

COLLECTIVE AGREEMENT

Between

**NESTLÉ CANADA INC.
(LONDON – HURON STREET)**

and

**GLASS, MOLDERS, POTTERY,
PLASTICS, & ALLIED WORKERS
INTERNATIONAL UNION
AFL-CIO, CLC**

LOCAL UNION #49

LONDON, ONTARIO

Expiry Date: April 30, 2002

00573(071)

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COLLECTIVE AGREEMENT

BETWEEN: NESTLE CANADA INC. (LONDON-HURON ST.)
(hereinafter referred to as "The Company")

AND GLASS, MOLDERS, POTTERY, PLASTICS AND
ALLIED WORKERS UNION
(hereinafter referred to as the "Union" through its Local #49)

GENERAL

Wherever the masculine is used in this Agreement, it shall be construed as if the feminine had been used where the context so requires, and the rest of the sentence shall be construed as if the grammatical and terminological changes thereby rendered necessary have been made.

ARTICLE 1 PURPOSE

- 1.01 It is the intent and purpose of the parties hereto set forth herein the basic agreements covering wages, hours of work, other conditions of employment, and the methods of adjusting alleged grievances to be observed between the parties hereto, covering the employees defined in the recognition clause.
- 1.02 Where any clause or provision of this Collective Agreement is contrary to legislation which affects the parties, such legislation shall override the particular clause or provision.

ARTICLE 2 UNION RECOGNITION

- 2.01 The Company recognizes the Union as the sole bargaining agent for all the employees of the Company save and except supervisors, persons above the rank of supervisor and office staff.

ARTICLE 3 RESERVATION OF MANAGEMENT RIGHTS

- 3.01 The Union acknowledges that it is the exclusive function of the Company to:
 - (a) Maintain order, discipline and efficiency.

- (b) Hire, promote, demote, transfer, reclassify, discipline or suspend employees, to discharge any employee for proper cause, provided that a claim by an employee who has acquired seniority that he has been discharged without proper cause may be the subject of a grievance and dealt with as provided in clause 7.04 of this Agreement.
 - (c) Operate and manage its business in all respects in accordance with its commitments and responsibilities and in pursuance of its policies; decide on the number of employees needed in any classification; establish job qualifications; determine the location of plants, the product to be manufactured, the schedules of production and sales; decide on the methods, processes and means of manufacturing and distributing and on the extension, curtailment or cessation of operations.
- 3.02 The Company agrees that the exercise of the above functions shall not be inconsistent with the provisions of this Agreement.

ARTICLE 4 STRIKES AND LOCKOUTS

- 4.01 The Union agrees that there will be no strikes or other activity on the part of employees which will halt, limit or interfere with normal business procedures during the life of this Agreement.
- 4.02 The Company agrees that there will be no lockout of employees during the life of this Agreement.

ARTICLE 5 UNION MEMBERSHIP AND CHECK-OFF

- 5.01 All present employees who are members of the Union shall be required to remain members of the Union during the term of this Agreement. Newly-hired employees will be required to become members of the Union and shall pay Union dues as defined below.
- 5.02 The Financial Secretary of the Local Union will keep the Company currently advised in writing of the amount of initiation fees and also of the amount of the regular monthly Union dues.
- 5.03 The Company agrees to deduct from its employees the regular monthly Union dues, and in the case of new employees, the regular initiation fee. Such dues deductions will be made from the first pay earned by each employee in each calendar month, and the initiation fees commencing in the third month of the employee's service, and will be remitted to the Secretary-Treasurer of the International Union and the Secretary-Treasurer of the Local Union, in the

amounts specified by the International. by the fifteenth (15th) day of each month along with a list of names showing from whom the deductions were made.

- 5.04 Except in the case of lay-off. when the dues check-off deduction coincides with the issuance of an employee's vacation pay. Union dues will be deducted from such pay.
- 5.05 The Union agrees to save the Company harmless from any and all claims for amounts deducted from pay and remitted under the terms of this Article.

ARTICLE 6 UNION AFFAIRS

- 6.01 The Union and the Company agree that there will be no intimidation, interference, restraint or coercion exercised or practice by either of them or their representatives, upon employees of the Company because of membership or non-membership in the Union.
- 6.02 The Union will select or appoint not less than four **(4)** stewards or more than seven (7) stewards plus a Plant Chairperson to represent employees in presenting their grievances under Article 7 of this Agreement.
- 6.03 The Company acknowledges the right of the Union to select or appoint a Negotiating Committee of five (5) employees including the Plant Chairperson. Those members of the Negotiating Committee who are in attendance at negotiation meetings with the Company except mediation shall be paid their regular straight time hourly rate for their regularly scheduled hours the day of said meeting.

It shall be the Negotiation Committee's function to meet with the Company to negotiate the renewal and modification of this Agreement at the expiration of the current Agreement.
- 6.04 The Union shall notify the Company in writing of the names of stewards, committee members and the Plant Chairperson and any alterations thereto. The Company shall not be required to recognize any steward or committee member or the Plant Chairperson until such notification from the Union has been received.
- 6.05 The Company agrees to schedule a meeting place at the request of a Union steward or the Plant Chairperson to deal with employee concerns or grievances. The Company will make available an office for the use of the Union Committee.

The Union agrees that committee members, stewards and the Plant Chairperson have their regular duties to perform on behalf of the Company and they will not leave their regular duties without first receiving permission from their supervisor. Such permission will not be unreasonably withheld. Committee members, stewards and the Plant Chairperson will return to their regular duties as expeditiously as possible.

- 6.06
- a) Committee members, stewards and the Plant Chairperson shall receive their scheduled job rate during meetings held with Company representatives during their normally scheduled hours of work.
 - b) Employees processing a grievance under Article 7 shall receive their regular straight time hourly rate during their normally scheduled hours of work.
 - c) Payment under (a) and (b) above shall not include time spent in either Mediation or Arbitration proceedings.
- 6.07 The Company shall not unreasonably withhold permission for staff officers of the Union to confer with the Plant Chairperson or stewards on request to the Human Resources Department. i

ARTICLE 7 ADJUSTMENTS OF DISPUTES AND GRIEVANCES

- 7.01 It is the mutual desire of the parties hereto that complaints of employees shall be adjusted as quickly as possible, and it is understood that an employee has no grievance until he has first given his immediate supervisor an opportunity to adjust the complaint. If an employee has a complaint, he shall discuss it with his immediate supervisor within five (5) working days after the circumstances giving rise to the complaint occurred. The immediate supervisor shall give his decision to the employee within three (3) working days following presentation of the complaint to him.

Failing settlement, the complaint may then be taken up as a grievance within three (3) working days as follows:

STEP NO. 1

An employee with a grievance shall present a signed, written complete statement outlining in detail the circumstances as well as the redress sought, to his immediate supervisor either directly or with the assistance of the steward. The immediate supervisor shall give his decision in writing to the employee within three (3) working days following presentation of the grievance to him.

STEP NO. 2

If the matter is not satisfactorily adjusted in Step No. 1, the employee either alone or through his steward or with him, may then take the written grievance up with the Manager or his designate in charge of that Department within three (3) working days after the date of the immediate supervisor's reply. Within three (3) working days of receipt of the grievance in this Step No. 2, the Manager shall give his decision in writing to the grievor and a copy to the steward.

STEP NO. 3

If such grievance is not satisfactorily adjusted with the Manager in Step No. 2, it may be submitted in writing to the Director of Operations or his delegate within five (5) working days after the date of the Step No. 2 reply. Within five (5) working days of receipt of the grievance in this Step No. 3, a meeting will be arranged to discuss the grievance. At this meeting, the grievor, the steward concerned, the Plant Chairperson and a staff officer from the Union may be present at the request of either party. The Company may also have other management representatives in attendance. The Director of Operations shall give his decision in writing to the Plant Chairperson, with a copy sent to the staff officer from the Union, within five (5) working days following the date of the meeting.

- 7.02 Should any grievance not be submitted in writing within the time limits specified in this Article 7, it shall be considered to have been settled on the basis of the Company's reply to the grievance. If no written answer has been given to the grievance within the time limits specified, the employee shall be entitled to submit the grievance to the next stage including Arbitration.
- 7.03 (a) The Union may file a "Policy Grievance" at Step No. 3 of the grievance procedure. A "Policy Grievance" is defined as one which alleges a misinterpretation or violation of a provision of this Agreement and which, because of the nature or scope of the subject matter, could not otherwise be handled as an individual employee grievance commencing at Step No. 1. Such "Policy Grievance" shall be in writing and signed by the Plant Chairperson.
- (b) The Company shall have the right to lodge a grievance with the Union concerning the application or interpretation of any provision of this Agreement. The grievance shall first be presented in writing to the Union and a meeting will be held within five (5) working days between representatives of the Company and the Union and the grievance shall be answered in writing by the Union within five (5) working days of such meeting.

- 7.04 An employee who has acquired seniority under this Agreement claiming that he has been discharged from employment without just cause may file a written statement of such claim at Step No. 3 of the grievance procedure providing such claim is lodged with the Director of Operations or his delegate within three (3) working days of the discharge.
- 7.05 An employee who has acquired seniority under this Agreement claiming that he has been laid off without just cause may file a written statement of such claim at Step No. 2 of the grievance procedure provided such claim is lodged with the Manager or delegate in charge of that Department within five (5) working days after the circumstances giving rise to the grievance.
- 7.06 The term "working days" in this Article shall mean plant working days.
- 7.07 Any steps of the Grievance Procedure may be waived by mutual agreement in writing between the Company and the Union.
- 7.08 Any employee receiving a disciplinary notation on his record will have such notation cancelled if the employee serves a period of twelve (12) months without a further disciplinary notation on his file. The Plant Chairperson shall be given a copy of all disciplinary notations being entered on an employee's file.
- 7.09 Failing settlement under the foregoing procedures of any grievance arising from the interpretation, application, non-application or violation of any provisions of this Agreement, including any questions as to whether a matter is arbitrable or in the case of an employee who has acquired seniority under this Agreement, a grievance alleging that he has been discharged without just cause, such a grievance may be submitted to Arbitration as provided in Article 8, providing a written request for Arbitration is received within ten (10) working days after the final decision is given in Step No. 3.
- 7.10 Time limits fixed in this Article may be extended by mutual agreement in writing between the Company and the Union.

ARTICLE 8 ARBITRATION

- 8.01 (a) A complaint regarding the meaning, interpretation, application or alleged violation of this Agreement including a Union or Company Policy grievance as defined in Article 7, paragraph 7.03, or an allegation by an employee who has acquired seniority that he has been discharged without cause, which has been properly carried through all the requisite steps of the Grievance Procedure outlined in Article 7 and which has not been settled or abandoned, may be referred to a single Arbitrator, at the written

request of either of the parties hereto in accordance with Article 7, paragraph 7.09.

- (b) The party requesting Arbitration shall advise the other party by registered mail stating the matter to be arbitrated and the name of three arbitrators. The recipient of such notice shall, by return mail, acknowledge receipt of such advice and, at the same time, provide the name of the arbitrator, if any, that it selects from the three names or the names of other arbitrators.
 - (c) If either of the parties fails to appoint an arbitrator, or if the parties fail to agree upon a chairperson within the time limit, the appointment shall be made by the Minister of Labour for Ontario upon the request of either party. The arbitrator shall hear and determine the difference or allegation and shall issue a decision and the decision is final and binding upon the parties and upon any employee or employer affected by it.
 - (d) The parties may mutually agree to the appointment of a board of arbitration. If the parties agree to a board of arbitration the requesting party shall inform the other party of the name of an appointee to a board of arbitration. Within five (5) days the other party shall inform the requesting party of the name of its appointee to the arbitration board. The two (2) appointees so selected shall, within five (5) days of the appointment of the second of them, appoint a third person who shall be the chairperson. If either of the parties fails to appoint an arbitrator, or if the two (2) appointees fail to agree upon a chairperson within the time limit, the appointment shall be made by the Minister of Labour for Ontario upon the request of either party. The arbitration board shall hear and determine the difference or allegation and shall issue a decision and the decision is final and binding upon the parties and upon any employee or employer affected by it. The decision of a majority is the decision of the arbitration board, but if there is no majority the decision of the chairperson governs.
- 8.02 The Arbitrator, or a Board of Arbitration, will not have the authority to alter, modify, or amend any part of this Agreement or, to make any decision inconsistent therewith, nor deal with any matter not covered by this Agreement.
- 8.03 An employee is obligated to mitigate damages and any monetary adjustments will be reduced by any employment related income received by the grievor for the period applicable.
- 8.04 Time limits fixed in this Article may be extended by mutual agreement in writing between the Company and the Union.

ARTICLE 9 SENIORITY AND PROMOTIONS

- 9.01 Seniority is based upon the length of continuous service with the Company
- 9.02 An initial seniority list shall be established at the signing of this Agreement and shall be brought up to date every six (6) months thereafter. Only employees who have completed the probationary period shall be shown on the seniority list.
- 9.03 (a) An employee shall be considered a probationary employee until he has worked a total of forty-five (45) days or longer if mutually agreed upon by the parties, within any continuous six (6) month period. and during this period he shall have no seniority rights.
- (b) It is expressly understood by both parties that during the probationary period an employee shall be considered as being employed on a trial basis and may be discharged for just cause at any time at the sole discretion of the Company.
- (c) The parties agree that the discharge of a probationary employee for just cause shall not be the subject of a grievance and/or arbitration pursuant to this Agreement.
- 9.04 (a) On successful completion of the probationary period an employee shall be placed on regular staff, his name shall be placed on the seniority list and his seniority shall date back to his last date of hire.
- (b) In the event two (2) or more employees were hired on the same day, their seniority shall be determined in the following sequence:
- (i) date application is received by Human Resources:
 - (ii) time application is received by Human Resources.
- This provision will only affect those employees who were hired after March 1, 1983.
- 9.05 Seniority will continue to accumulate during any authorized leave of absence, including vacations, provided for in this Collective Agreement.
- 9.06 In the event of the promotion of any bargaining unit employee to a position which is not subject to this agreement the employee shall have a right to return to the bargaining unit without loss of seniority for a period of six (6) months.

- 9.07 The Plant Chairperson shall be given notice as soon as possible of any lay-off and it then shall be posted on the bulletin board.
- 9.08 (a) In the event of a lay-off, employees shall be laid off in inverse order of seniority. An employee who is affected by a work shortage and who is subject to lay-off shall be entitled to claim the job held by another employee provided the affected employee possesses the necessary qualifications and ability to perform the job being claimed.
- Employees exercising their rights under this clause must return to their job title when work becomes available.
- (b) For reasons such as raw material shortage and machine breakdown, the Company may lay-off any employee for a temporary period not exceeding three (3) working days. without regard to seniority provided that no individual employee shall be laid off by virtue of this section for more than ten (10) days in any calendar year. In the administration of this clause, any part of a day shall constitute one (1) day.
- 9.09 (a) Before new employees are hired, the Company will recall employees having seniority on lay-off who possess the necessary qualifications to perform the work available. When such employees are recalled, it shall be on the basis of seniority and qualifications. The Plant Chairperson shall be notified of all recalled employees.
- (b) If the anticipated term of work on a recall is for a period of less than one (1) week, the employee will be advised and may elect to decline the recall without losing seniority under the provisions of 9.10 (a) (6).
- 9.10 (a) An employee's seniority shall be terminated and he shall be deemed to lose all status as an employee if:
1. He is laid off for a continuous period equal to one-half (1/2) the employee's seniority at the time of lay-off up to a maximum of twenty-four (24) months; or
 2. He retires or is retired; or
 3. He is discharged and not reinstated in accordance with the grievance procedure; or
 4. He is absent from work for a period in excess of three (3) working days without notifying the Company unless he subsequently satisfies the Company that his failure to so notify was for reasons beyond his control; or

5. He voluntarily leaves the employ of the Company; or
 6. He fails to reply to a recall within fortyeight (48) hours of notification of such recall to his last known address, or subsequently fails to report for work within three (3) further days following such reply; or
 7. He uses a leave of absence for a purpose other than that for which it was granted.
- (b) A person receiving Workers Compensation shall not lose seniority under Clause 9.10 (a) above, until a qualified physician or the Workplace Safety and Insurance Board has determined that he will be unable to return to work or until thirty (30) months have elapsed, whichever occurs first.
- 9.11 (a) The term "vacancy" as used in this Agreement shall be defined as any job opening of more than thirty (30) working days duration except that vacancies of more than thirty (30) working days caused by employees being on vacation; or off due to compensable or non-compensable accident or illness; or on an approved leave of absence shall be considered temporary. Temporary vacancies shall be posted. Employees filling these positions shall not be deemed to have exercised a bid under Article 9.11(c).
- (b) In the event new positions are created and established which are expected to exceed thirty (30) working days or a vacancy other than a temporary vacancy occurs in an existing position which the Company wished to fill, the available position will be posted on the Company's bulletin boards for a period of three (3) working days in order that employees may apply for such position.
- The posting notice will specify the nature of the job, the qualifications required, the number of vacancies, the rate of pay and date of commencement of the job.
- A copy of all postings will be given to the Plant Chairperson.
- (c) No employee may change jobs through the exercise of job bidding under this Article more than once in any twelve (12) month period.
- 9.12 (a) The Company shall make a selection within five (5) working days of the termination of the posting period from those applicants who are deemed to have the necessary skill and ability to perform the requirements of the position in a satisfactory manner. The position shall be assigned to the most senior of such applicants.

- (b) Where the senior applicant is selected with or without an interview, there will be no requirements for the Company to interview less senior applicants.
- (c) The Company shall not hire any outside applicants until all applications from present employees are considered.
- (d) The Plant Chairperson shall be advised of all successful applicants and the names of all applicants shall be made available to him on request.
- (e) Where an applicant is awarded a job through the job posting procedure, he shall be eligible for a training period. Such training period as determined by the Company will be from a minimum of two (2) working days for positions which demand lesser skills to a maximum of forty (40) working days for more skilled positions.

In the event the applicant proves unsatisfactory, he shall be returned to his former position without loss of seniority and with the current rate of wages for said former position. This shall not be considered a job bid as described in Article 9.11(c).

In the event the applicant finds that he is unable to perform the duties of the job within a twenty (20) working day period, he shall be returned to his former position without loss of seniority and with the current rate of wages for said former position. This shall be considered a job bid as described in Article 9.11(c).

In the event an employee is returned to his former position, any other employees who had been promoted or transferred as a result of the promotion or transfer of the returning employee shall be returned to their former positions without loss of seniority and with the current rate of wages for said former positions.

9.13 When an employee is to be laid off for a contemplated period of less than thirteen (13) weeks, it is not necessary for the Company to issue vacation pay unless requested to do so by the employee.

9.14 (a) The Plant Chairperson will not be required to work on other than the day shift.

(b) The Plant Chairperson and the President, Vice President and Secretary Treasurer of the Local Union if employed by the Company, for the purpose of lay-off and or recall will have super seniority after the provisions in 9.08 (a) and 9.08(b) or 9.09 are exhausted. The super seniority will apply in the following manner: firstly to displace the most

junior employee in an equal or lower classification for which he has the qualifications and ability to perform the work. Secondly he may displace the most junior employee in a classification for which he has the qualifications and ability to perform the work which is the next highest classification to his posted rate.

ARTICLE 10 LEAVE

10.01 BEREAVEMENT LEAVE

- (a) The Company agrees to allow an employee a leave of absence of up to five (5) working days from the date of the death of the employee's spouse, child, parents or foster parents. A common law spouse is considered as a spouse after one (1) year of cohabitation. The employee shall be paid at his regular straight time hourly rate for all of his regularly scheduled hours that he is absent from work during this period.
- (b) In the event of a death in an employee's immediate family (which shall include sister, half-sister, brother, half-brother, father-in-law, mother-in-law, grandparent, grandchild, person to whom the employee is a court-appointed legal guardian), the Company agrees to continue to pay, on a straight time basis at the regular straight time hourly rate for the actual time absent from work by each employee of the family but in no case to exceed three (3) regular working days. It is understood that the aforementioned three (3) regular working day period may include one (1) day following the funeral.
- (c) In the event of the death of a brother-in-law or sister-in-law the Company agrees to continue to pay, on straight time basis at the regular straight time hourly rate for the actual time absent from work for an employee to attend the funeral, but in no case to exceed one (1) regular working day.

10.02 PERSONAL LEAVE

- (a) While it is the exclusive prerogative of the Company to grant a leave of absence, an employee who has completed his probationary period may apply, in writing, for an extended leave of absence without pay for a period not to exceed two (2) months in duration provided the Company is able to replace such employee with a competent trained substitute so as not to interfere with production. The Company shall advise the employee whether or not his request has been granted within one (1) week of receiving such request except any leave of absence requested for the period of July 1st to August 31st. Requests for leaves of absence for the period of July 1st to August 31st shall be submitted to the employee's

supervisor between March 1st and April 30th. and the employee shall be advised whether or not his request has been granted by May 15th.

- (b) The Company will, if production requirements permit, consider one (1) extra week's leave without pay to allow employees to vacation with their families.
- (c) An employee must have used all unscheduled vacation and perfect attendance days prior to requesting personal leave. Employees requesting personal leave will be unable to change any scheduled vacation at a later date, except where the Company cancels a scheduled vacation shutdown week.
- (d) Requests for leaves for up to 4 hours for medical/family matters will be reviewed as per the normal procedure outlined in 10.02 a). Under this clause, Article 10.02 c) does not apply.

10.03 JURY DUTY LEAVE

- (a) The Company requires five (5) working days' notice or notice on the day of being served for Jury duty or Witness duty. Witness duty is unpaid time off. The Company agrees to pay the difference between a full day's pay at the employee's straight time hourly rate and the amount the employee receives as jury duty pay (excluding payment for travelling, meals, or other expenses) for each day the employee is required to absent himself from work in order to serve on a jury.
- (b) Employees on day shift who are on Jury or Witness Duty and are not required and let go by eleven (11:00) o'clock shall go into work for the afternoon.
- (c) Employees on other than the day shift who are required for such service in excess of four (4) hours shall not be required to go to work on their normal shift that day.

ARTICLE 11 BULLETIN BOARD

- 11.01 The Company shall provide a bulletin board for the use of the Union. The Plant Chairperson or his designate may post notices relating to official Union functions.
- 11.02 All other matters which the Union may want to post will have to be approved by the Company.

ARTICLE 12 WAGES AND OTHER ALLOWANCES

12.01 The Company agrees to pay and the Union as the sole bargaining agent for employees of the Company covered by the Agreement, agrees to accept during the life of this Agreement, the scale of wages set forth in Schedules "A".

12.02 SHIFT PREMIUM

An employee required to work on other than the normally scheduled day shift, will be compensated, in addition to normal earnings, by a premium of: Effective May 1, 1999, forty-two cents (\$.42) per hour on the afternoon shift and forty-seven cents (\$.47) per hour on the night shift; Effective May 1, 2000, forty-four cents (\$.44) per hour on the afternoon shift and forty-nine cents (\$.49) per hour on the night shift; Effective May 1, 2001, forty-six cents (\$.46) per hour on the afternoon shift and fifty-one cents (\$.51) per hour on the night shift.

12.03 Employees shall be paid either by cheque or by direct deposit into the personal bank account of the employee's choice. Except in extenuating circumstances, pay cheques shall be available by noon Thursday.

12.04 TEMPORARY TRANSFERS

(a) Employees, who, for the convenience of the Company are temporarily transferred from one job title to another; or, to increase the number of employees in a job title on any shift; or, to fill in for vacations, leave of absences, and sickness; or, for operational efficiencies or temporary schedule requirements.

- (i) only be transferred, not to exceed thirty calendar days.
- (ii) retain their scheduled job rate should it be greater than the established basic rate for the job classification to which they are transferred:
- (iii) be paid the basic rate normally paid for the work to which they have been temporarily transferred should it be higher than their scheduled job rate.

12.05 LAY-OFF

An employee who claims a lower rated job under the provisions of Article 9, paragraph 9.08 shall retain his scheduled job rate as shown on the weekly manpower schedule for the balance of the week. Employees shall then receive the job rate of the scheduled job.

12.06 TRAVEL ALLOWANCE

An employee required to use his personal vehicle for business shall be entitled to a travel allowance equal to the Nestlé standard.

12.07 FIRST AID ATTENDANTS

See Letter of Understanding.

12.08 GROUP LEADER PREMIUM

The Company shall pay a premium of fifty cents (\$.50) per hour for all hours worked by an employee when designated as a group leader by Management.

Group Leaders are subject to the provisions outlined in 9.08

12.09 ATTENDANCE BONUS

An employee who for a consecutive period of thirteen (13) weeks has not been absent from work, nor late for work more than ten (10) minutes total in any one (1) month, shall be entitled to a period of leave equal to one-half (1/2) of the employee's normal work day, such paid leave to be cumulative and to be taken at such time as approved by the Company.

ARTICLE 13 HOURS OF WORK AND OVERTIME

13.01 The following paragraphs and clauses are intended to define the normal hours of work for the purpose of calculating overtime and shall not be construed either as a guarantee of any minimum or as a restriction on any maximum number of hours worked.

13.02 The normal work week shall be forty (40) hours comprised of five (5) days of eight hours Monday to Friday inclusive.

13.03 (a) The employee shall be paid overtime at the rate of time and one-half (1-1/2) his regular straight time hourly rate for all hours worked:

- (i) in excess of eight (8) hours in any one (1) day. and
- (ii) on a Saturday.

(b) The employee shall be paid overtime at the rate of twice (2) his regular straight time hourly rate for all hours worked;

- (i) on a Sunday and
- (ii) on a Paid Holiday.

- (c) For the purpose of clause 13.03 (b) above, the shift commencing at 11:00 p.m. Sunday night shall be deemed to be work performed on a Monday.
 - (d) No pyramiding of hours is permitted. Overtime shall not be paid more than once for the same hours worked. Hours paid does not constitute hours worked for the purposes of overtime.
- 13.04 The Company will make every effort to notify employees of Saturday overtime by Thursday noon; daily overtime by noon of the day overtime is required.

13.05 OVERTIME PRIOR TO OR FOLLOWING A SHIFT

The Company shall make every effort to offer overtime work among qualified employees who normally perform the work where such work is required by following the procedure outlined in this clause:

(a) (i) **Overtime Following Shift:**

Overtime work will first be offered in order of seniority to employees within the job title who are performing the work on the shift.

(ii) **Overtime Prior to Shift:**

Overtime work will first be offered in order of seniority to employees within the job title who are scheduled to work on the shift.

- (b) Where overtime is offered and there are more volunteers than required, overtime assignments shall be made to the most senior of those employees who have volunteered.
- (c) Where overtime is offered and there are insufficient volunteers under 13.05 (a) to meet the requirements, the Company may offer the Overtime work in order of seniority to employees within the classification on the shift.
- (d) Where overtime is offered and there are insufficient volunteers under 13.05 c) to meet the requirements, the Company may offer the overtime work in order of seniority to qualified employees on the shift in this order: seniority employees, probationary employees, followed by students.
- (e) In the event Overtime is offered and there are still insufficient qualified volunteers to meet the requirements, the Company shall assign such overtime work to qualified employees within the classification on the shift in this order: students, probationary employees, and then to seniority employees in inverse order of seniority.

13.06 OTHER OVERTIME

- (a) The Company shall post a list of overtime required by 2:30 p.m. Wednesday. Employees may sign said list to indicate that they are interested and available to work overtime. Said list shall be taken down by 12:00 noon Thursday and re-posted by 2:45 p.m. Thursday indicating overtime assignments.
- (b) In the event overtime is offered and there are more volunteers than required, overtime assignments shall be made in the following order:
 - (i) in order of seniority to volunteers within the job title who are qualified and able to perform the work
 - (ii) in order of seniority to volunteers within the classification who are qualified and able to perform the work
 - (iii) in order of seniority to the remaining volunteer plant employees who are qualified and able to perform the work
- (c) In the event overtime is offered and there are insufficient volunteers who are able to meet the job requirements, the Company may assign such overtime work to employees in the classification, but in inverse order of seniority
- (d) In the event there is a requirement for overtime after the posted assignments, the overtime will be offered in the same manner as 13.06 b) (i), (ii), (iii). The Company will attempt to contact said employees by telephone. In the event the Company is unable to contact or attract sufficient volunteers to meet the requirements, the Company may assign such overtime work to employees in the classification but in inverse order of seniority.

13.07 Subject to schedules of production, shift starting times will normally be:

- 11:00 p.m.
- 7:00 a.m.
- 3:00 p.m.

13.08 The Company may, when necessary, vary the shift starting times provided in clause 13.07 above, or the starting time of any individual employee by up to one-half (1/2) hour.

13.09 Employees who are required by the Company to change their shift will be given a minimum of twenty-four (24) hours notice and will be paid for all time lost directly related to the change in shift. All employees changing their shift with less than twenty-four (24) hours notice will be paid at the rate of one and one-half (1-1/2) the job rate for the first eight (8) hours worked on the new shift. It is understood that the provisions of paragraph 15.01 do not apply to this situation.

ARTICLE 14 REST PERIODS

- 14.01 (a) Provided an employee is scheduled for a full eight (8) hour shift, he shall be assigned one (1) ten (10) minute rest period as well as one-half (1/2) hour paid lunch period both of which shall be included as a part of the hours worked.

The question of whether these periods are taken on a staggered system or by means of stopping work in respective departments of the factory shall be decided by the Company from time to time or the supervisor of the department involved. The time of such periods shall be computed from the time employees leave work to the time of return.

- (b) An employee scheduled for four (4) hours or less is entitled to a ten (10) minute break. An employee who is scheduled for overtime before or after a shift is entitled to a ten (10) minute break between the normally scheduled shift and the scheduled overtime.

ARTICLE 15 REPORTING FOR WORK AND CALL-IN

15.01 REPORTING ALLOWANCE

Employees reporting for work who have not been advised in advance to the contrary, will be given work for at least six (6) hours at their regular straight time hourly rate, or if no work is available, will be paid six (6) hours at their regular straight time hourly rate in lieu of work.

This obligation shall not prevail when the lack of work is caused due to circumstances beyond the control of Management nor when the employee has not kept the Company advised of his address and telephone number.

Similarly this obligation does not apply in the event an employee is suspended from work, or leaves work on his own volition or is already paid under paragraph 13.09.

- 15.02 An employee who is recalled to the plant to perform overtime work in the event of an emergency will be paid for not less than the equivalent of four (4) hours time at overtime rates.

ARTICLE 16 SAFETY AND HEALTH

- 16.01 (a) The Company shall make reasonable provisions for the safety and health of employees during the hours of their employment. Except for safety

shoes or boots, protective devices and other equipment deemed necessary by the Company to protect employees properly from injury shall be supplied by the Company.

- (b) The Company shall pay one hundred percent (100%) of the cost of one (1) pair of safety shoes per year for each employee up to: Effective May 1, 1999, a maximum of eighty-five dollars (\$85.00); Effective May 1, 2000, a maximum of ninety dollars (\$90.00) commencing after an employee has been six (6) months with the Company.

The Company shall pay the cost of a second pair of safety shoes if required in the year up to a maximum of forty dollars (\$40.00) commencing after an employee has been six (6) months with the Company.

- 16.02 (a) A safety Committee of not less than four (4) persons, with equal representation from the Union and the Company shall be formed to recommend action on safety matters.
- (b) (i) The co-chairpersons will give committee members a minimum of ten (10) days advance notice of the meeting date in order that members may submit items for the agenda of such meeting. Agenda items will be submitted to the co-chairpersons at least three (3) days prior to the scheduled meeting date.
- (ii) The Committee shall determine its own procedures and a majority of the Committee shall constitute a quorum.
- (iii) Regular monthly Committee meetings will include a safety audit of each department prior to the meeting.
- (c) Each Union nominee to the committee shall also act as a committee representative under the current Occupational Health and Safety Act.
- 16.03 (a) The Company agrees that they will continue to pay all premiums as outlined in Article 17 for any employee due to their absence while on Worker's Compensation up to the limitations outlined Article 9.10(b).

If an employee is injured during working hours, and is sent home by either the Company, or the Doctor, the Company will pay him for the balance of the shift on which he is sent home. The employee will not be paid, however, if he is directed to return to work and fails to do so.
- (b) The Company shall provide the employee and the Union with a copy of the Employer's report (Form 7) prior to submitting same to the W.S.I.B. in order to give the union an opportunity to discuss with the employer any errors or omissions which may exist.

- (c) While awaiting W.S.I.B. disposition of a claim that is being challenged by the Company, the Company will immediately direct the employee to file for Weekly Indemnity benefits.
- id) Where an employee has not received either Weekly Indemnity or W.S.I.B. payments within four (4) weeks of the Company submitting the claim, upon eligibility the Company will advance to the employee up to ninety percent (90%) of the net pay for a W.S.I.B. claim or up to sixty six and two thirds percent (66 2/3%) of an employee's weekly earnings up to the maximum E.I. benefits for a Weekly Indemnity claim. These funds will be fully reimbursed to the Company immediately upon receipt by the employee of any Weekly Indemnity or W.S.I.B., payment. Such advances to the employee will be capped at a maximum of ten (10) weeks. Employees who have returned to work or are on lay off do not qualify.

- 16.04
- (a) Any employee suffering from an Industrial Accident and receiving W.S.I.B., benefits will be required to report for any type of employment consistent with the W.S.I.B., Act of Ontario.
 - (b) If an employee becomes disabled and cannot perform his own duties, both the Company and the Union will make every effort to place him in a job he is capable of doing, if such job exists and that he will maintain his seniority, providing his seniority would allow him to displace the employee who currently holds the position up to the limitations outlined in Article 9.10(b).
 - (c) A joint committee shall be established for the purpose of facilitating the return to work of workers who are disabled or following periods of disabilities. This committee shall be known as "the Return to Work Committee" and shall consist of two (2) persons representing the Union and two (2) persons representing the Company.

NOTE: Eligibility shall include all language contained in Article 16.03 and 16.04, verification of the status of claims and the requirement of the employee to sign a repayment authorization.

ARTICLE 17 INSURANCE PLANS

17.01 The Company shall pay on behalf of all eligible full time employees subject to 17.03 who have worked a total of forty-five (45) days, the premium cost of the following insurance plans to be administered in accordance with the terms, rules and regulations of the respective plans:

- (a) Semi-private hospital room

- (b) Extended health care (no deductible).
 - (c) Dental plan: Effective May 1, 1999, the 1998 O.D.A. fee schedule. Effective May 1, 2000, the 1999 O.D.A. fee schedule. Effective May 1, 2001, the 2000 O.D.A. fee schedule.
 - (d) Life insurance with A.D. & D. in the amount of twenty-five thousand dollars (\$25,000.00) effective May 1, 1999; twenty-seven thousand dollars (\$27,000.00) effective May 1, 2000; twenty-nine thousand dollars (\$29,000.00) effective May 1, 2001. Employees may also purchase up to twenty thousand (\$20,000.00) additional life insurance through the Company.
 - (e) Weekly Indemnity Plan based on 1-1-4-15 for all eligible employees who have forty-five (45) days seniority with the Company. Payment shall be 66-2/3% of an employee's weekly earnings up to the maximum E.I. benefits.
 - (f) Vision Care Plan which provides for each family member once in a twenty-four (24) month period one hundred and fifty dollars (\$150.00) towards the purchase of prescription eyewear.
- 17.02 Employees shall not be eligible for any of the insurance plans as outlined in paragraph 17.01 after they have reached age sixty-five (65).
- 17.03 Subject to the Employment Standards Act, in the event an employee is off work due to a leave of absence or lay-off, the Company shall continue to pay the premiums of the insurance outlined in paragraph 17.01 thirty (30) days from the day that the leave of absence or lay-off commenced. However, employees on leave of absence or lay-off may elect to retain coverage in each of the plans during the leave of absence or lay-off by prepayment of the full monthly premium.
- 17.04 It is understood and agreed that in assessing the expense required for these negotiated employee benefits outlined within this Article, the parties have taken into account any and all savings or increases in premiums or elimination of premiums that may be realized during the period of this Agreement under the Employment Insurance Act or any other Government legislated plan, and the full employee's portion of any savings resulting from this assessment are included as part of the negotiated wage increases and improved benefits contained in this Collective Agreement.

ARTICLE 18 PENSION

18.01 Effective May 1, 1989, the Company established an employee pension plan. The pension plan will comply with all existing applicable legislation and will be administered in accordance with the terms, rules and regulations of the plan. The pension plan will be funded on a money purchase basis. Employees will join the plan on the first day of the week following the date on which the employee has worked one (1) year. The Company will contribute 2.5% of each member's gross earnings inclusive of vacation pay. Employees will be allowed to make voluntary contributions to the pension plan. Employees will receive semi-annual statements as provided by the plan carrier. Full vesting will occur after two (2) years of membership in the pension plan. Effective May 1, 1997, a required employee contribution of one half of one percent (.5%) of each member's gross earnings inclusive of vacation pay shall be matched by a Company contribution of one half of one percent (.5%) to the employee's pension plan.

The Company will pay Company pension contributions while employee is on Weekly Indemnity based on Weekly Indemnity payments.

18.02 The Company's contributions for each eligible employee shall cease at age sixty-five (65).

ARTICLE 19 PAID HOLIDAYS

19.01 The Company agrees to pay all employees who are subject to this Agreement one (1) day's pay at the employee's regular straight time hourly rate for each of the said paid holidays subject to the following conditions:

- (a) A full time employee must have worked his full last work day preceding the paid holiday and must work his full first work day following the paid holiday to be eligible for pay for the holiday. If a full time employee is absent on either his last work day preceding or his first work day following the paid holiday due to illness, the employee shall be eligible for pay for the Holiday provided a medical doctor's certificate is supplied and the employee works either his last work day preceding or his first work day following the paid holiday. In the event of a Company approved leave immediately prior to or following a paid holiday, your last scheduled shift before or your first scheduled shift after the leave will be the determining eligibility factor.
- (b) In order to be entitled to holiday pay, a probationary employee must have had at least four (4) consecutive weeks employment with the Company prior to the paid holiday.

- (c) No employee who is off work due to leave of absence, sick leave or Workers' Compensation shall be entitled to pay for any paid holiday occurring within such period.
- (d) Where the paid holiday occurs in the period in which an employee is on his scheduled vacation then the employee will receive pay for the paid holiday in addition to his scheduled vacation pay. Employees who choose to take their paid holidays during their vacation period may do so by including the paid holiday as part of their vacation schedule as outlined in Article 20.01
- (e) Where the employee has not earned wages on at least twelve (12) days during the four work weeks immediately preceding a paid holiday, such employee shall not be entitled to pay for such holiday.

19.02 The following days shall be observed as paid holidays:

New Year's Day	Labour Day
The 3rd Monday in February or Heritage Day if declared	Thanksgiving Day
Good Friday	The day before Christmas day
Victoria Day	Christmas Day
Canada Day	Boxing Day
Civic Holiday	The day before New Year's day

ARTICLE 20 VACATIONS

20.01 If vacation shutdowns are scheduled, they shall be sometime approximately between July 1 and September 1, and between December 15 and January 15. The Company will notify the employee(s) of the time of the shutdowns by May 1 of the vacation year.

All eligible employees shall take their vacation during this period, except when it is necessary to schedule shipping, maintenance and limited production. Employees who volunteer to work during this period will be selected to perform the work as outlined in Article 9.08. Any part of earned vacation period in excess of the scheduled shutdowns shall be taken at a time convenient to the employee and the Company.

20.02 Entitlement for annual vacation is based on the employee's service with the Company.

20.03 Vacation entitlement for regular full time employees shall be based on years

of continuous service as a regular full time employee as follows:

Years of Continuous Service	Vacation Entitlement
1 year but less than 5 years	10 days
5 years but less than 10 years	15 days
10 years but less than 20 years	20 days
20 years but less than 30 years	25 days
30 years or more continuous service	30 days

Vacations must be taken within twelve (12) months from entitlement

20.04 Vacation pay shall be the rate of two-fifths (2/5) of one per cent (1%) of the previous year's earnings for each day of vacation entitlement with a minimum of four percent (4%) of total earnings.

NOTE: Employees can not use vacation pay accumulation as a bank. Employees shall be paid their earned vacation pay as follows:

- (1) When the employees takes vacation (Formula: Hourly Rate x Number of Hours taken to maximum of vacation pay accumulated). Only when the employee requests a single day vacation shall he have the option to direct the Company not to issue vacation pay.
- (2) December- optional upon request made not later than the first (1st) Friday in December, paid the pay period following the first (1st) Friday in December.
- (3) Employees' accumulated unpaid vacation pay shall be paid out at the end of the vacation entitlement period.
- (4) Termination

ARTICLE 21 LIMITATION OF WORK BY SUPERVISION

21.01 Non-bargaining unit employees shall not perform work normally performed by members of the bargaining unit except in the following situations:

- (i) instructing employees; or
- (ii) testing or development of products, processes or equipment; or
- (iii) emergencies provided the Company has attempted to rectify the situation.

ARTICLE 22 PAID EDUCATION LEAVE

- 22.01 The Company agrees to pay into a special fund two cents (.02) per hour per employee for all regular hours, for the purpose of providing paid educational leave.

The purpose of paid educational leave will be to upgrade the employees in all aspects of handling their Union functions in respect to employer/employee relations including social services rendered to employees (Workers' Compensation, E.I., C.P.P.). Such monies will be paid quarterly into a trust fund established and administered by the Union and accompanied by data showing the basis of payment.

The Company further agrees upon written notice received at least one (1) month in advance that up to six (6) members of the bargaining unit, no more than two (2) from any one department at one time, selected by the Union to attend the recognized Union educational courses, will be granted a leave of absence without pay for up to twenty (20) days actual instruction time, plus travel days, where necessary, in any twelve (12) month period. Seniority will continue to accrue during any such absence.

ARTICLE 23 TOOL ALLOWANCE

- 23.01 (a) The Company shall continue its present policy of replacing broken or worn tools provided the damage was not as a result of negligence. The Company shall replace stolen tools provided there are signs of break and entry and there is a police report on file.
- (b) The Company shall reimburse funds up to a maximum of: Effective May 1, 1999, two hundred dollars (\$200.00) for pre-approved tools to be used and maintained in the workplace to all seniority maintenance employees in Groups G and H. The tool allowance shall coincide with the contract year.

ARTICLE 24 - STUDENTS

- 24.01 The Company and the Union agree to the hiring of students for the summer months and it is understood that these employees will only be posted to Group A jobs. For the purpose of this clause the period of employment for students will be from May 1st through to and including the day prior to September Labour Day Holiday. The parties further agree that students who work beyond this period are no longer considered students but probationary employees and will be subject to the terms of Article 9.04 of this agreement.

and their probationary period under 9.04 will commence on the Labour Day Holiday.

Students will not be scheduled on the weekly manpower schedule to perform work in other than a Group A job unless the work to be performed has first been offered to non probationary full-time employees under Article 9.11.

ARTICLE 25 FACTORY CLOSURE

1. a) In the event of the complete and permanent closure of all the Company's production lines at it the London-Huron factory, an employee who does not accept transfer in or to another Nestle factory in the province of Ontario and is released from employment as a result thereof, shall be entitled to severance pay based on the following:

<u>Service</u>	<u>Severance</u>
Less than 5 years	1 weeks pay for each completed year of service.
5 years but less than 10 years	1.25 weeks pay for each completed year of service.
10 years but less than 25 years	1.50 weeks pay for each completed year of service.
25 years plus	1.75 weeks pay for each completed year of service up to a maximum of 52 weeks.

- b) Incomplete years of service shall be prorated to the nearest month
- c) Each week of severance pay for full-time employees shall be calculated by multiplying the employee's regular straight time hourly rate at the time of termination by 40.
2. Severance payments shall not be made:
- a) To employees who are discharged for just cause.
- b) To employees who voluntarily resign.
- c) To employees who are retired on pension
- d) In the event of closing due to Acts of God, war, disaster, or any other reason of similar nature and beyond the control of the Company.

3. In order to qualify for severance pay, employees shall continue to work in a satisfactory manner as long as required.
4. The weeks of severance allowance plus earned vacation will not exceed the number of weeks remaining to the employee's normal retirement date.

Severance payable under this section shall be deemed to include any severance pay as may be required under any Ontario legislation.

ARTICLE 26 CONTRACT SERVICES

The Company will continue to cost effectively use contract services based on the following principles:

- (i) capital/construction and general facility maintenance are primarily performed by contractors to allow our maintenance department to focus on the business operations; and,
- (ii) where necessary either by lack of coverage on shift or skills available, the Company will use contract services to augment the maintenance department where it is cost effective to do so.


The Company will advise, whenever possible, the Employee/Management Committee of major work to be completed by contractors to give direction as to required staff levels, distribution of work and costs.

ARTICLE 27 CHANGES IN TECHNOLOGY

It is recognized that the introduction of new equipment, processes, methods and new products may change the duties of existing job or require the establishment of new occupation classification and or job titles. In such event the Company will meet with the Union Negotiating Committee to discuss the change prior to implementation. Where job duties have changed the employees holding that position will be trained on the new equipment or process. Any new jobs will be posted.

Where a seniority employee's regular job is permanently eliminated as a result of major changes in equipment or methods of operations such employee will acquire the right to displace less senior employees according to the following procedure:

- a) The Company in consultation with the Union will endeavour to place the employee in a position at a rate of pay equal to his previous position.
- b) Where the Company is unable to find a replacement position under a), the employee shall be entitled:

- 
- i) to displace the most junior employee in his own classification who holds a position for which he is qualified.
 - ii) if (i) does not provide the employee with a position in his own classification, he may then displace the most junior employee in another classification who holds a position for which he is qualified.

For the purpose of this section "qualified" shall mean that in the reasonable opinion of the Company, the employee has the capability to qualify for the job within a reasonable period of time and in any event currently possesses any licenses or trade qualifications which may be required.

ARTICLE 28 DURATION

- 25.01 This Agreement shall become effective as of May 1, 1999, and shall remain in effect until and including April 30, 2002 and shall continue thereafter for successive terms of one (1) year unless within the period of ninety (90) days prior to the expiry date either party gives notice in writing of its desire to terminate or bargain with a view to the renewal with modifications of the Agreement.

SCHEDULE A

Wages

Regular straight time hourly rates

GROUP	CLASSIFICATION	JOB TITLES	YEAR 1	YEAR 2	YEAR 3
A	Packaging Operators	General Packer; Machine Operator - Fundip, Autobagger, Poi Wrap, Wrap & Pack; General #4, Generals, Gum Operators; Turntable; Janitor	12.75	13.02	13.22
B	Processing Operators	Gum; Penning; Pressing; Flavour & Dye	13.00	13.20	13.40
C	Production Services	Sanitation; Wash Bay	13.00	13.20	13.40
D	Material Handling	Warehouse Support; Warehouse Material Handling; Plant Floor Material Handling	13.00	13.20	13.40
E	Receiver	Receiver	14.10	14.30	14.50
F	Technician	QA Technician; Storeskeeper	16.00	16.20	16.40
G	Maintenance Mechanic	Millwright without Ticket	18.25	18.75	19.15
H	Maintenance-Millwright	Millwright with Ticket; Electrician	20.00	20.50	21.00

Notes:

1. The probationary rate is \$1.00 less than the "Regular straight time hourly rate above".
2. The student rate is the Probationary rate.

Bonus

See attached Letter of Understanding

SCHEDULE B

Holiday Schedule

HOLIDAY	1999	2000	2001	2002
New Year's Day		Friday December 31	Monday January 1	Tuesday January 1
Heritage Day		Monday February 21	Monday February 19	Monday February 18
Good Friday		Friday April 21	Friday April 13	Friday March 29
Victoria Day	Monday May 24	Monday May 22	Monday May 21	
Canada Day	Thursday July 1	Monday July 3	Monday July 2	
Civic Day	Monday August 2	Monday August 7	Monday August 6	
Labour Day	Monday September 6	Monday September 4	Monday September 3	
Thanksgiving Day	Monday October 11	Monday October 9	Monday October 8	
Day Before Christmas	Friday December 24	Friday December 22	Monday December 24	
Christmas Day	Monday December 27	Monday December 25	Tuesday December 25	
Boxing Day	Tuesday December 28	Tuesday December 26	Wednesday December 26	
Day Before New Years Day	Thursday December 30	Friday December 29	Monday December 31	

Signed at London, Ontario, the 15th day of May, 1999.

FOR THE UNION

Dave Doyle
Linda Thornton
Mike Kovach
Doug McMillan
Rob Laforge
Dorothy Hanna

FOR THE COMPANY

Tony Masek
Len Van Norden
Kim Gernhaelder
Jackie VandenEisen

LETTER OF UNDERSTANDING

Mr. Dave Doyle
Glass, Molders, Pottery, Plastics
& Allied Workers International Union
1486 Pilgrim's Way. Unit #1423
Oakville, Ontario
L6M 3G8

Dear Mr. Doyle:

RE: Shift Preference

It will be the responsibility of the Company to canvass seniority employees to determine their shift preference. Full-time employees will be permitted to transfer to a preferred shift if entitled by seniority and provided the resulting work force has the skill and ability required to perform the work on each respective shift. There shall be one (1) shift election opportunity each year which will be conducted at a mutually agreed upon time to be effective the first day following Labour Day weekend.

The above understanding is not a commitment by the Company that employees will work only on their preferred shift. Any issues arising from the canvassing is a Union issue and is not grievable.

Sincerely,
Nestle Canada Inc.

Mr. Tony Masek
Director of Operations

Acknowledgement on behalf of the Union

Date: _____

LETTER OF UNDERSTANDING

Mr Dave Doyle

Glass, Molders, Pottery, Plastics
E Allied Workers International Union
1486 Pilgrim's Way, Unit #1423
Oakville, Ontario
L6M 3G8

Dear Mr Doyle

RE Teamwork Initiatives Generating Excellence and Rewards (TIGER)

The Company and the Union recognize a fiercely competitive worldwide market place. In order to survive and prosper together, both must actively support the experimentation of new manufacturing concepts, and production improvements. Employees may make suggestions and may participate in making changes. Some of the experiments may include preventative maintenance with operator involvement, grouping similar operations and enhancing operator quality control skills and responsibilities. The parties agree on the importance of recognizing employees for success at the factory and rewarding employees for these improvements.

A bonus program will be developed and will include the following measurement tools

1. Productivity
2. First Pass Quality
3. Zero Accidents
4. Zero Variance

and any other relevant measurement tool(s)

TIGER will pay out up to 4% of yearly earnings (maximum 2080 hours) if the measurement criteria, as described above, are met. That is, the Program must make money before it can pay out.

Eligible earnings shall be defined as the employee's hourly wage rate as at the year-end multiplied by the number of hours he/she worked during the calendar year in question. Hours worked shall include Vacation and Statutory Holidays but shall exclude W I and W.S.I.B. The total number of hours shall not exceed 2,080.

A joint committee will be formed to develop the bonus program with the above criteria as the basic measurement tools. The committee will meet as soon as possible after ratification to endeavour to fully develop the Plan in a short period of time. The Plan that is developed will be sent to the Sr. Vice-President, Human Resources and Executive Vice-President, Technical E Manufacturing for final approval.

For 1998 only, the TIGER program will be based from July 1, 1999 to December 31, 1999 and the total number of hours shall not exceed 1,040.

Sincerely,

Nestle Canada Inc

Mr Tony Masek

Director of Operations

Acknowledgement on behalf of the Union

Date _____

LETTER OF UNDERSTANDING

Mr. Dave Doyle
Glass, Molders, Pottery, Plastics
& Allied Workers International Union
1486 Pilgrim's Way, Unit #1423
Oakville, Ontario
L6M 3G8

Dear Mr. Doyle:

RE: First Aid Attendants

The Company agrees to train and maintain current, First Aid Certificates for up to ten (10) employees. This is dependent upon sufficient employees volunteering for such training.

Sincerely,
O-PEE-CHEE COMPANY LIMITED

Mr. Tony Masek
Director - Manufacturing

Acknowledgement on behalf of the Union

Date: _____