

SOURCE	Comp		
EFF.	98	07	19
TERM.	01	05	19
No. OF EMPLOYEES	370		
NOMBRE D'EMPLOYÉS	2P		

AGREEMENT

BETWEEN



KRAFT CANADA INC.
COBOURG, ONTARIO

AND

UNITED FOOD AND
COMMERCIAL WORKERS
INTERNATIONAL LOCAL 1230

1998 REGISTERED

AGREEMENT

BETWEEN

KRAFT CANADA INC.

COBOURG, ONTARIO

AND

**UNITED FOOD AND
COMMERCIAL WORKERS**

INTERNATIONAL LOCAL 1230

1998-2001

00614(06)

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AGREEMENT

BETWEEN

**KRAFT CANADA INC.
COBOURG, ONTARIO**
And/or its successor

Hereincalled **"the Company"**

AND

**UNITED FOOD AND COMMERCIAL
WORKERS INTERNATIONAL UNION,**
affiliated with the AF. of L - C.I.O.,
of the Canadian Labour congress (C.L.C.)
on behalf of Local 1230.

Hereincalled **"the Union"**.

PREAMBLE

Recognizing that the welfare of the Company and that of its employees depends upon the welfare of the business as a whole, and recognizing further that a relationship of goodwill and mutual respect between employer and employees can contribute greatly to the maintenance and increase of that welfare, the parties of this contract join together in the following Agreement.

Article 1 - Recognition

- 1.1 The Company recognizes the Union as the sole collective bargaining agent with respect to rates of pay, hours of work, and such other working conditions and provisions as are included in this Agreement for all classes of employees, as defined in Article 2 - Bargaining Unit.
- 1.2 The Company will not bargain collectively with any other labour organization on matters affecting these employees during the term of this Agreement.

Article 2 - Bargaining Unit

- 2.1 The Bargaining Unit is composed of all employees at the Cobourg Plant, save and except Supervisors, persons above the rank of Supervisors, office staff, salaried technicians, watchmen and guards.
- 2.2 Work customarily performed by the employees in the Bargaining Unit shall not be done on the plant premises by persons excluded from the scope and jurisdiction of this Agreement, or by employees not covered by this Agreement, except for purposes of experimental development, audit, on-the-job training, instruction of employees, or in cases of emergency.
- 2.3 Notwithstanding Article 2.2 and Appendix "A", **some** duties/tests may be re-allocated between Plant and Laboratory and/or Plant and Maintenance Classifications to enhance production and quality efficiencies. The new and/or changed classifications will be subject to Article 20.9.

Laboratory and Maintenance Personnel will not be displaced because of any transfer of duties.

However, if the needs of the business warrant a reduction of the number of jobs in the Laboratory and Maintenance groups, these employees will have the opportunity to move into Plant positions according to seniority.

- 2.3 In the event of an opening in the Laboratory, Maintenance or Production, qualified personnel from Maintenance, Laboratory Groups or Production, will have the first opportunity to apply according to their seniority.
- 2.4 a) The Union agrees the Company has the right to hire personnel on a temporary basis when necessary to meet production requirements or replace full time employees for such reasons as vacation, sick leave or leave of absence. Terms and conditions covering temporary employees will be in accordance with Appendix "C", which forms part of this Collective Agreement.
- b) The Company agrees to establish a committee consisting of two (2) Union and two (2) Company representatives, whose task it will be to review monthly, the process of evaluation for Temporary Employees and make recommendations to management on improving the process. This committee will assess manpower needs and recommend hiring when appropriate. When there is a need to hire Hourly Regular Full-time Employees, they will be hired from the Temporary Employees workforce, except where specific qualifications are required and not available in the temporary workforce, eg. Maintenance and Quality Systems.
- 2.5 It is understood that the Company may need to sub-contract work, but the Company agrees to restrict the hiring of sub-contractors to perform such work on the plant premises to those instances where:
1. The work cannot be performed by Bargaining Unit employees due to inappropriate skills and unavailability of qualified personnel.
 2. Necessary equipment or tools to perform the work are not available to the plant.
 3. Such work cannot be performed by Bargaining Unit employees within required time limits.

4. The Company will advise the Union President prior to any subcontracting work.
5. The Company will dialogue with the Union President prior to any co-packing work.

Where regular employees who are laid-off have the skills and the equipment to do the work being subcontracted, the Company will not subcontract the work.

- 2.6 Use of the masculine gender in this Agreement shall be considered also to include the feminine.

Article 3 - Management

- 3.1 Subject to the provisions of this Agreement, the management and operation of the business; and the employment, direction, promotion, transfer, lay-off, termination, retirement; and reprimand, suspension, or discharge of employees for just cause, shall be vested solely in the Management of the Company. The exercise of such functions shall not be subject to arbitration unless related to the provisions of the Agreement.

Article 4 - Union Security

- 4.1 All employees as of the signing of the Collective Agreement who are members of the Union (in accordance with its constitution and by-laws) and all employees who become members after such date shall, as a condition of employment, maintain their membership in good standing with the Union so long as this Collective Agreement or its renewal shall continue in force.

In the event that an employee has been expelled from the Union in accordance with its constitution and by-laws, the employment of said employee shall automatically be terminated.

- 4.2 a) The Company agrees to deduct each week from wages due and payable to each Regular Full-time employee, probationary employee and temporary employee coming within the scope of the Bargaining Unit as defined in

Article 2.1 of this Collective Agreement, the regular weekly union dues. Such dues will be remitted to the Secretary Treasurer of Local **1230**, United Food and Commercial Workers International, during the week which follows the deduction, together with a list of changes in the Bargaining Unit, and the names of employees for whom deductions have not been made.

- b) Any union dues payable and not processed through payroll deductions because the employee has no earnings at the time the deductions are made, is claimed and collected by the Union directly from the employee.

4.3 The Company agrees that upon receipt of written authorization in the form of a signed Union Membership Card, it will deduct from the wages of employees joining the Union after the ratification of this Agreement, the initiation fee due from him to the Local Union and shall remit the same to the Secretary Treasurer of Local **1230**, United Food and Commercial Workers International, on or before the fifteenth (15th) day of the following calendar month. Special assessments, if levied in accordance with the constitution and by-laws of the Union, will be deducted from members of the Union upon proper notification from the Union.

4.4 The Company shall not be responsible financially or otherwise, either to the Union or to any employee, for any failure to make deductions or for making improper or inaccurate deductions or remittances. However, in any instance in which an error occurs in the amount of any deduction of dues from an employee's wages, the Company shall adjust it directly with the employee. In the event of any mistake by the Company in the amount of its remittance to the Union, the Company shall adjust the amount in a subsequent remittance. The Company's liability for any and all amounts deducted pursuant to the provisions in this Article shall terminate at the time it remits the

amounts payable to the designated officer or officers of the Union.

- 4.5 In the event of any action at law against the parties hereto or either of them resulting from any deduction or deductions from payrolls made or to be made by the Company pursuant to Article 4.2 both parties shall cooperate fully in the defense of such action. Each party shall bear its own cost of such defense except that if at the request of the Union counsel fees are incurred, these shall be borne by the Union. Save as aforesaid the Union shall indemnify and save harmless the Company from any losses, damages, costs, liability or expenses suffered or sustained by it as a result of any such deduction or deductions from payrolls.
- 4.6 Neither the Company nor any person acting for the Company, shall in any manner whatsoever, seek to dominate, to influence, hinder or discriminate against the lawful activities of the Union or against any present and prospective member of the Union.
- 4.7 It shall continue to be the policy of the Company and the Union not to discriminate against or intimidate employees because of sex, religious, political or Union beliefs, race, colour, creed or nationality.

Article 5 -Grievance Procedure

- 5.1 Both the Company and the Union emphasize the desirability of a satisfactory grievance procedure, the purpose of which will be to settle grievances promptly. For the purposes of this Agreement, grievances are understood to be any disputes, disagreements, dissatisfactions, differences, or alleged grievances arising out of the provisions of this Agreement. It is agreed that consultation at any step in the following procedure will take place quietly and speedily so that any possible cause of friction may be reduced to a minimum.

5.2 To ensure prompt handling of grievances, the matter concerned should be submitted as soon as possible, but neither the Company nor the Union shall be required to recognize a grievance submitted by an employee after fifteen (15) work days have elapsed from the date of the incident.

The above time limit shall not apply in those instances where the grievance involves an error in employee's pay.

5.3 The employee will discuss his grievance with his Supervisor, accompanied by his Steward if he so desires. If such grievance is not settled to the satisfaction of the employee concerned, it may be submitted in writing, signed by the employee and the Chief Steward, and will be submitted to the Supervisor.

5.4 Grievances shall be dealt with progressively in the following manner:

Step 1

Within five (5) work days of the Company receiving the written grievance, the employee, with the Chief Steward, may present the grievance to the Manager of the Department, the Superintendent and/or the Supervisor.

The Company is expected to render its decision within two (2) full work days, but, failing to do so, the Union may submit the grievance to the next step.

Step 2

Within fifteen (15) work days of the Union receiving the decision under Step 1, the Union President, and the Chief Steward, with or without the Steward, may present the grievance to the Manager, Human Resources or a designate, and the Manager of the Department, the Superintendent and/or the Supervisor.

The Company is expected to render its decision within two (2) full work days, but, failing to do so, the Union may submit the grievance to the next step.

Step 3

Within twenty (20) work days of the Union receiving the decision under Step 2, the Grievance Committee may present the grievance to the Director of Manufacturing, the Manager, Human Resources or a designate, and the Manager of the Department, or his designate. A representative of the Union may be called in if desired by either party.

The Company is expected to render its decision within five (5) full work days, but, failing to do so, the Union may submit the grievance to Arbitration.

Note 1: For the purposes of this Article, the term "work days" is understood to exclude Saturdays, Sundays, paid plant holidays, vacations and sickness.

Note 2: In the absence of the Chief Steward, his designated representative (who will be another Officer of the Union) will process the grievance.

- 5.5 Any grievance not appealed from the decision in any step of the Grievance Procedure within five (5) full work days, shall be considered settled on the basis of the last decision.
- 5.6 The decisions arrived at by agreement between both parties under any of the above steps, shall be recorded in writing at the time of settlement, signed by both parties, and shall be valid and binding upon the Company and the Union and the employees.
- 5.7 Should the Company representative fail to meet the time limits at any step of the Grievance Procedure the Union may submit the grievance to the next step of the Grievance Procedure or to Arbitration after Step 3. Should the Union fail to process the grievance in accordance with any of the above grievance steps, the grievance shall be considered settled on the basis of the last decision, and shall not be subject to further proceeding.
- 5.8 The aggrieved employee may be present at any step if requested by either party. Except in the cases of discipline, a grievance initiated by more

than one employee, or where a number of grievances dealing with a common issue are presented, the grievors will be represented by not more than two of their number, excluding the Union Steward and Grievance Committee, at any step of the grievance procedure.

- 5.9 If an employee so desires, he may be accompanied by his Steward when being interviewed by a management representative in an office. If the employee is a Steward, he may be accompanied by an officer of the Union.
- 5.10 The Company shall notify the Union President in writing within one (1) work day from the date the employee is notified in writing of his suspension or discharge. If the employee (excluding a Probationary Employee) believes that he has been unjustly suspended or discharged, he shall submit his grievance in writing to Management, through a member of the Grievance Committee, within ten (10) work days from the date that the official written notice was given to the Union President.

Such grievance shall be presented at the Second Step of the Grievance Procedure, after which it can be submitted to the subsequent steps of the Grievance Procedure and Arbitration.

- 5.11 It is understood that all meetings between Officers, Stewards of the Union and members of the Grievance Committee and members of Management for handling matters under the scope and jurisdiction of this Agreement but excluding negotiations for the renewal of a new Agreement, shall be scheduled by Management at times suitable to the operation of the business. The Union Officers, Stewards and members of the Grievance Committee affected shall be paid at their prevailing rate for such time. The above shall also apply to the aggrieved employee (except an employee who is under suspension or who has been discharged), and to any employee who is

required to attend such meeting as a witness with respect to the grievance.

- 5.12 Notwithstanding Article 5.11, an employee, who would normally be scheduled to work, but is absent for negotiations with the Company for the renewal of the Collective Agreement or an authorized Union Convention, will receive a regular pay cheque from the Company subject to the following conditions:
- (1) The weekly pay cheque will be computed on the basis of forty **(40)** hours per week at the employee's applicable rate and will not include any form of overtime or shift differential.
 - (2) The pay cheque will be subject to all normal pay deductions.
 - (3) The Union will supply a list of employees involved a week prior to the meeting date.
 - (4) The Company will invoice the Union on a monthly basis for all gross pay computed per Section (1).
 - (5) The Union will remit the full amount owing by the 15th day of the following calendar month, payable to Kraft Canada Inc., Cobourg, Ontario, attention: General Accounting.
 - (6) The arrangement applies to the Union Officers, representatives of Local 1230, as defined in Appendix "D" of the Collective Agreement.
- 5.13 Any grievance arising directly between the Union and the Company may be submitted in writing by either party to the other at Step 2. Discussions between the Company and the Union apart from the Grievance Procedure shall not preclude resort to the Grievance Procedure.
- 5.14 A Union Steward may discuss with his Supervisor matters which may directly affect the welfare of the department even though at the same time such matters may not constitute a grievance. In the absence of the Steward the Union President may have such discussions with the Supervisor. The

Union Steward may be accompanied by the Union President in the event that either the Steward or the Supervisor request his presence. Similar discussions may take place between a representative of the Union or an Officer of the Union Local and a representative of Management.

- 5.15 Pending investigation and settlement of a grievance, the employee(s) involved will perform the duties assigned to him by his Supervisor.
- 5.16 The disciplinary record of employees will be reviewed every three (3) months by the chief Steward and the Associate Manager of Human Resources. Any Management decision arising out of such review may be subject of a grievance.
- 5.17 It is mutually agreed that subsection (6) of Section 44 of the Ontario Labour Relations Act does not apply to this Collective Agreement.
- 5.18 It is understood that any of the time limits referred to in Article 5, "Grievance Procedure", and Article 6, "Arbitration", including the initiating of a grievance and/or the invoking of Arbitration, may be extended by mutual agreement between the Union President and the Manager, Human Resources, or their designate.

Article 6 - Arbitration

- 6.1 Any grievance which has been handled in accordance with Article 5 and has not been settled, and which involves the interpretation or application of any of the provisions of this Agreement, may be referred by either party to Arbitration within a period of not more than thirty (30) calendar days, following the meeting referred to in the Step 3 of the Grievance Procedure.

The party submitting the grievance to Arbitration shall inform the other party in writing and by registered mail. For the purpose of this clause, the date appearing on this registered mail shall be considered to be the date that the grievance has been filed for the purpose of Arbitration.

At the request of officials of either the Company or the Union a grievance which has not been settled in accordance with Article 5, and which has been filed for the purpose of Arbitration may be the subject of further discussion in a meeting between the respective representatives of the parties. The object of this clause is to give the parties an opportunity to promote the settlement of such a grievance prior to arbitration.

- 6.2 Within fifteen (15) calendar days from the date that the grievance was filed for the purpose of Arbitration as set forth in Section 6.1, the Union shall designate one person and the Company shall designate one person as members of the Arbitration Board. In the event that either of the parties fails to appoint its member within this period, the other party shall within fifteen (15) calendar days ask that the member be appointed by the Minister of Labour of the Province.
- 6.3 The representatives of the parties shall agree upon the selection, as soon as possible from the date of the last appointment, of a third arbitrator who shall be impartial and who shall act as Chairman of the Arbitration Board. In the event that the parties fail to agree upon a Chairman, the representatives of the parties will jointly request the Minister of Labour for the Province to appoint such Chairman. The Chairman will be expected to convene this Board as soon as possible.
- 6.4 The decision of a majority of the said arbitrators shall be final and binding upon the Company and the Union and all employees involved.
- 6.5 The Arbitration Board shall not be authorized to make any decision inconsistent with the provisions of this Agreement or to alter, modify, or amend any part of it.
- 6.6 In the case referred to in Article 5, Section 5.10, the decision of the Board shall be governed by the following rules as agreed between the Union and the Company.

- a) The employee to be reinstated on a date at the discretion of the Arbitration Board with all rights accrued to him under ~~this~~ Agreement and with full compensation for all time lost from the date that the employee was suspended, or discharged.
- b) The employee to be reinstated on a date at the discretion of the Arbitration Board, with partial compensation for time lost as determined by the Arbitration Board, but with all rights accrued to him under this Agreement.
- c) The employee to be reinstated on a date at the discretion of the Arbitration Board with no compensation whatsoever for time lost, but with all rights accrued to him under this Agreement.
- d) The decision of Management related to said suspension or dismissal of the employee to be upheld by the Arbitration Board.

It is understood that time lost will be computed on the basis of a normal work week and will not include any form of overtime pay.

- 6.7 The cost of the Chairman shall be shared equally by the parties. Each party will pay its own costs, including those of its representatives.

Article 7 -Representation

- 7.1 The Union agrees to appoint or elect, and the Company to recognize, Stewards (a maximum of one Steward for every Supervisor) who shall be employees of the Company, but excluding employees on probation, to deal with matters affecting employees in departments in the Company's plant.

A list of these Stewards shall be supplied to the Company. The Union will advise the Company as soon as possible of any change in this list and the Union shall confirm this in writing within five (5) work days of such change.

The Company shall furnish the Union with a list of Supervisors and the department to which they are attached. The Company will advise the Union as soon as possible of any change to this list and the Company shall confirm this in writing within five (5) work days of such change.

- 7.2 The Union agrees to appoint or elect a Grievance Committee, all employees of the Company, but excluding employees on probation, to deal with grievances which may not be settled in Steps 1 or 2. The Grievance Committee will be composed of three (3) members one of whom will be the Union President. The names of Grievance Committee members shall be supplied to the Company. The Company shall be advised in writing of any changes in this list within five (5) work days of such changes.
- 7.3 It is understood that a Steward and/or Officer of the Union is expected to assist in the adjustment of grievances as provided in Article 5 and to transact other Union business falling under the scope of the Agreement. In order to prevent disruptions to the regular work schedule, the Steward will request his Supervisor, or in his absence his designate, to make the necessary arrangements so that he can be relieved from his job (with no loss of earnings) as soon as possible, but within one (1) hour. Such requests and the time taken away from the job will be kept to a minimum. Union representatives shall not contact another employee on company time without prior permission of that employee's Supervisor.

Note 1: In the absence of the Steward, his designated representative (who will be another Steward or Officer of the Union) may act under the provisions of Article 7.3.

Article 8 - Plant Holidays

- 8.1 The following paid plant holidays shall be observed:

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

Should Heritage Day be designated by the Government of Canada during the life of this Collective Agreement, the Company agrees to recognize the day as an additional holiday entitlement.

There shall be three (3) additional paid plant holidays, the observance of which shall be determined from year to year.

- 8.2** Notwithstanding Article 19.1, the work days immediately preceding Christmas Day and New Year's Day, that is the eve of Christmas and New Year's Day, the regular schedule of hours for these days shall not exceed four (4) hours, except for the night shift and powerhouse employees.
- 8.3** If a paid plant holiday(s) falls on a day on which work is not normally scheduled, the work day before or after such holiday(s) shall be observed as a substitute holiday(s). e.g. - In situations where back-to-back paid plant holidays occur on Friday and Saturday the substitute holiday for Saturday will be either Thursday or Monday.
- 8.4** An employee is entitled to holiday pay for each of the paid plant holidays specified in Article 8.1, whether or not he works on such holidays, providing that:
- i) he has earnings to his credit in the week in which such paid plant holiday(s) occur, or
 - ii) in the special case of the Christmas and New Year's period, an employee has not less than six (6) months seniority and who has earnings to his credit in the week immediately following such paid plant holiday(s), or
 - iii) he has received a minimum of **26** pay cheques in the calendar year in which such paid plant holiday(s) occur, and

iv) such paid plant holiday(s) is observed during his period of employment.

Note 1: An employee who qualifies for holiday pay under Article 8.4 (iii) will receive holiday pay in accordance with his regular rate of pay at the time the holiday(s) is observed.

- 8.5 However, an employee shall forfeit his holiday pay specified in Article 8.4 above, if
- i) he is scheduled to work on such paid plant holiday(s) and fails to do so, or
 - ii) he is absent on the scheduled work day immediately preceding or immediately following such paid plant holiday(s), unless such absence is excused by the Company.
- 8.6 An employee who is eligible to receive payments under the Sick Benefit Plan will receive holiday pay in lieu of sick benefit payments in the event that paid plant holiday(s) falls during his absence.
- 8.7 An employee receiving LTD payments will receive the difference between holiday pay and that received through LTD payment for paid holidays occurring during his absence and within the initial eighteen month LTD period.
- 8.8 An employee who works on a paid plant holiday will receive his holiday pay and in addition, he will be paid at the rate of one and one-half (1.5x) times his regular rate for all hours worked.
- 8.9 An employee who is employed in the powerhouse, and is required to work on one of his scheduled days off and such day is also a paid plant holiday will receive his holiday pay and in addition, he will be paid at the rate of one and one-half (1.5x) times his regular rate for all hours worked. If required to work both of his scheduled days off and the second scheduled day off is also a paid plant holiday he will receive his holiday pay and in addition he will be paid at the rate of one and one-half (1.5x) times his regular rate for all hours worked.

- 8.10 The Company will advise the Union President of those cases where holiday pay has been forfeited.
- 8.11 When a paid plant holiday falls on Friday, pay cheques will be distributed to the employees working the Thursday 11 - 7 shift prior to the end of their shift.

Article 9 - Rest and Meal Periods

- 9.1 Two paid rest periods of fifteen (15) minutes duration each and one paid twenty (20) minute meal period in any eight (8) hour shift will be scheduled in a manner so as not to interfere with production or cost of operations.
- 9.2 An employee who works overtime after his scheduled eight (8) hour day is entitled to a fifteen (15) minute rest period prior to the start of such overtime. An employee is entitled to a paid meal period of twenty (20) minutes, at his overtime rate, if he is required to work more than two (2) hours after his scheduled quitting time.

Subsequent entitlement for rest and meal periods will be fifteen (15) minute rest period at his overtime rate if his work continues at least four (4) hours beyond the start of the previous rest period and a subsequent twenty (20) minute meal period at his overtime rate if his work continues at least four (4) hours beyond the start of the previous meal period. Such rest and meal periods will be scheduled by the Company.
- 9.3 An employee who works overtime immediately before or after his scheduled eight (8) hour day will be entitled to a meal allowance of five dollars (\$5.00) per meal period, providing he is required to work overtime more than two (2) hours. Meal allowances must be redeemed within thirty (30) calendar days from the date of issue. Beyond this time frame they will be invalid.
- 9.4 An employee called into work under the provisions of Article 20.17 will be entitled to a meal allowance of five dollars (\$5.00) for one meal, in the event the

emergency call-in is continuous with his regular shift or, in the event the emergency call-in is not continuous with his regular shift but exceeds four (4) hours duration.

Article 10 - Tools for Tradesmen

- 10.1 A regular Maintenance Department employee (excluding a powerhouse employee) with at least one year's seniority and completing the trial period, shall receive during the first week of January each year, a cheque in the amount of one hundred and fifty dollars (\$150.00). Employees who have completed their trial period and have not completed one (1) year of service will receive the pro-rated tool allowance based on the number of full months of completed service as of January 1st each year. This tool allowance is to be used for the replacement of worn or lost tools or the purchase of new tools. It is understood such employees must maintain an adequate complement of tools for the performance of their duties.

Tools required in the powerhouse will be provided in accordance with past practice.

Article 11 • Licenses

- 11.1 The Company shall reimburse employees for the renewal of licenses required in the performance of their duties.

Article 12 - Working Clothes

- 12.1 The Company shall furnish and launder all uniforms at no cost to the employee, and in addition, shall provide such other clothing and footwear which may be required for work in cold or wet areas.
- 12.2 All such working clothes issued by the Company to employees will remain the property of the Company.
- 12.3 The Company will pay up to a maximum of ninety-five dollars (\$95.00) per calendar year towards the cost of safety shoes purchased by an employee. Annual credits in whole or in part, may be accumu-

lated to a maximum of one hundred and ninety dollars (\$190.00).

Article 13 • Appearance In Court

- 13.1 Employees called for jury duty or subpoenaed to appear as a witness in court will be paid the difference between their regular rate and the amount paid by the court for hours of work missed up to eight (8) hours per day. To be eligible for payment, the employee must notify his Supervisor as soon as such notice is received and furnish evidence of the amount of pay received.

Article 14 - Safety, Health and Sanitation

- 14.1 The Company shall continue to make reasonable provisions for the safety and health of its employees during the hours of their employment, including safety installations, personal protective equipment, and such other safety devices required to maintain safe working conditions. Disagreements pertaining to the provisions of this Article as to whether or not the Company is making reasonable provisions to maintain safe working conditions may be referred to the Grievance Procedure beginning at Step 2.
- 14.2 An employee injured while working in the Plants shall suffer no loss of earnings for the balance of hours on the day the accident occurs or on any working day he required medical treatment if as a result of such injury he is sent home or to the hospital or for medical attention on instruction from the medical department, but if such is not possible, then by a Company representative, provided this is not reimbursed by the Workplace Safety and Insurance Board. (WSIB)
- 14.3 An employee is required to meet the standards of physical fitness established by the Company and will be subject to physical examinations given by the Company Physician at Company expense, when and as required by the Company. An employee shall be paid applicable rate for the purpose of such examinations.

An employee who is working on a shift other than day shift by his own choice shall be paid his regular rate when he is required to have such examinations before his regular starting time or after his regular quitting time.

- 14.4 The Company may transfer, require a medical leave of absence, demote or terminate the employment of an employee who in its belief, does not meet the physical conditions required by the Company, as interpreted by the Company Physician. Any disagreement with such interpretation can be submitted to a recognized medical authority. This action will be taken by the Company only after reasonable effort has been made to provide suitable employment.
- 14.5 In consideration of the nature of the Company's business, the Union recognizes the need for maintaining high standards of sanitation and employee health in accordance with Federal and Provincial laws and regulations. The Union agrees to recognize and support such Company policies and procedures pertaining to the foregoing. The Company agrees to communicate to the Union any changes to policies and procedures as they affect employees before implementing such changes.
- 14.6 The Company and the Union agree to establish a Plant Health and Safety Committee comprised of four Union representatives appointed by the Union and four Management representatives. This committee will meet at least once per month or more often as required. Minutes of these meetings will be prepared and distributed to this Committee, the Union President, Stewards, Officers and Plant Management Staff. The Company and the Union agree that the Safety Program established by the parties is given principal importance.

Article 15 - Cooperation

- 15.1 During the term of this Agreement the Company agrees that there shall be no lock-out of employees

- and the Union agrees that there shall be no strike. Neither the Union, nor any of its stewards, officers or representatives, shall order, encourage or support a slow-down or walk-out. In the event of a slow-down or walk-out, the Union will encourage the employees to resume their normal work.
- 15.2 The Company agrees that no employee shall be requested or required to cross a picket line established by the Union.
 - 15.3 The Union Presidents shall have the right to post on notice boards, bulletins pertaining to meetings of the Union, election of officers, educational, social and recreational events. The contents of such notices shall not contain anything detrimental to Company interests.
 - 15.4 No employees shall conduct Union activities during working hours except as specifically permitted in this Agreement.
 - 15.5 The Company and the Union will form a Steering Committee, that will continue our Journey of Continuous Improvement toward our Vision of becoming a "Best of Class" manufacturing and distribution facility. The mandate of this team will be to recommend "Work Systems" that successfully leverages people, processes, and technology, to produce dramatic business results through people involvement and job enrichment.

Article 16 - Bereavement Pay

- 16.1 An employee absent due to a death in his family during periods when he is both scheduled and available for work shall receive the following entitlement for time lost during the period between death and three (3) calendar days following the funeral:
 - a) five (5) days' pay to attend and/or make arrangements upon the death of his/her spouse /or children.

- b) three (3) days' pay to attend and/or make arrangements upon the death of the employee's parents, brothers, sisters, grandparents, grandchildren, parents-in-law, grandparents-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, and any other relative residing permanently with the employee.
- c) in the event that bereavement occurs during the vacation of an employee or during the Christmas holiday, one (1) day with pay will be added to his vacation period or to the Christmas holiday.

Article 17 -Vacations

17.1 An employee who has completed the service requirements listed below shall be granted a vacation and receive vacation pay as follows:

Service Requirement (as of date of hiring)	Length of Vacation	Computation of Vacation Pay
1 year	2 weeks	4% of wages earned for the year ending December 31st of previous year
3 years	3 weeks	6% of wages earned for the year ending December 31st of previous year
10 years	4 weeks	8% of wages earned for the year ending December 31st of previous year
20 years	5 weeks	10% of wages earned for the year ending December 31st of previous year
25 years	6 weeks	12% of wages earned for the year ending December 31st of previous year

- 17.2 For each week of vacation, an employee will receive a minimum of forty (40) hours' pay at his hourly rate, providing that the employee has fulfilled the following active employment requirements:
- a) the employee has worked during the calendar year in which the vacation is taken;
 - b) the employee has received twenty-six (26) pay cheques during a consecutive fifty-two (52) week period measured from any point in the calendar year in which the vacation is taken.
- 17.3 Receipt of sick benefits, LTD benefits within the initial eighteen (18) months LTD period, and Workplace Safety and Insurance Board compensation payments shall be considered to be the equivalent of pay cheques in fulfilling the active employment requirements.
- 17.4 On termination of employment with the Company, an employee shall be entitled to vacation pay as follows:
- 1) If the employee has received a vacation with pay in the current calendar year:
 - a) for an employee hired prior to January 1, 1977; no further entitlement
 - b) for an employee hired subsequent to January 1, 1977; the applicable percentage under Article 17.1 of wages earned in the current year up to the date of termination.
 - 2) if the employee has not received a vacation with pay in the current calendar year, but has fulfilled the active employment requirements under Articles 17.1 and 17.2:
 - a) for an employee hired prior to January 1, 1977; full entitlement under Articles 17.1 or 17.2
 - b) for an employee hired subsequent to January 1, 1977; entitlement under Articles 17.1 or 17.2 plus the applicable percentage

under Article 17.1 of wages earned in the current year up to the date of termination.

- 3) If the employee has not received a vacation with pay in the current calendar year nor fulfilled the active employment requirements under Articles 17.1 and 17.2:
 - a) for an employee hired prior to January 1, 1977; the applicable percentage under Article 17.1 of wages earned in the current year up to the date of termination.
 - b) for an employee hired subsequent to January 1, 1977; the applicable percentage under Article 17.1 of wages earned in the previous calendar year, plus the applicable percentage under Article 17.1 of wages earned in the current year up to the date of termination.

17.5 Vacations may not be postponed from one year to another and made cumulative. However, an employee entitled to two (2), three (3), four (4), five (5) or six (6) weeks vacation, who does not receive his entitlement during the scheduled vacation period(s), may postpone one (1) week to be taken at any time, in the succeeding year subject to Article 17.7. Seven (7) weeks of vacation in a calendar year is the maximum entitlement.

Every effort will be made to provide employees the opportunity to take three weeks of vacation entitlement in July and August.

17.6 The occurrence of a paid holiday during the employee's vacation will either be paid as a holiday during that period or another day will be substituted for such holiday. If a substitute day is granted, it will be considered for all purposes as a holiday, and such time off may be granted at the beginning or the end of the vacation period, or at any time following the vacation within the calendar year in which the vacation is taken.

- 17.7 Employees are requested to submit their vacation weeks entitlement for the calendar year to their supervisors by April 1st. Up to and including April 1st, vacations will be granted by seniority. After April 1st, vacations will be granted on a first come, first serve basis.

Except in the case of the scheduled vacation period(s), employees who are entitled to additional vacation will be notified of their vacation period(s) as far in advance as possible.

In the case of the scheduled vacation period(s), the Union will be notified as soon as possible, but not later than March 15th, of the vacation year. Should subsequent changes in the scheduled vacation period(s), be necessary, e.g. the need to run certain lines due to customer requirements, the Union will co-operate with the Company in arranging staffing by qualified personnel. No allowance will be made for periods of disability occurring during vacations.

- 17.8 An employee who becomes hospitalized or is confined to his home with an illness or injury prior to his scheduled vacation, may request that his vacation be re-scheduled to a later date.

Requests must be submitted to the Medical Department and accompanied by a Physician's Certificate of Illness.

The request and the Physician's Certificate of Illness will be forwarded to the Company Physician. Each request will be reviewed on its merit, and if approved by the Company Physician, the vacation will be re-scheduled.

Article 18 - Benefits

- 18.1 All eligible employees (excluding employees on probation and layoff) shall, subject to the conditions therein, have the benefit of the various plans outlined in Appendix "F". Throughout the life of this Agreement, the Company will not change any of the participating benefit provisions without prior

consent of the Union. The Company agrees to communicate to the Union and its members any change of benefit carrier thirty (30) calendar days prior to the effective date.

Article 19 - Hours of Work and Overtime

- 19.1 Eight (8) hours per day shall be the basic work day, and five (5) consecutive work days, (Mondays - Friday inclusive) shall be the basic work week of forty (40) hours, except for the Powerhouse operation, Appendix "B" and Alternative Work Schedules as per Appendix "H". The normal work schedules will be 7:00 a.m. to 3:00 p.m.; 3:00 p.m. to 11:00 p.m.; and 11:00 p.m. to 7:00 a.m.

Additional work schedules 8:00 a.m. to 4:00 p.m. and 2:30 p.m. to 10:30 p.m. apply only to Laboratory employees. Hours of work for Powerhouse employees are covered in Appendix "B" of this Agreement.

- 19.2 All time worked in excess of the basic work day of eight (8) hours, before or after, shall be considered as overtime and shall be paid at the rate of one and one-half (1.5x) times the regular rate. Time worked in excess of twelve (12) consecutive hours shall be paid at the rate of one and one-half (1.5x) times the regular rate. Except in an emergency, employees will not be requested to work more than twelve (12) hours.
- 19.3 All hours worked on Saturday and Sunday shall be paid at the rate of one and one-half (1.5x) times the regular rate. However, any hour(s) worked on Saturday or Sunday which are a part of the basic work week (Article 19.1) will be paid at the regular rate. Example being as follows: 11:00 p.m. to 7:00 a.m. - regularly scheduled shift starts at 11:00 p.m. on Sunday and ends at 7:00 a.m. Monday. The overtime rate of one and one-half (1.5x) times is not paid between 11:00 p.m. and 12:00 midnight on the Sunday night.

- 19.4 Any change in the normal work schedules referred to in Article 19.1 (unless made as a result of an emergency) will be made by the Plant Manager and notice of such change will be given in writing to the Union President and stewards at least ten (10) days prior to the change, or failing such notice affected employees will be paid one and one-half (1.5x) times their regular rate for the next ten (10) regular work days. Copies of such notice will also be posted at the time clocks.
- 19.5 Subject to production requirements, every effort will be made to schedule employees, working on a multiple shift schedule, in such a way as to rotate such employees in an equitable manner.
- 19.6 An employee assigned to shift work shall not leave his work place unless relieved by the employee assigned to the same operation on the succeeding shift, or a substitute instructed to do so by the supervisor.
- 19.7 An employee shall not change shifts with another employee without permission of his Supervisor.
- 19.8 Every effort will be made to avoid the necessity for overtime; however, when conditions necessitate, an employee will perform overtime work. The response of the employee requested to work overtime will be on a voluntary basis. The Union agrees that when overtime is necessary it will do its utmost to cooperate with the Company to make sure that employees are available to do the work particularly when such overtime is due to the unexpected absence of any employee. Distribution of overtime will be in accordance with Appendix "E", which forms a part of this Collective Agreement.
- 19.9 Whenever an employee's regular scheduled working hours are changed by the Company, that is, both starting and finishing times changed, except in an emergency, he shall be paid at the rate of one and one-half (1.5x) the regular rate for work per-

formed during his first working day following such change unless the employee was informed of the change at least twenty-four (24) hours prior to the commencement of the new shift.

- 19.10 Unless specifically provided for in this Agreement, there shall be no duplication or pyramiding of overtime payment nor shall the same hours worked be counted as part of the normal work week and also as hours for which an overtime premium is payable.

Article 20 -Wages and Job Rate Rules

- 20.1 Basic rates of pay during the term of this Agreement shall be in accordance with Appendix "A".
- 20.2 The successful applicant to a job posting shall receive the regular rate of the job as soon as he starts his trial period.
- 20.3 An employee, if qualified and available, may be assigned by the Company to a job other than his regular job for a temporary period up to thirty (30) days of work:
- 1) In an emergency to fill a vacancy or to perform obviously temporary work;
 - 2) To replace an employee injured or absent for medical reasons;
 - 3) To replace an employee who is on vacation;
- and shall, during the period of such assignment, receive his regular rate or the rate of the jobs to which he is assigned, whichever is higher, plus a bonus of one dollar (\$1.00) per hour. Assignments will be done in such a manner as to displace as few people as possible, once the needs of the operation have been met.
- 20.4 An employee assigned temporarily to a higher rated job than his regular job will receive the higher rate for the entire work week, provided that eight (8) or more of the hours worked during that week are performed on the higher rated job.

- 20.5 When it becomes apparent that the assignment is no longer temporary, then the job will be deemed vacant and the opening will be posted.
- 20.6 When an employee is scheduled to work on a higher rated job and his schedule is changed after he starts his week, requiring him to work on a lower rated job, he shall be paid the higher rate as set up by the schedule.
- 20.7 Job transfers made necessary by absences of employees, by the return to work of employees from sick leave or personal leave of absence, or layoff, during any week, are not required to be made until the start of the next scheduled week.
- 20.8 During the development stages of a new job, the Company may assign employees excluded from this Agreement to work on the new operation but these employees shall not be retained when the job has reached normal operation. For the purposes of administration of this Agreement, the development of a new job will be considered to be completed when the job reaches normal operation.
- 20.9 When a job is or is to be established, or an existing job is changed, which cannot be properly placed in an existing classification by mutual agreement, management will establish a classification and rate on a temporary basis.
- 20.10 Written notification of the temporary rate and classification will be furnished to the Union President.
- 20.11 The new rate and classification shall be considered temporary for a period of thirty (30) calendar days following the date of notification to the Union President.
- 20.12 During this period (but not thereafter) the Union President may request the Company to negotiate the rate for the classification. The negotiated rate, if higher than the temporary rate, shall be applied retroactively to the date of the estab-

lishment of the temporary classification and rate. If no request has been made by the Union President to negotiate the rate within the thirty (30) calendar day period the temporary rate and classification shall become a part of the wage scale.

- 20.13 If the Company and the Union are unable to agree on a rate and classification for a new job, or an existing job that has been changed, the disputed rate and/or classification may be treated as a grievance and either referred to a single arbitrator selected by the parties or referred to the Pay Equity Commission. In the event that the parties fail to agree upon an arbitrator, the parties will jointly request the Minister of Labour for the Province to appoint such arbitrator. The arbitrator will be expected to convene a hearing as soon as possible.
- 20.14 It is specifically agreed that the arbitrator will have no authority to alter or modify the existing rates and classifications but he shall have the authority, subject to the provisions of this agreement, to determine the new rate and/or classification.
- 20.15 If the arbitrator sets the new rate higher than the temporary rate it shall be applied retroactively to the date of the establishment of the temporary rate and classification.
- 20.16 When the rate of a job is lowered as a result of changed job content and re-evaluation, then the incumbent shall continue to receive the former rate, that which existed at the time the rate was lowered, while he continued on that job. Continuance on the job shall be broken by bidding off or requests for transfer by the employee. A new incumbent on that job shall receive the established lower rate for the job.
- 20.17 An employee, called in to work from off the premises for an emergency, shall be paid the applicable rate for all hours worked with a minimum of four (4) hours' pay at such rate, for time

spent on the emergency outside of his regular schedule of hours. His work shall be through when the emergency is over, but in the event the emergency ~~is~~ not over at the time the employee's regular shift begins, then the employee shall be paid at his regular rate. Hours paid or refused for an emergency call in will be recorded as over-time.

- 20.18 An employee, who works on Saturday, Sunday or a paid holiday, not continuous with, before or after his regular scheduled shift, shall not be paid less than four (4) hours' pay at the applicable rate.

Article 21 - Off-Shift Premiums

- 21.1 A shift premium of fifty-five cents (55¢) per hour will be paid to employees scheduled and working on the 2:30 p.m. to 10:30 p.m., 3:00 p.m. to 11:00 p.m. and the 11:00 p.m. to 7:00 a.m. shifts.

Article 22 - Severance Allowance/ Closure Agreement

- 22.1 The Closure Agreement referred to in this article was negotiated in good faith between the Company and the Union to provide as much protection and help as possible to employees in the event of a full or partial closure.

In the event of a full or partial closure of all or part of the business, the Company will notify the Union as far in advance as possible. Such notice shall be in writing and indicate the reason for the action.

This article will at least comply with the Employment Standards Act.

- 22.2 In the case of partial or full plant closure, the Company shall supply the Union with a current seniority list immediately.
- 22.3 The Company agrees to meet with the Union to discuss the contemplated shutdown with a view to providing a solution to the problem, or **jobs** for

the employees involved. To this end, the Company and the Union will put into place a Human Resources Adjustment Committee, comprised of two Management and two Union Executive representatives, to provide out-placement services for employees. Such services would include, but are not limited to, resume writing, counseling and job search assistance. The full scope of the Committee's responsibilities will be defined by the Committee members. This Committee will be funded by the Company and remain in place for 12 months after the closure/partial closure date.

- 22.4 An employee, excluding an employee on probation, who is permanently laid-off or terminated due to such causes as transfer or discontinuance of the manufacture of a product, introduction of new equipment or processes, closing of the plant or part of the plant, or other causes which, insofar as the company can determine, permanently reduce the work force, shall be entitled to benefits under the **Severance Allowance/Closure Agreement** in accordance with the following provisions:

NOTE: For the purposes of this Article, a permanent layoff of the work force is understood to be a layoff that equals or exceeds thirty-five weeks in any period of fifty-two consecutive weeks.

- 1) The Company will advise the Union as soon as possible in advance if a permanent layoff or termination with Severance Allowance, as provided in this Article, is to take place.
- 2) An employee who is eligible for Severance Allowance shall be paid an amount equal to the employee's regular wages for eight days (8) of non-overtime work multiplied by the **sum** of:
 - a) the number of the employee's completed years of employment; and

- b) the number of the employee's completed months of employment divided by 12, but shall not exceed fifty-two (52) weeks regular wages for a regular non-overtime work week.
- 3) An employee who is permanently laid-off or terminated may elect to remain on the plant seniority list for possible recall. In such cases, the Company will pay the Severance Allowance payment to the Director of the Employment Standards Branch in trust for a maximum of twelve (12) months, during which time the employee may request payment with a complete break in service.
- 4) Severance Allowance shall not be paid:
- a) to an employee with less than three (3) years seniority;
 - b) to an employee who is temporarily laid-off due to the fluctuation of volume of business;
 - c) to an employee who is discharged for just cause;
 - d) to an employee who voluntarily resigns from the Company's employ;
 - e) to an employee who retires from the Company's employ;
 - f) In the event of closing the plant or part of the plant due to Acts of nature or in times of public peril, war, disaster or any other reason of similar nature;
 - g) The number of weeks of Severance Allowance will not exceed the number of weeks remaining to an employee's normal retirement date.

Article 23 - Seniority

- 23.1 An employee will be considered on probation until he has completed fifty (50) days of actual work within a twelve (12) month period, in the

service of the Company. If found unsuitable during such period, such employee will not be retained in the service of the Company. If found suitable and on completion of the probationary period the name of the employee will be placed on the seniority list dating back to the first day of the fifty (50) day probationary period.

- 23.2 The Company shall give a seniority list to the Union President and shall assist him in keeping his list up to date by advising him, in writing, of any changes.
- 23.3 When an employee is transferred by the Company to a position outside the bargaining unit, and within twelve (12) months inclusive from such date is returned to the bargaining unit, he shall return to the general labour classification with the seniority he held at the time the transfer first took place.
- 23.4 In the event of transfer of operations to this plant from other Kraft Canada Inc. plants, employees possessing particular skills required by the operation shall be allowed to transfer into the bargaining unit with one (1) month's seniority or otherwise as a result of discussion and mutual agreement between the Company and the Union.
- 23.5 Termination of employment and loss of seniority shall result from any of the following:
1. Discharge for just cause by the Company.
 2. Resignation.
 3. Retirement.
 4. Continuous absence for three (3) days without any contact being made with the employee's immediate supervisor or his representative unless information is furnished showing it was impossible to provide such contact.
 5. Failure to report for work in accordance with a notice of recall or within ten (10) working days after registered mailing date of such notice, whichever is later.

6. Continuous layoff for a period of 35 weeks in any period of 52 consecutive weeks.
7. Employee is employed elsewhere while on leave of absence. This section does not apply to those employees granted a Pre-retirement Leave of Absence as per Article 26.10(b) of this Agreement.

The Company will be entitled to rely upon the last address and telephone number of an employee as shown in the Company records. Employees shall notify the Company promptly of any change of address or telephone number.

Article 24 - Posting and Filling of Positions

- 24.1 All job vacancies, which need to be filled for more than thirty (30) work days shall be posted for three (3) work days. Exception will be made for those jobs listed in Appendix "C", General Labour in Appendix "A", and those jobs associated with special production runs with specific starting and ending dates covering a period of up to sixty-five (65) work days. The sixty-five (65) work day limitation may be extended by mutual consent.
- 24.2 Seniority, aptitude and ability shall be the determining factors in selecting applicants. Seniority shall be the governing factor when aptitude and ability are considered by the Company to be equal.
- 24.3 (a) The successful applicant on a bid job shall be considered to be on trial for a period not exceeding thirty (30) work days. No more than thirty (30) work days will elapse between an employee being awarded a bid and starting the job. An employee, who **fails** to qualify for the job, shall be returned to his former classification/position.

(b) The successful applicant is an employee who has exercised his bidding rights under this Agreement, and has been awarded the

bid job and has actually commenced working on such job.

24.4 An employee must decide during his acceptance period if he wishes to continue on the job or return to his former classification. Groups one (1), two (2) and three (3) - the successful applicant shall be considered to be on a trial period, not to exceed thirty (30) work days. The acceptance period for the employees in these Groups will be the first five (5) work days, of the thirty (30) work day trial period.

Groups four (4) and five (5) and Laboratory Technicians - the successful applicant shall be considered to be on a trial period, not to exceed thirty (30) work days. The acceptance period for the employee will be the first ten (10) workdays, prior to the start of the thirty (30) work day trial period.

24.5 An employee may bid on any job opening, but be the successful applicant only three (3) times during any twelve (12) month period, commencing with the date of his first successful job bid. However, a successful applicant of a job in groups four (4) or five (5) and Laboratory Technicians, may not bid again for a period of nine (9) months from the date of his successful bid. Only exception to this section will be for an employee who has lost his bid job in groups four (4) or five (5) and Laboratory Technicians due to a lay-off per Article 24.9. On his return to work he will be allowed the opportunity to bid again from the date of his return from lay-off.

24.6 (a) Where the job opening pertains to a new process and/or new equipment, and training is required, the applicants may be pre-tested prior to their training period and evaluated upon completion of such training. This will be done in order to determine the employee's ability to satisfactorily perform the duties of the job.

- (b) In a department where new processes and/or new equipment is installed which will parallel and/or duplicate existing processes and/or equipment operating personnel, who perform similar jobs in the Unit will be given the first opportunity, by seniority, to meet the qualifications required of the job. These employees will be pre-tested prior to their training period commencing and evaluated upon completion of the training.

For job openings pertaining to groups one (1), two (2) and three (3), the acceptance period will be first five (5) work days of the thirty (30) work day trial period. For job openings pertaining to groups four (4) and five (5), the acceptance period will be for ten (10) work days prior to the start of the thirty (30) work day trial period.

If there is a successful applicant from within the Unit, the job will not be posted plant-wide.

- 24.7 In the event there are not sufficient applicants for posted job opening(s), available employee(s) will be assigned to such vacant job(s), due regard being paid to seniority and qualifications. The employee(s) will continue on such job(s) until he is a successful applicant to a job opening which has been posted in accordance with Article 24.1 or reassigned by the Company or displaced by successful applicant(s) on subsequent bid(s).
- 24.8 An employee unable to perform previous duties due to injury received while in the employ of the Company, or an employee of long service who has become unable to handle his job, may be reclassified and will be given such other work as is available and which he is capable of performing in the opinion of the Company Physician.
- 24.9 In the event of a lay-off, an employee on a bid job will continue to hold his rights to return to

such job when it is again open to him, providing that his lay-off is not more than thirty (30) continuous work days.

- 24.10 Any employee absent for six (6) consecutive months due to illness or injury will have the status of his absence reviewed with the Medical Department by his Department Manager. If the results of this review indicate that the employee will not be returning to his job within a reasonable period of time, then the job, if required to be filled, would be posted as per Article 24.1

Upon return to work, the employee will be reclassified as General Labour or Central Maintenance. Any rights to the Bid or Advice Notice job will be lost, however he will receive rate protection for twelve (12) months from the date of his first absence.

Article 25 - Reduction and Recall of Plant Work Force

- 25.1 In the event of a reduction in the regular work force, the first remedy will be as follows:
- i) Regular incumbents of jobs affected will receive rate protection and shall receive not less than the hourly rate of his bid job, until he can be returned to his bid job or until he bids out of his current position, subject to the following conditions:
 - a) An employee, whose rate is protected, may be assigned by the Company to any available job opening, due regard being paid to seniority and qualifications.
 - b) In the event an employee, on a protected rate, is assigned to a higher rated job, he shall receive the higher rate while performing such job.
 - c) An employee, on a protected rate, will be assigned to any available job opening first, irrespective of seniority.

- d) If an employee, whose rate is protected, fails to accept an assignment in accordance with Section (a) and (c) above, he shall forfeit his rate protection and shall be paid the rate of the job he is assigned.
- e) An employee will be scheduled back on his bid job when it is again available providing the job is not down for more than twelve (12) consecutive months, or providing he has not bid out of his current bid position. An employee whose bid job is down for more than twelve (12) consecutive months will lose his rights to such job.
- f) An employee scheduled back on his job under Section (e) above will renew his right to rate protection should his job go down again as a result of a business fluctuation.
- g) In the event that an employee, whose rate is protected, bids for and is the successful applicant to a job opening which has been posted in accordance with Article 24.1 he forfeits his claim to his former bid job under the terms of either Article 24.3 or 24.4 above.
- h) In the special case where an existing job(s) is changed creating a new job, displaced incumbent(s) will be given the opportunity to fill the new job in accordance with Article 24.2 prior to posting the new job.
- i) The Company shall adjust the work force within a department in proportion to the work available or expected. To provide employees with work, the Company shall be free to distribute work within departments and to transfer employees of one department to another with reasonable consideration given to extreme changes in the physical requirements of the work to be done.
- j) The Company expects and the Union agrees that employees will conscientiously perform whatever tasks may be assigned to them. If

any employee declines to perform the task assigned to him, the Company shall be absolved of its responsibility to provide work to that employee for such hours so lost by him.

25.2 If, following the reassignment of regular employees as in Article 25.1, there is a further need to reduce the workforce, the following remedy will apply to regular employees, other than those employees described in Article 25.3.

- (i) In the event of a layoff, providing the employee is able to do the job, the order of layoff will be:
 - (a) **All** Students first and then Temporary Employees.
 - (b) Probationary Employees - according to most recent date of hire.
 - (c) Employee with the lowest plant seniority, providing the remaining employees with more seniority are able to do the work available.

Where necessary, training will be provided for the senior employee whose position has been cut back, in order for the employee to assume a junior position. The only exception would be those positions where training must be done outside the normal plant environment, such as maintenance trades, stationary engineers and laboratory technicians.

The Company may keep the most senior qualified employee on the job for the purpose of training more senior employees only until training is completed.

- (ii) All employees (excluding employees on probation) shall be given a minimum of five (5) work days' notice of layoff or five (5) days' pay in lieu of notice, except in an emergency, as defined in Appendix "D".
- (iii) The Company will provide the Union President with a list of employees to be laid off or recalled, or any cancellation of such notices.

25.3 If, as described in Article 25.2, it becomes necessary to further reduce the workforce, employees hired prior to January 01, 1988 will have the option of selecting termination and severance allowance under the provisions of Article 22, or lay-off by seniority.

If termination and severance allowance are selected, the employee will have no recall rights.

If lay-off is selected the provisions of Articles 18.1, 20.7, 23.5, 24.10, 25.2 (ii) and (iii) and 25.4 will then apply, and the employee will have recall rights.

Employees covered under Article 25.3 will be given a minimum of five (5) work days' notice of lay-off or five (5) days' pay in lieu of notice. Employees with more than five (5) years' seniority, shall be given notice, or pay in lieu of notice, as follows:

Service	Notice
More than 5 yrs. less than 10 yrs.	7 days
10 yrs. less than 15 yrs.	10 days
15 yrs. or more	15 days

The only exception will be in the case of an emergency, as defined in Appendix "D".

- 25.4 i) Employees who have been laid off in accordance with Article 25.2, will be returned to work in the reverse order in which they were laid off, provided they are able to do the work available, given the training outlined in Article 25.2.
- ii) Employees who have been laid off in accordance with Article 25.3 will be returned to work in the reverse order in which they were laid off.

Article 26 - Leave of Absence

- 26.1 Requests for leaves of absence without pay must be made in writing with the reasons shown and be received by the Company at least sixty

(60) calendar days prior to the commencement date of the leave. The employee shall be advised of the Company's decision in writing with a copy to the Union at least thirty (30) calendar days prior to such commencement date.

- 26.2** Leaves of absence may be granted by the Company for good and sufficient personal reasons, except when the efficient operation of the business would be adversely affected.

It is agreed that the discretionary powers vested in the Company to consider such request for leave of absence will be exercised only in respect to the operating needs of the business, subject to the grievance procedure.

- 26.3** Leaves of absence, except those granted for personal disability or for service in the Armed Forces, may not exceed four (4) calendar weeks without breaking seniority.

In the event that the employee feels he requires additional time off, he may apply for an extension, but his application must be made at least **two (2)** weeks prior to the termination of his original leave of absence.

- 26.4** Any employee member of the Union elected or appointed to a Union Office will be granted a leave of absence without pay not to exceed twelve **(12)** calendar months without a break in continuity of Company service. The request for this leave, where possible, will be submitted at least fifteen (15) days prior to commencement date of the leave. It is agreed that no more than five (5) members of the Union be granted such leave concurrently by the Company. An extension of such leave will be granted by mutual agreement of Company and Union prior to the termination of the original leave.

- 26.5** Any employee member of the Union appointed as a delegate for specific Union activities will be granted a leave of absence without pay not to

exceed twelve (12) calendar months without a break in continuity of Company service. Where possible this request will be submitted at least fifteen (15) days prior to commencement date of the leave. It is agreed that no more than twelve (12) members of the Union need be granted such leave concurrently by the Company. An extension of such leave will be granted by mutual agreement of Company and the Union prior to the termination of the original leave.

- 26.6 Any employee elected to Public Office will, upon request in writing, be granted a leave of absence without pay, not to exceed twelve (12) calendar months without a break in continuity of Company service. An extension of such leave will be granted by mutual agreement of the Company and the Union prior to termination of the original leave.
- 26.7 Employees will be entitled to Pregnancy Leave and Parental Leave as outlined in the Employment Standards Act.
- 26.8 Employees will be entitled to Adoptive Leave as outlined in the Employment Standards Act.
- 26.9 A leave of absence will be granted by the Company to an employee who has at least three (3) years' seniority who requests such leave for the purpose of full-time attendance at a school of recognized educational standards, but such leave shall only apply to employees, who through the authorization of their immediate supervisor and Human Resources, are furthering their education towards a career at Kraft Canada Inc. The leave shall only apply throughout the duration of a full academic year. Seniority shall accumulate while he is on such leave.
- Effective on the date of the start of such leave of absence, the employee forfeits all rights to their current job classification and upon their return to work will be classified as General Labour as per Appendix "A".

The employee shall be eligible for recall effective at the beginning of the second full work week following the date of receipt of his written notice of his intention to return to work. His written notice is to be addressed to the Manager, Human Resources.

- 26.10 (a) Leaves of absence will not be granted for the purpose of allowing an employee to take another position, try out new work or venture into business for himself. His leave of absence shall be canceled, and his employment shall be terminated if he engages in activities other than those for which the leave was granted.
- (b) Notwithstanding Article 26.10 (a), an employee fifty (50) to fifty-five (55) years of age will be granted a pre-retirement leave of absence to try out retirement lifestyle. Such leave will be at the discretion of the Company, taking into consideration business needs. Employees interested in applying for this leave must submit their request on the Standard Leave of Absence Request Form, stating that their request is for the pre-retirement leave, with the start and end dates. The request is given to their Supervisor and the Human Resources Manager for approval and authorization. If the leave cannot be granted, the employee will be informed of the reason by his supervisor within two (2) weeks of submitting the request. Seniority shall accumulate while he is on such leave. The employee will retain the rights to their job classification, providing their leave is not continuous beyond six (6) consecutive months. If the leave goes beyond the six (6) consecutive months the employee forfeits all rights to their current job classification and upon return to work will be classified as General Labour as per



Appendix "A" or Central Maintenance for Maintenance employees. Benefits will cease during any leave period. Employees on Pre-retirement Leave will be given the option of contributing to the Pension Plan.

Article 27 -Term of Agreement

- 27.1 This Agreement is effective July 19th, 1998 and shall remain in effect until the 19th day of May, 2001 inclusive and from year to year thereafter unless either party gives the other, not less than thirty (30) nor more than ninety (90) days prior to such expiry date, a written notice of its intention to terminate this Agreement or seek amendments to same, in which case this present Agreement shall remain in force during negotiations for its renewal or amendment.
- 27.2 After either party has given written notice of its intention to terminate or seek amendments to this Agreement the parties shall meet to exchange listings of the changes desired. Negotiations shall start at least thirty (30) calendar days prior to the expiration date or such further time as the parties may agree.
- 27.3 The notices provided for in Article 27.2 shall be in writing and shall be sufficient if sent by registered mail addressed to the Union President, and if to the Company, to Kraft Canada Inc., Cobourg, Ontario.

IN WITNESS WHEREOF the parties have signed this Agreement on the 19th day of July, 1998.

KRAFT CANADA INC.

Robert Riegel
Ray Dunn
M. W. B. M.
John

UNITED FOOD AND COMMERCIAL WORKERS
INTERNATIONAL UNION LOCAL 1230

Michael
B. A.
Murray
Jane Hansen-Coburn
Barry Reed
Jim Rock
John H. Dube

Appendix " A
Hourly Wage Rates

<u>Classifications</u>	<u>May 16/98</u>	<u>May 16/99</u>	<u>May 21/00</u>
<u>GROUP 1</u>	\$16.97	\$17.33	\$17.69
General Labour			
Janitor - Cereals Services Cereals/Rice			
Janitor - Packaging Cereals/Rice			
Janitor - Processing Cereals/Rice			
Machine Cleaner - Cereals/Rice			
Utility Packer - Cereals/Rice			
Case Piler - Desserts/Beverages			
Janitor - Packaging Desserts/Beverages			
Janitor - Sanitizer Desserts/Beverages			
Janitor - Facility Cleaner - Desserts/Beverages			
Machine Cleaner - Desserts/Beverages			
Packer - Desserts/Beverages			
Packer - Jell-O Desserts/Beverages			
Sanitation Person - Desserts/Beverages			
Utility Packer - Displays Desserts/Beverages			
Utility Packer - Volpaks Desserts/Beverages			
Janitor - Waste Handler Plant Services			
Utility Attendant - Plant Services			
Utility Warehouse Custodian - Distribution Department			
Utility Warehouse Custodian - Receiving Department			
Case Piler - Certo/Desserts/Beverages			
Packer - Certo/Desserts/Beverages			

Appendix "A"

Hourly Wage Rates

<u>GROUP 2</u>	<u>May 16/98</u>	<u>May 16/99</u>	<u>May 21/00</u>
	\$17.17	\$17.53	\$17.89

Product Bin Operator - Cereals/Rice

Sanitizer - Cereals/Rice

Tote Operator/Janitor - Desserts

Tote Operator - Desserts/Beverages

Utility Operator - Plant Services

Utility Person - Plant Services

<u>GROUP 3</u>	<u>May 16/98</u>	<u>May 16/99</u>	<u>May 21/04</u>
	\$17.61	\$18.11	\$18.61

Line Attendant Beverages - Desserts/Beverages

Operator/Packer Rovema II - Desserts/Beverages

Line Attendant - Certo/Desserts/Beverages

Line Attendant Desserts - Desserts/Beverages

Machine Operator Bartelts - Desserts/Beverages

Material C.S.P. - Desserts/Beverages

Minor Ingredient Center Flavor Blender -
Desserts/Beverages

Mixer #29 & #30 Desserts/Beverages

Mixer #31 & #32 Desserts/Beverages

Mixer #34 & #35 Desserts/Beverages

Mixer/Operator - #21 - 24, #25 - 26 - 27 -
Desserts/Beverages

Palletizer Operator - Desserts/Beverages

Premix Mixer #28 - Desserts/Beverages

Raw Material Control Service Person -
Desserts/Beverages

Fruit and Fibre Blender - Cereals/Rice

Mixer - Certo-Desserts/Beverages

Appendix "A"

Hourly Wage Rates

<u>GROUP 4</u>	<u>May 16/98</u>	<u>May 16/99</u>	<u>May 21/00</u>
	\$18.01	\$18.51	\$19.01

Bulk Material & Feed Handling Operator -
Cereals/Rice
Packaging Machine Operator/Adjuster - Line #4 -
Desserts/Beverages
Packaging Machine Operator - Volpaks -
Desserts/Beverages
Machine Operator/Adjuster Line #1 -
Desserts/Beverages
Machine Operator/Adjuster Line #2 & 3 -
Desserts/Beverages
Machine Operator/Adjuster/Relief -
Desserts/Beverages
Materials Management Support Person -
D/B Packaging
Materials Management Support Person -
D/B Processing
Warehouse Utility Person - Distribution
Materials Management Support Person - Distribution
Warehouse Material Handling- Receiving Warehouse
Warehouse Receiver - Receiving Warehouse
Pavan/Relief Operator - Cereals/Rice
Machine Operator - Certo-Desserts/Beverages
Packaging Machine Operator/Adjuster
Hayssen/Rovema - Desserts/Beverages
Line Operator/Adjuster - Bldg. #7
Desserts/Beverages

<u>GROUP 5</u>	<u>May 16/98</u>	<u>May 16/99</u>	<u>May 21/00</u>
	\$18.41	\$18.91	\$19.41

Process Operator - Cereals/Rice
Packaging Machine Operator/Adjuster - Cereals/Rice
Can Lines #10/14 Operator/Adjusters -
Desserts/Beverages
Manufacturing Materials Co-ordinator - Cereals/Rice

Laboratory Technician Classifications

	<u>May 16/98</u>	<u>May 16/99</u>	<u>May 21/00</u>
Lab Tech I	\$17.31	\$17.81	\$18.31
Lab Tech II	\$18.41	\$18.91	\$19.41

OTHER CLASSIFICATIONS

Temporary/Student rate - as per scheduled Appendix "A"

<u>Classifications</u>	<u>May 16/98</u>	<u>May 16/99</u>	<u>May 21/00</u>
Oiler	\$17.81	\$18.17	\$18.53
Battery Attendant	\$17.81	\$18.17	\$18.53

Team Co-ordinator-\$1.00per hourabove Group5 rate

*Plant Utility Person- during the life of this Agreement, the Company and the Union will develop roles and responsibilities for the Plant Utility Person and if they arrive at a mutual agreement will implement this classification on a pilot basis.

*Maintenance Utility Person - for the concept of a Maintenance Utility Person, the Company will explore how to further increase the use of this concept to assist our maintenance group to work on Capital Projects, through the utilization of employees from the Labour Pool on a more regular basis.

Appendix " A
Hourly Wage Rates

MAINTENANCE GROUPS

	<u>May 16/98</u>	<u>May 16/99</u>	<u>May 21/00</u>
Group I	\$21.26	\$21.76	\$22.26
Group II	\$21.66	\$22.16	\$22.66
Group III	\$22.16	\$22.66	\$23.16
Group IV	\$22.41	\$22.91	\$23.41

SPECIAL MAINTENANCE CLASSIFICATIONS

	<u>May 16/98</u>	<u>May 16/99</u>	<u>May 21/00</u>
Apprentice	\$17.13	\$17.49	\$17.85
Maintenance Services -			
Electrical	\$22.61	\$23.11	\$23.61
Maintenance Services -			
Mechanical	\$22.61	\$23.11	\$23.61
Stationary Engineer 2nd Class	\$22.16	\$22.66	\$23.16

Appendix “B”

Special Appendices Respecting Maintenance
Battery Attendant and Oiler classifications will be bid on
a plant-wide basis.

MAINTENANCE GROUPS

- Group I - must have one (1) recognized trade
- Group II - must have one (1) recognized trade and
two (2) recognized skills
- Group III - must have two (2) recognized trades
or
one (1) recognized trade and four (4)
recognized skills
- Group IV - must have two (2) recognized trades and
one recognized skill
or
one (1) recognized trade and five (5)
recognized skills

Recognized Trades and Skills

<u>Trades</u>	<u>Skills</u>
Industrial Mechanic	Packaging Mechanical
Millwright	Packaging Electrical
Sheet Metal	Welding
Plumber	Pipefitting
Steamfitter	Refrigeration
Refrigeration	Material Handling Equipment
Electrician	Gas Fired Equipment
Machinist	High Pressure Welding
Scales	Machining
	PLC
	Instrumentation
	Electronic
	Electro-Tech
	Scales
	Sheet Metal

Appendix “B”
Recognized Trades and Skills

TESTING

The trades and skills recognized will be those that pertain to the job content as established by the Company.

- Skill test pertaining to the job will be administered by the Company.
- Written tests, excluding those given by a Community College, will be administered by the Company within two (2) weeks of the written request being submitted by an employee to their supervisor.
- Practical tests that are given and marked internally will be administered by the Company not more than four (4) weeks after the employee has passed the written test.
- Practical tests that are given and marked by an outside agency will be administered by the Company not more than eight (8) weeks after the employee has passed the written test.

Training and testing for skills requiring Community College training will be conducted when the number of individuals requesting these skills makes it economically practical for the Company.

Maintenance Departments

<u>Department</u>	<u>Classifications</u>
Central	<ul style="list-style-type: none">- Apprentice- Battery Attendant- Maintenance Services - Mechanical- Maintenance Mechanic - Material Handling- Maintenance Mechanic - Central- Machinist- Maintenance Utilities- Sheet Metal- Trainees
Cereals/Rice	<ul style="list-style-type: none">- Maintenance Mechanic - Packaging- Maintenance Mechanic - Process- Maintenance Auditor- Oiler - Packaging- Oiler - Processing
Desserts/Beverages	<ul style="list-style-type: none">- Maintenance Mechanic - Packaging- Maintenance Mechanic - Processing- Oiler- Maintenance Auditor
Electrical	<ul style="list-style-type: none">- Maintenance Electrician- Refrigeration Mechanic- Maintenance Services - Electrical- Maintenance Electrician - Scales
Site Facilities	<ul style="list-style-type: none">- Stationary Engineer - 2nd Class

Filling of Vacancies

I. Types of Vacancies

- a) Replacement for vacancy in present department
- b) Increase beyond the present work force
- c) Permanent increase within a group

II. Method for Filling Vacancies

- a) After a vacancy of a type described above has been identified, the trade and skill needs of the area where the vacancy exists are assessed by the area Maintenance Supervisor and the Maintenance Manager. Specific plant area experience requirements will vary depending on the background of individuals in the remainder of the crew at the time when a vacancy occurs.
- b) An Advice Notice will be posted in all appropriate areas. All applications must be deposited in the Bid Boxes located throughout the plant for vacancies in the following Maintenance Departments:
 - Central - (except Apprentices and Battery Attendant)
 - Cereals/Rice - (except Oiler)
 - Desserts and Beverages - (except Oiler)
 - Electrical
 - Site Facilities (except Stationary Engineer 2nd class).

The successful applicant will be the person possessing the Trade and Skills requested. He must also be willing to train and be able to successfully complete the requirements and evaluation of department training programs. Seniority will be the determining factor if the above criteria is equal amongst applicants.

For vacancies in the following classifications - Maintenance Services- Electrical, Maintenance Services- Mechanical and Maintenance Auditor, aptitude and ability will also be considerations. Where more than one applicant meets the basic

requirements of aptitude and ability for that position, then the successful applicant will be determined by seniority.

- c) If no response is received to an Advice Notice, the Company will:
- 1) Adjust the skill requirements: or
 - 2) Assign a maintenance person from the Central Department, or
 - 3) Hire someone from outside the plant.
- All individuals hired from outside the plant will enter the Maintenance Department work force through the Central Department. Applicants will be selected on the basis of trade qualifications and aptitude and ability. **Skills** will be confirmed by tests and/or observations before the end of the fifty (50) work day probationary period. Assignments will then be made depending on crew vacancies.
- d) A vacancy which occurs following the transfer of a maintenance person from one department to another as a result of a response to an Advice Notice will be filled as per II a) b).
- e) Vacancies filled by the Advice Notice procedures are not subject to the Plant job posting trial periods.
- f) Any individual wishing to respond to an Advice Notice has the right to discuss the posted job with the potential Supervisor.

Shift Rotation

- a) Production or maintenance requirements will dictate shift rotation.
 - Individual skills
- b) Rotation within unit only - except Manufacturing Department.
- c) In Manufacturing Departments - rotate within similar jobs, e.g.:
 - Processing
 - Packaging

Temporary Assignment from Classification to Classification

- a) Low seniority with qualifications to do the assigned work.
- b) Return to own classification by high seniority.
- c) Assignments of thirty (30) work days or more will be filled by the advice notice system, unless assignments are extended by mutual agreement of the Company and the Union.
- d) When assignment is over, return to classification.
- e) For the purposes of this section, a Central Maintenance Mechanic is not temporarily assigned to other areas, as it is part of his job classification.

Maintenance Overtime

When overtime is required to complete a specific job, work assignment, or project, where knowledge or direction of process is required, the employee already assigned, will be given the first opportunity to work such overtime.

This only applies in situations where continuity is required. Routine tasks will be filled as per Appendix "E".

Reduction in the Maintenance Workforce

In the event of a reduction in the Maintenance workforce within a classification the lowest seniority employee will be cutback, from that classification. The cutback employee will, based on his trade qualifications, exercise his overall Maintenance workforce seniority and displace the overall lowest Maintenance workforce employee, who possesses the appropriate trade qualifications, as the cutback employee. The displaced lowest seniority employee would then exercise his overall plant seniority and be assigned in the Plant workforce. While assigned in the Plant workforce, the employee will have his rate protected for twelve (12) calendar months. While on rate protection the employee may be assigned by the Company to any available job opening. He will receive his Maintenance workforce protected rate, for

the twelve (12) calendar month period or until such time that he bids to a position outside of the Maintenance workforce during the period.

In the event that there is an increase beyond thirty (30) work days in a classification in the Maintenance workforce the employee, who is cutback to the Plant workforce and is on his protected rate will, along with all other Maintenance workforce employees who possess the trade qualifications required, be eligible to submit an Advice Notice for the open position and become a candidate.

In the event of a reduction in the Maintenance Electrical Department workforce within a classification, the lowest seniority employee will be cutback from that classification. The cutback employee, based on his trade qualifications in the Electrical Department, will then exercise his seniority and be assigned to replace the lowest seniority employee in the Maintenance Electrical classification in the Electrical Department. The lowest seniority employee, who has been displaced from the Maintenance Electrical classification will exercise his trade qualifications and seniority within the overall Maintenance workforce. He will, with his trade qualifications displace the lowest seniority Maintenance workforce employee, possessing the trade qualifications required.

The lowest seniority cutback Electrical Department employee, who does not possess a trade to displace a lower Maintenance workforce employee, will exercise his overall plant seniority and be assigned in the plant workforce. While assigned in the plant workforce the employee will have his rate protected for twelve (12) calendar months. While his rate is protected the employee may be assigned by the Company, to any available job opening. He will receive his Electrical Department classification protected rate for a twelve (12) month period or until such time as he bids to a position outside of the Electrical workforce during the period.

In the event that there is an increase beyond thirty (30) work days in a classification in the Electrical workforce

the employee who is cutback to the plant workforce and has his rate protected will, along with all the other Electrical workforce employees who possess the trade qualifications required, be eligible to submit an Advice Notice for the position and become a candidate.

Apprenticeship Training Program

The following are the terms and conditions for the Apprenticeship Training Program:

- (i) The Company will have one (1) apprentice in the Apprenticeship Program. They will determine what trades are required and how many apprentices are in the Program.
- (ii) The Program will meet the Provincial Government requirements for creditation.
- (iii) Employees who apply for entry into the Apprenticeship Program shall be pre-selected by education and seniority. Written and practical qualifying tests will then be administered to determine aptitude and ability. Seniority will be the governing factor when aptitude and ability are considered by the Company to be equal.

If none of the employees meet the educational requirements and/or qualifying tests, the Company will select applicants from outside the plant. Successful applicants will be chosen based on the required educational qualifications and on the basis of aptitude and ability. This will be determined by both written and practical qualifying tests.

Successful applicants from within or outside the plant will enter the apprenticeship program through the Central Maintenance Department as apprentices.

- (iv) Employees who enter the Program will continue to accumulate seniority. An apprentice unable to meet the continued requirements of the Program will be reclassified to General Labour.
- (v) Apprentices hired from outside the plant will be subject to the conditions of Article 23 on seniority. If they become unable to meet the continued

requirements of the Program, they will be reclassified to General Labour.

- (vi) Apprentices will receive the apprentice wage rate provided in Appendix "A". In addition, an incremental wage adjustment on a pro-rated basis for each successfully completed 1,040 hours is provided. On successful completion of exams for the Apprentices Provincial Trade License, the apprentice will be reclassified to one of the Provincial Trades listed in Appendix "A" and be paid the rate for the trade required.
- (vii) Included as part of the 1,040 hours under the Program, will be those regular hours spent under the auspices of the Ministry of Colleges and Universities (to a maximum of 8 hours per day).
- (viii) Assignment from classification to classification, filling of vacancies and shift rotation outlined in Appendix "B" above does not apply to apprentices.

Powerhouse Employees Twelve (12) Hour Shift Schedule

The following are the terms and conditions for the Powerhouse Employees scheduled to work twelve (12) hour shifts.

Notwithstanding Article 8.8 - an employee whose regularly scheduled work day falls on a paid plant holiday, shall be paid at one and one half (1.5x) times his regular rate of pay, for all hours worked, plus twelve (12) hours pay at his regular rate for the paid holiday.

Notwithstanding Article 13.1 a Powerhouse employee will receive the difference between his regular rate and the amount paid by the court for hours missed up to twelve (12) hours per day.

With respect to Article 16.1, pay for time lost due to bereavement will be based on twelve (12) hours per day.

Notwithstanding Article 17.1, vacations will be scheduled in blocks from the yearly shift schedule for each powerhouse employee, including the relief powerhouse employee.

Article 17.6 - for the purpose of this Article, as it pertains to a Twelve (12) Hour Shift, an employee, who has a paid plant holiday occur during his scheduled vacation period, will either be paid twelve (12) hours as a holiday or another twelve (12) hour day be substituted for such holiday.

Notwithstanding Article 19.1, a Powerhouse employee will follow the posted yearly work schedule. Hours of work are 7:00 a.m. to 7:00 p.m. and 7:00 p.m. to 7:00 a.m.

Notwithstanding Article 19.2, all hours worked in excess of the basic work day of twelve (12) hours before or after, shall be considered as overtime and shall be paid at the rate of one and one-half (1.5x) times the regular rate.

An employee who is employed in the powerhouse, and who works on his scheduled day(s) off, will be paid one and one-half (1.5x) times his regular rate for all hours worked on such day(s). If he works in excess of twelve (12) consecutive hours he will be paid at the rate of one and one half (1.5x) times his regular rate. If he works on Sunday and it is his scheduled day off he will be paid at the rate of one and one half (1.5x) times the regular rate for all hours worked.

Notwithstanding Article 21.1, a shift premium of seventy-four cents (\$0.74) per hour will be paid for the shift that commences at 7:00 p.m. only. The formula for shift premium is as follows - Article 21.1 contract cents per hour times sixteen (16) hours divided by twelve (12) hour shifts.

A relief Powerhouse employee who works a twelve (12) hour shift once a week, and also fills in for absent Powerhouse employees, will be paid as defined in Article 19.2 of this Agreement, until informed by the Company that he is now working the posted yearly work schedule for Powerhouse employees.

Appendix "F" Benefit Plans.

Non-Occupational Accident and Short-Term Disability Plan.

The benefits under this plan will be calculated on the basis of a twelve (12) hour day. For example:

Basic benefits - $75\% \times \text{hourly rate} \times 12 = \text{per diem rate}$

Supplemental benefits - $60\% \times \text{hourly rate} \times 12 = \text{per diem rate}$.

Basic benefits are payable to an employee after a waiting period of sixteen (16) consecutive hours in a regularly scheduled work week. Further, if this first (1st) day following the waiting period is not a regularly scheduled work day for the employee, Basic benefits will not begin until the employee's next regularly scheduled working day.

Appendix "C"

Temporary Employees and Students

The following terms and conditions of employment apply to Temporary Employees.

A Temporary Employee;

- (i) occupies a job limited by the amount of work or by time with no prospect of continuing employment. The employment period will include the start date and end date of the job.
- (ii) does not participate in benefit plans nor obtain seniority under the provisions of Article 23.1 of this Agreement.
- (iii) is subject to a deduction from wages due and payable in each calendar week, the regular weekly union dues.
- (iv) is eligible to work overtime as per Appendix "E"
- (v) rates of pay will be as per Appendix "A" dependent on the classification scheduled on or performing. Temporary and Student employees will be trained on any jobs within Appendix "A" that are required to be filled for vacations, sickness and/or skill shortages, notwithstanding Article 24.1 and the Temporary Bid Posting memorandum.

- (vi) Upon completion of 700 hours in the previous calendar year, Temporary employees become eligible to participate in the Kraft Canada Inc. Medical and Dental Benefits Plan as described in Appendix "F".

Kraft Canada Inc. Medical and Dental Benefits Plan for Temporary Employees

Medical and Dental Benefits are available to Temporary Employees on the Company payroll who qualify for eligibility.

The eligibility requirements are as follows:

- 1) A Temporary Employee must have worked 700 regular hours in the previous calendar year to claim expenses in the current year.
- 2) The Employee must also work a minimum of 32 regular hours in each calendar month to have expenses incurred in the month payable. This means, that in order to have expenses incurred in June paid by either the Medical or Dental Plan, the Employee must have worked 32 regular hours in June and so on for each month throughout the year.

If an Employee does not work the required 32 regular hours in a particular calendar month, then expenses incurred in that month only will not be paid.

Eligible dependents may claim expenses as well, providing that the employee has met the requirements outlined above. Eligible dependents are defined as spouse, and dependent children up to age 19 if not a student, or up to age 25 if a full-time student.

It is important to note that because we must wait until the end of the month to determine if the 32 hours have been worked by each employee, and advise the Benefits Carrier accordingly, that expenses not be submitted until the month following. In other words, eligible expenses for June should be submitted in July; July's expenses submitted in August, and so on.

To obtain reimbursement for Dental or Prescription claims, employees will complete claim forms available from the Human Resources Department.

Appendix “D”

Definitions

Employee Profile Update

Employees will be encouraged by the Company to update files once each year, including dependent children, spouses and step relationships.

Applicable Rate - The rate an employee would have been paid had he been at work.

Basic Work Week - Monday through Friday, inclusive.

Calendar Week - Monday through Sunday inclusive.

Common-Law - Employee who has co-habitated with an individual for a period of not less than three (3) years, and who has publicly represented the person as their spouse during this period.

Dependent Children - (including Common-Law and Step Children Relationships)

- a child who is unmarried and unemployed, up to the age of 19 years, or until the age of 25 years, as long as dependent and attending school; or
- a child born of a Common-Law union; or
- a child brought to a relationship and for whom the employee has taken legal guardianship, or legally adopted, or is totally financially responsible and the child resides in the home.
- a child incapable of self-sustaining employment by reason of mental retardation or physical handicap, who is chiefly dependent upon you for maintenance and support and residing in Canada and who became so incapable before attaining age 19.

The term “child” includes any legally adopted child and any stepchild who is supported solely by you and permanently resides in your household, and any other child for whom you are legally responsible for support and care.

Director of Manufacturing - Refers to the Director of Manufacturing - Cobourg or his designated representative.

Emergency - An Act of nature, catastrophe, disaster or any reason of a similar nature and unanticipated conditions when immediate action is necessary to prevent spoilage or loss of product or danger to persons or property. With respect to Article 20.17 only, it is understood an emergency will also include those instances where action is required to undertake equipment repair.

Employee - A person holding seniority under this Agreement.

Holiday Pay - Eight (8) hours' pay at the employee's regular rate.

Pay Cheque - (applicable only to Article 8) - the following will be counted:

- a Regular pay cheque
- a Sick Benefit cheque
- an LTD cheque within the initial 18 month LTD period refers to paid holidays
- a Vacation cheque
- a Workplace Safety and Insurance Board compensation payment within the initial 18 month period refers to paid holidays.

Probationary Employee - A person who does not hold seniority in accordance with Article 23.1 of this Agreement. A probationary employee is covered by all the provisions of this Collective Agreement unless otherwise specifically excluded under any article of this Agreement.

Regular Rate - Basic rate of pay (Appendix "A") plus shift premium when applicable.

- Spouse**
1. The person who is your lawfully wedded husband or wife or
 2. If you do not have a lawfully wedded husband or wife, the person of the opposite sex who has resided with you in a conjugal relationship, either continuously for not less than three (3) years, or in a relationship of

some permanence if you and the other person are the natural or adoptive parents of a child as defined in the Ontario Family Law Act.

Step Relationship - See Dependent Children

These relationships will be considered immediate family if declared as such by employees on their Employee File with the Company.

Employees are required to update their files in the Human Resources Department, as any changes occur to their status.

Successful Applicant - An employee who has exercised his bidding rights under this Agreement, has been awarded the bid job and has actually commenced working on such job.

Union Officers - The following representatives of Local 1230

- Union President
- Secretary Treasurer
- Recorder
- 1st Vice-president
- 2nd Vice-president
- 3rd Vice-President
- 4th Vice-president

Union President - Refers to the actual President of Local 1230 or his designated representative.

Licensed Practitioners - In order for expenses of a practitioner to be considered eligible for reimbursement, the practitioner must be licensed and the services rendered must be within the scope of that license.

Reasonable and Customary - Reasonable and customary charges are the amounts measured and determined by comparing them with charges customarily made for similar services and supplies to individuals for similar medical condition in the locality concerned.

“HOSPITALIZATION”

Hospitalization occurs when the employee:

- a) is admitted to and is confined in a duly constituted hospital as a bed patient for care and treatment of sickness, or hurt, injury or damage to the body as a result of an accident
- b) is admitted to a duly constituted hospital or medical facility for surgery and released as an outpatient
- c) is scheduled to a follow-up examination and/or procedure. The employee will be paid appropriate sick pay starting the first day if he has attempted to schedule a follow-up examination or procedure on his own time, but is unable to do so. The conditions will be that the employee has been scheduled by their attending physician to attend a session after returning to work from a long term illness of six (6) months or more and who must travel a long distance to get to and from the examination/procedure.

Documentation of the appointment from the attending physician must be provided to the Medical Department before sick pay payments are approved.

Disability

“Disability” means the inability or capacity to perform regular work assignments resulting from sickness or accident not arising from, or in any way related to, the course of employment. Any disability arising out of or in the course of employment, which is compensable under the Workplace Safety and Insurance Board Law of the Province, is not a disability under this plan.

Hourly Rate of Pay

The employee's basic rate of pay (excluding off-shift premiums).

Appendix “ E Overtime Distribution

The parties shall co-operate and make every effort to distribute overtime as evenly as possible. However, the number of overtime hours offered to an employee within any twenty-four (24) hour period remains within the discretion of the Company.

Hours of overtime worked or refused by an employee shall be recorded weekly and posted the following week. Hours of overtime worked or refused by an employee will be accumulated over a period of six (6) months commencing with the first work week of the calendar year.

For the purpose of the administration of Appendix “ E Temporary Employees and Students are considered as 'employees.?

Overtime shall be offered to the employee with the lowest number of recorded hours in each of the categories in the following priority:

(i) Bid and Currently Performing or Temporarily Assigned under Article **20.3**

Among employees, qualified, available and currently performing and holding the bid in the job in which overtime is required; or,

Among employees temporarily assigned off their bid job, under Article 20.3, in which overtime is required.

(ii) Currently Performing the Job

Among employees, qualified, available, and currently performing the job in which overtime is required.

(iii) Currently Working in the Unit

a) Among employees available and working in the Unit, who have been cutback from their bid job, within this Unit where overtime is required.

b) Among employees, qualified, available and currently working in the Unit in which overtime is required.

(iv) Currently Working in the Department

Among employees, qualified, available, and currently working in the Department in which overtime is required.

(v) Mandatory Protection of the Work

In the event that all employees referred to in (i), (ii), (iii) and (iv) above refuse the overtime, it is agreed such overtime will be worked by the employee first offered the overtime, providing such overtime does not exceed four (4) hours in a day, or eight (8) hours in a calendar week. The exception to this section, will be for employees involved in a Flexible Work Schedule that involves Saturday and Sunday as part of the regular schedule in which case Mandatory protection of the work will not be applied.

Overtime Shift Scheduling

During the basic work week, overtime offered will be assigned where possible to run consecutive to an employee's scheduled shift. For weekend overtime, available shifts will be filled in sequence (11-7, 7-3, 3-11) by employees in priority order, providing the shift assigned would not result in an employee working sixteen (16) consecutive hours.

Selection Error

Should a selection error occur, the missed employee will be accorded the next available overtime opportunity. A grievance respecting a selection error may be submitted at Step Two, the Department Manager and Manager of Human Resources level of the grievance procedure.

Overtime Refusal Letter

Employees who do not wish to work overtime must notify the Company, in writing, of their intent. These employees will not be asked or scheduled to work overtime (unless it is necessary to protect the job) until the employee notifies the Company, in writing, that he wishes to work overtime. Such employee will assume one hour more than the highest hours of overtime in his bid classification or his accumulated hours of overtime whichever is greater.

Should it become necessary to ask these employees to work overtime to protect the job, employees will be asked to work in the following order if there are more than one employee eligible with an Overtime Refusal Letter on file:

- a) employee with the lowest recorded hours of overtime
- b) if employees do not have any recorded hours, then the most senior employee.

Note: Overtime hours worked and refused will be recorded as per paragraph 2 of the Overtime Distribution section of Appendix "E", for employees in this category who become eligible for overtime to protect the job.

Team/Committee/Project Overtime Distribution

When an employee volunteers to be a member of a Team/Committee and overtime is required to participate in such Team/Committee Meeting and/or specific project, where knowledge of the process/activity is required, the Team/Committee employee will be given the opportunity to work such overtime, notwithstanding the other provisions of Appendix "E" and Appendix "G".

Paid Plant Holidays

Paid Plant Holidays will be treated and recorded as overtime.

Department & Units are as follows for the Manufacturing, Distribution Warehouse, Receiving Warehouse, Plant Services and Maintenance Departments.

Department

Units

- | | |
|---------------------|--|
| Central Maintenance | - Apprentice |
| | - Battery Attendant |
| | - Maintenance Services - Mechanical |
| | - Maintenance Mechanic - Material Handling |
| | - Maintenance Mechanic - Central |
| | - Sheet Metal |
| | - Trainees |

	- Machinist
	- Maintenance Utilities
Cereals/Rice	- Packaging
	- Maintenance Packaging
	- Processing
	- Maintenance Processing
	- Oiler - Packaging
	- Oiler - Processing
Desserts/Beverage	- Packaging
	- Processing
	- Maintenance Packaging
	- Maintenance Processing
	- Oiler
Distribution Warehouse	- Distribution
Electrical	- Maintenance Electrician
	- Refrigeration Mechanic
	- Maintenance Services Electrical
	- Maintenance Electrician- Scales
Plant Services	- Plant Services
Receiving Warehouse	- Receiving
Site Facilities	- Stationary Engineer - 2nd Class

APPENDIX "F"

BENEFITS

PREAMBLE

An overview of the benefit plans available are given in this Appendix as an indication of the coverage provided. Booklets on all plans provided by the Company for its employees give full details of their purpose, coverage and the limits applicable. These booklets should be referred to for clarification of eligibility, coverage and limits.

The definition of eligible dependents for the Kraft Canada Benefit Plans is covered in Appendix "D".

Appendix "F"
Benefit Plans

1. **Kraft** Canada Medical Plan

Eligibility

The KraftCanada Inc. HealthCare Plan is offered to all Regular Full-Time employees and Temporary employees as per Appendix "C" of this Agreement. Regular Full-time employees and their eligible dependents are covered under this plan upon completion of their probationary period.

Effectivedate and duration of the Plan is August 3rd, 1998 to June 29th, 2001

Cost of the Plan

Employees have the choice of the Base Plan coverage (fully paid by the Company) and optional coverage at the costs below. When the Base Plan and/or the Base Plan plus any of the Options are chosen at the sign-up date, the option(s) chosen are locked in until June 29th, 2001. The only changes allowed during this locked in period will be for "life style" changes such as single to family and/or family to single coverage costs as they pertain to the locked in option. *Proper documentation must be completed to facilitate this change.*

Costs for the Base Plan and Optional Plans are as follows:

**Deductions based on 48 pay periods - Total amount paid annually remains the same.*

Base Plan (fully paid by Company)	Optional Plans (Premiums paid by employee)	Weekly Premiums	
		<u>Single</u>	<u>Family</u>
Base Plan (only)		\$0.00	\$0.00
Base Plan +	Option A	\$1.03	\$2.17
Base Plan +	Option B	\$1.52	\$3.20
Base Plan +	Option C	\$0.76	\$1.84

Base Plan	Optional Plans	Weekly Premiums	
		Single	Family
Base Plan +	Option D	\$1.41	\$3.52
Base Plan +	Option D	\$1.41	\$3.52
Base Plan +	Option A+Option C	\$1.79	\$4.01
Base Plan +	Option A+Option D	\$2.44	\$5.69
Base Plan +	Option B+Option C	\$2.28	\$5.04
Base Plan +	Option B+Option D	\$2.17	\$5.42

Base Plan Coverage

The Base Plan Coverage is as follows:

Hospital Care to a maximum of \$10,000/year	}	Core Benefits
Prescribed Drugs up to a maximum of \$1200/year		
Out of Country to a maximum of \$25,000/year		
Plus		
Paramedical Services up to \$500/year	}	Supplemental Benefits
Vision Care \$150 every 2 years		
Hearing Aids \$300 every 3 years		
Ambulance/Laboratory costs up to \$1000/year		
Nursing and Prosthetic Services up to \$10,000/year		

Additional Coverage for Core Benefits Base Plan Plus

"A" Option – Unlimited excess Drug coverage

"B" Option – Unlimited excess Core Benefits coverage (includes option "A")

Additional Coverage for Supplemental Benefits Base Plan **Plus**

“C” Option-- Paramedical Services up to \$700/year
Vision Care \$200 every 2 years
Hearing Aids \$500 every 3 years
Ambulance/Laboratory costs up to
\$1500/year
Nursing and Prosthetic Services up
to \$15,000/year

“D” Option-- Paramedical Services up to \$900/year
Vision Care \$300 every 2 years
Hearing Aids \$1000 every 3 years
Ambulance/Laboratory costs up to
\$2000/year
Nursing and Prosthetic Services up
to \$20,000/year

Eligible Expenses

The Kraft Canada Inc. Medical Plan reimburses eligible expenses, provided these expenses are reasonable and customary, and that they are medically necessary and prescribed by a physician.

Hospital Expenses

Private, Semi-Private and Convalescent room for hospitals subsidized by the government. Under the Base Plan this does not include private unsubsidized hospitals.

Option “B” provides additional coverage over the \$10,000/year benefit under the Base Plan for semi-private and convalescent care (it does not provide for private room coverage), but it does cover the new private hospitals at semi-private rate, a rate which is established by taking the average semi-private rates of the community in which the hospital operates.

No deductible applies to hospital expenses.

Out of Country Coverage

Our of Country coverage continues to cover the same type of expenses that were paid under the previous plan (as per “Emergency Travel Assist-

ance"). The Base Plan option covers a maximum of \$25,000/year for Out of Country coverage costs. The Base Plan plus Option "B" covers unlimited excess costs for Out of Country coverage as per the Brochure. Also covered are all the same drugs that are covered in choice "A".

Medical Expenses

The plan reimburses 100% of the following eligible medical expenses:

Base Plan Option - up to \$1200/year

Base Plan plus Option "B" - unlimited costs/year

Drugs and medicines which require a prescription by law to be obtained.

Emergency treatment of an illness or accident occurring while outside Canada is reimbursed on a reasonable and customary basis.

Emergency travel assistance expenses (see leaflet entitled "Emergency Travel Assistance" for full details).

Supplemental Benefits - eligible expenses reimbursed at 100%

Maximum Costs available for these Benefits are based on the choice of Plan the employee signs up for.

The definition of an eligible expense remains the same as in the Base Plan (the Base Plan does not cover expenses paid in whole or in part by the government, however, if the "C" or "D" Option(s) are chosen these will pick up expenses not fully covered by the government. e.g. The excess fee charge for chiropractors in Ontario will be covered, providing the fee charged is reasonable and customary for the services provided.

Private-duty nursing. Services must be recommended by a physician and rendered by a registered nurse who is not a relative and does not ordinarily reside in your home.

Charges for room and board in a licensed chronic care facility up to a maximum reimbursement of \$10 per day for a period of 120 days per calendar year.

Charges for the use of a licensed ambulance for local transportation to and from the nearest hospital. Emergency transportation by airline to and from the nearest hospital within your province of residence and equipped to provide the required medical services are also eligible, subject to a maximum equal to an economy airfare.

Paramedical services by a licensed physiotherapist, psychologist, osteopath, podiatrist, chiropractor, naturopath, acupuncturists or speech therapist, up to a maximum reimbursement of the plan option chosen each calendar year. In addition, covered expenses include the cost of one x-ray per practitioner per calendar year. To be considered eligible expenses, the services provided must be within the scope of the license held by the practitioner.

Laboratory tests and x-rays for diagnosis not covered by any government plan.

Prescription contact lenses, eyeglasses and frames and eye exams up to a maximum reimbursement of the chosen optional plan per person every 2 years.

Dental services required to repair natural teeth damaged as a result of an accident up to \$5,000, provided the repairs commence within three months of the accident.

Hearing aids up to a maximum reimbursement of the chosen optional plan per person every 3 years.

Charges for:

Rental or purchase of braces and crutches, and purchase or prostheses required for therapeutic use.

Rental or purchase of a wheelchair, hospital bed, or oxygen equipment required for therapeutic purposes.

Orthopedic shoes and orthotics prescribed by a licensed physician and required to correct a diagnosed physical impairment. Once the first expense has been paid for by the plan, the cost of replacement will only be covered if it is required as a result of pathological change.

Blood sugar monitoring devices for insulin dependent diabetics, when prescribed by a physician, up to a lifetime maximum reimbursement of \$200.

Coordination of Benefits

If you or your dependents are covered by more than one plan providing similar benefits, benefits under this plan will be coordinated so that claims can be made under both plans but in no event could you receive benefits in excess of expenses incurred.

Exclusions

The Krait Canada Inc. Medical Plan does not cover:

Services and supplies not included in the list of eligible expenses.

Charges for general health examinations

Charges for eye examinations, except in provinces where Medicare does not cover this expense.

Services paid for under any federal or provincial government legislation.

Cosmetic surgery or treatment, including hospital confinement for such surgery or treatment.

Charges related to any disability for which benefits are provided under any Workplace Safety and Insurance Board compensation legislation.

Dental work where a third party is responsible for payment of such charges.

Charges related to injury resulting directly or indirectly from war, declared or not, insurrection or riot, or hostilities of any kind.

Charges for services or supplies which are furnished without the recommendation and approval of a physician acting within the scope of his or her license.

Charges related to intentionally self-inflicted wounds.

Drugs, sera, injectable drugs or supplies that are not approved by Health and Welfare, Canada, and that are experimental or limited in use.

Charges which are not medically necessary for the care and treatment of any existing or suspected injury, disease or pregnancy.

Charges made by a physician for travel, broken appointments, communication costs, completion of claim forms or physician's supplies.

Charges which would not normally have been incurred but for the presence of this coverage or for which the employee or dependent is not legally required to pay.

In the Event of Disability

If you are absent from work due to injury or illness, coverage under the Kraft Canada Inc. Health Care Plan is maintained for you and your eligible dependents, at no cost to you, for as long as you are receiving Kraft Canada Inc. disability benefits.

In the Event of Death

In the event of your death while an active Kraft Canada Inc. employee, coverage under the Health Care Plan continues for your eligible dependents for three months from your date of death.

Termination of Employment

Coverage ceases for you and your eligible dependents at the end of the month in which you terminate your employment with Kraft Canada Inc. Out-of-Canada coverage ceases on the date of termination of employment. For the status of benefits on retirement, see the Pension Plan Provisions of this document.

2. Dental Plan

Eligibility

The Dental Care Plan is offered to all Regular full-time employees and Temporary Employees, as per Appendix "C" of this Agreement. You and your eligible dependents are covered under this plan upon completion of your probationary period.

Cost of the Plan

Kraft Canada Inc. pays the full cost of the coverage provided by the plan for you and your eligible dependents.

Eligible Expenses

The Kraft Canada Inc. Dental Plan covers 80% of the eligible expenses for three categories of dental care:

- Basic services
- Major restorative work
- Orthodontic treatment

The maximum amount reimbursed for the first two categories combined is \$1,200 per person per calendar year for you and each of your eligible dependents. The lifetime maximum benefit for orthodontic treatment is \$2,000 per person.

Maximum eligible expenses are established in accordance with the current fee guide of the dental association. When several treatment possibilities exist, reimbursement of eligible expenses may be determined based on an alternate benefit.

Basic Services

Diagnostic

Consultations

Single diagnostic x-rays

Complete series of x-rays: once every 24 months

Oral examinations: once every six months

Study casts: once per year

Preventive

Scaling and polishing (prophylaxis) once every six months

Topical fluoride

Passive space maintainers (that do not move the teeth) for dependent children only

Oral hygiene instruction once every six months

Minor restorative work

Fillings (silver amalgam, silicate or synthetic restorations)

Stainless steel crowns

Oral surgery

Removal of teeth, including impacted teeth and residual roots

Anesthesia

Post operative care

Endodontics

Emergency endodontic procedures and root canal therapy

Periodontics

Treatment of diseases of the gum and other supporting tissue of the teeth

Repair or relining and rebasing of dentures including addition of new teeth.

Major Restorative Work

Gold inlays, onlays and crowns

Note: when a tooth can be restored with silver amalgam, silicate or synthetic restorations, benefits will be determined based on the usual costs of such a restoration.

Dentures and other dental appliances

Note: After initial purchase of a dental appliance, replacement expenses are eligible if the existing appliance is at least five years old and no longer serviceable.

Orthodontic treatment

Correction of malocclusion of the teeth
Full-mouth reconstruction

In the Event of Disability

If you are absent from work due to injury or illness, coverage under Kraft Canada Inc. Dental Plan is maintained for you and your eligible dependents, at no cost to you, for as long as you are receiving Kraft Canada Inc. disability benefits.

In the Event of Death

In the event of your death while an active Kraft Canada Inc. Employee, coverage under the Dental Care Plan continues for your dependents for three months from your date of death.

Termination of Employment

Coverage ceases for you and your eligible dependents at the end of the month in which you terminate your employment with Kraft Canada Inc.

Co-ordination of Benefits

If you or your dependents are covered by more than one plan providing similar benefits, benefits under this plan will be coordinated so that claims can be made under both plans but in no event could you receive benefits in excess of the expenses incurred.

Exclusions

The Kraft Canada Inc. Dental Care Plan does not cover:

Services or supplies that are primarily for cosmetic dentistry, e.g., bonding, bleaching and facings.

Services covered by any government plan.

Services or supplies not furnished by a legally qualified dentist or **denturist**.

Services or supplies necessitated directly or indirectly as the result of committing, attempting to commit or provoking an assault or criminal offence, or by a war or act of war, declared or not, insurrection or riot, or hostilities of any kind.

Miscellaneous charges such as counseling, travel, broken appointments, communication costs or completion of claim forms.

Services or supplies resulting from any intentionally self-inflicted wound.

Any hospital charges for board and room and related services and supplies.

Any dental examinations required by a third party.

Services or supplies not medically necessary.

Services or supplies for **implantology**, including tooth implantation or transplantation and surgical insertion of fabricated implants.

3. Life Insurance Plan

An employee must sign an application form to be eligible for this Plan and coverage will commence on the first of the month following completion of the probationary period. Should application not be made within three (3) months of this initial commencement date, the insurance company will require satisfactory evidence of insurability from the employee and his eligible dependents (i.e., spouse and unmarried, unemployed children between the ages of 14 days and twenty-five years).

a) Amount of Term Insurance

- Employee - \$45,000
- Spouse - \$ 5,000
- Dependent Child - \$ 5,000
- Employee Cost: Single or Family \$4.75 per month.

Note 1: The amount of Paid-up Insurance purchased by an employee under the former Insurance Plan will remain in force until the employee leaves Kraft Canada Inc. or

retires. At that time, the Paid-up insurance (providing the face amount is \$100 or more) may be kept in force, or surrendered for its cash value. This cash value will never be less than the amount of the Contributions the employee had made to the Paid-up Insurance Plan.

b) Retirement Insurance

Effective May 19, 1996, the Company will assume the full cost of providing Term Insurance coverage in the amount of ten thousand dollars (\$10,000), for an employee who retires from the Company, while in active employee status, on or after age fifty-five (55), with ten (10) years or more of service. This ten thousand dollars (\$10,000) amount decreases by one thousand dollars (\$1000) each year, until a minimum of five thousand dollars (\$5000).

c) Optional Insurance

Employees have the opportunity to purchase \$15,000 additional employee Life Insurance coverage at a cost of \$4.88 per month, or \$10,000 at a current cost of \$3.25 per month.

d) General Provisions

- i) If you are on leave of absence for up to one year you may keep this Plan in force by continuing to make your contributions. Otherwise your coverage will terminate at the end of the month in which your contributions stop. For reinstatement in the Plan, the insurance company would require satisfactory evidence of insurability from the employee and his eligible dependents.
- ii) LTD payments will not reduce the amount of life insurance in force just prior to the start of LTD benefits. Such insurance will remain in force for so long as eligibility to LTD benefits continues, but not beyond age 65.
- iii) All term insurance coverage will stop at the end of the month in which you leave Kraft Canada Inc. but if you die within the following 31 days, the full

amount will be paid. Also during this 31-day period you may convert all or part of your term insurance without medical examination, to an individual life insurance policy. This individual policy will be issued at the insurance company's regular rates; it may be written on any regular Whole Life Insurance Plan and may, if desired, provide a preliminary period of up to one year of term insurance coverage.

- iv) When you die from any cause, the full amount of your Kraft Canada Inc. life insurance then in force will be payable to the beneficiary you name. You may specify that payment be made in a lump sum or in monthly instalments, or you may allow your beneficiary to make the choice. You may change the beneficiary at any time in the manner provided by the Plan, subject to applicable Provincial Law. The beneficiary for the dependent insurance coverage will be the employee in all cases. In those instances where both parents are employed at Kraft Canada Inc. and both are enrolled in the Life Insurance Plan, the employee claiming the child(ren) as dependent(s) for income tax purposes will be deemed to be the beneficiary.

5. Accidental Death and Dismemberment Insurance Plan

The optional AD&D plan offers a full 24 hour, 365 day a year, coverage against accidents occurring anywhere in the world, whether you are on or off the job.

Amount of Coverage:

Coverage is purchased in units of \$10,000 and insures you and your family for death caused by accident. In addition, the Plan covers you for dismemberment in the following manner:

	<u>% of coverage</u>
Loss of Life	100%
Loss of two limbs	100%
Loss of sight of both eyes	100%

Loss of one limb & sight of one eye	100%
Loss of speech & hearing	100%
Loss of one limb	75%
Loss of sight of one eye	66 ² / ₃ %
Loss of speech or hearing	50%
Loss of thumb & index finger of one hand	33%

In the event of your accidental death while insured, the amount of insurance will be paid to the beneficiary. All other indemnities are payable to you.

<u>Employee Coverage</u>	<u>Spouse Coverage</u>	<u>Dependent Coverage</u>
Can purchase up to maximum of \$500,000 each (in units of \$10,000)	Can purchase up to a maximum of 50% of employee's coverage (in units of \$10,000)	Can purchase \$5,000 of coverage for dependent child

Amount of Premiums:

- Employee - \$0.026 per \$1,000 per month
- Spouse - \$0.026 per \$1,000 per month
- Children - A flat .25¢ per month for \$5,000 per child, regardless of how many children are insured.

Exclusions:

The AD&D plan does not cover losses resulting from the following:

- Suicide or self-destruction, or any attempt by the insured person while sane or insane;
- Flying in any aircraft or other airborne vehicle as a pilot, operator or member of the crew;
- Declared or undeclared war or any act thereof;
- Active full-time service in the armed forces of any country.

5. Non-Occupational Accident and Short-Term Disability Plan

This Plan is fully Company paid and applies to all employees (excluding Probationary and laid-off Regular Full-Time employees) who meet the eligibility conditions:

a) Eligibility for Benefits

To establish eligibility for benefits, an employee must show disability due to non-occupational accident or sickness by reasonably satisfactory evidence, which in the Company's judgment, prevents him from performing normal work assignments.

No Supplemental Benefits are payable until an Attending Physician's Statement has been submitted attesting to the nature and severity of disability and certifying that the disability precludes the employee from performing regular work assignments.

Further, the Company, at its expense and discretion, may have a physician or nurse of its own choice examine any employee who seeks benefit payments; if in the physician or nurse's opinion the employee was able to perform regular work assignments, he will not be eligible for benefit payments. Any employee who fails or refuses to submit to such an examination will not be eligible for benefit payments. Any disagreement with the Company's decision may be processed through the grievance procedure commencing at the second step.

An employee has responsibility for informing his supervisor immediately with respect to a disability. Further, to qualify for benefits he has the responsibility for taking all proper steps to insure early recovery. Such steps may include the attendance of a qualified physician and the purchase of drugs, medicines, medical supplies and hospitalization services as necessary.

b) Benefits

Plan Benefits are payable to eligible employees during a maximum benefit period of 26 weeks per disability but not more than twenty-six (26) weeks in a calendar year, subject to the following conditions:

i) Basic Benefits

An employee is credited with ten (10) days of Basic Benefits upon attainment of seniority and with ten additional days on his employment anniversary in each subsequent year of continuous employment. If employment is continuous, unused Basic Benefits may be accumulated up to a maximum of one hundred and thirty (130) days.

When disabled, an eligible employee will receive Basic Benefits of three-quarters of his basic rate of pay, after a waiting period of two (2) scheduled work days, for as many days as he has to his credit or a minimum period of seventy-five (75) days per disability, as long as the disability is continued.

When an employee returns to work after an absence, the basic benefit period of seventy-five (75) days will be fully reinstated after the employee has been back at work for at least four (4) weeks.

If he is back at work for at least a four-week period, and is then absent, due to a disability not associated with the previous disability, the minimum period of seventy-five (75) days of basic benefits will apply.

If he is absent again due to the same or associated disability that caused the first absence, and this second absence occurred before thirteen (13) weeks had elapsed since the initial absence, the disability will be considered to be the same disability, and the employee will resume Basic Benefits as if he had not returned to work.

Basic Benefits are payable to employees after a waiting period of two (2) scheduled work days. Further, if the first day following the waiting period is not a regularly scheduled working day for the employee, Basic Benefits

will not begin until the employee's next regularly scheduled working day.

There will be no waiting period if the disability results from an accident, or from the day on which the employee is hospitalized. Further, if the employee is unable to work because of disability for fourteen (14) calendar days beginning with the first regularly scheduled working day of disability, Basic Benefits are payable retroactively for all regularly scheduled working days in the waiting period, if such benefits have not been exhausted.

Should an employee leave work because of disability, the time so lost will count as the first day of the waiting period only in those instances where he has worked one-half or less of his regular shift.

ii) **Supplemental Benefits**

After all Basic Benefits for which an employee is eligible have been paid, Supplemental Benefits amounting to 60% of his basic rate of pay are payable to the employee during the remainder of the 26-week benefit period for the disability but not to exceed 26 weeks in a calendar year.

c) **Discontinuance of Benefits**

An employee who, after incurring disability, is discharged or would not have worked due to strike or suspension of employment is not eligible for Benefits after the day on which such event occurs.

Where layoff provisions exist, if you are disabled when a layoff begins, your benefits will continue for the duration of the disability, but not longer than 15 weeks from the date the disability began.

d) **Employees Not Actively Employed**

An employee who becomes disabled while on leave of absence or vacation or on lay-off, or while on strike, suspension from work or other-

wise not actively employed, is not eligible for benefits during any such period. The employee will be eligible for benefits under this Plan on the first regularly scheduled working day on which he would have returned to work but for the disability, and absence on such day will be deemed the first day of the waiting period for purposes of determining when benefits start.

e) Part-Time Employment Due to Disability

An employee, who because of disability, is not able to work full regularly scheduled working days, may receive less than the full amount of daily benefits for which he is eligible. This provision only applies when the Company can provide part-time employment. Otherwise, such employees will receive the full amount of daily benefits.

If the employee is eligible for Basic Benefits, after any applicable waiting period, he will receive pay for all hours worked and Basic Benefits for all hours not worked within the working day.

If the employee is not eligible for Basic Benefits, but is eligible for Supplemental Benefits, he will be paid for all hours worked; and 60% of his regular hourly rate for hours not worked within the working day. Each partial working day will be considered a full day for purposes of determining the maximum benefits period of 26 weeks per disability or per calendar year.

f) Exclusions

No payment will be made under the Plan with respect to absence from work due to the following reasons:

- i) Disability arising from or in the course of employment by another employer, and where the employee had an employee/employer relationship with the other employer and received remuneration for his services. Disability from work performed on an employee's own residence or land will not be considered "employment by another employer".

- ii) Disability caused by or resulting from use of alcoholic beverages, stimulants, drugs or narcotics, unless the employee is participating in a KraftCanada Inc. sponsored program toward rehabilitation.
- iii) Disability resulting from acts of immorality or fighting.
- iv) Disability occurring while an employee is violating a Company rule.
- v) Disability resulting from a pregnancy related illness during:
 - a) a pregnancy leave of absence,
 - b) the period commencing with the tenth week prior to the expected week of confinement and ending with the sixth week after the week of confinement.

6. Long-Term Disability

a) Benefits

This plan is fully paid by the Company. Coverage commences upon completion of probationary period and applies to all Regular Full-Time employees who meet the eligibility conditions.

If you are unable to work after 26 weeks of disability, you may be eligible for benefits under the Long-Term Disability Plan.

LTD benefits may be paid up to **two** years if you are totally disabled and cannot perform the duties of your current job. If you continue to be totally disabled after two years and cannot perform the duties of a job related to your skills and experience, payments will continue to the earliest of recovery, death or age 65.

This plan provides you with a monthly income equal to **67%** of the monthly base salary you were receiving when you became disabled, up to a maximum benefit of **\$15,000** per month.

To be eligible for benefits, you must be under the care of a legally qualified physician at all times. Medical reports will be required periodically.

Benefits payable under this plan are considered taxable income.

b) Recurrence of Disability

If you become disabled for the same reason within six months of your return to full-time work after a long-term disability, the second disability period will be considered a continuation of the first. You will then immediately begin receiving your long-term disability benefits.

However, if the period exceeds six months or if the new disability is not related to the first, a new claim must be filed under the Short-Term Disability Plan.

c) Rehabilitative Employment

As an incentive to promote an early return to gainful employment after a total disability, you may perform certain work without forfeiting the benefits payable under the LTD plan.

If you engage in an approved rehabilitative employment program, you will be entitled to receive your long-term disability benefits over and above the employment income payable from the program.

The rehabilitation benefits may be paid for a maximum period of 24 months during which your income from all sources must not exceed your gross earnings at the time you became disabled.

Should disability prevent you from continuing with the program, your regular disability benefits will continue to be paid.

d) Co-ordination with Other Sources of Income

Long-Term Disability Benefits are reduced by disability benefits payable from the Workplace Safety and Insurance Board, Canada Pension Plan (excluding any payments for your dependent children) and by any other income from employment or other government plans.

e) Continuation of Other Employee Benefits during Disability

While you are receiving Long-Term Disability benefits, you and your dependents remain covered under all Kraft Canada Inc. plans, and you may continue to purchase Optional AD&D Insurance for up to two (2) years from the date of initial Long-Term Disability acceptance, if you are totally disabled and can not perform the duties of your current job. Benefits that can not be continued during disability are the Non-Occupational Accident coverage and Short-Term Disability Plan.

Seniority will continue to accumulate for as long as LTD benefits are paid.

If an employee wishes to continue contributions to the retirement plan, retirement benefits will accrue during the LTD period.

f) Exclusions

No Long-Term Disability benefits are payable for:

A disability for which you are not treated on a continuous basis by a duly qualified physician. If the sickness is due to a mental or emotional disorder, you must be receiving continuing treatment by a physician who is certified in psychiatry.

A disability for which you may be entitled to indemnity in accordance with the provisions of a Workplace Safety and Insurance Board, the Canada Pension Plan, a provincial auto insurance plan or a group benefit plan.

A disability caused by or resulting from a self-inflicted injury or illness.

A disability caused by or resulting from alcoholism or drug addiction, unless you are treated for the problem on a continuous basis by a duly qualified physician, or are being treated through the Employee Assistance Program.

A disability caused by or resulting from participation in a criminal act or any act of war, declared or not.

A disability resulting from injury sustained while engaged in an employment for wage or profit during any period for which benefits are claimed under the plans.

7. Retirement Plan

a) Eligibility

You are eligible to join the Retirement Plan on the first of the month after obtaining one year's seniority. You may join any time after you become eligible by completing an enrollment form authorizing Kraft Canada Inc. to make payroll deductions and naming a beneficiary.

A temporary employee who has completed two years of service becomes eligible to join the pension plan provided earnings are equal to or exceed 35% of the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan in each year or if they have worked at least 700 hours in each year. Contributions and benefits will be prorated based on hours worked.

b) Benefits Formula

Normal Retirement

Normal retirement is the first day of the month following attainment of age 65.

The monthly pension you will receive will be calculated as follows:

\$45.00 per month for each year of credited service

\$47.00 per month for each year of credited service effective January 1st, 2001

Early Retirement

You may retire on the first of the month after your 55th birthday.

The monthly pension you will receive will be calculated as follows:

\$45.00 per month for each year of credited service

\$47.00 per month for each year of credited service effective January 1st, 2001

less 3% for each year of early retirement before age 60.

In addition, if you retire early while still an employee, a supplemental benefit of \$12.00 per month per year of credited service (maximum 30 years) will be payable until age 65.

Note 1:

Credited service means continuous service to the date you retire less periods for which you made no contributions while eligible to participate in this or predecessor Plans or for which you withdrew contributions. Further, no credit will be given for periods of military service if contributions are not made upon return to active employment.

For a regular employee who is hired on or after January 1, 1988, and a temporary employee who becomes a member on or after January 1, 1988, the service prior to becoming a member of the Plans shall not be included in the computation of credited service.

Note 2:

The Canada Pension Plan (CPP) and the Old Age Security (OAS) pensions are in addition to your Kraft Canada Inc. Pension Plan.

c) Employee Contributions

Monthly contribution is \$96.00 per month

Effective January 1st, 2001, the monthly contribution will be \$101.00 per month

d) Spouse's Benefit

This benefit provides the surviving spouse with 60% of the monthly pension paid to the retired employee for as long as the spouse remains alive. The monthly pension will be automatically reduced by 10% unless prior to retirement the employee and the spouse choose to opt out of this normal form of pension by submitting a Spouse Pension Waiver which requires the witnessed signature of the employee's spouse.

In the case of early retirement, this reduction or resultant pension benefit will not include the early retirement supplement referred to in Section (b).

Should your spouse pre-decease you, the Spouse's Benefit reduction shall not apply after his/her death.

e) Retirement Income Options

You may wish to provide other provisions for your dependents after your death, and for this reason a number of other retirement options are available.

Such options are:

Life Only - is a pension payable for the life of the retiree with a guaranteed payout of the value of the employee's contributions and interest.

If the retiree has a spouse and elects this option, the spouse must waive his/her rights on a Spousal Waiver form.

Any balance owed goes to the beneficiary.

Life - Guaranteed 5, 10 or 15 years - is a pension payable for the life of the retiree with a minimum guaranteed payout of 5 years, 10 years, 15 years. (Example: retiree elects this option and dies 2 years after pension commenced. The balance of the 5, 10, or 15 years is paid to his/her beneficiary).

This form of pension is applicable for a retiree without a spouse who wishes to leave some form of pension to a beneficiary (i.e. family member) as part of his/her estate settlement, or a retiree with a spouse who wishes an alternative to the other options offered.

If the retiree has a spouse and elects this option, the spouse must waive his/her rights on a Spousal Waiver form.

Spousal Option - 60% with Pop-up - 60% spousal required by law.

Retiree takes a reduction in pension (10%) to provide 60% of his/her reduced pension to spouse.

Should the spouse predecease the retiree, the retiree's pension 'pops-up' to the original unreduced pension value.

Joint Survivor/Contingent Annuitant - Retiree accepts a reduction in his pension to provide a pension to another person.

The retiree can choose to leave:

- 60%
- 66²/₃%
- 75%
- 100%

Should the joint survivor predecease the employee, there is no "pop-up" for the retiree - his/her pension remains reduced.

and these options will be fully explained to you prior to retirement as they must be selected one year before retirement commences. **Also**, each specific option will cause a particular adjustment to your normal retirement income payment.

f) Death Benefit

Should you die before retirement, your beneficiary will receive a death benefit equal to the sum of the following:

- 1) The total amount of your contributions to December 31, 1986 plus compound interest to date of payment.
- 2) The commuted value of the retirement income earned for service on and after January 1, 1987 together with the additional retirement income granted on and after January 1, 1988 for service prior to 1987.
- 3) The excess, if any, of the total amount of your contributions made after 1986 plus compound interest over 50% of the commuted value in paragraph 2.

Should death occur after retirement, but before receiving your total contributions plus compound interest and the spouse benefit is not in effect your beneficiary will receive the difference.

g) General Provisions

- i) Regardless of whether or not an employee participates in the Plan, retirement from the service of Kraft Canada Inc. must be no later than the first day of the month following attainment of age 65.
- ii) You become entitled to a pension benefit under the Plan after 10 years' continuous service for benefits earned prior to January 1, 1987 and/or after 2 years' Plan membership for benefits earned after January 1, 1987.

Contributions which are made after January 1, 1987 are locked in (not refundable in cash) after 2 years' Plan membership. Contributions made between January 1, 1965 and January 1, 1987 are locked in at age 45 and 10 or more years continuous service.

- iii) If you leave Kraft Canada Inc., any Plan contributions which are not vested, as described in (ii) will be refunded to you with compound interest. Such refunds remain eligible for transfer to an RRSP without locking-in provisions.

If you are vested, you may leave your money in the Plan and receive retirement income or transfer the value from the Plan as outlined in (viii) which describes the portability provisions.

If you do not transfer your money from the Plan, as outlined in (viii) you will receive retirement income at normal or early retirement date equal to the amount calculated at the time you leave. If you elect to have your retirement income begin before age 60, the reduction for early retirement will apply.

Anytime after you leave, but before your retirement income starts, you can request that the value of your pension be transferred under the Portability provisions. If you do, all your rights to benefits under the Plan are canceled.

- iv) If you are absent on leave of absence, injury or illness, or any other reason and your pay stops, contributions will not resume until you return to work.

Except for absences due to Military Service, Pre-retirement Leave of Absence, Workplace Safety and Insurance Board Compensation or Long Term Disability, missed contributions cannot be paid into the Plan on your return to work. Contributions shall be remitted once a month by employees on Pre-Retirement Leave of Absence, Workplace Safety and Insurance Board Compensation and Long Term Disability.

While an employee is on pregnancy or parental leave, contributions shall be remitted once a month by employees, unless the employee advises the Company in writing that he or she does not want to continue to make contributions to the Pension Plan.

- v) If you have a spouse, Provincial legislation requires that your pension beneficiary must be your spouse. You may change your beneficiary, subject to Provincial legislation, at any time by notifying the Pension Board through your local personnel representative. This is your responsibility.
- vi) Surviving Spouse means the person who, at the earlier of your death or the commencement of your retirement income meets one of the following eligibility requirements:
 - 1) The person who is your lawfully wedded husband or wife: or
 - 2) If you do not have a lawfully wedded husband or wife, the person of the opposite sex who has resided with you in conjugal relationship, either continuously for not less than 3 years, or in a relationship of some permanence if you and the other person are the natural or adoptive parents of a child as defined in the Ontario Family Law Act.

However, no more than one person can be a surviving spouse. In the event of more than one person claiming to be such, Kraft Canada Inc. will determine, based on evidence available that Kraft Canada Inc. considers to be sufficient, as to which person shall be designated a surviving spouse for the purpose of the Plan. Kraft Canada Inc.'s decision in this regard shall be final and binding.

- vii) If you terminate your employment on or after January 1, 1988 and you are entitled to a retirement income as described in the preceding paragraphs, you may direct the commuted value of your retirement income be transferred to another registered pension plan (subject to Plan provisions) or a locked-in registered retirement savings plan.
 - viii) The cost of vested benefits earned for service commencing January 1, 1987 plus additional retirement income granted on or after January 1, 1988 for service prior to 1987 must be at least 50% employer paid. Any excess employee contributions will be refunded upon retirement, termination or death prior to retirement.
 - ix) Marriage Breakdown- Pension benefits may be included as part of net family assets under the Ontario Family Law Reform Act. Any credit splitting with respect to your benefits under the Plan upon marriage breakdown can be requested in accordance with the Ontario Family Law Reform and Pension Benefits Acts.
- h) Status of Benefits on Retirement
- i) Effective July 19th, 1998 new retirees will be covered by the "Kraft Retiree Medical Plan".
 - ii) Dental Plan coverage terminates at the end of the month prior to retirement.
 - iii) Life Insurance coverage as provided under the Life Insurance Plan.
 - iv) AD&D coverage terminates at the end of the month prior to retirement.

Summary of Pension Plan Provisions
Hourly Employees
Kraft Canada Inc.
Cobourg Plant

1. Plan Effective Date: January 1, 1986
Date of most recent amendment July 19th, 1998
2. Definitions:
 - a) Credited Service: Period of service during which a member is actively employed, less any period during which the member was eligible to make contributions and elected not to do so.
 - b) Interest: Previous calendar year average of five-year personal fixed term chartered bank deposit rates (CANSIM 814045).
3. Eligibility for Membership:

Any person employed on a regular full-time or part-time basis is eligible to become a member on the first day of any month following completion of one year of service. Temporary employees may join after 2 years of service if they meet the standard imposed by the applicable legislation.
4. Member Contributions:

Contributions are \$96.00 for each month
Effective January 1st, 2001 contributions are \$101.00 per month
5. Normal Retirement Benefit:
 - a) Eligibility: First day of the month following attainment of age 65.
 - b) Monthly Pension: \$45.00 per month per year of credited service when employment ceases.
Effective January 1st, 2001 \$47.00 per month per year of credited service if employment ceases on or after January 1st, 2001.
6. Early Retirement Benefit:
 - a) Eligibility: The first day of any month following attainment of age 55 and prior to normal retirement date.

- b) Annual Pension: Accrued pension, calculated as in 5, above, reduced by 3% for each year by which retirement precedes age 60.
- c) Supplementary Pension: Annual benefit equal to \$144 multiplied by the member's credited service, to a maximum of 30 years, payable until the earlier of the member's death or attainment of age 65.

7. Postponed Retirement Benefits:

- a) Eligibility: With consent of the company, the first day of any month during the 5 year period following normal retirement date.
- b) Annual Pension: A member may elect either to:
 - (i) commence receiving pension payments on his normal retirement date, in which event his pension will be calculated based on earnings and service to his normal retirement date, or
 - (ii) commence receiving pension payments on his actual retirement date, in which event his pension will be calculated based on earnings ~~and~~ service to his normal retirement date increased by 1/3% for each month by which retirement is postponed.

Where the benefit is prescribed by provincial regulations, the benefit will not be less than that prescribed.

8. Forms of Pension:

- a) Normal Pension: Pension payable for life with the provision that, upon death, the beneficiary will receive the excess, if any, of the accumulated member contributions with interest over the sum of the pension payments made.
- b) Optional Forms: Amount determined on an actuarially equivalent basis and payable in one of the following forms:
 - Life Only
 - Life - Guaranteed 5, 10 or 15 years
 - Spousal Option - 60% with pop-up
 - Joint Survivor/Contingent Annuitant

9. Termination of Employment:

- a) Eligibility: 10 years of service or attainment of age 55 for Retirement Income earned before January 1, 1987, 2 years of service or attainment of age 55 for retirement income earned on or after January 1, 1987.
- b) Annual Pension: Accrued pension deferred until the member elects to retire on an early retirement date, reduced for early retirement as in 6, above, or his normal retirement date.
- c) If Not Eligible: Refund of member contributions with interest.

Where the benefit is prescribed by provincial regulations, the benefit will not be less than that prescribed.

10. Disability Benefit:

- a) Eligibility: Member qualifies as disabled under company long-term disability income plan.
- b) Benefit: If the member elects to continue making contributions while disabled, he will continue to accrue credited service.

11. Death Benefits:

- a) Before Retirement: For retirement income earned before January 1, 1987, refund of member contributions with interest; for retirement income earned on or after January 1, 1987, the actuarial equivalent of the accrued pension.
- b) After Retirement: Based on the form of pension elected by the member. Where the member has an eligible spouse and did not elect an optional form of payment, the following spouse benefit will be payable:
 - (i) Eligibility: Member was in continuous service after attainment of age 55 or had terminated employment after 2 years of continuous service while a Member of the Plan.

- (ii) Annual Benefit: 60% of the pension, exclusive of the supplementary pension, being received by the member immediately prior to his death, payable for the remaining lifetime of the spouse. Member's pension, exclusive of the supplementary pension, will be reduced by 10% if this benefit is payable. If spouse predeceases the member, the pension will revert to its normal level. Where the benefit is prescribed by provincial regulations, the benefit will not be less than that prescribed.

12. Post-Retirement Pension Adjustments:

No automatic adjustments are provided for in the plan. Ad hoc adjustments have periodically been provided in the past with the most recent adjustment being provided as at April 1, 1991.

13. Excess Contributions:

At retirement, death or termination, a Member of his Estate is entitled to receive a refund of his contributions which exceed 50% of the actuarial equivalent of his retirement income earned on or after January 1, 1987.

**KRAFT CANADA INC.
MEDICAL AND DENTAL BENEFITS PLAN
FOR REGULAR FULL-TIME EMPLOYEES
AT THE TIME OF LAYOFF**

Medical and Dental Benefits are available to Regular Full-Time Employees who qualify for eligibility at the time they are laid off.

The eligibility requirements are as follows:

The Employee must work a minimum of 32 regular hours in each calendar month to have expenses incurred in the month payable. This means, that in order to have expenses incurred in June, paid by either the Medical or Dental Plan, the Employee must have worked 32 regular hours in June and so on for each month throughout the year.

If an Employee does not work the required 32 regular hours in a particular calendar month, then expenses incurred in that month only will not be paid.

Eligible dependents may claim expenses as well, providing that the employee has met the requirements outlined above. Eligible dependents are defined as spouse, and dependent children up to age 19 if not a student, or up to age 25 if a full-time student.

It is important to note that because we must wait until the end of the month to determine if the 32 hours have been worked by each Employee, and advise the Benefits Carrier accordingly, that expenses not be submitted until the month following. In other words, eligible expenses for June should be submitted in July; July's expenses submitted in August, and so on.

To obtain reimbursement for Dental or Prescription claims, employees will complete claim forms available from the Human Resources Department.

SAVINGS PROGRAM

Eligibility:

Group Retirement Savings Plan (Group RSP) and Employee Savings Plan (ESP) are part of the Savings Program. To be eligible for the Group Retirement Savings Plan, you must be a participant of the Retirement Plan. The Employee Savings Plan is open to all employees following their probation period.

Functioning:

You may contribute up to a maximum of five (5%) percent of your wages, including overtime. Kraft Canada Inc. will make contributions equal to twenty-five (25%) percent of your contributions. In other words, each dollar that you will contribute to the program, Kraft Canada Inc. will contribute twenty-five (\$0.25) cents. Detailed information on the Program is contained in the SAVINGS PROGRAM brochure, available at the Human Resources Department.

Appendix “G”

Special Appendices Respecting Laboratory Employees

Reclassification

An employee fulfilling the qualification requirements of Technician II will be reclassified and receive the applicable rate from the date of such reclassification.

Laboratory Technician Workforce

<u>Department</u>	<u>Unit</u>
Laboratory Technicians	Cereals/Rice
	Desserts/Beverages
	Environmental/Pest Control
	Micro
	Receiving Warehouse

Overtime Distribution

The parties shall co-operate and make every effort to distribute overtime as evenly as possible. However, the number of overtime hours offered to an employee within any twenty-four **(24)** hour period remains within the discretion of the Company.

Hours of overtime worked or refused by an employee shall be recorded weekly and posted the following week. Hours of overtime worked or refused by an employee will be accumulated over a period of six **(6)** months commencing with the first work week of the calendar year.

Overtime shall be offered to the employee with the lowest number of recorded hours in each of the categories in the following priority:

- a) Among employees, qualified, available and currently working in the task grouping in which overtime is required.
- b) Among employees, qualified, available and currently working in the Unit in which overtime is required.
- c) Among employees, qualified, available and currently working in the department in which overtime is required.
- d) Among employees, qualified and available to perform the job in which overtime is required.

In the event that all employees referred to in (a), (b), (c), and (d) above refuse the overtime, it is agreed such overtime will be worked by the employee first offered the overtime, providing such overtime does not exceed four **(4)** hours in a day, or eight (8) hours in a calendar week.

During the basic work week, overtime offered will be assigned where possible to run consecutive to an employee's scheduled shift. For weekend overtime, available shifts will be filled in sequence (11-7, 7-3, 3-11) by employees in priority order, providing the shift assigned would not result in an employee working sixteen (16) consecutive hours.

Should a selection error occur, the missed employee will be accorded the next available overtime opportunity. A grievance respecting a selection error may be submitted at the Second Step of the grievance procedure.

Employees who do not wish to work overtime must notify the Company, in writing, of their intent. These employees will not be asked or scheduled to work overtime (unless it is necessary to protect the job) until the employee notifies the Company, in writing, that he wishes to work overtime.

Overtime Refusal Letter

Should it become necessary to ask these employees to work overtime to protect the job, employees will be asked to work in the following order if there is more than one employee eligible with an Overtime Refusal Letter on file:

- a) employee with the lowest recorded hours of overtime
- b) if employees do not have any recorded hours, then the most senior employee.

Note: Overtime hours worked and refused will be recorded as per paragraph two (2) of the Overtime Distribution section of Appendix "G" for employees in this category who become eligible for overtime to protect the job.

Team/Committee/Project Overtime Distribution

When an employee volunteers to be a member of a Team/Committee and overtime is required to participate in such Team/Committee Meeting and/or specific project, where knowledge of the process/activity is required, the Team/Committee employee will be given the opportunity to work such overtime, notwithstanding the other provisions of Appendix "E" and Appendix "G".

Paid Plant Holidays

Paid Plant Holidays will be treated and recorded as overtime.

Reduction of Laboratory Technicians

- will be reduced by Unit, by seniority; followed if necessary, by overall Laboratory Department seniority.
- i) In the event of a reduction of a Laboratory Technician, from a Unit, the following reduction procedures will apply:
 - the lowest seniority employee within the Unit will be cutback
 - the cutback employee from the Unit will then exercise their overall Laboratory Technician Department seniority and be assigned to the task, in the Unit, that is occupied by the Laboratory Technician, having the lowest overall Laboratory Technician seniority. The employee assigned to the task in the Unit, will then become a member of the Unit the same as if they had bid and became the successful candidate.
- ii) the displaced lowest seniority Laboratory Technician forfeits their Unit bid and will exercise their Plant Seniority and be assigned to the Plant workforce. The rate of this employee will be protected for twelve (12) calendar months. While the employee is on protected rate, they may be assigned, by the Company, to any available opening. The employee will receive their protected rate for the twelve (12) calendar month period or until such time as they bid to a position outside of the Laboratory Technician Department.

In the event that there is a vacancy, which needs to be filled for more than thirty (30) work days, in a Unit, in the Laboratory Technician Department workforce, the employee, who is cutback to the Plant workforce and is on a protected rate, along with all other employees in the Laboratory Technician Department workforce, will be eligible to submit a bid for the open task, within the Unit, where the bid is required. If there are not any bids received, the open task, within the Unit, will be posted Plant wide.

For purposes of this Appendix, it must be noted, that if any of the Units are staffed by Student, Temporary or a Probationary Employee, and there is a reduction in a Unit and/or the overall Laboratory Technician workforce, these employees will be displaced first, in the above order, before any Laboratory Technicians.

Appendix 'H'

Alternate Work Schedules

Notwithstanding the Basic Work Week as described in Articles 19.1, 19.2, 19.4, 19.5, and Appendix 'D', the implementation of alternate work schedules may be necessary to reduce costs, meet customer needs, and acquire new business for the Cobourg site.

The alternate work schedules described in this Appendix are Flexible Work Week and Continuous Operations. These work schedules may be implemented in departments, units, or specific operations, as needed by the business, taking into consideration the needs of the employees.

Flexible Work Week and Continuous Operations.

All hours worked on Saturday and Sunday when they are part of the employee's regularly scheduled work week will be paid at their regular rate of pay.

Overtime will be paid at the rate of time and one-half (1½x) times for all hours worked beyond the regularly scheduled work day and work week.

Flexible Work Week - The Flexible Work Week will consist of any regularly scheduled forty (40) hours within the work permit cycle.

Continuous Operations - In the event that the production demand will regularly exceed a five (5) day, three (3) shift capacity, the Company may implement a Continuous Operation Schedule, to meet the needs of the business, in a cost effective manner. Prior to implementation, the Company will discuss with the Union, the business reasons for implementing a Continuous Operation, taking into consideration the needs of the employees.

The Company will return to a five (5) day, three (3) shift operation, once future production demand no longer exceeds a five (5) day, three (3) shift capacity.

Applicable to the alternate work schedules above: Except in an emergency, employees will not be requested to work more than twelve (12) hours.

LETTER OF UNDERSTANDING

between

**KRAFT CANADA INC.
COBOURG, ONTARIO**

and


**UNITED FOOD AND COMMERCIALWORKERS
INTERNATIONAL UNION, LOCAL 1230**

**RE: WORKPLACE SAFETY AND
INSURANCE BOARD**

- (1) The Company recognizes the difficulty experienced by employees awaiting claims submitted to the Workplace Safety and Insurance Board.
- (2) The Company will set up the mechanisms required to allow relief payment, due regard to Workplace Safety and Insurance Board and appropriate waivers.
- (3) Such payment will be entertained by the Company on the request of the employee to the Manager of Human Resources and will be limited to cases where legitimate hardships are encountered.

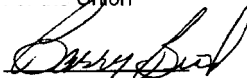
Signed at Cobourg Ontario, this 19th day of July, 1998.

For the Company



Manager of Human
Resources

Union



Union President, UFCW
Local 1230

LETTER OF UNDERSTANDING

Between

**Kraft Canada Inc.
Cobourg, Ontario**

and

**United Food and Commercial Workers
International Union Local 1230**

**Re: Joint Pension Committee for
Hourly Employees**

Mandate and Activities Schedule

Committee Make-Up

The Pension Committee for the Cobourg hourly employees is a joint committee made up of three (3) Union and three (3) Management representatives. The committee will meet on a quarterly and/or (as required) basis. Meetings will be co-chaired by a Union and Management representative with a prepared agenda for each meeting.

Mandate

The mandate for the Committee is as follows:

- to jointly become educated in the understanding of the Pension Plan as it pertains to the site hourly employees. This will enable the members of the Committee to provide basic information to hourly employees and consistently respond to questions and concerns expressed by hourly employees.
- participate jointly in information/education sessions and Pre-retirement Seminars for hourly employees.
- as a Committee, to surface issues and concerns to gain joint understanding on results.
- The Company will provide a report including, but not limited to, pension amendments, surplus status and itemized administration costs as soon as possible, but not later than September 1st of each year. This

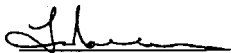
will be an in-house report, as the Company does not file an Actuarial Report with the Government every year, but every 3 years.

- meet jointly with a representative from Towers-Perrins to submit questions and get answers on any prepared questions of the report and/or plan administration.
- attend an annual meeting with Corporate Finance representatives to review:
 - how funds are structured
 - where funds are invested
 - performance of funds invested
 - where Investment Managers are planning to invest funds over the next 12 months.

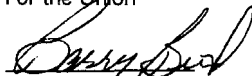
This meeting will take place by November 1st of each calendar year.

Signed at Cobourg, Ontario this 19th day of July 1998.

For the Company


Manager of Human
Resources

For the Union


Union President, UFCW
Local 1230

Memorandum of Agreement
Posting and Filling of Positions
Temporary Job **Postings**

Notwithstanding Article **24.1** and Appendix “B” of the Collective Agreement, both the Company and the Union recognize that there is a need to fill jobs for a temporary period of time beyond Article **24.1** and Appendix “B”. Examples of these needs are:

- Long term sickness as per Article **24.10**.
- Pregnancy leave and parental leave as per Article **26.7**
- Union delegate or office - Article **26.4** and **26.5**
- Projects and assignments that require temporary staffing beyond Article **24.1** and Appendix “B”

Requests for Temporary Job Postings

A Department requiring the filling of a job vacancy based on the above needs for a temporary period of time will submit a request in writing to the Associate Manager Human Resources.

The request will identify

- the specific job vacancy required to be filled
- the temporary period dates - beginning and end
- reason for posting temporary

Each request will be reviewed with the union President before posting.

Procedures and Posting

All job vacancies, which need to be filled on a temporary posting shall be posted for three (3) work days. As per Article **24.2** seniority, aptitude and ability shall be the determining factor in selecting applicants. Seniority shall be the governing factor when aptitude and ability are considered by the Company to be equal. Successful applicants will receive the rate of pay of the temporary job posted for the specified time the temporary job exists. The successful applicant will also retain the rights to their current bid job, when the temporary job period is completed.

In the event there are not sufficient applicants for the temporary job posted, a qualified and available employee will be assigned to the vacant temporary job, with due regard being paid to availability, qualifications and seniority for the temporary period specified in the posting. Such employee will receive their current bid job rate of pay if the temporary job rate is the same or a lower rate of pay. If the temporary job rate is higher the employee will receive the higher rate of pay.

To prevent a cascade affect, the successful applicants' current bid job created by the temporary bid posting will be filled by a qualified and available cutback employee, or if no employees are cutback, an employee from the General Labour classification for the specified temporary job period.

Reduction and Recall

In the event that there is a need to reduce the workforce from the temporary job posted, the following procedures for reduction in staff would apply in this order:

- temporarily assigned
- temporary bid employee
- regular bid employee

The reverse order will apply to recall staff to the job bid.

The temporary bid employee, if cutback, would retain their seniority rights to the regular bid job they hold.

A request for extension of the original time period specified in the temporary bid posting will be given in writing to the Manager Human Resources at least ten (10) work days prior to the expiration date. This request will be reviewed with the Union President and may be extended by mutual agreement. If the decision is to make the temporary job a regular bid position, then the job will be posted plantwide as per Article 24.

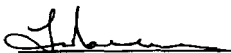
Overtime Distribution

As per Appendix "E" temporary bid and any employees holding the bid will follow under Section (a). Employees holding a temporary bid will go one hour more than the highest employee in their regular bid classification when their temporary bid job is completed

This memorandum only applies to a Temporary Job Posting providing it does not exceed 12 calendar months.

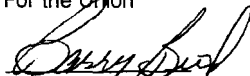
Signed at Cobourg, Ontario this 19th day of July 1998.

For the Company



Manager of Human Resources

For the Union



Union President, UFCW
Local 1230

Letter of Agreement
Re: Pre-Testing of Applicants

This letter will confirm the Company's willingness to modify our interpretation of Articles 24.6 (a) and (b), on a without prejudice basis, for the remainder of the life of the current Collective Agreement. The procedure for pre-testing will be as follows:

- i) All bid job applicants and/or current employees who will be temporarily assigned to a job where the qualifications have been determined to include a specific skill or ability which can be pre-determined through the testing procedure will be pre-tested by seniority.
- ii) Outside applicants who do not meet the standards for that skill or ability, as indicated on the tests, will not be hired.
- iii) An employee who does not meet the standards for that skill or ability, as determined by the tests, will be given the opportunity to proceed through the on-the-job training and evaluation of performance on the job, following training. However, prior to beginning the training, this employee will be advised of the test results, and will be clearly counseled with regard to the expectations of performance in the areas during training, and in the evaluation following training.
- iv) As per Article 24.3, an employee who fails to qualify for the job shall be returned to his former classification/position.
- v) Skills and abilities that may be assessed by pre-testing may include, but are not limited to: mechanical aptitude, team work, problem solving, english reading, writing and comprehension.
- vi) Skilled trades positions are excluded from this Letter of Agreement.

- vii) Pre-testing will not be required for an employee(s) temporarily assigned to one specific task of a multi-task job providing that the employee is scheduled for 30 work days or less to meet immediate business needs, in times of short term absences, personal leaves, vacations and shut-down coverage. The temporarily assigned employee(s) will receive their rate protection from their cutback bid job. If they do not qualify to carry rate protection, they will be paid the General Labour rate during their assignment.

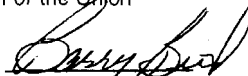
Applicable as per date of signing this agreement
July 19th, 1998.

For the Company



Manager of Human
Resources

For the Union



Union President. UFCW
Local 1230

Letter of Understanding
Re: Flexible Work Schedules
Process for Developing and Implementation

To ensure that development plans, communications and implementation is done within the parameters of Appendix "H" of the Collective Agreement, both the Company and Union agree to the following procedures:

Development

Any plan involving the use of a Flexible Work Schedule, will be proposed to the Department Manager. The Department Manager will solicit input from the Department Stewards and the bid employees affected, to develop a flexible work schedule to satisfy business needs, taking into consideration employee needs.

A detailed plan will be put together by the Department Manager and submitted to the Flexible Work Schedule Committee at least fifteen (15) work days prior to implementation. This Committee is made up of the President and another member of the Union Executive, plus one (1) Human Resources Representative and the Department Manager from the area involved. Other members from the membership and Company will be added to the Committee as resources, as needed.

Flexible Work Schedule Committee

The role of the Flexible Work Schedule Committee will be as follows:

Within fifteen (15) work days from the receipt of the detailed plan from the Department Manager, the Committee will:

- Review and assess the details of the submitted plan for impacts on the Collective Agreement Articles and the procedures for filling vacancies
- It will be the responsibility of this Committee to develop a Letter of Understanding, outlining any Articles of the Collective Agreement impacted

- Assists the Department Manager in filling the required vacancies
- Assists the Department Manager in developing a communication plan so that employees affected and support areas such as payroll, scheduling, and security, are aware of the plan and the implementation date
- Assists the Department Manager to evaluate the learnings on an ongoing basis and implement these changes where appropriate.

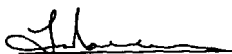
Intent

- a) Flexible Work Schedules will not cause an employee to lose wages and benefits based on a regular forty (40) hour work schedule
- b) Employees on a Flexible Work Schedule will not work both Saturday and Sunday on a week-end, except on a voluntary basis.

By mutual agreement, this letter of understanding will be reviewed by both parties to adopt any successful learnings on the principle of continuous improvement.

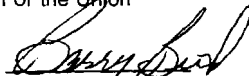
Signed at Cobourg on this 19th day of July, 1998.

For the Company



Manager of Human Resources

For the Union



Union President, UFCW Local 1230

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