

AGREEMENT

between

THE QUAKER OATS COMPANY
OF CANADA LIMITED



QUAKER

and



Low 1996

TERMINATES: JUNE 30, 2002

004661 x)

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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, represent-
ing 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.

Collaborative Process

The Company and the Union recognize that significant change has
occurred in the food industry and that co-operative approaches are
necessary in dealing with the effects of change in the workplace.
The parties further recognize that, in order to secure growth and
employment for the Peterborough Plant, we must continue to make
improvements in the areas of Labour Relations, Product Quality,
Product Assurance, Productivity, and Health and Safety. We agree
that ~~costs~~ must be reduced, performance improved and the skill
level of our employees enhanced. This will require changes in how
the work is done, employee involvement in solving operations
problems and the continual upgrading of employee skills. In order
to manage these changes, the parties commit to a process of on-
going consultation, conflict resolution, and open discussion
between management, the Union, and employees. An integral part

of these consultations is the opportunity for the Union and employees to participate in decisions related to change as early as possible.

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 indicate 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 lock-out 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 depart-

ment 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.

In recognizing the role of the Union President, the Company agrees to provide forty 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, Health and Safety Rep., Financial Secretary and Benefits Representative will not be subject to layoff provided work is available which they are capable of performing.

Where possible, the Chief Steward will be scheduled to the day shift.

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

The Union President will be allowed to participate in new employee orientation sessions.

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 | 3 |

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. The Chief Steward may attend the meeting at his own discretion.

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 settled to the satisfaction of both parties within a period of five (5) 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:

- i.) mediation, if both parties agree; and/or
- ii) arbitration.

All times as set out in the Grievance Procedure, Mediation, and Arbitration may be extended by mutual agreement between the Company and the Union, in writing.

19. If either mediation and /or arbitration is to be invoked, the request for either mediation and /or arbitration must be made in writing within ten (**10**) working days after the grievance has been dealt with in Step No. 3, after which the party seeking mediation or arbitration shall, within ten working days, contact the mediator or arbitrator, as the case may be, requesting a date for a hearing.

MEDIATION/ARBITRATION

- 20 (a) The mediator must be selected by mutual agreement of the Company and the Union. In the event that a mutually acceptable mediator cannot be selected, the grievance will be forwarded to arbitration.
- 20 (b) The Company and the Union will bear the expenses of the mediator in equal shares.
- 20 (c) Disputes which are carried to the arbitration stage shall normally be heard before a single arbitrator. The parties have expressed confidence in the ability of the under-mentioned persons, and agree that they shall be called to arbitrate on a rotation basis and in order of their listing:

Tim Armstrong
Rick MacDowell
Peter Barton
Paula Knopf
Howard Brown
Ross Kennedy

If it is not possible to schedule an arbitration date with the arbitrator who is next called to arbitrate within 60 days from the request for a hearing, the parties shall move to the first available arbitrator on the list. The first available date shall be the scheduled date for the hearing. Notwithstanding the foregoing, no arbitrator will be called to resolve more than one grievance in a row. If the order of rotation is bypassed in this manner for a hearing, the parties agree to resume the rotation order, starting with the arbitrator who would have been called but for his unavailability, for the next hearing that may arise.

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:

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.

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. These four positions will be the four most junior employees remaining.

If twenty-one to forty employees are on layoff, six positions in the plant will be designated A.W.A. These six positions will be the six most junior employees remaining.

If forty-one or more employees are on layoff, eight positions in the plant will be designated A.W.A. These eight positions will be the eight most junior employees remaining.

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 **pro**-vide 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 four 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.

As of January 1, 2002, non-bargaining unit employees of the Peterborough Plant will not transfer into the bargaining unit.

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 employ-

ment 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 train-

ing 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, ninety 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 “re: Supplement Agreement” 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" "re: Supplement Agreement" 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 June 15 and July 1, 2002 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 30th day of June 2002 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 30th day of June 2003 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 30th day of June 2002, 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 30th day of June 2002 following the date of such notice, then this Agreement shall remain in force under the provisions of the Ontario Labour Relations Act.

PLANT CLOSURE and its EFFECT on COMPANY BENEFITS

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.

In the event of plant closure, the employee may elect to take their severance in the form of a lump sum cash payment or as a continuation of regular weekly wages; not to exceed the number of weeks of severance entitlement; 52 weeks; or re-employment; whichever comes first.

a) If Severance is taken as a Lump Sum

If the employee elects to receive severance as a lump sum, the employee will receive an additional 8% in lieu of Company benefits.

Wage Bonus (Profit Sharing) will be prorated to the last day of regular Quaker earnings; with the timing of the payout in accordance with the Company guidelines.

b) If Severance is taken as a Regular Weekly Wage Continuance

If the employee elects to receive severance as a continuation of regular weekly wages; benefits will be treated as follows during the period of wage continuation:

- 1) In accordance with the terms of the master contracts of the Company's group benefit plans, the following benefits will remain in force:
 - Healthcare
 - Dentalcare

- Visioncare
 - Group Life Insurance (Basic and Dependent Life Only).
- 2) In accordance with the terms of the master contract for Group Life Insurance, Optional Life will remain in force if the employee continues to maintain the required premium.
 - 3) In accordance with the terms of the Hourly Pension Plan, credited service will continue to accrue.
 - 4) Notwithstanding the foregoing, and in accordance with the terms of the master contract for Long-Term Disability Insurance; Long-Term Disability benefits will remain in force as long as the employee continues to maintain the required premium; for a period not to exceed 8 weeks.
 - 5) Notwithstanding the foregoing, Wage Bonus (Profit Sharing) will be prorated to the last day of regular Quaker earnings; with the timing of the payout in accordance with the Company guidelines.

If the employee elects to receive the severance as a weekly wage continuation, but later obtains employment or voluntarily decides to elect the lump sum option; the employee will receive the balance of outstanding wage continuation payments as a lump sum, with an additional 8% in lieu of Company benefit on the balance.

The Quaker Oats Company of Canada Limited

Lloyd George
C. A. W.
D. J.

The Canadian Auto Workers - Local 1996

Steve Mapp
T. S. V.
Rick A. McConkey
National Representative - C. A. W.

Jerry Davis

Date:

Dec 19/99

S.M.

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.

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 its 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 time 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: July 4th, December 27th, December 28th, December 29th, 2000

In the second year of the contract the four floating holidays will be: July 3rd, December 27th, December 28th, December 31st. 2001

In the third year of the contract the two floating holidays will be: January 2nd, and May 23rd, 2002

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, Child or Step 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.

| | 1st | 3rd |
|----------|-----|-----|
| 1st Year | .78 | .59 |
| 2nd Year | .81 | .61 |
| 3rd Year | .83 | .62 |

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 or stepchild 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 June 30, 2002, 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 its 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, 1999 to December 31, 1999 and January 1, 2000 to December 31, 2000 and January 1, 2001 to December 31, 2001 and January 1, 2002 to December 31, 2002.

B13 PROTECTIVE FOOTWEAR

The Company agrees to provide a safety shoe subsidy of \$85.00 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 \$85.00 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 \$160.00. In the third year a subsidy of \$85 per year will be provided and any credits accumulated from the second year will be available to a maximum of \$170.00.

B14 TOOL ALLOWANCE

A tool allowance of up to a maximum of \$600.00 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 \$600 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 (1) 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, 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 months, commencing in January of each year.

B15 (2) TEMPORARY JOB OPPORTUNITY

All job vacancies which need to be filled on a temporary basis shall be posted as per the normal posting process. Successful applicants will receive the rate of pay of the temporary job posting for the specified time the temporary job exists. The successful applicant will return to his/her permanent job at the conclusion of the temporary job posting.

During the period that he is performing the temporary job, the successful applicant's permanent job will be filled by an employee from the labour pool.

If the temporary position is no longer required, the temporarily posted employee will return to his permanent job.

If it becomes necessary to extend the original time period specified in the temporary job posting, the position will first be offered to the temporary incumbent.

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 the 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, 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.

Effective November 1, 2000 dental plan coverage will be provided for all eligible approved regular employees and their dependants according to the 2000 Ontario Dental Association Fee Schedule.

Effective November 1, 2001 dental plan coverage **will** be provided for all eligible approved regular employees and their dependants according to the 2001 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 GROUPLIFE 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 December 19, 1999 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

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 December 19, 1999 all rates are to be increased 4%
Effective January 1, 2001 all rates are to be increased 4%
Effective January 1, 2002 all rates are to be increased 2%.

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 SummerHelp with exceptions **as** noted in the Summer Help hiring policy. Clause C6 Wage Rates **Job** Classification

C6 WAGE RATES JOB CLASSIFICATION

Utility Person shall receive the highest rate in his group.

WAGE RATES JOB CLASSIFICATION

| | Effective | Effective | |
|-----------------------------------|------------------|------------------|-----------------|
| Effective | Dec 19/99 | Jan 1/01 | Jan 1/02 |
| GRADE ONE | \$19.59 | \$20.37 | \$20.78 |
| Cold Cereal Cleaner | | | |
| Milling Cleaner | | | |
| General Labourer | | | |
| Lab Helper | | | |
| Line 21 Person | | | |
| Package Person | | | |
| Line 16 Person | | | |
| Line 22 Person | | | |
| Line 5 Person | | | |
| GRADE TWO | \$19.77 | \$20.56 | \$20.97 |
| Line 15 Person | | | |
| # 4 Elevator Operator | | | |
| # 5 Elevator Operator | | | |
| Pre-Sweet Tank Person | | | |
| Batching Plant Tank Person | | | |
| Service and Relief - Shipping | | | |
| Janitor & Relief | | | |
| Pallet Station | | | |
| Hot Cereal Cleaner | | | |
| RTE Cleaner | | | |
| Cold Cereal Cleaner 7th/8th Floor | | | |
| Janitor | | | |
| Muffets Person | | | |
| Maintenance Cleaner | | | |

| Effective | Effective | Effective | |
|---|------------------|------------------|-----------------|
| | Dec 19/99 | Jan 1/01 | Jan 1/02 |
| GRADE THREE | \$19.91 | \$20.71 | \$21.12 |
| Fruit Job Line 22 Edson Operator Barline Edson Operator Reclaim Operator Barline Assistant Baler Operator RTE Belt Inspector Ingredient Handler/Relief | | | |
| GRADE FOUR | \$20.16 | \$20.97 | \$21.39 |
| 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 30/3I 2nd Assistant Operator Milling/Elevator Cleaner Line 5 Assistant Operator | | | |

| Effective | Effective Dec 19/99 | Effective Jan 1/01 | Jan 1/02 |
|------------------------------------|--------------------------------|-------------------------------|-----------------|
| GRADE FIVE | \$20.42 | \$21.24 | \$21.66 |
| Premix Plant Relief | | | |
| Line 30/31 1st Assistant Operator | | | |
| Baking Mix Relief | | | |
| Muffet Cooker | | | |
| Line 5 Operator | | | |
| Line 7/18 Operator | | | |
| Muffet Packer Operator | | | |
| Supply Person | | | |
| Weigh Person | | | |
| Line 15 Operator | | | |
| Line 4 Operator | | | |
| Line 21 Operator | | | |
| 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 | | | |
| Barline Cleaner | | | |
| GRADE SIX | \$20.53 | \$21.35 | \$21.78 |
| 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 | | | |

| Effective | Effective | Effective | |
|-------------------------------|------------------|------------------|-----------------|
| | Dec 19/99 | Jan 1/01 | Jan 1/02 |
| GRADE SEVEN | \$20.76 | \$21.59 | \$22.02 |
| AJ System Operator | | | |
| Bulk Loader | | | |
| Jones Machine Operator - RTE | | | |
| Checker | | | |
| Palletizer/Forktruck Operator | | | |
| Mill Grinding Operator | | | |
| Premix Plant Relief | | | |
| GRADE EIGHT | \$21.15 | \$22.00 | \$22.44 |
| 1st Floor Operator | | | |
| Batching Plant Operator | | | |
| RTE Premix Plant Operator | | | |
| GRADE NINE | \$21.65 | \$22.52 | \$22.97 |
| Extruder Operator | | | |
| GRADE TEN | \$23.02 | \$23.94 | \$24.42 |
| UTILITY | | | |
| RTE Utility | \$21.65 | \$22.52 | \$22.97 |
| Manufacturing Utility | \$20.53 | \$21.35 | \$21.78 |
| Package Line Utility Operator | \$20.53 | \$21.35 | \$21.78 |
| Milling Utility | \$23.02 | \$23.94 | \$24.42 |
| Elevator Utility | \$21.15 | \$22.00 | \$22.44 |
| Shipping Utility | \$20.76 | \$21.59 | \$22.02 |
| Harvest Utility | \$20.42 | \$21.24 | \$21.66 |

| Effective | Effective | Effective | |
|---------------------------------|------------------|------------------|-----------------|
| | Dec 19/99 | Jan 1/01 | Jan 1/02 |
| FLOOR LEADER | | | |
| 20¢ above highest rate in group | | | |
| MILLERS RATE | | | |
| 2nd Miller | \$21.47 | \$22.33 | \$22.78 |
| 1st Miller | \$21.65 | \$22.52 | \$22.97 |
| FLAKING ROLLS SYSTEM | | | |
| Roll Man | \$23.02 | \$23.94 | \$24.42 |
| MAINTENANCE | | | |
| Maintenance I | \$19.59 | \$20.37 | \$20.78 |
| Maintenance II | \$19.91 | \$20.71 | \$21.12 |
| Maintenance III | \$20.42 | \$21.24 | \$21.66 |
| Maintenance IV | \$20.76 | \$21.59 | \$22.02 |
| Maintenance V | \$21.74 | \$22.61 | \$23.06 |
| Maintenance VI | \$22.24 | \$23.13 | \$23.59 |
| Maintenance VII | \$23.60 | \$24.54 | \$25.03 |
| Maintenance VIII | \$24.02 | \$24.98 | \$25.48 |
| BOILER ROOM | | | |
| 2nd Class | \$23.60 | \$24.54 | \$25.03 |
| Maintenance Engineer | \$23.60 | \$24.54 | \$25.03 |
| Chief Engineer | \$25.79 | \$26.82 | \$27.36 |

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.

SCHEDULE "E"

**SUPPLEMENTAL AGREEMENT ON CONTINUOUS
OPERATION SCHEDULES**

between

**THE QUAKER OATS COMPANY OF CANADA LTD.,
PETERBOROUGH**

and

LOCAL 1996-CANADIAN AUTO WORKERS (CANADA)

DECEMBER 18, 1999

For the Union



For the Company



Continuous Operation

The Company and the Union have negotiated an agreement that will support Continuous Operations (i.e., 7x24 scheduling). This will address flexibility and capacity requirements of the North American cereals business, and shall position our plant for future production and growth possibilities.

The Company and the Union will form a joint task force which will work with 24/7 Strategies Group or another mutually agreed upon external party to develop and execute the Continuous Operation schedule. Together, the task force and 24/7 Strategies Group will develop and implement a process for developing and selecting the Continuous Operation schedule which best meets both Company and employee needs. These needs will be defined at the outset of the development process by the parties involved and approved by the LAMA committee. The evaluation of proposed schedule options will include solicited input from members of the Union by means of a survey or other voting method. The Continuous Operation schedule option receiving a majority vote will be presented to LAMA for final approval.

In the event that the joint task force is unable to develop a Continuous Operation schedule which meets the defined business and employee parameters by May 31, 2000, the default schedule included herein will apply to the Continuous Operation schedule.

Where there is a conflict between any provision of this Supplemental Agreement and any provision of the Collective Agreement, this Supplemental Agreement shall apply. Subject to the foregoing, all terms of the Collective Agreement shall apply.

Shift Schedule

- Four (4) Crews will be working twelve (12) hour shifts in a rotation. This means that employees will work seven (7) days in a two week period.
- The scheduled work week will start on a Sunday morning at 7am and rotate 2 on, 3 off, 2 on, 2 off, 3 on, 2 off. The crews may rotate between day and night shifts or have fixed shifts. The Company and the Union will mutually agree upon a rotating schedule. This will provide every other week-end off. (For illustration, see charts at the end of this section.)

Pay Week

The pay week for the Continuous Operation schedule will be from Sunday at 7am to the following Sunday at 7am.

Pay Schedule

On the Continuous Operation schedule, an employee will receive the following pay for all regularly scheduled shifts:

SHORT WEEK:

- 36 hours at his regular straight time rate of pay for the 36 scheduled hours in the short week.

LONG WEEK:

- 40 hours at his regular straight time rate of pay for the first forty (40) hours worked in the long week.
8 hours at one and one half times (1.5x) his regular straight time rate of pay for the last eight (8) hours worked in the long week.

Overtime Premium Pay

Overtime shall be **paid** at the rate of one and one half times the regular straight time rate for:

- all hours worked in excess of 36 hours /week in the short week
- all hours worked in excess of 40 hours /week in the long week
- all work performed on recognized plant holidays

Overtime shall be paid at the rate of double time the regular straight time rate **as** set out in Clause B5 paragraph 2, with the exception that the definitions of Saturday and Sunday are as set out below:

- for the purposes of overtime pay calculation in this Continuous Operation schedule, “Saturday” is defined as the 24 hour period beginning at 11pm on calendar day Friday and “Sunday” is defined **as** the 24 hour period beginning at 11 pm on the calendar day Saturday.

Overtime Scheduling

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

- (i) First, to the position incumbents on the opposite shift;
- (ii) Second, to the qualified employees on the opposite shift who relieve on the job as part of the relief schedule;
- (iii) Thirdly, to employees posted on the job, but not working on the job at that time;
- (iv) To other department employees in the plant qualified to do the work;
- (v) To other employees in the plant who are qualified to do the work.

The Company will determine overtime requirements based on whether or not a vacant position is a result of scheduled time off or an unscheduled absence.

- Scheduled time which is less than or equal to two (2) weeks in length will first be filled by incumbents on the off shift of the Continuous Operation schedule. If no incumbents on the off shift of the Continuous Operation schedule are available, an employee working on straight time may fill the vacancy.

- Scheduled time which is more than two (2) weeks in length will first be filled with an available employee working on straight time. If such an employee is not available, overtime may be required.

Continuous Operation Shift Bonus

- 60 cents /hour for 7am - 7pm shift
- 90 cents /hour for 7pm - 7am shift

This section replaces any shift bonuses referred to in section B7 of this Collective Agreement.

Vacation

- Employees scheduled on the Continuous Operation schedule will receive vacation privileges as per Schedule "D" of this Collective Agreement. This means that vacation time and credit will be administered and paid such that each week of vacation will coincide with the respective scheduled work week. The employee will 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 base hourly rate for each week, whichever is greater.
- For the purposes of one-day-at-a-time vacation on the Continuous Operation schedule, employees who have accumulated 18 years of service and are eligible for 5 or more weeks of vacation may elect to take 40 hours as one-day-at-a-time vacation. The employee must take this vacation time in full 12 hour days, one-day-at-a-time. In the event that an employee has less than 12 hours remaining in their one-day-at-a-time entitlement, they will work with their coordinator to identify an agreed-upon time to take those remaining hours of vacation.
- Vacations may be given at any time during the year subject to demands of the business. However, each department should make a sincere effort to grant vacations at the time wanted by the employees. Longest service employees will be given preference, provided they have adhered to agreed upon guidelines.

Recognized Plant Holidays

- If a recognized plant holiday, as per Clause B6, is a scheduled day off for a Continuous Operation employee he shall be paid for 8 hours at his straight time base rate in accordance with the conditions in Clause B6.
- 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 one and a half times his straight time base rate of pay in addition to the 8 hours Recognized Plant Holiday pay.
- If a recognized plant holiday, as per Clause B6, is a scheduled work day for a Continuous Operation employee, however the plant is closed on this day, he shall be paid for 12 hours at his straight time base rate, in order that he is not disadvantaged.

Illness & Accident Plan

Clause B17 of this Collective Agreement shall apply with the following exceptions:

- the waiting period shall be 2 consecutive 12 hour days (24 hours). Therefore an employee's benefit payment begins on the third scheduled work day missed.
- Benefits under this plan will be paid at 75% of an employee's regular base rate times his scheduled number of hours for a maximum of four (4) weeks.
- Should an employee's approved claim under the Illness and Accident Plan exceed fifteen (15) working days, the two (2) day waiting period will be waived.

Bereavement Pay

- Clause B9 of this Collective Agreement shall apply such that employees working on the Continuous Operation schedule will receive the same number of calendar days as employees on the 5x8 schedule.

Job Opportunity for 4th Crew (Default Schedule)

- In order to ensure the implementation of the Continuous Operation program, the Company and Union agree to work

together to develop job opportunity rules to replace Clause B15 of this Collective Agreement for the Continuous Operation schedule (default schedule).

- These rules will build on the principle that the 4th crew will be posted as a permanent posting.
- When the Continuous Operation schedule finishes and the crews return to a 5x8 schedule, the most senior employees will fill the required shifts on the 5x8 schedule. The junior employees will maintain their postings but since their jobs are not running, they will become part of the labour pool.

Trading Shifts or Days

- Employees who wish to trade shifts or days with another employee must have appropriate rest period between shifts as determined by the Company, and in any event, cannot work more than 13 hours /day.
- All trades must be approved by the employee's coordinator.
- Trades can only occur between employees on the Continuous Operation schedule.
- A trade must be cost neutral, therefore cannot result in any added cost to the Company.

Jury Duty

For employees on the Continuous Operation schedule, all guidelines will be applied as outlined in Clause B8 of this Collective Agreement, except that regularly scheduled work days may be comprised of up to 12 hours /day and a maximum of 48 regularly scheduled hours per week may apply.

Heat Sterilization/Fumigations

- Heat sterilization will be required on occasions throughout the calendar year.
- Employees scheduled on the Continuous Operation schedule at a time when a heat run is required will not be disadvantaged; alternative work will be provided.
- The Company will make every effort to schedule fumigations around the Continuous Operation schedule.

Restrictions

No overtime or premium will be computed twice on the same hours worked, but the highest single premium shall apply.

7/24 Transition Agreement

In order to assist employees with the cultural changes and transitions of schedule changes, the transition agreement outlined herein will be applicable to employees during the year 2000.

Upon the implementation of the 7/24 schedule, the following guidelines will apply in order to provide an opportunity to a maximum of 10% of **all** plant employees whose position is affected to opt out of the 7/24 schedule.

The parties agree that each time the 7/24 Continuous Operation schedule is implemented in the year 2000, 10% ~~of~~ the total number of plant employees currently posted in the affected positions may choose to opt out of the 7/24 schedule under the following agreement:

- The total number **of** plant employees affected will be defined as the total number of people across the plant whose schedule will change from 5 day traditional schedule to the 7/24 schedule.
- Ten percent (10%) of the total number of plant employees affected (as defined above) will be given the opportunity to opt out.
- **A** list of all plant employees affected by this change, in order **of** seniority, will be developed. In order of seniority, employees on this list will be given the opportunity to either opt out or retain their posting, up to permitted maximum. If an employee elects to opt out, he will relinquish his rights to his posting and become part of the labour pool and receive the general labour rate. His job will be posted as **a** permanent posting.



Default Continuous Op

ROTATING SHIFTS (every 2 or 3 day):

| DAYS | Sun | Mon | Tue | Wed | Thu | Fri | Sat | Sun | Mon | Tue | Wed | Thu | Fri |
|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Crew I | - | 7am - 7pm | 7am - 7pm | - | - | 7pm - 7am | 7pm - 7am | 7pm - 7am | - | - | 7am - 7pm | 7am - 7pm | |
| Crew II | - | 7pm - 7am | 7pm - 7am | - | - | 7am - 7pm | 7am - 7pm | 7am - 7pm | - | - | 7pm - 7am | 7pm - 7am | |
| Crew III | 7pm - 7am | - | - | 7am - 7pm | 7am - 7pm | - | - | | 7pm - 7am | 7pm - 7am | - | - | 7am - 7pm |
| Crew IV | 7am - 7pm | - | - | 7pm - 7am | 7pm - 7am | - | - | | 7am - 7pm | 7am - 7pm | - | - | 7pm - 7am |

ROTATING SHIFTS (every 2 weeks):

| DAYS | Sun | Mon | Tue | Wed | Thu | Fri | Sat | Sun | Mon | Tue | Wed | Thu | Fri |
|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Crew I | - | 7am - 7pm | 7am - 7pm | - | - | 7am - 7pm | 7am - 7pm | 7am - 7pm | - | - | 7am - 7pm | 7am - 7pm | - |
| Crew II | - | 7pm - 7am | 7pm - 7am | - | - | 7pm - 7am | 7pm - 7am | 7pm - 7am | - | - | 7pm - 7am | 7pm - 7am | - |
| Crew III | 7pm - 7am | - | - | 7am - 7pm | 7am - 7pm | - | - | - | 7am - 7pm | 7am - 7pm | - | - | 7am - 7pm |
| Crew IV | 7am - 7pm | - | - | 7pm - 7am | 7pm - 7am | - | - | - | 7pm - 7am | 7pm - 7am | - | - | 7pm - 7am |

eration Schedule - 2-2-3

| Sat | Sun | Mon | Tue | Wed | Thu | Fri | Sat | Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| - | - | 7pm - 7am | 7pm - 7am | - | - | 7am - 7pm | 7am - 7pm | 7am - 7pm | - | - | 7pm - 7am | 7pm - 7am | - | - |
| - | - | 7am - 7pm | 7am - 7pm | - | - | 7pm - 7am | 7pm - 7am | 7pm - 7am | - | - | 7am - 7pm | 7am - 7pm | - | - |
| 1 - 7pm | 7am - 7pm | - | - | 7pm - 7am | 7pm - 7am | - | - | - | 7am - 7pm | 7am - 7pm | - | - | 7pm - 7am | 7pm - 7am |
| 1 - 7am | 7pm - 7am | - | - | 7am - 7pm | 7am - 7pm | - | - | - | 7pm - 7am | 7pm - 7am | - | - | 7am - 7pm | 7am - 7pm |

| Sat | Sun | Mon | Tue | Wed | Thu | Fri | Sat | Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| - | - | 7pm - 7am | 7pm - 7am | - | - | 7pm - 7am | 7pm - 7am | 7pm - 7am | - | - | 7pm - 7am | 7pm - 7am | - | - |
| - | - | 7am - 7pm | 7am - 7pm | - | - | 7am - 7pm | 7am - 7pm | 7am - 7pm | - | - | 7am - 7pm | 7am - 7pm | - | - |
| 1 - 7pm | 7am - 7pm | - | - | 7pm - 7am | 7pm - 7am | - | - | - | 7pm - 7am | 7pm - 7am | - | - | 7pm - 7am | 7pm - 7am |
| 1 - 7am | 7pm - 7am | - | - | 7am - 7pm | 7am - 7pm | - | - | - | 7am - 7pm | 7am - 7pm | - | - | 7am - 7pm | 7am - 7pm |

Hours of Work & Remuneration for Default 2-2-3 Schedule (Rotating or Fixed Schedule)

Based on the sample schedules:

| crew | Week #1 Days Worked=4 4 x 12 hour shifts Hours Worked=48 first 40 hours @ straight time remaining 8 hours @ 1.5x Days Off=3 | Week #2 Days Worked=3 3 x 12 hour shifts Hours Worked=36 36 hours @ straight Days Off=4 | Week #3 Days Worked=4 4 x 12 hour shifts Hours Worked=48 first 40 hours @ straight time remaining 8 hours @ 1.5x Days Off=3 | Week #4 Days Worked=3 3 x 12 hour shifts Hours Worked=36 36 hours @ straight time Days off=4 |
|--------|--|---|--|---|
| Crew I | Days Worked=4 4 x 12 hour shifts Hours Worked=48 first 40 hours @ straight time remaining 8 hours @ 1.5x Days Off=3 | Days Worked=3 3 x 12 hour shifts Hours Worked=36 36 hours @ straight Days Off=4 | Days Worked=4 4 x 12 hour shifts Hours Worked=48 first 40 hours @ straight time remaining 8 hours @ 1.5x Days Off=3 | Days Worked=3 3 x 12 hour shifts Hours Worked=36 36 hours @ straight time Days off=4 |
| Crew I | Days Worked=3 3 x 12 hour shifts Hours Worked=36 36 hours @ straight time Days Off=4 | Days Worked=4 4 x 12 hour shifts Hours Worked=48 first 40 hours @ straight time remaining 8 hours @ 1.5x Days Off=3 | Days Worked=3 3 x 12 hour shifts Hours Worked=36 36 hours @ straight time Days off=4 | Days Worked=4 4 x 12 hour shifts Hours Worked=48 first 40 hours @ straight time remaining 8 hours @ 1.5x Days Off=3 |
| Crew I | Days Worked=3 3 x 12 hour shifts Hours Worked=36 36 hours @ straight time Days Off=4 | Days Worked=4 4 x 12 hour shifts Hours Worked=48 first 40 hours @ straight time remaining 8 hours @ 1.5x Days Off=3 | Days Worked=3 3 x 12 hour shifts Hours Worked=36 36 hours @ straight time Days off=4 | Days Worked=4 4 x 12 hour shifts Hours Worked=48 first 40 hours @ straight time remaining 8 hours @ 1.5x Days Off=3 |

LETTERS OF INTENT

1. Re: Hold Over of One Week's Vacation
2. Re: 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: Flaking Rolls System (Roll Man)
13. Re: Maintenance Contracting Out
14. Re: Units Versus Departments

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

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. C. McInroy
HUMAN RESOURCES MANAGER
PETERBOROUGH PLANT

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. C. McInroy
HUMAN RESOURCES MANAGER
PETERBOROUGH PLANT

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 ser- vice over 10 years |

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

Yours truly,

J.C. McInroy
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. C. McInroy
HUMAN RESOURCES MANAGER
PETERBOROUGH PLANT

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,

J. C. McInroy
HUMAN RESOURCES MANAGER
PETERBOROUGH PLANT

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.C. McInroy
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:

- 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,

J. C. McInroy
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.

| AGE | EARNINGS PER MONTH |
|-------|------------------------------|
| 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.C. McInroy
HUMAN RESOURCES MANAGER
PETERBOROUGH PLANT

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.C. McInroy
HUMAN RESOURCES MANAGER
PETERBOROUGH PLANT

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.C. McInroy
HUMAN RESOURCES MANAGER
PETERBOROUGH PLANT

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.C. McInroy
HUMAN RESOURCES MANAGER
PETERBOROUGH PLANT

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.C. McInroy
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.C. McInroy
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.C. McInroy
HUMAN RESOURCES MANAGER
PETERBOROUGH PLANT

LETTERS OF UNDERSTANDING

1. Re: Union Benefit Representative
2. Re: Job Security
3. Re: Overtime Allocation by Leadhands
4. Re: Early Retirement Supplement
5. Re: President Designate
6. Re: Signing Bonus
7. Re: Union Office
8. Re: Women's Advocate
9. Re: CAW Subsidy
10. Re: Health & Safety Co-Chair-Premium

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

In recognizing the role of the representative in the company, the company agrees to provide time as required up to twenty (20) hours per week with pay in order that the Benefit Representative may attend to benefit work.

Time of time required for benefit work shall be arranged between the Benefit Representative and his respective co-ordinator. If additional time is required, the Benefit Representative will seek approval from the Human Resource Manager.

Time as required will not be abused.

Yours truly,

J.C. McInroy
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.C. McInroy
HUMAN RESOURCES MANAGER
PETERBOROUGH PLANT

Canadian Auto Workers Local 1996

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

Dear Mr. Madill:

RE: LACK 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.C. McInroy
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
EARLY RETIREMENT SUPPLEMENT

1. In recognition of the significant changes that will be occurring at the Peterborough Plant during the period of this Collective Agreement, including the introduction of a Continuous Operations schedule and job restructurings, the Company agrees to provide an early retirement supplement. This supplement will be offered, within the period of this Collective Agreement but not thereafter, to those employees who are eligible and wish voluntarily to retire early, on the conditions set out in this clause. The supplement will be made available twice within that period, during two separate thirty-day windows which will be offered by the Company (one early in the year 2000 and one early in the year 2001, in both cases to coincide with contemplated Peterborough Plant job restructurings).
2. To be eligible for the supplement, the employee must be age 55 or older during the applicable 30-day window, and prior to the date on which the employee makes his election and he must otherwise have qualified for age 55 early retirement under the provisions of the Hourly Pension Plan.
3. The supplement will be offered on the following conditions:

- (a) the supplement is available to eligible employees wishing to make the election, in order of their seniority, to a maximum of 51 eligible employees;
- (b) the employee must make an election, within thirty-five days of the advance notice to be given the Company, but prior to the final date of the applicable thirty-day window;
- (c) the election will be an election to retire within the timelines which will be set out by the Company in the notice which the Company will provide to all eligible employees at least 5 working days in advance of the first day of each of the two thirty-day windows;
- (d) the election must be made on the forms which will be prepared by the Company, which will include release language intended only to avoid any extraneous or additional Company liability beyond what these terms and all other terms of the current collective Agreement would provide;
- (e) after receiving a completed form, the Company will determine the precise commencement date of each applicant employee's early retirement, having regard to the needs of the business, but the period of remaining work will not exceed 3 months from the date of the applicant employees' election;
- (f) the supplement is intended to be made so as to qualify as a Retiring Allowance;
- (g) the supplement shall be in the form of a lump sum cash payment, in an amount equal to the present value of the early retirement pension reduction which the employee will incur by retiring early, as set out in the Hourly Pension Plan;

EXAMPLE - (solely for the purposes of illustration)

Assumptions:

- Employee Age - 58 years

- Credited Service - 30 years
- Pension Formula - \$516 per year of Credited Service*
- Early Retirement Reduction - 8% (2 years @ 4%)
- Annuity Factor** - 10 (for calculating present value)

| | |
|--|-------------|
| (1) Calculation of Retirement Pension Per Year | |
| \$516 x 30 | \$15,480.00 |
| Less: Early Retirement Penalty | 1,238.40 |
| Pension Payable per Year | \$14,241.60 |

- (2) Calculation of Retiring Allowance
 $\$1,238.40 \times 10 = \mathbf{\$12,384.00}$

* Based on an assumption of a pension benefit formula per month of Credited Service of \$43. This assumption is for the purpose of this example only and is not intended to be a statement of the actual formula.

** Based on an assumed Annuity Factor of 10 for the purpose of this example. The actual Annuity Factor will be determined by an actuary appointed by the Company based on the interest rate in effect on the date early retirement commences, as prescribed by The Canadian Institute of Actuaries for the calculation of Transfer Values.

- (h) if necessary, the supplement shall be paid after deduction of all tax and other statutory withholdings as might be legally required;
4. The full amount of the supplement will be paid from Company funds, and not from Hourly Pension Plan funds.

5. The elements of the early retirement supplement are subject to any laws and regulations as may be applicable.
6. This early retirement supplement is in addition to any other benefits the employee is entitled to under this current Collective Agreement or under the Hourly Pension Plan.

Yours truly,

J. C. McInroy
HUMAN RESOURCES MANAGER
PETERBOROUGH PLANT

Canadian Auto Workers Local 1996

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

Dear Mr Madill:

R.E. PRESIDENT'S DESIGNATE
LETTER OF UNDERSTANDING

When the Union President is absent due to Vacation, Bereavement, Company recognized Leave, Illness & Accident, or Long Term Disability, the Company will recognize the Union Vice President, **or** his designate, and will provide him 16 hours per week with pay to attend to Union Business.

If additional time is required it may be provided. Time will not be abused.

In cases of long term absences, the Vice President or designate will be as per clause 8(b), paragraphs 1 & 2.

Yours truly,

J. C. McInroy
HUMAN RESOURCES MANAGER
PETERBOROUGH PLANT

Canadian Auto Workers Local 1996

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

Dear Mr. Madill:

Re: SIGNING BONUS
LETTER OF UNDERSTANDING

In recognition of the significant changes that will be occurring at the Peterborough Plant, including the introduction of a Continuous Operation schedule and job restructurings, the Company agrees to provide a one-time lump sum payment of \$1,000.00 upon signing of this Collective Agreement. This payment shall be made to all employees in active service at the time of signing and to employees currently on layoff and leave of absence, **if** and when they return to active status at the Plant.

Payment to employees in active service shall be made on the first pay date following the signing of this Collective Agreement.

Yours truly,

J. C. McInroy
HUMAN RESOURCES MANAGER
PETERBOROUGH PLANT

Canadian Auto Workers Local 1996

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

R.E. UNION OFFICE
LETTER OF UNDERSTANDING

Dear Mr. Madill:

The Company agrees to increase the size of the current office space provided to the Union in the Peterborough Plant, or provide another office of equivalent size in lieu of such expanded current office.

Construction of the office will commence in the second quarter of 2000.

Yours truly,

J. C. McInroy
HUMAN RESOURCES MANAGER

Canadian Auto Workers Local 1996

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

RE: WOMEN'S ADVOCATE
LETTER OF UNDERSTANDING

Dear Mr. Madill:

The parties recognize that women in our workforce may have special needs for information or services relating to women's issues in the workplace (such as workplace discrimination or harassment). The parties recognize that women's advocate in the workplace shall be selected by the Union. The women's advocate will be responsible for representing these special needs at the Labour Management meetings where appropriate.

The women's advocate will not leave her normal work duties without obtaining permission from her co-ordinator.

Yours truly,

J. C. McInroy
HUMAN RESOURCES MANAGER

Canadian Auto Workers Local 1996

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

RE: CAW SUBSIDY
LETTER OF UNDERSTANDING

Dear Mr. Madill:

In recognition of the significant changes that will be occurring at the Peterborough Plant, including the introduction of a Continuous Operation schedule and job restructurings, the Company agrees to provide a CAW subsidy for the benefit of CAW Legal Services during the term of this contract. The subsidy will be provided as follows:

| | |
|---------------------|----------|
| January 10th, 2000: | \$32,000 |
| January 8th, 2001: | \$64,000 |
| January 14th, 2002: | \$48,000 |

Yours truly,

J. C. McInroy
HUMAN RESOURCES MANAGER

Canadian Auto Workers Local 1996

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

RE: HEALTH & SAFETY CO-CHAIR - PREMIUM

Dear Mr. Madill:

LETTER OF UNDERSTANDING

The Company and Union agree that excellence in Health and Safety requires co-operation and the joint leadership of the Health and Safety Committee.

In recognition of the important leadership and training contributions of the Union Health & Safety Co-chair, the company agrees to pay the Union Health & Safety Co-chair a twenty (20) cent /hour premium.

Yours truly,

J. C. McInroy
HUMAN RESOURCES MANAGER