

THE AGREEMENT MADE AND ENTERED INTO THIS 8TH DAY OF
AUGUST, 1999

BETWEEN:

NESTLÉ CANADA INC.
(hereinafter call the “Company”)

and

BREWERY, GENERAL & PROFESSIONAL WORKERS UNION
(hereinafter called the “Union”)

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The Ontario Labour Relations Board by Certificate dated the 5th of May 1980 has certified the Union as the bargaining agent for the employees in the bargaining unit hereinafter described.

The purpose of this agreement is to provide lawful and orderly collective bargaining relations between the Company and its employees covered by the agreement through the Union, to secure prompt and fair disposition of grievances, to eliminate interruption of work and to promote to the fullest extent possible, efficient and economical operation of the Company's business and to maintain fair wages, hours and working conditions for the said employees, all as set forth in this agreement:

ARTICLE 1 - RECOGNITION

- 1.01** The Company recognizes the Union as the sole collective bargaining agent for all its employees at 1500 Birchmount Road, Scarborough, Ontario, save and except Supervisors, persons above the rank of Supervisor, quality control employees, office staff, persons employed for not more than 24 hours per week and students employed during the school vacation period.
- 1.02** Non-bargaining unit personnel will not perform any work normally performed by employees in the bargaining unit provided, however, that this clause shall not apply in the case of work of an experimental, instructional or educational nature or in cases of emergency or in cases of new equipment or processes. It is understood and agreed that the services of engineering and or technical staff will be required from time to time, as a result of the above circumstances.

ARTICLE 2 - RELATIONSHIP

- 2.01** (a) All regular employees in the bargaining unit shall, upon completion of the probationary period, become and remain members in good standing of the Union during the lifetime of this agreement as a condition of employment.
- (b) Employees hired on a seasonal (temporary) basis shall as a condition of employment , pay Union Dues and furthermore shall sign an authorization in writing on a form provided by the Union to that effect.

- (c) The Company will not discriminate against any employee and will ensure that employees are treated, during employment, without regard to their race, colour, religion, sex, age or national origin. It is further understood and agreed that the use of the masculine pronoun shall be deemed to include the feminine throughout this agreement.
 - (d) The Company is committed to providing equal employment opportunity to all individuals on the basis of seniority, skill, ability, knowledge and experience and within the framework provided by this collective agreement, to facilitate the employment and advancement of women, visible minorities, native persons, and people with disabilities.
- 2.02** (a) All regular employees who have completed the probationary period and have acquired seniority in the bargaining unit shall, as a condition of employment, sign an authorization in writing to deduct whatever sum may be so authorized for initiation fees, Union dues and for any assessments uniformly imposed on all members by the Union. Union dues shall be deducted weekly and the Company shall remit same to the Financial Secretary of the Union together with a list of employees from whose pay deductions have been made. The said sums shall be accepted by the Union as the regular monthly dues and assessments of those employees who are or shall become members of the Union and the sums so deducted from non-members of the Union shall be treated as their contribution towards the expenses of maintaining the Union. The Union dues will therefore be forwarded by the Company to the Union Office as soon as possible after the end of the month for which the deductions were made and in any case not later than two (2) weeks following the end of the month in which deductions were made.
- (b) The Union agrees that the Company shall not be liable for any and all claims which may be made against the Company by employees for amounts deducted in accordance with the above.
- 2.03** The Union agrees that it, its officers, agents, representatives and members, will not engage in Union activities during working hours or hold meetings at any time on the premises of the Company except as authorized by this agreement.

ARTICLE 3 - MANAGEMENT RIGHTS

3.01 The Union recognizes and acknowledges that the management of the plant and direction of the working force are fixed exclusively in the Company and without restricting the generality of the foregoing the Union acknowledges that it is the exclusive function of the Company to:

- (a) maintain order and efficiency;
- (b) hire, promote, demote, classify, transfer, suspend and retire employees, and to discipline or discharge any employee for just cause provided that a claim by an employee who has acquired seniority that he has been demoted, transferred, discharged or disciplined without just cause may be the subject of a grievance and dealt with as hereinafter provided;
- (c) make, enforce and alter, from time to time, reasonable rules and regulations to be observed by the employees; before altering any such rules, the Company will discuss same with the Union and give them the opportunity of making representations with regard to such proposed alterations;
- (d) determine the nature and kind of business conducted by the Company, the kinds and locations of plants, equipment and materials to be used, the control of materials and parts, the methods and techniques of work, the content of jobs, the schedules of work, the number of employees to be employed, the extension, limitations, curtailment or cessation of operations or any part hereof, and to determine and exercise all other functions and prerogatives which shall remain solely with the Company except as specifically limited by the express provisions of this agreement.

3.02 Without limiting the generality of the foregoing provisions, it is understood and agreed that breach of any of the Plant Rules and Regulations, or of any of the provisions of this agreement, shall be sufficient cause for an employee to be disciplined up to and including discharge. However, nothing herein shall prevent an employee from grieving the appropriateness of the discipline and whether or not such breach took place.

ARTICLE 4 - NO STRIKES - NO LOCKOUTS

- 4.01** The Union agrees that during the lifetime of this agreement there will be no strike, picketing, slowdown or stoppage of work, either complete or partial, and the Company agrees that there will be no lockout.
- 4.02** The Company shall have the right to discipline employees who take part in or instigate any strike, picketing, stoppage or slowdown, but a claim of unjust discharge or treatment may be the subject of a grievance and dealt with as provided in Article VI below.
- 4.03** Should the Union claim that a cessation of work constitutes a lockout, it may take the matter up with the Company as provided in Article VI below.
- 4.04** The Union further agrees that it will not involve any employee of the Company, or the Company itself in any dispute which may arise between any other employer and the employees of such other employer.
- 4.05** The Union agrees that it will not involve or interfere with any other installation of the Company, its affiliates or subsidiaries, in or as a result of any labour dispute it may have at the premises covered by this agreement.

ARTICLE 5 - REPRESENTATION

- 5.01** The Company acknowledges the right of the Union to appoint or otherwise select Stewards, not to exceed seven (7) Stewards, plus the Plant Chairperson, and the Executive Board Member, making nine (9) in total. In the absence of the regular Steward, the Company further agrees to recognize individuals who shall be identified as alternate Stewards. The alternate will only be recognized in the absence of the designated Steward. Steward representation shall be as follows:

ENROBING, MOULDING, CHOCOLATE, STARCH & COOKING	1 Steward
GENERAL PROCESS & TAKE OFF	1 Steward
FANCY PACK	1 Steward
MAINTENANCE & BOILER ROOM	1 Steward
WAREHOUSE & TRANSPORTATION	1 Steward
AFTERNOON SHIFT	1 Steward
MIDNIGHT SHIFT	1 Steward

All Stewards shall have completed the probationary period and shall be regular employees of the Company during their term of office. The Company agrees to recognize a grievance committee consisting of the Plant Chairperson and the Steward involved. Any problems resulting in a grievance will be handled by the Steward up to step number two of the grievance procedure, at which time they will be assisted by the Plant Chairperson, or in his absence, the Executive Board Member.

- 5.02** The name of each Steward and alternate, who may be elected from time to time, and the designated area they will represent, shall be given to the Industrial Relations Administrator in writing and the Company shall not be required to recognize any such Steward until it has been so notified.
- 5.03** The Company undertakes to instruct all members of its supervisory staff to co-operate with the Stewards in the carrying out of the terms and requirements of this agreement.
- 5.04** The Union undertakes to secure from its officers, Stewards and members, their co-operation with the Company and with all persons representing the Company in a supervisory capacity.
- 5.05** The right of Stewards to leave their work without loss of pay to adjust grievances filed by employees in their own areas under Article 6 is granted on the following conditions:
 - (a) The Steward shall obtain the permission of his Supervisor before leaving his work. The Supervisor may request a reasonable explanation for the Steward's absence from regular duties prior to being excused. Such permission shall not be unreasonably withheld.
 - (b) The time off shall be devoted to the prompt handling of grievances and shall be limited to the time required for attending grievance step meetings and any preliminary meetings with the management.
 - (c) The Supervisor shall have the right to limit such time taken, so that it is not excessive.
 - (d) The Union acknowledges that Stewards and officers of the Union have their regular duties to perform.
- 5.06** On any negotiating meetings held with the Company for the renewal of this agreement, the Union committee shall consist of the Plant Chairperson, Executive Board Member and not more than six (6) Stewards and any such full-time Union Representative as the Union desires. The Company agrees to pay employees on the said committee for lost time from work to attend negotiating meetings with the Company up to eight (8) hours per day at the employee's normal hourly rate.

- 5.07** The Company agrees that the Plant Chairperson will be assigned to work on the day shift. Furthermore, the Company agrees to recognize the assignment of a permanent Steward appointed to both the afternoon and night shifts provided the shifts are operational.
- 5.08** To ensure continuity of representation, the Plant Chairperson will be credited with super-seniority for the purpose of the lay-off only. This does not mean that employees in such a position will be protected against bumping, transfers, or being displaced from a particular position as a result of lack of work. It does mean however, that the Plant Chairperson will be protected only to the extent that he will not be displaced from employment and placed on actual lay-off from the Company. This provision shall continue in force as long as the day shift remains operational. Furthermore similar consideration will be extended to the afternoon and night shift Stewards.
- 5.09** In keeping with the spirit of 5.06 above, the Company agrees to grant a paid educational leave not exceeding three (3) days per year for all Stewards (excluding alternates) and Union officers provided the granting of such leave does not unreasonably interfere with the efficient operation of the Company.
- 5.10** Recognizing the importance of industrial peace within the establishment and the role of the Steward body, the Company encourages the Steward body to convene a meeting once every four (4) months for a duration of two (2) hours. Prior to convening meetings, the Plant Chairperson is expected to make a formal request for such meeting at least three (3) weeks in advance of the desired meeting date to the Industrial Relations Manager. Thereafter, the Company will arrange for appropriate meeting facilities and will inform the Plant Chairperson accordingly.

Following the Stewards meeting, the Plant Chairperson will meet with the Industrial Relations Manager to review any issues that are not conducive to positive Labour/Management relations.

It is understood that off shift Stewards attending the meeting do so on their own time.

ARTICLE 6 - GRIEVANCE PROCEDURE

6.01 The parties to this agreement are agreed that it is of the utmost importance to adjust complaints and grievances as quickly as possible.

6.02 No grievance shall be considered:

- (a) unless it deals with a specific violation of the collective agreement,
- (b) where the circumstances giving rise to it occurred or originated more than five (5) full working days before the filing of the grievance at Step No. 1 of the grievance procedure.

6.03 Grievances properly arising under this agreement shall be adjusted and settled as follows:

INQUIRY STAGE

The employee shall present his complaint orally to his Supervisor with the assistance of the area Steward if requested. Following the presentation of the complaint, the Supervisor shall have one (1) working day in which to respond. If the answer is not satisfactory to the employee, the complaint will be reduced to writing on a form supplied by the Union and approved by the Company and presented to the Industrial Relations Administrator as a formal grievance within two (2) working days following the rendering of the Supervisor's answer.

STEP NO. 1

The Industrial Relations Administrator shall convene a meeting with the appropriate management representative together with the aggrieved employee and the area Steward within two (2) working days of the presentation of the formal grievance. The management representative involved must reply in writing to the grievance within two (2) working **days** of the hearing at Step No. 1. If the answer is not satisfactory to the aggrieved employee then the matter may be referred immediately to the Industrial Relations Administrator who shall forward the grievance to the appropriate department head.

STEP NO. 2

Within two (2) working days of the presentation of the grievance at this step, the department head shall convene a meeting with the aggrieved employee, the grievance committee and such other persons as management may desire. The department head will respond in writing to the grievance within two (2) days of the hearing at this step. If the answer is not satisfactory to the employee, the grievance will be submitted to the

Industrial Relations Manager at any time within three (3) working days following the rendering of the department head's answer.

STEP NO. 3

A meeting will be convened within three (3) working days following receipt of the grievance with the grievance committee, the grievor, and a full-time Union representative together with such other persons as management may desire. The management shall render its decision in writing within three (3) working days following the hearing at Step No. 3 of the grievance procedure.

- 6.04** If final settlement of the grievance is not reached at Step No. 3 and if the grievance is one which concerns the interpretation or alleged violation of this agreement, the grievance may be referred by either party to a Board of Arbitration as provided in Article VII below at any time within ten (10) working days after the decision is given under Step No. 3 and if no such written request for arbitration is received within that time then the grievance shall be deemed to have been abandoned.
- 6.05** It is understood that the management may submit to the Union any complaint with respect to the conduct of the Union, its officers and members or any complaint that a contractual obligation undertaken by the Union in this agreement has been violated. Any such complaint shall be delivered in writing to the Chairperson of the grievance committee where upon it shall be discussed at Step No. 3 of the grievance procedure. Failing a satisfactory settlement within two (2) working days after the filing of such grievance, the Company may refer it to arbitration in accordance with Section 6.04.
- 6.06** A Union Policy Grievance, which is defined as an alleged violation of this agreement concerning all or a substantial number of the employees (five (5) or more) in the bargaining unit in regard to which an individual employee could not grieve or an alleged violation where a group of employees have signified to the Company an intention to grieve, may be brought forward by the Union Grievance Committee in writing at Step No. 3 of the grievance procedure at any time within five (5) working days after the circumstances giving rise to it occurred or originated and if such grievance is not settled to the mutual satisfaction of the conferring parties, it may be referred to a Board of Arbitration in the same manner as the grievance of an individual employee.
- 6.07** Any of the time set forth in this Article may be extended by mutual written agreement between the parties. Reasonable time extensions will be discussed and decided by the respective representatives given the level of the grievance procedure.

ARTICLE 7 - ARBITRATION

- 7.01** Both parties to this agreement that any dispute or grievance concerning the interpretation or alleged violation of this agreement, which has been properly carried through the provisions of Article 6 above, and which has not been settled, will be referred to a Board of Arbitration, at the request of either of the parties.
- 7.02** The Board of Arbitration will be composed of one person appointed by the Company, one person appointed by the Union and a third person to act as Chairperson chosen by the other two members of the Board.
- 7.03** Within five (5) working days of the request by either party for a Board, each party shall notify the other of the name of its appointee.
- 7.04** Should the person chosen by the Company to act on the Board, and the person chosen by the Union, fail to agree on a third person within seven (7) working days of the notification mentioned in 7.03, the Minister of Labour of the Province of Ontario will be asked to nominate a person to act as Chairperson.
- 7.05** The decision of a Board of Arbitration or a majority thereof, constituted in the above manner, shall be binding on both parties.
- 7.06** The Board of Arbitration shall not have any power to alter or change any of the provisions of this agreement or to substitute any new provisions for any existing provisions, nor to give any decision inconsistent with the terms and provisions of this agreement.
- 7.07** Each of the parties to this agreement will bear the expenses of the arbitrator appointed by it and the parties will jointly bear the expenses if any of the Chairperson.
- 7.08** No person shall be selected as arbitrator who has been directly involved in attempts to negotiate or settle the grievance.

ARTICLE 8 - DISCHARGE CASES

8.01 The discharge of an employee during his probationary period or the discharge of a seasonal (temporary) employee shall not be the subject of a grievance. A claim by an employee who has completed his probationary period that he has been discharged without just cause shall be treated as a special grievance. The written grievance shall be submitted at Step No. 3 of the grievance procedure within three (3) full working days after the employee is discharged. Such special grievance may be settled under the grievance procedure by:

- (a) Confirming the Company's action in dismissing the employee,
or
- (b) Reinstating the employee with or without compensation for time lost,
or
- (c) By any other arrangement mutually agreed upon.

8.02 When an employee has been dismissed without notice, he shall have the right to interview his Steward for a reasonable period of time before leaving the plant premises.

ARTICLE 9 - SENIORITY

9.01 (a) Seniority as referred to in this agreement, shall mean length of continuous service in the employ of the Company and shall continue on a departmental basis with respect to layoff or recall from layoff.

- (b) Notwithstanding the above, seniority with respect to vacation entitlement and application for job postings, shall mean length of continuous service in the employ of the Company and shall be applied on a plant-wide basis.

9.02 Regular employees hired into a permanent position will be considered probationary and shall have no seniority until the completion of sixty (60) working days. Upon completion of the probationary period seniority will be back dated to date of hire. Employees hired on a seasonal basis who do not attain seniority as set out in 9.03 who are accepted as a regular employee are required to complete the regular probationary period of sixty (60) working days regardless of the number of days of work completed as a seasonal employee.

9.03 Employees hired on a seasonal (temporary) basis who complete one hundred and thirty (130) days in one (1) calendar year or forty (40) weeks in two (2) calendar years or ninety (90) weeks in five (5) calendar years of work shall be considered a regular employee with seniority. Seniority will

be back dated one hundred and thirty (130) working days exclusive of Saturdays and Sundays.

- 9.04** The Company shall maintain a seniority list containing the name of all regular employees in its active employment. All such employees will be credited with seniority service equal to their length of continuous service in the employ of the Company. Seniority lists will be revised twice each calendar year. A copy will be posted on the bulletin board and a copy will be given to the Plant Chairperson and a copy will be forwarded to the Union Office. If employees do not challenge their seniority date within the first fifteen (15) days from the date their name first appears on a seniority list, then they shall be deemed to have proper seniority standing.
- 9.05** Seniority shall be administered on a departmental basis and the following shall be, for the purposes of administrating the lay-off and bumping procedure only, the departments:
- 1. Production and Returns**
 - 2. Plant Services**
 3. Shipping, Receiving, Packaging and Work in Process
 4. Maintenance
 5. Boiler Room
- 9.06** Seniority shall accumulate in the following circumstances only:
- (a) When off work due to layoff, seniority will continue to accumulate for the first twelve (12) months or the length of the employee's service, whichever is shorter.
 - (b) When off work due to sickness or accident (work related or not) then seniority will continue to accumulate regardless of the duration of absence from work. The Company shall not be obligated to provide employees with a training period as a result of prolonged period of absence form work.
 - (c) When off work due to personal leave of absence, then seniority will continue to accumulate for the first thirty (30) days of such leave.
 - (d) When absent on vacation with pay or on plant holidays.
 - (e) When actually at work for the Company.
- 9.07** Seniority shall terminate and an employee shall cease to be employed by the Company when he:
- (a) Voluntarily quits his employment with the Company.
 - (b) Is discharged and is not reinstated through the grievance procedure or arbitration.
 - (c) Is off work due to layoff for a period of twelve (12) months.

- (d) Is on layoff and fails to return to work after receipt of registered **or couriered** letter of recall within the time specified as contained in 9.13.
- (e) Fails to return to work upon the termination of an authorized leave of absence unless a reason acceptable to the Company is given.
- (f) Accepts gainful employment while on leave of absence without first obtaining the consent of the Company in writing.

9.08 It shall be the duty of each employee to notify the Industrial Relations Department immediately in writing of any change in address and/or telephone number. Notice required by the Company shall be deemed to be given, if forwarded by registered mail **or couriered** to the employee at the last address of which the Company had notice.

9.09 LAYOFF AND RECALL

Layoffs will be applied as follows:

- (a) Decreases in the working force shall be in accordance with the procedure set out in the following sections of this article.
- (b) In any layoff in excess of one (1) day or recall after such layoff, seniority shall receive primary consideration subject to the Company's right to maintain a competent working force and provided further, that all employees remaining at or being recalled to work shall then be qualified, in the opinion of the Company, to perform the work available. In the event of any layoff not exceeding one (1) day, the Company agrees to layoff seasonal (temporary) and probationary employees in the first instance provided the remaining employees are equally capable of performing the required duties to the Company's satisfaction.
- (c) Layoffs will first be applied by department starting with the particular job or jobs where there is insufficient work. The departments for layoff and recall purposes are as contained in 9.05.
- (d) Probationary and seasonal (temporary) employees, as determined by the Company who are working at the particular job affected, will be laid off first.
- (e) The most junior employee working in the department and shift affected shall receive notice of layoff which could result in transfers arising from the issuance of notice of layoff.
- (f) Notwithstanding (e) above, employees within wage rate classification two (2) or two (2) lead hand (production) who receive notice of layoff will be entitled to displace the most junior group one (1) production

employee on the shift affected rather than accepting an undesired shift. Employees choosing to exercise this option may do so not later than two (2) days following receipt of the notice of layoff.

- 9.10** (a) Employees attempting to claim a job by application of seniority do so recognizing that in all cases, they are entitled to bump the most junior employee, in their group within Schedule "A", whose job they can perform in the first instance, the only exception to this being that which is expressed in 9.10(c).

If he is not able to claim a job by seniority, in the same wage rate class, the above process will be repeated in successively lower wage rate classes until he either finds a job open to him by seniority or becomes subject to layoff.

- (b) Prior to being placed on actual layoff and provided that another department is in an upcrew position, or has seasonal (temporary) or agency employees actually working in that particular department, the laid off employee shall be provided with an opportunity of demonstrating his ability. If in the opinion of the Company he can perform the job satisfactorily, then the seasonal (temporary) or agency employee will be displaced from our employ.
- (c) Prior to being placed on actual layoff and only as a last resort, a laid off employee* shall be entitled to displace the most junior employee in a successively higher wage rate classification in his own department or successively lower or higher wage rate classification in another department provided the laid off employee exercising this option has a minimum of two (2) consecutive months of experience on the actual job he is attempting to claim by application of seniority within the previous three (3) year period.

*Effective on ratification, a Group 1 will be able to bump up to the most junior Group 2 job they can perform prior to being placed on lay-off if their seniority allows.

- (d) An employee claiming a job in another department by application of (b) and/or (c) above, shall not have any seniority rights within that department and will be returned to his original department by order of seniority as dictated by recall.

- 9.11** The Company agrees to provide written notice of termination of employment as prescribed under the Employment Standards Act with regard to termination of employment resulting from a layoff in the first instance only. Employees displaced by the application of seniority will be provided with a minimum of two (2) days written notice. Employees receiving written notice must complete and return one (1) copy confirming

his choice of options (a) application of seniority or (b) acceptance of layoff. Failure to complete and return one (1) copy of the written notice within two (2) working days shall result in immediate layoff and employees shall disqualify themselves from the notice period and /or payment in lieu of notice.

- 9.12** Employees choosing to be laid off rather than accepting an undesired shift, shall have the right to refuse a recall to work on an alternate shift, other than the shift being worked at the time of the layoff. This provision shall not exceed a period of twelve (12) months from the date of layoff.
- 9.13** Notice or recall to work shall be forwarded to laid off employees by registered mail **or courier**. Employees must return to work within five (5) days of receipt of the registered **or couriered** letter of recall and/or not later than ten (10) days from the date of **couriering or** mailing of the registered letter of recall. The Company may elect to expedite the recall process by telephoning the appropriate employees. Where the Company is unable to contact an employee by phone, the Plant Chairperson will be consulted for the purpose of verifying the Company's attempts to contact such employee and until such time as the employee actually reports for work, the vacancy will be filled in accordance with established practice. Furthermore, the Company will attempt to return laid off employees and employees transferred to other shifts as a result of layoff to the shift held prior to the imposition of layoff within two (2) weeks following a recall but in any event, not later than three (3) weeks provided, of course sufficient openings exist on the said shift.
- 9.14** In rehiring after layoff, the reverse order shall apply, that is , the last to be laid off shall be the first to be rehired. As jobs become available, employees may be recalled to a job opening which they held at the time of layoff (within 12 months).
- 9.15** Any employee claiming improper layoff must do so not later than five (5) working days following the effective date of layoff, otherwise the Company will not be held liable for damages. The Company agrees that whenever possible, it will advise employees who are being laid off for a period in excess of five (5) working days, with five (5) days notice. If the Company is unable to give notice, it will not be held liable.
- 9.16** In the event that an employee covered by this agreement should be promoted to a position beyond the scope of this agreement, then, within a period of six (6) months from the date of such promotion either the employee or the Company can elect a transfer back to the bargaining unit in which event the employee shall be entitled to return to his former position and to displace any employee who might have been transferred to fill his former position. In the event that the Company wishes to transfer such an employee back to the bargaining unit after the said period of six

(6) months, then he shall retain all seniority he had previously acquired and shall have added thereto the seniority accumulated while serving in such position beyond the scope of this agreement, but he shall not be permitted to make application for a vacancy until a period of twelve (12) months has elapsed following his transfer back to the bargaining unit. It is understood and agreed that except on the mutual agreement of the parties, any employee so transferred will be classified as General Help. In the event of a transfer back to the bargaining unit during a period of layoff, seniority shall be the governing factor in determining the right to claim his former position.

ARTICLE 10 - HOURS OF WORK AND OVERTIME

10.01 The following paragraphs and sections are intended to define the normal hours of work per day or per week or of days of work per week.

10.02 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 inclusive.

10.03 (a) There shall be one (1) **fifteen (15)** minute paid rest period in the first half of each shift and one (1) **thirty (30)** minute paid lunch period to be granted at a time or times selected by the Company.

(b) When overtime lasts for two (2) hours or more, employees shall be entitled to one (1) fifteen (15) minute paid rest period. This rest period may be taken at the end of the regular shift provided, the employee works two (2) hours or more.

10.04 The Company may require employees to perform overtime work in excess of their regularly assigned hours.

(i) One and one half (1 1/2) times the employee's regular basic hourly rate for:

(a) all hours worked in excess of eight (8) hours on a normal work day.

(b) the first eight (8) hours worked on a Saturday,

(c) all hours worked prior to his regular starting time.

(d) the first eight (8) hours worked on the sixth day.

(ii) Double time (2X) the employee's regular basic hourly rate for:

(a) all hours worked in excess of eight (8) hours on a Saturday.

(b) all hours worked on a Sunday.

- (c) all hours worked on the seventh day.
- (d) all hours worked in excess of eight (8) hours on the sixth day.
- (e) all hours worked on a paid holiday.

In both (i) and (ii) above, any hours that fall within the normal work week are excluded.

- 10.05** The Company may require employees to work on a shift basis. The Company shall pay a shift premium of fifty (50) cents per hour for all hours worked by an employee in a day when the majority of his regularly assigned hours fall between 4:00 p.m. and 12:00 midnight and of sixty (60) cents per hour for all hours worked by an employee in a day when the majority of his regularly assigned hours fall between 12:00 midnight and 8:00 a.m. The said shift premiums will not be included in calculating overtime pay. The Company will advise employees as soon as possible of any shift change.
- 10.06** An employee who has completed his regular shift and leaves the premises and is then recalled to work, shall receive a minimum of four (4) hours pay at time and one half (1 1/2) of the employee's regular straight time hourly rate. The Company reserves the right to assign additional work to be the equivalent for compensation received under this section.
- 10.07** An employee reporting for work as usual on a regular working day, unless notified not to report and for whom no work at his regular job is available, shall be offered at least eight (8) hours employment in other work at the employee's regular hour rate or, at the Company's option, will be paid eight (8) hours pay at the employee's regular hourly rate in lieu of such work. This provision shall not apply if the failure to receive notice was caused by reason of a strike or other work stoppage, machinery breakdown, fire, flood, power failure or other like cause, furthermore, this provision shall not apply in cases where employees fail to provide the Industrial Relations Department with their correct telephone numbers.
- 10.08** Any employee who for the convenience of the Company, is temporarily transferred to another job for which the rate of pay is different from that in effect for such employee's regular job, shall be paid while so employed as follows:
- (a) If the rate of pay for the job to which he is transferred is less than the employee's regular pay, he shall receive his own higher rate of pay.
 - (b) If the rate of pay for the job to which he is transferred is higher than the employee's regular pay, he shall receive the higher rate of pay for the job to which he is temporarily transferred.

- 10.09** An employee who is transferred to another job as a result of a layoff, breakdown of machinery or other like cause shall be paid the applicable job rate while so employed.
- 10.10** Overtime - except in the case of emergency breakdown of equipment, overtime after the completion of an eight (8) hour shift shall be voluntary. However, employees will co-operate and there will be no concerted or collective refusal to work such overtime as may be required to complete the work schedule for the shift. If there are insufficient volunteers, then the Company shall select the most junior employee in the department concerned, who is capable of performing the task required.
- 10.11** (a) The Union recognizes the problems of distributing overtime in a factory operation composed of a wide variety of production lines, production processes and job occupations, to the extent practicable under such circumstances, the Company will distribute overtime fairly among the employees who are scheduled to produce the work required to meet the daily schedule. Temporary employees will be entitled to unscheduled overtime on the line when the overtime is a continuation of the regular shift.
- (b) In the event that overtime is scheduled in the form of an extension of the regular shift, the Company will endeavour to distribute the overtime amongst regular employees rather than seasonal (temporary) employees who could be working on the particular line where the overtime is actually scheduled.
- 10.12** In the event that overtime is scheduled in the form of an additional shift, the current practice with respect to overtime assignment will be maintained. This clause shall only apply to those employees who are working in the department and wage class, in which the work is required.
- 10.13** In the event that an employee declines overtime, or is absent when overtime is available, the overtime hours will be recorded against the employee's name as if the hours were actually worked.
- 10.14** Notwithstanding sections 10.01 and 10.02, a Continental Work Week applicable only to the Plant Services group and specifically to those who are employed as either a Belt Line Cleaner or a Machine Cleaner will be implemented as required. Employees scheduled to work on either a Saturday or Sunday as part of their normal work week shall receive a premium of \$3.50 per hour in addition to their regular rate of pay for all hours worked on a Saturday or Sunday when so scheduled.

ARTICLE 11 - WAGES AND CLASSIFICATIONS

- 11.01** Schedules A, B, C, and D attached hereto are hereby made a part of this agreement.
- 11.02** Where any new classifications are created during the life of this agreement, the applicable rate will be discussed with the Union.
- 11.03** An employee injured on the job and requiring medical attention by a doctor shall be paid for the balance of his shift in which the injury occurred. If the use of an ambulance is determined to be necessary by the Health Center, the Company agrees to pay the difference between the actual cost and the amount paid by O.H.I.P.

ARTICLE 12 - JOB POSTING

12.01 Vacancies as determined by the Company which last for **fifty-five (55)** working days or longer, including Lead Hand, will be posted as permanent when they recur each year (this is not applicable for replacement for approved LOA's and absences due to illness), except vacancies in Group One shall be posted on the bulletin board for a period of three (3) working days. Vacancies created by the application of Article 9 (Layoff and Recall) of this agreement shall not be posted. Copies of job bulletins will be provided to the Plant Chairperson. Only regular employees will be permitted to make application for any vacancies. Postings will specify the shift of the vacancy.

12.02 The Company shall within seven (7) working days after the posting has been taken down, notify the successful applicant who shall be placed on the job not later than one (1) week following such notification. If the employee is not placed on the job within that period, he shall receive the higher rate of pay immediately.

This section does not apply in the case of advance posting where the actual date of the vacancy has not taken place. In the case of advance postings, the Company will provide effective dates of such vacancies.

12.03 Seniority shall be the governing factor provided that in the opinion of the Company, the employee has the qualifications to perform the job satisfactorily. Employees applying for multiple job postings must indicate order of preference at the time of application.

12.04 Nothing herein shall prevent the Company from hiring persons from outside the bargaining unit when no qualified employee applies. Any vacancy can be filled at the discretion of the Company on a temporary basis while carrying out the provision of this article.

12.05 Nothing herein shall require the Company to post more than two (2) vacancies (including the original vacancy) as a result of the occurrence of the original vacancy, and all subsequent vacancies which may occur shall be filled at the discretion of the Company.

12.06 Employees receiving a job through the job posting system, shall not be permitted to make further applications for vacancies until a period of six (6) months has passed from the most recent appointment unless applying for a higher wage rate classification.

- 12.07** Employees placed on a job as a result of this section who are not capable of performing the work in the opinion of the Company, after a brief period of familiarization, shall be returned to their former position and will displace any other employee who might have been transferred to his former position.
- 12.08** If following a brief period of familiarization as mentioned in 12.07 the employee is deemed to be capable of performing the work in the opinion of the Company, then all seniority previously acquired while working in another department shall be transferred to the new department where the job vacancy occurred and for which he was accepted.
- 12.09** Failing to fill permanent vacancies in accordance with the above procedure, temporary employees shall be considered for such positions provided they are qualified for the position in the Company's opinion prior to hiring from the outside. The filling of vacancies as described herein will be in keeping with the employees' hire date. It is further understood that upon completion of the probationary period as contained in 9.02, seniority will be back dated to the first day of change of employment status.

ARTICLE 13 - PAID HOLIDAYS

13.01 The following thirteen (13) days will be considered as paid holidays:

New Year's Day, January 2nd, 3rd Monday in February, Good Friday, Easter Monday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, December 24th, Christmas Day and Boxing Day.

All the above paid holidays will be paid for regardless of the day on which they fall, provided that:

- (a) The employee has completed the probationary period prior to the holiday(s) concerned.
- (b) The employee is present on the normal working day immediately before and after the holiday(s).
- (c) The employee has obtained permission in writing from management for leave of absence which would include any paid holiday(s), however, if such leave of absence exceeds one week (i.e. 5 working days) payment for the paid holiday(s) will not be granted.
- (d) Any employee can prove he was sick or that it was impossible to attend work. In case of doubt, the employee's attendance record will be the governing factor.

- (e) Laid off employees, who are recalled to work on either of the first two (2) working days immediately following the paid holiday(s) and provided such employee actually works the full day on which he was recalled.
- (f) An employee works on the working day actually before the paid holiday(s) and is laid off on the working days actually after it.
- (g) Seasonal (temporary) employees will be afforded payment for Statutory Holiday(s) only, as identified under the applicable legislation in the Employment Standards Act.
- (h) In the event that one of the above listed paid holiday(s) falls during a period for which an employee is receiving weekly indemnity, then, the employee shall receive the difference between the amount received while on weekly indemnity and regular earnings for the day in question.

In the event that one of the above named paid holiday(s) falls during a employee's vacation, then by mutual agreement between the Company and the employee, the employee shall receive an extra day's pay in lieu of the holiday, or an extra day with pay shall be added to the employee's vacation. **Holidays will be observed on the day on which it falls, unless the Company and Union Committee mutually agree to another day.** Should the government proclaim an additional Statutory Holiday, then such holiday shall replace December 24th.

13.02 Where possible the recognized holidays for December 24, 25, 26, January 1 and 2 will be scheduled and observed in one (1) work week.

ARTICLE 14 - VACATIONS

14.01 Entitlement shall be as follows:

6 months service as of June 30th	1 week	4% pay
1 year service as of June 30th	2 weeks	4% pay
5 years service	3 weeks	6% pay
10 years service	4 weeks	8% pay
20 years service	5 weeks	10% pay
30 years service	6 weeks	12% pay

14.02 Vacation pay will be based on earnings with the Company during the twelve (12) months immediately preceding June 30th in the vacation year. Vacation pay will be paid out, on or about July 1st with the exception of vacation actually taken prior to this date.

14.03 Vacations must be taken in the calendar year in which the vacation is due (January 1 to December 31).

14.04 Vacations will be taken at a time or times most convenient to the Company, however, employees will receive two (2) consecutive weeks of vacation during the month of July. The Company will endeavour to provide the last two (2) weeks of July, however, the needs of the business will dictate actual vacation time off.

The above is not applicable for persons employed in essential services (skilled trades, warehousing occupations and plant services). However, the Company shall make a reasonable effort to accommodate requests for vacations during the period and agree to maintain the current practices with respect to vacation scheduling for these groups of employees.

14.05 When business requirements require employees to take full weeks vacation prior to July 1st, the Company will pay a full weeks earnings (40 hours multiplied by their regular pay) if funds are available.

14.06 Entitlement to three (3), four (4), five (5) or six (6) weeks of vacation will be based on the anniversary date of the employee, that is, if an employee completes the necessary service requirement at any point in the vacation year, he shall then be qualified for the appropriate weeks of vacation regardless of the June 30th date.

ARTICLE 15 - LEAVE OF ABSENCE

15.01 The Company may grant leave of absence without pay to any employee for legitimate personal reasons. In order to be considered valid, the employee must submit a written request for leave to the Industrial Relations Administrator. An employee must submit their request at least three (3) weeks in advance of the first day of desired absence. Only in an emergency will a shorter period be permitted. In the event that the Company fails to respond to the written request for leave of absence within a period of one (1) week from the date the initial request was submitted to the Industrial Relations Administrator, the request for leave will be automatically granted.

15.02 The Company will grant leave of absence without pay to not more than three (3) employees to attend Union conventions and conferences for a period or periods not exceeding ten (10) days for any one employee in any one calendar year, provided that in the opinion of the Company the granting of such leave of absence does not interfere with the efficient operation of the plant.

15.03 The Company shall pay an employee who is required for Jury Service and or subpoenaed as a Crown Witness, for each day of such service, the difference between his straight time hourly rate for the number of hours he would normally have worked on that day and payment he received for

Jury Service or Witness Service. The employee must furnish proof as to the time served on Jury Duty or as a Crown Witness and the amount of pay received therefore. Any employee called for Jury Service or as a Crown Witness and who is temporarily excused from attendance at the court must report for work if a reasonable period of time remains to be worked on his shift. The above will not apply to employees who are the accused.

- 15.04** An employee required to be absent from work for the purpose of attending the funeral of his father, step-father, mother, step-mother, father-in-law, mother-in-law, spouse, child, step-child, brother, sister, grandmother, grandfather or grandchild shall be granted a leave of absence covering the required time off up to and including the day of the funeral. Where any of such days of required absence falls on a scheduled working day for such employee, he shall be paid a bereavement allowance for each such day, but up to a maximum of three (3) days computed by multiplying his regular straight time hourly rate times the number of hours he would have worked or by eight hours, whichever the lesser. In the event of the death of an employee's brother-in-law or sister-in-law, then he shall be granted one (1) working day leave of absence from his employment without loss of pay, provided he uses such time for the purpose of attending the funeral. In the event that an employee does not attend the funeral of his mother or father only, he will be entitled to one (1) working day's leave of absence with pay.

An employee will not receive bereavement allowance when it duplicates pay or any other allowance received for time not worked for any other reason. Time lost thus compensated for will not be counted as hours worked for purposes of determining overtime or premium pay liability.

- 15.05** In the event that any leave of absence is used for the purpose other than the purpose for which the leave was granted, then the employee may be discharged.

ARTICLE 16 - GENERAL

- 16.01** If the Union desires to post notices in the plant, such notices shall be first submitted in duplicate to the Industrial Relations Manager for approval. Neither the Company nor the Union shall make any change in such notice after such approval and no notice shall be posted except on such boards which shall be provided by the Company. There shall be no distribution or posting by employees of pamphlets, advertising or political matter, cards, notices or any other kind of literature upon the Company's property, except as herein provided, without permission of the Company.
- 16.02** If the full-time representative of the Union wishes to speak to Union Stewards in the plant about a grievance or other official Union business, he shall advise the Industrial Relations Manager, who shall then call the Steward or Stewards to the office where they may confer privately. These talks will be arranged so that they will not unreasonably interfere with the efficient operation of the Company.
- 16.03** Both parties hereto will co-operate to the fullest extent reasonably possible toward the prevention of accidents and the promotion of the safety and health of the employees. It is hereby agreed that it shall be the duty of employees to make use of all protective devices and equipment made available by the Company. To further these aims a safety committee shall be established composed of at least two (2) employees and two (2) management personnel, such committee shall meet not less than the number of times prescribed under the O.H. and S.A.
- 16.04** Pay days shall be each Thursday and the Company will endeavour to distribute pay cheques around the time of lunch breaks for employees working on days and afternoons. Employees working on the midnight shift will receive their pay cheques during their shift commencing on the Wednesday with the only exception being, a week in which a Statutory Holiday occurs and in that case, pay day shall be Thursday.
- 16.05** (a) The Company will pay 100% to a maximum of \$100.00 towards the cost of safety shoes purchased by regular employees who have completed the probationary period, to a maximum of one (1) pair per year (12 months from date of purchase).
- (b) Employees making use of the safety shoe allowance may do so only with the understanding that this benefit is strictly for use in the plant. In addition to the normal safety shoe allowance, persons employed as Cook "A", "B" or Cooks Helper and Plant Services will be provided with slip on rubbers where required.
- (c) The wearing of hearing protection equipment is mandatory for any employee working in areas where the noise level is ninety (90)

decibels or greater. Employees required to work in such areas shall be provided at no cost to the employee, within each twelve (12) month period, two (2) pair of ear plugs or one (1) pair of ear muffs only for employees in certain areas. Should any employee require further hearing protective equipment, they shall be responsible for payment of same. Under no circumstances will employees be permitted to work in areas which require the wearing of protective equipment unless they are in compliance with this section. Employees not complying with the above shall be dealt with severely.

- 16.06** The Company agrees to continue its present practice concerning the supply and laundering of uniforms. Regular employees will be provided with two (2) uniforms per week with the exception of those working in Starch, Chocolate, or Moulding departments and in their case, the number of uniforms issued will exceed two (2) in the week as deemed necessary by the Company. The present practice in regards to Maintenance will remain unchanged. Uniforms are the property of the Company and at no time will the wearing of uniforms outside of the building be tolerated with the exception of certain employees who are required to work outside. Employees refusing to comply with this section, will be disciplined.
- 16.07** (a) An employee required to work two (2) or more hours overtime in excess of his normal work day who has not been notified of such overtime the shift previous, shall be paid a meal allowance of \$5.50. Effective April 1, 1998 meal allowance will be increased to \$6.00.
- (b) Truck Drivers who are working outside a thirty (30) mile radius of the plant shall be provided with a meal allowance of \$8.00. Those not working outside of a thirty (30) mile radius shall be entitled to the meal allowance provided under subsection (a) of this section.
- 16.08** Lead Hands - will receive fifty-five (55) cents per hour over the highest rate in the group they lead.
- 16.09** The parties agree to create a new job position entitled Group Leader which shall fall under the scope of the collective agreement and shall be subject to the job posting and appointment process. Postings may be temporary, subject to the needs of the business. The Group Leader rate will be two dollars (\$2.00) above their normal rate of pay while they are performing the Group Leader function.
- 16.10** An employee who, at the request of his Supervisor, trains another employee will be paid a training allowance of fifty (50) cents per hour.
- 16.11** Employees absent from work for a period of three (3) days or more resulting from illness or accident are required to:

- (a) Notify the Company's **representative** of their intention to return to work by telephone one (1) day prior to the actual date of return. Notwithstanding the above, where the absence is for five (5) days or more the employee will provide a minimum of two (2) working days notice of intention to return to work.
- (b) Provide the Company's **representative** with a certificate from a physician confirming full recovery from the illness or accident which caused the period of absence.

Any employee not complying with this section shall not be permitted to return to active employment nor will the Company be obligated to provide work or payment of wages as a result of the employee's noncompliance.

16.12 A tool **expense** of **\$325.00 (\$350.00, January 1, 2000; \$375.00 January 1, 2001; \$400.00 January 1, 2002)** will be provided yearly to all maintenance personnel employed in groups 3, 4, 5 or 6, such **expenses are** intended for the replacement of worn or broken tools only, and will not be paid if the replacement of the tool is covered under the **manufacturer's** warranty. Furthermore, the **expense** will be paid upon submission of receipt for tools purchased for industrial use. Tool **expense** not spent may be carried forward into the next year.

ARTICLE 17 - BENEFITS

- 17.01** Seasonal (temporary) and probationary employees are not entitled to any of the benefits set forth under this article.
- 17.02** The Company will continue its present practice regarding payment of premiums of the benefit package recognizing that only regular employees who are on active payroll will be eligible to receive the benefit package as outlined. Furthermore, the continuation of benefit premiums payable by the Company shall cease at the expiry of seventy-two (72) week period for those employees who are disabled from work as a result of sickness or accident.
- 17.03** The Company will be responsible for the payment of premiums for Ontario Health Insurance Plan, on the same basis as described above (17.02).
- 17.04** The Company will be responsible for the payment of premiums for the Group Insurance Plan having a \$10.00 single and \$20.00 family deductible on the same basis as described above (17.02). There is no co-insurance feature on the plan, however, the drug plan covers only drugs that require a prescription from a qualified doctor. Once a year the Company will examine each employee's major medical lifetime maximum used and, for those employees who have exceeded \$7500.00 use of

major medical benefits, a credit of up to \$2500.00 will be applied on a yearly basis. **Effective August 1, 1999, life insurance will be \$55,000.00 (Effective April 1, 2002, life insurance will be \$60,000).**

17.05 (a) Effective June 1, 1992, the pension benefits will be based on the following formula:

1. For service between June 1, 1992 and September 30, 1996, the pension benefit shall be \$23.00 per month per year of credited service.
2. For service between October 1, 1996 and December 31, 1996, the pension benefit shall be \$24.00 per month per year of credited service.
3. For service between January 1, 1997 and December 31, 1997, the pensions benefit shall be \$29.00 per month per year of credited service.
4. For service between January 1, 1998 and December 31, 1998, the pensions benefit shall be \$34.00 per month per year of credited service.
5. For service between **January 1, 1999 and December 31, 1999**, the pensions benefit shall be **\$41.00** per month per year of credited service.
6. For service between **January 1, 2000 and December 31, 2000**, the pensions benefit shall be **\$48.00** per month per year of credited service.
7. For service between **January 1, 2001 and December 31, 2001**, the pensions benefit shall be **\$55.00** per month per year of credited service.
8. For service between **January 1, 2002 and December 31, 2002**, the pensions benefit shall be **\$62.00** per month per year of credited service.

(b) This benefit shall apply to all regular employees having a minimum of one year continuous service in the employ of the Company.

(c) **Credited** service from June 1, 1992 to March 31, 1993 is defined as 1800 hours worked. **Credited** service from April 1, 1993 to September 26, 1996 is defined as 1500 hours worked. As of September 27, 1996, credited service is defined as 1400 hours worked per year. **Effective January 1, 1999, credited service will include weekly indemnity hours.**

17.06 The Weekly Indemnity Insurance Plan will continue to provide for seventy-two (72) weeks of entitlement, it being understood that the second fifteen (15) weeks of the seventy-two (72) week period will be carved out and

payable through the U.I.C. with the usual qualifiers. Weeks of insurance payable through the carrier provides payment of 66 2/3% of the employee's normal weekly pay to a maximum of U.I.C. insurable benefit. Such payment to be made in accordance with the plan commencing the first day of accident, the first day of hospitalization, the fourth day of sickness and continuing for a maximum period of seventy-two (72) weeks (15-15-42). The Union agrees that the Company shall retain 100% of the U.I.C. rebates coming from the qualifications of the said plan.

17.07 Effective September 27, 1996, the Dental Plan will provide for payments in accordance with the current O.D.A. fee schedule.

Basic Plan:

- effective April 1, 1998, \$1,600 per year
- \$25.00 single and \$50.00 family deductible
- 80/20 co-insurance

Major Restorative (riders 1-2-4) Perio/Endo

- effective April 1, 1999, \$1,600 per year)
- 80/20 co-insurance

Orthodontics

- **Introduction of Ortho children only effective April 1, 2001, \$1,000 maximum per year (effective April 1, 2002, \$1,600 max. per year)**
- **50/50 co-insurance**

17.08 Effective April 1, 1998, the Company will provide a standard Vision Care Plan at \$200.00 every twenty-four (24) months for payment towards prescription eye glasses or contact lenses.

ARTICLE 18 - SEVERANCE

18.01 Where reasonably practicable, the Company will give the Union six (6) months of notice of the closure of the factory.

18.02 The Company agrees to make severance payments to all seniority employees whose employment is terminated as a result of a plant closure. Payments will be determined as follows:

- | (a) Service Category | Severance Payment |
|---|---|
| Employees with less than 5 years seniority | 1 week of pay per year of seniority |
| Employees with 5 years but less than 10 years seniority | 1 1/2 weeks of pay per year of seniority |
| Employees with 10 years but less than 15 years seniority | 1 3/4 weeks of pay per year of seniority |
| Employees with 15 years seniority or more | 2 weeks of pay per year of seniority |
- (b) Seniority is determined as of the employee's termination date.
- (c) For the purpose of the above calculations, seniority will be rounded to the next higher quarter (1/4) of a year.
- (d) A week's pay is equal to forty (40) hours at the rate stipulated in the collective agreement for the job held by the employee at the time of termination.
- (e) Severance payable under this section shall be deemed to include any severance pay as may be required under any Ontario legislation.
- (f) In order to qualify for severance pay, employees shall continue to work in a satisfactory manner as long as required.
- (g) The weeks of severance allowance plus earned vacation will not exceed the number of weeks remaining to the employee's normal retirement date.
- (h) Severance will not be payable to any employee who is discharged for just cause or who quits without Company approval (which will not be unreasonably withheld, subject to the needs of the business) prior to their final scheduled day of work.
- (i) Benefits will be extended for six months after the employee's termination date.**

ARTICLE 19 - TERMINATION

19.01 This Agreement shall be in full force and effective from **April 1,1999** through to and including **March 31, 2003** and shall continue in force from year to year unless in any year not more than ninety (90) days, and not less than thirty (30) days, before its date of termination, either party shall furnish the other with notice of termination of or notice of desire to bargain for renewal of this Agreement.

SIGNED AT SCARBOROUGH, ONTARIO THIS _____ DAY OF _____, 1999.

FOR THE UNION

FOR THE COMPANY

J.C. NELSON

G. BES

K. RAMCHARRAN

J. LATHAM

A. CUTLER

K. GERNHAELDER

S. AHMED

A. AZAM

E. GIBBS

C. GONSALVES

D. OLIVER

S. QUERESHI

WAGE SCHEDULE "A"

PRODUCTION OCCUPATIONS

		4/1/99	4/1/00	4/1/01	4/1/02
GROUP I	13.89	14.19	14.49	14.84	15.24
Packer Enrober Placer/Take-off Swirl					
GROUP II	14.18	14.48	14.78	15.13	15.53
Machine Operators: Cut-Roll Greer Wrap-King Box Overwrap Wrapping					
GROUP III	14.65	14.95	15.25	15.60	16.00
Cooks Helper Trucker					
GROUP IV	14.88	15.18	15.48	15.83	16.23
Mogul Assistant					
GROUP V	15.00	15.30	15.60	15.95	16.35
Cook "B" Extruder/Rheon Operator Mould Maker					

WAGE SCHEDULE "A"

PRODUCTION OCCUPATIONS (CONTINUED)

		4/1/99	4/1/00	4/1/01	4/1/02
GROUP VI	15.16	15.46	15.76	16.11	16.51
OPERATORS:					
Mogul					
Mixer (Chocolate)					
Moulding					
Enrobing					
Peppermint Pattie					
Nut Roaster					
Pre-Refiner					
GROUP VII	15.40	15.70	16.00	16.35	16.75
Refiner Operator					
Senior Operator					
Enrobing					
Moulding					
Mogul					
Turtle					
GROUP VIII	15.72	16.02	16.32	16.67	17.07
Continuous Fondant					
Continuous Caramel					
Cook "A"					

Starting rates for regular employees shall be 35 cents per hour less than the above rates in all categories until completion of the probationary period.

Seasonal employees shall receive 96 cents per hour less than the above rate in all categories for the entire duration of their employment as seasonal employees.

WAGE SCHEDULE "B"

WAREHOUSE OPERATIONS

		4/1/99	4/1/00	4/1/01	4/1/02
GROUP 1 Order Picker	14.88	15.18	15.48	15.83	16.23
GROUP 2 Shipper/Receiver Lift Truck Operator	15.31	15.61	15.91	16.26	16.66
GROUP 3 Senior Shipper	15.72	16.02	16.32	16.67	17.07
GROUP 4 Truck Driver	16.03	16.33	19.63	16.98	17.38
GROUP 5 Tractor Trailer Driver	17.52	17.82	18.12	18.47	18.87

Starting rates for regular employees shall be 35 cents per hour less than the above rates in all categories until completion of the probationary period.

Seasonal employees shall receive 96 cents per hour less than the above rate in all categories for the entire duration of their employment as seasonal employees.

WAGE SCHEDULE "C"

MAINTENANCE OCCUPATIONS

			4/1/99	4/1/00	4/1/01	4/1/02
GROUP 1		15.16	15.46	15.76	16.11	16.51
	Maintenance Helper					
GROUP 2						
Apprentice	Step 1		15.25	15.55	15.90	16.30
	Step 2		17.00	17.30	17.65	18.05
	Step 3		18.75	19.05	19.40	19.80
GROUP 3		20.54	20.84	21.14	21.49	21.89
	Facilities Operator Area Mechanic Electricians					
GROUP 4		21.58	21.88	22.18	22.53	22.93
	Senior Facilities Operator					
GROUP 5						
	Electro Mechanical Technician					
	Level 1	20.93	21.23	21.53	21.88	22.28
	Level 2	21.62	21.92	22.22	22.57	22.97
	Level 3	22.23	22.53	22.83	23.18	23.58
	Level 4	23.14	23.44	23.74	24.09	24.49

Starting rates for regular employees shall be 35 cents per hour less than the above rates in all categories until completion of the probationary period.

Seasonal employees shall receive 96 cents per hour less than the above rate in all categories for the entire duration of their employment as seasonal employees.

WAGE SCHEDULE "D"

MISCELLANEOUS OPERATIONS

		4/1/99	4/1/00	4/1/01	4/1/02
GROUP 2 Laundry Attendant	14.88	15.18	15.48	15.83	16.23
GROUP 3-A Plant Services	14.65	14.95	15.25	15.60	16.00
GROUP 3-B Machine Cleaner Mould/Plaque Washer Belt Cleaner	15.00	15.30	15.60	15.95	16.35

Starting rates for regular employees shall be 35 cents per hour less than the above rates in all categories until completion of the probationary period.

Seasonal employees shall receive 96 cents per hour less than the above rate in all categories for the entire duration of their employment as seasonal employees.

LETTER OF UNDERSTANDING
RE: SENIORITY STATUS OF TEMPORARY EMPLOYEES
(having a minimum of one year of seasonal employment)
(DATED NOVEMBER 12,1987)

In keeping with our agreement reached during the recent set of negotiations, persons hired as a seasonal/temporary employee will be credited with seniority standing (for the purpose of layoff or recall only.) Their names and starting dates will then form a "Temporary Employee" seniority list.

PROVISOS

Seniority Rights Defined:

- Temporary employees do not have the same seniority rights as permanent full-time employees, i.e. bumping options and shift preference etc., nor is the Company obligated to return the temporary to a shift held prior to layoff.
- In assigning this particular group with a "seniority" date, it only suggests that temporary employees are provided with rights of recall provided there are no issues of concern related to performance either directly or indirectly.
- In matters of layoff/recall whenever possible and where notice of layoff permits, temporary employees will be laid off and recalled by seniority provided the senior temporary employee is qualified, in the opinion of the Company, to perform the remaining work.
- Any temporary employee refusing to accept a work assignment, transfer, etc., shall be removed from the temporary seniority list and termination will result.
- Temporary employees shall be deemed terminated during each period of layoff as defined under the Employment Standards Act "Definite Term/Task", however, this shall not interfere with their rights to recall as defined.

The above is not intended to circumvent the collective agreement in any way, shape or form nor is it intended to provide any benefits other than those specified above.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**LETTER OF UNDERSTANDING
RE: ACTIVE PAYROLL (17.02)**

Regular employees shall be deemed to be on active payroll when:

- (a) Actually at work for the Company.
- (b) A period of employment is interrupted by illness or accident which has necessitated the employee to absent himself from work. This however, shall not apply to laid off employees who are not able to comply with an official recall to work as a result of illness or accident.
- (c) Absent on vacation or on paid holiday.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**LETTER OF UNDERSTANDING
RE: DISCIPLINARY RECORD
(DATED NOVEMBER 12,1987)**

Except in cases of suspension, or in cases of assault or theft, an employee's previous record will not be referred to after a period of three (3) years.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**LETTER OF UNDERSTANDING
RE: JOB POSTING
(DATED NOVEMBER 12,1987)**

The parties have agreed that in certain circumstances where attendance is relevant to a job posting, the Company can legitimately consider an employee's absenteeism record in determining whether an employee is qualified. Further, in jobs where the level of supervision is lessened or responsibility higher, the Company can legitimately consider an employee's discipline record as it relates to work performance in determining whether the employee is qualified.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

LETTER OF UNDERSTANDING
RE: REINSTATEMENT OF BENEFIT COVERAGE

The parties to the current collective agreement having an expiry date of March 31, **2003**, agree to reinstate the usual benefit coverage for employees returning to active employment following a prolonged period of absence from work with the following understanding:

Employees absenting themselves from work due to sickness or accident who inform the Health Center of their intention to return to active employment may do so with the understanding that the necessary medical authorization is in place. In addition, such employees will be permitted to return to active employment, however, under a period of assessment (4 weeks in duration) at which point we will determine if in fact the individual is actually able to return to active employment or if the individual is merely abusing the system by attempting to establish a new claim.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**LETTER OF UNDERSTANDING
RE: GRIEVANCE PROCEDURE**

It is agreed by both the Company and the Union that should the Industrial Relations Administrator be unavailable for presentation of a formal grievance and or step one of the grievance procedure, the grievance in that case, will proceed directly to step two provided the grievance is submitted within two working days following the rendering of the Supervisor's answer.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

LETTER OF UNDERSTANDING
RE: APPENDIX "C" - MEMORANDUM OF SETTLEMENT

The Company will make every reasonable effort to ensure that no employee with ten (10) or more years of seniority will work less than the number of insurable weeks per year required to qualify for U.I.C. benefits.

The Union and the Company agree that it may not be possible for the Company to ensure this minimum number of weeks work should the poundage fall below the 1984 poundage production level minus 5%.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

LETTER OF UNDERSTANDING
RE: RECALL PROCEDURE (LESS THAN ONE WEEK)

It is agreed by the Company and the Union that in the event of a recall to work for a definite term and task of less than one week, the Company shall begin by recalling employees by order of seniority. However, if it is apparent that senior employees do not choose to return to work, the Company shall offer the recall to the most junior employees.

In the event that junior employees refuse the recall, the Company shall then fill the vacancy as it sees fit.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**LETTER OF UNDERSTANDING
RE: TECHNOLOGICAL CHANGE
(DATED APRIL 13,1985)**

If the number of permanent full-time employees are substantially reduced as a direct result of technological change, the Company agrees to advise the Union of the potential reduction of Unionized employees prior to any such change.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**LETTER OF UNDERSTANDING
RE: CONTRACTING OUT
(DATED APRIL 13,1985)**

The Company will continue its practice concerning the above subject matter, with the understanding that it will not result in the layoff or delay of recall of any regular employee who has completed the probationary period and has acquired proper seniority standing.

The Company reserves the right to contract out work. However, the Company will offer the opportunity to perform complete projects to the skilled trades group who are qualified, capable and competent in the required skills. The use of skill trades must be cost competitive and be able to complete the job in the specified time frame.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**LETTER OF UNDERSTANDING
RE: MAINTENANCE OF PAY**

Employees unable to bump the most junior employee within their own wage rate classification, who are, by virtue of existing language with regard to lay-off contained in the collective agreement, forced to accept a position in a lower wage rate classification, shall be treated as follows:

- (a) Employees so displaced due to their lack of skill and ability, who have been offered, and have refused, an opportunity to receive cross training, shall be paid the applicable rate of pay for the job claimed by virtue of the lay-off procedure.
- (b) Employees so displaced due to their lack of skill and ability, who have accepted any and all opportunities for cross training offered them, shall be paid their regular rate of pay for a maximum period of eight (8) weeks, and thereafter shall be paid the applicable rate of pay for the job claimed by virtue of the lay-off procedure.
- (c) Failure of employees to meet the obligation with regard to cross training, or to demonstrate a satisfactory effort in the opinion of the Company, will result in immediate disqualification from entitlement as described in (b) above.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**LETTER OF UNDERSTANDING
RE: TEMPORARY TO PERMANENT STATUS**

In keeping with our agreement reached during the recent set of negotiations and in addition to newly negotiated language (12.09), the following practice will be adopted.

- (a) The filling of permanent positions, as deemed necessary by the Company, resulting from natural attrition will be in the first instance, satisfied by means of the temporary employee group and in order of “temporary employment status seniority” provided they are qualified in the opinion of the Company to perform the requirements of the job.
- (b) In offering positions to temporary employees, this will in no way interfere with or restrict our inherent rights as defined under Article III of the terms and conditions of the collective agreement.
- (c) This will in no way be interpreted by the Union as a guarantee to maintain (or increase) a specific level of permanent employees.
- (d) In addition to the above, the Union has our assurance that it is not the Company’s intention to reduce the complement of full-time employees by means of increasing the temporary group. Notwithstanding the foregoing, the Union must recognize that the Company has an absolute right to determine the number of employees to be employed as specified under the Management Rights clause as contained in Article III of the current collective agreement.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**LETTER OF UNDERSTANDING
RE: TIGER**

Seniority employees shall participate in the salaried employees Bonus Plan for the life of this agreement as follows:

(a) TIGER (Teamwork Initiatives Generating Excellence and Rewards) will be introduced to replace the Nestlé Bonus Plan in 1999 and each year thereafter, will be developed and will include the following measurement tools; percent of standards produced, quality, safety, costs and any other relevant measurement tool(s). The program will pay out up to 4% of yearly earnings (maximum of 2080 hours) if the measurement criteria, are achieved. There will be an opportunity for an additional payment (120% maximum) if there is an over-achievement of the targets (110%). That is the program must make money before it can pay out.

A joint committee will be formed to develop the program, with the above criteria as the basic measurement tools. The committee will meet to fully develop the plan. The plan that is developed will be sent to the Senior VP Human Resources, Senior VP Technical & Manufacturing and the President, Foods for final approval.

(b) Eligible earnings shall be defined as the employee's hourly wage rate as at the year end multiplied by the number of hours he/she worked during the calendar year in question. Hours worked shall include vacation, statutory holidays and Union leave, but exclude weekly indemnity and WSIB. The total number of hours shall not exceed 2080.

(c) It is anticipated that the Bonus earned for each year shall be paid out in February of the subsequent year.

(d) Notwithstanding the above, bonus shall not be included in the previous year's earnings for the purpose of calculating vacation as per Article 14.02.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**LETTER OF UNDERSTANDING
RE: DOCTOR'S NOTES**

The Union agrees that the Company may require an employee to provide a Doctor's note identifying the illness in situations where the absence is three days or less, if the Company has reasonable grounds to doubt that the employee was in fact ill. The Company agrees that this is a right that must be exercised with discretion.

The Company will pay for all medical reports requested by the Company and the Insurers.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

LETTER OF UNDERSTANDING RE: CROSS TRAINING

The Company and Union recognize the benefits of a cross training program; for the Company it allows for a greater skill base to draw upon and for the employees it provides for greater job stability. These programs can be achieved by extra staffing, substitution or rotation if necessary for the effectiveness and efficiency of the operation.

Joint Cross-Training Committee:

A joint cross training selection committee will be established with equal representation from both the Union and the Company, such composition to include the Industrial Relations Manager plus one other company representative as well as the Plant Chairperson and one other Union representative.

The purpose of such committee will be to determine the number of cross training opportunities available within the plant per year, and the candidates for such opportunities. Guests from the area to be trained, will be invited to participate in the selection. However, the final decision will be made by the Joint Committee.

Budget:

The Joint Committee will manage the training budget which will be .5% of regular working hours multiplied by the average hourly rate with a \$50,000 ceiling. The committee will manage this budget with serious consideration to the cross training budget and availability constraints. The Committee may, by unanimous vote agree to increase the budget.

Selection:

Candidates will be chosen to extend the skill base within the plant and where the cross training will provide for greater job security. Based on the needs of the business selection may be from within the same job classification, higher or lower job classifications or interdepartmental. Seniority will be the main factor where the need or benefit from the cross-training is equal for the candidates. Other factors will include the candidate's current position, number of weeks normally in the plant, duration required in the cross-training position and shift preference/shift required.

Employees cross-trained have an obligation to work when required. This may include working an undesired shift. As a result, there is an obligation for employees to act as trainers even if the selected candidates have more seniority.

Skills Matrix:

The Joint Committee will maintain a Skills Matrix. This Skills Matrix will be used for placing employees to cover absenteeism/vacation relief, temporary jobs less **55** days, and lay-offs.

All cross-training candidates will be evaluated for competency upon completion of the training. If a cross-trained individual has not performed the job after a period of two years, they will be re-evaluated for competency.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**LETTER OF UNDERSTANDING
RE: LIGHT LABOUR PROGRAM**

As discussed during the 1993 set of negotiations, the Company may approach the Union from time to time to share information on new opportunities for new work to be brought into the plant. The Union agrees that it will meet with the Company as quickly as possible to explore the possibility of establishing a lower work rate for such work if such a lower rate is necessary to allow the company to make a competitive bid. It is understood that if such a new rate is agreed upon and new work secured only employees who volunteer for such work will work at such new rate and that if there is a surplus of volunteers the work will be assigned to the senior qualified volunteers.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**LETTER OF UNDERSTANDING
RE: MAINTENANCE DEPARTMENT VACATION POLICY**

Vacation entitlement is based upon the current Collective Agreement.

Vacation scheduling will be based upon the following:

- (1) Vacation selection will be granted on the basis of plant seniority with the Trade Groups. For purposes of vacation scheduling the Trade Groups will be as follows; (i) Electrical, (ii) Stationary Engineers, (iii) Packaging, (iv) all other Mechanics.
- (2) Vacation will be scheduled on the basis of the maximum allowable absences at any one time, per Trade Group, based on the following allowable absence chart:

TRADE GROUP	Maximum Number of Employees on Vacation at one Time		
	Jan./Feb./Apr. May/June	Mar./July/Aug. Dec.	Sept./Oct./Nov.
Electrical	1	1	Only one (1) employee may be absent from each of the Maintenance and Boiler Room Departments at any one time.
Stationary Engineers	1	0	
Packaging	3*	1	
All other Mechanics	3*	1	

* Based on one person per Department on vacation at any one time.

- (3) Employees must submit their vacation request in writing to their Supervisor not later than the end of March of the year the vacation is to be taken. Effective April 1st, the Supervisor will consider the requests submitted to date and will grant vacation requests in accordance with seniority and the allowable absence chart.

If an employee fails to meet the March 31st deadline, the employee may submit a vacation request after April 1st on the basis of first come first served in keeping with the allowable absence chart.

Those employees who do not submit a vacation request by the end of May (of the vacation year) shall have their vacation time off scheduled by Management.

**RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.
FOR THE UNION**

C. NELSON

FOR THE COMPANY

G. BES

LETTER OF UNDERSTANDING
RE: MAINTENANCE DEPARTMENT OVERTIME DISTRIBUTION

The Company will endeavour to distribute overtime opportunities as fairly as practicable in keeping with the guidelines which follows:

- 1) There shall be one overtime log covering all overtime opportunities kept by the Maintenance Department for the employees of the department.
- 2) The log shall identify the "Appropriate Overtime Distribution Groups" and shall include the names of the employees who are members of the group in descending order of seniority.
- 3) The log shall be updated weekly.
- 4) Overtime opportunities shall be allocated based on whether the opportunity is planned or unplanned.
- 5) **Planned Opportunities:**

When the opportunity(s) arises, the Supervisor will determine which Distribution Group normally performs the work in question and the Supervisor will begin offering the opportunity(s) to that Group's members beginning with the employee who has the least accumulated hours. All refusals will be logged against the employee in an amount equal to the hours worked by the accepting employees up to a maximum of eight (8) hours. Where an employee turns down an opportunity on a particular calendar day, the Supervisor need not offer any other overtime opportunity(s) which may arise for the day to be worked. Nor will additional refusals be logged against the employee for that day.

Where sufficient volunteers from the appropriate group cannot be secured, the Supervisor may choose to ask employees from another distribution group.

6) **Unplanned Opportunities:**

From time to time machines break down or employees call in sick or other events occur which make it difficult to distribute overtime amongst those normally performing the work in question. In these situations, the Supervisor will determine if overtime needs to be scheduled. If he deems it appropriate, he will offer the opportunity(s) to work to those employees who are members of the group and are on the premises. All refusals will be logged in an amount equal to the time which could have been worked up to a maximum of eight (8) hours.

Where sufficient volunteers from the appropriate group cannot be secured, the Supervisor may choose to ask employees from another distribution group.

Depending on the situation at hand, the Company reserves the right to contract out work in keeping with the past practice as the Company deems appropriate.

- 7) All overtime offered and refused or worked shall be logged.
- 8) The department management and steward shall meet each month to review the log and the Preventative Maintenance Plan. They shall review:
 1. the low person in each overtime distribution group for period end,
 2. the planned and unplanned overtime for the month past,
 3. upcoming overtime opportunities which clearly do not belong to any specific distribution groups, and
 4. those individuals who are low in overtime hours who are qualified to do the projects identified in point 3 above.

The log will be reviewed at the end of each month and any inequities will be highlighted and the Company shall direct opportunities to those employees noted.

- 9) Employees absent from work (i.e.: Leave of Absence, etc.) for a day or greater, will have their overtime hours adjusted upon return in a manner which will ensure the same difference in accumulated hours between themselves and the next highest employee that existed prior to the absence.

In the case of absence due to verified illness, the employee will have their hours adjusted upon their return to work if the absence equals or exceeds twenty-eight (28) calendar days.

In the case of absence due to Vacation leave, no adjustment will be made in respect of opportunities which were available while the employee was off on said leave.

- 10) Where an employee has a concern over overtime assigned to another, the employee should immediately notify the Supervisor of his concern.

11) **Special Assignments:**

Where an employee begins a Special Project or Assignment, the Company may choose to leave the employee on that project versus assigning others. The first forty (40) hours of overtime on a special assignment will not be charged to an employee's overtime log. All special assignment overtime hours worked greater than 40 hours will be charged to the employee's normal distribution area.

- 12) At year end, the overtime log shall be adjusted down in each distribution group by an amount equal to the hours of the lowest accumulation of that group.
- 13) At each month's review meeting, the parties shall examine the gap in each distribution group between the highest and lowest accumulation. If it is found that the gap, **which was identified at the meeting the month before**, increased solely due to the inappropriate assignment of scheduled overtime, then the Company will pay the employee for the time lost and the hours shall be removed from the log.

OVERTIME DISTRIBUTION AREAS

GROUP 1

Electricians
E.M.T.'s
(Electrical)

GROUP 2

E.M.T.'s
(Mechanical)

GROUP 3

Dry Side

GROUP 4

Starch

GROUP 5

Wet Side

GROUP 6

Stationary
Engineers

GROUP 7 LEADHAND

The Leadhand may be required to work in all areas and may be required to perform overtime irrespective of accumulated hours due to the nature of the work.

It is understood that employees who are employed as a Leadhand may also be asked to work in a capacity as a mechanic, without the need to "Lead" anyone. In these situations, the Company will not call-in or ask in the Leadhand for Unplanned or Planned overtime, respectively, if he is already 40 hours ahead on the accumulated hours of the mechanic(s) who are regularly assigned to the equipment in the "Area" until such maintenance mechanic(s) are asked if they wish to work provided they are qualified.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

LETTER OF UNDERSTANDING RE: GROUP LEADERS

During the term of the Collective Agreement it is the intent of the Company to expand the opportunities for Group Leaders within the factory. The Company would like to recognize and reward the greater involvement in the daily operations of the department/work areas. The Company will decide when and where Group Leaders will be required for the efficient operation of the factory.

JOINT-COMMITTEE

The Selection Committee will include three (3) Union Representatives, the Site Manager, a Production Supervisor and a representative from Human Resources or Training.

RESPONSIBILITY

A Group Leader assists in directing the work of employees while continuing to perform his other regular duties as defined by Management on an ongoing basis. In the course of his assignment as a Group Leader he may also be required to perform work regularly done by the employees he leads.

A Group Leader shall not assume the employee relations supervisory responsibilities such as reprimanding or disciplining employees. This does not preclude a Group Leader from advising an employee that he is violating any work/safety rules.

SELECTION

All applicants responding to a Group Leader advertisement will be interviewed and tested by a joint union/management committee. The Committee will mutually agree upon the selection criteria to be used giving due consideration to required leadership ability, job skills, technical competency and seniority. All employees will be evaluated on the same selection criteria. The position will be awarded to the individual who scores the highest based on the combined Selection Committee scores. Reasons for refusal will be given in writing to any applicant more senior than the applicant chosen.

EVALUATION

With standard job related training, success will be determined through competency testing for both technical and soft skills based on agreed criteria. Based on the mutually agreed criteria list, the Selection Committee will evaluate the Group Leaders after the first three (3) **months** and again after the completion of six (6) months time on the job. Further reviews may be scheduled at the discretion of the selection committee. If the employee is not successful, he will be removed from the Group Leader position and revert back to his previous position.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**MEMORANDUM OF AGREEMENT
RE: ALTERNATIVE WORK WEEKS**

12 HOUR SCHEDULES

An alternative work week (3 by 12 hour shifts) will be introduced in the factory only in the Turtle and Sugar based production and their support groups (i.e. maintenance and warehouse). The decision will be driven by requirements and capacity to produce the volume in order to maintain a competitive advantage. The parties by mutual agreement may revert to a conventional Monday to Friday, eight (8) hour shift schedule.

The implementation of a twelve (12) hour shift schedule will not result in a reduction in the number of total crew work weeks.

The parties agree to the extended shifts as outlined below;

1. HOURS OF WORK

The alternative shift schedule to be implemented is three (3) - twelve (12) hour shifts per week. The six (6) day crewing will be Monday/Tuesday/Wednesday and Thursday/Friday/Saturday shift schedules. When operating only one (1) three (3) day schedule, the Company may start the work week on Monday, Tuesday or Wednesday.

The first shift will be 7 p.m. to 7 a.m. and the second shift will be 7 a.m. to 7 p.m. wherever possible.

2. SHIFT CYCLE

Crews working a six (6) day twelve (12) hour shift pattern will rotate within a six (6) week cycle;

WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	WEEK 6
M T W	M T W	M T W	T H F S	T H F S	T H F S

3. PREMIUMS

Employees scheduled to work three (3) twelve (12) hour shifts per week shall be paid forty (40) hours per week at straight time. The first shift will receive a premium of fifty-seven (.57) cents per hour for the hours worked between 7 p.m. and 7 a.m. The second shift will receive a premium of seventeen (.17) cents per hour for the hours worked between 7 a.m. and 7 p.m.

For total time worked that is less than 36 hours the weekly premium to be applied will be;

HOURS WORKED	PREMIUM	
1-9 hours	=	1 hour
10-18 hours	=	2 hour
19-27 hours	=	3 hour
28-36 hours	=	4 hour

4. OVERTIME

All hours worked Monday through Saturday in excess of 36 hours per week or 12 hours per day, will be paid at the rate of one and one-half (1 1/2) times the employee's regular basic hourly rate.

All work on a Sunday or plant holiday will be paid for at double time for all hours worked. The Company reserves the right to schedule either (8) eight or (12) twelve hour shifts for production or sanitation on Sundays. Employees working a flip week (Thursday, Friday, Saturday, Monday, Tuesday, Wednesday) will not be allowed or scheduled to work overtime on Sunday. To obtain sufficient coverage for Sunday overtime the principle of Article 10.10 will be applied.

There shall be no pyramiding of any overtime or premium payments under this agreement.

5. PAID BREAKS

Paid breaks for employees shall be three (3), twenty (20) minute lunch/breaks. The length of the breaks may be changed by mutual consent but in no case may the total of three (3) breaks exceed sixty (60) minutes.

6. WEEKLY INDEMNITY

The Weekly Indemnity waiting period as it pertains to disability resulting from sickness shall be twenty-four (24) consecutive hours of lost time and payments shall be based as per the current program.

8. PAID LEAVE OF ABSENCES

Bereavement leave shall be determined as per Article 15.04. The employee will be paid a bereavement allowance up to a maximum of three (3) days computed by multiplying his regular straight time hourly rate times the number of hours he would have worked or by twelve (12) hours whichever the lesser.

Jury duty shall be paid as per Article 15.03. The premium payment would not apply.

9. RECOGNIZED HOLIDAYS

Employees who are scheduled to work only twenty-four (24) hours due to the placement of the statutory holiday will receive twelve (12) hours for that statutory holiday plus the four hour premium (total hours paid equal forty (40) hours at straight time). Failure to work the full twenty-four hours will result in the reduction of the four (4) hour weekly premium as per #3.

Employees who are scheduled to work their normal thirty-six (36) hours due to the placement of the statutory holiday will receive eight (8) hours for that statutory holiday plus the four hour premium (total hours paid equal forty-eight (48) hours at straight time).

10. VACATIONS

All vacation weeks for employees working the twelve (12) scheduled 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. An employee with six (6) weeks of vacation will now have a total of two hundred and forty (240) hours of vacation entitlement

11. LAY-OFF/RECALL

For lay-off purposes, employees will first bump the most junior on the twelve (12) hour shift of the job they can perform within their classification. Employees may elect to take a lay-off if moving to an undesired shift, or then bump to other departments in the factory as per the Collective Agreement, Articles 9.09 and 9.10.

12. CALL IN/CALL BACK

Will be paid as per the current Collective Agreement.

10 HOUR SCHEDULES

The Company will switch to 4 by 10 hour shifts beginning January 1, 1997 for the areas in the factory that are not scheduled to work 3 by 12 hour shifts. This shift pattern will give consideration to employee fatigue, ergonomics, processing/supply chain limitations and meeting our customer requirements.

The parties by mutual agreement may revert to a conventional Monday to Friday, eight (8) hour shift schedule.

1. HOURS OF WORK

Employees scheduled to work four (4) ten (10) hour shifts per week shall be paid forty (40) hours per week at straight time. The Company may start the work week on Monday or Tuesday.

The hours of work will generally be 7 a.m. to 5 p.m. and 5 p.m. to 3 a.m. or 9:00 p.m. to 7 a.m.

2. PREMIUM

The second shift will receive the night shift premium as per article 10.05. The first shift will not be entitled to a shift premium.

3. OVERTIME

All hours worked in excess of 10 hours per day or forty (40) hours per week, will be paid at the rate of one and one-half (1 1/2) times the employee's regular basic hourly rate. Saturday and Sunday overtime will be paid as per Article 10.04. There shall be no pyramiding of any overtime or premium payments under this agreement.

4. PAID BREAKS

Paid breaks for employees shall be two (2), twenty-five (25) minute lunch/breaks.

5. WEEKLY INDEMNITY

The waiting period will continue to be three (3) working days. However, the employee will receive six (6) hours of W.I. benefits for the first three (3) days of absence when the claim is medically substantiated and accepted for a claim of four (4) days or more.

6. PAID LEAVE OF ABSENCES

Bereavement leave shall be determined as per Article 15.04. The employee will be paid a bereavement allowance up to a maximum of three (3) days computed by multiplying his regular straight time hourly rate times the number of hours he would have worked or by ten (10) hours whichever the lesser.

Jury duty shall be paid as per Article 15.03.

7. RECOGNIZED HOLIDAYS

Pay for all plant holidays to qualifying employees shall be eight (8) hours at the employee's straight time hourly rate. During the week of a Statutory holiday, employees will be scheduled to work four (4) days other than the actual statutory day. As a result each employee will receive forty-eight (48) hours pay at straight time.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**MEMORANDUM OF AGREEMENT
RE: IMPLEMENTATION OF 12 HOURS FOR TURTLES**

Crew A and Crew B will cover the operation on days and Crew C and Crew D will cover the operation on nights.

The employees who currently hold postings for Turtles on days, afternoon and night shifts will have first opportunity to move into the Crew of their choice. Transfer will be based upon; (1) the individuals' current position and preferred shift (preference being given to those first on days, then afternoon and then nights) and (2) by seniority.

Crew D and other vacancies not filled by the above method will be posted as per the Collective Agreement.

Implementation of Alternative Shifts within the Maintenance, Warehouse and Plant Services groups will be determined with a Joint Union/Management committee.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**LETTER OF UNDERSTANDING
RE: LAYOFF/RECALL SOLUTIONS**

Both parties believe there are issues on production planning and the lay-off/recall process which must be addressed within one (1) year to ensure improved flexibility within the factory and reduce the impact of unexpected lay-offs. The parties will work together to resolve their concerns.

Employees working 12 hours must advise the employer of their decision by the beginning of their next scheduled shift. Employees working on 8 hour shifts will be encouraged to sign their Transfer Notice on the day of receipt.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**LETTER OF UNDERSTANDING
RE : BUSINESS GROWTH OPPORTUNITIES**

The continued success of the Birchmount Factory and therefore Nestlé Canada, depends upon our ability to improve and grow our business. The need to be cost competitive is essential to support any future growth and development and aggressively compete for investment once the Laura Secord business is removed. To achieve this growth, the Company and the Union understand that there is a need to look at how the factory operates, specifically, the new opportunities for the business.

As a commitment to address future business needs and growth we agree to form a joint committee of the Union Stewards, Business Agent and management to meet on a regularly scheduled basis to discuss changes and opportunities for our factory. These discussions will focus on four key areas for attracting new business;

- Union/Management Relationship
- Cost Competitiveness
- Flexibility
- The People - Attitude, Skills, Embracing Change, Continuous Improvement

It is important that both the Union and Company address and create ways to support new opportunities that will benefit both the Company and its Employees. Any implications and changes (i.e. classifications, special skills, work schedules and increased flexibility) necessary to attract future business based on our current work systems will be presented jointly to the membership for approval.

If potential labour reductions are identified, as a result of the above, the Company will discuss the change as early as possible with the Union. The Company and Union would review the following options to determine what is in the best interest of the employee and the Company.

Where a seniority employee's regular job is permanently eliminated as a result of major changes in equipment or methods of operations such employee will acquire the right to displace less senior employees, where they have the skill and ability.

Early retirement packages. For example: The Company may 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.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

LETTER OF UNDERSTANDING

RE: PERMANENT JOB REDUCTION

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

- a) The Company in consultation with the Union will endeavour to place the employee in an existing position at a rate of pay equal to his previous position.
- b) Where the Company is unable to find a replacement position under a), the employee shall be entitled:
 - i) to displace the most junior employee in his own classification who holds a position for which he is qualified.
 - ii) if (i) does not provide the employee with a position in his own classification, he may then displace the most junior employee in another classification who holds a position for which he is qualified.

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

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

LETTER OF UNDERSTANDING

IN THE EVENT OF SIGNIFICANT DOWNSIZING;

Severance packages will be made available under the terms of the Collective Agreement where a position is permanently eliminated. When determining the number of packages available, the number of jobs eliminated will be reduced by the number of vacancies (through normal retirement and attrition) and newly created positions required. Definition of a full-time job would be determined by the criteria established under Article 9.03.

For example:	Positions eliminated	24
	New position	1
	Vacant positions	<u>3</u>
	Packages available	20

IN THE EVENT OF A FACTORY CLOSURE;

In the event of a factory closure, the Union and Company will meet to discuss a closure agreement where the closure agreement at the Alexandria factory would be used as a model. While the Birchmount closure agreement may not be identical to the Alexandria agreement each employee will be entitled to a package that provides them with pension and severance pay that are at least equivalent to those received by Alexandria employees who did not transfer to another Nestlé facility.

Those employees who transfer to another Nestlé facility will not be entitled to severance, as a result they will retain their seniority date for vacation and service purposes. Employees who elect to transfer to an alternate Nestlé site will be entitled to their severance, as outlined by this letter of understanding for two (2) years from the closure date of Birchmount, if their position is permanently eliminated. If after two (2) years, the position is eliminated or the factory closes, employees would receive the severance as outlined in their new Collective Agreement.

During the first six months on the job, if the employee feels unable to perform the duties of the vacancy, or, proves unsatisfactory in the opinion of management, the employee's employment will terminate and they will receive their severance as outlined by this letter of understanding.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES

**LETTER OF UNDERSTANDING
RE: SUPER SENIORITY**

Provide Union Stewards and the Executive Board Member with super seniority for one year due to the uncertainty of the operation and provide the support necessary to improve morale effective July 1, 1999. The Company will review the business needs and value-added to determine the continuance of super seniority for the life of the contract.

Super seniority would include their shift if their department is working, they would be placed on an alternate shift if their department is not working on their preferred shift.

RATIFIED THIS 8TH DAY OF AUGUST 1999, AT SCARBOROUGH, ONTARIO.

FOR THE UNION

FOR THE COMPANY

C. NELSON

G. BES