allegations of unfair distribution of overtime be received from any employee it will be dealt with under Article 18, Grievance Procedure. The onus will be on the Company to show that overtime is or was distributed on an equitable basis relative to the job requirement to perform the function, which required the overtime. The Company will post weekly overtime lists in each department of available overtime hours. Employees may submit their name for overtime on the list. Notwithstanding that overtime is voluntary, it is agreed that when an employee agrees to work overtime, this commitment will be honoured by the employee and subject to the criteria set out in Article 8.07.

9.07 **Shift Premium:**

A shift premium of ninety cents (.90¢) per hour shall be paid for all hours worked on that shift designated as the Second or Afternoon shift. Effective January 1, 2018, this shift premium will increase to ninety five cents (0.95¢) per hour.

A shift premium of one dollar and fifteen cents (\$1.15) per hour shall be paid for all hours worked on that shift designated as the Third or Night Shift. Effective January 1, 2018, this shift premium will increase to one dollar and twenty cents (\$1.20) per hour.

For the purpose of this Agreement, the following criteria will be used to define the various shifts.

First or Dayshift: That shift which starts the working week on a Monday with a starting time prior to 9:00 a.m.

Second or Afternoon Shift: That shift which follows the First shift (Dayshift) as defined, within a twenty-four (24) hour period.

Third or Night Shift: That shift which follows the Second or Afternoon Shift on an operation where the working day is divided into three (3) equal shifts.

It's agreed that employees with twenty (20) or more years of seniority will receive preference on available non-rotating shifts in the plant.

9.08 **Saturday-Sunday Premium:**

A Saturday-Sunday premium of two dollars and twenty-five cents (\$2.25) an hour will be paid for all hours worked on a regularly scheduled shift starting between the hours of 7:59 p.m. Friday and 7:59 p.m. Sunday. This premium will not be used in any manner in calculating overtime premium paid.

9.09 **Meal Allowance:**

A meal allowance of \$8.50 will be paid to any employee who is requested to and works more than twelve hours in one (1) shift.

ARTICLE 10 – HOLIDAYS

10.01 Each employee, who qualifies according to Article 10.02, will receive eight (8) hours pay at his current hourly rate for each of the following holidays:

- | | |
|----------------|--------------------------|
| New Year's Day | Labour Day |
| Family Day | Thanksgiving Day |
| Good Friday | The Day before Christmas |
| Victoria Day | Christmas Day |
| Canada Day | Boxing Day |
| Civic Holiday | |

Two (2) floaters (to be determined by the Company after consultation with the Union).

Should the employee be working ten (10) or twelve (12) hour shifts he, or she will be given the opportunity to work make up hours, at straight time, to make up for any loss in hours due to the eight (8)

hour holiday pay. Make up hours are not considered overtime for the purposes of overtime distribution in Article 9.06. In the event "make up" hours are worked during a scheduled extra shift they will be paid at the appropriate overtime rate.

- 10.02 In order to qualify for the pay with respect to each of the above holidays, an employee must have been in the employ of the Company and have completed at least twenty (20) days of work prior to the holiday, and must also have worked his, or her, full last scheduled shift prior to the holiday, and his, or her full first scheduled shift following the holiday. Authorized absence will not affect the employee's right to such pay.
- 10.03 Employees on lay-off, or employees absent and receiving either W.S.I.B. payments or weekly indemnity payments will not be eligible to receive holiday pay for any of the above holidays falling during their absence.
- 10.04 Any of the above holidays falling on a Saturday or Sunday will be observed on another day determined by the Company with the agreement of the Union and the provision of holiday pay will apply.

ARTICLE 11 – VACATIONS

- 11.01 The vacation year will be from June 1st to May 31st for calculation of vacation pay.
- 11.02 Vacations with pay allowance will be granted to employees according to the table shown below.

Year of continuous service at employee's anniversary date during current calendar year.	Over		1	5	12	16	25	30
	Less than	1	5	12	16	25	30	
Vacation Allowed-weeks		1	2	3	4	5	6	6
Payment for vacation as Percentage of earnings, whilst an employee of the Company for the 12 months preceding May 31 st .		4%	4%	6.12%	8.33%	10.64%	13.04%	*14%

*Effective January 1, 2018

11.03 Earnings, for the purpose of calculating vacation pay, will not include suggestions, or safety bonus payments. It is understood that the previous years vacation pay in this calculation will be included at the employees base rate times forty (40), times the number of applicable weeks. Credit will be given for hours of work lost and for which weekly Indemnity, or W.S.I.B. payments have been paid up to a maximum of twenty-six weeks. It is understood that employees will not be paid the applicable vacation percentage on any vacation worked and shall be based on a fifty-two (52) week maximum.

11.04 The vacation allowed will be required to be taken during the current calendar year at times approved by the Company which will, where possible, grant this vacation period in accordance with the expressed desires of the employees. The vacation scheduling process shall be as follows:

a) By November 1st of each year, management will make available vacation request forms in each department on which the employees can indicate their vacation requests for January,

February, March and April of the following year. Requests must be submitted by November 15th. By December 1st of that year, the Supervisors/Managers of the various departments will respond to each request.

b) By March 1st of each year, management will make available vacation request forms in each department on which the employees can indicate their vacation requests for May through December of that year. Requests must be submitted by March 31st. By April 15th of the same year the Supervisor/Managers of the various departments will respond to each request.

c) When, after the minimum manpower requirements by job categories for a department has been determined, it is found that more employees request vacation than can be spared, approval will be given at the time the vacation schedule is drawn up, on the basis of plant seniority as among employees in each job category for each department. A copy of the current manpower minimum requirements will be provided to the Union by April 1, of each year.

d) Requests received outside the time periods outlined above must be made in writing and at least two (2) weeks prior to the commencement of the requested vacation time and, if approved by management, will be on a "first come, first served" basis. Except in extenuating circumstances in which vacation may be approved.

- 11.05 The company will provide each employee with his vacation pay three (3) days prior to the date on which the employee commences his, or her vacation providing the employee has made arrangements with his, or her supervisor at least two (2) weeks ahead.
- 11.06 If a paid holiday occurs during an employee's vacation, it will not be counted as part of the vacation and the employee will receive an extra day of vacation.
- 11.07 Vacations are not cumulative and must be taken in the calendar year in which they are given.

11.08 Any vacation earnings left over from the current calendar year will be paid out on the by the first pay in December but no later than the second week of December.

ARTICLE 12 – BEREAVEMENT LEAVE

12.01 a) An employee upon the death of a member of his or her immediate family will be granted leave of absence for up to five (5) days with pay.

To be eligible for this bereavement pay the employee must make written application on the approved form.

Immediate family includes: wife, husband, children, father, mother, brother, sister, mother-in-law, father-in-law, step-father, step-mother, step-child, grandparent or grandchild.

An employee shall be granted two (2) working days leave of absence in the event of the death of a brother-in-law, sister-in-law, daughter-in-law, and son-in-law.

An employee shall be granted one (1) working day leave of absence in the event of the death of spouse's grandparent.

b) Should any of these days fall on a day on which he or she would normally be required to work, he or she will be paid at the straight-time hourly rate for the hours scheduled to be worked on that day.

c) Employees will be granted one unpaid day off to attend funerals of uncles or aunt.

ARTICLE 13 – JURY DUTY OR WITNESS DUTY

13.01 An employee who is called for jury duty or witness duty, will be excused from work for any day on which he, or she reports for such jury or witness duty, and will receive for each such day on which he, or she otherwise would have worked, the difference between eight (8) hours at his, or her regular hourly rate and the payment he, or she received for the jury or witness duty. Should the employee be working ten (10) or 12 (12) hour shifts, he, or she will

be given the opportunity to work make up hours, at straight time, to make up for any loss in hours due to the eight (8) hour allowance.

- 13.02 An employee working a second, or third shift, will not be required to report for work the day, or days he, or she is called for jury or witness duty.
- 13.03 An employee will be required to provide proof showing any amount received from the court before the Company will make any of the aforementioned payments relating to jury or witness duty.

ARTICLE 14 – WAGE RATES

- 14.01 The Company will pay wages at the hourly rates set out in the wage schedule marked "Schedule A."
- 14.02 Employees transferred for an assignment to another job on a temporary basis will, if the rate is less, receive his or her regular rate and if such a transfer is to a job with a higher rate, the employee will receive the higher rate after working in that job for more than four (4) hours.

A temporary transfer under this section is defined as forty-five (45) working days or less in a six (6) month period, unless in an emergency situation. The rate indicated above is not applicable to bumping situations as a result of lay-off.

- 14.03 In the event of work done during plant shutdown, the rate of pay for the class of work required shall govern, irrespective of the employee's regular classification rate.

ARTICLE 15 – HEALTH AND WELFARE PLAN

The Company will provide the following Health and Welfare coverage at no cost to the employees, including the cost of the filing out of doctor's forms to a maximum of thirty (\$30.00) dollars.

- 15.01 Group Life Insurance - \$75,000.00.

Effective 1 January, 2015 - \$80,000

15.02 Accidental Death and Dismemberment - \$75,000.00
Effective 1 January, 2015 - \$80,000

15.03 Sickness and Accident Insurance (non-occupational) – weekly indemnity, payable from the first day of accident, first day of hospitalization, eighth day of sickness for a maximum of twenty-six (26) weeks, with a benefit level of sixty-five (65%) percent of basic weekly pay.

15.04 Semi-Private Hospital Supplement, as per previous coverage.

15.05 Drug Plan as per current coverage with a maximum coverage of:
\$4,000.00 per year.

15.06 Follow the ODA Fee Schedule with a 2-year lag.

15.07 Extended Health Care Plan – payments will be made for 80% of the charges for most medical services and supplies not covered by OHIP which exceed the cash deductible, up to \$10,000.00 maximum.

15.08 **Pension Plan:**

The Company agrees it will provide hourly employees with a pension following retirement at or after reaching age sixty-five (65) computed at \$48.50 per month times years of pensionable service, rising to \$49.00 per month times years of pensionable service effective January 1st, 2017, \$50.00 per month times years of pensionable service effective January 1st, 2018, and \$51.50 per month times years of pensionable service effective January 1st, 2019.

(a) 61 years of age or older with 20 or more years of service. The following benefit package will be included in this option and be maintained until the employee's reaches the age of sixty-five (65).

Term Life Insurance of \$3,000.00. Extended Health Care as Article 15.04 and 15.07 of this Agreement.

Drug Benefits as Article 15.05 of this Agreement.

Vision Care as Article 15.09 of the Agreement.

Dental Plan as Article 15.06 of the Agreement.

- (b) Upon reaching 35 years of continuous service. Employees exercising this early retirement option will be provided with non-deductible drug coverage plan with a life time maximum of \$10,000 per insured employee. This will be the only benefit available under his option.
- (c) Exercising the Early Retirement Option prior to age 61 or with a lesser amount of service will be subject to the present early retirement calculation less 1/2% per month by which the commencement of the pension precedes the Retirement date.
- (d) Defined Benefit (DB) Pension Plan

The company and Union agree that the Current DB pension plan will remain open for a period of 10 years from ratification, and is a negotiable item at collective bargaining.

- (e) Defined Contribution (DC) Pension Plan

All employees hired after ratification will be eligible to participate in the available Defined Contribution Pension plan in accordance with the provisions of that plan.

The Company will match up to 4% of monthly earnings to the plan for each employee in the bargaining unit enrolled in the plan.

The Company and Union agree that a DC pension committee will be formed consisting of two (2) members

from Management and two (2) members from the Union to discuss then DC plan, including investment funds that will be available for members to select.

15.09 **Vision Care Plan:**

Payments up to \$375.00 per eligible family members toward the cost of the frames, prescribed glasses, or contact lenses, but not more often than once every two years.

Effective January 1, 2018 – \$400.00

15.10 Out-of-Province or Country Sickness and Hospitalization Benefits will be covered to the limits so prescribed.

15.11 Full benefit coverage will be maintained as above for up to one year for those employees on extended verified absence due to non-occupational accident or illness.

Benefit coverage for employees on WSIB will be paid for up to a period of thirty (30) months except Life Insurance which will be paid for twelve (12) months.

In order to maintain this coverage the employees concerned will report to the Human Resources Department once a month. The Company will pay 100% for OHIP, Life Insurance and Accidental Death or Dismemberment for any employee on layoff for periods up to three months duration, provided the individual remains unemployed while on lay-off.

15.12 **LTD:**

If you are totally disabled after twenty-six (26) weeks of disability or illness, Long Term Disability Benefits pays you sixty (60%) percent of your standard hourly rate times (x) forty (40) hours for a period of up to five (5) years to maximum of \$2000 per month.

ARTICLE 16 – MISCELLANEOUS BENEFITS

16.01 **Prescription Safety Glasses:**

The Company will provide, once per year, one pair of Prescription Safety Glasses with side shields attached. When evidence is presented that job conditions, beyond the control of the employee, cause the need for an additional replacement, the Company will provide the replacement pair.

16.02 **Safety Boot Allowance:**

The Company will pay per the formula below towards the cost of safety boots provided that the boots are fitted with built-in metatarsal guards. This subsidy will be paid once per year except where evidence is submitted that work conditions, beyond the control of the employee, caused the need for the purchase of one additional pair per year.

Effective January 1st, 2014, \$180.00

Effective January 1st, 2018, \$185.00

For those employees having special safety boots due to physical infirmity, the Company will pay for repairs as required provided:

- (a) A receipt for such repair is received.
- (b) The protective casing of the safety boot is judged to be in compliance with Safety Standards by the Safety Coordinator or persons designated by him.
- (c) The cost of such repair(s) does not exceed the new boot allowance as detailed in this Agreement.

16.03 **Annual Savings Plan:**

A payment based on two (2) to six (6) per cent of an employee's total earnings for the twelve (12) months prior to and including the first pay in November, will be made no later than the last pay in November. This savings plan is voluntary and the employee must request to be enrolled. Employees who retire, who are on lay-off,

who are dismissed, or who terminate their employment, will receive this payment upon leaving the company. An employee may request an early payout; however, he or she can only participate once per year.

16.04 **Tool Allowance:**

Tradespersons, who are required by the Company to provide their own specified hand tools, will be compensated for hand tools broken or worn out in Company service after January 1, 1989. Excluded from this provision will be any electrical or air-powered tool, which the company would provide. Where possible replacement will be in kind i.e. Moore and Wright Micrometer will be replaced by Moore and Wright Micrometer. Replacement will be made upon presentation of satisfactory evidence and approval of the respective department manager.

16.05 **Disposable Coveralls:**

The Company will provide disposable coveralls to maintenance or other employees when they are required to work in excessively dirty conditions, Management retains the right to determine which working conditions are covered by this clause.

ARTICLE 17 – SENIORITY

17.01 The Company recognizes that job security and opportunity for advancement should increase with seniority as measured by years of service with the Company. Seniority will be determined by the employee's length of continuous service with the Company.

17.02 The Company will maintain a seniority list, which will be made available to supervisors and the Union. In addition, copies of this seniority list will be posted in the main areas of the Company's plants and shall be accessible to all employees.

17.03 **Probationary Period:**

An employee will attain seniority upon completion of sixty (60) worked days from the date of hire.

This period will be termed a probationary period and upon successful completion of this probationary period, the employee's seniority date will be the date of hire. Employees shall not be eligible for transfers or postings in the workplace during their probationary period. During the probationary period, the employees will not have any seniority rights.

Employees must successfully complete their probation period before they are eligible for pension enrollment, however pensionable service date will be noted as their seniority date.

17.04 **Maintenance of Seniority:**

When on lay-off, or during an extended absence due to non-occupational accident or illness, employees will maintain and accumulate their seniority and will be eligible for recall for a period of up to twenty-four (24) months. It is the responsibility of the employee who is absent as a result of a non-occupational accident or illness to submit to the Company, at periodic intervals, a medical certificate, certifying his continuing disability.

It is understood that the above is not applicable for employees considered disabled/handicapped as defined by the Ontario Human Rights Code unless the individual(s) cannot be accommodated pursuant to the provisions of that Code.

An employee on lay-off who fails to return to work within seven days after the Company has sent a notice of recall to the employee by registered mail, to the last known address on the records of the Human Resources Department, will lose seniority and all rights to recall. If unable to return when recalled due to a medical problem certified by a doctor, the employee will not have recall rights cancelled within the time period specified above.

A person may refuse recall, without loss of recall rights, to a position that is estimated will last for six (6) weeks or less, provided the Company is able to fill the position with another qualified laid-off employee. If all qualified laid-off employees refuse recall to the temporary position then the most junior qualified person must accept the recall or lose the recall rights. Once a person refuses a

temporary recall that person cannot, at a later date, change the decision and “bump” the person who was recalled to fill the position even if the “temporary” position becomes “permanent”.

17.05 **Lay-off and re-hiring:**

When it is necessary to lay-off, or recall employees who have been on lay-off, this will be done according to seniority and qualifications with regard to the jobs to be performed. The Company will provide the Union with copies of the lay-off notices before the lay-off and recall notices before the re-call, whichever applies, and both as soon as practical.

- (a) In the event an employee is judged to have adequate demonstrative skills to perform a specific job, but is unfamiliar with the machine tool or method being used in that job, he or she will be permitted a two-day “familiarization” period. It is mutually understood this period is not to be misconstrued as relating to training.
- (b) Employees with fifteen (15) years or more of seniority will be permitted to bump into any active job in groups 1 to 3 inclusive. It is understood that such employees will have no more than forty-five (45) working days as a trial period to meet the normal requirements of the job.

Employees having requested, or accepted a voluntary lay-off relinquish their normal bumping rights and should they later request to return to work they will be eligible to return only if a suitable position is vacant.

17.06 Employees transferred from one job to another on a temporary basis or as a result of a lay-off situation, will be entitled to return to the job from which they were transferred as soon as it again becomes available.

It is understood that experience gained on temporary transfers as described above, will not be considered by the Company in support of a junior employee when bidding on a job posting.

17.07 An employee who is transferred to a position in the Company outside the bargaining unit retains seniority measured in years of service with the Company plus up to one (1) year seniority while outside the bargaining unit should he/she return to the bargaining unit. This provision will only apply on a singular occasion for each such employee.

It is understood that such an employee can only return to the bargaining unit when there is a posted vacancy.

17.08 **Promotions:**

The Company recognizes that job security and opportunity for advancement should increase with seniority as measured by years of service with the Company. In all cases of promotions and transfers (other than promotions of a temporary nature, or to positions outside of the scope of this agreement) the Company will consider the following two factors:

- a) The relative seniority of the employees affected.
- b) The requirement of the position and the relative ability, training and skill of the employees concerned to fill normal requirements of the job.

When the relative ability, training and skill are deemed equal the senior employee will be awarded the vacant position applied for.

17.09 **Job Vacancy Postings:**

All vacancies for permanent hourly rated positions, as per Article 14.02 including those for lead hands, will be posted on the bulletin boards, except where a qualified person is off work or requires accommodation under the Ontario Human Rights Code, in which case those persons will be considered before any posting. The notice will be posted for a period of one (1) calendar week and will include the number of positions available. The name of the successful applicant will be posted within five (5) working days of the close of the original postings.

In the event the successful applicant is not placed on the job within two (2) weeks of the posting, the Company agrees to give the Union a written explanation for the delay and the approximate date of placement.

17.10 **Training:**

Employees in jobs for which there is a higher level in the same classification will, as far as practical, be allowed to train on-the-job to qualify for the next level. This opportunity will be governed by the principle outlined in Article 17.08. When, the employee becomes qualified, this qualification will be recorded in the employees file. This qualification will not entitle the employee to any pay rate increase but will be considered during evaluation for possible promotion when a vacancy occurs.

Time spent on training will be recorded for future consideration.

ARTICLE 18 – GRIEVANCE PROCEDURE

18.01 **Grievance Committee:**

A Grievance Committee made up of three members will be appointed by the Union.

18.02 Should any difference arise between an employee and the Company an earnest effort will be made to settle such a difference without undue delay in the following manner:

STEP 1 – The aggrieved employee, with the assistance of his, or her Union Representative, will take the matter to his, or her immediate Supervisor or the Supervisor involved who will render a decision within two (2) working days of receiving it (or any longer period which may be mutually agreed upon). If a satisfactory settlement is not then reached the grievance may be presented as follows at any time within two (2) working days.

STEP 2 – The Union Representative with the aggrieved employee shall present the matter, in writing on the approved form, to the respective department Manager who will consider it in the

presence of the employee's Supervisor. The Manager's decision, in writing, will be rendered within three (3) working days from his receipt of the **STEP 2 grievance**. If a satisfactory settlement is not then reached the grievance may be referred to the Grievance Committee and presented as follows at any time within three (3) working days thereafter.

STEP 3 – The Grievance Committee will request a meeting with the respective Senior Manager of Human Resources or his or her designate and arrange to meet at a mutually agreed time to consider the grievance. The Staff Representative of the Union may be present at the meeting if requested by either party.

- 18.03 If final settlement of the grievance is not completed within seven (7) days after the meeting at **STEP 3**, and if the grievance is one which concerns the interpretation or alleged violation of the Agreement the grievance may be referred by either party to an arbitrator, who has been previously mutually agreed upon by both parties, at any time within twenty-one (21) days thereafter but no later.

The decision rendered by the arbitrator shall be final and binding upon both parties and the employee, or employees concerned. The arbitrator shall not be authorized, however, to add, withdraw, or amend any part of this agreement.

- 18.04 The Company shall decline to consider any grievance, the alleged circumstances of which occurred more than five (5) working days from the time the circumstance were known to the grievor. Notwithstanding the above, a grievance shall not be considered if ten (10) working days have elapsed since the circumstances occurred.
- 18.05 The Arbitrator does not have the power to alter, change or substitute any provisions of this Agreement, nor to render a decision inconsistent with its terms or conditions or to deal with any matter not covered by this Agreement.
- 18.06 The fees and expenses of the Arbitrator will be shared equally by the Union and the Company.

18.07 If neither party received from the other, a written referral to arbitration within twenty (20) calendar days following the Step Three reply which shall be given in writing within five (5) working days after the grievance is submitted, the grievance will be considered abandoned.

18.08 **Management or Union Grievances:**

- (a) Where a difference arising from the interpretation, application, administration or alleged violation of this Agreement, including any question as to whether a matter is arbitrable, arises directly between the Union and the Company, either party shall have the right to initiate a Union Grievance or Company Grievance as the case may be, commencing at Step Three of the grievance procedure.
- (b) A Union Grievance shall not include any matter upon which an employee would be personally entitled to grieve and the regular grievance procedure shall not be by-passed.
- (c) A Union Grievance shall be submitted in writing to the Senior Manager of Human Resources or his or her designate. A Company Grievance shall be submitted in writing to the Union Staff Representative.
- (d) A claim by an employee that he has been dismissed without just cause will be recognized as a grievance if a written grievance is received within three (3) working days from the date of said dismissal and will be processed as 18.08 (a) above.

No employee will be discharged without a Union Representative present when the discharge is meted out.

If a Senior Manager or Human Resources requests Union representation outside the Union representative's scheduled working hours, the Union representative will be paid the applicable overtime rate for the duration of meeting, which may include a short meeting between the member and the Union representative.

- (e) No employee will be disciplined without first being offered Union representation at the time the discipline is issued.

If a Senior Manager or Human Resources requests Union representation outside the Union representative's scheduled working hours, the Union representative will be paid the applicable overtime rate for the duration of meeting, which may include a short meeting between the member and the Union representative.

- (f) If a Union representative is present when discipline is issued the Representative will be provided a copy of the discipline. If no Union Representative is present a copy of the discipline will be provided to the designated Union Representative.
- (g) Discipline issued more than ten (10) working days from the known date of infraction shall be null and void.
- (h) Multiple day suspensions are to be served on consecutive 'working' days. Suspensions shall start immediately on the next scheduled shift.

ARTICLE 19 – LEAVE OF ABSENCES

The Company may grant "Leave of Absence" without pay to any employee with legitimate personal reasons.

- 19.01 The request must be submitted in writing to the employee's supervisor at least two (2) weeks in advance, except in the case of an emergency.
- 19.02 The "Leave of Absence" will be granted for a specific number of hours or days up to a maximum of three (3) months; however, an extension may be granted under exceptional circumstances at the discretion of the Company.
- 19.03 If the employee accepts other employment during the "Leave of Absence" it will be considered that he, or she has terminated his or her employment with Kubota.

19.04 The employee will make his, or her own arrangements with the Company re payment of welfare benefits, etc.

19.05 The Company will grant leave of absence without pay for up to one (1) week periods to not more than two (2) employees to serve as delegates of the Union or for other Union business provided such leave is requested at least one (1) week in advance. It is further agreed that the two (2) employees will not be from the same department unless permission is granted by the Senior Management of the Company or his or her designate.

ARTICLE 20 – TIME CLOCKS

20.01 Each employee is assigned a plastic time card. Since it is necessary for the payroll department to maintain accurate records of time worked, each hourly paid employee will punch “in” when starting work, “out” and “in” for lunch, and “out” when finishing the work day. If an employee leaves the plant for personal reasons during the shift, the same procedure must be followed after clearing with his or her Supervisor. Any mistake in the above procedure is to be pointed out to his or her Supervisor for correction and approval.

The use of another employee's time card is a serious offence and any employee doing so will be subject to disciplinary action.

ARTICLE 21 – CONTRACTING OUT

21.01 The Company will not contract out work which can be performed cost-effectively, efficiently and in a timely fashion in-house by Bargaining Unit Employees. If the above conditions are met, the Company agrees that no contracting out will occur which will cause the lay-off or delay the recall of Bargaining Unit Employees.

ARTICLE 22 – TECHNOLOGICAL CHANGE

22.01 Technological change means a significant change in the methods or processes, which may mean a reduction of the bargaining unit employees. Where possible the Company will give the Union prior notification of such changes within a reasonable time period prior

to the implementation and inform the Union of any known potential effect on the employment of the Bargaining Unit Employees.

- 22.02 In the event of Article 22.01 above, the employees so affected will be processed in accordance with Article 17 – Seniority. Every effort will be made to accommodate them in their new positions including normal training time.

ARTICLE 23 – HEALTH AND SAFETY

23.01 **Reporting of Injuries:**

Any injury, suffered by an employee whilst at work, must be reported to the employee's supervisor and to the appropriate First-Aid attendant for the plant in which the employee works. Should an employee require hospital treatment, or treatment by a physician, as a result of such an injury, this information must be given to the Health and Safety Manager or his or her designate as soon as practicable. Failure to report any accident within a twenty-four (24) hour period is a serious Violation of the Plant Health and Safety Rules and may jeopardize any claim by the employee relative to an accident.

23.02 **Observance of Safety Rules:**

All employees are required to strictly adhere to the General Safety Rules (see Schedule B) together with any departmental or specific job safety instructions which are posted or received from management/supervision.

Failure by an employee to follow safety rules or instruction will result in disciplinary action being taken against the employee by the Company.

- 23.03 The Company will make reasonable provision for the Health and Safety of its employees at the Plant during the hours of their employment. Protective devices, wearing apparel and other equipment necessary to properly protect employees from injury

are provided by the Company. The Union will cooperate with the Company in seeing such protective devices are used.

23.04 The Company and the Union agree that they mutually desire to maintain high standards of Safety and Health in the Plant in order to prevent occupational injury and illness.

23.05 It is agreed that the Joint Health and Safety Committee will have at least three (3) bargaining unit members as part of the Committee. On the agreement of the Company the number of bargaining unit members of the committee may be greater than three (3). The Company and the Union will endeavor to hold meetings monthly for the purposes as provided in the Act, including identifying hazardous situations, making recommendations regarding same and, where necessary making inspections. Minutes shall be taken at all meetings and copies shall be made available to all Committee members and the Union President and shall be posted on the Health and Safety bulletin board.

It is agreed that the Union side Health and Safety Committee members shall be paid one and one-half (1-1/2X) times their regular rate of pay for time spent at meetings with management or plant tours, outside their normal work hours.

23.06 Management agrees that the current JHSC Policy relating to unsafe work and the employee's right to refusal will remain in effect for the duration of the new agreement.

ARTICLE 24 – CHANGE IN EMPLOYEE'S PERSONAL DATA

24.01 Information regarding any change of status of an employee is to be reported to the Human Resources Department by the employee for the following:

- (a) Legal Marital Status (i.e. married, widowed, divorced, living common law)
- (b) Address or contact numbers
- (c) Beneficiaries
- (d) Dependents

ARTICLE 25 – BULLETIN BOARDS

25.01 The Company agrees to provide bulletin boards for the Union by or located beside the time clock in the main plant entrance and the time clock in the machine shop for their own use. It is understood that all notices to be posted require Company approval with the exception of those relating to Local Union and International Union affairs. The Company reserves the right to remove any notice which it deems offensive.

ARTICLE 26 – DURATION

26.00 This agreement is effective the first day of January 1, 2017 and will continue in effect until the 31st day of December 2019, and shall continue automatically thereafter for further one year periods unless either party notifies the other in writing that it desires to amend or terminate the agreement within ninety (90) calendar days prior to the expiry date.

NOTE: Contract Booklets

The Company agrees to supply the Union with contract books for each member, 50 extra booklets and an electronic copy for the Staff Representative and the Union President.

SITE WORK

Statement of Purpose:

When Hourly Employees are requested to and agree to travel to a Customer's site to perform work the following specific allowances will be granted. It is mutually understood that this Article covers only Employees who perform designated work at a site and is not relevant in reference to site visits for observation or other purposes.

Travel to and from Site-Work:

The Company will be responsible for the means of transportation and payment thereof. When travel is required during a regular work-day, employees will be paid at that regular site rate as defined in Rate of Pay,

for the actual hours incurred in traveling. If this travel time exceeds eight (8) hours, overtime rates will apply as defined in Article 9 of the Collective Agreement. When the travel time is less than eight (8) hours, the Employees shall receive the balance as a make-up allowance.

When employees are required to travel on Weekends or Statutory Holidays, the over time premium as defined in Article 9 shall apply from a designated start-time to arrival at site with no make-up for trips under eight (8) hours.

Normal Working Hours:

Normal working hours for site work will be five (5) weekday shifts of eight (8) hours duration. Shifts can be Dayshift, Afternoons or Nightshift dependent upon the circumstances but would normally be contained to no more than two (2) i.e. Dayshift and Afternoon Shift. Premiums for second and third shift would be defined in Article nine (9) of the Collective Agreement.

Rates of Pay:

Employees engaged in site work will be paid their Regular Hourly Rate plus a premium of \$1.75 per hour. This premium will not be recognized as a separate allowance for the calculation of overtime etc. but rather an integral part of the Employees Base Rate.

Overtime:

Overtime premiums will be paid at normal Plant Overtime Rates as defined in Article 9 of the Collective Agreement for all hours worked in excess of eight (8) hours on weekdays, and Saturdays, Sundays and Statutory Holidays.

Accommodation Expense:

The Company will pay for a single room in a Hotel or Motel for each Employee. Additional expenses charged to the room will be the Employee's responsibility.

Daily Allowances:

Daily Allowances for which no receipts are required as follows:

Meals:	\$47.00
Expenses:	\$22.00
Total:	\$69.00

The daily expenses will be given to the Employee in a Cash Advance for the anticipated duration of the site work. Should this period change the Employee will re-imburse the Company or the Company provide a further Cash Advance dependent upon a shorter or longer term of work.

Daily expense allowance covers Tips, Laundry and other miscellaneous small items.

Telephone Calls:

Allowance will be given for reasonable telephone calls to the Employee's Homes. Excessive calls will be deemed part of the Employees Daily Expenses. When/if such a situation occurs, it will be reviewed in light of all the circumstances and an agreement reached with the Employee, his Union Steward and the Department Manager.

Weekends:

Due to the Operating Conditions at certain sites, it may be possible that during their site tenure, no work will be required on Weekends. In that event, Employees would be paid at the normal Shift rate with no overtime premium. This clause would only apply when overtime was not available and is not subject to the interpretation that Employees can refuse overtime and still receive payment as described above.

Conduct at Site:

Employees engaged in site work are Ambassadors of the Corporation and they must comply totally with all of the Site's Rules and Regulations from Safety to General Conduct. Employees who breach these rules will be removed from the site and returned to their normal Plant occupation.

SCHEDULE "A"

Wages for Period				
January 1, 2017 to December 31, 2019				
Group Classification		Wage Rate 2017 2%	Wage Rate 2018 2%	Wage Rate 2019 1.5%
1	Janitor Grinder #2 Melter #5 Blast Operator Shell Operator #3 Torch Cut-off #2	\$21.43	\$21.86	\$22.19
2	Material Handler #2 Grinder #1 Melter #4 Pourer #2 Pattern Repair Person Sand Lab Tech'n. C.C. Operator #3 Waste Management MERT Operator	\$22.06	\$22.50	\$22.84
3	Shell Operator #2 Heat Treat Oper. #2 Press Operator Clerk Core Maker #2 Material Handler #1 Lab Tech'n. #3 Casting checker (LPI) Sand Operator #1	\$22.70	\$23.15	\$23.50

Wages for Period				
January 1, 2017 to December 31, 2019				
Group Classification		Wage Rate 2017 2%	Wage Rate 2018 2%	Wage Rate 2019 1.5%
4	Receiver Shipper #2 Melter #3 Pattern Inspector Torch Cut-off #1 C.C. Operator #2 Moulder #3 Pourer #1 Machine Operator #1 Upgrade Welder#3 Lab Tech'n. #2	\$23.14	\$23.60	\$23.95
5	Metallurgical Assistant Shipper #1 Maint. Stores Tech'n. Heat Treat Oper. #1 Shell Operator #1	\$23.69	\$24.16	\$24.52
6	Melter #2 Inspector #2 Upgrade Welder #2 Core Maker #1 Moulder #2 Mechanic #2 Mat'l. Hand/Assy. Co-ord. International Moulder	\$24.14	\$24.62	\$24.99
7	Upgrade Welder #1 Pull-Bore Operator	\$24.70	\$25.19	\$25.57
8	Lab Tech'n. #1 C. C. Operator # 1	\$25.21	\$25.71	\$26.10
9	Technologist "B" Melter #1 Petrochemical Welder #2	\$25.89	\$26.41	\$26.81

Wages for Period				
January 1, 2017 to December 31, 2019				
Group Classification		Wage Rate 2017 2%	Wage Rate 2018 2%	Wage Rate 2019 1.5%
10	Moulder #1 NDE #2 Inspector #1 Electrician #2 Machinist Fabrication Welder #2 Petrochemical Welder #1	\$26.60	\$27.13	\$27.54
11	NDE #1 Fabrication Welder #1 Technologist "A"	\$29.16	\$29.74	\$30.19
12	Mechanic #1 J'Person Machinist Electrician #1 Patternmaker Machineshop Assembly Inspector Maintenance Planner/ Supply and Control	\$29.74	\$30.33	\$30.78
Lead Hand premium of \$0.75 above current job classification held.				
One dollar (\$1.00) premium for employees holding a "R.S.O." Certificate when required.				
A \$1500 lump sum payment, minus statutory deductions will be provided to Employees. Employees may direct this payment to a registered RRSP on provision of a direction to do so and the appropriate account information, including confirmation of availability of contribution room. Otherwise, this payment will be made directly to the Employee. Employees who wish the amount to be paid to an RRSP must provide their direction and the required information to Human Resources within 2 weeks of the date of ratification. Payment will be processed on the next pay date after the expiry period.				
Any retroactive pay to January 1, 2017 will be paid no later than August 31, 2017.				

SCHEDULE "B"
PLANT SAFETY RULES

1. All plant working personnel shall wear approved steel-toed boots c/w metatarsal protection. Exceptions are main office personnel who shall be required to wear steel-toed shoes upon entering any plant area. Visitors shall be exempt from this condition.
2. The wearing of approved hard hats, safety glasses c/w side shields and hearing protection shall be mandatory for all plant working personnel and any main office personnel whose duties keep them in plant areas for extended periods. All visitors shall be required to wear approved hard hats and safety glasses c/w side shields. Hearing protection will be made available upon request.
3. Additional items of personal protective equipment shall be worn where specified by department procedure.
4. The possession or use of intoxicating alcohol or drugs while on company property is forbidden as is working while under the influence of alcohol or drugs.
5. Running or horseplay will not be allowed on company property.
6. All personnel working with or near molten metal operations shall wear aluminized clothing which shall include knee high spats, mitts and full length coats.
7. Radiation warning barriers must not be crossed at any time.
8. Defective tools, machines, materials or equipment will not be used and shall be reported immediately to the Department Supervisor concerned.
9. Machines or equipment shall not be operated unless the specified guards and/or protective devices are properly attached and functioning.

10. Employees shall not repair, alter or perform work on any equipment unless they have received prior written authorization and appropriate training to do so.
11. Loose or torn clothing, neckties, gloves or other similar apparel which might involved the risk of entanglement, shall not be worn near moving machinery.
12. Employees with long hair shall keep it safely under control by tucking it under hard hats or by using appropriate hair nets/hair ties.
13. Rings shall not be worn while working in the plant.
14. Compressed air and compressed air equipment shall not be used to blow dust or other substances from the clothing worn by a worker or, in such a manner to endanger any worker.
15. Fire equipment shall not be used for any purpose other than fighting fires. Whenever such equipment has been used it must be reported immediately to the supervisor of the appropriate department.
16. No employee shall enter a confined space without first, testing the space for hazardous conditions and completing an entry work permit which shall be approved by the appropriate department supervisor.
17. All injuries (including minor ones) shall be reported immediately to the workers' Supervisor and the Health and Safety Department.
18. Lock-out procedures must be in effect before repairs or similar work is performed on machines and electrical equipment.
19. Smoking in the Plant or within 30 feet of any entrance or opening to the plant (including windows) is prohibited.
20. All contractors undertaking project work for the corporation shall be required to wear approved steel-toed safety boots, hard hats and safety glasses c/w side shields. In addition, contractors will be

required to fulfill all applicable duties and responsibilities under current health and safety legislation as it relates to the project work being undertaken.

LETTER OF UNDERSTANDING

ONE (1)

Reprimands

All disciplines imposed after January 1, 2014, shall be removed from an employees' file after an eighteen (18) month period providing the employee receives no other disciplines during that eighteen (18) month period.

For disciplines imposed up to and including December 31, 2013, the provisions of Letter of Understanding # 1 in the Collective Agreement expired December 31, 2013 shall apply.

LETTER OF UNDERSTANDING

TWO (2)

Overtime Premiums

With the introduction of the three-shift system an anomaly has arisen with regard to a second shift employee who has been requested to work overtime at a weekend period. The only hours he can so work are on the Friday, either on first or second shift and similarly on the Saturday. This is because his regular shift starts on Sunday at 3:30 p.m. Therefore, under the current Collective Agreement, he received overtime premiums of time and one-half only for both days. A Dayshift employee on the other hand receives time and one-half for the Saturday and double-time for the Sunday. This is seen to be unfair. To resolve this situation, a premium of double-time will be paid for the second weekend day, i.e. the Saturday. It is recognized that overtime premiums will not pyramid i.e. we will not pay double-time for a Saturday and double time for a Sunday in the same weekend period.

LETTER OF UNDERSTANDING

THREE (3)

Weekend Shifts

Kubota Materials Canada Corporation and the United Steelworkers of America agree that notwithstanding Articles 9.01 and 9.02 of the Collective Agreement; the Company may elect to continue the practice of certain departments working a compressed weekend shift of three (3) days X twelve (12) hours per day as its prerogative. Premiums will be as detailed in Article 9.08 except for the hours exceeding ten (10) on the Friday and Saturday where the premium will be time and one half and the hours exceeding ten (10) on Sunday where the premium will be double time.

The Company will endeavour to fill this shift on a voluntary basis from the employees within the Department. Where this is not possible, the Company will designate sufficient manpower to meet its needs from the aforesaid employees.

LETTER OF UNDERSTANDING

FOUR (4)

Training Program – Inspector #1

The following is the training programme and wage rate for each stage to train and upgrade an employee selected through the normal Job Posting procedure for the eventual position of Inspector #1 with LPI qualification and certification.

1. Group Classification #1 Wage Rate.
Starting rate.
2. Group Classification #3 Wage Rate.
After nine (9) months or sooner with satisfactory performance.
3. Group Classification #5 Wage Rate.
After further nine (9) months or sooner with satisfaction performance and when incumbent has prepared for the Government Examination and Licence.
4. Group Classification #10 Wage Rate.
When fully qualified and in possession of Government Licence.

LETTER OF UNDERSTANDING

FIVE (5)

Non Destructive Examination Personnel

For the duration of the new Collective Agreement effective January 1, 2001, the Union agrees that provided there are no bargaining unit employees available and qualified either in active employment or laid-off; and provided that the circumstances causes an emergency situation; and where no qualified people could be hired and employed in the normal fashion, that the Company, after obtaining written approval, which shall not be unreasonably withheld from the Local Union President (or if that person is not an employee of Kubota, then the Kubota bargaining unit chairperson) or his/her designate, may recruit qualified people from outside the bargaining unit to perform the required work.

LETTER OF UNDERSTANDING

SIX (6)

Lead Hands.

During our 1997 negotiations, it was agreed that the names of all lead hands will be posted in their respective departments.

It was further agreed that the colour of lead-hands hard hats will be something other than white.

LETTER OF UNDERSTANDING

SEVEN (7)

Training Program – NDE #2

The following is the training programme and wage rate for each stage to train and upgrade an employee selected through the normal Job Posting procedure for the eventual position of NDE #2 with CEDO and CAN/CGSB Qualification.

1. Starting Rate
Group Classification #1 Wage Rate.

2. Upon completion of CEDO Government Licence and a minimum of 9 months experience or sooner with satisfactory performance and the completion of the necessary hours as per CNSC requirements.
Group Classification #5 Wage Rate.

3. When in possession of the CAN/CGSB Government Licence and capable of performing all job requirements.
Group Classification #10 Wage Rate.

LETTER OF UNDERSTANDING

EIGHT (8)

Banking of Overtime Hours

1. When overtime is required the employee will be given the option of being paid for overtime in the current regular accepted fashion (through payroll).
2. The next option is to bank all overtime hours converted to straight time hours for purposes of credit time off.
3. Time is logged and can accumulate up to forty (40) hours in total per year.
4. Banked hours must be taken in forty (40) hour periods and no less.
5. Requests to use time banking must be approved by management so as not to interfere with production requirements.
6. If at the end of each calendar year during the term of this contract, time banked has not been taken, then all banked hours will be paid out in full.
7. Banked week cannot be booked as credited time off in advance until it is earned through the banking of overtime hours. Therefore, overtime must be logged and accumulated to forty (40 hours) prior to using a banked week to book a week off.

LETTER OF UNDERSTANDING

NINE (9)

Petrochemical Welders – Cleaning Room

Due to Kubota Materials Canada Corporation developing the fast growing Tube Sheet market and the development of some very exotic alloys we need to train and be able to keep high tech welders in the static cleaning department. These products are very difficult to weld and take years to develop the required experience to be able to successfully process through LPI and X-ray.

There is no welding classification in the Collective Agreement for this type of welder. Therefore, the Company proposes that two additional welding classifications be added i.e. Petrochemical Welder # 2 which would be Group # 9 Wage Rate and Petrochemical Welder # 1 which would be in Group # 10 Wage Rate. It would be understood that to attain the Petrochemical Welder # 2 class the incumbent would have had to progress from the Upgrade Welder # 1 class and the Petrochemical Welder # 1 would progress from the Petrochemical Welder # 2 class when such job vacancies arise.

LETTER OF UNDERSTANDING

TEN (10)

Union Office

The Company agrees to provide the Union with an office in the Plant for its use.

The Union agrees that it will be used in compliance with the relevant articles in this agreement.

The office will remain locked when not in use and the key will be made available to the Union President or his designate from the Supervisor.

LETTER OF UNDERSTANDING

ELEVEN (11)

W.S.I.B. Form 7

The Company will give a copy of the W.S.I.B. Form 7 to the Union when providing it to the employee.

LETTER OF UNDERSTANDING

12 (TWELVE)

Vacation Pay Accrual

The Company would like to show vacation pay accruals on regular pay stubs and will investigate the feasibility, timing and cost of doing so with the hope that it can be implemented satisfactorily.

On request, the Company will provide a vacation accrual print-out to the employee once per vacation year. The Company shall provide the print-out within two weeks of the date on which the request was made.

LETTER OF UNDERSTANDING

THIRTEEN (13)

Plant Closure

If the Company decides to close, the parties agree to meet to discuss a closure agreement.

LETTER OF UNDERSTANDING

FOURTEEN (14)

TXAX

WHEREAS Kubota Materials Canada Corporation (“Kubota”) and the United Steelworkers Union Local 9393 (the “Union”) are parties to a Collective Agreement applying to certain employees in the City of Orillia.

AND WHEREAS Kubota has advised the Union that it is opening a new but separate operation (the TXAX division) on the same premises but in a separate building as the existing business covered by the Collective Agreement.

AND WHEREAS Kubota has advised the Union that the TXAX division will draw on certain existing resources (such as skilled trades) in the pre-existing operations.

AND WHEREAS Kubota and the Union have agreed that it will be beneficial to all involved to have employees of the TXAX division covered by the Collective Agreement when they are hired but that certain terms of the Collective Agreement should be modified given the structure of the TXAX division.

AND WHEREAS Kubota and the Union have agreed to certain temporary modifications to the Collective Agreement which are outlined herein.

AND WHEREAS Kubota and the Union have further agreed to certain permanent alterations to the Collective Agreement on an ongoing basis for the TXAX division which are outlined herein.

AND WHEREAS Kubota and the Union agree that, to the extent the terms contained in this Letter of Understanding conflict with the terms of the remainder of the Collective Agreement then this Letter of Understanding shall prevail:

NOW THEREFORE Kubota and the Union agree as follows:

PERMANENT PROVISIONS REGARDING THE TXAX DIVISION

The following "Permanent Provisions shall apply to employees in the TXAX division and shall not automatically expire at the end of the Transition Period as provided above. Amendments or alterations shall be in accordance with the provisions herein subject to collective bargaining.

1. The following positions will be subject to a standard work week as determined by the Company in accordance with its management rights but in line with and subject to the provisions of Article 8 and 9 of the Collective Agreement.

a) TXAX Material Analyst, TXAX Process Technician, TXAX Shipper/receiver.

Despite the foregoing and/or any provisions in the Collective Agreement, the Company reserves the right to alter, amend, change and/or revise the schedule at its sole discretion, including but not limited to implementing a 24/7 schedule for any of the above noted positions. Should the Company implement a 24/7 schedule it shall be subject to the terms provided below with respect to the 24/7 schedule.

2. The following positions will be on a 24/7 schedule as attached hereto:

a) TXAX Operator.

Despite attaching the schedule hereto, the Company reserves the right to alter, vary, amend or revise the schedule at its sole discretion. Any revised schedule shall be provided to the Union at least one (1) week prior to implementation of any such revisions.

The positions listed above, and any positions converted to a 24/7 schedule in accordance with paragraph 1 above shall be defined as "24/7 positions" for the purposes of the agreement.

3. The Union will provide the requisite consents and sign offs for any required excess hours and/or overtime averaging permits and/or any related permits or approvals from the Ministry of Labour arising from the implementation of the above noted schedule for the 24/7 positions and for Kubota's Orillia operations generally.

4. The Union and the Company specifically agree that if there is a steward or grievance committee member elected or declared from the TXAX division the Union and the Company will meet to discuss how such a role will operate within the context of the TXAX continuous operations and shift schedule.

Despite the provisions of Article 4.04(a) and (b) of the Collective Agreement, should the Union include on the negotiating committee an employee from the TXAX division, the Company and the Union will meet and discuss ways for any such committee member to occupy that role while minimizing impact on the TXAX division operations.

5. The provisions of Article 8.01 shall not apply to the 24/7 positions as implemented or revised.

6. The provisions of 8.02 shall not apply to the 24/7 positions as implemented or revised. The break schedule for the 24/7 positions shall be as follows.

a) Breaks will be provided during each two (2) hour increment of twelve (12) hour shift, as scheduled by the Company:

- i) First two hours : 10 minutes
- ii) Second two hours: 10 minutes
- iii) Third two hours: 15 minutes (lunch)
- iv) Fourth two hours: 10 minutes
- v) Fifth two hours: 10 minutes

b) The Company reserves its right to amend, alter or revise this break structure at its sole discretion but will provide the Union at least two (2) weeks' notice prior to so revising.

7. Article 9.01 of the Collective Agreement shall not apply to the 24/7 positions and instead the following provisions shall apply:

i) Overtime shall be paid at the rate of time and one half (1½) the employee's regular hourly rate for: all hours worked beyond eighty four (84) hours in a two week calendar period.

ii) Overtime shall be paid at double (2X) all hours worked on any paid Holiday except for the two (2) floaters as indicated in Article 10.01.

iii) Where sufficient volunteers are not available and willing to work, the Company shall be entitled to assign any available overtime to the junior employee in the applicable classification.

8. Article 9.02 of the Collective Agreement shall not apply to the 24/7 positions.

9. Article 9.06 of the Collective Agreement shall apply to the TXAX division but is specific to within the TXAX division.

10. Article 9.07 of the Collective Agreement shall not apply to the 24/7 positions. However, the following shall apply.

a) On the second shift (meaning the nights portion of the rotation) of the 24/7 positions, a premium of \$1.00 per hour shall be paid.

11. Article 9.08 of the Collective Agreement shall not apply to the 24/7 positions.

12. The list of holidays identified as Article 10.01 shall apply to the 24/7 positions but otherwise, Article 10.01 of the Collective Agreement shall not apply. Holiday pay for the 24/7 positions shall be calculated on the following basis:

a) The employer shall calculate holiday pay on the basis of the employees aggregate hours worked in the four (4) weeks preceding the holiday divided by 20.

13. Article 10.04 of the Collective Agreement shall not apply to the 24/7 positions and shall be replaced by the following:

a) Where any of the above holidays falls on an employee's regular working day, the employee shall work their scheduled shifts on the holiday and will be paid in accordance with paragraph 7(a)(ii) above for all hours worked. In addition, the employee shall receive holiday pay as calculated pursuant to paragraph 12(a) above. The employee shall not receive an alternate day off with pay.

b) Where any of the above holidays falls on an employee's regular scheduled day off, the employee shall receive holiday pay as calculated in accordance with paragraph 12(a) above.

14. Letter of Understanding # 2 in the Collective Agreement shall not apply to any positions or employees in the TXAX division.

15. Letter of Understanding # 3 in the Collective Agreement shall not apply to any positions or employees in the TXAX division.

16. Letter of Understanding # 4 in the Collective Agreement shall not apply to any positions or employees in the TXAX division.

17. Letter of Understanding # 12 in the Collective Agreement shall not apply to the TXAX division. Without limiting the generality of the foregoing the Union shall not claim or assert any right to a union office within the TXAX division building.

18. With respect to the TXAX division, Article 14.01 shall reference the following TXAX Wage schedule and the wage scale for the TXAX division shall be as follows:

SCHEDULE "A" TXAX

Wages for Period January 1, 2017 to December 31, 2019			
Classification	Wage Rate 2017 2%	Wage Rate 2018 2%	Wage Rage 2019 1.5%
TXAX Operator # 3	\$21.43	\$21.86	\$22.19
TXAX Operator # 2	\$22.06	\$22.50	\$22.84
TXAX Operator #1	\$23.14	\$23.60	\$23.95
TXAX Shipper/Receiver #2	\$21.43	\$21.86	\$22.19
TXAX Shipper/Receiver #1	\$23.14	\$23.60	\$23.95
TXAX Material Analyst #3	\$22.70	\$23.15	\$23.50
TXAX Material Analyst #2	\$23.69	\$24.16	\$24.52
TXAX Material Analyst #1	\$25.21	\$25.71	\$26.10
TXAX Process Tech #3	\$22.70	\$23.15	\$23.50
TXAX Process Tech #2	\$23.14	\$23.60	\$23.95
TXAX Process Tech # 1	\$24.70	\$25.19	\$25.57

KUBOTA MATERIALS CANADA CORPORATION

(Hereinafter called the "Company")

-AND-

**UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED
INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION, LOCAL 9393**

(Hereinafter called the "Union")

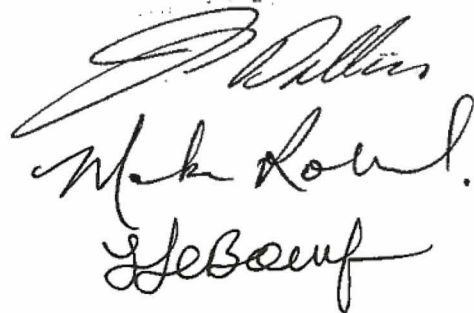
Signed at Orillia, Ontario, Canada this 14th day of July, 2017.

FOR THE UNION



Four handwritten signatures for the Union. The top two are in black ink, the middle one is in black ink, and the bottom one is in blue ink.

FOR THE COMPANY



Three handwritten signatures for the Company, all in black ink.