

AGREEMENT

between

THE QUAKER OATS COMPANY OF CANADA LIMITED

and

THE CANADIAN AUTO WORKERS LOCAL 1996

TERMINATES: OCTOBER 31, 2000

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**COLLECTIVE AGREEMENT**

**BETWEEN**

THE QUAKER OATS COMPANY OF CANADA LIMITED, Peterborough, a Company existing under the laws of the Dominion of Canada, hereinafter called "the Company",

**of the First Part  
and**

THE CANADIAN AUTO WORKERS LOCAL 1996, representing the employees of the Company, hereinafter called "the Union",

**of the Second Part**

Whereas the Union has established to the satisfaction of the Company that the majority of the Employees of the Company in the unit hereinafter specified have become members of the Union, and that it is therefore entitled to represent the employees in the hereinafter described unit as the collective bargaining agent.

**PURPOSE**

1. The general purpose of this Agreement is to establish mutually satisfactory relations between the Company and its employees and to provide machinery for the prompt and equitable disposition of grievances, and to establish and maintain satisfactory working conditions, hours and wages for all employees who are subject to the provisions of this agreement.

**SCOPE**

2. This agreement applies to all employees of the Company in its Peterborough Plant except: Office Staff, Quality Assurance Inspectors, Laboratory Technicians, Executive Officers, Sales Representatives, Department Managers, Coordinators and any confidential employee or employees who act in a supervisory capacity or who have authority to exercise discipline over employees on behalf of the Company.

The Company will, if requested, supply the Union with a list of employees holding supervisory position and will indicated by appropriate job titles the nature and extent of their authority.

The Company will supply the Union every two months with the following information:

1. Employees who are in the Bargaining Unit regardless of whether or not they paid dues in the month.

2. Employee name, job classification and hourly rate.
3. Employees transferred into or out of the Bargaining Unit.
4. Employees status (i.e.: I&A, LTD and WCB).
5. Layoff and recalls and the date of occurrence.
6. Name and addresses of new employees.
7. Name and addresses of Peterborough Plant employees on a computer disc.
8. Name and addresses of Peterborough Plant employees to be provided immediately on retirement.

#### **RECOGNITION**

3. The Company acknowledges that the employees in the union described above have selected the Union as their sole and exclusive collective bargaining agent, and recognize the Union as such for all employees in the said Union.

The use of the masculine gender in this Agreement shall be considered also to include the feminine.

#### **RELATIONSHIP**

4. The Company agrees that there will be no discrimination, interference, restraint or coercion exercised or practised by the Company or by any of its representatives with respect to any employee because of his membership in, or connection with, the Union, and that membership in the Union, by employees who are eligible to join, will not be discouraged.
5. The Union agrees that there will be no intimidation, interference, restraint or coercion exercised or practised upon employees of the Company by any of its members or representatives and that there will be no solicitation for membership, collection of dues or other Union activity on the premises of the Company during an employee's working hours.

#### **NO STRIKES OR LOCKOUTS**

6. The Company agrees that it will not cause or direct any lockout of its employees and the Union agrees that there will be no strikes or other collective action which will stop or interfere with production, and that if any such collective action should be taken, the Union will repudiate such an action by its members through a display notice published in the local daily newspaper as soon as possible after the occurrence and it will instruct its members to carry out the provisions of the Agreement and return to work and perform their duties in the usual manner.

#### **RESERVATION OF MANAGEMENT RIGHTS**

7. The Union acknowledges that it is the exclusive function of the Company to:
- (a) Maintain order, discipline and efficiency.
  - (b) Hire, discharge, transfer, promote, demote or discipline employees, provided that a claim of discriminatory promotion, demotion or transfer, or a claim that an employee has been discharged or disciplined without just cause may be the subject of a grievance, and dealt with as hereinafter provided.
  - (c) Generally to manage the industrial enterprise in which the Company is engaged, and without restricting the generality of the foregoing to determine the number and location of plants, the products to be manufactured, method of manufacturing, schedules of production, kinds and locations of machines and tools to be used, processes of manufacturing and assembling, the engineering and designing of its products, and the control of materials and parts to be incorporated in the products produced.

#### **NEGOTIATING COMMITTEE**

- 8.(a) The Company acknowledges the right of the Union to appoint or otherwise select a Negotiating Committee of not more than five employees, plus a National Representative for the Union and will recognize and deal with the said Committee with respect to any matter which properly arises from time to time during the term of this Agreement, and the said Committee will co-operate with the Company in the administration of this Agreement. Such employees in the Negotiating Committee may be appointed or otherwise selected from any area or department within the plant and there will be no limitation as to how many from one department may be selected.

It is agreed that either the Company or the Union may bring to the process any consultant that might assist the parties by providing information as long as it is pre-arranged by both parties.

It is clearly understood that the Negotiating Committee is a separate entity from the Grievance Committee and will deal only with such matters as are properly the subject of negotiations including proposals for the renewal or modification of this Agreement at the proper time.

The Company will pay the costs of the meeting room for the first 10 Negotiations meetings, and the cost will be split thereafter between the Company and the Union.

The Collective Agreement booklet shall contain both the Company and Union logo.

#### UNION ACCOMMODATION

- 8.(b)The Company will make all reasonable effort to accommodate the Union President. Where possible, the Union President will be scheduled to the day shift.

In recognizing the role of the Union President, the Company agrees to provide sixteen hours per week with pay in order that the President may attend to Union business. If additional time is required it will be provided. Time will not be abused.

It is understood that the Company will provide the Union with an office in the Peterborough Plant. Such a facility will be used exclusively for the purpose of union business. The Company will provide a desk, chair, telephone, computer and filing cabinet. Any expenses other than those incurred in the normal functioning of the office such as long distance calls will be the responsibility of the Union.

During the term of this agreement, the Union President, Chief Steward and Health and Safety Rep. will not be subject to layoff provided work is available which they are capable of performing.

The Company agrees to pay the equivalent of 2 cents per hour to the C.A.W. educational fund for all compensated hours.

#### STEWARDS

9. The Company acknowledges the right of the Union to appoint or otherwise select a reasonable number of Stewards to assist employees in presenting their grievances to the representatives of the Company. The number of such Stewards and the zone within which each one is to function is as follows:

Department	Number of Stewards
Hot Cereals	3
Cold Cereals	3
Shipping	2
Maintenance	3
Milling and Elevators	2
Laboratory	1
Ready to Eat	2

In the event that the Union is unable to appoint a Zone Steward from within a department, a temporary Steward may be appointed for a period

not exceeding 90 days. The Union will notify the Human Resources Office of the temporary appointment.

#### **QUALIFICATION OF STEWARDS, ETC.**

10. The Union agrees that employees shall not be eligible to serve as Officers of the Union until they have been for a least three months immediately preceding nominations, a member in continuous good standing and no employee shall be eligible to serve as Stewards or committee members until after they have served their probationary periods.
11. The Union acknowledges that Stewards, members of Committees and Union officers have regular duties to perform on behalf of the Company and that such persons will not leave their regular duties without obtaining the permission of their supervisor or immediate supervisor, and will give any reasonable explanation which may be requested with respect to their absence.
12. It is clearly understood that Stewards and other Union Officers will not absent themselves from their regular duties unreasonably in order to deal with the grievances of employees, or with other Union business; and that in accordance with this understanding the Company will compensate such employees for time spent in negotiating with the Company, in handling grievances of employees, at their regular rate of pay and that this does not apply to time spent on such matters outside of regular working hours.

#### **GRIEVANCE COMMITTEE**

13. The Grievance Committee shall be composed of the Union President, or in his absence the Union Vice-President, the Chief Steward, or in his absence the Assistant Chief Steward and the Steward who is representing the employee. The grievor or the Coordinator may be available at all steps of the grievance procedure, at the request of either the Union or the Company.

#### **GRIEVANCE PROCEDURES**

14. It is the mutual desire of the parties hereto that grievances of employees shall be adjusted as quickly as possible and it is generally understood that an employee has no grievance until he has first given his Coordinator an opportunity of adjusting his grievance, and if an employee has any opinion or question which he wishes to discuss with the Company he shall take the matter up with his immediate Coordinator, and he will be accompanied by the Zone Steward of his choice, when available, if he requests such assistance.



The Union and the Company agree that grievances not entered into under the grievance procedure within 10 working days after the grounds of the grievance occurred, shall not be processed. It is also mutually agreed that when either party decides not to process the grievance further, the party so deciding will advise the other party in writing. It is further understood that the above time limit shall not apply in those instances involving an error in an employee pay.

Where an employee is called to a meeting (fact finding) where discipline may result, he may be accompanied by the steward of his choice, if he requests such assistance.

15. If such grievance is not settled to the satisfaction of the employee concerned within one (1) working day or within any longer period which may be mutually agreed upon at the time, the following steps of the grievance procedure may be invoked in order.

**STEP NO. 1**

16. The Zone Steward or the Chief Steward, shall state the grievance of the employee (or employees) in writing and shall deliver a copy to the immediate Coordinator of the employee concerned. After such discussion as is necessary the Coordinator shall state his decision or his refusal to make a decision in writing with appropriate reasons, and deliver a copy to the Human Resources Manager and to the Zone Steward and the Chief Steward within one (1) working day or a time mutually agreed upon.

**STEP NO. 2**

17. Within two (2) working days after the Coordinator has delivered his written decision to the Zone Steward and the Chief Steward, the following procedure will be followed:

The grievance shall be considered at a meeting of the Union Grievance Committee and if unresolved, shall be taken up at a meeting between the Zone Steward and the Grievor with the Department Manager, the Grievor's Co-ordinator.

If the Grievance is not settled within (2) working days, or within any longer period which may be mutually agreed upon at the time, after the Grievance Committee has met with the Management, then the Grievance shall be taken up at Step No. 3.

In the event that any party fails to comply to the time limits referred in Step No. 1, and Step No. 2, the other party may process the grievance to the next step of the grievance procedure.

By mutual understanding the parties may agree to extend the time limits at any step of the grievance procedure.

**STEP NO. 3**

18. A meeting shall be held between the Grievance Committee and the Plant Manager and/or the Operations Services Manager/Manufacturing Manager, Human Resources Manager, and Department Manager.

At this meeting the National Representative of the Union or his nominee may be present if his presence is requested by either the Company or the Union. If the grievance is not there settled to the satisfaction of both parties within a period of two (2) working days or within any longer period as may be mutually arranged at the time, then at the request of either party to this agreement the grievance may be referred to arbitration. All times as set out in the Grievance Procedure and Arbitration may be extended by mutual agreement between the Company and the Union, in writing.

19. If arbitration is to be invoked, the request for arbitration must be made in writing within ten (10) working days after the grievance has been dealt with in Step No. 3.

**ARBITRATION**

20. When either party requests that a grievance be submitted to arbitration they shall make such requests in writing addressed to the other party to this agreement. Within ten (10) working days thereafter, the party who initiated the grievance shall submit a letter to the other party giving the name and address of its nominee to the arbitration board. With five (5) working days thereafter the other party shall respond in a letter giving the name and address of its nominee to the arbitration board. The two arbitrators so nominated shall meet within 10 working days, and if within 2 working days they fail to settle the grievance, they shall attempt to select by agreement a Chairman of an Arbitration Board. If they are unable to agree upon such a Chairman within a further period of 30 days they may then request the Minister of Labour for the Province of Ontario to assist them in selecting an impartial Chairman.

21. No person may be appointed as an arbitrator who has been involved in an attempt to negotiate or settle the grievance.

22. Each of the parties hereto will bear the expenses of the arbitrator appointed by it, and the parties will jointly bear the expenses of the Chairman of the Arbitration Board, if any.

23. No matter may be submitted to arbitration which has not been properly carried through all previous steps of the grievance procedure.
24. The Arbitration Board shall not be authorized to make any decision inconsistent with the provisions of this agreement nor to alter, modify or amend any part of this agreement.
- 24.A When a grievance which affects an employee's pay is settled, the settlement may be made retroactive for a period as agreed to by the conferring parties or by a majority decision of a Board of Arbitration, but in no case will the settlement be made retroactive for a period greater than two months prior to the last date on which the grievance was presented in writing to the Company.
25. The proceedings of the Arbitration Board will be expedited by the parties hereto, and the decision of the majority of such Board will be final and binding upon the parties hereto.
26. At any stage of the grievance procedure including arbitration, the conferring parties may have the assistance of the employee or employees concerned and any necessary witnesses, and all reasonable arrangements will be made to permit the conferring parties to have access to the plant to view disputed operations and to confer with the necessary witnesses.

#### **DISCIPLINE AND DISCHARGE**

27. The Union acknowledges that probationary employees may be discharged for reasons less serious than would justify dismissal of a regular employee.

No employee on the seniority list shall be disciplined or discharge without just cause.

Any employee on the seniority list is entitled, prior to the imposition of suspension or discharge, to be notified at a meeting with management, of the reasons for considering such action. The employee shall be accompanied by the Zone Steward of his choice, when available, if he requests such assistance, who shall be advised in advance by management of the time and place of the meeting.

Employees shall be notified in writing of the grounds for suspension or discharge. The Chief Steward and Zone Steward shall receive copies within one (1) working day of the action.

The employer shall provide the employee, the Chief Steward and the Zone Steward with copies of any written warnings affecting the employee. Any reply by the employee shall become part of his record. It is

understood that upon an employees request he shall be granted the opportunity to personally view his disciplinary record.

28. A claim by an employee on the seniority list that he has been unjustly discharged from his employment shall be treated as a grievance if a written statement is lodged with the Human Resources Manager within ten (10) working days after the employee ceases to work for the Company. Further action on this matter will commence at Step No. 2 of the Grievance Procedure.
29. Such special grievances may be settled by any arrangement which is just and equitable in the opinion of the conferring parties. If the Union and the Company fail to resolve the grievance and the matter proceeds to an arbitrator, an employee who so is reinstated shall receive full compensation including all benefits and wages (including premiums) provided it is consistent with the arbitrator's decision.
30. When an employee has been dismissed without notice he shall have the right to interview his Steward for a reasonable period of time before leaving the plant premises.

Records of discipline shall be removed from the employee's file and shall not be used against him or her, for any purpose, after two (2) years have expired from the date the discipline was taken.

Prior to the dismissal of an employee on the seniority list the Company will meet with the Union to provide rationale for their decision.

#### **MANAGEMENT**

31. It is understood that the Management may bring forward at any meeting held with the Union Grievance Committee any complaint with respect to the conduct of the Union, its Officers, or Stewards; and that if such complaint by Management is not settled to the mutual satisfaction of the conferring parties, it may be treated as a grievance and referral to arbitration in the same way as the grievance of an employee.
32. During the term of this Agreement, meetings of the Union Executive with Management shall be held whenever the Union Committee submits an agenda of the business to be transacted and give 24 hours notice of the meeting.

In an effort to improve communications, find solutions to business conditions within the Peterborough Plant and build a long term relationship with the Union, meetings will be scheduled on a timely basis with the Union President, Chief Steward, Plant Manager and Operations Manager.

The purpose of the meetings will be to deal with business issues which will affect plant operations.

#### **SENIORITY PROBATIONARY EMPLOYEES**

33. An employee will be considered on probation until he or she has worked 360 hours. At that time he or she will be approved as a regular employee. Approval for benefit purposes will commence the first of the month following the completion of 360 hours worked.
34. (a) New employees shall have no seniority during the first 30 days worked. However, after working 30 days employees will be placed on the plant-wide seniority lists and such seniority shall date from the date of their employment. Seniority is defined as the length of continuous service in the Peterborough Plant.
- (b) An employee with seniority may apply plant-wide seniority when there is a reduction in the working force so long as it does not prevent the Company from maintaining a working force of employees who are qualified to do the work which is available. With the exception of Maintenance Department jobs, it is understood in the event a senior employee who is subject to layoff does not have the necessary skills to perform the remaining work within the framework of the collective agreement, the Company will provide a 30 day period in order that the senior employee may receive training for the work remaining. Work remaining may include work in any department.
- (c) An approved employee shall not be laid off prior to a probationary employee unless such probationary employee possesses a Skilled Trade and is a permanent employee of the Maintenance department.
- (d) The Company reserves the right to decide the work assignment of employees who exercise section (b) Clause 34.
- (e) The Company shall prepare and submit to the Chief Steward and the Recording Secretary of the Union, revised copies of the plant-wide seniority lists quarterly each year, and one will be posted on the main Bulletin Board.
35. The seniority provisions of this Agreement shall not apply to students specifically hired as summer help. Such employees, when hired shall be required to acknowledge their temporary status by signing a form provided for this purpose by the Company.

If an employee originally hired as summer help should at a later date desire to become a permanent employee, the Company reserves the right to accept or reject his application at that time. If the Company agrees to allow such an employee to convert to permanent status his seniority shall date from the time his status is changed.

36. (a) A permanent transfer is when an employee is transferred to another job or receives a job under Clause B15 Job Opportunity and there is no intention of returning the employee to his former job. Employees affected will be so notified, and will remain on their permanent jobs unless their job is eliminated or by provision of Clause B15 or Clause 36(b) or by discharge from the Company.
- (b) In case of temporary transfer for less than 30 working days, seniority need not be followed. At the time such a temporary transfer is affected the Coordinator will indicate to the employee involved the expected duration of the transfer. However, if a junior employee can be found with the skills and ability to take the transfer, the senior employee will be given the option to accept or decline the temporary transfer. For the purpose of this article a temporary transfer is defined as a week or more in duration. An employee so transferred will return to his regular job on completion of the period indicated if he so desires.

#### **LAYOFF AND RECALL**

37. Where it is necessary to increase the working force of the employees, seniority will be the guiding factor so long as it does not prevent the Company from securing a working force of employees who are qualified and willing to do the work which is available.

In the event of the lay-off or recall of an employee with less than one year's seniority the Company may, if the difference in seniority is 12 days or less, lay-off or recall without following the seniority list.

In the event of production cutbacks that result in temporary layoff the following steps will be initiated:

1. A meeting will take place immediately with the union to discuss employees and jobs affected. At this meeting the parties will determine the best course of action to reduce the number of employees through layoff. Alternate work assignments, (A. W. A.), may be implemented to include but not restricted to training, temporary postings or special leaves. This intent in no way should restrict the Company from scheduling its' regular business, i.e. an

A. W. A. if qualified would fill a needed position in the event of absenteeism, vacation or other extenuating circumstances.

2. The Company will abide by the following formula in order that the number of employees leaving the workforce on such a layoff is reduced for a period of up to two months:

- If one to twenty employees are on layoff, four positions in the plant will be designated A. W. A.
- If twenty one to forty employees are on layoff, six positions will be designated A. W. A.
- If forty one or more employees are on layoff, eight positions will be designated A. W. A.

38. The Company will not be obliged to follow the seniority rules when notifying employees of a lay-off of two working days or less duration.

The Company will endeavour to minimize the scheduling of a lay-off under this clause whenever practical. This provision shall be used in the event of an emergency or in the case of scheduled area or total plant shutdowns, but shall not be used for the purposes of scheduling short work weeks of over two consecutive weeks. If extended short work weeks are necessary, lay-off will be made in accordance with Clause 34(b).

39.(a) Probationary employees who are laid off will be retained on the Company Seniority List for a period of three months. For the purpose of layoff and recall only, a regular employee who is laid off shall retain recall rights for a period equal to the seniority attained at the time of layoff or two(2) years, whichever is greater. While on layoff, all regular employees will continue to accumulate seniority for a maximum of one (1) year with no loss of past seniority. The accumulation of one year's seniority is for the purpose of pension, vacation and benefit service requirements. An employee who is eligible for recall will retain his seniority date for purposes of job opportunity, layoff and recall purposes only. Unless employees report to work within 7 working days after being requested to do so, they will forfeit their claim to re-employment at the Company's discretion. Employees so requested to return to work must notify the Company within two (2) working days of receiving such notice, whether they intend to return or not. All employees must keep the Company informed as to their current address and telephone number. Notice of recall will be considered received when the Company communicates such notice by registered mail to the last known address of the employee. In instances where the Company communicates such notice, but is unable to contact the employee or

receives no reply from the employee, confirmation that notice has been given will be supplied in writing to the Chief Steward and the Recording Secretary.

- (b) In lay-offs other than those concerned under Clause 38 the Company will provide the Chief Steward and Recording Secretary with the names of those employees to be laid off within 2 days prior to a lay-off and will provide the names of those recalled on the day of recall.
- (c) Any employee while working for the Company, who is away three (3) consecutive days and fails to report his or her absence during that period without satisfactory explanation will be subject to discipline up to and including possible termination.
- (d) An approved employee subject to lay-off shall receive regular Company paid benefits for two months following lay-off. When the first day of a month occurs during the last work week of an approved employee subject to lay-off, such employee shall receive Company paid benefits for only the balance of that month plus one additional month. Approved laid-off employees may purchase Company paid benefits for a period of up to one year after lay-off.

#### **LEAVE OF ABSENCE**

#### 40. Special Leave of Absence

The Company may grant leaves of absence without pay to any approved employee for legitimate personal reasons and any person who is absent with permission shall accumulate seniority during such leave, up to a period of six months, except elsewhere provided. Where a leave of absence is granted for a period greater than six months, the employee shall not continue to accumulate seniority after six months from the date the leave commences, he or she shall, however, retain the seniority accumulated to that date for the duration of his or her leave. All requests for leaves of absence must be made in writing and replied to in writing.

Employees on special leave of absence, except as provided in (a), (b) or (g) below, who take other employment, or who utilize such leave of absence to seek other employment, or who fail to report on the conclusion of such leave of absence, may be subject to discipline up to and including possible termination from the Company.

Employees on special leave of absence are responsible for the full cost of any benefit plans to which they subscribe and must make arrangements with the Payroll Department for premiums prior to departing on such leave of absence.



(a) Leave of Absence for Union Business

Subject to the contingencies of Company business, approved employees, not exceeding two from any one department and not more than five in total from the Plant at any one time, upon three weeks notice, shall be granted a leave of absence without pay for a specified maximum period for the purpose of attending to Union business. It is generally understood the amount of leave granted is the amount of leave to be taken. However, in unusual circumstances, upon thirty days notice to the Company, an employee who wishes to return to work prior to the end of the leave granted may do so. Such returning employee, provided that he can satisfactorily perform the required work, will be placed on the job previously held, subject to his seniority. Application for the extension or renewal of a leave of absence may be made in the normal manner.

It is explicitly understood that, subject to (b) below, the above leave does not apply to election activities. Leave of absence of two days or less under this clause will require three working days notice. In the case of extenuating circumstances, the Company may waive the three day notice in granting a leave of absence of two days or less.

An employee who is granted a leave of absence for Union business will, receive wage and benefit coverage from the Company. The Company will then submit to the Union on a monthly basis expenses incurred for the period of the leave and will be reimbursed no later than one week after the bill has been submitted.

(b) Leave of Absence for Public Office

An approved employee who has been officially nominated as a candidate for a Municipal, Provincial or Federal Public Office will, upon three (3) weeks notice, be granted a leave of absence without pay and without loss of seniority for campaign purposes for a period of no longer than the official prescribed campaign period.

Any approved employee elected to a Municipal, Provincial or Federal Public Office, which requires the full time services of the employee, will, upon three weeks, notice, be granted a leave of absence without pay and without loss of seniority for the term of office to which he is elected.

(c) Leave of Absence for Sickness or Injury

An employee exercising his right under this clause must provide two weeks notice of his desire to return to work and must satisfy the Company Physician that he is capable of returning to work. In

the case of an employee whose period of sickness or injury exceeds the time limits of this clause, the Company will consider the medical condition of the employee as it may relate to his employment with the Company and may at its discretion reinstate the employee. An employee who is away from work on a leave of absence for sickness or injury will continue to accumulate seniority.

(d) Maternity Leave of Absence

To be eligible for maternity leave of absence an employee with at least 13 weeks service preceding the estimated date of delivery, will present to the Occupational Health Nurse a certificate by a legally qualified medical practitioner stating the date upon which delivery is expected to occur.

The Company will grant a leave of absence up to 17 weeks immediately preceding the expected date of delivery and until the date of delivery, or after the expected date of delivery.

Where an employee's health and safety are endangered because of her physical condition and/or her job requirements, the pre-natal and/or post-natal leave of absence may be altered after receiving the written opinion of a legally qualified medical practitioner. Such employee who has her pre-natal and/or post-natal leave of absence extended due to complications arising from the pregnancy, may qualify for benefits as defined under the Illness and Accident Plan.

The employee shall produce, when so requested by the Company, a certificate of her physical condition in respect to her safety and health as referred to above and any employee who complies with the above procedure shall be reinstated and given credit for seniority accumulated during her leave. The Company will require two weeks notice prior to the employee's pre-birth leave of absence, of her desire to return to work, in order to reinstate the employee.

An employee on an authorized unpaid maternity leave of absence shall continue to receive her existing benefit coverage paid by the Company during the term of her maternity leave of absence.

(e) Parental Leave of Absence

The Company will grant up to 22 weeks unpaid parental leave following the birth of a child or the coming of an adopted child into a parent's custody, care and control for the first time. Both parents are eligible to take 22 weeks.

For a natural mother, parental leave commences when pregnancy leave ends or when the baby first comes into her custody, care and control.

For fathers and adoptive parents, parental leave must commence within 35 weeks after the birth or after the child first comes into the custody, care and control of a parent.

Employees must give two weeks written notice prior to the commencement of the leave and the same before the date leave is to end.

Seniority shall accumulate during such leave. An employee on an authorized parental leave shall continue to receive existing benefits coverage paid by the Company.

(f) Paternal and Adoption Leave

An approved employee whose wife gives birth to a child or an approved employee who legally adopts a child shall receive, as time off, the day of birth or the day the child is brought home or the day the adopted child is officially placed in the home. Where such a day falls on a day where he is both regularly scheduled and available, for work he shall be compensated for 8 hours pay at his regular straight time base rate for the day.

(g) Sabbaticals

Where business conditions permit the Company agrees to provide unpaid sabbatical leaves under the following conditions:

Must be approved by Plant Management.

For a period of 6 months and not to exceed 1 year, exceptions to this timeline must be jointly agreed upon.

No more than once in a career.

No more than two approved leaves at one time.

Selection on a first come first serve basis.

Seniority accumulated over the leave and benefits paid by employee.

## GENERAL PROVISIONS

### 41. Coordinators

A non-bargaining unit employee of the Peterborough Plant who transfers into the bargaining unit will do so without loss of seniority, but will be unable to exercise posting rights under clause B-15 Job Opportunity for a period of one year after such a transfer. The transfer of such an employee will not result in the

layoff of any bargaining unit employee and will not occur while any bargaining unit employee is laid off.

Any employee hereafter permanently transferred to a supervisory or other position which is excluded from coverage of this agreement shall upon such transfer, lose all seniority rights in the bargaining unit on the day in which such transfer becomes effective.

No Coordinator or personnel above the rank of Coordinator will undertake to do any work which is normally done by an hourly paid employee, except:

- (a) Instruction of new employees or employees assigned to new jobs.
- (b) When qualified hourly workers are not readily available.
- (c) In an emergency.

#### **BULLETIN BOARDS**

42. The Company will provide bulletin boards in mutually satisfactory locations throughout the plant for the convenience of posting notices of Union activities. Two bulletin boards for the exclusive use of the Union will be installed in a mutually agreed location, in a non production area. All such notices must be signed by the proper officer of the Union and submitted to the Human Resources Manager or his authorized representative for approval and posting.

#### **Safety and Health**

43. The Company will make reasonable provisions for the safety and health of the employees during their hours of employment as outlined in the Ontario Occupational Health and Safety Act.

"Changes to the Workers' Compensation Act, Bill 162, in conjunction with the Human Rights Act, set up a mechanism for the return to work of employees who have been disabled through illness or accident, whether work related or otherwise.

The Company agrees to establish a Modified Work Committee to be comprised of 3 Union and 3 Management representatives. The mandate of the Modified Work Committee will be to facilitate the above mentioned return to work process. This will be accomplished through one or a combination of modifications of the employee's regular job, same department - different job, different department

- different job, composite job, project work or level entry jobs.  
The #5 Elevator will be identified as a level entry job."

Failing the above process, at the request of the Company or the Union, representatives of both parties will meet to evaluate job opportunities for modified work when a job posting becomes available through: attrition, an employee posting out of a job, or through the creation of a new job.

The Company and Union are committed to improving Health and Safety in the workplace and the outside environment. Certified Chairpersons head the Joint Health and Safety Committees. Qualified backups will be identified and serve on the Joint Committees. The Joint Chairs from the Company and Union shall attend LAMA meetings as required, when Health and Safety is to be discussed as part of the agenda.

Employees will be provided with the adequate training to perform their work assignment in a safe manner, responsible to their fellow workers, the Plant infrastructure and the environment surrounding the Peterborough Plant. The Joint Health and Safety Committee shall investigate and determine training programs in support of Environmental and Health & Safety responsibilities. (e.g. fire hazards, hands in machinery, lockout, confidentiality, etc.)

Recognizing the need for time to administer Health and Safety duties, the Company will provide to the Union Joint Chairperson sufficient time for administering their safety responsibilities upon approval from Management. In emergency situations time as required will be granted immediately, when requested. Time as required will not be abused.

### **Technological Change**

44. In the event of the installation of new equipment that will result in the reduction of the working force the Company will, before the installation of such equipment meet with the Union and provide them with data regarding the proposed installation, number and classification of employees likely to be affected by the change.

The Union acknowledges that in no way does the foregoing impede the right of the Company to make technological changes and that such changes may be made at the sole discretion of the Company.

The parties agree that with the introduction of new techniques and technologies, it is important that advance planning occurs to anticipate skills, needs and training required.

It is agreed that the workers affected by the introduction of new techniques and technologies should have every opportunity to apply themselves to the new skills and the new techniques and technologies.

The Company will assume the cost of on-the-job training to provide bargaining unit employees, (who have the basic knowledge and ability to be trained), the opportunity to keep current with new methods, tools, machines and new technology affecting their work and job security.

The Company will normally notify the union, sixty days in advance of any introduction in new technology and will notify the union in advance of the introduction of new techniques so as to give the affected bargaining unit employees, (who has the basic knowledge and ability to be trained), the opportunity to become acquainted with the new skill needs so that he will be available to perform the work needed.

Senior employees, (who have the basic knowledge and ability to be trained) will be given preference under this clause".

In the event an employee is permanently transferred to a lower rated job as a result of Technological Change such an employee will continue to receive his regular job rate until such time as a new job posting is accepted.

## **HOURS AND OTHER WORKING CONDITIONS**

A Schedule "B" and appendix thereto respecting the hours of work, recognized plant holidays, overtime conditions and rates and certain other working conditions or rules governing the same.

### **JOB RATES**

45. Employees shall be paid the applicable job rate provided for in Schedule "C" - Schedule of Rates, for jobs they perform when they become qualified.

Employees working on a higher rated job for 4 hours or more in a day/shift shall be paid the higher rate for all hours worked in that day or shift.

46. "Qualified" as used above shall mean, ability to perform the job without instruction or assistance.

### **RATE PROTECTION**

47. Rate Protection is designed to protect an employee's "regular rate" in the event that he is transferred to a lower rated job for reasons other than demotion or at the employee's request. The "regular rate" is established when an employee is permanently transferred to a job as defined in Clause 36(a) of this agreement and has become qualified for the job as defined in Clause 46.

Provided the above conditions are met, an employee transferred to a lower rated job shall maintain his regular job rate for a period of 30 working days.

48. No subsequent transfer of less than five (5) working days (return in excess of four (4) hours is return for a day) shall interrupt or renew the 30 working day rate protection.
49. If a transfer to a lower rated job is made at the request of the employee, he shall receive the lower rate immediately.

### **VACATION PLAN**

A Schedule "D" for the vacation privileges of employees and the conditions upon which the same are granted.

### **UNION SECURITY**

50. (a) The Company agrees that it shall be a condition of employment that any employee who, at the date of this agreement, was a member of the Union in good standing, or who becomes a member after that date, shall maintain such membership during the term of this agreement.
- (b) Any employee to whom Clause (a) of this article applies may resign from membership in the Union between October 15 and November 1, 2000 both dates inclusive, and his employment shall not thereby be affected.

Such employees, however, will be required to continue to pay union dues for the duration of this Agreement.

Employees in the bargaining unit, who at any time have been members of The Canadian Auto Workers, Local 1996 shall be required to pay union dues for the duration of this Agreement. However, such employees shall not be required to become members of the Union in order to remain in the employment of the Company.

- (c) New employees hired subsequent to the signing of this Agreement and remaining in the employment of the Company shall, sign an authorization to check off union dues and such check-off shall continue in effect for the duration of the Agreement. However, such new employees shall not be required to become members of the Union in order to remain in the employment of the Company.
- (d) No employee shall be subject to any penalties against his application for membership or for reinstatement as a member in the Union except as may be provided in the Constitution and Bylaws of the Union; and no coercion or intimidation of any kind shall be practised to compel or influence an employee to join the Union nor shall any discrimination of any kind whatever be practised or permitted with respect to employees who are or who become members of the Union.
- (e) If an employee asserts that he has been unfairly deprived of membership in the Union, such assertion shall constitute a grievance and shall be dealt with according to the Grievance Procedure established by this agreement.
- (f) Employees who are recalled and return to work after lay-off shall automatically pay union dues for the current month in which they are recalled, provided they had previously been in the employ of the Company and were subject to Union dues.
- (g) An information form shall be supplied by the Union to be distributed to new employees by the Company.

**CHECK OFF**



51. On receipt of instructions in writing from any employee forwarded through the Secretary of the Union, the Company agrees to deduct the regular weekly Union dues from an employee's pay, and to remit the total sum of the amounts so deducted together with a list of all employees from whom such deductions have been made throughout to the Financial Secretary of the Union on a weekly basis.

#### **TERMINATION OR MODIFICATION**

52. The Agreement shall continue in effect until the 31st day of October 2000 and unless either party gives notice in writing to the party that amendments are required, or that the party intends terminating the Agreement, then it shall continue in effect until the 31st day of October 2001 and so on from year to year thereafter.

Notice that amendments are required, or that either party intends to terminate the Agreement, must be given at least 30 days prior to the 31st day of October 2000, or at least 30 days prior to the expiration of any annual period thereafter.

The parties hereto agree to meet for the purpose of negotiations within 10 days after the giving of such notice, and if, as a result of such negotiations, the parties fail to negotiate a new agreement or modification of the present agreement prior to the 31st day of October 2000 following the date of such notice, then this Agreement shall remain in force under the provisions of the Ontario Labour Relations Act.

#### **PLANT CLOSURE**

53. The Company shall advise the Union as soon as possible of a total Plant Closure. Such notice shall be in writing and indicate the reason for the action.

The Union and the Company will meet immediately to discuss the contemplated shutdown with a view to providing a process to assist employees so effected.

THE QUAKER OATS COMPANY OF CANADA LIMITED

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THE CANADIAN AUTO WORKERS - LOCAL 1996

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National Representative - C.A.W.

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Date: \_\_\_\_\_

**SCHEDULE "B"**  
**HOURS OF WORK, OVERTIME REGULATIONS,**  
**SHIFT BONUS, GENERAL WORKING CONDITION, ETC.**

**NORMALLY ASSIGNED HOURS:**

The normal hours of work shall be forty hours per week, consisting of five eight hour days, Monday through Friday inclusive. The foregoing shall not be construed as a guarantee of a minimum number of hours nor as a limit on the Company to schedule hours in excess of the normal work day or the normal work week.

The Company agrees to post normal starting and quitting times for each department or sections within a department not later than 2:00 p.m. Thursday of the previous week. Except in the event of unforeseen circumstances an employee's shift as posted shall remain constant throughout the week.

The first shift will start between the hours of 10:00 p.m. and 12:00 a.m.. The second shift shall start between the hours of 6:00 a.m. and 8:00 a.m.. The third shift will start between the hours of 2:00 p.m. and 4:00 p.m.. The appropriate shift bonus will apply.

The Stationery Engineers' 12 hour shift shall be recognized exclusive of the normal hours of work and the overtime provisions pertaining to payment over 8 hours. Bereavement Pay, Jury Duty and Illness and Accident shall accommodate the 12 hours shift.

Notwithstanding a provision pertaining to the introduction of a modified work schedule, exclusive of the normal work week and normal overtime regulations may be implemented. When the normal hours of work including attainable scheduled overtime do not enable the Company to meet production requirements, the Company with the Union and those employees affected will consult to determine a work schedule that may enable us to meet those production requirements.

**REDESIGN CLAUSE**

The Company and the Union recognize the inevitability of change and the need for co-operative approaches in dealing with the effects of change in the workplace.

The Company and Union feel a process of redesigning the way in which our systems operate is necessary and as such, support redesign efforts for the long term viability of the organization. Teams comprised of hourly and salaried personnel may be formed and challenged to analyze systems within our operation, with the goal of providing recommendations for

improvement, to the Improvement Team. Should any such recommendations exceed the boundaries of this Collective Agreement the Company and Union Negotiating Committees (L.A.M.A.) shall work together in good faith to resolve said issues.

Through these process redesign efforts self directed business units are encouraged and can be implemented where they can be properly trained, supported and compensated. Hourly personnel will not be responsible for hiring, firing, job elimination or discipline of other hourly personnel or salaried staff.

Innovative changes shall not give any employee a seniority advantage over any more senior employee in determining preference for job opportunity, lay off or recall.

And finally nothing in this clause shall prevent the Union or the Company from carrying out its traditional and contractual obligations.

#### **B1 LUNCH PERIODS**

Employees working on shifts for which unpaid lunch periods are scheduled will be allowed time for lunch without pay. Such employees shall be notified of the time of their lunch period when they are notified of their assigned shift.

On shifts where unpaid lunch periods are not possible or practical, employees will be allowed thirty minutes for lunch with pay. The foregoing shall be inclusive of that period of time from when an employee leaves his work station until he returns to same.

It is understood that lunch periods may be staggered in order to maintain continuous production. However, no employee shall be required to take his lunch period earlier than three hours after his shift starts, nor later than five hours after the start of the shift. Employees working a continuously scheduled two or three shift operation will be entitled to a paid lunch period until such time that they are scheduled to a second week, day shift operation where it is possible and practical to receive an unpaid lunch period. At that time an unpaid lunch period will be scheduled.

Lunching and smoking will be confined to times and areas designated by the Coordinator.

#### **B2 REST PERIODS**

The Company will grant a rest period of 10 minutes in the first half and 10 minutes in the second half of each shift, the period to be allotted at the discretion of the Coordinator.

### **B3 REPORTING ALLOWANCE**

An employee who reports for work at his normal time, unless otherwise notified, shall be provided with at least four hours work at the employee's correct rate of pay. If no suitable work is available the employee shall be paid one-half the number of hours normally assigned on that shift or day. In case of forced shutdown or employee work stoppage, the same does not apply.

The foregoing shall not apply in respect to any employee returning from vacation who fails to ascertain from the work schedules posted on department bulletin boards as to which shift he or she is to report to work.

The Company will continue it's present practice of trying to notify all employees as to when to return to work.

### **B4 TIME AND ATTENDANCE**

Employees are expected to report for work and be at their work assignments on time. When an employee is unable to report for work he/she will notify his/her Coordinator half an hour, or as soon as possible before his/her starting time. The company realizes extenuating circumstances may occur that result in an employee not being able to report for work at the start of his or her scheduled shift. In such case the employee should notify his or her Coordinator as soon as possible.

Employees will card in at the booking terminal using their own card only. If an employee is one or two minutes late, no deduction is made. From three to fifteen minutes late a full fifteen minutes is deducted, and thereafter in a similar way by fifteen minute periods.

Note: Penalties will be levied against the total of regular assigned hours or from the total of overtime hours according to the period in which the lateness occurred, i.e. employees who are late during regular assigned hours shall not suffer penalties by way of deductions from overtime hours worked.

Failure to card in or out will be penalized fifteen minutes pay for each missed booking. If the arrival booking is missed then the employee must card in and out upon departure.

Carding out early without approval of Coordinator will be penalized fifteen minutes pay.

Overtime worked must be approved by the Coordinator and initialled by the Coordinator on the Time and Attendance report.

Employees on shift work will remain on their assigned jobs until properly relieved or until the end of their regular shift.

#### **B5 OVERTIME REGULATIONS**

1. Overtime shall be paid at the rate of one and one half times the regular straight time rate for all work:
  - a. in excess of eight (8) hours in one day or shift as defined in Clause 3.
  - b. for all hours outside the normally scheduled hours of work provided the employee completes his regular shift except as provided by Clause 4.
  - c. for all hours in a re-scheduled shift (as defined in Schedule "B" - midnights, days or afternoons) which have been changed at Company request with less than 16 hours notice.
  - d. no overtime or premium payments will be computed twice on the same hours worked, but the highest single premium shall apply.
  - e. for all hours worked on Saturday except as provided by Clause 2.
2. Overtime shall be paid at a rate of double time the regular straight time for all work in excess of twelve (12) hours within the period of a day as defined in Clause 3, and for all hours worked on Sunday.

An employee who is working on a Saturday and who has completed 8 consecutive hours worked shall be paid at a rate of double time the regular straight time rate for all work performed over the first 8 hours.

3. A day, when mentioned in the Agreement, is understood to be the 24-hour period, beginning at either 10:00 p.m., 11:00 p.m. or 12:00 midnight, depending upon what schedule of shifts the employee is working on. It is also further understood when an employee is required to split his or her eight (8) hour shift the hours worked on the second shift shall be paid at overtime rates.

When overtime is required, the Company will offer it in the following manner:

- (a) First, to employees scheduled to and working on the job;
- (b) Secondly, to employees working on the job;
- (c) Thirdly, to the qualified employees who relieve on the job as part of the relief schedule;
- (d) Next, when practical, to employees posted to the job but not working on the job at that time;
- (e) To other department employees qualified to do the work;
- (f) To other employees in the plant who are qualified to do the work.

When seeking employees to perform overtime work, the Company will make every reasonable effort to fairly distribute overtime amongst qualified employees who are willing to do the work. When there are multiple incumbents the Company will ask the senior employee first, and rotate through all the remaining incumbents, following in seniority, until all employees have been given an opportunity at overtime. The amount of overtime scheduled for any employee will be held within the limits of Company policy (a maximum total of 12 consecutive hours worked including straight time) where reasonable and practical. Only in the event that no alternative qualified employee is readily available will the Company require the incumbent or temporarily assigned employee to work the overtime.

If an error is made in a daily, weekly or weekend overtime assignment and the employee brings the error to the coordinator's attention and the error is not corrected, adjustment of the error will be made by payment to the employee. The employee must possess the incumbency and qualifications to perform the job in question, and must notify the coordinator of the error before the beginning of the overtime assignment.

In those events where overtime assignment errors are discovered after the fact, the Company will endeavor to resolve this matter, investigate and take corrective action to ensure this does not become the norm.

- 4. If an employee is off work due to illness or authorized absence other than at the employee's request in a shift, that time that he would otherwise have worked will be counted as time worked for the purpose of calculating his eight (8) hours for the day in which the lost time occurred.

5. The Company will notify employees who may be required to work scheduled overtime on Saturdays and/or Sundays not later than Thursday of the week in which the overtime is required. In the event of unforeseen overtime on Saturday and/or Sunday becoming necessary, the Company agrees to notify employees who may be required to work, as soon as possible.
6. An employee required to work on any Recognized Plant Holiday, as provided for in Clause B6 shall be compensated for such work at the rate of time and one half his regular rate of pay in addition to the 8 hours Recognized Plant Holiday pay.
7. An employee working 2 hours of overtime following his regular 8 hour shift will receive a paid lunch period on addition he/she shall be paid for their normally scheduled lunch periods during his/her regular 8 hour shift.
8. Employees called out to do a special job shall be paid 1½ times for hours worked (not less than an amount equal to 4 hours at regular rate). In cases where the work extends into the employee's regular shift, pay will revert to straight time for those hours worked on his regular shift, subject to applicable provisions of the paragraphs above. Note: A call-out for a special job is one requiring skills not available and may involve more than one emergency repair.

**B6 RECOGNIZED PLANT HOLIDAYS**

The plant holidays recognized by the Union and the Company are as follows:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Christmas Day
Canada Day	Boxing Day
August Civic Holiday	4 Floating Holidays

In the first year of the contract the four Floating Holidays will be: December 29th, December 30th, December 31st, 1997 and Jan. 2, 1998.

In the second year of the contract the four Floating Holidays will be: July 3, Dec. 29, 30 31, 1998.

In the third year of the contract the four Floating Holidays will be: July 2, Dec. 29 and Dec. 30, 1999 and July 3rd of the year 2000.

Stationary Engineers working on Christmas Day or New Years Day will be paid at double time for all hours worked.



Each employee shall, for each of these recognized Plant Holidays, be paid for 8 hours at his straight time base rate provided:

- (a) he has over 30 days service.
- (b) he completed his regularly assigned shift immediately prior to, and immediately following such holiday or has an authorized leave of absence immediately prior to, or immediately following such holidays will not cause the employee to lose the holiday pay.
- (c) an employee may further qualify for holiday pay if
  - (1) his absence from his regularly assigned shift before and/or after the holiday was due to death in the immediate family

Note: Immediate family includes Mother, Father, Wife, Husband, own Child, Brother, Sister, Father-in-Law, Mother-in-Law, Sister-in-Law, Brother-in-Law, Grandfather, Grandmother, Niece or Nephew, Step-Mother, or Step-Father, Son-in-Law, Daughter-in-Law, Grandchildren and Grandparents-in-Law.

- (2) he worked some time in the week previous to or following the holiday and his absence from his regularly assigned shift before and/or after the holiday resulted from him being hospitalized or personally ill and he is able to furnish proof of his illness in the form of a Doctor's Certificate. It is understood that in no case will an employee be paid both Illness and Accident benefit and holiday pay for the same day. However, such an employee will not receive less than an amount equivalent to his holiday pay.
- (3) he reports for his regularly assigned shift before or after the holiday but fails to complete it because he is sent home by Management due to illness. An employee required to work on any such recognized Plant Holiday shall be compensated for such work at the rate of time and one half his rate of pay in addition to the 8 hours recognized Plant Holiday pay

**B7 SHIFT BONUS**

The third shift shall receive a shift bonus at 3% of the base rate and the first shift shall receive a shift bonus at 4% of the base rate.

	<u>1st</u>	<u>3rd</u>
1st Year	.71	.54
2nd Year	.73	.55
3rd Year	.75	.57

It is agreed that payment of shift premiums applies to hours worked during the first shift or third shift. However, for an employee to qualify for the premium in a shift other than his regularly scheduled shift, the employee must work for over an hour in the other shift.

#### **B8 JURY DUTY**

When an employee is called by the Crown to serve on a jury or is subpoenaed as a witness the Company shall pay the difference between the fee received from the crown and the employee's regular daily rate excluding shift or other premiums up to 8 hours per day with a maximum of 40 hours per week provided:

- (a) the employee furnishes proof of service
- (b) provides the Company with at least 48 hours notice of when he is to report
- (c) returns to work if he is called and not kept
- (d) such duty falls on a regularly scheduled work day the employee would have worked.

It is expressly understood that false claims for jury duty pay may result in disciplinary action up to and including possible termination from the Company. Employee shall mean an approved regular full time employee of the Company.

#### **B9 BEREAVEMENT PAY**

An employee absent from work solely due to a death in his or her immediate family during periods when he or she is both scheduled and available for work, may receive three (3) days pay for lost time during the period between the death and three (3) calendar days following the funeral for the purpose of attending the funeral, travel to and from same, or time required for making funeral arrangements. In the event of the death of the employee's spouse or child he or she may receive five (5) days pay for the time lost during the period between the death and five (5) calendar days following the funeral for purposes previously outlined. In the event of the death of an employee's mother or father, the employee may receive a fourth day's leave with pay to attend to business affairs arising from the bereavement. This leave must be taken within 30 days following the funeral. Payment shall be made on the following basis:

Such employee will be paid his straight time basic rate excluding shift or other premiums, for his scheduled hours he normally would have worked during such leave. Employees who are on scheduled vacation at the time of the death of a family member will be able to extend their vacation the number of allotted bereavement days with pay.

Immediate relative in respect to the foregoing shall mean an employee's mother, father, brother, sister, mother-in-law, father-in-law, son-in-

law, daughter-in-law, grandchild, brother-in-law, sister-in-law and grandparents. Employees shall mean an approved, regular full-time employee of the Company. It is further understood that a leave of absence of one day with pay may be granted to an employee for the purpose of attending the funeral of his grandparents-in-law, niece, nephew and step-parents.

**B10 PAYMENT OF WAGES**

Weekly by cheque and at points convenient to employee's place of work.

Employees on the day shift to receive their pay cheques Thursday forenoon. Employees on the afternoon shift to receive their pay cheques Wednesday evening. Cheques to be given to employees on the first shift before the end of their shift Thursday morning.

Vacation pay will be paid in advance to employees who request it 9 days in advance of commencement of vacation.

A normal payroll week shall be from 10:00 p.m. Saturday or 11:00 p.m. Saturday or 12:00 midnight Saturday (depending upon the schedule of shifts the employee is working) to the corresponding time the following Saturday.

Payment will be for the week ending the previous Saturday.

**B11 GUARANTEED WORK PLAN**

The Guaranteed Work Plan shall continue in effect until October 31st, 2000, except that in the event of failure to operate the plant or any department thereof due to a work stoppage, it shall be suspended during the period of such stoppage. Those returning to work after the stoppage will not be eligible for inclusion under the Guaranteed Work Plan until the month following their return.

1. The Guaranteed Work Plan applies to all approved hourly employees actively on the payroll, guaranteeing a definite number of hours or work per month.
2. **Eligible Employees** - All present approved employees shall be entitled to the benefits of this plan. Approval for benefits under the Guaranteed Work Plan will commence the first of the month following the completion of 360 hours worked.
3. **Hours Guaranteed While Actively on Payroll** - The Company guarantees eligible employees, while they are actively on the payroll, 150 hours of work in each month, for which they will be paid their full hourly rate or base rate. This is approximately eighty-five percent of the present base time of forty hours per week.

4. **Information Concerning the Operation of the Plan**

a. **Time of Payment**

Guaranteed time will be calculated once a month and will be included in the pay for the last pay period of each month.

b. **Work Requirements**

In order that an approved employee may be eligible for the benefits of the plan, he or she must work at least some part of the month for which the guarantee is being applied.

In the case of an employee who returns from layoff anytime in the week in which the 15th of the month falls or anytime after the 15th of the month, the Guaranteed Work Plan shall not apply to the month in which he returns. However, such an employee shall be guaranteed eighty-five percent of the normal working hours remaining in that month based on a forty-hour week.

An employee working in a month in which he is eligible for Guaranteed Time may be allowed to complete the full week at the end of the month, although the last day of the month may occur before the end of that week without renewing his claim for Guaranteed Time.

c. **Absence**

If any approved employee is absent from his or her work for personal reasons, sickness or otherwise, or by reason of accident, the guaranteed time will be reduced by the number of hours of such absence.

d. **Discontinuation of Payments**

For the purposes of this plan, as for all other Company benefits, any employee who is not recalled for work within the period of retention on the seniority lists as governed by the labour agreement and dating from the date of his lay-off, or who, upon demand fails to re-enter the employ of the Company, shall not be eligible for benefits under this plan.

Should he later be recalled or return to work, he shall be treated as a new employee and therefore must fulfil again the requirements noted in Section 2. The same shall apply should an employee obtain full time employment elsewhere.

No further payments under this plan will be made to employees who leave the employ of the Company voluntarily, who are discharged for cause, or who are laid off because of the destruction of the plant or accident thereto, or to it's machinery, or because of the failure to operate the Plant, or

any department thereof, due to a work stoppage, or because of the permanent closing of a plant or department.

e. **Transfer of Employees**

The Company policy of transferring employees from one department to another under the terms of the contract will not be changed by this plan. If an employee does not accept the work resulting from such transfers, he may be denied the benefits of this plan.

f. **Vacations and Holidays**

An approved employee on vacation or on a Recognized Plant Holiday will be considered as being on the Guaranteed work basis, which shall include his or her vacation or holiday time.

**B12 WAGE BONUS**

The employee Wage Bonus Plan shall remain in effect for the Company's fiscal years January 1, 1998 to December 31, 1998 and January 1, 1999 to December 31, 1999 and January 1, 2000 to December 31, 2000.

**B13 PROTECTIVE FOOTWEAR**

The Company agrees to provide a safety shoe subsidy of \$75.00 per year to approved employees on a calendar year basis. Such subsidy will be paid for the amount spent up to the maximum upon presentation by employees of receipt or proof of purchase of safety shoes.

Approved employees may purchase more than one pair of safety shoes during the calendar year but in no case shall the subsidy exceed \$75.00 in the first year. In the second year annual credits from the first year in whole or in part, can be accumulated into the second year to a maximum of \$150.00. In the third year a subsidy of \$75 per year will be provided and any credits accumulated from the second year will be available to a maximum of \$150.00.

**B14 TOOL ALLOWANCE**

A tool allowance of up to a maximum of \$450.00 over the term of the contract will be paid to approved Maintenance employees in or above Maintenance Grade Two, for the purpose of buying and replacing tools.

Each Maintenance Tradesman will receive a \$450 allowance to spend on small tools for plant maintenance over the three year contractual agreement. The allowance will be spent on a quarterly basis.

**B15 JOB OPPORTUNITY**

The parties recognize that any employee desirous of advancing to a more preferable job has the opportunity of doing so.

Permanent jobs which need to be filled shall be posted in each Department of the Plant for a period of three working days. An approved employee may indicate his or her interest in such a job by completing a job opportunity form provided by the Company.

A permanent job is one which needs to be filled for more than 30 working days. Openings that have to be filled for more than 30 working days as a result of illness, vacation and leave of absence need not be posted.

In the event that an employee who holds a posted job is laid off for more than four months the Company will, if requested by either the Company or the Union, post the job provided there is a business need. The incumbent will retain his/her posting until there is a successful applicant.

An employee may be the successful applicant of a job posting once in a 6 month period.

The positions of First Miller, Lab Inspector, and all Maintenance Jobs with the exception of Maintenance Grade II shall not be posted and will be considered progression jobs. All Package Persons and General Labour jobs shall not be posted.

The positions of Package Line Utility, Manufacturing Utility, Milling Utility and Permanent Floor Leader will be posted when vacancies arise, however, to fill these positions, skill, ability, reliability, adaptability, efficiency, initiative, conduct and physical fitness of the employees shall be the governing factors and where these things are equal, plant-wide seniority will be the governing factor. On an overall assessment of these qualifications a junior employee must be better qualified to be selected over the senior employee.

The parties agree in the basic principle that seniority and performance will be the key considerations when considering opportunities for advancement. In cases of promotion, demotion, upgrading or transfers of employees, the skill, ability, reliability, performance and conduct shall be the governing factors and where these are equal, plant-wide seniority will be the governing factor.

Interviews with candidates for job postings will be conducted on the basis of plant seniority.

The successful bidder's name for each job posting will be posted on the bulletin board.

The Chief Steward will receive a copy of a list of employees in Job Classifications, to be revised and sent out every six month, commencing in January of each year.

**B16 NEW JOBS**

1. New jobs will mean only permanent jobs. A permanent job will be one that lasts for more than 30 working days. After 30 working days the Company will establish a rate and advise the Union in writing. If there is a disagreement in the rate set, the Union will notify the Company in writing within 10 working days from the date they receive written notice from Company that the rate is set, otherwise the matter will be considered settled.
  
2. If the Company and the Union cannot agree on a rate for a job, the matter will be presented to a committee consisting of the Union Steward of the Department involved, plus the Chief Steward, the President, and the Company representatives. If they cannot resolve the disagreement, then the matter will be presented to a mutually acceptable, arbitrator, whose decision will be binding. It is understood that an arbitrator when establishing the rate for a New Job shall place the New Job rate in one of the existing Grades as defined in schedule "C" Job Classification and Wage Rates.

If the Company fails to notify the Union within 30 working days of the creation of a new job, the Union reserves the right to serve notice of their disagreement under the foregoing clause.

**WELFARE AND BENEFIT PLANS**

The Company shall establish the plans set out in this Agreement. The Company is responsible for the administration and application of such plans. Details of the plans are outlined in booklets, as amended and each employee will be provided with copies. A joint Company/Union benefit committee shall be established.

**B17 ILLNESS AND ACCIDENT PLAN**

The Company's Illness and Accident Plan will continue in force for the life of this Agreement, with benefits amounting to seventy-five percent (75%) of an employee's regular base rate times 40 hours for approved employees who qualify under the plan for the periods that follow. Your maximum benefit in any consecutive 12 month period will depend upon your length of service.

Years of Service Maximum Benefit	
3 mos. to five years	13 weeks
5 years to 10 years	20 weeks
10 years or more	26 weeks

Benefit under this Plan will be fully integrated with those payable under the Employment Insurance Act (E.I.). The Company paid portion of the plan will be paid for the first four weeks prior to integration with the Employment Insurance Sick Benefit. During the period an eligible employee is on the E.I. Plan he or she shall receive a co-ordinated benefit comprised of E.I. Sick Pay and Supplementary Unemployment Benefit totalling seventy-five percent (75%) of an employee's regular rate times 40 hours. The regulations governing the Plan shall prevail."

This plan is subject to approval under the Employment Insurance Commission legislation.

The Company will provide a loan of \$400.00 per week available for any employee qualifying for the Company Illness and Accident Plan who has applied for E.I. Illness and Accident and has not received his or her E.I. payment by the end of the fifth week.

Should your approved claim under the Illness and Accident Plan, exceed fifteen (15) working days, your three (3) day waiting period will be waived.

**B18 MEDICAL AND HOSPITAL PLAN**

The Company agree to pay the full premium cost of the Ontario Hospital Insurance (Standard Ward) Plan for all eligible approved regular employees who join the plan and their dependants.

The Company agrees to pay the full premium cost of the Quaker Group Health Plan for all eligible approved regular employees who join the plan and their dependants. The Quaker Group Health Plan includes benefits under the Quaker Major Medical Plan and such benefits as are in effect October 1, 1969 under the Ontario Health Insurance Plan.

**B19 DENTAL PLAN**

Effective November 1, 1997 dental plan coverage will be provided for all eligible approved regular employees and their dependants according to the 1997 Ontario Dental Association Fee Schedule.

Effective November 1, 1998 dental plan coverage will be provided for all eligible approved regular employees and their dependants according to the 1998 Ontario Dental Association Fee Schedule.

Effective November 1, 1999 dental plan coverage will be provided for all eligible approved regular employees and their dependants according to the 1999 Ontario Dental Association Fee Schedule.



The premium cost of the dental plan will be fully paid by the Company. Details of the plan are outlined in a booklet provided by the Company.

**B20 LONG TERM DISABILITY**

The Company's Long Term Disability Plan will remain in force for the life of this agreement, for all eligible approved regular employees, the cost of which will be borne by the employee.

Effective February 21, 1980 the Company will guarantee the payment of Ontario Health Insurance and Health care Benefits Plan premiums on behalf of employees who are out on Long Term Disability benefits.

The Company will notify the Union on the cancellation of an employee's LTD benefits.

Details of the plan are outlined in a booklet provided by the Company.

**B21 PENSION PLAN**

The Company Pension Plan for hourly employees shall be in effect and will be governed in text as filed with the Pension Commission of Ontario.

**B22 GROUP LIFE INSURANCE**

The Company shall provide a Group Life Insurance Plan for all eligible approved regular employees. Details of the Plan are outlined in a booklet provided by the Company.

**B23 VISION CARE PLAN**

A Vision Care Plan will be in effect for all eligible approved regular employees and their dependants. Details of the Plan will be provided by the Company.

## **SCHEDULE "C"**

### **SCHEDULE OF RATES**

#### **C1 SETTLEMENT PAY**

Each employee who was on the payroll November 1, 1997 and who is still on the payroll on the date of signing is to receive full retroactivity for all wages, and premiums for all compensated hours. Employees absent through sickness or temporary lay-off may qualify for settlement pay on return to work depending on when they return.

#### **C2 ACTING COORDINATOR**

A premium of twenty-five cents (25¢) per hour is to be paid to an employee who is appointed as Acting Coordinator for the period that he works as an Acting Coordinator. An employee so appointed will be subject to the conditions of Clause 41 of this agreement during the period of his appointment. After June 30, 1998 the Company will no longer use Acting Coordinators.

#### **C3 SKILLED TRADES - JOB IDENTIFICATION**

The wage rates of those employees employed in the area shall be governed by the Company's policy entitled "Maintenance Job Identification 1995" as amended to date.

#### **C4 RATES**

Effective November 1, 1997 all rates are to be increased 2%  
Effective November 1, 1998 all rates are to be increased 2 1/2%  
Effective November 1, 1999 all rates are to be increased 3%.

#### **C5 STUDENT AND NEW HIRE RATES:**

All starting rates shall be \$5.00 below the established rate of the job, with the exception of maintenance trades. The rate shall be increased on the employee's anniversary date by \$1.25 each year over a period of four (4) years until the job rate is reached.

Students hired specifically as Summer Help are to receive a rate of \$6.00 per hour below the rate of Grade One (1). It is agreed that the provisions of this Collective Agreement apply to Summer Help with exceptions as noted in the Summer Help hiring policy.

**WAGE RATES JOB CLASSIFICATION**

	<b>Effective Nov 1/97</b>	<b>Effective Nov 1/98</b>	<b>Effective Nov 1/99</b>
GRADE ONE	\$17.84	\$18.29	\$18.84
Cold Cereal Cleaner			
Milling Cleaner			
General Labourer			
Lab Helper			
Line 21 Person			
Package Person			
Line 1 Person			
Line 3 Person			
Line 16 Person			
Line 22 Person			
Line 5 Person			
GRADE TWO	\$18.01	\$18.46	\$19.01
Line 15 Person			
# 4 Elevator Operator			
# 5 Elevator Operator			
Pre-Sweet Tank Person			
Batching Plant Tank Person			
Reconditioner			
Service and Relief - Shipping			
Janitor & Relief			
Pallet Station - RTE			
Hot Cereal Cleaner			
RTE Cleaner			
Cold Cereal Cleaner 7th/8th Floor			
Janitor			
Muffets Person			
Maintenance Cleaner			
GRADE THREE	\$18.13	\$18.58	\$19.14
Fruit Job			
Line 1 Bellamy Operator			
Line 22 Edson Operator			
Barline Edson Operator			
Reclaim Operator			
Barline Assistant			
Baler Operator			
RTE Belt Inspector			

	<b>Effective Nov 1/97</b>	<b>Effective Nov 1/98</b>	<b>Effective Nov 1/99</b>
GRADE FOUR	\$18.35	\$18.81	\$19.38
Slitter Operator			
Pre-Sweet Inspector			
Bar Line Premixer			
Line 16 Blender Operator			
Distributor			
Line 7/18 Assistant Operator			
Harvest Crunch Pre-Mixers			
Line 6/9 Assistant Operator			
Pre-Mixer			
Bulk Packer			
Line 16 Assistant Operator			
Line 11 Assistant Operator			
Line 17 Assistant Operator			
Line 4 Assistant Operator			
Bran Sterilizer			
Oat Tank Person			
Line 15 Assistant Operator			
Line 21 Assistant Operator			
Line 22 Bartelt Operator			
I.Q.O. Relief			
Service & Relief Hot Cereals			
Line 30/31 2nd Assistant Operator			
Milling/Elevator Cleaner			
Line 5 Assistant Operator			

	<b>Effective Nov 1/97</b>	<b>Effective Nov 1/98</b>	<b>Effective Nov 1/99</b>
GRADE FIVE	\$18.59	\$19.05	\$19.63
Premix Plant Relief			
Line 30/31 1st Assistant Operator			
Line 3 Bellamy Operator			
Baking Mix Relief			
Muffet Cooker			
Line 5 Operator			
Line 7/18 Operator			
Muffet Packer Operator			
Supply Person			
Weigh Person			
Line 1 Operator			
Line 3 Operator			
Line 15 Operator			
Line 4 Operator			
Line 21 Operator			
Staude Operator and Repair			
Syrup Tender Harvest Crunch			
Bar Line Wrapper Operator			
Bar Line Wrapper Operator Relief			
Line 16 Operator			
Line 22 Operator			
Line 22 Blender Operator			
I.Q.O. Pre-Mixer			
Bar Line Syrup Tender			
Bakeshop Inspector			
Lab Inspector			
Jones Machine Operator - Muffets			
Harvest Utility			
GRADE SIX	\$18.70	\$19.17	\$19.74
Syrup Tender/Sheeting Table - RTE			
Line 17 Operator			
Line 11 Operator			
Line 6/9 Operator			
Muffet Machine Operator			
Gun Operator			
Bulk Unloader			
Bar/Slabline Operator			
Cold Cereal/Barline Support Person			

	<b>Effective Nov 1/97</b>	<b>Effective Nov 1/98</b>	<b>Effective Nov 1/99</b>
GRADE SEVEN	\$18.91	\$19.38	\$19.96
AJ System Operator			
Bulk Loader			
Jones Machine Operator - RTE			
Checker			
Palletizer/Forktruck Operator			
Mill Grinding Operator			
 GRADE EIGHT	 \$19.26	 \$19.74	 \$20.34
1st Floor Operator			
Batching Plant Operator			
RTE Premix Plant Operator			
 GRADE NINE	 \$19.72	 \$20.21	 \$20.82
Extruder Operator			
 GRADE TEN	 \$20.97	 \$21.49	 \$22.13
 UTILITY			
RTE Utility	\$19.72	\$20.21	\$20.82
Manufacturing Utility	\$18.70	\$19.17	\$19.74
Package Line Utility Operator	\$18.70	\$19.17	\$19.74
Milling Utility	\$19.72	\$20.21	\$20.82
Elevator Utility	\$19.26	\$19.74	\$20.34
Shipping Utility	\$18.91	\$19.38	\$19.96
 FLOOR LEADER			
20¢ above highest rate in group			
 MILLERS RATE			
2nd Miller	\$19.55	\$20.04	\$20.64
1st Miller	\$19.72	\$20.21	\$20.82
 FLAKING ROLLS SYSTEM			
Roll Man	\$20.97	\$21.49	\$22.13



	<b>Effective Nov 1/97</b>	<b>Effective Nov 1/98</b>	<b>Effective Nov 1/99</b>
MAINTENANCE			
Maintenance I	\$17.84	\$18.29	\$18.84
Maintenance II	\$18.13	\$18.58	\$19.14
Maintenance III	\$18.59	\$19.05	\$19.63
Maintenance IV	\$18.91	\$19.38	\$19.96
Maintenance V	\$19.79	\$20.29	\$20.90
Maintenance VI	\$20.25	\$20.76	\$21.38
Maintenance VII	\$21.50	\$22.03	\$22.69
Maintenance VIII	\$21.88	\$22.43	\$23.10
BOILER ROOM			
3rd Class	\$21.06	\$21.58	\$22.23
2nd Class	\$21.50	\$22.03	\$22.69
Maintenance Engineer	\$21.50	\$22.03	\$22.69
Chief Engineer	\$22.03	\$22.58	\$23.25



**SCHEDULE "D"**  
**VACATION PRIVILEGES OF EMPLOYEES**  
**AND THE CONDITIONS UPON WHICH SAME ARE GRANTED**

Annual vacation privileges for employees shall be allotted on the basis of the following schedule:

1. Employees who by August 31st of any year will have accumulated service on the payroll of one full year (365 calendar days) provided that the service record shows that the employee has not been off the payroll at any one time more than thirty (30) consecutive days, Sundays and holidays included, during the entire period while accumulating this credit for service, shall be entitled to two (2) weeks vacation.

Employees who have been employed on and after September 1st in any year shall receive vacation credit computed to June 30th the following year. Those employed in any year between January 1st and March 31st shall receive vacation credit computed to June 30th of that year.

Employees, who in any year will have accumulated seniority of five (5) years or more shall receive three (3) weeks vacation.

Employees who in any year will have accumulated seniority of ten (10) years or more shall receive four (4) weeks vacation.

Employees who in any year will have accumulated seniority of eighteen (18) years or more shall receive five (5) weeks vacation.

Employees who in any year have accumulated seniority of twenty-six (26) years or more shall receive six (6) weeks vacation.

Effective January 1, 1998 employees who have accumulated 18 years of service or more and are eligible for 5 or more weeks of vacation may elect to take one week of their vacation one day at a time. Scheduling of vacation days shall be arranged between the employee and his co-ordinator and shall be subject to business conditions.

For administrative purposes the following will apply:

Individual vacation days are not eligible for carryover into the next calendar year.

Employees will be paid vacation credit according to schedule "D" of the Collective Agreement.

2. An employee who is eligible for vacation shall be paid vacation pay at 2% of his previous year's earnings (exclusive of wage

bonus) for each week of vacation, or 40 times his regular hourly rate for each week, whichever is the greater.

3. If an employee voluntarily quits or is discharged from service for cause, he shall receive only such vacation credits as shall be determined by the Employment Standards Act.
4. Vacations may be given at any time during the year subject to the demands of business. However, each department should make a sincere effort to grant vacations at the time wanted by the employees, giving the longest service employee preference.
5. When a holiday as provided for in B6 falls during an employee's vacation, the employee may either accept pay for the holiday or a day off in lieu of the holiday which is mutually acceptable to the employee and the Company.
6. An employee who has completed 5 years service and is eligible for 3 weeks vacation or more may hold 1 weeks vacation credit over, to be taken some time in the first four months of the following year.
7. Time spent on sick benefits, Long Term Disability Benefits, Workmen's Compensation Board benefits and any other approved Leave of Absence, shall be considered to be equivalent of time spent in service in fulfilling the active employment requirements.

## LETTERS OF INTENT

1. Re: Hold Over of One Week's Vacation
2. Re: Administration of Clause B15 Job Opportunity
3. Re: Severance Pay
4. Re: Technological Change
5. Re: Long Term Disability
6. Re: Changes to Existing Jobs and New Jobs
7. Re: Maintenance Job Identification
8. Re: Bridge Retirement Plan
9. Re: Tool Allowance
10. Re: Parental Leave
11. Re: Summer Student Hiring
12. Re: Special Pension Retirement Allowance
13. Re: Flaking Rolls System (Roll Man)
14. Re: Maintenance Contracting Out
15. Re: Units Versus Departments

Letters of Intent to be considered as part of the Collective Agreement.

1 of 15

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

RE: HOLD OVER OF ONE WEEKS VACATION INTO THE FOLLOWING YEAR

It is understood that an employee who elects to hold one weeks vacation over to be taken some time in the first four months of the following year, may because of sickness or extenuating circumstances, delay taking his or her one week vacation until the first week immediately following his or her return.

Yours truly,

J. F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT

2 of 15

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

RE: THE ADMINISTRATION OF CLAUSE B15 JOB OPPORTUNITY

"If the Company decides not to appoint the applicant with the most seniority to the posted position, before the decision is announced the Company will meet with the Union and outline their reasons for making the decision.

If agreement is reached at this time that the applicant is unsuitable, the Company will then consider the next senior applicant and so on until the final decision is made."

Yours truly,

J. F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT

3 of 15

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

**SEVERANCE PAY POLICY**

Quakers' Severance Pay Policy is intended to provide a form of financial alleviation for approved employees who have their employment terminated due to the closing of the plant or the permanent closure of a section of the plant.

It is intended that the provisions of the Severance Pay Policy shall be inclusive of any severance required by law. However, payments under the Severance Pay Policy are not intended to include payment in lieu of notice as required under the Employment Standards Act.

An employee whose job is terminated due to the aforementioned reasons may elect to remain on the Plant Seniority List for possible recall in accordance with the applicable recall provisions of the Collective Agreement. In this event, the company will withhold any applicable payment of Severance Pay during the temporary lay-off period and into the indefinite lay-off period until such time as the employee requests payment.

An employee receiving Severance Pay shall receive vacation pay as prescribed under the Employment Standards Act.

It is understood that when and if such payment is made it will constitute a complete break in service for the employee and he/she shall forego any and all claims and/or recall rights with Quaker. It is understood that payment will be calculated at the employee's regular rate excluding shift and/or other premiums, at the time the reduction occurred.

Severance Pay will be paid to eligible employees in accordance with the following:

\* 1 - 10 years  
(and pro rated months)

1 wks. pay per year of service  
to 10 yrs.

PLUS \* 10 + years

2 wks. pay for each year of  
service over 10 years

Severance Pay shall be paid to a maximum of 52 weeks.

Yours truly,

J.F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

TECHNOLOGICAL CHANGE

In the event of Technological Change as defined in Clause 44 of the Collective Agreement the Company will, along with complying with the provisions of this clause, provide employees with the following information:

- the nature of the change
- the proposed time frame in which the Company proposed the change
- the approximate number, classification and location of employees likely to be effected by the change
- information regarding the new and changed jobs that will be available on completion of the Technological Change

It is also the intent of the Company where new or greater skills are required, because of Technological Change, that the Company will provide the necessary training for those employees so affected.

It is further agreed that any employee losing their posted job through technological change, and are still in the employ of the Company will have the right to return to the discontinued job immediately, seniority prevailing, if the job is reinstated.

Yours truly,

J. F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT



5 of 15

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

RE: LONG TERM DISABILITY

Further to our understanding concerning those employees on Long Term Disability, I am writing to confirm our existing policy of continuing those benefits that they are now receiving.

Such benefits will be retained as long as the employee remains on Long Term Disability.

Yours truly,

John F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT

6 of 15

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

RE: CHANGES TO EXISTING JOBS AND NEW JOBS

In keeping with the spirit of both Pay Equity legislation and internal equity, it is our intention to endeavour to determine job classification by a system of job evaluation.

Only new or substantially altered existing jobs will be eligible for job evaluation.

If a job is deemed eligible for evaluation, it will be evaluated by a joint union/management committee using a point factor system as used for Pay Equity purposes.

This letter will not alter the recourse available to the Union in clause B 16 New Jobs, but will provide method of evaluating new jobs.

Yours truly,

J.F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

**RE: MAINTENANCE JOB IDENTIFICATION, 1995**

The following identifies wage rates and provides a brief description of employee qualifications necessary to attain a specific grade level.

Maintenance I

- any routine job within the maintenance department requiring little or no skill;

Maintenance II

- employee in progress of acquiring skill or knowledge in the building trades;
- a starting apprentice;

Maintenance III

- employee with the basic knowledge of construction trades;
- apprentice 1st anniversary date

Maintenance IV

- employee competent in all building trades;
- works with minimum direction from supervisor;
- apprentice 2nd anniversary date

Maintenance V

- employee in the building trades who demonstrates a high level of ability;
- newly hired skilled tradesman possessing an Ontario Certificate of Qualification;
- apprentice who has completed the course, but has no certificate
- certified technician or technologist

Maintenance VI

- certified skilled tradesman completing probation
- apprentice completing required course work and fulfilling time requirements under the contract of Apprenticeship

Maintenance VII

- certified skilled tradesman completing three months in Maintenance Grade VI
- Maintenance Stationary Engineer
- Stationary Engineer 2nd Class

Maintenance VIII

- fully certified electrician
- enhanced mechanic

**APPRENTICESHIP PROGRAMME**

The following will be a supplement to the Skilled Trades - Job Identification:

1. The Company shall post a notice of vacant positions in the apprenticeship programme on all bulletin boards. The notice shall be posted for a period not less than five (5) working days.
2. A committee comprised of two management and two Union members will review all applications received and select appropriate candidates for testing.
3. The candidates selected from each review shall be required to write a G.A.T.B. Test and the candidate receiving the highest score on the Test shall be offered the position.

**SKILLS PROGRAM**

The Company reserves the right to limit the number of employees who will be compensated for certain courses with all requests for course credential recognition to be approved by the Company prior to course commencement.

It is also recognized that Maintenance employees holding a second certified trade, recognized technologist or technician diploma in an area beneficial to the Company will be compensated based on the following schedule:

- 3 -

- technologist \$ 0.60 above job rate

- technician \$ 0.45 above job rate
- second ticket \$ 0.30 above job rate

Academic courses required to satisfy the above listed programs will be determined by a Joint Union/Management Maintenance Skilled Trades Committee.

It is agreed that a senior mechanical or electrical journeyman will not be laid off prior to a junior technician or technologist.

Yours truly,

John F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

**BRIDGE RETIREMENT PLAN**

Any full-time hourly employee at the Peterborough Plant, between the ages of 55 and 65, who elects early retirement and who qualifies under one of the following categories, shall be entitled to receive Bridge Retirement payments in accordance with the earnings chart on this page.

These payments will commence coincident with his/her early retirement, and terminate on the first of the month following his/her 65th birthday.

Bridge Retirement payments will be in addition to the pension benefits payable under the Retirement Plan for hourly employees and will apply exclusively to hourly employees at the Peterborough Plant but will not apply to employees in receipt of LTD Benefits.

It is understood that eligibility under the terms of this Early Bridge Retirement Plan will terminate coincident with the termination of the current Collective Agreement.

<u>AGE</u>	<u>EARNINGS PER MONTH</u>
55-60	\$300.00 per month to age 60
60-65	\$400.00 per month to age 65

Also a joint survivor option bridge payment of \$180 (60% of \$300) per month for those employees retiring between the age of 55 and 60 shall be provided to the retiree's spouse in the event of the retiree's death and will continue until the retiree would have reached the age of 65.

A joint survivor option bridge payment of \$240 (60% of \$400) per month for those employees retiring between the age of 60 and 65 shall be provided to the retiree's spouse in the event of the retiree's death and will continue until the retiree would have reached the age of 65.

It is further understood that this plan will not apply in the event of a plant closure but bridge payments being paid to employees will continue until the employee reaches age 65.

Yours truly,

J.F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT

9 of 15

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

RE: TOOL ALLOWANCE

A tool allowance fund will be administered by the Tradesmen who will be responsible for accumulating a list of tool requirements, recording who made the request, ensuring that the distribution of funds is fair, and that the total budget is maintained.

When the Tradesman leaves the Company (through retirement, resignation, termination, etc.), or if this agreement is ever terminated, the Tradesman will pay the Quaker Oats Company of Canada Ltd. \$1.00 for the tools that they possess.

Yours truly,

J.F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT

10 of 15

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

RE: PARENTAL LEAVE

The agreement to change pertaining to Parental Leave will be contained in this letter.

The Company will grant up to 22 weeks unpaid parental leave following the birth of a child or the coming of an adopted child into a parent's custody, care and control for the first time. Both parents are eligible to take 22 weeks.

For a natural mother, fathers and adoptive parents, the parental leave must be completed prior to one year from the date of the birth of the child or after the baby first comes into the custody, care and control of the parent.

Employee must give two weeks written notice prior to the commencement of the leave and the same before the date leave is to end.

Seniority shall accumulate during such leave. An employee on an authorized parental leave shall continue to receive existing benefits coverage paid by the Company.

Yours truly,

J.F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT



11 of 15

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

RE: SUMMER STUDENT HIRING

A Joint Company-Union Committee has been established to review the criteria for hiring summer students for Plant hourly positions. The Committee recognizes the high cost of post-secondary school education and wishes to help defray these costs for the sons and daughters of Quaker employees.

In the event all regular employees have returned from layoff and the Company has a need to hire students, the following process shall apply:

- college or university students who are attending school or who have made application to attend school may apply
- sons and daughters of Plant employees will be given first preference
- as a minimum age requirement, students must have turned 18 sometime in the current calendar year
- jobs will be available between Victoria Day and Labour Day
- preference will be given to one student per family
- students will be hired for one summer only, however in the event all first time qualified students have been hired, the Company will next consider qualified students who have worked previous summers
- wages shall be \$6.00 below the rate of grade 1
- benefits shall be paid per Employees Standards Act
- recognized Plant Holidays will be paid
- applications (resumes) to be submitted to Human Resources Department no later than April 30, of the current calendar year

- the Committee will review applications and qualified candidates shall be randomly selected by lottery as jobs become available

Yours truly,

J.F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT

12 of 15

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

RE: SPECIAL PENSION RETIREMENT ALLOWANCE

The Company will provide a lump sum retirement allowance to those five employees who would not be eligible for one or two of the scheduled pension adjustment(s) by virtue of attaining the age of 65 or of the same five employees retiring prior to the age of 65 before the time of the adjustment(s).

Such allowance will be equal to the present value of the pension adjustment missed.

For example: estimated

25 years credited service in 1998

$25 \times \$3 = 75 \times 12 \text{ months} \times \$10 = \$9,000$

33 years credited service in 1999

$33 \times \$1.50 = \$49.50 \times 12 \times \$10 = \$5,940$

Yours truly,

J.F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT

13 of 15

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

RE: FLAKING ROLLS SYSTEM (Rollman)

The parties agree to add a new wage rate job classification entitled Flaking Rolls System and to place the "Rollman" position in that classification.

The parties agree that posted employees in that position will receive a rate of \$20.13 effective October 28, 1996, a rate of \$20.53 effective November 1, 1996 and increases consistent with the collective agreement thereafter.

The parties agree that this settlement is without prejudice and will not be a precedent in their ongoing relationship. In addition the parties agree that this settlement shall not be utilized for any pay equity or internal equity purposes in the future.

Yours truly,

J.F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

RE: MAINTENANCE CONTRACTING OUT

When any of the Maintenance Employees are on layoff, the Company agrees that the work of the particular laid off trade shall be performed within the Bargaining Unit except in cases of:

(a) Short completion time requirements and the immediate unavailability of the required Tradesmen on staff for the work to be performed,

or

(b) Unavailability of space or the required equipment,

or

(c) Short duration jobs for which it is not practicable to recall the appropriate Tradesmen.

The Company agrees to notify the Union in advance and to provide an explanation of the sub-contracting of the work of the particular trade when that trade is on layoff.

Yours truly,

J.F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

RE: UNITS versus DEPARTMENTS

The Company and Union have established guidelines that help clarify the administration of overtime as it concerns units versus departments.

This understanding pertains to assigning overtime as per clause B5, section 3, article (e) and comes into effect after compliance with articles (a) to (d). Article (e) states overtime will be offered "to other department employees qualified to do the work".

There are two areas of concern. If articles (a) to (d) have been exhausted, and the nature of the overtime work requires a qualified employee, the Company will ask other qualified employees on the line involved, and then in the department, on a seniority basis to perform the work available. The Company will identify those qualified employees in the department and will update a list of those qualified to do specific jobs on a weekly basis.

Secondly, when overtime is available that does not require specific job skills (i.e.: product rework, testing, etc.) it is understood that employees working on the particular line involved will be offered the overtime on a seniority basis. Failing that, the coordinator will rotate, on a seniority basis, through a list of available employees in the department. Available means those employees who are working on shift at the time the overtime is determined.

Yours truly,

J.F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT

**LETTERS OF UNDERSTANDING**

1. Re: Union Benefit Representative
2. Re: Job Security
3. Re: Overtime Allocation by Leadhands

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

RE: LETTER OF UNDERSTANDING  
UNION BENEFIT REPRESENTATIVE

The Company recognized the appointment of a Union Benefit Representative. Responsibilities shall include representation and education of employees concerning benefit issues.

The Company will provide reasonable time for the Benefit Representative to perform his job functions. The benefit representative will seek approval from his coordinator before leaving his regular job and shall receive his regular rate of pay while performing the role of Benefit Representative. Under normal circumstances time as required will be granted by management. Time as required will not be abused.

Yours truly,

J.F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT



Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

RE: LETTER OF UNDERSTANDING  
JOB SECURITY

PRODUCTION LINE MOVE

While it is the intent of the Company to retain all existing production lines at the Peterborough Plant, the Company retains its' exclusive rights to manage the enterprise and make decisions affecting the business. However in the event a production line is transferred out of the Peterborough Plant the following steps will be initiated:

1. A meeting will take place immediately with the union to discuss the jobs affected.
2. A buyout will be offered, the number of buyouts will be equal to the number of permanently eliminated positions, beginning with the most senior employees who are eligible for retirement. The buyout amount would be equal to one week's pay for each year of service to a 20 year max.
3. Employees affected by the permanent reduction of jobs will have wage rate protection. In the event an employee posts to another job he shall retain a rate higher or at least equal to the rate of the job lost.

Employees affected by the permanent reduction of jobs will be offered training opportunities for the purposes of performing other jobs in the plant.

Yours truly,

J.F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT

Canadian Auto Workers Local 1996

Attention: Mr. Steve Madill  
President,  
Canadian Auto Workers Local 1996

Dear Mr. Madill:

RE: LETTER OF UNDERSTANDING  
OVERTIME ALLOCATION BY LEADHANDS

The Company agrees to develop a process that returns the allocation of overtime from the leadhand to the Coordinator by December 31, 1998. In the future only in extraordinary circumstances would overtime be allocated by the leadhand.

Yours truly,

J.F. Perkins  
HUMAN RESOURCES MANAGER  
PETERBOROUGH PLANT

Peterborough Plant Hourly Employees



p r o u d l y   p r e s e n t s   y o u r

# COMPANY BENEFITS

**THE QUAKER OATS COMPANY  
OF CANADA LIMITED**

Company Benefits at January 1, 1999 for  
Peterborough Hourly Employees

# **Company Benefits for Peterborough Plant Hourly Employees**

## **About This Booklet**

**This booklet describes the highlights of your benefit plans. It is designed to help you learn about and understand your Quaker Benefits. We encourage you to familiarize yourself with the provisions of the plans as set out in this guide and to share this information with your insured family members.**

**There are legal documents and contracts behind all of the benefits. Although we have summarized how these Plans work in everyday language, this booklet does not replace the legal documents governing the Plans. We have made every attempt to ensure that this booklet accurately details the provisions of the benefit Plans. However, should any questions arise and if the contents of this booklet disagree with the Master Contract or relevant policy, the Master Contract or relevant policy will always govern.**

**As you read through this booklet, please keep in mind that although Quaker intends to continue your benefits in their current form, all benefit Plans are subject to change because of legislation, economic conditions, or other factors. The Company reserves the right to amend or rescind these benefit arrangements at any time. If any material changes are made, you will be notified promptly.**

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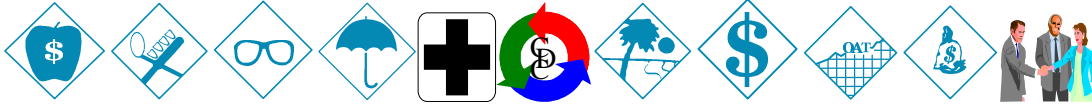


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# SUMMARY OF YOUR BENEFITS



BENEFIT	COVERAGE								
<b>Healthcare</b> Great-West Life Policy #51526	<p>Company-paid. Covers the cost of eligible expenses not covered under your Provincial Health Program. Includes Prescription Drugs (subject to a annual deductible of \$25 for single coverage &amp; \$50 for family coverage), Supplementary Hospital, and Major Medical.</p>								
<b>Dentalcare</b> Great-West Life Policy#51526	<p>Company-paid. Covers a full range of dental services, based on the previous year's dental fee schedule.</p> <ul style="list-style-type: none"> <li>• Preventative Treatment at 90%</li> <li>• Basic Treatment at 80%</li> <li>• Major Treatment at 50%</li> <li>• Orthodontic Treatment at 50%</li> </ul> <p>Maximum \$1,500 per family member per year for preventative, basic, and major treatment. Orthodontia is \$2,000 per course of treatment.</p>								
<b>Visioncare</b> Great-West Life Policy #51526	<p>Company-paid. Prescription eye glasses or contacts to a maximum of \$200 every 24 months.</p>								
<b>Group Life Insurance</b> Great-West Life Policy #32878	<ul style="list-style-type: none"> <li>• <b>Basic Insurance: Company-paid - \$35,000.</b> Includes Company-paid Dependent Life Insurance of \$8,000 spouse, \$6,000 per child.</li> <li>• <b>Optional Insurance - Employee-paid.</b> One or 2 x Basic Insurance. Cost for an additional \$35,000 is \$2.88 per week, cost for an additional 70,000 is \$5.76 per week.</li> </ul>								
<b>Illness &amp; Accident Insurance</b>	<p>Company-paid - Plan provides 6 hours of pay or 75% of your regular base rate when you are unable to work because of personal illness or injury and have met the three day waiting period (if required) for the first four weeks prior to integration with the Employment Insurance Sick Benefit.</p> <p>Benefits are determined by the length of service:</p> <table border="0"> <tr> <td><b>Years of Service</b></td> <td><b>Maximum Benefits</b></td> </tr> <tr> <td>Approval to 5 years</td> <td>13 Weeks</td> </tr> <tr> <td>5 Years to 10 Years</td> <td>20 Weeks</td> </tr> <tr> <td>10 Years of More</td> <td>26 Weeks</td> </tr> </table>	<b>Years of Service</b>	<b>Maximum Benefits</b>	Approval to 5 years	13 Weeks	5 Years to 10 Years	20 Weeks	10 Years of More	26 Weeks
<b>Years of Service</b>	<b>Maximum Benefits</b>								
Approval to 5 years	13 Weeks								
5 Years to 10 Years	20 Weeks								
10 Years of More	26 Weeks								

<p><b>Long Term Disability Insurance</b> Great-West Life Policy #32878</p>	<p>Employee-paid. Mandatory. Plan is designed to provide you with income security upon expiration of Illness &amp; Accident Benefits if you are absent from work as a result of a lengthy disability, due to personal illness or injury.</p>
<p><b>Retirement Plan</b> Revenue Canada Registration Number 0301507</p>	<p>Company-paid. Mandatory. Plan is designed to work along with the government benefits, providing employees with retirement income. Your pension from the Plan is based on your years of service with Quaker, and is calculated using a formula. This formula is based on a fixed dollar amount which is multiplied by your years of service.</p>
<p><b>Group RRSP</b> Mutual Life of Canada Policy #GA5873-1</p>	<p>Optional employee savings plan through payroll deductions, optional lump sum payments, or both.</p>
<p><b>Harris DOCS<sup>SM</sup></b> Harris Trust and Savings Bank</p>	<p>Optional Quaker stock purchase, holding and selling program. Payroll deductions, optional lump sum payments, or both.</p>
<p><b>Wage Bonus</b></p>	<p>An opportunity for you to share in the earnings of the Company. A fixed percentage of the Company's calendar year earnings is allocated to a wage bonus for eligible employees.</p>
<p><b>Employee Assistance Program</b>  Peterborough Employees: Telka, Smith</p>	<p>Professional counselling services to assist you and your dependants in resolving personal problems.</p>



## CONTACTS

You can contact the benefit providers listed in this section if you require assistance.

Enrolment, information change, or claim forms are available in the Human Resources Department. If you would like to discuss your benefits package or if you have a question about premiums, contact the Human Resources Department.

### EMPLOYEE ASSISTANCE PROGRAM - Peterborough Employees



Telka, Smith  
Registered Psychologists  
318 Stewart Street  
Peterborough ON K9J 3N1



742-3120 Office  
748-8915 Pager for outside of regular office hours

### GLOBAL MEDICAL ASSISTANCE



When you are travelling be sure to carry your Global Medical Assistance (GMA) card. This card contains our group policy number 51526 and instant information on where and who to contact in the event of a medical emergency.

### GROUP RRSP - The Mutual Group



1-800-366-1135 for service in English  
1-800-619-1101 for service in French.

- Have your ID and password ready
- 24 hours per day, 7 days per week
- Client service representative available between the hours of 7:30 am to 7:30 pm Eastern Time, Monday through Friday



<http://www/mutualgroup.com>

## HARRIS DOCS<sup>SM</sup>



Harris DOCS  
Harris Trust and Savings Bank  
P.O. Box A3309  
Chicago, IL 60690



1-800-344-1198 - Telephone  
1-312-461-5563 - Fax

Hours: 8:00 a.m. to 5:00 p.m. Central Time

## HEALTH, DENTAL, AND VISIONCARE, *Also see Global Medical Assistance.*



The Great-West Life Assurance Company  
Health and Dental Claims Centre  
P.O. Box 6035, Station Main  
Winnipeg, Manitoba R3C 3H6

### *For submitting Out-of-Country Health Claims:*

The Great-West Life Assurance Company  
Out-of-Country Claims Department  
P.O. Box 6000  
Winnipeg, Manitoba R3C 3A5



1-800-957-9777                      for service in English  
1-800-704-4007                      for service in French

- Monday to Friday, 7:00 am to 6:00 pm Central Time
- Have your policy number (51526) and your employee number (located on your pay stub and your drug card) available for reference when you call.



<http://www/gwl.ca>



## HEALTHCARE PLAN

Healthcare expenses probably occur more frequently in most families than any other type of emergency expense. Fortunately, Company-sponsored healthcare coverage, together with Provincial Health Insurance Programmes, affords you and your family generous protection in almost all instances of healthcare needs.

Your Healthcare coverage entails 3 areas:

**Supplementary Hospital - Provides coverage towards the cost of preferred hospital accommodation for you and your insured dependants.**

**Major Medical - Pays 100% of covered expenses up to specified maximums.**

**Prescription Drugs - Pays the cost of prescribed drugs after you have satisfied a deductible.**

If you have any questions regarding the Healthcare Plan, you may contact the Human Resources Department.

Medical claim inquiries should be directed to The Great-West Life Assurance Company, Monday to Friday, 7:00 am to 6:00 pm Central Time, at the following phone numbers:

1-800-957-9777

for service in English

1-800-704-4007

for service in French

You must have your policy number (51526) and your employee number (located on your pay stub and your drug card) available for reference when you call.

### **ELIGIBILITY**

If you are a regular, full-time employee, you are eligible for coverage under the Company's Healthcare Plan on the first day of the month coincident with or following your approval.

Your eligible dependants who become enrolled at the same time you do include:

- Your spouse (legal or common-law, or same-gender)
- Your unmarried children who are dependent on you for support and who are:
  - (a) under age 21, or
  - (b) over age 21 and full-time students (must complete annual coverage dependent application)

- (c) over age 21 but incapable of sustaining employment by reason of mental or physical handicap

**Subsequent Enrolment of Eligible Dependents:** If you acquire an eligible dependent through marriage, common-law union, birth or adoption subsequent to your initial enrolment, your new dependent is automatically covered by the Healthcare Plan when you make your first claim and provide the required information to your pharmacist or on the Healthcare Reimbursement Claim form.

If you are not actively at work on the date your benefits would normally become effective, they will commence on your return to work.

If one of your dependants is hospitalized on the date benefits would normally become effective, coverage will commence on the day following discharge from the hospital.

Healthcare benefits are payable for illnesses or accidents which occur off the job. They are also payable for those occupational illnesses or accidents which would not normally be covered by Workers' Compensation.

### **SUPPLEMENTARY HOSPITAL**

Whenever you or an insured dependent enter the hospital and are charged for room and board, Supplementary Hospital benefits pay:

- *the full difference between semi-private hospital charges and standard ward rates.*
- *private hospital charges in excess of standard ward rates to a maximum of \$120 per day, unless prescribed by a doctor.*

**Note:** Standard ward rates are paid by your provincial health programme.

If you should be hospitalized due to emergency treatment outside Canada, the plan will reimburse you for semi-private hospitalization at the rate that would have been applied had the hospitalization occurred in Canada.

### **MAJOR MEDICAL**

This plan pays 100% of the cost of most reasonable, customary, and prescribed healthcare services and expenses that are not covered under provincial healthcare programmes, subject to some limitations.

**COVERED EXPENSES INCLUDE:**

- 1. Professional ambulance services (including licensed air ambulance).**
- 2. Out-of hospital services rendered by registered graduate nurses, licensed practical nurses or registered nursing assistants, other than members of the employee's family to a maximum of \$25,000 per calendar year.**
- 3. Treatment by x-ray, radium, and radio-active isotopes.**
- 4. Oxygen and its administration.**
- 5. Blood and blood transfusions.**
- 6. Injectable drugs dispensed by a physician.**
- 7. Rental of wheelchair, hospital bed, or iron lung.**
- 8. Splints, trusses, braces, crutches, casts, artificial limbs, artificial eyes and other prosthetic devices for a medical condition which has been arrested or corrected by surgery.**
- 9. Out-of-hospital services of a dentist or oral surgeon for services specified in the Master Policy.**
- 10. Services of a Masseur when prescribed by a physician, subject to a maximum of \$400 per individual in a calendar year.**
- 11. Services of a Speech Therapist prescribed by a physician for up to \$400 per individual in a calendar year.**
- 12. Services of a Psychologist prescribed by a physician, subject to a maximum of \$400 per individual in a calendar year.**
- 13. Hearing aids purchased on the written prescription of a physician and repairs to a maximum of \$350 in a 4 year period.**
- 14. Orthopaedic shoes, subject to a maximum of \$200 per calendar year - provided that the shoes or modifications are prescribed in writing by a podiatrist or by a physician.**
- 15. Orthotics - reasonable and customary charges for customized orthotics, when prescribed by a physician.**

16. Full Paramedical option - reasonable and customary charges for the services rendered by a Chiroprapist, Podiatrist, Naturopath, Christian Science Practitioner, Chiropractor and Osteopath after the expiration of any provincial coverage, subject to a maximum of \$400 per individual in a calendar year.
17. Physiotherapy - out of hospital treatment of movement disorders by a licensed physiotherapist.
18. Diabetic equipment subject to a lifetime maximum of \$350. Ancillary supplies up to \$700 per calendar year.
19. Room and board and normal nursing care in a licensed nursing home, under the supervision of a physician for up to \$20 per day.
20. Treatment of accidental injury to natural teeth (must be reported within 6 months of the injury).
21. Out-of-province/Out-of-country emergency only medical services, rendered by physicians in excess of amounts listed for such services in the applicable province medical association fee schedule, but only if such coverage is not prohibited by law. Coverage is limited to the first 9 weeks from the date you departed from your home province. Through an arrangement with MEDEX Assistance Corporation, Global Medical Assistance provides 24 hour worldwide assistance to travellers in emergency medical situations.

## WHAT IS GLOBAL MEDICAL ASSISTANCE (GMA)?



Imagine yourself away from home faced with large, unexpected expenses and potential language barriers at a time when you need immediate, professional medical attention.

Because of the uniqueness and complexity of medical emergencies that arise while travelling, GMA provides benefits and services to you and your eligible family members, over and above the protection provided by your provincial healthcare plan and the Quaker Healthcare plan.

Travellers should be sure to carry the GMA card which contains Quaker group policy number 51526 and instant information on where and who to contact.

## The following benefits are provided by GMA:

- **Worldwide Assistance** - GMA coverage is provided anywhere in the world. Coverage is also extended for travel within Canada if you are 500 kilometers or more from home.
  - 
  - **Medex Communications Network** - You have access to a direct line 24 hours a day, everyday. You will be referred to hospitals, clinics and to physicians who will supervise medical care. If necessary, medical evacuation is arranged.
  - **Medical Advisors** - Qualified licensed physicians, under agreement with MEDEX, provide consultative and advisory services as well as second opinions.
  - **Courtesy Assistance** - GMA can help you locate qualified legal assistance, local interpreters and appropriate services for replacing lost passports.
  - **Admission Advance Assistance** - When required for admission, MEDEX will make advance payment of up to \$1,000 to the hospital.
  - 
  - **Assisting Unattended Children** - If you are hospitalized, GMA will assist your unattended children in returning home by providing transportation expenses (up to a maximum of one-way regular economy airfare per child), helping with travel arrangements, boarding and making connections.
  - **Family Member Travel Assistance** - If you are hospitalized for more than 7 days and have been travelling alone, GMA will cover the expense of one round trip economy fare to the place of hospitalization and lodging expenses for 1 family member, up to a maximum of \$1,500 in total.
- or*
- Travelling Companion Expenses** - If you are hospitalized for more than 7 days and have been travelling with a companion, GMA will cover the transportation and accommodation expenses incurred by your companion as a result of your accident or illness, up to a maximum of \$1,500 in total. (GMA provides either Family Member Travel Assistance or Travelling Companion Expenses, but not both.)
- **Transportation Reimbursement** - Airfare expenses will be covered for you if you miss prearranged and prepaid return transportation because of your hospital confinement.
  - 
  - **Return of Vehicle** - If a traveller dies or is hospitalized for 7 days or more, GMA arranges for and will pay up to \$1,000 towards the cost of a vehicle being returned home or to the nearest rental agency. This applies to owned or rented vehicles.
  - **Transportation of Remains** - In the event of death, expenses for preparing and transporting a traveller's remains home are covered.

## **PRESCRIPTION DRUGS**

**SINGLE DEDUCTIBLE: \$25.00 Per Year**

**FAMILY DEDUCTIBLE: \$50.00 Per Year**

The plan covers reasonable and customary charges for drugs and medicines requiring a written prescription and which are dispensed by a pharmacist, or physician legally authorized to do so.

Lowest cost alternative drugs will be dispensed when available, unless the physician specifies "no substitute" on the prescription. If a brand name drug is requested by you (or a dependent) and a lower cost alternative is available, you (or your dependent) will be responsible for payment of the difference in cost between the two. Where a lower cost alternative drug is not available, the "brand name" drug will be dispensed and covered by the plan.

### **COVERED EXPENSES DO NOT INCLUDE:**

- treatment received from a dental or medical department maintained by the Employer, a mutual benefit association, labour union, trustee, or similar type of group.
- injury or illness that is a direct result of war, declared or undeclared; engaging in a riot; insurrection.
- services rendered without charge, or for which a government health plan prohibits payment of benefits.
- dental services other than the oral surgical procedures specified.
- plastic surgery or hospital confinement associated with plastic surgery, except when the operation is performed to correct deformities resulting from injury or sickness or congenital defects that interfere with function.
- eyeglass, eye refractions, and the fitting of eyeglasses.
- sporthotics.
- pregnancy tests; examinations; checkups or certifications not performed as a consequence of existing symptoms of illness.
- vitamins.
- dietician consultation fees and weight loss clinic services.
- injectable, preventative drugs.



## **HOW TO MAKE A CLAIM**

The following outlines the methods for claims submission.

Should you have any questions regarding your claim, they should be directed to The Great-West Life Assurance Company, Monday to Friday, 7:00 am to 6:00 pm Central Time, at the following phone numbers:

**1-800-957-9777**            for service in English  
**1-800-704-4007**            for service in French

You must have your policy number (51526) and your employee number (located on your pay stub and your drug card) available for reference when you call.

### **1. DRUG CARD**

A personalized drug card from the Human Resources Department should be used to purchase prescribed drugs. The card may be used by you, or any eligible member of your family and is accepted by your pharmacist as payment.

### **2. REIMBURSEMENT**

When you, or your family, pay for your eligible medical services, supplies or prescribed drugs upfront, the plan will reimburse you when you submit the proper completed claim to The Great-West Life Assurance Company

Claims can be forwarded by mail to the insurance company by regular mail, or the mail service provided by Quaker. The address of the insurance company is:

**The Great-West Life Assurance Company  
Health & Dental Claims Centre  
P.O. Box 6035, Station Main  
Winnipeg, Manitoba R3C 3H6**

**For Out-of-Country Health Claims, please use regular mail addressed to:**

**The Great-West Life Assurance Company  
Out-of-Country Claims Department  
P.O. Box 6000  
Winnipeg, Manitoba R3C 3A5**

## **ABSENCES FROM WORK**

During maternity/parental leave, Quaker will maintain your Healthcare.

If you are on temporary layoff and you are an approved employee the Healthcare Plan will continue for two months following layoff. In the event the first day of the month occurs during the last week worked, you will receive Company paid benefits for the balance of that month plus one more month. The following third month, the employee has the option of purchasing their Healthcare package on a continuous monthly basis for up to one year.

If a personal leave of absence is the reason for being absent from work, your Healthcare coverage may be continued providing premiums are maintained by you, the employee. This is co-ordinated through the payroll department.

## **RETIREMENT COVERAGE**

When you retire from the Company, Healthcare Plan coverage will continue for you and your family as long as Company retirement pension payments are being received.

## **TERMINATION OF BENEFITS**

Coverage for you and your dependants stops automatically on the last day of the insurance month coinciding with or following the date of termination of "service" as defined in the Master Policy.

In the event that a covered dependent is hospitalized on the date of your termination of employment, Hospital and Major Medical benefits will continue in the same manner as your own until discharged from the hospital.

A dependant's coverage stops automatically on the last day of the insurance month coinciding with or following the date such dependent ceases to be your dependent.

If you should die, Healthcare benefits will continue to your eligible dependants for a period of one year from the date of your death.

## **COORDINATION OF BENEFITS**

If you are covered under both the Quaker Healthcare plan and your spouse's group insurance plan for family coverage, it is possible for benefits to be paid by both plans as per the following insurance industry practice, known as "Co-ordination of Benefits"

Co-ordination of Benefits is a provision that allows you to claim up to 100% of your expenses through a combination of both your plan and your spouse's plan.

The process for submitting Co-ordination of Benefits claims is as follows:

### **Claim Belongs to You:**

You submit the claim to Quaker Oats' Plan first. Any unpaid balance can then be submitted to your spouse's insurer.

### **Claim Belongs to Your Spouse:**

Your spouse submits the claim to their insurer first. Any unpaid balance can then be submitted to our plan for consideration.

### **Claim Belongs to Your Child:**

Your child's claim should first be submitted to the plan of the parent whose birthday occurs first in the calendar year. (For example, if your birthday is May 1st and your spouse's birthday is December 1st, the claim for your child is sent through your plan first.) The unpaid balance can then be submitted to the other insurer for consideration.

For all situations noted above, you must keep photocopies of the original claim form and receipts in order to submit the unpaid balance to the second insurer, along with the first insurer's "Explanation of Benefits".



## DENTALCARE PLAN

Good dentalcare is important to all of us because of its potential effect on our health and our appearance. Your Quaker Dentalcare Plan provides substantial benefits for most dental bills.

This Plan is intended to:

1. ***Encourage preventative dental care***  
Quaker pays a large share of the costs related to necessary dental services and encourages regular dental examinations and treatments.
2. ***Reduce the financial burden of major dental work***  
The Quaker Dentalcare Plan pays a portion of costs relating to major dental services, such as dentures, crowns and orthodontics.

If you have any questions regarding the Dentalcare Plan, you may contact the Human Resources Department.

However, claim inquiries should be directed to The Great-West Life Assurance Company, Monday to Friday, 7:00 am to 6:00 pm Central Time, at the following phone numbers:

1-800-957-9777	for service in English
1-800-704-4007	for service in French

You must have your policy number (51526) and your employee number (located on your pay stub and your drug card) available for reference when you call.

### ELIGIBILITY

If you are a regular full-time employee, you and your dependants are eligible for coverage under the Company's Dentalcare Plan on the first day of the month coincident with or following your approval.

Your eligible dependants who become enrolled at the same time you do include:

- Your spouse (legal or common-law, or same-gender)
- Your unmarried children who are dependent on you for support and are:
  - (a) under age 21, or
  - (b) over age 21 and full-time students (must complete annual coverage dependent application)
  - (c) over age 21 but incapable of sustaining employment by reason of mental or physical handicap.

**Subsequent Enrolment of Eligible Dependents:** If you acquire an eligible dependent through marriage, common-law union, birth or adoption subsequent to your initial enrolment, your new dependent is automatically covered by the Dentalcare Plan when you make your first claim and provide the required information to your pharmacist or on the Dentalcare Reimbursement Claim form.

If you are not actively at work on the date your benefits would normally become effective, they will commence on your return to work.

### **ELIGIBLE DENTAL EXPENSES**

An eligible expense is defined to be your dentist's charge for any of the eligible services indicated in this section, *provided the dentist's charge does not exceed the fee specified in the following applicable Provincial Dental Association Schedule of Fees:*

*1998 Ontario Dental Association Fee Schedule - effective November 1, 1998*

*1999 Ontario Dental Association Fee Schedule - effective November 1, 1999*

*Payment is also limited to the cost of the least expensive treatment when acceptable alternatives are available.*

Eligible services include:

- Preventative Treatment
- Basic Treatment
- Major Treatment
- Orthodontic Treatment

## **PREVENTATIVE TREATMENT**

The Plan pays for 90% of eligible dental expenses for the following services:

- a. Each of the following four procedures is covered provided that, for each service, a period of at least 9 consecutive months has elapsed since the last such service was rendered:
  1. Oral examination
  2. Prophylaxis (the cleaning and scaling of teeth)
  3. Bite-wing X-rays
  4. Topical application of fluoride solutions
- b. Full-mouth series of X-rays, provided that a period of at least 36 consecutive months has elapsed since the last such service was rendered.

## **BASIC TREATMENT**

The Plan pays for 80% of eligible dental expenses for the following services:

- a. Extractions and alveolectomy at the time of tooth extraction.
- b. Amalgam, silicate, acrylic and composite restorations.
- c. Dental surgery.
- d. Diagnostic X-ray and laboratory procedures required in relation to dental surgery.
- e. General anaesthesia required in relation to dental surgery.
- f. Endodontic treatment (root canal).
- g. Periodontic treatment (gum disease).
- h. Necessary treatment for relief of dental pain.
- i. The cost of medication and its administration when provided by injection in the dentist's office.
- j. Space maintainers for missing primary teeth and habit breaking appliances.
- k. Consultations required by the attending dentist.
- l. Relines and rebases to existing dentures.
- m. Pit and fissure sealants.

## **MAJOR TREATMENT**

The Plan pays for 50% of eligible expenses for the following services:

- a. Provision of crowns.
- b. Provision of an initial prosthodontic appliance (eg. fixed bridge restorations, removable partial or complete dentures) if required because of the extraction of additional natural teeth while insured under the plan.

- c. **Replacement of an existing prosthodontic appliance if:**
  - 1. It is required because of the extraction of additional natural teeth while insured under the plan and the existing appliance could not have been made serviceable. If the existing appliance could have been made serviceable, only the expense for the portion of the replacement appliance replacing the additional teeth extracted is covered.
  - 2. It replaces an existing appliance which is at least 5 years old and cannot be made serviceable.
  - 3. It replaces an existing appliance which was temporarily installed while insured under the plan. The first replacement appliance is considered to be a permanent (as opposed to temporary) installation.
  - 4. It is required because of the installation of an initial opposing denture while insured under the plan.
  - 5. It is required because of accidental bodily injury which occurs while insured under the plan.
- d. **Repairs to existing dentures.**
- e. **Procedures involving the use of gold, when a reasonable substitute consistent with generally accepted dental practice would not have resulted in a lower expense.**

## **ORTHODONTIC TREATMENT**

The Plan pays for 50% of eligible expenses for reasonable and customary charges for treatment rendered by an Orthodontist for the correction of malocclusions of a dependent child who is at least 6 but not more than 21 years of age when treatment commences. Necessary orthodontic appliances are also covered.

## **SPECIAL CONDITIONS**

### ***a. Treatment Plan:***

An employee is required to submit a Treatment Plan to Great-West Life prior to commencement of treatment for any course of Orthodontic Treatment. Great-West Life will adjudicate the eligibility of the Treatment Plan for coverage.

### ***b. Claims Payment:***

Once the treatment plan commences, reimbursement for covered dental expenses under Orthodontic Treatment is made on the following basis:

- 1. Employees submit expenses for Orthodontic Treatment as services are rendered.
- 2. The separate cost for initial appliances (eg. braces) is considered to be the lesser of the covered expense of these appliances, or 25% of the total estimated covered expenses for Orthodontic Treatment.
- 3. The balance of the total estimated covered expense is averaged over the remaining months of the Treatment period.

**c. *Maximum:***

Each course of Orthodontic Treatment is subject to a maximum. If a dependent child undergoes more than one course of Orthodontic Treatment, it must be clearly demonstrated that subsequent treatment is not a continuation of a previous course of treatment before a new maximum is available.

**d. *Extension of Orthodontic Benefits After Termination of Insurance:***

If Great-West Life has started paying benefits for Orthodontic Treatment when the Insurance terminates, benefits will continue to be paid for three months after the termination date. These payments, however, will be limited to expenses which would have been paid had the insurance remained in force during that period.

**e. *Limitation:***

Any portion of Orthodontic Treatment for which expense has been incurred after the effective date of insurance and for which reimbursement is made under the terms of another insurance company's Group Policy will not be covered under Dentalcare.

## **EXPENSE LIMITATIONS**

The following ARE NOT covered by your Dentalcare Plan:

- dental treatment which is furnished without charge or which is paid for by any government or for which a government prohibits payment of benefits.
- dental treatment received from a dental or medical department maintained by the Employer, a mutual benefit association, labour union, trustee or similar type of group.
- dental treatment required as a result of self-inflicted injury, war or engaging in a riot or insurrection.
- broken appointments or completion of claim forms required by the Company.
- cosmetic treatment, experimental, dietary planning, plaque control, oral hygiene instruction, congenital or developmental malformation.
- dentures which have been lost, mislaid or stolen.
- dental treatment rendered for full mouth reconstruction, for vertical dimension correction, or for the correction of temporal mandibular joint dysfunction.

## **MAXIMUMS**

Total reimbursements may not exceed the following amounts:

- Preventative/Basic/Major Maximum: \$1500 per person per calendar year
- Ortho Maximum: \$2000 per person per course of treatment



**NOTE: The first year Preventative/Basic/Major Maximum for employees whose effective date for Dentalcare coverage is July 1 or later, will be ½ the yearly maximum (\$750).**

## **TREATMENT PLAN**

The Treatment Plan is a written report prepared by the dentist showing the recommended treatment programme and the estimated cost. Employees are required to submit a Treatment Plan acceptable to Great-West Life prior to the commencement of treatment in all cases where the estimated cost is \$300 or more.

This procedure is in place to inform employees of their share of the cost of treatment and can also protect them from the cost of unnecessary services.

## **HOW TO MAKE A CLAIM**

The following outlines the methods for claims submission.

Should you have any questions regarding your claim, they should be directed to The Great-West Life Assurance Company, Monday to Friday, 7:00 am to 6:00 pm Central Time, at the following phone numbers:

<b>1-800-957-9777</b>	<b>for service in English</b>
<b>1-800-704-4007</b>	<b>for service in French</b>

You must have your policy number (51526) and your employee number (located on your pay stub and your drug card) available for reference when you call.

### **1. DENTAL E.D.I.**

Some dental offices are equipped to electronically process your dental claims for standard treatments, with a direct computer link to The Great-West Life Assurance Company. You only have to pay the outstanding balance which is not covered by your dental plan.

### **2. REIMBURSEMENT**

When you, or your family, pay for your eligible dental services upfront, the plan will reimburse you when you submit the proper completed claim to The Great-West Life Assurance Company

Claims can be forwarded by mail to the insurance company by regular mail, or the courier service provided by Quaker. The address of the insurance company is:

**The Great-West Life Assurance Company  
Health & Dental Claims Centre  
P.O. Box 6035, Station Main  
Winnipeg, ON R3C 3H6**

## **ABSENCES FROM WORK**

**During maternity/parental leave, Quaker will maintain your Dentalcare.**

**If you are on temporary layoff and you are an approved employee the Dentalcare Plan will continue for two months following layoff. In the event the first day of the month occurs during the last week worked you will receive Company paid benefits for the balance of that month plus one more month. The following third month, the employee has the option of purchasing their Dentalcare package on a continuous monthly basis for up to one year.**

**If a personal leave of absence is the reason for being absent from work, your Dentalcare coverage may be continued providing premiums are maintained by you. This is coordinated through the Payroll Department.**

## **RETIREMENT COVERAGE**

**If you retire from the Company, your Dentalcare coverage ceases on the last day of the month in which you retired. However, if you retire after December 31, 1997 and before age 65, your dentalcare plan will continue until your 65th birthday for you and your family, as long as Company retirement pension payments are being received.**

## **TERMINATION OF INSURANCE**

**Coverage for you and your dependants stops automatically on the last day of the insurance month coinciding with or following the date of termination of "service" as defined in the Master Policy.**

**If you are absent from work by reason of injury or sickness, your insurance coverage will terminate on the last day of the month in which Illness & Accident benefits have expired.**

**When you retire from the Company, your Dentalcare coverage will cease on the last day of the month in which you retired. However, if you retire after December 31, 1997 and before age 65, your dentalcare plan will continue until your 65th birthday for you and your family, as long as Company retirement pension payments are being received.**

**A dependant's coverage stops automatically on the last day of the insurance month coinciding with or following the date such dependent ceases to be your dependent.**

**Any individual's coverage stops automatically on the day that total reimbursed dental expenses equals the applicable maximum benefit.**

**If you should die, Dentalcare benefits will continue to your eligible dependants for a period of 3 months from the date of your death.**

### **COORDINATION OF BENEFITS**

**If you are covered under both the Quaker Healthcare plan and your spouse's group insurance plan for family coverage, it is possible for benefits to be paid by both plans as per the following insurance industry practice, known as "Co-ordination of Benefits"**

**Co-ordination of Benefits is a provision that allows you to claim up to 100% of your expenses through a combination of both your plan and your spouse's plan.**

**The process for submitting Co-ordination of Benefits claims is as follows:**

#### **Claim Belongs to You:**

**You submit the claim to Quaker Oats' Plan first. Any unpaid balance can then be submitted to your spouse's insurer.**

#### **Claim Belongs to Your Spouse:**

**Your spouse submits the claim to their insurer first. Any unpaid balance can then be submitted to our plan for consideration.**

#### **Claim Belongs to Your Child:**

**Your child's claim should first be submitted to the plan of the parent whose birthday occurs first in the calendar year. (For example, if your birthday is May 1st and your spouse's birthday is December 1st, the claim for your child is sent through your plan first.) The unpaid balance can then be submitted to the other insurer for consideration.**

**For all situations noted above, you must keep photocopies of the original claim form and receipts in order to submit the unpaid balance to the second insurer, along with the first insurer's "Explanation of Benefits".**



## VISIONCARE PLAN

Visioncare provides protection for the cost of eyeglasses or contact lenses and vision care services rendered or prescribed by an Ophthalmologist or Optometrist. Insurance premiums for this benefit are paid by Quaker.

If you have any questions regarding the Visioncare Plan, you may contact the Human Resources Department.

However, claim inquiries should be directed to The Great-West Life Assurance Company, Monday to Friday, 7:00 am to 6:00 pm Central Time, at the following phone numbers:

1-800-957-9777

for service in English

1-800-704-4007

for service in French

You must have your policy number (51526) and your employee number (located on your pay stub and your drug card) available for reference when you call.

### ELIGIBILITY

If you are a regular, full-time employee, you are eligible for coverage under the Company's Visioncare Plan on the first day of the month coincident with or following your approval.

Your eligible dependants who become enrolled at the same time you do include:

- Your spouse (legal or common-law, or same-gender)
- Your unmarried children who are dependent on you for support and who are:
  - (a) under age 21, or
  - (b) over age 21 and full-time students (must complete annual coverage dependent application)
  - (c) over age 21 but incapable of sustaining employment by reason of mental or physical handicap

**Subsequent Enrolment of Eligible Dependents:** If you acquire an eligible dependent through marriage, common-law union, birth or adoption subsequent to your initial enrolment, your new dependent is automatically covered by the Visioncare Plan when you make your first claim and provide the required information to your pharmacist or on the Visioncare Reimbursement Claim form.

If you are not actively at work on the date your benefits would normally become effective, they will commence on your return to work.

## **COVERED EXPENSES**

Visioncare pays 100% of covered expenses to a specified maximum as indicated below. Covered expenses are reasonable and customary charges necessarily incurred for:

1. **Lenses and Frames, or Contacts selected in place of Lenses and Frames which are prescribed by an Ophthalmologist or Optometrist.**

**Maximum: \$200 per person in a 24 month period**

**Includes:**

- initial lens prescription
- lens replacement due to a change in prescription
- eyeglasses which have been stolen, lost, broken or rendered unusable
- tinting, photograying and hardening of lenses
- prescription safety glasses

2. **Contact Lenses to improve vision in cases of severe vision impairment which are prescribed by an Ophthalmologist or Optometrist.**

**Maximum: \$500 per person per lifetime**

**Includes Prescriptions for:**

- severe corneal astigmatism, severe corneal scarring, and/or keratoconus (conical cornea)
- aphakia, when visual acuity cannot be improved to at least the 20/40 level in the better eye by spectacle lenses

3. **Visual Training and Remedial Therapy performed by an Ophthalmologist or Optometrist.**

**Maximum: \$375 per person per lifetime**

**Includes services which are not covered by your Provincial Health Insurance Plan**

## **COVERED EXPENSE LIMITATIONS**

The following are not covered by Visioncare:

- services and supplies required by Quaker as a condition of employment
- sunglasses
- artificial eyes (covered under your Healthcare Plan)

- **eye examinations**

## **HOW TO MAKE A CLAIM**

When you, or your family, pay for your eligible visioncare supplies and services upfront, the plan will reimburse you when you submit the proper completed claim to The Great-West Life Assurance Company

Claims can be forwarded by mail to the insurance company by regular mail, or the courier service provided by Quaker. The address of the insurance company is:

**The Great-West Life Assurance Company  
Health & Dental Claims Centre  
P.O. Box 6035, Station Main  
Winnipeg, Manitoba R3C 3H6**

Should you have any questions regarding your claim, they should be directed to The Great-West Life Assurance Company, Monday to Friday, 7:00 am to 6:00 pm Central Time, at the following phone numbers:

**1-800-957-9777            for service in English  
1-800-704-4007            for service in French**

You must have your policy number (51526) and your employee number (located on your pay stub and your drug card) available for reference when you call.

## **ABSENCES FROM WORK**

During maternity/parental leave, Quaker will maintain your Visioncare.

If you are on temporary layoff and you are an approved employee the Visioncare Plan will continue for two months following layoff. In the event the first day of the month occurs during the last week worked you will receive Company paid benefits for the balance of that month plus one more month. The following third month, the employee has the option of purchasing their Visioncare package on a continuous monthly basis for up to one year.

If a personal leave of absence is the reason for being absent from work, your Visioncare coverage may be continued providing premiums are maintained by you. This is coordinated through the Payroll Department.

## **RETIREMENT COVERAGE**

If you retire from the Company after November 1, 1997 your Visioncare Plan coverage will continue for you and your family, as long as Company retirement pension payments are being received.



## **TERMINATION OF INSURANCE**

Coverage for you and your dependants stops automatically on the last day of the insurance month coinciding with the month of termination of "service" as defined in the Master Policy.

If you are absent from work by reason of injury or sickness, your insurance coverage will terminate on the last day of the month in which Illness & Accident benefits have expired.

A dependant's coverage stops automatically on the last day of the insurance month coinciding with the month that the dependent ceases to be your dependent.

If you should die, Visioncare benefits will continue to your eligible dependants for a period of 3 months from the date of your death.

## **COORDINATION OF BENEFITS**

If you are covered under both the Quaker Healthcare plan and your spouse's group insurance plan for family coverage, it is possible for benefits to be paid by both plans as per the following insurance industry practice, known as "Co-ordination of Benefits"

Co-ordination of Benefits is a provision that allows you to claim up to 100% of your expenses through a combination of both your plan and your spouse's plan.

The process for submitting Co-ordination of Benefits claims is as follows:

### **Claim Belongs to You:**

You submit the claim to Quaker Oats' Plan first. Any unpaid balance can then be submitted to your spouse's insurer.

### **Claim Belongs to Your Spouse:**

Your spouse submits the claim to their insurer first. Any unpaid balance can then be submitted to our plan for consideration.

### **Claim Belongs to Your Child:**

Your child's claim should first be submitted to the plan of the parent whose birthday occurs first in the calendar year. (For example, if your birthday is May 1st and your spouse's birthday is December 1st, the claim for your child is sent through your plan first.) The unpaid balance can then be submitted to the other insurer for consideration.

**For all situations noted above, you must keep photocopies of the original claim form and receipts in order to submit the unpaid balance to the second insurer, along with the first insurer's "Explanation of Benefits".**

## **DEFINITIONS**

- Ophthalmologist:** a Doctor of Medicine who is duly qualified and legally licensed to practice ophthalmology, the branch of medicine dealing with anatomy, functions and diseases of the eye.
- Optometrist:** a person who by education and training is legally licensed to examine the eyes and related structures to determine defects of vision, eye diseases and other abnormalities in order to prescribe corrective vision aids. An optometrist may also provide visual training and remedial therapy.
- Optician:** a person who makes or sells eyeglasses and contact lenses.



## **GROUP LIFE INSURANCE PLAN**

**Quaker provides you with a Group Life Insurance Plan to increase financial protection and security for you and your family in case of death.**

**This Group Insurance is designed to give you extra protection, not to take the place of Company Life Insurance which you already have, or were planning to buy. The Group Life Insurance that Quaker offers you is term insurance with no cash or loan value.**

**This Plan is carried by The Great-West Life Assurance Company and has 3 main features:**

- 1. Basic Group Insurance**
- 2. Dependent Life Insurance**
- 3. Optional Group Life Insurance**

### **ELIGIBILITY**

**If you are a regular, full-time employee, you are eligible for coverage under the Company's Group Life Policy on the first day of the month coincident with or following your approval.**

### **MEDICAL EXAMINATION**

***No medical examination is necessary if you enrol within 31 days of becoming eligible. That is one of the advantages of this plan. However, if you do not join the plan promptly, the Insurance Company may require that you pass a medical examination before you can become insured.***

### **BASIC GROUP LIFE INSURANCE**

**Basic Group Life Insurance is provided for you by the Company.**

**This coverage provides your beneficiary with the Basic Group Life Insurance of \$35,000 should you die before age 65 while an active employee. The premium for**

**insurance paid by the Company is a taxable benefit to you.**

## OPTIONAL GROUP LIFE INSURANCE

Optional Group Life Insurance is completely voluntary. Accordingly, the cost of this insurance (plus tax) is borne by you, the employee.

You may elect one of the following options, as long as you are eligible for coverage:

- An amount equal to your Basic Coverage - \$35,000
- An amount equal to twice your Basic Coverage - \$70,000

The premium rate in 1998 is \$2.88 per week for \$35,000; and \$5.76 per week for \$70,000.

Should you decide to elect or increase Optional coverage after more than 31 days of being eligible to participate in the Group Life Insurance Plan, you must submit Evidence of Insurability and may be required to take a Medical Examination.

## DEPENDENT LIFE INSURANCE

If you have family benefit coverage, then you will have Dependent Life Insurance as follows:

Spouse Insurance	\$8,000
Per Child Insurance	\$6,000*

*\*Coverage begins for dependent children over 14 days of age.*

Dependants are defined as:

- Your spouse (legal or common-law, or same-gender)
- Your unmarried children who are dependent on you for support and are:
  - (a) under age 21
  - (b) over age 21 and full-time students (must complete annual coverage dependent application)
  - (c) over age 21 but incapable of sustaining employment by reason of mental or physical handicap

## DESIGNATING YOUR BENEFICIARY

**Your life insurance benefits will be paid, regardless of cause of death, to any person you name as beneficiary. You may change your beneficiary at any time by obtaining a form from the Human Resources Department.**

## **ABSENCES FROM WORK**

During maternity/parental leave, Quaker will maintain your coverage for Basic Life Insurance (and Dependent Life if applicable) while you continue to be responsible for Optional Life Insurance. Optional Life Insurance premiums are coordinated through the Payroll Department.

If you are on temporary layoff and you are an approved employee your basic Life Insurance package will continue for two months following layoff. In the event the first day of the month occurs during the last week worked you will receive Company paid benefits for the balance of that month plus one more month. The following third month, the employee has the option of purchasing their Life Insurance package on a continuous monthly basis for up to one year.

If a personal leave of absence is the reason for being absent from work, your coverage may be continued providing all premiums are maintained by you. This is coordinated through the Payroll Department.

## **INSURANCE AT RETIREMENT**

All contributions and coverage under this Plan, except as provided below, will cease at retirement.

Upon your death as a Quaker retiree, your beneficiary will receive a \$6,000 Death Benefit in recognition of your years of service with the Company. To be eligible for this benefit you must be insured under the Life Insurance Plan at retirement, and for the 60 consecutive months preceding your retirement.

Any insurance you had been carrying under this Plan prior to retirement may be converted to an Individual Life Insurance Policy and carried at your expense as described under the next section.

## **IF YOU LEAVE QUAKER**

All of your insurance under the Plan ceases on your termination date. However, if you should die within 31 days of the last day worked, your Life Insurance may still be paid to your beneficiary, if you are not insured under another group life insurance plan.

You may arrange with The Great-West Life Assurance Company to continue your Life Insurance protection at your expense under an Individual Life Insurance Policy. You would not require an examination if you apply for it within 31 days after you leave our employ.



**Because you are protected under our Group Life Insurance Plan during the 31 days in which you may apply for an Individual Life Insurance Policy, the Individual Policy will not become effective until the 31 day period has passed.**

### **TERMINATION OF INSURANCE**

**Coverage for you and your dependants stops automatically on the last day of the insurance month coinciding with or following the date of termination of "service" as defined in the Master Policy.**

**If leave of absence or temporary lay-off is the reason for being absent from work, your coverage may be continued for up to one year, providing premiums are maintained by you, the employee. This is coordinated through the Payroll Department.**

**A dependant's coverage stops automatically on the last day of the insurance month coinciding with or following the date such dependent ceases to be your "dependent".**

**If you are absent from work by reason of sickness or injury, your Group Life Insurance coverage automatically terminates on the last day of the month, following six months from the day last worked. However, coverage may be extended beyond this point if you apply for Disability Waiver of Premium.**

### **DISABILITY WAIVER OF PREMIUM**

**Once you have been absent from work by reason of sickness or injury, for a period of six months, you must apply for Waiver of Premium.**

**To qualify for Disability Waiver of Premium, you must be disabled from performing your own job at Quaker. If you are on Long Term Disability, your Waiver of Premium application will be accepted and will continue while your LTD claim is in force.**

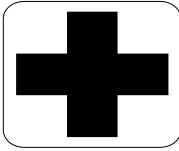
**During the application process Group Life Insurance coverage will continue until adjudication by the carrier of the employee's Long Term Disability claim is completed. It is important that you submit all Optional Life Insurance premiums directly to the Payroll Department. Failure to submit a required monthly premium results in termination of your insurance.**

## **WAIVER OF PREMIUM ACCEPTANCE**

**Should your application for Waiver of Premium be accepted, you are permitted to continue your current coverage level of Group Life Insurance until the age of 65. This means that Group Life Insurance would be provided for you at no cost while disabled.**

## **WAIVER OF PREMIUM DECLINE**

**Should your application be declined, you may appeal the decision by supplying additional medical evidence to support your claim of disability. If the final decision is to decline coverage, you may elect to pay the insurance premium for a period of up to 6 months in order to extend Group Life Coverage.**



## **ILLNESS AND ACCIDENT PLAN**

The Illness and Accident Plan pays a substantial part of regular pay for eligible, hourly paid employees when you are unable to work because of personal illness or injury.

All costs of the Plan are paid by the Company.

### **ELIGIBILITY**

If you are an approved full-time employee on the payroll, with a minimum of three months of service, you are eligible for coverage under the Company's Illness and Accident (I & A) Plan on the first day of the month coincident with or following your approval.

### **WAITING PERIOD**

In the event of illness, benefits begin after a waiting period of three working days. Saturday, Sunday or a recognized holiday are excluded as waiting days unless they are part of your regular scheduled work assignment.

First day coverage applies if an illness requires admission to hospital or is the result of accidental injury. If your approved Illness & Accident Claim exceeds 15 working days your three day waiting period will be reimbursed.

If, following return to work, you have a relapse within one month, benefits will continue with no additional waiting days. If relapse occurs after one month, a further three day waiting period will be served, and a Physician's certificate submitted.

### **PLAN ADMINISTRATION**

After the required waiting period, the plan provides 6 hours of pay or 75% of your regular base rate for each work day of absence. Benefit payment will not exceed 30 hours of pay in any consecutive seven day period, overtime hours are excluded.

## **MAXIMUM BENEFITS**

In any consecutive 12 month period, benefits are determined by the length of service.

<b><u>Years of service</u></b>	<b><u>Maximum Benefits</u></b>
Approval to 5 Years	13 Weeks
5 Years to 10 Years	20 Weeks
10 Years or More	26 Weeks

Quaker plan benefits will commence for eligible employees at the conclusion of the waiting period, and will be payable if necessary during the waiting period required for disability claims under the Employment Insurance Act (E.I.). Should disability continue after the expiration of E.I. benefits (currently 15 weeks) the Quaker Plan payments will resume, continuing until you are able to return to work, or until maximum plan benefits have been received, whichever comes first.

Benefits under this Plan will be fully integrated with those payable under the Employment Insurance Act. The Company-paid portion of the plan will be paid for the first four weeks prior to integration with the Employment Insurance Sick Benefit. During the period an eligible employee is on the E.I. Plan they shall receive a co-ordinated benefit comprised of E.I. Sick Pay and Supplementary Employment Benefit totalling seventy-five percent (75%) of an employee's regular rate times 40 hours. The regulations governing the Plan shall prevail.

To ensure prompt processing of your claim, E.I. applications are available in the Human Resources Department and The Health Centre and should be completed by the end of the third week.

It is imperative that you register your Sick Claim with the E.I. office, so you can serve your waiting period during I.&.A. payments, and avoid a two-week waiting period without income at a later date.

If maximum benefits are paid in any consecutive 12 month period, an employee is required to return to work for at least three months before applying for additional benefits.

Unused benefits are not accumulated, and may not be carried over from one twelve month period to another. Payments will not be issued for unused benefits.

The Company will provide a loan of \$400.00 per week available for any employee qualifying for the Company Illness and Accident Plan who has applied for E.I. Illness and Accident and has not received his or her E.I. payment by the end of the fifth week. This loan is to be repaid in full as soon as the employee receives

**their E.I. Payment.**

## **DISABILITIES NOT COVERED**

1. **Disabilities sustained as a result of acts of wilful criminal intent.**
2. **Disabilities incurred during lay-off.**
3. **Disabilities covered by Workplace Safety & Insurance Board (WSIB).**

**Disabilities due to substance abuse will be covered if you are participating in a Treatment Programme approved by the Human Resources Department.**

**It is understood that the purpose of treatment programmes is to encourage the successful rehabilitation of employees and therefore the company reserves the right to terminate benefits of employees who fail to comply with all aspects of the prescribed programmes. First day coverage is applicable for prescribed rehabilitation programmes. Where disciplinary action other than termination is involved, benefits will commence after any disciplinary action has ceased. After completion of the treatment programme you must submit a medical report confirming that you are capable of returning to work.**

## **BENEFITS WHILE RECEIVING ILLNESS & ACCIDENT PAY**

**While receiving Quaker Illness & Accident pay, coverage will be maintained under all the Quaker benefit plans. Life Insurance coverage remains at the level prior to the illness.**

**However, while receiving E.I. Sick benefits, Optional Life Insurance premiums are the responsibility of the employee. Premiums must be paid to the Payroll Office by the beginning of the month due in order to maintain coverage, unless the employee has requested the premium be deducted from their Supplementary Employment Insurance benefit.**

**Some deductions such as charitable donations, credit union, union dues, stock purchase, and social club are not deducted from Illness & Accident pay cheques.**

## **APPLICATION PROCEDURE**

**Application forms are available in the Human Resources Department and the Health Centre.**

**The Application Form requires employee's signature and completion by the attending physician. This document is retained confidentially in the employee's health file.**



# LONG TERM DISABILITY INSURANCE PLAN

A regular income almost always depends on having a steady job and staying healthy. Being unable to work because of illness or injury could mean financial hardship.

The Long Term Disability Insurance Plan is designed to provide you with income security upon expiration of Illness and Accident (I & A) Benefits if you, as an eligible qualified employee, are absent from work as a result of a lengthy disability, due to personal illness or injury. As an employee of Quaker, you are insured through The Great-West Life Assurance Company (GWL).

This section describes the main features of your Long Term Disability Insurance Plan. Other Company plans and Government plans are also referenced.

## **ELIGIBILITY**

You are eligible for Long Term Disability (LTD) Insurance coverage on the first day of the month coincident with or following the date of your approval as a regular, full-time employee.

## **HOW TO MAKE A CLAIM**

Application forms for LTD benefits are available from the Human Resources Department. All claim information should be initiated at least 10 weeks prior to the expiration of your I & A Benefit.

### ***Benefit Approval***

If your claim is accepted according to the terms of the GWL LTD Policy, you will be notified of your approved benefit income level. You will also be notified of any limitations which may apply to your claim.

From time to time, Great-West Life may request additional medical evidence to support a continuing claim of disability.

### ***Benefit Denial***

If benefits are not approved in your case, Great-West Life will explain the reason for denial. Appeal procedures are available.

**NOTE: You are responsible for providing proof that you are entitled to LTD benefits, and this includes authorizing the release of medical reports.**



## **ABSENCES FROM WORK**

During maternity/parental leave, Long Term Disability Insurance may be continued providing premiums are maintained by you. Premium remittance is coordinated through the Plant Human Resources Department.

## **COMMENCEMENT AND DURATION OF LTD BENEFIT**

LTD consists of two potential phases:

### ***Phase 1 - "Disabled"***

Income benefits commence on the day following the expiration of I & A benefits and vacation entitlement, and may continue for up to 24 months if you are qualified as "disabled".

"Disabled" means that you are unable to perform your own job at Quaker Oats.

### ***Phase 2 - "Totally Disabled"***

Income benefits are extended beyond the initial 24 month "disabled" period as mentioned above, and may continue until your 65th birthday on the condition that you are qualified as "totally disabled".

"Totally disabled" means that you are unable to perform any work for which you are or can become reasonably suited for by your education, training, or experience.

## **COST OF LTD BENEFIT**

You must contribute for your LTD insurance protection, but contributions are not required when you receive benefits.

Since your LTD benefit is insured with an Insurance Company under a Group Policy, the cost to you is at a rate considerably lower than what you would have to pay if you purchased the protection on an individual basis.

## **AMOUNT OF LTD BENEFIT**

LTD income is payable monthly and is tax-free. The normal LTD benefit is calculated on monthly pre-disability earnings. Pre-disability earnings is your base wage on your last day worked, prior to the commencement of I & A.

***The amount of LTD benefit you receive is 60% of monthly pre-disability base earnings (gross) to a maximum benefit of \$3,000 per month.***

**Your monthly benefit is coordinated with other income or benefits that you may receive during your disability period.**

**First, primary Canada Pension Plan (CPP) and Workplace Safety & Insurance Board (WSIB) are deducted from your LTD monthly benefit.**

**Your LTD benefit is then reduced to the extent that it together with the other income listed below exceeds 85% of your indexed net pre-disability earnings.**

- **benefits another member of your family is entitled to on the basis of your disability under the Canada**
- **loss of income benefits available through legislation which you and any other members of your family are entitled to on the basis of your disability, including automobile insurance benefits where permitted by law**
- **disability benefits under a plan of insurance available through membership in an association**
- **employment income, disability benefits, or retirement benefits related to any employment except an approved rehabilitation plan or programme**

### **REHABILITATION FEATURE**

**Occasionally, doctors recommend that an employee take a temporary job as part of a Rehabilitation Programme to phase back to gainful employment.**

**Any of the items listed below may be eligible for consideration as a Rehabilitation Programme:**

- 1. Your regular occupation on a part-time basis**
- 2. An occupation which is of a less demanding nature**
- 3. A formal vocational training programme**

**Earnings received by an approved rehabilitation plan or programme are not used to reduce your monthly LTD benefit unless those earnings, together with your income from this plan and the other income listed above, would exceed your indexed net pre-disability earnings.**

## **LTD BENEFIT PROVISIONS AND LIMITATIONS**

In order to qualify for LTD benefits, you must be under the regular care of a duly qualified physician licensed to practice medicine. House confinement is not required to qualify for these benefits.

If the disability is due to a mental disorder, you must be receiving continuing treatment from a physician certified in psychiatry.

A disability due to alcoholism or drug addiction is covered if you are undergoing an active treatment programme, approved by Great-West Life.

Successive related absences from work are considered to be in the same period of disability unless separated by 6 months of active full-time work. Successive absences due to wholly different causes are considered new claims and the employee must complete the waiting period. Work performed under a Rehabilitation Programme will not be considered in determining successive periods of disability.

Certain disabilities are beyond the scope of the LTD Policy. Employees are not protected against the loss of income for disabilities resulting from intentionally self-inflicted injuries, war, insurrection, or participation in a riot.

## **CONTINUATION OF COMPANY BENEFITS DURING LTD**

<b><i>Healthcare</i></b>	Healthcare Plan continues.
<b><i>Group Life</i></b> the <b><i>Waiver</i></b>  <b>book.</b>	Group Life Insurance continues at the coverage level prior to commencement of Illness and Accident benefits. Refer to of Premium under the Group Life Insurance section of this
<b><i>Pension</i></b>	Retirement pension continues to accrue.
<b><i>Dentalcare</i></b>	Dentalcare Plan discontinues.
<b><i>Visioncare</i></b>	Visioncare Plan discontinues
<b><i>Wage Bonus</i></b>	You are eligible for Wage Bonus based on your Quaker earnings only, which excludes income from Long-Term Disability insurance

**benefits.**

**Stock  
a**

**Optional**

**Payroll deductions will be discontinued. However, if you are  
participant in this plan, you may purchase stock on an  
Cash Payment basis.**

**RRSP**

**on**

**Payroll deductions will also be discontinued. However, if you are a participant in this plan, you may purchase RRSP's**

**an Optional Cash Payment basis.**

**WHEN DO LTD BENEFITS CEASE?**

- 1. LTD benefits discontinue when you no longer satisfy the requirements of the applicable definition as outlined in the "Commencement and Duration of LTD Benefit" section.**
- 2. LTD benefits cease upon the commencement of Quaker Oats Retirement Pension Plan benefits, and not later than age 65.**



# RETIREMENT PLAN HOURLY EMPLOYEES

## INTRODUCTION

The Quaker Retirement Plan, first introduced in 1938, has steadily improved over the years. This Plan, which presently is entirely funded by Quaker (employee contributions were eliminated in 1986), includes provisions for:

- early retirement
- spousal income if you die
- protection if you are disabled, and
- portability if you leave Quaker.

If you require additional information, please feel free to contact the Human Resources Department.

## PLAN MEMBERSHIP

Full-time hourly employees automatically become Plan members on the first day of the month coincident with or following their date of employment.

## HOW THE PLAN WORKS

The Plan is designed to work along with the government benefits, providing employees with retirement income. Your pension from the Plan is based on your years of service with Quaker, and is calculated using a formula. This formula is based on a fixed dollar amount which is multiplied by your years of credited service.

## NORMAL RETIREMENT

Your normal retirement date is the first of the month following your 65th birthday.

In order to calculate your pension income from the Plan, you need to know your years of credited service, which is all years of service with Quaker, except any years prior to 1986 when you were eligible to contribute to the Plan, but did not do so. (You will, however, receive a limited benefit for these years of exception.)

Effective January 1, 1998 your retirement plan provides an annual benefit of \$408 for each year of credited service.

Effective January 1, 1999, the annual benefit will be increased to \$426.

Effective January 1, 2000, the annual benefit will be increased to \$444.

If you know the number of credited service years that you have earned and you reach your normal retirement date during 1998, you can calculate your annual pension using the following formula:

### Formula

$$\begin{array}{l} \text{ANNUAL} \\ \text{PENSION} \\ \text{INCOME} \end{array} = \$408 \times \text{Years of Credited Service}$$

(\$426 effective January 1, 1999)  
(\$444 effective January 1, 2000)

You will receive the lesser of:

- the Formula income; or
- 80% of your earnings during the last 12 months at work, minus income from government sources.

### *Example:*

A Quaker hourly employee retires at age 65 during 1998 with 30 years of credited service.

$$\$408 \times 30 \text{ years} = \$12,240 \text{ per year}$$

With 1998 maximum CPP benefits of \$8,940 and OAS benefits of \$4884, the employee's total yearly retirement income is \$26,064.

## EARLY RETIREMENT

In accordance with government legislation, you may retire anytime after age 55.

You receive your full pension benefit if you retire at:

*age 60 and have been employed with Quaker for 25 years.*

**OR**

*age 62 and have been employed with Quaker for 20 years.*

In the event that you are unable to achieve either one of the early retirement age and service conditions, your pension benefit is reduced by 4% for each year that your age or service is deficient.

### **PAYMENTS FROM THE PLAN**

Upon retirement, your pension is paid to you in equal monthly instalments for as long as you live. If you should die before receiving 60 payments, the remainder of these payments will be made to your beneficiary or estate.

The following are the alternative pension benefit payment options:

#### ***Employee with spouse***

Pension legislation in most provinces requires that you continue 60% of your pension to your spouse upon your death, unless you and your spouse both sign a waiver before you retire.

In order to continue 60% of your monthly pension benefit to your spouse for their lifetime, your retirement pension is reduced in one of the following ways - a flat 7.5% reduction or an actuarial reduction which takes into account the ages of you and your spouse. The method generating the highest monthly pension income is used.

#### ***Employee without a spouse***

If you do not have a spouse, you may want part of your retirement income to continue to someone else after you die.

To do so, again you must elect to receive a smaller pension in return for continuing 60% of your pension benefit to your beneficiary, guaranteed for their lifetime.



## **GOVERNMENT BENEFITS AT RETIREMENT**

Besides your income from the Plan, you also receive:

### ***Canada Pension Plan***

CPP pays you a monthly pension for life starting at age 65 (or a smaller pension as early as age 60). The maximum retirement benefit paid by CPP in 1998 is about \$745 a month at age 65.

Once CPP benefits begin, they are adjusted annually to reflect changes in the cost of living. If you die, your spouse receives a portion of your benefit as a lifetime income.

You apply for CPP benefits at least three months before you plan to retire. Applications are available at your local office of Health and Welfare Canada.

### ***Old Age Security***

Old Age Security (OAS) is another important source of retirement income, which begins at age 65. The maximum retirement benefit paid in the first quarter of 1998 is about \$407 a month. This benefit is adjusted quarterly to keep pace with increases in the cost of living.

If you do not meet the Canadian residency requirements for maximum OAS benefits, you may be entitled to smaller payments.

## **COMPANY BENEFITS AT RETIREMENT**

**Healthcare:** When you retire from the Company, Healthcare Plan coverage, as well as provision of a drug card will continue for you and your family, if you had been insured under the Healthcare Plan at retirement and as long as Company retirement pension payments are being received.

**Visioncare:** When you retire from the Company, Visioncare Plan coverage will continue for you and your family, if you had been insured under the Visioncare Plan at retirement and as long as Company retirement pension payments are being received.

**Dentalcare:** If you retire from the Company, your Dentalcare coverage ceases on the last day of the month in which you retired. However, if you retire after November 1, 1997 and before age 65, your dentalcare plan will continue until your 65th birthday for you and your family, if Company retirement pension payments are being received.

**Death Benefit:** Upon your death as a Quaker retiree, your beneficiary will receive a \$6,000 Death Benefit in recognition of your years of service with the Company. To be eligible for this benefit you must be insured under the Life Insurance Plan at retirement, and for the 60 consecutive months preceding your retirement.

### **IF YOU BECOME DISABLED**

If you become disabled while employed by Quaker and are eligible to receive disability benefits, you continue to accrue pension benefits while you remain disabled.

### **IF YOU DIE BEFORE YOU RETIRE**

If you die before retirement, with at least two years as a Plan member, your spouse is entitled to the value of your pension benefits. These benefits are paid either as a monthly income for life or as a lump sum payment. If you do not have a spouse at the time of your death, your designated beneficiary receives a lump sum payment equal to the value of your pension benefits.

### **IF YOU LEAVE QUAKER**

If you complete two years as a Plan member and leave the Company's employ prior to age 65, you are entitled to your earned benefits under the Plan. You may:

- leave your retirement benefits in the Plan and receive your retirement income at age 65 (or a smaller income anytime after age 55);

or

- transfer the lump sum value of your benefits to a "locked-in" Registered Retirement Savings Plan (RRSP). "Locked-in" means that you must use the money to buy a pension at retirement.

If you made contributions to the Plan prior to 1986, and if you leave Quaker before age 45 with less than 10 years of service, you are not required to transfer the value of your contributions to a "locked-in" RRSP. Instead, you may take a cash refund, or transfer your accumulated contributions to a regular RRSP, while the balance goes to the "locked-in" RRSP. If you choose either of these options, the amount of accumulated contributions you receive is deducted from the amount transferred to a "locked-in" RRSP.

## **FUTURE OF THE PLAN**

**Quaker intends to continue this Retirement Plan for the benefit of employees, but reserves the right to change or discontinue it at any time. Quaker also assumes the full risk of meeting the Plan's obligations to employees and retirees. Assets in excess of what is required to meet the Plan's obligations may be returned to Quaker, subject to approval by regulatory authorities.**



## GROUP REGISTERED RETIREMENT SAVINGS PLAN

Quaker has established Mutual Life of Canada as the plan administrator for our Group RRSP. The plan has been in place since 1986, with major program enhancements introduced in 1996 to respond to increasing employee interest. Your participation in this plan is completely voluntary.

The Group RRSP provides an investment opportunity whereby, employees may:

- supplement retirement income
- defer tax on current income
- save before-tax dollars
- tax-shelter investment earnings

This plan has *no front-end load, no policy fee, no certificate charge, no transfer charge, and no termination charge*. Accordingly, all of your investment contributions go to work immediately.

All forms can be obtained through the Human Resources Department. However, employees should call The Mutual Group at 1-800-366-1135. Once you enter your ID and password, you have access to the following:

- Account Balances
- Fund Rates & Values
- Current Contribution Investment Directions
- RRSP Tax Information
- Fund Transfers
- Cash Withdrawals
- Address Change
- Investment Commentary

The 1-800 number is available 24 hours per day, 7 days per week. A client service representative is available between the hours of 7:30 am to 7:30 pm, Monday through Friday. All employees are issued an ID and password to use this service.

### ELIGIBILITY

If you are a regular, full-time approved employee, you may participate in this Plan.

## **PARTICIPATION**

The Group RRSP offers you great investment flexibility. If eligible, you may contribute through automatic payroll deductions, optional lump sum payments, or both. A minimum contribution of \$300 per year is required.

### **Payroll Deductions**

A minimum of \$25 per month is required for payroll deductions. Your contribution may be increased, decreased, or discontinued at any time with your authorization. Arrangements can be made to have your payroll deduction on a before-tax or after-tax basis.

### **Wage Bonus**

Arrangements can be made with the Payroll Department to contribute all or part of your Wage Bonus to your Group RRSP. This arrangement also includes the option of investing your money on a before-tax or after-tax basis.

### **Cash Payments**

Optional cash payments to Mutual Life of Canada may be made at any time in addition to, or instead of payroll deductions by contacting Mutual's 1-800 line.

## **YOUR MAXIMUM RRSP CONTRIBUTION**

Revenue Canada will inform you of the exact amount that you are allowed to contribute to an RRSP in the current tax year. This information is provided on your annual Notice of Assessment Form from Revenue Canada, including any unused RRSP portion from previous years. You may also telephone Revenue Canada at **1-800-387-0716** to obtain their automated RRSP deduction limit service. Be sure to have your social insurance number and the amount of income reported on your previous tax return available when you call.

You can estimate the maximum amount of money that you may contribute to an RRSP by the following calculation:

$$\text{RRSP MAXIMUM} = 18\% \text{ of your previous years earnings} \\ \text{(to a specified maximum)}$$

***less:***  
**your Pension Adjustment**  
***(which is shown on your T4 slip)***

## **INVESTMENT OPTIONS**

**Mutual Life's Group RRSP offers a range of investment alternatives, with varying degrees of risk. You design your own investment strategies when you enrol in any or each of the funds available.**

**You design your own investment strategies when you enrol in any or each of the funds available. Depending on your goals, you can choose where your money goes and change your investment strategy at any time.**

**Contact Mutual Life or your Human Resources Department for up-to-date details and brochures explaining the investments vehicles offered and the investment managers.**

## **ADMINISTRATION**

**Mutual Life of Canada issues 4 statements each year to all participants. These statements detail the transactions which have occurred in your Retirement Savings Plan.**

**Two receipts are also issued to all participants for income tax purposes. One receipt is for your contributions during the last 305 days of the tax year. The other receipt is for the first 60 days of the following year which can be used in the current or the previous tax year.**

**Fund performance reports are posted monthly on bulletin boards.**

## TAX DEFERRAL AND RETIREMENT INCOME

An important feature of an RRSP is that your money grows tax-free.

However, time is another big factor in how your money grows. The sooner you start investing, the more time your money will have to compound, or earn interest on the interest. This can make a big difference in your retirement savings plan.

Here's an example of the difference time can make if you invest \$100 monthly at 8% annual interest.

	Started Investing at Age 25	Started Investing at Age 35	Started Investing at Age 45	Started Investing at Age 55
Total Investment	\$48,000	\$36,000	\$24,000	\$12,000
Value at Age 65	\$324,180	\$141,761	\$57,266	\$18,000

As you can see, by starting at age 25, you would accumulate \$324,180 by age 65. That's a profit of \$276,180 on your investment.

## WITHDRAWAL FROM THE PLAN

You may withdraw totally or partially from the Plan at any time and receive your money in cash. *RRSP cash withdrawals are taxable in the year that the funds are received.*

If you leave the company before retirement and you do not wish to leave your RRSP as an individual account with Mutual, you may take your RRSP money in cash (taxable), transfer it to another RRSP, use it to buy a deferred pension, or a Registered Retirement Income Fund (RRIF).

If you die prior to retirement, your designated beneficiary will receive your accumulated RRSP funds as taxable income. Your RRSP funds may be transferred to another RRSP to help defer the tax if your spouse is the beneficiary.

Effective in 1997, all funds must be removed from an RRSP prior to the end of the calendar year in which you reach age 69 (*was previously age 71*). They can be used in the following ways:

- to purchase a Life Annuity
- to purchase a RRIF



.. as a cash withdrawal (taxable)

## **INVESTMENT FEES AND OTHER CONSIDERATIONS**

**Am I paying any investment management fees or commissions to a securities broker?**

**The investment management fees and transaction costs are taken into account when the unit value is established under the market based funds.**

**Are there any limitations on when I can switch investment options?**

**You may transfer between investment options at any time.**

**If I transfer from one investment to another, are there fees charged to me?**

**Under market based funds, transfers are done at no expense to the employee.**

**Under guaranteed funds, the transfer value may be the market value. Generally, the market value will be transferred if you are transferring a deposit prior to its maturity date.**

**Are there any limitations to how much I can invest in international funds?**

**You can invest up to 20% of your total assets in foreign funds.**



**Harris DOCS<sup>SM</sup>**  
(DIRECT OWNERSHIP OF CORPORATE SHARES)

For Investors In  
**The Quaker Oats Company**  
Common Stock

**This Program is Sponsored and Administered by Harris Trust and Savings Bank Shareholder Services Not by The Quaker Oats Company.**

**All correspondence and inquiries concerning the Program should be directed to:**

Harris DOCS  
Harris Trust and Savings Bank  
P.O. Box A3309  
Chicago, IL 60690  
Telephone

Shareholder Customer Service:  
1-800-344-1198 Phone  
1-312-461-5563 Fax

Hours: 8:00 a.m. to 5:00 p.m.  
Central Time



**The information contained in this section is a copy of the official terms and conditions of the program. All currency in this section is expressed in U.S. funds.**

**Canadian employees are advised to keep all statements in order to calculate capital gain on sale and dividend reporting for income tax purposes.**

## About Harris DOCS<sup>SM</sup>

Harris Trust and Savings Bank now offers Harris DOCS ("DOCS" or the "Program"), a direct stock purchase program, for stock investors of The Quaker Oats Company (the "Company"). This service provides an alternative to traditional methods of purchasing, holding and selling Company stock. DOCS provides a variety of features to help in managing your investments.

### DOCS Includes the Following Key Features:

- You buy shares in whole dollar amounts rather than a specified number of shares. Your account is credited with the appropriate number of full and fractional shares.
- Minimum initial purchase for non-shareholders (who are not employees of the company) is \$500.
- Additional voluntary purchases can be made with as little as \$50 (\$10 for employees through payroll deduction).
- Purchase and sale orders are processed at least once every five business days.
- Transaction fees are lower than the commissions and fees typically charged by a stockbroker.
- You can build your investment over time by making additional purchases periodically. The purchase amount can be deducted automatically from your savings or checking account, or you can send it by mail.
- Your dividends are automatically reinvested.
- You can deposit your stock certificates for safekeeping at no cost to you. You may request a certificate for whole shares at any time, also at no cost.
- You can transfer shares or make gifts of your stock, for a minimal charge.

The Company has appointed its transfer agent, Harris Trust and Savings Bank, as the processing agent and administrator for the Program. DOCS is not sponsored or administered by the Company. Securities held in custody and cash held as proceeds or pending investment by Harris in DOCS are not deposits of, nor are they guaranteed by, Harris or its affiliates. DOCS securities are not subject to protection under the Securities Investor Protection Act or the Federal Deposit Insurance Act.

## **How DOCS Works**

DOCS provides you with an alternative to traditional methods of buying, holding, and selling Company shares. DOCS is governed by the terms and conditions contained in this document.

You can purchase and sell shares directly through DOCS rather than by dealing with a broker. If you prefer, shares you hold or have acquired through DOCS may be sold outside DOCS through the broker of your choice (at commissions and fees you negotiate with your broker).

### **Eligibility**

The general public, current shareholders, and Company employees are eligible to participate in DOCS, subject to a few limitations identified in this document. See "Terms and Conditions" for limitations.

### **Statement and Transaction Confirmations**

Any shares you hold or purchase through DOCS are recorded in the same account.

Whenever you purchase or sell shares through DOCS, you will receive a statement with the details of the transaction. The statement will also show any account activity for the current period and year-to-date, including purchases, sales, certificate deposits or withdrawals, dividend payments and your current account balance.

On each statement, you will find information on how to buy or sell shares through DOCS and where to call for additional information.

In addition, you will receive both quarterly and comprehensive year-end statements for recordkeeping and tax purposes, summarizing activity in your account for those periods.

### **You Control Your Shares**

Your DOCS-purchased shares are recorded in book-entry form. Just like certificated shares registered in your name, they are *your* shares. You are the owner and enjoy the same shareholder benefits as when you hold certificates — with a reduction in the risk of certificate theft, loss, or misplacement. (See "Terms and Conditions" for limitations.)

You may contact Harris to request a certificate, transfer shares to another person, or sell shares directly through DOCS.

## **Account Features**

### **Voluntary Purchases**

If you want to make an additional share purchase, send a check payable to Harris using the transaction form supplied with your statement. We will process your order promptly, ordinarily within five business days of receipt (assuming the relevant securities market is open for trading in Company shares). Upon settlement we will record your purchase on the Company's books with the appropriate number of full and fractional shares. All of your money, less applicable fees and commissions, will be invested.

### **Selling Shares**

You may sell shares held through DOCS — just mail your request using one of the transaction forms provided with each statement. Certificated shares can be deposited into your account and subsequently sold through DOCS.

Harris will make every effort to complete your order promptly on a business day when the relevant securities market is open, but processing may require up to five business days from receipt of your order. The proceeds of the sale, less applicable fees and commissions, will be sent to you.

You have full control of your shares and can transfer or dispose of them at any time. You may choose to sell shares held for you at Harris through a broker of your choice. If you choose to do so, just write us. A certificate will be issued and mailed to you or your broker within five business days of our receipt of your request.

### **Share Certificate Deposit and Withdrawal**

You may deposit certificated shares into your account at Harris by forwarding them to Harris by registered mail.

Certificate withdrawal can be made by submitting a written request to Harris. A certificate for the number of full shares you specify will be mailed promptly.

There is no cost to you for certificate deposit or certificate withdrawal services.

### **Automatic Purchase of Shares**

Automatic Purchase enables you to pre-authorize Harris to electronically *debit* your checking or savings account monthly or quarterly to purchase additional shares. This permits you to make regular investments in an amount and on a schedule that is comfortable for you, without the inconvenience of writing checks.

## **Dividend Options**

### **Dividend Reinvestment**

Current shareholders may choose to reinvest the dividends on all, none, or a specific number of their *certificated* shares. Dividends on all shares held through DOCS will automatically be reinvested in additional shares.

New Participants in DOCS will automatically have all dividends reinvested.

### **Cash Dividends**

Current holders of *certificated* shares who are receiving dividends in cash and wish to continue to do so, need do nothing. A check for the full dividend amount will be issued as at present. To use Electronic Funds Transfer (EFT), an additional service feature, you may authorize Harris to electronically *credit* your checking or savings account on the dividend payment date. (Dividends on all shares held through DOCS, however, will automatically be reinvested in additional shares.)

### **Gift Transfer**

You can give shares directly, without requiring Harris to issue certificates. After the transfer is complete, upon your request we will send a non-negotiable gift certificate which you can present to the recipient. Later the recipient will receive an account statement indicating the transfer of those shares.

### **Customer Service**

You will receive all dividends, proxies, and other materials that the Company may periodically distribute, including annual reports and other shareholder information.

A customer service representative will be available to assist you with questions concerning your account at the number listed on the cover page of this brochure.

## **Summary**

### **The Purpose of DOCS**

DOCS is designed for individuals who want to make their own investment decisions, have a particular interest in the Company, and want to make dollar-amount purchases. It offers an alternative to purchasing, holding or selling shares through brokers.

### **Eligibility**

DOCS is available to the general public, employees of the Company, and current shareholders. If you presently own stock in the Company, you may enroll in DOCS and start to use its services immediately. Regulations in certain countries may, however, limit or prohibit participation in this type of program. Persons residing outside the United States who wish to participate in DOCS should first determine whether they are subject to any government regulation prohibiting their participation.

Senior officers, directors, or shareholders holding 5% or more of the Company's shares are not eligible to participate.

## **Enrolling**

If you are not a shareholder of the Company, simply complete an enrollment form and forward it to Harris along with your initial investment and enrollment fee.

If you are already a Company shareholder, you can participate in several ways. You can send your certificates to Harris for safekeeping or send a check to purchase additional shares, and/or reinvest the dividends from all your shares, even shares you hold in certificate form.

Shareholders wishing to purchase additional shares can do so at any time by sending in the form which is attached to every statement they receive, with a check or money order for the purchase. Harris will purchase the number of full and fractional shares your investment funds cover, less fees, and record them in your name in a DOCS account.

## **Charges and Minimums**

There are no charges for starting your use of DOCS. There will be transaction fees and there may be fees associated with certain optional services. (See the section on "Fees, Commissions, and Minimum Investments" for more information.) Minimum dollar amounts apply for purchases.

## **Buying and Selling Shares**

Harris will process your buy or sell order within five business days (assuming the markets are open). You may also purchase or sell shares held in DOCS through a broker by first requesting that your shares be transferred to or from your account at the broker.

## **Withdrawals**

You may terminate participation in DOCS at any time. You must instruct Harris in writing to withdraw shares or to discontinue reinvestment. For such instruction to be effective for a given dividend payment, Harris must receive notice before the record date for that dividend. Instructing Harris to discontinue reinvestment of dividends will automatically terminate your participation in DOCS.

When you withdraw from the Program, or upon termination of the Program, certificates for whole shares credited to your account under the Program will be issued to you, and a cash payment will be made for any fraction of a share.

## **Statements**

You will be sent a statement at least quarterly and as soon as practicable after each transaction confirming the details of each transaction you make. That statement will also show all transactions and all account activity for the year to date.

## **Your Account Representative**

A customer service representative will be happy to assist you with questions concerning your account. Call the number listed on the first page of this section.

## **Terms and Conditions**

1. Harris Trust and Savings Bank ("Harris"), as agent for any Participant in Harris DOCS ("DOCS"), will in accordance with each Participant's authorization:
  - (a) accept certificates for safekeeping and hold them for the Participant in Harris' nominee name;
  - (b) apply all cash contributions received from an eligible Participant to the purchase of full and fractional shares (to four decimal places) of stock for the Participant's account;
  - (c) apply all dividends payable to the Participant in respect of shares held through DOCS to the purchase of additional full and/or fractional shares;
  - (d) as directed by the Participant with respect to certificated shares held by the Participant, either:
    - (i) pay the Participant cash dividends on all such shares;
    - (ii) apply all dividends payable to the Participant in respect of such shares to the purchase of additional full and/or fractional shares through DOCS; or
    - (iii) pay the Participant cash dividends on a number of such shares as specified by the Participant and apply cash dividends payable to the Participant in respect of the remaining certificated shares to the purchase of additional full and/or fractional shares through DOCS; and
  - (e) accept orders to sell shares as directed by the Participant in accordance with DOCS.

### **2. Purchases**

For the purpose of making purchases, Harris may combine each Participant's funds (dividends and cash contributions) with those of all other Participants. Purchases may be made either by sending a check for the desired purchase amount payable to Harris or by establishing an automatic purchase plan deduction (ACH debit) from your checking or savings account. Harris will, upon receipt, deposit and hold such funds in an account maintained for the benefit of Participants. Harris will make every effort to invest cash distributions it receives promptly, but in no event later than five business days after the cash contributions are received, assuming the markets are open, (except where deferral is required under applicable federal or state laws or regulations). Dividends will be reinvested promptly following receipt by Harris, but in no event later than 30 days after receipt (except where deferral is required under applicable federal or state laws or regulations).

The price per share of shares of stock purchased for each account, whether purchased with cash contributions or dividends, or both, shall be the weighted average price of all shares purchased by Harris' broker net of fees for each aggregate order placed by Harris. Harris will hold, in the name of its nominee, all shares of stock purchased for Participants and will establish and maintain DOCS account records that reflect each Participant's separate interest.



### 3. Sales

A Participant may sell (or obtain a certificate or certificates for) all or part of the full shares of stock credited to his or her account at any time, upon request. All such requests must be made in writing. All sale instructions received by Harris will be processed no later than five business days after the date on which the order is received (except where deferral is required under applicable federal or state laws or regulations).

In every case the price to each selling Participant shall be the weighted average sale price obtained by Harris' broker net of fees for each aggregate order placed by Harris. To maximize cost savings, Harris will make every effort to sell shares in round lot transactions. For this purpose it may combine each selling Participant's shares with those of other Participants.

### 4. Transactions

Harris will cause its broker to effect purchases and sales on any securities exchange where such shares are traded, in the over-the-counter market, or by negotiated transactions, upon such terms with respect to price, delivery, etc., as Harris may accept.

No interest will be paid on any cash received by Harris pending investment. No Participant shall have any authority or power to direct the time or price at which shares may be purchased (or sold), or to select the broker or dealer through or from whom purchases (or sales) are to be made by Harris. Harris will return any cash contribution upon request of the Participant, provided Harris receives the Participant's written notice of cancellation of his/her purchase instruction prior to the opening of business on the purchase date.

In the event that any Participant's check for a cash contribution is returned unpaid for any reason, Harris will consider the request for investment of such funds null and void and shall immediately remove from the Participant's DOCS account shares, if any, purchased upon the prior credit of such funds. Harris shall thereupon be entitled to sell these shares to satisfy any uncollected amounts. If the net proceeds of the sale of such shares are insufficient to satisfy the balance of such uncollected amounts, Harris shall be entitled to sell such additional shares from the Participant's account as may be necessary to satisfy the uncollected balance.

For processing purchase and sale instructions submitted by a Participant, Harris will receive compensation in accordance with the fee schedule set forth in this brochure or in subsequent notices of fee changes. Fees are subject to change at any time, in accordance with Paragraph 11 of the Terms and Conditions, upon written notification to Participants.

### 5. Withdrawals

Participation in DOCS may be terminated by the Participant at any time. In order to withdraw, the Participant must instruct Harris in writing that he or she wishes to withdraw shares or notify Harris to discontinue dividend reinvestment. (An instruction to discontinue reinvestment of dividends will be deemed to be notice to terminate participation in the Program.) The form which is a part of a Participant's quarterly statement of ownership may be used for this purpose. Such notice should be sent to Harris Trust and Savings Bank, Harris DOCS, P.O. Box A3309, Chicago, Illinois 60690. A Participant's withdrawal takes effect when such notice is received by Harris except as otherwise provided in this Paragraph 5.

When a Participant withdraws from the Program, or upon termination of the Program, certificates for whole shares credited to his or her account under the Program will be issued to the Participant and a cash payment will be made for any fraction of a share. The cash payment will be based on the current market price obtained in connection with liquidating sales, if any, or on the closing price in the relevant securities markets on the date of termination, less fees. Alternatively, in any notice of withdrawal from the Program sent by the Participant, the Participant may direct that all of the shares, both whole and fractional, credited to his or her account in the Program be sold by Harris. Such sale will be made through Harris' broker at market price as soon as practicable or within five business days after withdrawal notice is received by Harris. The proceeds of such sale, less any brokerage commission and any Harris sale fee, will be sent to the Participant. Upon withdrawal from the Program, any uninvested optional contributions will be returned promptly to the withdrawing Participant.

In the event a notice of termination is received or issued near a record date for an account whose dividends are to be reinvested, Harris in its sole discretion may either pay such dividends in cash or reinvest them in shares on behalf of the terminating Participant. In the event reinvestment is made, Harris will process the termination as soon as practicable, but in no event later than five business days after the investment is completed.

Harris may, for any reason and in its sole discretion, terminate any Participant's participation in DOCS, effective immediately upon mailing via certified or registered mail, return receipt requested, a notice of termination to the Participant at the Participant's address of record as maintained in the files. Upon issuing a notice of termination, Harris will promptly refund any cash contributions then held pending investment. Upon issuing such notice, Harris will initiate a withdrawal of shares, issuing to the Participant a certificate for the full shares of stock credited to the account. Any fraction of a share held for the terminating Participant will be paid in cash, at the current market price as described above.

**6. Agent's Discretion**

At any time, Harris may, for any reason and in its sole discretion, refuse to execute any Participant's transaction request submitted via telephone or facsimile, and in its place require original written confirmation of such transaction request.

**7. Tax Consequences**

Although Harris will reinvest dividends on DOCS shares, the Participant remains responsible for any income taxes payable on such dividends. Dividends paid to Harris on behalf of a Participant will be reported to the Internal Revenue Service on Form 1099 DIV, a copy of which will be sent to each Participant.

**Other Information**

8. A Participant will have the sole right to vote shares held by Harris through DOCS.

9. Any stock dividend or shares of stock distributed pursuant to a stock split on shares held by Harris for a Participant in the Program will be credited to the Participant's DOCS account, provided that such stock is of the same type, class and series as the stock held under DOCS. In the event that rights are made available to subscribe to additional shares, debentures, or other securities, the full shares held for a Participant under DOCS may be combined with the other shares of the same class of stock registered in the name of the Participant for purposes of calculating the number of rights to be issued to such Participant.

10. Participants may make a gift of shares held in their DOCS account by writing to Harris, providing their DOCS account number, the number of shares to be transferred, and the name, address and taxpayer identification number of the recipient. All parties listed on the DOCS account registration must sign the request and the signature(s) must be Medallion guaranteed. After the transfer is complete, Harris will send the recipient an account statement showing the transfer of the shares.

11. Harris shall be liable only for actions or failures to act arising from Harris' gross negligence willful misconduct. Harris specifically shall not be liable in connection with its operation of DOCS for any act done in good faith or for any good faith failure to act, including, without limitation, any claims for liability (1) arising out of failure to terminate a Participant's participation in DOCS upon the Participant's death prior to receipt of written notice of death from an appropriate representative, (2) with respect to the prices or times at which shares are purchased or sold for any Participant's account and (3) Harris has no legal liability for Company's failure to process payroll deductions. Harris has no responsibility for the market value of shares maintained on behalf of a Participant.

Harris reserves the right to amend or modify the provisions of this agreement and to terminate this Program at any time by mailing a copy of such amendment or modification or notice of termination (that may be included with normal company mailings to shareholders) to the Participant. Such amendment or modification or notice of termination becomes effective thirty (30) days after the mailing, unless a different time period is required by law.

12. The Tax Equity and Fiscal Responsibility Act of 1982 imposes certain reporting obligations upon brokers and others. As a result, Harris will be required to report to the Internal Revenue Service and the Participant any sale of shares effected on behalf of the Participant.

13. Harris may, in its sole discretion, use a broker-dealer affiliated with Harris to execute purchase or sale transactions. In that event, the Participant should recognize that brokerage commissions assessed in connection with those transactions will accrue to the benefit of Harris.

14. Harris provides no advice and makes no recommendations with respect to any security that is eligible for DOCS or any purchase or sale transaction initiated by a Participant. Securities are subject to investment risk including the possible loss of the principal invested. Any decision to purchase or sell any security that is eligible for DOCS participation must be made by the individual Participant, based upon his or her own research and judgement.

15. DOCS accounts and the securities and the cash held therein, are not deposits of Harris Bank and are not insured by the Federal Deposit Insurance Corporation, the Securities Investor Protection Corporation, or any other federal or state agency.
16. DOCS and the agency agreement between Harris and each Participant, including these Terms and Conditions, shall be governed by the laws of the State of Illinois without regard to the conflict of laws provisions thereof. The signing and mailing of a DOCS enrollment form or the initiation of a transaction, including the deposit of a share certificate through DOCS, shall constitute an offer by the individual shareholder to establish a principal-agency relationship with Harris. Acceptance shall occur in the offices of Harris upon receipt by Harris of such forms or requests.
17. DOCS is not designed for and may not be used by institutional investors or financial intermediaries.

**18. Statement of Ownership**

Each Participant in the Program will be sent an account statement showing the number of Program shares held for the Participant by Harris, the number of shares held by the Participant in his or her own name on which dividends are being reinvested, any cash dividends received, any cash contributions received, the price per share, and a history of the transactions and fees paid for the current calendar year. Such statements will be mailed quarterly and as soon as practicable after each transaction in a Participant's account. If a Participant makes cash contributions, a statement of ownership interests will be sent subsequent to each month in which a cash contribution is made.

These statements are a Participant's continuing record of the cost basis of his or her purchases. There is a service charge for providing copies of statements for any period in a prior calendar year.

In addition, each Participant will receive copies of the same shareholder communications sent to every other holder of shares of common stock, including the Company's quarterly reports, annual report, notice of annual meeting and proxy statement, and income tax information for reporting dividends paid.

**19. Certificates for Shares**

Unless requested by a Participant, certificates will not be issued for shares of Common Stock purchased under the Program. The number of shares credited to a Participant's account under the Program will be shown on his or her statements of account. This method of registration protects against loss, theft, or destruction of stock certificates.

Certificates for any number of whole shares credited to an account under the program will be issued upon the written request of the Participant. This request should be mailed to Harris Trust and Savings Bank, Harris DOCS, P.O. Box A3309, Chicago, Illinois 60690. Any remaining full shares and fractions of a share will continue to be credited to the Participant's account.

**20. Employees**

An employee of the Company who is a shareholder of record may enroll in the Program at any time, regardless of length of service with the Company, by executing an enrollment form for payroll deduction and forwarding it to Harris, in the same manner as all other shareholders of record. See "Eligibility".

The Company's Employee Payroll Deduction option is available only to employees who satisfy the Company's eligibility requirements and becomes effective in accordance with Company procedures. Employees should contact their local payroll department or the Quaker Employee Administration Center (QEAC) for more information.

An employee may discontinue payroll deductions by following Company procedures. Termination of payroll deductions will be effective at the time the Company notifies Harris. Discontinuing payroll deductions will not automatically terminate participation in the Program.

**21. State laws may prevent residents of certain states from participating in this Program except under special arrangements with certain securities broker-dealers.**

## **Fees, Commissions and Minimum Purchases**

- Participation - The initial purchase for non-shareholders (who are not employees of the company) is \$500 plus \$10.00 to establish a new account
- Custody services/certificate safekeeping - no charge
- Request for certificates - no charge
- Automatic purchase - \$1.50 plus \$.10 per share
- Copies of account statements for prior years - \$10 per year, maximum \$50
- Gift transfers - \$5 each
- Withdrawal - no charge for certificate withdrawal

## **Purchases and Fees**

- The minimum voluntary purchase is \$50 (\$10 for employees through payroll deduction).
- Additional investments are subject to a maximum annual amount of \$120,000.
- Each purchase (other than reinvested dividends or automatic debit) will entail a transaction fee of \$5 plus \$.10 per share purchased.
- If funds are automatically deducted from your checking or savings account, the processing fee is \$1.50 per transaction plus \$.10 per share.
- Fees will be deducted from the purchase amount.

## **Sales and Fees**

- Each sale will entail a transaction fee.
- The transaction processing fee is \$10 plus \$.10 per share sold.
- Fees are deducted from the proceeds derived from the sale.

## **Reinvestment of Dividends and Fees**

- Each reinvestment will entail a transaction fee of \$0.75. The fee is deducted from the dividend amount.



## **WAGE BONUS PLAN**

The Employee Wage Bonus Plan was established by the Board of Directors in 1936. The purpose of the Plan is to provide an opportunity for you to share in the earnings of the Company

A fixed percentage of the Company's calendar year (January 1 to December 31) earnings is allocated to a profit sharing fund for eligible employees, with a portion of the payout contingent on meeting Operating Income targets.

### **ELIGIBILITY**

Eligibility for participation in the Wage Bonus Plan requires that you, on December 31 of each year, must:

1. be an approved full-time employee
2. have completed 6 months of service; and
3. be in active service and good standing.

#### ***Exceptions:***

In the case of absence on December 31 due to long-term disability, lay-off, or leave of absence, employees are eligible to participate for that portion of the calendar year which they have been employed in active service as qualified employees.

In the event of retirement, payment will be made to the employee as credit and will be given for the time employed in active service.

In the event of death, credit is given for the time employed in active service as a qualified employee; and payment will be made to the family or dependants.

Employees who leave voluntarily or who are discharged during the calendar year are not eligible to participate in the Wage Bonus Plan.

## **AMOUNT ALLOCATED FOR WAGE BONUS**

The total amount allocated for Wage Bonus is 10% of Operating Income before taxes, with a portion of this fund contingent on the achieving of planned Operating Income targets to reflect the degree to which planned results were met. Accordingly, the fund is reduced by 5% for each \$1,000,000 Operating Income target shortfall, to a maximum reduction of 25%.

## **WAGE BONUS DISTRIBUTION**

Wage Bonus is paid to you as a percentage of your individual earnings during the calendar year. Special allowances, overtime, and wages and salaries earned during the period prior to acceptance as a qualified employee, are not included. Payment of the Wage Bonus is generally made in March, following the close of the calendar business year on December 31.

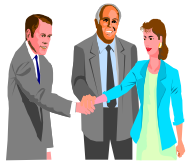
**Example:** If the amount available for distribution is \$2,400,000 and the total of all eligible wages and salaries of qualified employees is \$38,000,000 the wage bonus is 6.3%.

If the wage bonus distribution ratio is 6.3% and you as a qualified employee have earnings of \$42,000 during the calendar year, you receive a wage bonus payment of \$2,646.

## **WAGE BONUS PAYMENT**

Wage Bonus payments constitute additional compensations and are subject to income tax, Canada Pension Plan, and Employment Insurance deductions.

To take advantage of tax deferral and reduction considerations, you may arrange to contribute all or part of your Wage Bonus to your Group RRSP. This arrangement also includes the option of investing your money on a before-tax or after-tax basis.



## **EMPLOYEE ASSISTANCE PROGRAM - “CONTACT”**

The Quaker Oats Company of Canada provides you and your family members with professional counselling services. The program is designed to assist you and your dependants in resolving personal problems which may be affecting job performance, physical or mental health, and well-being, before they lead to more serious difficulties.

### **ELIGIBILITY**

If you are an approved regular full-time employee, you and your dependants are eligible to participate in the Employee Assistance Program.

### **COUNSELLING ISSUES**

Quaker encourages you to use the Employee Assistance Program if you are experiencing:

- stress (including job-related)
- grief
- personal problems
- emotional crises
- financial difficulties
- marital or family concerns
- substance abuse (alcohol/drugs)
- interpersonal conflict
- legal concerns

We are confident that you and your dependants will benefit by speaking to experienced professional counsellors about solving your problems.

### **CONFIDENTIALITY**

Confidentiality is the cornerstone of this benefit. In all circumstances, there is complete privacy. In a caring and professional environment away from your work place, you can discuss your personal problems and concerns in complete confidence.



Confidentiality ensures that when you use this program you will in no way jeopardize your job. In fact, the program is likely to benefit your work situation as counselling may help you resolve problems that might otherwise affect your job performance.

The identity of clients and details of all conversations will be kept in the strictest confidence by the counsellors. The Company is informed of statistics on the use of the program only, and will not be informed of any particular individual visits.

### **COST**

All counselling sessions provided through the Employee Assistance Program are paid for by Quaker.

However, there may be situations where very specialized expertise is required. In these cases, the counsellor will refer you to an appropriate professional or agency in the community. Any fees for these referred services are your responsibility. However, some of these may be covered by the Ontario Provincial Health Insurance Program or Quaker's Healthcare Plan.

### **CONTACT**

If you are experiencing problems, information and counselling resources are just a phone call away. You may contact our Employee Assistance provider, 24 hours a day, 7 days a week as follows:

**742-3120      *Office***  
**748-8915      *Pager***

Your calls will be handled by: Telka, Smith  
Registered Psychologists  
318 Stewart Street  
Peterborough ON K9J 3N1

Telka, Smith will provide up to 5 visits per individual or family member, with an overall maximum of 10 visits per family in a calendar year.