

Collective Agreement

Between

National Automobile, Aerospace, Transportation and
General Workers Union of Canada
Local 488- CAW Canada
Hourly Factory Employees

and

Nestle Canada Inc.
Foods Division
Chesterville, Ont.

Begins:
00/00/0000

Terminates:
01/31/2004

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COLLECTIVE AGREEMENT

This COLLECTIVE AGREEMENT was
ratified as of May 3rd, 2001.

BY AND BETWEEN

NESTLE CANADA INC.
FOODS DIVISION
Chesterville, Ontario

(Hereinafter called the "COMPANY")

and

CAW Local 488 of
National **Automobile**, Aerospace,
Transportation and General Workers'
Union of Canada (CAW-Canada)

(hereinafter called the "UNION")

WITNESSETH: Whereas it is considered to be the mutual interest and is the desire of the parties here to co-operate fully, individually and collectively to operate the plant of the Company at Chesterville, Ontario, so as to promote the safety and welfare of the employees, economy of operation, elimination of waste, quantity and quality of output, cleanliness of plant, and protection of property. Now therefore, it is mutually agreed as follows:

ARTICLE 1 RECOGNITION

(a) This Agreement covers and relates to employees of the Company working at the Chesterville, Ontario, plant exclusive of the following:

(1) Regular Office or Clerical employees and Security Guards:

(2) Supervisor and those above the rank of Supervisor, and all salaried staff.

(3) All employees, mechanics, erectors, etcetera, temporarily engaged in construction and erection work, whether on salary or hourly basis.

(b) Temporary or new employees who are employed for less than ninety (90) working days or 720 hours worked, whichever is earlier, in any one year shall not be regarded as within the scope of this Agreement, unless mutually agreed upon by both parties, but shall be required to pay the equivalent of regular monthly Union dues.

(c) New employees may be hired at a rate, five (5) percent below the applicable classification for a period not to exceed ninety (90) working days or 720 hours worked, whichever is earlier. Increases up to the relative classification rate and promotions to any classification may be made on

the basis of qualifications at any time during this period.

ARTICLE 2

NO STRIKE OR LOCK-OUT

(a) The Company agrees there will be no lock-out and the Union agrees there will be no strike, so long as this Agreement continues to operate.

ARTICLE 3

RESERVATION TO MANAGEMENT

(a) Subject to the provisions of this Agreement, the Union recognizes the right of the Company to hire, promote, transfer and, for just cause, to demote, suspend or otherwise discipline an employee. It shall also be considered the right of the Company to discharge any employee for good cause, upon one week's notice or one week's pay in lieu of notice, except that the Company reserves the right to discharge without notice or pay in lieu of notice, for any one of the following causes; dishonesty, absence without leave, discourtesy, direct refusal to obey orders, or flagrant violation of Company rules. In the event of a Union member being dismissed a senior member of the Union Executive is to be notified within one (1) day, or as soon as conveniently possible.

(b) The Union further recognizes the undisputed right of the Company to operate

and manage its business in all respects in accordance with its obligations and pursuant to its policies, and to make and alter from time to time, rules and regulations to be observed by employees, which rules and regulations shall not be inconsistent with the provisions of this Agreement.

(c) The Employer and the Union shall not discriminate against employees with respect to terms or conditions of employment on the grounds of race, creed, colour, age, sex, marital or parental status, union membership or activity, family relationship, political affiliation, or sexual orientation except as provided by the Ontario Human Rights Code.

(d) Non-bargaining unit salaried employees of the Company shall not be permitted to perform bargaining unit work except in the following situations:

(1) Instructing employees in the proper use of tools, equipment, or other job tasks;

(2) Product experimentation and **production** of trials with the assistance of bargaining unit employees as required;

(3) Acting to prevent an accident or injury, or damage or loss to product or equipment;

(4) When casual performance of work

expedites production or until a regular employee is available;

(5) The Company may at any time employ men in each department who are learning the business and are bona fide apprentices for executive positions, provided, however, that such apprentices shall not displace the regular employees. These apprentices shall not be eligible to join the Union.

(e) The Company will not contract out work normally performed by the bargaining unit while suitably qualified bargaining unit employees are on lay-off, and available for work or to prevent the hiring of additional bargaining unit employees.

The Company and the Union realize the occasional need for production personnel where it is not practical or cost effective to train new employees or where the work cannot be performed, without delay, by existing employees. In these situations the company will:

- i) Remove such personnel prior to laying off any bargaining unit employee(s).
- ii) Will offer any overtime/premium days to be worked to bargaining unit employees prior to offering same to the occasional personnel.
- iii) Use occasional personnel for a "term and task" basis for a period that will not exceed eight weeks unless approved by the Union.

- iv) Supply the Union with the equivalent of union dues, on a pro rata basis for the entire period that occasional personnel are utilized.
- v) Ensure that such personnel abide by the minimum required hygiene, GMP and safety standards which includes the wearing of PPE.

(f) The Company will not contract out maintenance work while suitably qualified maintenance employees are on lay-off provided that it is practical and cost competitive to use Company maintenance employees.

With respect to practicality and cost-competitiveness consideration is given to such factors as:

- does the Company have the facilities and equipment to perform the work required.
- was it necessary to let the contract in advance of knowing whether Company employees would be **on** lay-off when the work is scheduled to be performed.
- is the manning required for the work in excess of the Company's manning in a trade(s).
- is the cost with use of Company personnel lower or, if not, is the cost disad-

vantage marginal and therefore, offset by advantages of using Company personnel.

- will the contractual notice requirements make the use of Company personnel cost prohibitive.

(g) The Company agrees to provide notice of a technological change to the Union where bargaining unit members are affected, and this notice will be given, whenever possible, at least two months prior to the change.

ARTICLE 4 SENIORITY

(a) Seniority shall be recognized by the Company and shall be based on the length of continuous service of employees with the Company.

(b) Seniority shall be effective only after an employee has been employed on a permanent basis for a period of ninety (90) working days or 720 hours worked, whichever is earlier. Seniority will be computed ninety (90) working days back from the ninetieth (90th) day worked.

(c) Seniority lists shall be prepared by the Company and a copy supplied to the Executive of the Union and posted on the bulletin board within thirty (30) days of the effective date of the contract and each six

(6) months thereafter.

(d) In the case of lay-off or re-employment the seniority of employees permanently in the affected classification shall govern provided the senior employee possesses sufficient skill and ability to perform the job adequately. Employees displaced from their permanent classification shall bump into available general labour work provided they have the seniority.

(e) Seniority and employment shall terminate when an employee:

1) Voluntarily resigns.

2) Is discharged and is not reinstated through the grievance procedure or arbitration.

3) Has been absent due to lay-off for twelve (12) months consecutively or thirty (30) months consecutively if **the** employee has five (5) or more years of service at the time of lay-off.

Credited seniority shall be retained and continue to accumulate for the initial twenty-four **(24)** months of absence due to illness or accident at which point seniority will be frozen.

(9) Employees with three (3) or more

years seniority shall be given seven (7) days notice of lay-off or pay in lieu thereof, and employees with less than three (3) years seniority **shall be** given twenty-four **(24)** hours notice of lay-off or pay in lieu thereof. For purposes of this paragraph **(9)** pay in lieu of notice will be eight **(8)** hours per day at the employees regular rate. Notice of lay-off shall not be required in the event of a power failure of more than four **(4)** hours. In the event of a major mechanical breakdown or Act of God employees will be given twenty-four **(24)** hours notice of lay-off.

(g) Employees will be given forty-eight **(48)** hours notice of recall from lay-off whenever possible.

(h) The Company will make three (3) attempts to contact the employee by telephone, at the last given telephone number, over a period of not less than seven and one-half hours. If no contact is made with the employee, the next senior employee qualified to perform the job will be recalled. The Company will send a recall notice, by registered mail to the employee passed over, at the last given address. The employee shall contact the Company immediately upon receipt of the notice and will be assigned his shift which will allow twenty-four (24) hours notice of lay-off to be given to the junior employee who replaced him.

(i) Under the above circumstances the

junior employee shall have no claim to more than twenty-four (24) hours notice of layoff.

(j) If an employee on lay-off is recalled to work to replace an employee who is absent due to illness, accident, bereavement, personal emergency or vacation where the employee has made the request less than one week before the start of a day or days vacation other than a full week, or more, the recalled employee will be given as much notice of lay-off as possible with minimum notice of twenty-four (24) hours.

(k) The Company may grant leave of absence to any employee, at its discretion, without pay, but without **loss** of seniority for a period not exceeding twelve (12) months unless otherwise arranged by the Company and the Union. Employees on a leave of absence will receive benefit coverage for two (2) months.

ARTICLE 5

VACANCIES AND JOB POSTING

(a) Vacancies, new positions, or temporary assignments of more than ten **(10)** working days duration shall be posted on the bulletin board immediately for a period of three (3) working days, except where the temporary assignment results from an absence due to illness, accident, leave of absence or vacation. Employees are permitted to bid for appointments thereto. The

Company may temporarily fill any such job until the appointment is made, for a maximum period up to ten (10) working days. Only the original vacancy and the first three (3) vacancies arising therefrom need be posted. No employee may bid again for six (6) months after a successful bid into a permanent classification. The sixth month ban will not apply if the job is eliminated.

In filling vacancies, new positions, and posted temporary assignments, seniority shall govern, provided the senior employee possesses sufficient skill and ability to perform the job adequately. The decision of the Company as to the successful applicant will be given to the Union Executive prior to appointments being made. If an employee bids on a classified job and does not remain on the job he shall have the opportunity to step down to general labour, provided his seniority permits such a change.

Special projects, agreed by the union, of less than ninety (90) working days in a rolling calendar and accommodating employees returning to modified work do not need to be posted. Notwithstanding any other provision of this collective agreement, if the requirement of the job still exists it will be posted at the expiry of the accommodation.

Where the company opts to post on an interim basis an absence due to illness and a leave of absence. Employees will be awarded the position permanently if the

encumbent does not return or bids into another position upon, or prior to their return.

The Company shall determine and provide the training required when an employee successfully posts into a new job.

ARTICLE 6

WORK CLOTHING AND SAFETY SHOES

The Company agrees to supply and launder Company approved uniforms which consist of pants, shirts, t-shirts and jacket. The Company will also provide necessary clothing required to perform the job function (e.g. gloves). The Company uniforms shall be considered the property of the Company. In addition, insulated coveralls and jackets, for outside use, and will be purchased by the company and available on loan to designated employees requiring such clothing and will be issued and returned daily in the same manner as tools and other equipment.

The Company will pay employees towards the cost of Company approved safety shoes once each calendar year upon proof of purchase. Effective February 1, 2001, the amount paid to the employees will be up to one hundred and five (\$105) dollars. These shoes shall remain the property of the Company and, as such, are subject to its rules and regulations.

Employees requiring prescription eyeglasses will be reimbursed up to twenty dol-

lars (\$20) to cover the **cost** of special **lenses** on replacement of eyeglasses.

ARTICLE 7

HOURS OF WORK

(a) A work week will consist of forty (40) hours between 0001 hours Monday to 2400 hours Sunday midnight.

(b) Every employee shall have at least one Sunday off in four the year round except in case of emergency in the sole opinion of the Management. The Management will bend every effort to rotate Sunday work.

(c) Should an employee be unable to report for work, the Management or Department Supervisor must be advised, stating reason at least two (2) hours prior to the starting time of his scheduled shift wherever possible.

(d) Should an employee have to take a day off for personal reasons, he is required to inform his Department Supervisor or Management at least two (2) days ahead, to obtain permission except in the case of a justifiable emergency.

(e) In cases of absenteeism and reporting late, the Company may impose any penalty which is considered reasonable to

prevent a recurrence of such conduct. The Company will consult the Grievance Committee regarding any such penalty.

(9) An employee who is injured during his regularly scheduled shift and requires medical treatment outside the plant will be reimbursed at his regular rate of pay for any lost time during the balance of that shift.

(g) Operating Engineers covered by this Agreement:

a) must be at their work station a minimum of five (5) minutes prior to the start of their shift in order to relieve the engineer going off shift;

b) shall be scheduled to work twelve (12) hour shifts in accordance with the terms of the Collective Agreement, save and except the following:

1) Overtime provided for in Clause 8(a) shall be applied at the rate of time and one half the employee's regular rate to all hours worked in excess of his regularly scheduled hours.

2) The shift bonus provided for in Clause 8(g) shall be added after the calculation of any overtime or premium rate for those operating engineers having worked during the hours of 16:00 to 08:00.

3) In the event an employee loses time through jury duty, as per Clause 17(d), the Company will pay the difference between "Jury Duty Pay" and the wages lost for scheduled working time lost.

(h) An employee will be given the opportunity to complete eight **(8)** hours of work when:

1) He has been given short notice of recall for replacement provided there are operations in the factory for the eight **(8)** hour period.

2) When his shift is terminated prior to the normal ending time.

The above shall not apply in the event of a power failure of more than four **(4)** hours. In addition an employee may be assigned any available work to complete his eight **(8)** hour shift.

(i) Work schedules for production departments shall be posted each Thursday, as **is** current practice. It is understood that such schedules are subject to change after posting.

ARTICLE 8 OVERTIME

(a) Overtime, at the rate of time and one-half the employee's regular rate will apply:

- 1) in excess of eight (8) hours work in any one day or shift,
- 2) or, in excess of forty **(40)** hours per week,
- 3) or, on the sixth (6th) day of work in the work week, whichever is the greatest.

b) **All** work done on Saturday shall be paid at the rate of time and one-half the employee's regular rate of pay. Sunday work shall be paid at twice the employee's regular rate of pay. Such premiums shall not be paid concurrently with overtime worked on the premium days. When there is an absence by an employee without a reasonable explanation, in the particular work week, the week-end premium shall be paid at straight time for the number of hours to be absorbed.

Notwithstanding the above, a continental work week may be introduced at the discretion of the Company within coffee manufacturing and syrups (manufacturing, filling and packing) and any support functions where production requirements require a seven day production schedule for not less than

four (4) weeks . The decision will be driven by volume, and capacity to produce the volume in order to maintain a competitive advantage. If introduced, the continental work week will only apply to employees within the affected area of operation including the necessary support groups. Before the implementation of a flexible workweek the Company will advise the Union four (4) weeks in advance wherever practicable.

Under the continental work week Saturday and Sunday will be viewed as normal working days not subject to premium payment but an employee will receive time and one-half for the sixth day they work in a week and double time for the seventh day they work in a week. When there is unauthorized absence by an employee in the particular work week, the sixth and seventh day shall be paid at straight time for the number of hours to be absorbed.

The Union will be asked to participate in the formulation of the continental work week shift patterns to ensure that the requirements of employees are taken into account as far as is reasonably practicable.

(c) Overtime so far as practicable shall be distributed evenly among employees and shall be voluntary provided that an adequate work force is available to maintain production levels. Employees may be required to

work overtime and shall be given four (4) hours notice as far as possible, and when necessary employees shall be assigned to work overtime in reverse order of seniority.

(d) The Company shall record and post the overtime hours offered each employee in the appropriate department.

(e) An employee shall not be required to suspend work during regular hours to absorb overtime.

(9) Any employee who has completed his shift for the day and has left the plant and is required to return to work prior to his scheduled starting time shall be paid at the overtime rate for those hours worked with a minimum payment of three (3) hours. Time so worked shall be included in his scheduled shift of that day for the purpose of overtime calculation.

(g) A shift bonus of sixty-six (66) cents per hour, effective February 1, 1996, shall be paid as follows and shall be added after the calculation of any overtime or premium rate:

1) To all employees working on scheduled afternoon or night shifts. In any case shift bonus shall not apply before 1400 hours or after 0800 hours.

2) To other employees on all work

between the hours of 1800 hours and 0600 hours.

(h) The Company agrees to minimize work as much as possible on Sundays and Holidays.

(i) There shall be no pyramiding of over-time and/or premium payments.

(j) In the event that an employee is required temporarily to change his regularly scheduled shift and is notified of this change less than twenty-four (24) hours prior to the start of his rescheduled shift he shall be paid at the overtime rate for the first shift of the change. It is agreed that these provisions shall not apply to shift changes resulting from personal time off, scheduling difficulties beyond the control of the Company, schedule changes to avoid lay-offs, and Acts of God. For the purposes of this clause, a change in a regularly scheduled shift shall mean a displacement of a period of more than one and one-half (1 1/2) hours from the starting and ending time of the regularly scheduled shift.

(k) An employee who is required to continue at work for a minimum period of four (4) hours following the completion of his regular shift will be provided with a \$6.75 meal allowance effective February 1, 2001. An additional meal allowance will be paid for each additional four (4) hours worked. For

purposes of determining eligibility for meal allowance any time taken for authorized breaks during the overtime period will be considered a part of the four (4) hours, provided the employee does not leave the factory.

(I) Notwithstanding the above provisions of this Article 8 employees may elect to accumulate ("bank") overtime and take equivalent time-off in lieu of overtime payment subject to the conditions and procedures agreed to by the parties.

ARTICLE 9

PAID STATUTORY HOLIDAYS

(a) It is agreed that New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day, Boxing Day and four (4) Additional Holidays, the dates of which the Company shall announce in February of each year, are to be recognized and enjoyed, and employees paid their regular rate of pay. Should an employee be required to work on such days, he shall be paid time and one-half his regular rate of pay for all time worked, over and above his straight Holiday pay. It is agreed that if the Government of Ontario or Canada declares a Statutory Holiday other than the Holidays named in this Article 9, one of the Additional Holidays referred to in this Article 9 shall be designated as that Holiday. In order to quali-

fy for Statutory Holiday pay, an employee must be on the **payroll** a minimum of **ninety (90)** working days before the Statutory Holiday, and be on duty the day before and the day after as and if required.

(b) It is agreed between the parties that payment to employees on lay-off for the Statutory Holidays referred to in Clause 9(a) shall be made as specified in this clause. Employees on lay-off who would otherwise be entitled to Statutory Holiday pay will be paid for the next Holiday (or Holidays if they are consecutive) following the date of lay-off, provided the employee worked the last shift assigned to him, which must have been after the preceding Statutory Holiday, and the next shift assigned to him following the Statutory Holiday ~~for~~ which he is paid.

(c) Employees who are absent as a result of sickness or a personal injury shall be entitled to Holiday pay for a period of six (6) months, but a Doctor's certificate may be required at any time by the Company. When a medical certificate is required by the company, the company agrees to pay for:

- 1) up to three certificates per year, and
- 2) medical certificates due to absences of greater than five consecutive working days.

ARTICLE 10

PAY DAY

(a) Unless otherwise mutually agreed upon pay periods shall be on a weekly basis through direct deposit with the date being Thursday except where there is a mechanical breakdown in which case the pay day may be Friday if necessary. In the event of a pay date falling on a Holiday the pay date shall be the preceding date except in case, or cases of emergency over which the Company has no control. The occurrence of one or more Statutory Holidays in a pay week may necessitate a Friday pay day.

ARTICLE 11

TEMPORARY ASSIGNMENTS

(a) Where an **employee** is assigned to work at lower than his classified occupation for a period of sixty (60) working days, thereafter he will receive the rate of pay applying to the work he is performing, for the duration of his assignment, but this will not apply to employees on training programs.

(b) An employee, who works regularly for one hour or more per day in a higher classification than his own, will receive the rate for the number of hours worked in that classification.

(c) Where an employee has bid into a

temporary assignment position he shall receive the applicable rate only while working on that assignment, and shall revert to the General Labour rate when **so** employed. If he does not work in the temporary assignment position for sixty (60) working days he will no longer hold the temporary assignment classification.

(d) Where an employee who has bid into a temporary assignment position works at that position for a minimum of sixty (60) working days in any twelve (12) month period, he shall be considered as permanent in the position.

(e) Where an Engineer 3rd Class is performing the function of an Engineer 2nd Class, and is permitted to do **so** by Government regulation, he shall be paid a premium **of** one (\$1.00) per hour while **so** employed, effective May 3, 2001.

ARTICLE 12

SAFETY AND HEALTH

(a) The Company shall continue to make reasonable provision for the health and safety of its employees at the plant during the hours of their employment, in providing protective devices and equipment, adequate first aid essentials, washrooms equipped with wash basins and toilets, drinking water facilities, and a suitable lunchroom. The employees will co-operate in keeping all

such facilities clean and sanitary, and any violation of this requirement will be subject to discipline. 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.

(b) Both parties 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. To further these aims a safety committee shall be established composed of equal members of employees and management in accordance with the Occupational Health and Safety Act, its Regulations, Codes of Practice and Guidelines.

The Union Co-Chairperson and safety members will be selected by the Union, and wherever practicable, will be representative of departments within the factory. At no time must there be an unequal number of members appointed on either side. The meetings will take place monthly. Employees shall be paid for actual time spent in attendance at Health & Safety meetings at their regular hourly rate including overtime where applicable.

The Committee shall assist in creating a safe and healthy place to work and shall recommend actions to improve the effectiveness of the Company health and safety program and shall promote and actively participate in the improvements and ensuring compliance with the appropriate laws, regulations, codes of practice and guidelines.

The Company shall provide training in first aid and other emergency procedures to ensure coverage of each shift.

ARTICLE 13 VACATIONS

(a) A vacation with pay will be granted only if an employee has completed twelve **(12)** complete months of continuous service. Vacation schedules shall be worked out on a basis which will not impair the operation of the plant.

(b) Vacations with pay will be granted according to the following schedule:

12 months service but less than 5
years – 2 weeks

5 years service but less than 10 years
– 3 weeks

10 years service but less than 19
years – 4 weeks

19 years service but less than 29
years – 5 weeks

29 years or more – 6 weeks

For purposes of determining service for vacation entitlement the employees' seniority, as specified in Article 4 of the Agreement, shall be used.

(c) If there is any conflict between two or more employees as to vacation periods, the Company shall give preference in choice of

times to the employee with the greatest seniority.

(d) Vacation pay will be calculated as follows:

1) For employees with eighteen hundred and forty **(1840)** hours worked in the preceding calendar year, vacation pay will be the greater of two percent (2%) of his previous calendar year's earnings per week of vacation entitlement, or forty **(40)** hours pay at his permanent rate of pay in effect immediately before going on vacation.

2) Employees who work less than eighteen hundred and forty (1840) hours in the preceding calendar year shall be paid two percent (2%) of the previous calendar year's earnings for each week of vacation entitlement.

3) For purposes of this clause only, hours worked will include time lost because of established disability due to illness or injury during which time the employee is receiving Weekly Indemnity or Workers' Compensation benefits, time on Company paid vacation, holidays, jury duty, bereavement leave, Union business for which the employee is entitled to normal pay under the terms of this Agreement, at eight **(8)** hours per day. The year's earnings will be based on these hours

at the employee's regular rate.

(e) The calendar year for vacation purposes will be February 1st to January 31st. The entitlement will continue to be based on the calendar year January 1st to December 31st. Vacation time will not be cumulative from year to year and payment of extra wages in lieu of vacation will not be made.

(9) Employees who are entitled to five (5) or six (6) weeks of vacation may elect to bank their sixth (6th) and or fifth (5th) week of entitlement in accordance with the procedure agreed to by the parties.

(g) If an employee voluntarily leaves the service of the Company, he will receive vacation pay by cheque, based on 4, 6, 8, 10 or 12 percent, dependent on his service at date of termination.

(h) It is understood and agreed that an employee already on lay-off, will not be required to take vacation during lay-off.

Notwithstanding 13(h), where an employee is entitled to four (4), five (5), or six (6), weeks of vacation, one (1) week of these vacations shall be taken at the discretion of management. Management will attempt to schedule this one (1) week during the annual summer (June, July or August) factory shutdown.

ARTICLE 14 GRIEVANCE PROCEDURE AND ARBITRATION

(a) Employees through their stewards shall have the right to submit at any time, on the prescribed grievance form, any grievance involving any controversy, complaint, misunderstanding, or dispute, arising from the Collective Agreement, to the Supervisor of the Department. A meeting shall be held within three (3) working days of the time of the alleged violation. The Supervisor shall give an answer in writing on the prescribed grievance form, within two (2) working days.

(b) If the grievance remains unsettled the grievance form shall be submitted to the Department Manager within five (5) working days. The Department Manager with the Human Resources Representative, shall meet with the committee within two (2) working days and the Department Manager shall give his answer in writing within a further two (2) working days.

(c) If the grievance remains unsettled a meeting shall be arranged between the Grievance Committee and the Factory Manager or his representative within three (3) working days or such longer time as may be mutually agreed upon and the Company representative shall give his reply in writing within a further two (2) working days.

(d) If the grievance remains unsettled it shall be submitted to arbitration in the following manner. Within ten (10) days of the conclusion of the previous step the Company and the Union shall select an Arbitrator and in the case of disagreement, both parties shall submit a joint request to the Minister of Labour of the Province of Ontario to furnish a panel of five **(5)** qualified and available Arbitrators. Upon receipt of the panel of names, representatives of the Company and Union shall meet and proceed to select the Arbitrator. Failing a mutual selection, the parties shall each, beginning with the Union, strike alternatively, one name at a time, two names from the panel. The one then remaining name shall be the Arbitrator and such selection shall be final and binding upon the Company and the Union. The expense of the Arbitrator, if any, shall be shared equally by the parties hereto.

(e) The Arbitrator appointed as above, shall not have any jurisdiction to alter or change any of the provisions of this Agreement or to substitute any new provision in lieu thereof nor to give any decision inconsistent with the terms and provisions of this Agreement.

(9) It is understood that in order to be considered by the Company, an employee's grievance must be lodged with the Company, as in clause 14(a) of this Article,

within three (3) working days of the time of the alleged violation.

(g) **An** employee who is suspended or dismissed shall have his case dealt within accordance with the procedure prescribed in the preceding paragraphs of this Article and, if found wrongly suspended or dismissed, he shall be reinstated to his previous status and paid for the time lost.

(h) It is understood and agreed between the parties that the failure by either party to observe any of the time limits set forth in this Article 14 shall be deemed to be a settlement in favour **of** the other party unless both parties have mutually agreed to an extension of the time limits. It is further agreed that Section 44 (6) of the Ontario Labour Relations Act shall not apply.

ARTICLE 15

DEDUCTION OF UNION DUES

(a) Upon written authorization of an individual member of the Union, the Company agrees to deduct monthly dues, in the amount stipulated on the authorization form from such individual's pay. This deduction shall be made for each current month; any and all dues **so** collected shall be delivered to the Financial Secretary of the Union by the first (1st) day of the succeeding month.

No deduction of dues shall be made in any

period in which the total amount earned in **excess of all deductions required by law** is not sufficient to cover the full amount. In such cases the dues shall be deducted at the next regular dues deduction period in which sufficient earnings are payable to cover such deductions.

ARTICLE 16

MEMBERSHIP MAINTENANCE

(a) It is understood that all eligible employees who, at the date of this Agreement, are members in good standing in the Union, in accordance with its Constitution and By-Laws, shall as a condition of further employment, remain members of the Union during the life of this Agreement.

(b) **All** eligible new employees shall, **as** a condition of employment, become members of the Union within ninety (90) working days or 720 hours work, whichever is earlier, from the date of their employment and shall remain members of the Union in good standing during the life of this Agreement.

(c) Eligible new employees shall, upon completion of ninety (90) working days, or 720 hours worked, whichever is earlier, be required by the Company to sign a Union Membership application form and authorize the deduction of the initiation fee from the next following pay. The fees so collected

together with the application forms shall be forwarded to the Union by the first (1st) day of the succeeding month.

ARTICLE 17 MISCELLANEOUS

(a) It shall be permissible for Shop stewards to enter any Department of the plant provided permission of the Management has been secured in advance.

(b) The Union shall be permitted to post notices pertaining to Union business on the Notice Board supplied by the Company for that purpose and such other notices as may be approved by Management.

(c) Amendments to this Agreement may be negotiated by the parties at any time by mutual consent, but failure to agree shall not constitute a grievance nor be submitted to Arbitration.

(d) In the event an employee loses time through jury duty, the Company will pay the difference between "Jury Duty Pay" and the wages lost for scheduled working time lost. Payment will be calculated at eight (8) hours per day at the employee's last approved base rate.

(e) In the event of a death in the employee's family, bereavement leave will be granted as follows:

i) A leave of absence of five (5) consecutive working days at the employee's regular rate will be granted if the employee's spouse or child or stepchild dies;

ii) A leave of absence of four (4) consecutive working days at the employee's regular rate will be granted if a parent or step parent dies;

iii) A leave of absence of up to three (3) consecutive working days at the employee's regular rate will be granted if a sister, stepsister, brother, stepbrother, grandparent, parent-in-law dies:

iv) A leave of absence of up to one (1) day, (three (3) consecutive working days, if the employee is responsible for funeral arrangements) at the employee's regular rate will be granted if the death involves a sister-in-law, brother-in-law, or spouse's grandparent.

The absence must commence with the date of death. The employee will be compensated for scheduled time lost as a result of the death at the employee's last approved rate.

(f) The Company shall compensate Union Officers for working time lost through negotiations, grievances and meetings agreed to by the Company. In

addition the Company shall compensate two members of the Union Executive for working time lost through attending Arbitration hearings as related to the interpretation and application of this Collective Agreement.

(g) Records of verbal and, or written warnings shall be removed from the employee's file if he establishes a clear record for eighteen (18) calendar months.

(h) National Day of Mourning – Each year on April 28 at 11:00 a.m. one minute of silence will be observed in memory of workers killed or injured on the job. This should not result in any stopping of process lines or equipment.

ARTICLE 18 HEALTH AND WELFARE

(a) The following benefit plans will be provided consistent with their terms and conditions. The Company will provide the Union with copies of the benefit plan contracts and such plans will not be amended without mutual consent. The Company will pay one hundred percent (100%) of the cost of:

- 1) A Weekly Indemnity Plan having a benefit of sixty (60) percent of weekly earnings calculated on the employee's straight time hourly rate to the unem-

ployment insurance maximum amount, **with benefits payable on the first day of** accident, first day of sickness, if hospitalized or the fourth day of sickness if not hospitalized, and to a maximum period of fifty-two (52) weeks.

2) Group Life Insurance with coverage of \$41,000 per employee effective April 14, 1997. Effective February 1, 1998 life insurance coverage will increase to \$42,000, effective February 1, 1999 coverage will increase to \$43,000 and effective February 1, 2000 life insurance coverage will increase to \$44,000. Additional life insurance is available to employees and spouses at the employee's expense.

3) A Dental Plan, Blue Cross No. 7 or equivalent with riders providing for Endodontic and Periodontic coverage. The benefits payable under this plan shall be those specified in the O.D.A. Schedule of Fees one year prior to the month in which the benefit claim is incurred.

The following additional benefits **are** subject to the same rules that apply to the existing Dental Plan:

(i) Orthodontics coverage for employees under the age of 21 and employees' children under the age of 21 on the

following basis: 50% of charges up to \$1,500 per year (\$750 maximum annual benefit) to a life-time maximum benefit of \$2,000 per person.

(ii) Denture coverage for dentures only on the following basis: 50% of charges up to \$1500 in any 36 months (\$750 maximum benefit in any 36 months).

4) **A Drug Plan** paying the full cost of prescription drugs after a deductible of ten **(10)** dollars for single employees and twenty-five (25) dollars for family employees.

5) **A Vision Care Plan** providing for the purchase of prescribed eye glasses or contact lenses up to two hundred dollars (\$200) in any twenty-four (24) months.

6) Effective May 3, 2001, Chiropractor payments will be covered, twenty dollars (\$20) for the initial visit and twenty dollars (\$20) per visit to a maximum of \$240.00 per year.

7) Effective May 3, 2001, Physiotherapy payments will be covered, twenty (\$20) for the initial visit and twenty dollars (\$20) per visit to a maximum of \$240.00 per year.

(b) These payments will be made in the name of each enrolled employee who remains actively employed by the Company.

Payments shall also be made for employees who are absent due to illness or accident, and who are in receipt of Weekly Indemnity or Workers' Compensation benefits, for a period of 52 weeks from the commencement of these benefits, or until the employee is medically cleared to return to work. Should an employee be on lay-off because of his seniority on the date he is medically cleared to return to work he will receive the benefit continuance as specified in this clause provided the total time does not exceed the fifty-two (52) week period referred to above. In the case of lay-off employee's payments for Group Life Insurance, the Dental Plan and the Drug Plan shall be paid for the two (2) months following the month in which the lay-off occurs.

(c) Survivor benefits (major medical and dental coverages) will be provided for six months to the surviving spouse and eligible dependents of an employee who passes away in service.

(d) Pension Plan: Effective January 1st, 2002, a defined contribution pension administered by the CAW will be introduced. The employee will make contributions of 1% of regular pay.

The Company (employer) will match this contribution. It is understood that all administration of this pension plan will be the responsibility of the CAW.

ARTICLE 19 JOB CLASSIFICATIONS AND WAGE RATES

(a) Classification of jobs and occupations, with the corresponding wage rates are included as Appendix A – Job Classification and Wage Rate Schedule.

(b) The Company will provide work within an employee's own classification as far as practical.

(c) In the event that the Company, (for sound business reasons), establishes new or substantively changed classification of work within the bargaining unit and the subsequent revisions, if any, to the schedule of Job Classification and Wage Rates (appendix A), the Company agrees to:

1. Consult with the union and obtain input on said changes.
2. Consider recommendations put forth by the union regarding those changes.
3. Implement those recommendations deemed appropriate by the Company.
4. Explain and provide business reasons for the changes to be made.

If the Union does not consider the rate assigned to the new classification to be appropriate, then the matter may be submitted to the grievance procedure commencing at Step 3.

(d) If the grievance is subsequently appealed to arbitration, the Arbitrator's jurisdiction shall be confined to confirming the rate or applying another rate which would be an equitable rate based on the existing rate structure shown in the schedule of Job Classification and Wage Rates.

(e) Where a new job is created, under this Article, and can be filled internally, it will be posted in accordance with the provisions of Article 5. In such circumstance a senior applicant shall be given preference for the job, where he has the necessary qualifications, skill, experience, ability and aptitude to be trained reasonably quickly for the position, subject to the training period not exceeding three months. Where a new job cannot be filled internally as outlined above, the Company will be at liberty to recruit externally.

ARTICLE 20

TRAINING PROGRAMMES

(a) The Company may at any time, where no vacancy exists, take the opportunity to train employees for higher classifications at their existing rates of pay. These training positions will be open for classification subject to the provisions of Article 5.

(b) It is understood and agreed that an employee's written test will be valid for one

year without retesting on subsequent job postings.

ARTICLE 21

TRANSFER OF OPERATIONS

(a) In the event that the Company transfers any of its operations from Chesterville to another Company owned and operated production facility, employees displaced as result of such transfer may elect to take, within one month of the date of the transfer of operations, available jobs at the new location subject to having the required skill and ability.

(b) Employees electing transfer will assume their own relocation costs. Employees will be subject to the conditions of employment (e.g. medical clearance) at the new location and shall be credited with date of entry seniority, except that former service will be retained for service related benefits save and except pension.

(c) Employees will be eligible for an advance of up to seven hundred and fifty dollars (\$750) to assist with actual relocation expenses. Such advance will be made available at the time of transfer and will be repayable in full no later than two (2) months after the date of transfer.

ARTICLE 22
EFFECTIVE DATE AND DURATION
OF AGREEMENT

(a) This Agreement shall be deemed to have come into effect on February 1, 2001 **and** shall remain in force until January 31, 2004.

(b) This Agreement shall be automatically renewed from year to year, unless notice by registered mail is given by either party to the other for amendment or termination, not less than two (2) months before the above termination date. If notice in writing is given by either party to the other for amendment, the existing Agreement shall remain in full force and effect until a new Agreement is signed or until the provisions of the Ontario Labour Relations Act have been complied with.

(c) The Company and the Union will provide each other with their proposed amendments sixty (60) days prior to termination.

IN WITNESS WHEREOF each of the parties hereto has caused this Agreement to be signed by its duly authorized representatives as of the **3rd day of May 2001.**

For
Nestlé Canada Inc.

John Reeve
Wesley Keda
Shawn Chambers
Kim Gernhaelder

For the
**CAW Local 488 of National Automobile,
Aerospace, Transportation and General
Workers' Union of Canada (CAW-Canada)**

Dwayne Hall
John van der Veen
Shane Gillard
Neil Beckstead

Harry Ghadban

APPENDIX A

Schedule Of Job Classifications And Wage Rates

CLASSIFICATIONS:

Feb. 1/01 Feb. 1/02 Feb. 1/03

increase of: \$1.60 \$1.55 \$0.55

RATE 1 **\$22.59** **\$24.14** **\$24.69**

Engineer 3rd Class

Waste Water Treatment Operator Class II

Electrician

Instrument Mechanic-Class A

Maintenance Mechanic Class A

increase of: \$0.60 \$0.55 0.55

RATE 2 **\$20.99** **\$21.54** **\$22.09**

Shipper/Receiver

RATE 3 **\$20.48** **\$21.03** **\$21.58**

Warehouse Operator

RATE 4.....	\$20.29	\$20.84	\$21.39
Coffee Extractor Operator			
Coffee Roaster Operator			
Powder Chamber Operator, Coffee Manufacturing			
Commodity Handier, Coffee Manufacturing			
Relief Operator, Coffee Manufacturing			
Process Equipment Operator, Instant Drinks			
RATE 5.....	\$20.03	\$20.58	\$21.13
Line Service Operator, Coffee Filling			
Packaging Line Equipment Operator, Coffee Filling			
Process Equipment Operator, Syrups			
Line Service Operator, Syrups			
Packaging Line Equipment Operator, Syrups			
Line Service Operator, Instant Drinks			
Packaging Line Equipment Operator, Instant Drinks			

	RATE 6.....	\$19.96	\$20.51	\$21.06
	General Stores Clerk			
	Material Handler Operator, Warehouse			
	Stock Clerk (Warehouse)			
	Tote System Operator, Coffee Manufacturing			
	Waste Handler			
45	RATE 7.....	\$19.62	\$20.17	\$20.72
	Janitor			
	4th Class Engineer			
	RATE 8.....	\$19.40	\$19.95	\$20.50
	General Labour			

APPENDIX B LIGHT LABOUR PROGRAM

It is hereby agreed between the parties that a Light Labour Program will operate in the area of the factory as indicated on drawings #40818 and #40819 (formerly known as the Cannery mixing/processing area) under the following terms and conditions:

1) Light Labour program wage rates will be as follows:

February 1, 2001 – January 31, 2004

Light Labour – **\$11.17**

Utility Operator – **\$11.49**

2) Work presently performed by regular members of the bargaining unit shall not be transferred to the Light Labour Department.

3) Work performed in the Light Labour Department will be confined to special packaging (pouch/bag/drum filling); product re-work; inspection; and associated production of the type commonly performed by third-party co-packers. Prior to the introduction of any other type of work there shall be consultation between the parties and mutual consent.

4) Maintenance work in the Light Labour Department and ancillary services (e.g. supply) between the Light Labour Department and the remainder of the factory will be per-

formed by regular bargaining unit employees.

5) The work force for the Light Labour Department shall be employed ~~as~~ a separate group distinct from regular bargaining unit employees. There shall be a separate seniority list for employees of the Light Labour Department.

6) In the event the Company elects to hire additional employees for regular bargaining unit work such work will first be offered to Light Labour employees who have completed their probationary period. Such employees will be subject to the standard terms and conditions of employment for newly hired employees including seniority attainment. In the event an individual ~~so~~ employed achieves "regular" seniority he shall be removed from the Light Labour Department seniority list.

7) In the case of lay-off, recall, and job postings, Light Labour Department seniority shall govern provided the employee possesses sufficient skill and ability.

8) With the following exceptions and modifications the various terms and conditions of the parties Collective Agreement shall apply to employees working in the Light Labour Department.

(a) The probationary period shall be thirty (30) working days.

(b) Employees will be entitled to twenty-four (24) hours notice of lay-off except in the event of a power failure of more than four (4) hours.

(c) Employees shall receive the following overtime premiums:

– Time and one-half for hours in excess of forty (40) per week and eight (8) per day.

– Time and one-half for all hours worked on Saturday.

– Double time for all hours worked on Sunday.

– Overtime shall not be pyramided.

(d) Employees shall be eligible for payment of the following Statutory Holidays in accordance with the provisions of Article 9.

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Christmas Day
Civic Holiday	Boxing Day
Canada Day	

(e) The following Articles in their entirety shall not be applicable to Light Labour employees except as provided for in (9) below: Articles 18, 21

(9) Employees will be provided with a **Drug Plan consistent with the terms and** conditions of that provided to regular bargaining unit employees under Article 18 of the Collective Agreement.

(10) The parties recognize that for the desired work to be performed in the Light Labour Department the cost of performing the work **must** be at least as economical as would be the case if the work were performed by an outside party.

(11) It is understood that because of the cost involved in the introduction of equipment, and because of existing contracts with outside producers the introduction of work in the Light Labour Department will be phased in over an indefinite period of time, but as rapidly as profitable opportunities arise that are practical.

The above Appendix B has been accepted by majority vote taken on January 17th, 1997. This agreement supersedes any previous versions of this Appendix B.

Renewed at Chesterville, this 3rd day of May, 2001.

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Stabilized Work Force

In conjunction with and further to the Agreement between Nestle Canada Inc. (Chesterville Factory) and CAW of National Automobile, Aerospace, Transportation and General Workers' Union of Canada (CAW-Canada), Local 488, it is the desire of the Company to maintain a stabilized work force by minimizing layoffs and recalls to the extent possible.

Renewed at Chesterville this 3rd day of May, 2001.

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Standby

In conjunction with and further to the Agreement between Nestlé Canada Inc. (Chesterville Factory) and **Retail Wholesale Canada (division of U.S.W.A.)**, Local 488, it is agreed that Standby for the Plant Maintenance Department will be in accordance with the following procedure which will not be amended or terminated without prior consultation with the Union Executive.

Plant Engineering Department Standby

These instructions are issued to cover the function of "Standby" whereby trained maintenance people are available on short notice to perform emergency type work to keep the factory in production or safe from harm. These instructions supersede any previous agreements and are as follows:

- 1) The Senior Stationary Engineer (Shift Engineer) will act as coordinator, and as such is the representative for the Manager, Factory Engineering.

- 2) The Shift Engineer will inspect all jobs, to determine which trade is required and will

call the individual concerned. Minor repairs will be done by the Boiler Room personnel.

3) Call-backs of standby personnel must be made from the Boiler Room office. The standby man must telephone the Boiler Room to confirm he has received the call-back and to find out what the problem is. The Shift Engineer must enter in the "call back" book, the name of the man called back, the time and reason for the call-back.

4) The Maintenance employee on standby will be one who is capable of completing any emergency work on all of the Company's production equipment.

5) The Maintenance man called back **must** make a brief note in the space provided in the call-back book, describing what was wrong and what he did to correct the situation. Any additional personnel called in (after consulting with the Shift Engineer) must also be recorded in the call-back book.

6) No extra work shall be given to the standby man on call-back if the work can wait until the next regular shift in the estimation of the Shift Engineer in consultation with the Senior Production representative.

7) Standby hours shall be after normal working hours Monday through Friday and during the weekend until normal starting time Monday.

8) Changeover will be at 07:00 on Monday,

9) Standby will be suspended on long weekends wherever possible and on Saturdays and/or Sundays on weekends when production or plant safety will not be compromised. The Manager, Factory Engineer shall determine when standby shall be suspended, but in any case the standby man **must** be available six (6) hours prior to production start-up.

10) The standby list will be posted in the Boiler Room and in the shop.

11) If, due to legitimate absence (i.e. sickness), a man on standby is not available during part of his standby week, his foreman will arrange for a suitable replacement and enter the replacement's name on the standby posting list in the Boiler Room and the shop.

The man normally scheduled for the week will be paid the standby premium for the week. The replacement will not be paid any premium for any time temporarily posted on standby. However, if called in, the replacement would be paid the appropriate minimum time and rate (call-back). The important thing is to have someone to contact in an emergency.

12) Standby personnel have one half hour

to report to the factory after the call is made.

13) The penalty for not reporting or missing a call-back is a two-day forfeit of standby premium: a late arrival is subject to a one-day forfeit.

14) Overtime will be done by the man on standby unless the work requires some other specialist, or continuity of work requires that men already on the job, complete the job.

15) Standby premiums will be increased on a yearly basis according with the percentage increase of the union contract from the date of February 1, 2002.

16) Standby premium is now \$110.00/week for a two shift operation and \$160.00/week for a single shift operation, effective May 3rd, 2001. The above reflects \$10.00 per shift.

Renewed at Chesterville this 3rd day of May, 2001.

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Non-Continuous Night Shift Arrangement

If the company and the union agree the following arrangement will be tested on a trial basis for a period of **six (6)** months. This arrangement will apply only to non-continuous production operations.

1) The normal shift duration will be established as eight **(8)** hours versus the current eight and one-half **(8 1/2)** hours.

2) Employees will continue to be granted two (2) paid breaks of fifteen (15) minutes during each shift.

3) Employees will take their lunch during their paid break periods (as noted in (2) above)

At the end of the trial period the parties will consult regarding the experience with this new arrangement among other matters, consideration will be given to:

- Whether employees prefer the new arrangement versus the old.
- Has the arrangement led to extension of break times or otherwise negatively impacted on operations.

If either party is dissatisfied with the new arrangement it will be discontinued. Alternatively, the parties may confirm that the new arrangement is preferable in which case it can be extended for the term of the current Agreement.

ADDENDUM

When mutually agreed by the parties the Non-Continuous Night Shift arrangement outlined above will be utilized, by department, giving due consideration to operational matters.

Renewed at Chesterville this 3rd day of May, 2001

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Overtime Banking

Further to Article 8(l) of the Collective Agreement the following conditions and procedures shall govern the "banking" of overtime.

1) That the employee advises their Supervisor that they wish to "bank" their overtime at the time of overtime assignment and that such election is irrevocable. The time eligible for banking shall be the work hours in excess of forty **(40)** hours in a week. The employee must bank all (both straight and premium payment portions) overtime earned on a particular shift with the additional condition that overtime on a given shift must exceed one **(1)** hour to be eligible for banking.

2) That time-off in lieu of overtime may only be taken in full-work periods unless replacement is not required in the opinion of the Company.

3) That one **(1)** week notice be given in advance of taking time-off in lieu of overtime payment and that the scheduling of time-off be approved by the Company. The Company may at its discretion waive the one **(1)** week notice requirement if no replacement is required for the employee.

4) That banked overtime may not be

substituted for vacations except that a seniority employee may request to take banked overtime prior to using vacation time if the prior approval of the Supervisor has been obtained (i.e., if an employee wishes to take a day off and the Supervisor can operate the Department without him for that day, not requiring an additional man to be called in, banked overtime may be used). If an employee is scheduled for lay-off he has the option of using his vacation or banked overtime owing during this lay-off period. However, if an employee calls in sick on a Friday or Monday, and wants to be paid for these days, vacation time must be used instead of banked overtime.

5) That time-off in lieu of overtime is not considered work time for purposes of Statutory Holiday entitlement, seniority retention, benefit extension, and other such provisions of the Collective Agreement.

6) Unused "banked" overtime will be paid to the employee at the end of the calendar year.

7) Pay for "banked" overtime will be at the rate in effect at the time the overtime was banked.

Renewed at Chesterville this 3rd day of May, 2001

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Advance Against Weekly Indemnity or Workers' Compensation Claims

In the event of a delay of over two (2) weeks in the payment of a Weekly Indemnity or Workers' Compensation claim an employee may be provided with pay advances of three hundred dollars (\$300) per week or the weekly amount of the claim, whichever is less. Weekly advances will continue until the respective benefit payments commence. The advances are subject to the following conditions:

1) The period of disability must be a minimum of **two** weeks.

2) Two weeks have elapsed without benefits having been received from the day the Weekly Indemnity claim is submitted or the Workers' Compensation Board Treatment Memorandum is provided to the employee, and **no** indication that the claim has been disallowed has been received.

3) The employee signs an undertaking to repay the advance at the rate of \$200.00 (two hundred) per pay through payroll deductions and certifying that he has not received any benefit payment from the Weekly Indemnity plan or Workers' Compensation. Where an employee has received an advance, but has not returned

to work prior to the commencement of benefits the advance will be repaid from such benefits. Any advances which can not be recovered from the employees within six months of being due will be immediately repaid to the company by the union in full.

4) The total advance may not exceed \$3,000 (three thousand).

Renewed at Chesterville this 3rd day of May, 2001

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Vacation Banking

The following procedure will apply to the Vacation Banking option referred to in Article 13 of the parties' Collective Agreement:

1) Elections to bank vacation should be submitted prior to the deadline for vacation scheduling requests. No additional banking of vacation will then be allowed without mutual consent.

2) Where the Collective Agreement provides that vacation pay will be based on a percentage of prior years earnings this amount will be converted to eight (8) hour days of pay at the employee's regular rate. The result of the conversion will be the number of days to be banked.

Example:

An employee eligible for 10% vacation pay has earnings of \$15,000 in the previous year. He elects to bank his "5th week" entitlement. His current rate is \$12.00/hour (twelve). The banked amount would be 2% of \$15,000 divided by \$12.00/hour (twelve). The banked amount equal to 25 (twenty five) hours or 3.125 days.

3) Employees will be advised at year's end of the amount of vacation which has been banked on their behalf. Once vacation is banked it is "locked in" until retirement, resignation or other form of termination.

4) Payment for the banked days will be based upon the rate in effect at time of termination. The Company will co-operate to the extent practical and proper to make the payment in the manner the employee feels to be most tax effective.

5) Where banked vacation becomes payable as a result of death the payment will be made to the deceased employee's beneficiary as indicated by their life insurance beneficiary designation and in the absence of such beneficiary to their estate.

Renewed at Chesterville this 3rd day of May, 2001

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Drug and Alcohol Rehabilitation

Where in the interest of prompt treatment, an employee enters into a recognized drug or alcohol abuse rehabilitation program the Company will assist with the program costs provided:

- 1) It is the employee's first such program.
- 2) The employee completes all requirements of the program including any after care which may be specified.

The Company's assistance will be at the rate of 50% of eligible expenses to a maximum outlay of \$800.00 (eight hundred) after the employee satisfies an initial deductible of \$200.00 (two hundred).

Renewed at Chesterville this 3rd day of May, 2001

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Maintenance Scheduling

The parties hereby agree that during the life of the contract the company will refrain from requiring a scheduled day **off** during weeks where maintenance trade employees are scheduled to work overtime on Saturdays.

This letter shall not apply to those employees working on a continental work week.

Renewed at Chesterville this 3rd day of May 2001.

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Special Short Term Disability Cases

A fund of \$600.00 dollars (six hundred) per year will be established by the Company to cover disability cases.

A committee formed of two Union Stewards, the Human Resources designate and the Plant Manager will review special cases to determine if there is basis for paying benefits at the standard level for those days prior to benefits entitlement under the strict interpretation of the insurance contract.

In the case of "ties" the matter will be resolved in the favour of the employee. If the \$600.00 dollars (six hundred) fund is exhausted the committee will not meet until the next calendar year and no cases will be eligible for special treatment.

Renewed at Chesterville this 3rd day of May, 2001.

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Continental Work Week – Article 8 B)

The Continental Work Week (CWW) will not be introduced into coffee manufacturing or the syrups (manufacturing, filling and packing) department unless and until additional volumes are introduced into the factory.

The Company believes that the support function(s) impacted by the continental work week will be limited to the following:

Shop/Line Mechanics 4

Any addition to the above will be by mutual agreement between the parties. Such agreement shall not be unreasonably withheld.

All employees when working a continental work week shall be paid a shift premium of twelve percent (12%) for all regularly scheduled, non-overtime hours worked. This payment includes employees in syrups (manufacturing, filling and packing), coffee manufacturing and the power house.

Employees working a twelve (12) hour CWW shift will be paid twelve (12) hours for all scheduled working time lost for bereavement and jury duty period. Statutory holidays will be paid for twelve (12) hours when work-

ing a twelve (12) hour CWW shift . Vacation calculation will be based on hours.

The continental work week is not designed to eliminate overtime. Overtime will continue to be required based on production requirements and employees will continue to receive time and a half for working on their sixth day and double time for working on their seventh day. The only change is that there will be no premium payments for working on Saturday or Sunday where Saturday or Sunday are not the sixth or seventh day that an employee works in the week.

Renewed at Chesterville this 3rd day of May, 2001.

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: **Company Bonus**

The parties agree on the importance of recognizing employees for success at the factory. In saying that, a Bonus Tied to Factory Target, will be developed and may include the following measurement tools:

1. Productivity
2. First pass quality
3. Safety – Nobody gets Hurt
4. Variance/Continuous Improvements and any other relevant measurement tool(s)

The Bonus Tied to Factory Target program will pay out up to 4% of yearly earnings (maximum 2080 hours) if the measurement criteria, as described above, are exceeded. That is, the Program must make money before it can pay out.

Management will agree to the Program with the union, with the above criteria as the basic measurement tools. This process must be completed by February of each year. The Plan that is developed will be sent to the Champion Human Resources and Leader Technical, Manufacturing & **Export** for final approval.

Eligible earnings shall be defined as the employee's **hourly** wage rate as at the year-

end multiplied by the number of hours he/she worked during the calendar year in question. Hours worked shall include Vacation and Statutory Holidays but shall exclude W.I. and W.C.B. The total number of hours shall not exceed 2,080.

It is anticipated that the bonus earned for each year shall be paid out in February of the subsequent year.

Bonus shall be excluded from earnings for the purpose of calculating vacation pay under Article 13 of the Collective Agreement.

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Apprenticeship Program

If the company institutes an apprenticeship program during the life of the collective agreement the following will apply.

Selection by the Company, will be **on** the following criteria:

- 1) Sufficient academic qualifications
- 2) Review of employee's work record and attendance
- 3) Successfully pass the necessary tests, by a third party(s), to determine the aptitude for the considered trade.

4) Interview results

Where the above are relatively equal, seniority will govern.

The full term of the apprenticeship program **shall** be four **(4)** years from the time of being accepted as an apprentice and the rate increases ordinarily granted during this period shall be as outlined.

TIME IN ROLE

\$

0-1 year	\$2.00 less full rate
1 year	\$1.50 less full rate
2 year	\$1.00 less full rate
3 year	\$0.50 less full rate

At the end of the training period, providing that the apprentice ~~can~~ satisfactorily perform the journey person's duties in the classification in which he has been trained and successfully receives their ticket, the apprentice will receive the full journey person's rate. Employees who have achieved a

certain number of credits or previous experience shall be paid the wage rate for the period in which such credit advances him.

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Severance Pay

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

Service	Severance
Less than 5 years	1 weeks pay for each completed year of service
5 years but less than 10 years	1.25 weeks pay for each completed year of service
10 years but less than 25 years	1.50 weeks pay for each completed year of service
25 years	2.00 weeks pay for each completed year of service

b) Incomplete years of service shall be prorated to the nearest month.

c) Each week of severance pay for full-time employees shall be calculated by multiplying the employee's regular straight time hourly rate at the time of termination by 40.

2. Severance payments shall *not* **be** made:

a) To employees who are discharged for just cause.

b) To employees who voluntarily resign.

c) In the event of closing due to Acts *of* God, war, disaster, or any other reason **of** similar nature and beyond the control of the Company.

3. In order to qualify for severance pay, employees shall continue to work in a satisfactory manner as long as required.

4. The weeks of severance allowance plus earned vacation will not exceed the number *of* weeks remaining to the employee's normal retirement date.

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

Renewed at Chesterville this 3rd day of May, 2001.

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Job Redundancy

Where a seniority employee's regular job becomes redundant such employee will acquire the right to displace less senior employees. The following procedure would apply:

1) The number of redundant position(s) will be determined.

2) The posted position(s) held by the most junior employee(s) in the factory, production or ticketed trade, whichever is applicable, would be reassigned to the displaced employee(s).

3) The most senior displaced employee(s) would indicate their order of preference on the available job(s). The displaced employee would be placed in the job that best matches their ability and qualifications. Qualifications shall mean that, at the reasonable discretion of management, the employee has the capability to qualify for the job within a reasonable period of time and /or has competently performed the job. The employee must possess the necessary licenses or trade qualifications if applicable. Failure to select a job will result in the employee bumping to general labour or being laid off.

4) These jobs would then be considered **the employee's posted position**. The *reas-*signed employee would be unable to bid for six months as per Article 5(a).

5) The six month no bid clause will not apply for the affected junior employees.

Redundancy may rise from a changing business practice which results in the removal of a classification, elimination in a classification and/or a department closure.

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Maintenance Vacancies

In the event a maintenance position needs to be posted as a result of a vacancy or new position, the Company shall offer the vacancy in order of seniority to the maintenance employees prior to posting. Up to two (2) mechanics would move per posting. An employee who accepts an offer shall lose priority for offers for one year.

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Bumping

The Company respects the need for consideration of employee seniority. The Union established bumping as an important issue during negotiations as a result a joint committee will be established to review the possibility of introducing some protection for seniority employees resulting from a temporary lay-off. The objective of the committee is to make a recommendation that will meet the following criteria;

- Current language on article 4(d) would apply for lay-offs of two weeks or less
- Placement of the employee will be based on their skill, ability and qualification
- If competency can be achieved within 50% of the lay-off period, training will be provided (e.g. a four week lay-off – would receive up to two weeks training)
- Employees may choose not to participate i.e. elect lay-off
- Does not result in lower line efficiencies
- Minimal disruption
- Minimal administration

Deadline for a bumping process recommendation would be September 30, 2001.

The Director, Operations will review the recommendation to ensure the above criteria are met before implementing. There will

be a three month trial basis. Employees would not be able to grieve during the trial period if a procedural error is made, unless the employee brought the error, in writing, prior to the actual bump/layoff to the Company's attention.

After the three months the process would be reviewed, by the Director, Operations to determine if it effectively met the established criteria. If the trial failed to meet the established criteria, the bumping process would revert back to Article 4 (d).

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Breaks

All employees will be entitled to a lunch break as per current practice. The lunch period will be taken as close as is reasonable to the midpoint of each shift. The Company agrees to grant a rest period of fifteen (15) minutes during each half shift and overtime where work will continue for four (4) hours or more. Rest periods shall be taken as per current practice.

Notwithstanding above, the Company and Union will work together to minimize downtime and remain cost competitive on each line as it relates to breaks. The Union understands that certain departments may have different patterns. The different patterns may be tested on a trial basis for a period agreed to by the parties.

At the end of the trial period the parties will consult regarding the experience with this new arrangement. If either party is dissatisfied with the new arrangement it will be discontinued. Alternatively, the parties may confirm that the new arrangement is preferable in which case it can be extended for the term of the current Agreement.

Dwayne Hall
For the Union

John Reeve
For the Company

LETTER OF INTENT

Re: Social Justice

The Company agrees to pay into the CAW Social Justice Fund, a registered charity established by the National Union, one (1) cent per hour per employee for all compensated hours for the duration of the collective agreement. Such monies shall be paid on a quarterly basis made payable to the CAW Social Justice Fund and remitted to the following address: 6800 Campobella Road, Mississauga, Ontario, L5N 2L8 or such other address as may be designated by the Union from time to time. The Company will be issued a charitable receipt for each payment.

Dwayne Hall
For the Union

John Reeve
For the Company

SENIORITY LIST FACTORY EMPLOYEES

Clock No.	Name	Seniority Date
7610		55/09/02
3401		56/07/25
1429		57/09/03
2661		59/04/16
6139		59/04/16 95/11/25*
2335		59/05/25 00/02/23*
4815		59/05/25
2913		60/03/14
2035		60/03/31
3243		60/06/09
1416		60/08/18
5088		61/04/19
6149		61/04/19
6129		61/04/27
4676		62/05/29
5048		62/05/29
6159		62/05/29
6389		62/1 1/26 96/01/07*
5198		63/02/15
3778		63/02/20
4228		63/02/20
7062		63/02/20 94/02/04*
8353		64/01/15 96/10/07*
4021		64/02/26
1377		64/07/03
4586		65/09/13
6853		65/1 1/15
3461		66/03/01
6189		66/05/06
2797		66/07/26
5128		66/08/22
1721		66/08/29
5317		66/08/29
1606		66/08/30

2792	66/09/01
5445	66/09/06
8363	66/09/07
4791	66/09/15
4998	66/09/29
2507	67/07/03
3391	67/07/03
2445	67/07/11
1515	67/08/30
1257	67/09/05
3618	68/01/08
4098	68/01/08
3106	68/03/25
2924	68/05/02
3179	68/05/02
5889	68/05/02
3283	68/05/28
1403	68/06/17
1326	68/07/02
6179	68/07/02
3098	68/08/28
3273	68/08/28
2558	68/09/03
4045	68/09/11 97/01/16*
3788	69/07/28
3431	69/07/29
1033	69/08/05
3175	69/08/05
8293	69/08/18
1711	69/11/12
3203	70/01/26
3551	70/04/23
5068	70/08/04
3149	72/01/24
3798	72/01/24
3411	72/01/25
5158	72/02/07
5098	72/02/09
4088	72/02/23

1338	72/02/29	
2989	72/03/15	
5108	72/05/17	
2030	72/05/23	
7371	72/05/23	
4855	72/11/09	
7899	72/11/09	
1555	73/01/02	
3501	73/01/02	
2015	73/01/08	
2025	73/03/01	
3263	73/03/01	
4845	73/03/12	
3139	73/03/19	
4005	73/03/19	
5148	73/09/04	
1351	73/09/10	
1364	73/09/10	
2802	73/09/10	
3381	73/09/10	
6976	73/09/10	
1563	73/09/18	
8283	74/01/08	
3093	74/02/18	
5899	74/03/01	91/05/08*
2666	74/08/06	
2999	74/08/06	
7122	75/01/13	
6699	76/01/13	
2011	76/04/05	
1539	76/04/19	
2919	76/04/20	
3371	76/04/20	
6923	76/04/26	
3051	76/06/07	
4506	76/08/09	
3346	77/01/17	
7152	77/02/28	
3451	77/08/02	

2275	77/08/08	
1731	77/09/12	
3223	77/09/12	
4369	78/04/17	
3561	78/08/21	
3481	79/01/02	
6169	79/08/20	
4908	81/08/24	
2551	81/09/08	
2695	88/09/06	
8714	88/09/06	
4300	89/01/04	95/11/12*
1512	89/01/05	
1382	89/04/07	
1568	89/04/13	
6280	90/06/11	
4635	91/10/24	
4940	91/12/18	
3571	92/06/15	
4371	93/04/08	
8720	93/09/29	
3277	93/10/13	
5565	93/10/28	
5895	93/11/04	
2000	94/11/22	
5180	97/04/17	
5250	97/07.03	00/10/30*
5890	97/11/04	
5325	98/02/11	
1600	98/04/27	
7550	98/09/11	
8150	98/09/16	
2535	98/09/23	
1372	98/10/15	
3150	98/10/22	
6175	98/11/16	
1460	99/08/19	
4725	99/08/20	
1785	99/08/21	

4725	99/08/20
1785	99/08/21
1940	99/08/22
5110	99/08/23
7020	99/08/24
1990	99/08/25
5775	99/08/28
4715	99/08/30
1603	99/08/31
8355	99/08/31
4650	99/09/02
4690	99/09/03
5115	99/09/04
5140	99/09/06
2710	99/09/08
7300	99/09/08
4950	99/09/09
1960	99/09/10
1528	99/09/13
4530	99/09/14
8296	99/09/20
2110	99/09/21
4943	99/10/15
6450	99/10/22
3420	99/10/28
1620	99/10/29
5116	99/11/01
6875	99/11/01
1360	99/11/05
5113	99/11/05
4960	99/11/15
2120	99/11/16
6210	99/11/22
6290	99/11/25
4685	99/12/01
1440	99/12/03
1434	99/12/25
3614	99/12/29
3417	00/01/14

5094	McMillan, Sheldon	00/01/20
7015	Sequin, Marvin	00/01/24
5460	Mustard, Benjamin	00/01/25
7225	Snook, Charles	00/01/28
8260	Whetter, Alan	00/02/02
1445	Barkley, Rhonda	00/02/04
6890	Ross, Kevin	00/02/11
3470	Harrington, Shaun	00/02/23
2630	Delorne, Don	00/04/04
7580	Tourangeau, Robert	00/04/12
3740	Holmes, Tim	00/04/22
5600	Nuttall, Robert	00/04/26
4653	Lewis, Brian	00/05/03
1447	Barkley, Rick	00/05/12
4652	Lendt, Ray	00/05/19
3155	Gaines, Martin	00/06/09
6197	Payne, Tim	00/07/13
4508	Lafrance, Denis	00/10/25
4672	Locke, Trevor	00/11/17
2140	Claxton, Keith	00/12/15
1369	Barkley, Barry	00/12/20
4475	Lavallee, Pierre (Peter)	01/01/23

* Frozen Seniority Date as per Article 4(e)