

January 20, 2010

Mr. George Avraam
Baker & McKenzie LLP
Barristers & Solicitors
Brookfield Place
2100 -181 Bay Street
P.O. Box 874
Toronto, ON M5J 2T3

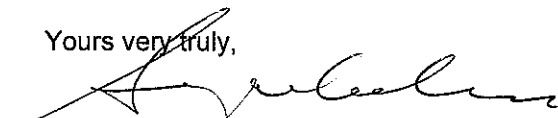
Mr. Lewis Gottheil
Counsel,
CAW - Canada
205 Placer Court
Toronto, ON M2H 3H9

Dear Counsel,

RE: McMaster University and CAW

Enclosed please find the award in this matter.

Yours very truly,


Hon. George W. Adams, Q.C.

IN THE MATTER OF AN INTEREST ARBITRATION

BETWEEN

MCMASTER UNIVERSITY

("the Employer")

And

NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND GENERAL WORKERS
UNION OF CANADA (CAW Canada) and its LOCAL 555

("the Union")

BEFORE: The Honourable George W. Adams, Q.C.

FOR THE EMPLOYER:

George Avraam, Counsel
Donna Walwyn, Counsel
Mark Haley, Assistant Vice-President (HRS)
Wanda McKenna, Director, HR Services and Support
Geoff Tierney, Sr. Labour Relations Advisor
Michele Leroux, Manager, Benefits and Pensions
Dave Tucker, Sr. Health Physicist
Dwayne Martins, Administrator/Assistant Professor (PT), Medicine
Ken Coley, Associate Dean, Academic, Faculty of Engineering
Tracey Carr, Manager, School of Nursing
John Higgins, Actuarial Expert

FOR THE UNION:

Lewis N. Gottheil, Counsel
Peggy Nash, Assistant to the President, CAW Canada
Matt Root, President CAW, Local 555
Ron Smith, CAW National Representative
Barry Diacon, Unit Chair
Beth Couchman, Unit Chair – Elect
Cara MacDonald, CAW National Representative
Clarissa Waldman, Student-at-law
Martin Fucher, Actuarial Expert

Proceedings conducted at Toronto on December 22 and 23, 2009.

AWARD

This matter arises pursuant to Schedule A to Appendix VII of the collective agreement between the parties entitled "Agreement to Normative Interest Arbitration on the matter of Pension" and pursuant to the arbitrator's letter agreement with the parties dated December 18, 2009. The parties made extensive written and documentary filings as well as comprehensive oral representations over the course of two days of hearings. Having regard to all of the submissions, I have decided, and so award, the following:

The Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College 2000 (the "Salaried Plan") shall apply in all respects to employees newly hired by the University on or after May 1, 2010 ("New Hires"), and who are a "CAW Local 555 Member" as defined by section 2.07 of the Salaried Plan, subject to the following modifications:

1. The amount of annual pension payable to a Member shall be the sum of:
 - (A) 1.0% of his Best Average Salary up to the Average YMPE, multiplied by Pensionable Service; plus
 - (B) 1.6% of his Best Average Salary in excess of the Average YMPE, multiplied by Pensionable Service.
2. Best Average Salary is computed by summing the Regular Annual Salary in effect in each of the months of the Member's Pensionable Service to a maximum of sixty (60) months and dividing the resulting number by the Member's number of months of Pensionable Service to a maximum of sixty (60) months.
3. On termination of employment prior to retirement for any reason other than death or disability, the Member will be entitled to elect either of:
 - (A) To receive a deferred pension payable in the form permitted under the Salaried Plan and commencing at the Normal retirement Date; or
 - (B) Transfer the Commuted Value of the deferred pension to another pension plan or retirement savings arrangement in accordance with provisions of the *Pension Benefits Act* and the *Income Tax Act*.

4. The "Special Retirement Date" is the first day of any month coincident with or following on which the Member has (1) attained age 60 and; (2) the sum of the Member's age and years of Participation in the Plan equals at least eighty (80).
5. On January 1 of each year, pensions in pay form the Plan are increased utilizing the pensioner reserve method as described below:

The percentage of increase shall be the lesser of:

- (i) the percentage by which the Average Annual rate of Return determined by the following formula exceeds 5.0%

Average Annual Rate of Return = (Sum of the Annual Rates of Return for each of the previous 5 Plan Years) divided by 5

where,

Annual Rate of Return =

Net Income

$\frac{1}{2}$ (Market Value of fund at beginning of Plan Year plus Market Value at end of Plan Year less Net Income)

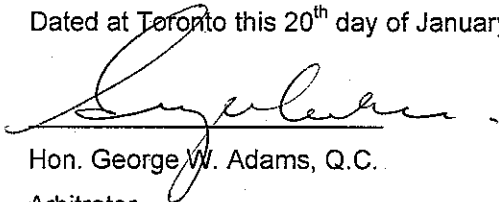
and,

"Net Income" equals the sum of interest, dividends, net realized gains and net unrealized gains during the Plan Year less the sum of actuarial, investment, investment counselor, trustee, audit and other administrative expenses applicable to the Plan or Fund.

- (ii) the percentage annual increase in the average Consumer Price Index during the twelve (12) month period that ended on the immediately preceding June 30.

I direct the Parties to make all necessary modifications to the Salaried Plan in order to give effect to my Award. I retain jurisdiction to address any disputes over the implementation of my Award.

Dated at Toronto this 20th day of January, 2010.


 Hon. George W. Adams, Q.C.
 Arbitrator