

COLLECTIVE AGREEMENT

BETWEEN

**NESTLÉ CANADA INC.
(hereinafter referred to as “the Company”)**

AND

**NATIONAL AUTOMOBILE, AEROSPACE AND AGRICULTURAL
IMPLEMENT WORKERS UNION OF CANADA (CAW-CANADA),
LOCAL 252
(hereinafter referred to as “the Union”)**

MAY 1, 2002 - APRIL 30, 2005

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ARTICLE 1 - PURPOSE

1.01 The general purpose of this agreement is to establish mutually satisfactory relations between the Company and its' employees, to provide the machinery for prompt and equitable disposition of grievances, and to establish hours of work and wage rates for all employees who are subject to the provisions herein.

1.02 The use of the masculine gender in this agreement shall be considered to include the feminine, as the sense of the clause dictates.

ARTICLE 2 - RECOGNITION AND SCOPE

2.01 The Company recognizes the Union as the bargaining agent for all its' employees in Metropolitan Toronto save and except Supervisors, persons above the rank of Supervisor, office, clerical and sales staff, laboratory staff, operating engineers, refrigeration mechanics and students employed during the school vacation period from April 15 to Labour Day provided that students shall pay dues and their days worked shall accumulate toward completion of probation. Students will not be employed while there are employees on layoff who are willing and able to perform the available work.

2.02 All employees who are members of the Union as at the effective date of this agreement will be required to continue to be members of the Union during the lifetime of this agreement.

2.03 All employee(s) hired subsequent to the effective date of this agreement shall become a member of the Union within thirty (30) days of hiring and will be required to continue to be a member of the Union during the lifetime of this agreement.

2.04 The Company agrees that there will be no discrimination, interference, restraint or coercion exercised or practiced by the Company, or by any of its representatives, with respect to any employee because of his/her membership in, or connection with, the Union, and that membership in the Union by employees who are eligible to join will not be discouraged.

2.05 The Union agrees that there will be no intimidation, interference, restraint or coercion exercised or practiced 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, except as hereinafter provided.

2.06 Both the Union and the Company agree that no discrimination of any kind will be practiced or condoned against any employee as outlined in the Ontario Human Rights Code. Employees who feel they have been discriminated against should refer to the Sterling Road Harassment Policy.

ARTICLE 3 - UNION DUES

3.01 The Company will deduct from the pay of each employee who is a member of the Union the monthly dues, initiation fees and other assessments authorized by the

constitution of the Union.

3.02 For all other employees within the bargaining unit, the Company will deduct the monthly dues for general Union purposes as authorized by the constitution of the Union, from the first full pay period of each month. As a condition of employment, such employee is required to authorize the Company to make such deductions.

3.03 All sums so deducted shall be remitted to the Financial Secretary of the Union not later than the end of the month in which the deductions were made.

3.04 In the case of new employees, the deduction of Union dues shall commence on the first regular check-off after the employee has been employed with the Company thirty (30) calendar days.

ARTICLE 4 - NO STRIKES OR LOCKOUTS

4.01 The Company agrees that it will not cause or direct any lockouts of its' employees and the Union agrees that there will be no strikes or other collective action which will stop or interfere with production during the term of this contract or any extension thereof.

ARTICLE 5 - RESERVATION OF MANAGEMENT RIGHTS

5.01 The Union acknowledges that the administration and management of all the affairs of the Company is the sole function of the Managers and Officers of the Company save only as restricted herein.

5.02 While it is the sole function of the management of the Company to maintain discipline, order and efficiency, to hire, discharge, transfer, promote or demote employees, to make, enforce and alter reasonable rules and regulations, a claim of discriminatory or unjust promotion, demotion or transfer, or a claim of discharge or discipline without reasonable cause, may be the subject of a grievance and dealt with as hereinafter provided. Any changes in rules and regulations to be observed by employees shall be negotiated by the parties.

5.03 ARTICLE 6 - NEGOTIATING COMMITTEE

6.01 The Company acknowledges the right of the Union to appoint or otherwise select a Negotiating Committee consisting of not more than five (5) employees, one of whom shall be the Plant Chairperson and one of who shall be a member of the skilled trades group. The Bargaining Committee shall be assigned to the day shift.

6.02 Meetings of the Negotiating Committee with the Company shall be held whenever the Committee or Company submits an agenda of the business to be transacted and gives forty-eight (48) hours notice of the meeting. The said Committee will cooperate with the Company in the administration of the agreement.

ARTICLE 7 – REPRESENTATION

7.01(a) The Company acknowledges the right of the Union to appoint or otherwise select Stewards who shall be permanent employees with seniority, as outlined in 7.02. The Company further agrees to recognize alternate stewards who will only be recognized in

the absence of the designated steward.

(b) For the purpose of continuity of representation, the Plant Chairperson shall be full-time and assigned to the day shift. Wages shall be paid by the Company at \$1.50 per hour more than the highest non-skilled wage rate in Article 27, or the rate held at the time s/he assumed the duties of Plant Chairperson, whichever is the greater. In recognition of the overtime and irregular hours worked by the Plant Chairperson, s/he shall be paid for forty-eight (48) hours at straight time rate each week. A Plant Chairperson who is a skilled tradesperson shall be paid \$1.50 per hour more than the skilled trade's rate.

7.02 Steward representation shall be as follows :

Shift	Production	Skilled Trades
Day	4 Stewards	1 Steward
Afternoon	2 Stewards	1 Steward
Night	2 Stewards	1 Steward

7.03 The Union will supply the Company with a list of Stewards showing production or skilled trades and shift for which each is responsible. The Company will be notified, in writing, each time a Steward resigns or is appointed, and will not be required to recognize any employee as a Steward whose name does not appear on the list. The Company will make available a suitable location in the Plant for the Union to conduct elections.

7.04 The Union acknowledges that, with the exception of the Plant Chairperson, Stewards have regular duties to perform on behalf of the Company, and that such persons will not leave their regular duties without obtaining permission of their Team Leader and will have a reasonable explanation which may be required with respect to their absence.

Stewards and Committeepersons will be excused from their regular duties with pay to a maximum of twenty-four (24) hours yearly for the purpose of attending a Stewards' meeting on site, unless mutually agreed by both parties. All off shift Stewards shall be paid at their straight time hourly rate, for the purposes of attending these meetings. Written notice must be submitted to Human Resources one week prior to the scheduled meeting.

7.05 It is agreed that a Union Steward, or Committeeperson will not enter a work area with a view to conducting Union business therein, without the permission of the Team Leader of the work area. Union representatives shall be allowed reasonable paid time to perform their duties.

7.06 It is agreed that no employee will leave his/her workstation to register a complaint or grievance with his/her Steward, or otherwise to engage in Union business, without the permission of his/her Team Leader. Where, in the opinion of his/her Team Leader, it is necessary or advisable for the employee to remain at his/her workstation at time of asking, permission will be granted at the earliest possible time.

7.07 While attending meetings with Management, Stewards shall receive normal compensation of wages equal to their regular working hours, but not exceeding eight (8) hours in a day. This provision shall also apply to the Union Negotiating Committee during meetings with Management for renewal of the agreement. Payment of Bargaining

Committee members' wages for preparation of contract proposals will be to a maximum of three (3) days. Meetings will be held not less than sixty (60) days prior to contract expiration.

7.08 The Company shall convene a meeting with the Bargaining Committee upon receipt of an agenda of all matters to be discussed. Such meetings shall take place within seventy-two (72) hours from receipt of the agenda. The Union also recognizes that the Company may introduce matters for discussion.

7.09 During periods of approved leave of absence requested by the National Office or Local 252, the Company agrees to continue payment of wages for employees who are excused from regular duties with the understanding that the Union shall reimburse the Company for any and all monies paid. Any such request for leave of absence must be forwarded in writing to the attention of the Human Resources Manager.

ARTICLE 8 - GRIEVANCE PROCEDURE

8.01 If it is believed that a contravention of this agreement has occurred, the employee must discuss the complaint with his/her Team Leader within fifteen (15) days of the time the circumstances became known to the employee and to the Union. When making a complaint, his/her Steward may accompany the employee.

8.02 STEP 1

If the complaint is not resolved within one (1) working day, the Grievance Procedure may be invoked by reducing the complaint to writing on a form supplied by the Company. The referral shall be by a Union Committeeperson or steward to the Team Leader with a copy to, Human Resources. His/Her Team Leader or Manager and Human Resources shall meet with the aggrieved employee, the Steward and the Committeeperson within four (4) working days of the referral and Management shall respond in writing within two (2) working days of the grievance meeting.

8.03 STEP 2

If the answer is not satisfactory to the Union at Step One (1), then the matter may be referred immediately to Human Resources. A meeting will be convened within three (3) working days following receipt of the grievance, with the aggrieved employee, Steward, Union Committeeperson, and Plant Chairperson, together with such other persons as management may desire. The National Representative and/or the President of the Local may be present. Human Resources shall render a decision in writing within three (3) working days following the hearing at Step Two (2).

8.04 If the grievance is not settled as a result of this meeting, then the grieving party may refer to arbitration.

8.05 If arbitration is to be invoked, the request for arbitration must be made within fifteen (15) working days after receipt of the written second stage answer. The party requesting arbitration will make application for arbitration. Failure to make application within fifteen (15) working days, the grievance will be awarded as per Article 8.08.

8.06 Any time limits mentioned in Article 8 may be extended to a mutually agreed and

specified date.

8.07 Nothing in this Article is to be interpreted as restricting the number of witnesses that may be requested by either the Company or the Union.

8.08 Failure by the Union to observe its time limits will constitute withdrawal of the grievance, while failure of the Company to observe its time limits will result in the granting of said grievance, provided it properly arises under this section and provided further that the circumstances giving rise to the alleged incident occurred or originated not more than five (5) days before the filing of the grievance at Step One (1).

8.09 Policy Grievance

The Union may file a "Policy Grievance" signed by either the Plant Chairperson or the President or their designate, at Step Two (2) of the grievance procedure. At any step two (2) meeting involving a Policy Grievance(s), the Union may be represented by the entire Bargaining Committee.

A "Policy Grievance" is defined as one which alleges a misinterpretation or violation of a provision of this agreement and which could not otherwise be resolved at lower steps of the grievance procedure because of the nature or scope of the subject matter of the grievance.

Group Grievance

A "Group Grievance" is defined as a single grievance signed by the Union Representative on behalf of a group of employees whom he/she represents and who have the same grievance with the Company. For the purposes of Step Two (2) and arbitration, the Union as representative(s) shall appoint no more than two (2) employees for the aggrieved employees.

ARTICLE 9 - ARBITRATION

9.01(a) When either party requests that a grievance be submitted to arbitration, it shall make such request in writing addressed to the other party. All grievances submitted to arbitration will be handled by a sole Arbitrator selected in accordance with the following.

(b) The party serving notice shall propose an arbitrator(s). If the Union representative and the Company representative are unable to agree to an arbitrator within twenty (20) working days, either of them may apply to the Minister of Labour for the Province of Ontario to appoint an impartial arbitrator.

9.02 No person may be appointed Arbitrator who has been involved in an attempt to settle the grievance.

9.03 The parties will jointly bear the expense of the Arbitrator.

9.04 No matter may be submitted to arbitration, which has not been properly carried through all steps of the grievance procedure.

9.05 The Arbitrator shall not be authorized to make any decision inconsistent with the provisions of this agreement nor alter, modify, or amend any part of this agreement. It is understood that the Arbitrator may modify a penalty imposed based on the facts of the hearing. However, the Arbitrator shall not have the authority to change or reduce the grievor's seniority as a means of modifying a penalty.

9.06 The proceedings of the arbitration will be expedited and the decision of the Arbitrator will be final and binding upon the parties.

9.07 At any stage of the grievance procedure, including arbitration, the parties may have the assistance of the employee or employees concerned, and any necessary witnesses or relevant records and all reasonable arrangements will be made to permit the parties to view disputed operations and to have access to the plant.

ARTICLE 10 - DISCIPLINE AND DISCHARGE

10.01 Any termination of employment will be at the discretion of the Company. No employee shall be terminated without just cause. A claim by any employee that they have been improperly discharged can be treated as a grievance, which shall commence at the second step of the grievance procedure. The grievance must be presented within five (5) working days of the aforesaid dismissal.

10.02 Such special grievances may be settled confirming the Company's action in dismissing the employee or reinstating the employee with full compensation for time lost or by any other arrangement, which is just and equitable in the opinion of the parties.

10.03 The Plant Chairperson and his/her designate shall be present at any meeting when discharge or discipline may result.

10.04 All disciplinary records of any employee shall be removed from an employee file if s/he established a clear record for twelve (12) consecutive months, unless the discipline is reversed during the grievance/arbitration procedure.

10.05 Violence Against Women

The Company and Union discussed the rising incidence of violence or abuse, notably violence against women and how this may affect the employee's attendance or performance at work.

The Company agrees that where there is adequate verification from recognized professionals (e.g. doctor, lawyer, professional counselor) provided to the Company with the approval of the employee, an employee who is subject to abuse or violence will not be disciplined without first giving full consideration to the circumstances surrounding the incident. The Company and the Union will treat such information in a confidential manner unless required by law to be produced.

ARTICLE 11 - COMPANY GRIEVANCES

11.01 It is understood that the Company may bring forward at any meeting held with the Union Grievance Committee, any complaint with respect to the conduct of the Union, its Officers, Committeepersons, or Stewards as such, and that if such complaint by the

Company is not settled to the mutual satisfaction of the parties, it may be treated as a grievance and referred to arbitration in the same way as a grievance of an employee.

ARTICLE 12 - SENIORITY

Probationary Employees

12.01 An employee will be considered on probation and will not be placed on a seniority list until s/he has worked for a total of sixty (60) days within a period of twelve (12) months.

Seniority Lists

12.02 Seniority lists based upon the date on which employees commence to work for the Company shall be established quarterly for each work area. Copies of these lists will be lodged with the Union and posted on the plant bulletin board quarterly.

ARTICLE 13 - LAYOFF, RECALL AND BUMPING

Layoffs

13.01(a) Where it becomes necessary to reduce the working force, the most junior seniority employee within the classification, shift and department affected will receive notice of layoff, provided the remaining employee(s) are qualified by virtue of skill and ability to perform the work required. Employees laid off indefinitely from a permanent job will be provided with a minimum of one weeks' notice in writing.

(b) At the time of receiving notice of layoff, employees will be permitted to indicate their choice of accepting layoff or of exercising their seniority by bumping another employee as described in clause 13.02. Employees failing to make a choice will be laid off.

At the time of layoff, employees will be entitled to indicate a second choice of recall to another shift or job which will be in addition to the shift and job they had at the time of layoff.

(c) Employees who choose to bump will be advised of the job into which they can bump prior to the bump being effected and will be given a final opportunity to accept layoff.

(d) The Company will not be obligated to follow the above or clauses 13.02 (a) and (b) when layoffs are due to breakdown or other emergency for the rest of the day, or shift on which such breakdown or emergency occurs, except where the Company has information the day prior. Probationary employees in the affected work area will be laid off first in these layoff situations.

(e) Employees alleging that they have been laid off improperly must do so in writing not later than five (5) working days following the effective date of layoff. Such written statement will be submitted directly to Human Resources at that time and will be treated as a grievance and dealt with at Step 2 of the grievance procedure.

(f) The P1 classification will be divided into two groups:

Group A: General Production
 Wrapping Machine Operator
 Enrober Feeder
 Elevator Operator
 Cleaner

Group B: Trucker
 Department Helper

The procedure for a layoff and recall from the P1 classification will be applied:
in the first instance, by group, department and base shift
in the second instance, by group, plant wide and base shift
in the third instance, by P1, plant wide and base shift
in the fourth instance, by group, plant wide off-shift
in the fifth instance, P1, plant wide off-shift

Bumping Procedures

13.02 When a layoff from a temporary job occurs:

(a) If the employee posted/transferred/requisitioned into a temporary job, the employee returns to their previous permanent job. If the permanent job is on layoff, the employee would exercise their seniority as per 13.03

(b) If the employee was recalled into the temporary job/requisition, the employee shall in the first instance bump the most junior employee within their classification plant wide on their base shift.

(c) Failing to claim a job in (b) the above process will be repeated in successively lower wage rate classifications until s/he can claim a job by seniority or is subject to layoff from their base shift. Failing that, the employee will be entitled to bump the most junior employee off shift in his/her same classification or lower if necessary.

13.03 When a layoff from a permanent job occurs:

(a)(i) If the layoff is not greater than six weeks, employees starting in their classification (and successively lower if necessary) will be permitted to apply their seniority to bump the most junior employee in his/her department and base shift. If the training period is greater than or equal to the term of the layoff, the employee will bump in the next lower classification.

For the purpose of retaining department expertise, any employee bumping to a lower rated classification will have his/her rate maintained at his/her permanent job classification rate for up to six weeks. As a result of the maintenance of pay, the employee may be required to do his/her permanent job and any other job in a lower rated classification that he/she may be capable of and trained to perform.

(a)(ii) Failing to claim a job in their department, the above process is repeated on a plant wide and base shift basis. Failing that, the employee will be entitled to bump the most junior employee off shift in his/her classification or lower if necessary. If the training period is greater than or equal to the term of the layoff, the employee will bump in the next lower classification.

(b) If the layoff is in excess of six weeks or a permanent job redundancy, employees, starting in their wage rate classification and successively lower classifications if necessary, will be permitted to apply their seniority to bump the most junior employee plant wide on their base shift or an employee above P1 may bump the more junior employee within their job on the other shifts. Failing that, the employee will be entitled to bump the most junior employee off shift in his/her same wage rate classification or lower if necessary.

(c) When a layoff as a result of a permanent job redundancy occurs, before the affected most junior P1 employee applies their seniority on the off-shift, they may choose to bump the most junior employee in the P2 classification on their base shift, seniority permitting.

13.04 Recall

(a) Employees will be recalled from layoff by registered letter or courier with proof of service.

(b) Employees who have been removed from a permanent job because of a lack of work will be recalled in order of seniority to the department, shift, and permanent job they held prior to being removed from the job, or subject to their having sufficient skill and ability to perform the work, to their second choice of recall, if the job becomes vacant within twelve (12) weeks of being removed from the job. An employee who declines recall to their second choice will not be offered such recall again.

(c) Vacancies in all jobs which have been vacant for more than twelve (12) weeks will be filled according to Article 18.

(d) Employees who did not hold permanent jobs will be recalled from layoff by registered letter (or courier with proof of service) in order of seniority to any vacancy that their seniority allows them to claim.

13.05 Training

If when an employee is bumping or being recalled and training is required, an employee will be given the normal training time for the job unless the normal training time is equal to or greater than the length of time for the job.

13.06 Super Seniority

In the event of a layoff, the Plant Chairperson, Committeepersons and Stewards shall have super seniority.

ARTICLE 14 - LOSS OF SENIORITY

The seniority of an employee may be considered broken, all rights forfeited and there shall be no obligation to rehire when s/he:

(a) Voluntarily leaves the Company's employ.

- (b) Has been out of the Company's active employment (except for absences due to medical reasons or leave of absence provided by this Agreement) for a period of five (5) years or length of service whichever is greater.
- (c) Fails to return to active employment not later than twelve (12) days from date of mailing (by registered letter) of recall notice unless s/he has a justifiable reason.
- (d) Has been absent without leave or overstays leave of absence for three (3) consecutive working days, or more, unless s/he has a justifiable reason.
- (e) Has been discharged and is not reinstated through the grievance/arbitration procedure.
- (f) Accepts other employment while on leave of absence (except medical leave) without permission from the Company.

ARTICLE 15 - LEAVE OF ABSENCE

15.01(a) The Company may grant leave of absence in writing to any employee for legitimate reasons, and any person absent with such permission shall not be considered laid-off. Seniority shall continue to accumulate during the leave of absence. Company paid benefits will be maintained for three full calendar months following the month of the start of the leave.

15.01(b) Maternity/Adoption/Parental leave shall be as provided for under the Ontario Employment Standards Act. Such leave, upon mutual agreement of the parties, may be extended. Seniority shall continue to accumulate during this maternity/adoption/parental leave and extension.

15.02 An employee returning from leave of absence, including medical leave of absence, shall be reinstated in the same job grade as that held immediately prior to the start of the leave of absence, provided s/he has complied with all the conditions of the leave of absence. Such reinstatement will be made provided there is a job opening in the same job grade, or there is a less senior employee in the same job grade, or there is a less senior employee in the same job grade within the same department and provided the returning employee has sufficient skill and ability to perform the work. In the event that the returning employee's job no longer exists, s/he shall exercise his/her seniority on a plant wide basis as outlined in Article 13.

Paid Education Leave

15.03(a) Effective May 1996, the Company agrees to pay three (3) cents per hour per employee for all compensated hours, for the purpose of providing paid education leave. Said paid education leave will be for the purpose of upgrading the employee's skills in all aspects of Trade Union functions. Such monies will be paid into a trust fund established by the National Union, CAW and sent by the Company to the following address: CAW Paid Education Leave Program, P.O. Box 897, Port Elgin, Ontario, N0H 2C0. Such payments will be made on a quarterly basis.

(b) The Company further agrees that members of the bargaining unit selected by the Union to attend such courses, will be granted a leave of absence without pay for

twenty (20) days of class time, plus travel time where necessary, said leave of absence to be intermittent over a twelve (12) month period from the first day of leave. Such leaves will not exceed two (2) employees per PEL session with additional leaves granted subject to the agreement of the Company. Employees on said leave of absence will continue to accrue seniority and benefits during such leave.

(c) The Company agrees to provide continuation of seniority and pension for any employee elected or selected to full time work for the National Union or CAW Local 252. Upon completion of the leave, the employee shall be reinstated to the position last held or in the event of job redundancy, shall be allowed to exercise plant wide seniority per the terms of the existing collective agreement.

15.04(a) For employees with seniority the Company will accept as a satisfactory reason under clause 14.01(d) for absence of an employee up to 120 days, for conviction of an offense arising out of the operation of a motor vehicle as well as any absence because he is being held in custody pending disposition of the charges against him, and after 120 days the imprisonment is no longer a justifiable reason under Article 14.01(d).

15.04(b) If an employee with seniority is imprisoned following a conviction for an offense other than one arising out of the operation of a motor vehicle and if the sentence is for 90 days or less the Company will accept the sentence as a satisfactory reason under Article 14.01(d) for the employee's absence from work during the time of his sentence.

15.04(c) Participation in Article 24 Benefits to which the employee is otherwise entitled (excluding loss of income benefits and pension accrual) shall continue for an employee on the leaves provided by this Article until the end of the second month following the month in which the leave commenced.

15.05 An employee who has unique urgent family needs for an extended period of time may apply for a special leave of absence not to exceed six (6) months and may be required to supply proof that a leave of absence is required. The Company will give special consideration to such a request with a view to granting same. In such cases, benefit coverage and pension credits shall continue for a maximum of three months. In recognition of this unique provision, it is agreed that the Company may temporarily transfer, for the length of the training period, to the job, which has been vacated, if it is longer than two (2) weeks.

ARTICLE 16 - BEREAVEMENT LEAVE WITH PAY

This Article applies only to employees who have completed their probationary period and is to be used for the purpose of attending the funeral. Partner is defined as a person of the opposite sex who is legally married to and living with the employee or if the employee so elects, is not living with the person at the time, or a person of the same or opposite sex who is not married to the employee but is an individual who has been co-habiting for a period of one year with the employee and who is publicly recognized as the domestic partner of the employee. In the event of the death of a parent, step-parent, grandparent, grandchild, mother-in-law, father-in-law, brother, sister, partner, child, child of current partner, step-child of an employee, or unborn child, certified by the attending physician, of the employee or the current partner, the Company will grant three (3) days leave of absence with pay. In the event of the death of a child-in-law, brother-in-law, sister-in-law, or grandparent of the current partner, the Company will grant a two (2) day

leave of absence with pay. Only two (2) days leave of absence with pay will be granted where because of distance or other reason, the regular employee does not attend the funeral of the deceased relative.

16.02 An employee who would have been entitled to bereavement leave but was on vacation shall have such bereavement leave added to their vacation provided the employee notifies the appropriate Team Leader prior to the scheduled end of the employee's vacation.

ARTICLE 17 - JURY DUTY/SUBPOENAED WITNESS

The Company will pay an employee his/her regular day's pay for every scheduled workday that s/he is attending jury duty. However, any pay that s/he may receive for his/her jury service, from other sources, excluding travel allowance, shall be signed over to the Company. It is expected that an employee will report to work if jury duty is not required on a normal workday. This section shall also apply to an employee who is subpoenaed as a witness, provided the employee is not the accused.

ARTICLE 18 - JOB POSTING AND TRANSFERS

18.01(a)(i) A permanent job will be defined as lasting for a continuous period of 26 working weeks or more. A temporary job will subsequently be defined as lasting for less than 26 continuous working weeks.

(ii) All permanent jobs (P1 - P6) and temporary jobs in the P2 to P6 classifications expected to last for more than two (2) weeks, will be subject to the job posting procedure. The notice will be posted for five (5) working days. All temporary P1 jobs expected to last for more than two weeks, will be subject to the job posting procedure and notice of such will be posted for three (3) working days.

(iii) Vacancies caused by vacations for up to four weeks will not be posted, however, the most senior employee capable of doing the job will fill these vacancies within the department.

(iv) If the length of the job is equal to or less than the normal training period, the job will not be posted, but filled by the most senior employee capable of doing the job in the affected work area.

(b) An employee may not fill more than three (3) temporary vacancies in a twelve (12) month period except by mutual agreement between the Plant Chairperson and the Human Resources Manager.

(c) Probationary employees will not be permitted to apply for vacancies.

18.02 The Company may temporarily secure a person for the vacant job.

18.03 All posted jobs and vacancies shall be filled by the senior seniority applicant. The Company will provide a training period in order for the applicant to obtain and demonstrate sufficient skill and ability to perform the work required. Management reserves the right to hire outside help when no applicant within the bargaining unit has applied. An employee who fails to acquire the job skills needed to perform the work

required after the completion of the training period shall be returned to their previous position and department and all other employees so affected will also be returned to their previous position. The job will then be given to the next senior seniority applicant.

18.04 It is agreed that successful applicants for permanent jobs will not be permitted to re-apply for a period of six (6) months, unless it is for a job in a higher rated classification. This restriction shall not apply to applicants for temporary jobs, to permanent jobs, which are eliminated, or if the applicant is subsequently placed on layoff.

18.05 When a vacancy is posted, only three (3) further vacancies arising out of the original posting will be posted.

18.06 A successful applicant for a posted job shall be notified within five (5) working days after the posting period. If required to remain in the old job, the new rate shall commence the first full pay period following notification of successfully filling such job or vacancy, except where there is an effective date on the posting. The employee offered the posted position must accept within two (2) working days or will be deemed to have rejected the offer.

18.07 The successful applicant on a permanent job posting will have his/her plant seniority transferred immediately to the new job and work area.

18.08 An employee who successfully applies for a temporary job posting shall return to his/her own permanent job upon completion of the temporary assignment. Temporary, as referred to in this section shall not exceed a period of twenty-six (26) working weeks in most cases; however, this period may be extended due to unforeseen circumstances, upon mutual agreement of the parties.

18.09 Any new jobs or considerable responsibilities added to a job will be evaluated by the job evaluation committee. In the event of failure to agree on the job and rate of pay, the matter shall be referred to an arbitrator.

Temporary Transfer for Company's Convenience

18.10(a) A temporary transfer for the convenience of the Company is one which is initiated by the Company in employing personnel to meet work priorities or emergencies and could be up to two (2) weeks in duration.

18.10(b) An employee transferred for a temporary period from one job to another for the convenience of the Company shall receive his/her regular rate of pay or the rate of pay for the temporary job, whichever is the greater.

ARTICLE 19 - HEALTH AND SAFETY

19.01 The Company shall institute and maintain all precautions to ensure every worker a safe and environmentally healthy workplace. The Company shall comply in a forthright manner with the Occupational Health and Safety Act, its Regulations, Codes of Practice and Guidelines as in force on January 1, 1996, save and except all sections that become unenforceable such as the Workplace Health and Safety Agency, fines, penalties, etc. All standards established under these laws shall constitute the minimum acceptable practice to be enhanced by agreement of the Joint Health and Safety Committee, which

shall be known throughout the following articles as “the Committee”.

19.02 Joint Health and Safety Committee

(a) The Company and the Union agree to maintain the established Joint Health and Safety Committee in accordance with the Occupational Health and Safety Act, its’ Regulations, Codes of Practice and Guidelines. The Union representation on the Committee shall be five (5) members selected by the Union, one of whom will be the Health and Safety Benefits representative. At no time must there be an unequal number of members on either side.

(b) Two chairpersons shall be selected from the Committee. The Union Co-Chairperson shall be the Health and Safety and Benefits Representative. The other Co-Chairperson will be selected by the Company.

(c) The meetings will take place monthly. It is further agreed that the union members of the Committee shall be allowed time off from work at no loss of earnings to attend approved seminars sponsored by the Union for instruction and upgrading on Health and Safety matters.

(d) The Committee shall assist in creating a safe and healthy place to work and shall recommend actions which will improve the effectiveness of the health and safety program and shall promote compliance with appropriate laws, regulations, codes of practice and guidelines. The Company will consider the recommendations of the Committee.

(e) The Company shall make all reasonable provisions for the Health and Safety of all employees during the hours of their employment. The Joint Health and Safety Committee shall determine the Health Center’s hours of operations, utilizing the existing number of health care staff. If the Joint Health and Safety Committee are unable to reach agreement on the hours of operation, the Union Chairperson of the Committee shall file a grievance through the Plant Chairperson commencing at the second stage of the grievance procedure.

(f) Protective devices and other equipment not already provided for in the Occupational Health and Safety Act and deemed necessary by the Company or the Health and Safety Committee shall be provided by the Company. This will include such items as safety boots/shoes where it a condition of their employment that they be used/worn.

19.03 The Company shall provide training in first aid and other emergency procedures that may be necessary to teams of employees on each shift. These teams of employees shall be referred to as Emergency Response Teams who together with the full-time Nurse/Attendant shall attend accidents (emergencies) prior to the arrival of any of the outside agencies, fire, police, ambulance.

19.04 The Plant Health and Safety Representative/Certified Worker for the Union shall be provided with the necessary time required to deal with health and safety matters. S/he shall be appointed by the Plant Chairperson and assigned to the day shift. It is agreed by both parties that safety issues are dealt with as follows: The Union’s Health and Safety Representative will discuss any health and safety issue with the Site

Manager. In the event the issue cannot be resolved immediately, he may then notify the Plant Chairperson and the Ministry of Labour Occupational Health and Safety Branch.

19.05 The Company agrees that all training programs that may pertain to Health and Safety including hygiene and equipment operation shall be developed in consultation with the Health and Safety representatives/certified worker/member for the Union and reviewed by the Health and Safety Committee prior to being used for the instruction/training of the employees. The company further agrees that for the purpose of instructing/training hourly employees, such training will be on a joint basis with CAW trained instructors. The Company agrees to provide employees with all relevant safety training.

19.06 A Union member of the Joint Health and Safety Committee shall be notified of all accidents and known near misses. The Company shall allow a Union member of the Health and Safety Committee paid time to investigate the site and circumstances. All recommendations resulting from such investigation shall be referred in writing as soon as possible to the Co-Chairpersons of the Joint Health and Safety Committee, Union Plant Chairperson, and the Site Manager.

19.07 The Company agrees to allow a representative(s) of the National CAW Health and Safety Department access to the plant for the purposes of providing health and safety information to the Joint Health and Safety Committee, or to monitor or inspect a complaint. It is understood that any such request shall be made by the Union Chairperson to the Site Manager prior to access being granted.

19.08 National Day of Mourning

National Day of Mourning (April 28), Remembrance Day (November 11), and Violence Against Women (December 6) at 11:00 a.m., where appropriate, work will stop and one minute of silence will be observed.

ARTICLE 20 - BULLETIN BOARDS

20.01 The Company will provide bulletin boards in mutually satisfactory locations throughout the plant for the convenience of the Union in posting notices of Union activity. Such notices must be signed by the proper officer of the local Union and submitted to the Company for approval before posting. The bulletin boards will be glassed-in and fitted with locks.

20.02 Upon approval from the Human Resources Manager, the Union will be entitled to make use of the electronic bulletin board.

ARTICLE 21 - WEEKLY HOURS OF WORK AND OVERTIME

Hours of Work

21.01 The following clauses define the normal hours of work and do not constitute a guarantee to provide work to any employee for regularly assigned hours or for any other hours.

(a) The normal work week for regular full-time employees shall consist of forty (40) hours per week comprised of five (5) eight (8) hour days Monday through Friday. Regularly assigned hours of work for all employees will be posted and agreed to by both parties.

(b) The daily hours of work and the number of days prescribed in the schedule for each individual, may be altered from time to time for the operation and improvement of the business. The Company will provide affected employees with as much advance notice as possible of such alterations. In the case where "new plant installations" come into operation, and only where there are three (3) shifts, such shifts shall operate on an eight (8) hour basis, inclusive of a paid lunch.

21.01(c) It is the intention of the Company to schedule the workweek so that the starting point of the first shift in any workweek will fall between Sunday midnight and Monday midnight, inclusive. If, in the interest of efficient operation, it should become necessary to temporarily schedule a workweek other than above, the company agrees to communicate to, and discuss with the Union any such change at least one week before the change becomes effective. Where a permanent change is required the Company will provide at least eight (8) weeks notice before the change becomes effective.

Lunch Periods

21.02(a) All employees will be entitled to a paid lunch break of twenty (20) minutes.

(b) The lunch period will be scheduled as close as is reasonably possible to the midpoint of each shift.

Rest Periods

21.03(a) The Company agrees to grant a rest period of ten (10) minutes during each half shift and overtime shift where work will continue for four (4) hours or more.

(b) The time for the above rest periods will be assigned by each Team Leader as close as is reasonably possible to the midpoint of the half shift or overtime shifts.

Equalization of Overtime Opportunities

21.04 The opportunity for overtime work within a classification and department shall be offered to and equalized among employees normally engaged on the work.

(a) In the event that insufficient employees are obtained for overtime in a particular classification and department, the Company will fill its requirements by offering overtime to employees outside the classification plant-wide who are capable of performing the work. Overtime hours worked by such employees shall be recorded for the purpose of equalization, on their own overtime record. Opportunities for overtime in the Mechanical Trades will, in the first instance be given to those who work in the specific trade (general or wrapping). If insufficient people sign up for the specific trade the remaining opportunities will be offered to people in the other trade.

(b) When an employee is on loan to another classification, his/her overtime opportunity shall come from his/her regular classification and department.

(c) When an employee is absent from work (sick, WSIB, L.O.A., and absent with/without permission) equalization opportunities will be maintained and charged as though the employee was present.

(d) When an employee transfers to another classification and/or department, he/she will be charged with the average number of hours within that classification and department and his/her opportunity for overtime will be based on this average.

(e) Equalization of opportunity for overtime shall be based on hours paid or hours that would have been paid had the employee worked the overtime requested. All scheduled overtime opportunities offered will be charged. If the overtime opportunity is unscheduled, employees will not be charged for opportunities declined.

(f) Overtime records will be brought up to date and posted weekly in a consistent manner throughout the workplace.

(g) The Union will be provided on a monthly basis with a copy of all overtime equalization records.

(h) Any errors in overtime allocation will be adjusted on the employee record and the next available opportunity will be allocated as per their corrected hours. If there is not a subsequent opportunity for overtime within five (5) weeks, the error will be paid out. The purpose of the five (5) week tolerance is to allow for correction of mistakes and is not to allow for intentional overtime by-pass. When advanced notice is given the Company agrees to make every effort to rectify the overtime allocation error, if there is sufficient time.

(i) Overtime equalization does not give an employee the right to double shifts or cause the overtime shift to be split. It is recognized that for the purpose of overtime equalization, employees may be asked to work on any of the shifts; however, where possible, employees who indicate they wish to work overtime, will be assigned to their normal shift.

(j) The overtime equalization will start January 1 and end December 31 of each year. All employees overtime totals will be zeroed out at December 31.

Overtime Requirements

21.05 Overtime rates will be paid to regular full-time employees for:

(a) All hours worked in excess of the number of hours scheduled for that day.

(b) All hours worked immediately prior to his/her regular starting time.

(c) All hours worked on Plant Holidays, Saturday or Sunday except where, as outlined in an employee's schedule, the shift begins or ends on a Monday through Friday.

(d) All hours worked on the sixth (6th) or seventh (7th) day as outlined in the employee's schedule.

Overtime Payments

21.06 Where overtime is required, regular full-time employees will be compensated as follows:

(a) One and one half (1 1/2) times their regular rates for the first four (4) hours of overtime worked in excess of the number of hours scheduled for the day or hours worked immediately prior to his/her starting time, and two (2) times their regular rates for all consecutive overtime worked in excess of four (4) hours overtime in that day.

(b) One and one half (1 1/2) times their regular rates for the first eight (8) hours worked on Saturday or their sixth (6th) day, and two (2) times their regular rates for all hours worked in excess thereof on that day.

(c) Two (2) times their regular rates for all hours worked on Sunday or their seventh (7th) day.

(d) Shift premium shall be paid for all hours worked on such shift.

Overtime Meals

21.07(a) An employee required to work in excess of two (2) hours or more beyond normal quitting time, and who has not been warned before commencing work on that shift that overtime is required, will be granted a meal allowance voucher which is redeemable at Accounts Payable.

(b) An employee required to work two (2) hours or more of overtime immediately following his/her normal shift will be allowed a paid meal break before commencing the overtime period. This paid break may be twenty (20) minutes at straight time or ten (10) minutes at time and a half at the option of the employee, or where the employee is a member of a group or team, at the option of the majority of the members of the team or group. Employees who decline the meal break are not entitled to payment in lieu thereof.

(c) Effective May 1, 2002, meal allowance shall be seven dollars (\$7.00).

Reporting Allowances

21.08 It is recognized that, as required by their daily schedules, regular employees expect to start work and finish work at given times exclusive of overtime provisions.

21.09 Where an employee is instructed to report late by the Company, and is required to work beyond his/her scheduled quitting time, one and one-half (1 1/2) times his/her regular rate will be paid for all hours worked after his/her scheduled quitting time. The principle of clause 21.06(a) will apply.

21.10 An employee who reports for work at his/her regular time and is sent home because no work is available, shall be paid for three quarters (3/4) the number of hours regularly assigned on that shift or day. If a work stoppage occurs that is within the control of the Company in the second half of their shift during a weekday, employees will be

assigned any available work to complete his/her shift. This provision shall not apply in cases of fire, lightning, power failure, or like causes of work stoppage beyond the Company's control.

21.11 An employee who has clocked out and gone home and who is recalled to perform work which is not contiguous to his regular shift shall be paid a minimum of three (3) hours pay at overtime rates and in addition shall be paid for one (1) hour travelling time at overtime rates. This Article applies to both Production and Skilled Trades Work.

ARTICLE 22 - PLANT HOLIDAYS

22.01 Permanent employees with seniority standing will be paid for the following plant holidays. The Christmas Shutdown dates may be subject to change based upon the mutual agreement of the Company and the Union.

	2002	2003	2004	2005
Good Friday	Mar 29	Apr 18	Apr 9	to be posted
Easter Monday	Apr 1	Apr 21	Apr 12	
Victoria Day	May 20	May 19	May 24	
Canada Day	July 1	June 30	July 2	
Civic Holiday	Aug 5	Aug 4	Aug 2	
Labour Day	Sept 2	Sept 1	Sept 6	
Thanksgiving Day	Oct 14	Oct 13	Oct 11	
Christmas Shutdown	Dec 25, 26, 27, 30, 31, Jan 1	Dec 25, 26, 29, 30, 31, Jan 1	Dec 27, 28, 29, 30, 31, Jan 1	

If the holiday falls on a Saturday or Sunday, the Company reserves the right to pay for the Friday or the Monday, all provided that:

(a) The employee is not absent from work on his/her regularly scheduled shift immediately before and after the holiday, unless s/he has a justifiable reason.

(b) The employee, at the discretion of the Company has been granted special leave of absence in writing, and this leave of absence does not exceed ten (10) working days before or after the holiday, such time to include the holiday.

(c) Any employee, refused permission for leave of absence in respect to the day before or the day after a holiday, can report the matter to the Plant Chairperson. The Company, thereupon, will state its' reasons for refusing permission.

(d) The employee was not laid off more than ten (10) working days immediately preceding the holiday or was recalled within ten (10) working days immediately after the holidays. For the purposes of qualifying for Christmas plant holidays, the above window shall be increased to twenty-five (25) working days before and twenty-five (25) working days after.

(e) Employees called to work during the summer holiday shutdown period and laid off on Civic Holiday will be paid for that day at basic pay rates provided they work on their properly assigned hours on the foregoing clauses (a), (b), (c), (d), and (e), in which case the Monday following the shutdown will be for them a regular working day paid at

regular rates.

(f) Employees not celebrating Civic Holiday during shutdown will do so on the Monday following the shutdown, and will be paid for that day at basic rates subject to the foregoing clauses (a), (b), (c), (d) and (e).

(g) Days counted as working days include Monday to Friday with the exception of those as set out in clause 22.01.

Rate of Pay for Plant Holiday Not Worked

22.02 The rate of pay for the (or a) holiday designated in clause 22.01 and not worked, shall be one (1) day's regular assigned hours multiplied by the employee's basic rate.

Rate of Pay for Plant Holiday Worked

22.03 Any work performed on a holiday designated in clause 22.01 will be considered overtime work. When such holidays are observed on a normal working day, the rate of pay shall be two (2) times an employee's basic rate, multiplied by the number of hours worked; this is in addition to the one (1) day's pay provided for employees who do not work the statutory holiday.

ARTICLE 23 - VACATION

23.01 Entitlement to vacation with pay for regular employees will be in accordance with the following chart. Entitlement for employees who will complete two (2) or more years of service within the calendar year is based on the employee's anniversary date.

Effective May 1, 1996

Service	Entitlement	Pay
1 year (as of July 1st)	2 weeks	4%
5 years	3 weeks	6%
10 years	4 weeks	8%
20 years	5 weeks	10%
30 years	6 weeks	12%

23.02(a) Vacation pay shall be calculated at 2% of gross earnings for the twelve (12) month period immediately preceding July 1st for each week of vacation entitlement.

(b) Regular employees with less than one (1) year of continuous service as of July 1st shall receive 4% of their earnings preceding July 1st.

(c) Vacation pay on a separate cheque, subject to normal deductions, will be

issued when vacation is taken or as of the first full pay period in July. Employees must give two (2) weeks prior notice of their elected choice.

(d) If for any reason the employment of an employee is terminated, s/he will be entitled to receive vacation pay in accordance with his/her vacation entitlement at the date of termination.

23.03 Vacations will be scheduled in such a manner that satisfies the needs of the business and recognizes the wishes of the employees in accordance with the following:

(b) The Company reserves the right to ask any employee to take his/her vacation at a time convenient to the Company other than the period in which the Plant is shutdown.

(c) Employees may request to take vacation at any time during the year and such requests will require mutual agreement by the Company.

(d) Regular employees shall be permitted to take two (2) consecutive weeks of vacation time off between the 3rd week of June and the 1st week of September. Where the needs of the business permit, an additional week of vacation will be added to this two (2) weeks. Employees with twenty (20) or more years of seniority shall be permitted to take three (3) consecutive weeks off in the above noted period.

(e) Entitlement to vacation time off is mandatory and must be taken prior to April 30th of the next year. Each department will post a planner no later than March 1st of the vacation year. Employees, by seniority, must indicate their choice for time off by April 1st. The Company will respond by April 30th. After that time vacation will be granted on the first come first served basis. Vacation time not requested by the end of the calendar year will be scheduled by Management.

23.04 Where an employee shows proof of hospitalized sickness or non-elective day surgery during the course of his/her previously scheduled vacation, the period of hospitalization and weekly indemnity benefit shall not count towards the employee's vacation and will be rescheduled to another mutually agreeable time.

ARTICLE 24 - BENEFITS

24.01 The provisions of this article shall not apply to probationary employees.

Laid off employees will be covered for benefits for three full calendar months following the month of layoff.

For the purposes of benefit coverage, excluding pension, family coverage shall be deemed to include same sex partner coverage if the partner has been co-habiting with the employee for a period of one year and is publicly recognized as the domestic partner of the employee.

Should the government eliminate the Employer Health Tax, the Company agrees that the replacement cost of this system will be borne by the Company.

As soon as pension legislation permits, the pension plan will be amended to provide the

same survivor benefits as presently available for opposite sex partners to the same sex partner if the partner has been co-habiting with the retiree for a period of one year prior to the death of the retiree and is recognized as the domestic partner of the employee.

Weekly Indemnity

24.02(a) The Company agrees to pay 100% of the Weekly Indemnity Plan and 100% of the Group Medical Plan. New employees qualify for the Weekly Indemnity Plan and the Group Medical plan membership after three (3) months of continuous active service, and subject to the applicable group insurance regulations.

(b) The Weekly Indemnity Plan will provide a benefit of 66 2/3% of regular weekly earnings. For the purpose of Weekly Indemnity, "regular weekly earnings" shall be defined as the normal weekly hours times the employee's hourly base rate at straight time.

(c) The Weekly Indemnity Benefit will commence on the first (1st) calendar day of absence due to accident, or the fourth (4th) calendar day of absence due to sickness, and will continue during the period of eligible disability, but for a maximum period of seventy-two (72) weeks. Effective May 1, 2003, the maximum benefit period for new claims will increase from seventy-two (72) weeks to eighty-seven (87) weeks.

Payment of benefit for weeks 27-41 (inclusive) is subject to the employee initiating a claim for E.I. sickness benefits to cover wholly or in part, benefit for weeks 27-41 inclusive.

An employee who provides proof of hospitalization or outpatient care for sickness will qualify for weekly indemnity from the first (1) day of such hospitalization or outpatient care.

Doctor's note or WI form must be submitted within five (5) working days except for circumstances beyond the employees control.

(d) The benefits provided under this clause are accepted by the Union in full satisfaction of the employee share of Employment Insurance premium rebates, which rebates will then become payable to the Company.

(e) Effective May 1, 1996 the Company will pay for all employees with one (1) or more years of continuous service 100% of the premiums on the Dental Plan. The features of the plan are:

Effective May 1, 2002, dental benefits will be revised annually to reflect the previous year ODA schedule.

- ◆ Basic Plan - 100% coverage to \$2400 in year one; \$2600 in year two; and \$2800 in year three.
- ◆ Major Restorative - 50/50 co-insurance to \$2300 maximum per year.
- ◆ Perio/Endo - 50/50 co-insurance to \$2,000 maximum per year in year one; \$2300 maximum per year in year two and three.
- ◆ Ortho - 50/50 co-insurance: effective May 1, 2002, \$2300, lifetime maximum, effective May 1, 2003, \$2400, lifetime maximum; effective May 1, 2004, \$2500 lifetime maximum.

(f) Effective May 1, 2002, the Group Medical Plan will include "Vision Care" at a

level of \$250/24 in year one; \$275/24 in year two; \$300/24 in year three. The balance of the Plan will be at 100% with respect to Drugs and Extended Health care, subject to the Carrier's requirements. The drug benefit would include a card by which purchases can be charged directly to the insurers effective July 1, 1999.

(g) The Company shall continue its' practice concerning the supply of "Prescription Safety Glasses" as a requirement of the job.

Life Insurance

24.03 On completion of six (6) months service, all employees who are under sixty-five (65) years of age at completion of such period of service will be covered by Group Life Insurance as follows:

(a) Life Insurance: \$60,000

(b) Accidental Death and Dismemberment Insurance: \$60,000

Employees will be allowed to purchase additional insurance coverage in units of \$10,000 to a maximum of \$200,000 through payroll deduction. Application must be made to the Human Resources Department.

(c) A Paid-up Life Insurance Policy of \$6,000.00, effective May 1, 2002.

24.04(a) All Group Life insurance premiums are payable in full by the Company, except for the Paid-up Life Insurance policy. Group Life Insurance coverage ceases when an employee reaches sixty-five (65) years of age, or on the date of retirement, if earlier.

(b) Effective May 1, 1996, the Company shall provide Major Medical (Extended Health Care) to all employees who retire after that date.

Pension Plan

24.05 The non-contributory successor plan for all current employees providing for normal retirement at age sixty-five (65), credited service based on one (1) year's credit for each 1400 compensated hours with proportionate credit for compensated hours less than 1400, shall be changed to provide benefits as follows:

Effective May 1, 2002, \$25.00 per month per year of service for all years of past and future credited service. Effective May 1, 2003, \$26.00 per month per year of service for all years of past and future credited service. Effective May 1, 2004, \$27.00 per month per year of past and future credited service.

It is understood that the 1400 hour threshold is a reflection of the seasonal nature of the work at the Sterling Road facility. In addition, employees will accrue service in the pension plan for absence while in receipt of Workplace Safety and Insurance Board benefits up to a maximum of two (2) years, absence while receiving Weekly Indemnity benefits, absence while on authorized Union Leave of Absence, and acceptance of benefits under the redundancy pay plan.

Employees who are age 61 or more with ten (10) or more years of service and who elect

early retirement under the Pension Plan after May 1, 2002 shall receive an income supplement of \$300.00 per full month between the date of early retirement and age 65. This shall increase to \$350.00 per month effective May 1, 2003 and increase to \$400.00 per month effective May 1, 2004.

24.06 The Company will pay the cost of any medical documentation required by the Company or for benefits purposes.

ARTICLE 25 - GENERAL/MISCELLANEOUS

Dress Requirements

25.01(a) The Company will supply clean uniforms and hair coverings as required.

(b) Employees required to perform outside work during the winter months will be supplied with duffel coats. Such coats are and remain Company property, and their issue shall be subject to such regulations as may, from time to time, be required.

Work Performed by Team Leaders

25.02 Team Leaders, technical staff and those above that rank shall not perform work normally performed by members of the bargaining unit except under the following conditions:

(a) In case of emergencies.

(b) When regular employees are not available due to absenteeism, provided no other hourly rated employee suitably qualified are available to fulfill that position.

(c) For instruction.

(d) When it is necessary to improve new or existing processes or procedures.

(e) In all cases, the Union representative in the area will be notified of the circumstances requiring the application of this provision.

ARTICLE 26 - SKILLED TRADES

Grading

26.01(a) The purpose of this Article is to define trades and classifications, wage rates, seniority provisions and all other matters dealing with Skilled Trades work covered by this agreement. Work covered by this Article shall be performed only by the trades and classifications as listed in section 10.

(b) The provisions of the general agreement shall apply to employees in the recognized trades and classifications listed in section 10, except as altered by the provisions of this Article.

(c) The Skilled Trades covered by this article constitute those trades for which an

apprenticeship is usually served.

(d) A journeyman/woman in any of the designated Skilled Trades shall mean any person who:

(i) has served a bona fide apprenticeship of four (4) years - 8000 hours - and possesses proof of such apprenticeship service, and a provincial license in that trade.

(ii) holds a recognized CAW journeyman card in the trade in which s/he claims recognition.

(e) Entry into the Skilled Trades shall be restricted to persons:

(i) who qualify as journeyman under provisions set forth in the immediately preceding paragraphs, and

(ii) who provide documents at date of hire proving their claim to journeyman status both to the Company and the Union Skilled Trades Committee person, and

(iii) who successfully complete applicable Company written and practical tests.

Qualifications

Skilled Trades Seniority

26.02 (i) Employees who are in Skilled Trades or have recall rights thereto as at the date of this agreement shall retain their seniority established at that date and continue to accrue seniority thereafter.

(ii) New trade journeymen shall have seniority in their trade only as from the date of entry.

(iii) Skilled Trades layoffs will be by seniority within the particular trades group.

(iv) Upon satisfactory completion of the Apprenticeship program, the Apprentice will be given seniority equal to 50% of time spent as an apprentice but not more than two (2) years.

Skilled Trades Safety

26.03 It is agreed, for the safety of all concerned, Skilled Trades persons shall only operate within the skill for which they are licensed.

New Technology

26.04 The parties agree that with the introduction of new techniques and technologies, it is important that advance planning be made to anticipate skills, needs and training required. The Company agrees to discuss such changes with the Union prior to the introduction of such change.

The Company will provide on-the-job training to Skilled Trades employees (who have the basic knowledge and ability to be trained) to keep current with new methods, tools, machines and new technology affecting their work and such training shall be offered to such employees on the job which will be affected in the order of seniority.

Skilled Trades Joint Committee

26.05 A committee of six (6) shall be established, three (3) from the Company and three (3) from the Union, to deal with Skilled Trades issues. The Union members of the committee shall be the National Representative, or his designate, the Plant Chairperson, and the Skilled Trades Committeeperson. The Company members of the committee shall consist of two (2) representatives from Plant Operations and the Human Resources Manager.

Maintenance Grading System

Grading

26.06 Trades persons shall advance to merit maximum after completion of the probationary period of ninety (90) working days. Completion of advanced testing will not prevent advancement to the merit maximum rate.

Qualifications

26.07

Trade	Requirements
Mechanic	
Start	Ontario Millwrights License or approved apprenticeship. Company written and practical test.
Before completion of probationary period:	Demonstrate basic knowledge of pneumatics, basic welding skills, and basic machining skills.
To advance to Merit Maximum:	90 working days Company experience as a journeyman/woman. Advanced pneumatics. Advanced welding. Advanced machining. Company written and practical test.
Machinist	
Start	Ontario Machinist License or approved apprenticeship. Company written and practical test.
To advance to Merit Maximum:	90 working days Company experience as a journeyman/woman. Advanced machining skills. Advanced welding skills. Company written and practical test.

Pipefitter

Start	Ontario Steamfitters license. Company written and practical test.
To advance to Merit Maximum:	90 working days Company experience as a journeyman/woman. Ontario Steamfitters License.

Electrical/Electronic Technician

Start	Electrician's License, C.E.T. and equivalent. Company written and practical test.
Before completion of Probationary period:	Demonstrate a basic knowledge of his/her trade. Company written and practical test.
To advance to Merit Maximum:	90 working days Company experience as a journeyman/woman. Demonstrate knowledge of advanced electronics. Company written and practical test.

Building Trades (Carpenter, Painter, Mason)

Start	Ontario License or approved apprenticeship.
Before completion of Probationary period:	Demonstrate a basic knowledge of his/her trade. Company written and practical test.
To advance to Merit Maximum:	90 working days Company experience as a journeyman/woman. Company written and practical test.

Company Testing

26.08(a) The Company will pay test fees, if any, for the initial tests for advance grading. Subsequent fees will only be paid for by the Company for successfully completed tests.

(b) The Company will allow time off with pay to take the test for the first attempt only. Subsequent tests due to failure will be on the employee's own time.

(c) Tests will be carried out on the Company premises, with invigilation and assessment by the Apprentices Training Team Leader.

(d) The tradesperson will be advised of the marks for his/her test and will be given the opportunity to discuss his/her results with management. In the event of a dispute over the marking, the test will be submitted to an outside marker for re-evaluation. Any fees will be paid by the trades person if the results are upheld, or by the Company if they are found at fault.

(e) Re-examination in a failed test will be allowed after a lapse of twelve (12) weeks.

(f) A tradesperson who has successfully completed his/her apprenticeship with

the Company will move to Merit Maximum. The date that an apprentice will be considered a full journeyman/woman, will be either the date of his/her successful completion of the license examination, or the date s/he completes his/her time requirements, whichever comes first.

Trade Licenses

26.09 The Company will pay the cost of annual trade licenses for trades in which the employee performs work, provided that the employee has completed his/her probationary period. To be eligible for this allowance, the employee must produce the relevant trade license.

Trades

- | | | |
|-----------|---|---|
| 26.10 S1: | Carpenter
Cement Mason | Painter |
| S2: | Machine Repair
General Mechanic
Wrapping Mechanic | Machinist
Plumber/Pipefitter/Steamfitter |
| S3: | Electrical/Electronic Technician | |

Tool Allowance

26.11(a) Tradespersons are required to have the complete set of tools specified by the Company for their trade. Apprentices are required to have the complete set of tools specified by the Company for their trade by the end of each year of their apprenticeship. The Company may verify that tradespersons' and apprentices' tool kits are complete and in serviceable condition but not more than twice in any calendar year.

26.11(b) Tool allowance will be four hundred dollars (\$400.00) yearly and shall be paid out on the first pay in September of each year.

26.12 Skilled tradespersons in group S3 (Electrical/Electronic Technician) who are hired after October 7, 1985, will be hired on condition they rotate shifts when appropriate schedules are arranged by management. During the life of this agreement the company will endeavour to recruit employees for the midnight shift provided they have the required skill level.

Canadian Skilled Trades Council Dues

26.13 The Company agrees to deduct Canadian Skilled Trades Council dues as may be adopted by the Canadian Skilled Trades Council.

First deduction to be made from the employees from the first pay received after completion of the probationary period. Future deductions to be made in January of succeeding years, or upon completion of one (1) month's work in that calendar year.

26.14 Skilled Trades Lead Hand

A skilled tradesperson shall be paid a premium of \$15.00 per day when performing lead hand responsibilities to a maximum of \$75.00 per week. Where a skilled trade is scheduled to perform Leadhand work within their trade on the weekend, will receive \$15.00 per day worked.

ARTICLE 27 - WAGES AND CLASSIFICATIONS

27.01 Rates of Pay

	Year 1	Year 2	Year 3
Production:			
P6	20.28	20.58	20.83
P5	19.58	19.88	20.13
P4	18.88	19.18	19.43
P3	17.98	18.28	18.53
P2	17.08	17.38	17.63
P1	16.68	16.98	17.23

Skilled Trades:

	start	merit max	start	merit max	start	merit max
S1	24.83	26.20	25.38	26.75	25.83	27.20
S2	24.83	26.20	25.38	26.75	25.83	27.20
S3	24.83	26.20	25.38	26.75	25.83	27.20

27.02 Classifications

P6	Smarties Operator	
P5	Aero Operator Coffee Crisp Operator Lubricator	Chocolate Operator Aasted Operator
P4	Maintenance General Kit Kat Operator	Enrober Operator/Lead Hand Maintenance Storekeeper

	Stephan Operator Lead Hand Shipping/Receiving	Maintenance Shipper/Receiver
P3	Lead Hand 2 Company Store Attendant Forklift Operator	Shipper/Receiver Crumb Loader
P2	Receiver Crush Operator Junior BarPacking Operator	Utility Operator Product Saver Operator
P1	Department Helper General Production Trucker Elevator Operator	Enrober Feeder Wrapping Machine Operator Cleaner (Sanitation)
S1	Carpenter Cement Mason	Painter
S2	Machine Repair: General Wrapping	Machinist Plumber/Pipefitter/Steamfitter
S3	Electrical/Electronic Technician	

If a classification previously deleted from the collective agreement is reinstated, the rate shall be no less than the rate group it was previously included in.

27.03 Departments

Chocolate Making
Stephan
Smarties
Coffee Crisp Layering/Enrobing
Kit Kat Layering/Aasted
Aero
Bar Packing/Company Store
Cleaning and Sanitation
Service
Skilled Trades
Warehouse/Conveyor/Shipping and Receiving

27.04 Shift Premium

Shift workers will receive the following shift premiums:

Effective May 1, 2002, fifty-one cents (\$0.51) per hour on afternoon shift and sixty-five cents (\$0.65) per hour on night shift.

27.05 Cost of Living

Effective May 1, 2002 and thereafter during the term of this agreement, each employee will receive a cost of living allowance as set forth in this clause.

The amount of cost of living adjustment (COLA) shall be determined in accordance with changes in the Consumer Price Index on the base 1981=100 hereafter referred to as the "1981 Consumer Price Index" or "1981 CPI". In determining the three (3) month average of the indexes for a specified period, the computed average shall be rounded to the nearest .1 index point; i.e. .05 and greater rounded upward and less than the .05 rounded downward.

The COLA shall be computed using the three (3) month average of the 1981 CPI for November and December 2001 and January 2002 as the base period. Cost of living adjustments will be made on a quarterly basis at the following times.

Effective Date of Adjustment: First pay period beginning on or after June 1, 2002 and at three (3) calendar month intervals thereafter to March 1, 2004.

Based Upon the Three (3) Month Average of the 1981 CPI for: February, March and April 2002 and at three (3) calendar month intervals thereafter to November and December 2004 and January 2005.

One cent (\$.01) adjustments in the cost of living shall become payable for each .2 change to the Consumer Price Index.

For the purpose of this agreement, any paid COLA shall be treated as if it were incorporated into the base rate.

In the event Statistics Canada ceases monthly publication of the Consumer Price Index, or changes the form or basis of calculating the index, the parties agree to ask Statistics Canada to make available, for the life of this agreement, a monthly index in its present form and calculated on the same basis as the index for February 1992.

ARTICLE 28 - JOB REDUNDANCY

Job Redundancy Defined

28.01 For the purpose of this section, a particular job or function will be declared redundant as will the employee who is actually performing the particular job or function at the time of the declared redundancy in the following circumstances only;

(i) In cases of permanent lay-offs resulting from product rationalization and or discontinuation of certain product brands or lines.

(ii) In cases where a change to method of operation and or process result in a permanent reduction of the work force.

(iii) In cases where the introduction of technological change results in permanent reduction of the work force.

Employees who receive notice of either a temporary or an indefinite layoff as in the

normal course associated with the seasonality of the Company's business, shall not be deemed to have been declared redundant.

Notice

28.02(a) Employees who are declared redundant in accordance with the above, will receive written notice of permanent layoff (dismissal) eight (8) weeks prior to the effective date of the redundancy but in any event, not less than the prescribed notice period as defined in the E.S.A. for the province of Ontario. This shall not apply to any employee who is displaced by application of seniority.

28.02(b) In the event of a reduction in the number of jobs as a result of a partial or complete shutdown, technological change or the introduction of major capital equipment, the Company agrees to put such decisions in writing and to discuss such changes with the Union prior to the implementation of such change. The Company further agrees to minimize the dislocation to the greatest extent possible and will review all possibilities for alternative employment.

Bumping

28.03(a) Any employee receiving notice in accordance with 28.02(a) above, shall have the right to displace employees on the basis as set out in Article 13.

(b) Employees electing to and who are successful in displacing another employee shall no longer be considered redundant, however, the displaced employee for the purpose of this article shall be deemed to be the declared redundancy.

Redundancy Compensation

28.04(a) Employees having seniority standing who are affected by 28.01 (i) through (iii) will be compensated according to the following formula or the Employment Standards Act, whichever is greater.

Service Requirement		Compensation
< 5 years service	1	week of pay per year
5 years but < 15 years	1 ?	weeks of pay per year
15 years but < 25 years	1 ?	weeks of pay per year
25 or more years	2	weeks of pay per year

(b) Length of service shall be determined as of the termination date. A week of pay will be the equivalent of forty (40) hours multiplied by the base rate of pay as stipulated by the terms of the collective agreement for the job held by the employee at the time of the declared redundancy.

Eligibility for Redundancy Compensation

28.05 In order to receive compensation as described in 28.04 above, employees must remain in our active employ until the effective date of the declared redundancy.

28.06 Compensation as referred to in 28.04 is deemed to include severance and or pay

in lieu of notice to which an employee is otherwise entitled on termination under the E.S.A. for the province of Ontario.

Benefit Continuation

28.07 Payment of benefit premiums will continue for the equivalent of the number of weeks of redundancy compensation or for a minimum of three (3) months, whichever is greater, for the following benefits only:

Life, A.D.&D, Group, Hospitalization, and Dental

It is further understood that upon obtaining employment elsewhere, payment of benefit premiums shall immediately cease. Employees can, at their choice upon termination and at their cost, convert whole life insurance to a personal policy.

28.08 Prior to receiving redundancy compensation, employees are required to sign a Release and Indemnity form.

ARTICLE 29 – ALTERNATE SHIFT AGREEMENT

The continued success of Nestlé Canada and Sterling Road depends upon our ability to improve and grow the business. Better utilization of the Sterling Road factory can be achieved by adjusting existing work schedules, which can generate additional employment opportunities and additional time off with no loss of pay. To achieve this growth, the Company and the Union understand the need to look at how the factory operates, specifically, the new opportunities for the business and increased jobs that a new work schedule could provide.

The following agreement recognizes the additional capital investments in a new Chocolate Making plant and the Kit Kat layering line. The need for a different shift pattern, allows for both the needs of the workers and the business. Any changes agreed on have not resulted in benefits being adversely affected, nor granting of lesser rights for employees adopting the new work schedules.

Should a consistent need for a seven day operation arise, the Company and the Union will review all other options to satisfy production, including the weekend worker concept.

By this agreement, Sterling Road is positioned to take advantage of the investments and the expanding markets that will allow us to be a supplier for the Americas.

For the purpose of employees working the alternative shift pattern, the collective agreement which expires on April 30, 2005, shall apply, except as detailed below.

Article 13 - Layoff, Recall and Bumping

Transferring From a Twelve Hour Shift

Should the new Chocolate facility move from a four crew operation (3 x 12 hours) to a three crew operation (5 x 8 hours), those affected if a day shift employee, will have the ability to bump onto either the day or afternoon shift; and if a night shift employee, will have the choice to bump onto either the afternoon or night shift. Upon making that

decision, the chosen shift shall be recorded as the employee's regular shift.

Transferring To a Twelve Hour Shift

For the purpose of bumping, the following shall apply:

- a) Employees who work afternoon or night shifts on eight hours will be required to bump night shift twelve hour jobs.
- b) Employees who work day shifts on eight hours will be required to bump day shift twelve hour jobs.
- c) If an employee on an eight (8) hour job, is required, by seniority, to bump the most junior employee on a twelve hour shift on their base shift and chooses not to work the alternate shift, the employee will be allowed to claim the most junior job on their base eight hour shift, starting in their classification and moving successively lower if necessary.

Article 16 - Bereavement Leave With Pay

"Day" for bereavement leave with pay for employees on the alternate shift pattern, shall mean twelve hours. All other conditions apply as per the collective agreement.

Article 17 - Jury Duty/Subpoenaed Witness

"Day" for jury duty/subpoenaed witness time off with pay for employees on the alternate shift pattern shall mean twelve (12) hours. All other conditions apply as per the collective agreement.

Article 18 - Job Postings and Transfers

In the event that this shift pattern is introduced into a department, all jobs created as a result of new technology, shall be posted. Any employee currently working in the department who does not post to, or is unsuccessful on a posting to this new shift pattern, shall have their rate of pay maintained while working and for as long as they do not post into another job at a higher rate, for the duration of the collective agreement, which expires on April 30, 2005. Such employee(s) shall also be afforded increases in accordance with the current collective agreement.

Employees holding a posted position which will now work an alternative shift will have the choice of retaining their posted position and transferring to the alternate shift or electing to exercise their seniority.

If Maintenance trades are required to work the alternate shift pattern, the jobs shall be posted. Maintenance employees working the alternative shift, supporting the Chocolate Department, will continue to be used throughout other areas of the plant, as required.

Article 21 - Weekly Hours of Work and Overtime

21.01 Hours of Work - Alternate Shift

The alternate shift workweek shall be three (3) twelve (12) hours shifts; either Monday, Tuesday and Wednesday or Thursday, Friday and Saturday. The first shift (Monday) shall commence Sunday at 7:00 pm on a normal alternate shift week. A shift that commences at 7:00 pm is considered to be a shift of the next day.

The new shift pattern will be staffed by four (4) crews - crews A, B, C and D. Crews A and B will be assigned to the day shift only and Crews C and D will be assigned to the night shift only.

The scheduled work days shall flip from Monday, Tuesday and Wednesday to Thursday, Friday and Saturday after every three (3) weeks.

This new six (6) day shift pattern will be implemented in a new chocolate facility only. This shift pattern will only be implemented if production requirements cannot be met by running three (3) eight (8) hour shifts Monday to Friday. As agreed, this new shift pattern, if implemented, will only stay in place as long as there are four (4) crews working.

21.02 Lunch Periods

There shall be two (2) twenty (20) minute paid lunch periods. The lunch periods will be provided around the fourth hour and the eighth hour of the shift.

21.03 Rest Periods

There will be three (3) ten (10) minute paid rest periods.

21.04 Overtime Equalization

Employees who are scheduled to flip from Thursday, Friday and Saturday to Monday, Tuesday and Wednesday (that is, Sunday is their only day off) will not be allowed to work overtime on the Sunday and they will not be charged for that missed opportunity.

All overtime will be voluntary.

21.05 Overtime Regulations

The workweek will be considered to be Sunday 7:00 pm to Sunday 7:00 pm for overtime calculations purposes.

For Crews A and C, time and one half will be paid for the first twelve hours on Thursday and double time will be paid for all hours worked on Friday and Saturday.

For Crews B and D, time and one half will be paid for the first twelve hours on Wednesday and double time will be paid for all hours worked on Monday and Tuesday.

A rate of double time shall be paid for all hours worked:

- a) In excess of twelve (12) hours on any one shift.
- b) On a Sunday shift, excluding the 1st shift that starts 7:00 pm on Sundays. On all designated plant holidays.

Article 22 - Plant Holidays

Any employee who is not required to work on the negotiated plant holidays shall be paid twelve (12) hours at their regular rate of pay. Any employee who is required to work on a negotiated plant holiday shall be paid twelve (12) hours at their regular rate of pay, in addition to the appropriate overtime payment for all hours worked on such plant holidays.

Article 23 - Vacations

All vacation weeks for employees working the twelve (12) hour schedule will be converted to hours of vacation entitlement. (i.e. an employee with four (4) weeks of vacation will now have one hundred and sixty (160) hours of vacation entitlement). Vacation time taken will be based on actual hours taken off work. Alternative shift premium payment will not apply to vacation pay.

Article 24 -Benefits

24.01 Weekly Indemnity

Any employee on this shift pattern, who is off work due to illness/injury and who qualifies for weekly indemnity benefits, shall be paid such benefits after twenty-four (24) consecutive hours of lost time from work. All other qualifiers apply.

24.02 Pension Plan

Those on the alternate shift working a thirty six (36) hour work week will be considered forty (40) hours for the purpose of calculating credited service.

Article 27 - Wages and Classifications

27.04 Shift Premium

All employees working on this shift pattern on the night shift (Crews C and D) shall be paid a premium of sixty (65) cents per hour worked.

Alternate Shift Premium: All employees working on this alternate shift pattern shall be paid a shift premium of twelve percent (12%) for all regularly scheduled, non-overtime hours worked.

Article 28 - Job Redundancy

Severance payments under this plan shall continue to be based on the forty (40) hour work week.

This Alternate Shift Agreement shall be included as an addition to the collective agreement which expires on April 30, 2005 and will be effective once ratified by the vote of the Union membership.

ARTICLE 30 – TERMINATION OR MODIFICATION OF AGREEMENT

30.01 This agreement shall be in effect from May 1, 2002 through to and including April 30, 2005.

30.02 Further, this agreement shall continue in effect from year to year thereafter unless either party gives notice, in writing, of its' intent to terminate or seek amendments to this agreement, which notice shall be given not more than ninety (90) days and not less than sixty (60) days before the termination date.

30.03 In the event that either party gives notice seeking amendments and subsequent to negotiations a new agreement is not reached, this agreement shall expire at the current expiry date, or upon completion of the conciliation procedures as prescribed by law, whichever shall last occur.

30.04 It is understood that during any negotiations following upon notice of termination or amendment, either party may bring forward counter-proposals arising out of or related to the original proposals.

Legal Limitations

30.05 It is recognized that nothing in this contract is intended or shall anything be construed to require either party to contravene the laws of the Government of Ontario or the Government of Canada. Where any clauses may run counter to such laws, the provisions of the law shall apply where necessary.

DATED AT TORONTO, ONTARIO THIS 15TH DAY OF FEBRUARY, 2002.

FOR THE COMPANY

Ursula Wydymus _____
Ursula Wydymus

Eda Filiplic _____
Eda Filiplic

Shannon Malloy _____
Shannon Malloy

Charlie Morello _____
Charlie Morello

Kim Gernhaelder _____
Kim Gernhaelder

FOR THE UNION

Barry Lines _____
Barry Lines

Danny Smith
Danny Smith

Len Medford _____
Len Medford

Barb Quintanilha _____
Barb Quintanilha

Said Duale
Said Duale

Sukvinder Johl
Sukvinder Johl

Abbott Harvey _____
Abbott Harvey

LETTER OF UNDERSTANDING #1

RE: SUBSTANCE ABUSE

The Company and the Union jointly recognize substance use and abuse to be a serious medical and social problem that can be successfully treated. It is in the best interest of the employee, the Union and the Company to encourage early intervention and treatment to assist employees and members of their families towards full rehabilitation. Such assistance includes, but is not necessarily limited to, identification of the problem at the earliest stages, motivating the individual to obtain help, referral of the individual to appropriate treatment and rehabilitation facilities and a continuing education of employees and Union and management representatives alike to recognize and deal constructively with such problems as they arise.

An employee who undergoes a prescribed rehabilitative process will be entitled to Sickness and Accident benefits in accordance with the Sickness and Accident plan.

Should the Substance Abuse Representative come from the workplace covered by this collective agreement, s/he shall be granted a leave of absence, with full accumulation of seniority and pension service for the duration of time that he/she performs the job of Substance Abuse Representative.

In August of each year the Company shall contribute the amount of \$23,000 to the Local Union's fund to support the Local Union's Substance Abuse Representative whose services shall be available to employees of this bargaining unit.

In addition, it is recognized that the Substance Abuse Representative will be able to deal more effectively with matters related to substance abuse if they are provided with appropriate training. Therefore, the Company will allow reasonable time off to the Substance Abuse Representative to attend courses which form part of the Addiction Intervention Association's Alcoholism and Drug Counselor certification program, and will assume instructional fee costs and reasonable accommodation and meal costs associated with the taking of such courses.

Ursula Wydymus

Ursula Wydymus
Leader Factory Operations

LETTER OF UNDERSTANDING #2

RE: CONTRACTING OUT

The Company agrees that outside contractors will not perform work normally performed in the plant by skilled trades, while skilled trades employees capable and available to do the work are on layoff.

When skilled trades employees are on layoff, the Company will meet with the Union for the opportunity of having full and meaningful discussion prior to outside contractors being brought in to do trades work in the plant when the duration of the subcontract work is expected to exceed thirty (30) days.

The Company will review its capital projects (where known at the time) at the monthly Skilled Trades Meeting with a view to utilizing skilled trades employees where:

- ◆ skills and equipment are available in the Company
- ◆ time permits
- ◆ the cost is no greater
- ◆ regular skilled trades work is not adversely affected
- ◆ employees commit the required time availability
- ◆ the hours do not exceed Ministry limits or create a Health and Safety concern.

At the June 1999 Skilled Trades Meeting, the Company will review the timetable for the completion of existing capital projects and the projected dates for completion of work by outside trades contractors on each of those projects.

The Company will give notice to the Union before bringing in outside trades contractors, except in emergencies.

Ursula Wydymus

Ursula Wydymus
Leader Factory Operations

LETTER OF UNDERSTANDING #3

RE: PENSION PLAN

The Company agrees that a Pension Committee will be formed within sixty (60) days of ratification of this agreement. The Union will be entitled to have two (2) representatives on this Board.

Ursula Wydymus_____

Ursula Wydymus
Leader Factory Operations

LETTER OF UNDERSTANDING #4

RE: EMPLOYEE ADJUSTMENT COMMITTEE

The Company agrees to continue its practice with respect to an Employee Adjustment Committee. A full-time Union attendant appointed by the Plant Chairperson, shall be assigned to the day shift and proper office facilities and equipment will be furnished.

This practice shall continue as long as there are fifty (50) or more employees in any year, affected by job redundancy.

Ursula Wydymus

Ursula Wydymus
Leader Factory Operations

LETTER OF UNDERSTANDING #5

RE: SKILLED TRADES APPRENTICESHIP PROGRAM

Should the Company decide to implement an apprenticeship program during the life of this agreement, it is agreed that a joint committee shall be established to determine all elements of such program, the basis of which shall be as contained in the CAW Skilled Trades Apprenticeship Program, as discussed during the 2002 negotiations process.

The parties shall review whether future skilled trades requirements in the Plumbing trade can be economically satisfied by the addition of an apprentice(s).

Ursula Wydymus

Ursula Wydymus
Leader Factory Operations

LETTER OF UNDERSTANDING #6

RE: WEEKLY INDEMNITY - E.I. CARVE OUT

This letter serves to indicate the Company will continue its practice of having W.I. benefits continued on an exception basis, for those individuals who after applying for such carve out benefit, do not qualify.

Ursula Wydymus_____

Ursula Wydymus
Leader Factory Operations

LETTER OF UNDERSTANDING #7

RE: VOLUNTARY RETIREMENT PENSION

In view of the fact that there will be a significant number of job redundancies during the life of this agreement, the Company will provide an early retirement pension upgrade, as outlined below, when such early retirement is voluntary and is a direct result of job redundancy under the terms of Article 28 of this agreement.

The Company further agrees to allow "windows" of opportunity, for two (2) months in each year of this agreement, in order to determine and approve the number of applicants. The Company and Union shall discuss the timing of such. This window of opportunity will close each year on November 30th.

It is further understood that the application of this "Voluntary Retirement" shall be as follows:

When a position becomes redundant the Company will accept, by seniority, request for voluntary retirement on a one for one basis when a declared job redundancy incumbent chooses to exercise his/her seniority rights and remain in the employ of the Company.

Pension Upgrade

The Company shall provide an actuarially unreduced pension for employees who attain the age of 60, with ten (10) or more years of continuous, contributory and credited service, who are granted voluntary early retirement under the conditions noted above. This pension upgrade will apply only to those employees who meet the above specified criteria and retire during the life of this collective agreement.

Ursula Wydymus

Ursula Wydymus
Leader Factory Operations

LETTER OF UNDERSTANDING #8

RE: LIFETIME MAXIMUM - EXTENDED HEALTH

In the case where individuals entitled to Extended Health should exceed the lifetime maximum (\$15,000), the Company shall pay those expenses on an exception basis.

Ursula Wydymus

Ursula Wydymus
Leader Factory Operations

LETTER OF UNDERSTANDING #9

RE: MODIFIED WORK COMMITTEE

The Modified Work Committee will be comprised of four members, two from the Company and two from the Union. The primary objective of the committee is to establish, within a four-month time frame, the procedures, guidelines and scope of the program. The program will be implemented upon mutual agreement.

The Committee will operate within the Human Rights Code, its' interpretations and the current collective agreement.

The scope of the Committee will include:

1. determining specific jobs within the factory that will be designated as modified jobs and filled by those with restrictions, when applicable;
2. modifying the employee's job to accommodate the employee's disability;
3. if it is physically or technically impossible or financially prohibitive to modify the employee's job, the committee shall look for an alternate or modified alternate job within the bargaining unit.

Ursula Wydymus

Ursula Wydymus
Leader Factory Operations

LETTER OF UNDERSTANDING #10

RE: EMPLOYMENT EQUITY

During the current negotiations, the parties reaffirmed their commitment to Employment Equity.

In keeping with the principles of Human Rights legislation, it is the aim of the Company to create and maintain a climate of mutual respect in which all employees will be treated fairly and equally in every aspect of the employment relationship, without discrimination.

The Company will offer equal employment opportunity to all individuals on the basis of skill, ability, knowledge and experience. Notwithstanding the above, priority will be given to facilitating the employment and advancement of women, visible minorities, native persons, and people with disabilities, provided that their qualifications meet the bonafide job requirements.

The Company will involve the Union in the process when it is required to update the Federal Contractors' program.

Ursula Wydymus

Ursula Wydymus
Leader Factory Operations

LETTER OF UNDERSTANDING #11

RE: SOCIAL JUSTICE FUND

During the current negotiations, the parties discussed the Union plan to establish a Social Justice Fund for the purpose of providing financial assistance to such entities as food banks, registered Canadian charities, and international relief measures to assist the innocent victims of droughts, famines and other dislocations.

In recognition of the Union objective to establish a Social Justice Fund and subject to the conditions set forth in the following points (1) to (5), the Company will make quarterly contributions to the said fund equal to one cent (\$.01) for each straight time hour worked.

The following conditions are applicable:

(1) The Union incorporates the fund as a non-profit corporation under the Canada Corporations Act and ensures that all necessary steps are taken to maintain the corporation in proper legal standing and that all requirements of the Act are met.

(2) The Union registers the non-profit corporation as a charity under the Income Tax Act of Canada and maintains the registration in good standing.

(3) The Union obtains and maintains a favourable Income Tax Ruling from the Federal Department of National Revenue that all contributions which the Company makes to the non-profit corporation are tax deductible.

(4) The objects, by-laws and resolutions of this non-profit corporation should limit it to making the following types of financial contributions.

(a) Contributions to other Canadian non-partisan charities that are registered under the Income Tax Act.

(b) Contributions to non-partisan international relief efforts that are recognized by the Canadian International Development Agency (C.I.D.A.), or any successor body that performs like functions.

(c) Contributions to any Canadian or international nonpartisan relief efforts to which other Canadian registered charities, registered under the Income Tax Act, are also making financial contributions.

(d) Contributions to any non-governmental and non-partisan development group recognized by the C.I.D.A. and registered as a charity under the Income Tax Act.

(5) The Union provides the Company with the annual audited financial statements and summaries of each year's donations made by the non-profit corporation.

It is agreed by the parties that the Company shall be under no obligation to begin making the quarterly contributions set forth above until such time as the Union provides documentation to establish, to the Company's satisfaction, that the requirements of points (1) to (5) above have been, and are continuing to be met. Upon the Union providing this documentation to the Company, at the next quarterly contribution date, will make that contribution and all previously unpaid quarterly contributions to the fund's non-

profit corporation. Thereafter, the Company will pay each subsequent quarterly contribution as set for the above, as long as the requirements of points (1) to (5) above continue to be met.

Ursula Wydymus_____

Ursula Wydymus
Leader Factory Operations

LETTER OF UNDERSTANDING #12

RE: MAINTENANCE GENERAL

The current (May 1999) Maintenance General employee will be red circled at the P6 wage rate in consideration of long experience in the job. This shall not apply to future incumbents. However, for bumping purposes the P4 classification will be used.

Ursula Wydymus_____

Ursula Wydymus
Leader Factory Operations

LETTER OF UNDERSTANDING #13

RE: BUILDING AND GROUNDS MAINTENANCE

If there is work being performed or to be performed by subcontractors on building maintenance in the production area or grounds maintenance, (e.g. painting, leaf raking, grass cutting) which laid-off employees are willing and able to perform, the parties will sit down and discuss the matter with a view to having the laid-off employees perform the work.

Ursula Wydymus

Ursula Wydymus
Leader Factory Operations

LETTER OF UNDERSTANDING #14

RE: ALTERNATE SHIFT AGREEMENT

Alternate shift as in the Chocolate facility may be extended to other departments by mutual agreement. The Union has agreed to facilitate the implementation in other departments as required by mutual agreement. It is agreed that negotiations over this issue will be restricted only to issues directly arising out of the extension of the alternate shift and shall not include "trade-off" for other unrelated issues in the plant or changes to the March 7, 1997 Alternate Shift Agreement except as follows:

- ◆ page 1, paragraph 5 - delete "which expires on April 30, 1999"
- ◆ page 2, Article 18 - replace second sentence with the following "Any employee currently working in the area does not post to, or is unsuccessful on a posting to this new shift pattern, shall have their rate of pay maintained for six (6) months while working as long as they do not post into another job at a higher rate".
- ◆ page 5, paragraph 2 - change date to April 30, 2005.

Ursula Wydymus_____

Ursula Wydymus
Leader Factory Operations

LETTER OF UNDERSTANDING #15

EET'S TRADING SHIFTS

In conjunction with and further to the Agreement between Nestlé Canada Inc. and the CAW Local 252, it is agreed that EET's may trade shifts in accordance with its current practice with the permission of the Maintenance Manager in advance, in writing.

Ursula Wydymus

Ursula Wydymus
Leader Factory Operations