

Agreement

between

**KRAFT CANADA INC.**

Cobourg, Ontario

and

**UNITED FOOD AND**

**COMMERCIAL WORKERS**

International Local 1230

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# AGREEMENT

## BETWEEN

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

Herein called **“the Company”**

## AND

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

Herein called **“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 labor organization on matters affecting these employees during the term of this Agreement.
- 1.3 The Company and the Union agree and acknowledge that both parties have a mutual interest in reaching mid term agreement to modifications to the Collective Agreement that may allow the Cobourg facility to attract new business and/or to retain existing business. In the event such opportunities occur, both parties agree to meet and to attempt to reach agreement on any modifications that may be necessary.

## **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, or 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.

In the event of an opening in the Laboratory, Maintenance or Production, qualified personnel from Maintenance, Laboratory Groups or Production, in accordance with Appendices "B" and "G" will have the first opportunity to apply according to their seniority.

#### 2.4 a) Temporary Employees

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, or recruitment of full-time employees. Terms and conditions covering temporary employees will be in accordance with Appendix "C", which forms part of this Collective Agreement.

##### Temporary Employee Evaluation

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, e.g. Maintenance and Quality Systems.

b) Temporary Supervisor

The Union agrees that the selection of the employees to replace supervision on a temporary basis shall be a management prerogative and that seniority will not be considered in any situation. Employees who are chosen for this position shall be trained for such, up to a maximum of three (3) months. One section of the training will be in the area of how to manage the confidentiality of information that the incumbent is exposed to. The selected employee may be used for temporary supervisory assignments. This assignment is not to exceed twelve (12) months, excluding the training period.

An employee who temporarily replaces supervisory employees for the above period(s) will receive an additional rate of pay - one dollar (\$1.00) per hour above the incumbent's current rate of pay or the highest production classification coached/supervised, whichever is greater. During this fill-in period, the employee(s) will not administer discipline. Upon completion of this fill-in period, employee(s) will return to their bid classification (without loss of seniority in the Bargaining Unit) that they held prior to taking on this assignment. The Company will notify the Union in writing when it wishes to use the employee(s).

Employees holding a Temporary Supervisor position for more than twelve (12) cumulative months in an eighteen (18) month period will lose their previously held bid job. In the event the employee loses job rights, the employee will receive rate protection for twelve (12) months from the date of the employee's most recent assignment as Temporary Supervisor.



c) Special Assignments

The Company and the Union agrees that employees who are chosen to work on Special Assignments shall be selected by management, based on the requirements of such assignments. Seniority may or may not be considered in these situations. Union input will be considered in this selection.

Employees holding one or more special assignments for more than twelve **(12)** cumulative months in an eighteen-month period will lose their previously held job bid.

An employee on a Special Assignment may receive an additional rate of pay to be determined by the Company above his or her current rate of pay.

Upon completion of the Special Assignment, the employee will return to the bid classification that they held prior to taking this assignment. The Company will notify the Union in writing when such Special Assignments become available.

2.5 It is understood that the Company may need to subcontract 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 in writing prior to any subcontracting work or in those situations where the same subcontractor works consecutively on different projects.

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, color, 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 Business Unit Manager/Department Manager, the Business Unit Leader 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 Business Unit Manager/Department Manager, the Business Unit Leader 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 Plant Manager, Manager, Human Resources or their designate, and the Business Unit Manager/

Manager of the Department, or their 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 direct deposit pay 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 direct deposit 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 Labor 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 Labor 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 Labor 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 | Labor 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, wage statements 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 Voucher of five dollars (\$5.00) per meal period, providing he is required to work overtime more than two (2) hours. Meal Vouchers are to be used for the purchase of food from the Main Cafeteria. Only one (1) Meal Voucher can be redeemed for one (1) meal at a

time. The used value of a five (\$5.00) dollar Meal Voucher will not be reimbursed, if the full value of the voucher is not completely used. Meal Vouchers 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 in to work under the provisions of Article 20.17 will be entitled to a Meal Voucher of five dollars (\$5.00) for one meal. Only one (1) Meal Voucher can be redeemed for one (1) meal at a time. 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, will be eligible to receive up to one hundred and eighty five (\$185.00) dollars for the purchase of replacement tools each calendar year. Annual credits whole or in part, may be accumulated over a two (2) year period, up to a maximum of three hundred and seventy (\$370.00) dollars. To be eligible for this tool allowance, the employee will be required to present a receipt(s) of purchase of replacement tools to the Payroll Department at a maximum frequency of once a month. Reimbursements will be received on the employee's pay. Employees who have not completed their trial period and have not completed one (1) year of service will receive a prorated tool allowance based on the number of full months of completed service as of January first. 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 by the Company.



## **Article 11 - Licenses**

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

The procedure for reimbursement will be as follows:

1. Upon receipt of the new/renewal license application the employee will make any necessary changes/fill out the application, make and retain a copy as a receipt.
2. The employee will make the necessary payment and forward the application to the appropriate government office.
3. Upon receipt of the renewed/new license the employee will make a copy and attach it to the retained copy of the application (from 1 above). This will be presented to the Payroll Department.
4. The Company will reimburse the employee through direct deposit.

## **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 one hundred and five dollars (\$105.00) per calendar year towards the cost of safety shoes purchased by an employee. Annual credits in whole or in part, may be accumulated to a maximum of two hundred and ten dollars (\$210.00).

## **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 dif-

ference 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 Plant 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 in writing 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 walkout , 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 President 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 employee shall conduct Union activities during working hours except as specifically permitted in this Agreement.
- 15.5 The Company and the Union are part of a Steering Committee that will continue our Journey of Continuous Improvement toward our Vision. The mandate of this team will be to recommend "Work Systems" that successfully balance people and business needs to produce dramatic 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. In the event that bereavement occurs during the vacation of an employee, or during the Christmas holiday, three (3) days with pay will be added to the employee's vacation period, or to the Christmas holiday.
  - 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.

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 the employee's 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<br>(as of date of hiring) | Length of <u>Vacation</u> | Computation fo<br>_____  |
|---|---------------------------|--|
| 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 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 (1) 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 week's 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 (Monday - 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.
- 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) times the regular rate for work performed 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 of 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 job 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 establishment 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 Labor 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 overtime.
- 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 seventy-five cents (0.756) 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 labor 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) scheduled work 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) or leave of absence solicited by the Company.

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 seven (7) calendar days. Exception will be made for those jobs listed in Appendix "C", General Labor 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) work days, prior to the start of the thirty (30) work day trial period.

- 24.5 (a) An employee in Appendix "A" Groups one (1) through three (3) 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.
- (b) An employee in Appendix "A" Group four (4) may not bid again for a period nine (9) months from the date of his successful bid.
- (c) A successful applicant of a job classification in Group five (5) may not again bid for a period of eighteen (18) months from the date of his last successful bid. Only exception to this section would be for an employee who has lost their bid in Group five (5) due to Articles 2.4(b), (c), 14.4, 24.8, 24.9, or 24.10. On his return to work he will be allowed the opportunity to bid again from the date of his return from lay-off, injury/illness and removal from such job classification as per these articles.
- (d) In the event that the Company acquires new business(es) at the Cobourg site and new job classifications becomes available, the Company will:
- Consult with a committee consisting of Company and Union representatives, as per Article 1.3.
  - After consultation, determine the number of Group (5) employees from each existing department allowed to leave their current position and go to the new business.
- 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 Labor 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 rights 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) Regular fulltime employees shall be given a minimum of seven (7) calendar days notice or forty (40) hours pay in lieu of notice, except in an emergency as defined in Appendix "D".
  - Layoff notices for regular full time employees will be posted as per the notice periods in this article and earlier for regular full time employees in Article 25.3. These layoff notices will be posted with the weekly man-power schedule.

- Layoff notices for probationary employees will be posted with the weekly manpower schedule.
- Termination notices for temporary employees will be posted with the weekly manpower schedule.

(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 seven (7) calendar days notice of lay-off or forty (40) hours 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:

| <u>Service</u>                        | <u>Notice</u>    | <u>Hours Paid In Lieu of Notice</u> |
|---------------------------------------|------------------|-------------------------------------|
| More than 5 yrs.<br>less than 10 yrs. | 10 calendar days | 56 hours                            |
| 10 yrs, less than<br>15 yrs.          | 15 calendar days | 80 hours                            |
| 15 yrs, or more                       | 20 calendar days | 120 hours                           |

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

NOTE- The Company also intends to work on an automated telephone system to enable employees to access layoff notices.



- 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 the 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 Labor 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, unless the leave is solicited by the Company.
- 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 Labor 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 the 17th of May, 2004 and shall remain in effect until the 19th of May, 2007, 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 4th day of October 2004.

KRAFT CANADA INC. Representatives

*Sergio Dumas*  
*R. P. [unclear]*  
*Kath Lake*  
*Robert [unclear]*  
*Joseph [unclear]*  
*Dany [unclear]*  
*Wolven*  
*[unclear]*  
*[unclear]*

UNITED FOOD AND COMMERCIAL  
WORKERS INTERNATIONAL UNION LOCAL 1230  
Representatives

*Shashe Frass*  
*Jim [unclear]*  
*Paul [unclear]*  
*Brenda [unclear]*  
*[unclear]*  
*J. [unclear]*

## APPENDIX "A"

### A1.0 Classifications

| A1.1 GROUP 1 | <u>May 17/04</u> | <u>May 17/05</u> | <u>May 17/06</u> |
|--------------|------------------|------------------|------------------|
|              | \$19.24          | \$19.68          | \$20.13          |

General Labor

Janitor - Cereals Services Cereals/Rice

Janitor - PackagingCereals/Rice

Janitor - ProcessingCereals/Rice

Machine Cleaner - Cereals/Rice

Utility Person- Desserts/Beverages-Candy

Janitor - PackagingDesserts/Beverages

Machine Cleaner - Desserts/Beverages

Janitor Facility Cleaner- Desserts/Beverages

Packer - Desserts/Beverages

Packer -Jell-0 -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

Case Piler - Certo-Desserts/Beverages

Packer - Certo-Desserts/Beverages

**APPENDIX "A"**

| <u>A1.2 GROUP 2</u> | <u>May 17/04</u> | <u>May 17/05</u> | <u>May 17/06</u> |
|---------------------|------------------|------------------|------------------|
|                     | \$19.45          | \$19.90          | \$20.36          |

Product Bin Operator - Cereals/Rice

Sanitizer - Cereals/Rice

Salvage and Rework Operator- Desserts/Beverages

Tote Operator - Desserts/Beverages

Utility Custodian - Warehouse

| <u>A1.3 GROUP 3</u> | <u>May 17/04</u> | <u>May 17/05</u> | <u>May 17/06</u> |
|---------------------|------------------|------------------|------------------|
|                     | \$20.18          | \$20.64          | \$21.11          |

Utility Operator- Plant Services

Material C.S.P.-Cereals/Rice

Material C.S.P. - Desserts/Beverages

Minor Ingredient Center Flavor Blender -  
Desserts/BeveragesRaw Material Control Service Person -  
Desserts/Beverages

Fruit and Fibre Blender-Cereals/Rice

Utility Person -Plant Services

**APPENDIX "A"**

| <u>A1.4 GROUP 4</u> | <u>May 17/04</u> | <u>May 17/05</u> | <u>May 17/06</u> |
|---------------------|------------------|------------------|------------------|
|                     | \$20.59          | \$21.06          | \$21.54          |

Palletizer Operators-Desserts/Beverages  
Materials Management Support Person - D/B  
Processing  
Utility Operator/Adjuster-Certo-Desserts/Beverages  
Packaging Machine Operator/Adjuster  
Hayssen/Rovema-Desserts/Beverages-  
Can Line # 6 Machine Operator/Adjusters  
Desserts/Beverages-  
Bagger/Material Handling Operator/Adjusters -  
Desserts/Beverages-Candy  
Panner/Extrusion Operator-Desserts/Beverages-Candy  
Mixer # 29/30- Desserts/Beverages  
Mixer #31-35-Dessert/Beverages  
Mixer #21-22-Desserts/Beverages  
Mixer #23,24,25-Desserts/Beverages  
Mixer#28- Desserts/Beverages  
Mixer, Cream of Wheat - Cereals/Rice  
Oiler - Cereals/Rice  
Oiler - Desserts/Beverages  
Battery Attendant - Central



## APPENDIX "A"

A1.5 GROUP 5    May 17/04    May 17/05    May 17/06

\$21.00            \$21.48            \$21.97

Process Operator - Cereals/Rice  
Packaging Machine Operator/Adjuster  
Cereals/Rice  
Manufacturing Materials Co-ordinator-Cereals/Rice  
Manufacturing Materials Co-ordinator-  
Desserts/Beverages  
Packaging Machine Operator Adjusters-  
Desserts/Beverages  
Cooker/Wrapper Operator/Adjuster-  
Desserts/Beverages-Candy  
Can Line #10 Machine Operator/Adjuster -  
Desserts/Beverages-  
Packaging Machine Operator/Adjuster - Volpaks-  
Desserts/Beverages  
Packaging Machine Operator/Adjuster, - Line # 4-  
Desserts/Beverages  
Utility Warehouse Operator-Warehouse  
Receiver- Warehouse  
Materials Management Support-Warehouse  
Bulk Material & Feed Handling Operator- Warehouse  
Packaging Machine Operator/Adjusters-  
Desserts/Beverages  
Line Operator/Adjuster-Building #7-  
Desserts/Beverages

**A2.0 LABORATORY TECHNICIANS**  
**CLASSIFICATIONS- Hourly Wages**

May 17/04   May 17/05   May 17/06

A2.1 Lab Tech I   \$19.88   \$20.34   \$20.81

A2.2 Lab Tech II   \$21.10   \$21.59   \$22.09

**A3.0 OTHER CLASSIFICATIONS-Hourly Wages**

A3.1 Temporary Student rate - as per scheduled  
Appendix " A - Classifications

A3.2 Team Co-ordinator - \$1.00 per hour above Group  
5 rate.

A3.3 Temporary Supervisor - \$1.00 per hour above the  
incumbents current rate of pay or the highest pro-  
duction rate supervised/ coached, whichever is  
greater.

A3.4 \*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 agree-  
ment will implement this classification on a pilot  
basis.

A3.5 \*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 Labor Pool on a more regu-  
lar basis.

**B1.0 Maintenance Employees - Hourly Wages**  
May 17/04 May 17/05 May17/06

**B1.1 Special Maintenance Classifications**

Apprentice Rate: The starting rate for an  
Apprentice will start at 50 % of the current wage  
Rate of the Maintenance Trades employee with  
whom the apprentice is working.

**B1.2 Powerhouse**

|                                    |         |         |         |
|------------------------------------|---------|---------|---------|
| 2nd Class Operating Engineer       | \$26.12 | \$26.72 | \$27.33 |
| Assistant Chief Operating Engineer | \$26.63 | \$27.24 | \$27.87 |
| Chief 1st Class Operating Engineer | \$27.91 | \$28.55 | \$29.21 |

**B1.3 Maintenance Mechanical**

|                                  |         |         |         |
|----------------------------------|---------|---------|---------|
| Entry Level Mechanic - IMM trade | \$24.43 | \$24.99 | \$25.56 |
|----------------------------------|---------|---------|---------|

**Entry Level Steamfitter - Steamfitter trade**

|                                  |         |         |         |
|----------------------------------|---------|---------|---------|
| Mechanic/Steamfitter - 12 months | \$25.61 | \$26.20 | \$26.80 |
|----------------------------------|---------|---------|---------|

|   |         |         |         |
|---|---------|---------|---------|
| Maintenance Mechanical Technician - 24 months | \$26.12 | \$26.72 | \$27.33 |
|---|---------|---------|---------|

|                                |         |         |         |
|--------------------------------|---------|---------|---------|
| Maintenance Auditor - criteria | \$26.38 | \$26.99 | \$27.61 |
|--------------------------------|---------|---------|---------|

Maintenance Mechanical Technician plus:

- a) Aptitude and ability
- b) Coordination and leadership skills

|  |         |         |         |
|--|---------|---------|---------|
| Maintenance Planner/Coordinator - criteria | \$26.63 | \$27.24 | \$27.87 |
|--|---------|---------|---------|

Maintenance Mechanical Technician plus:

- a) Aptitude and ability
- b) Coordination and leadership skills

|   |         |         |         |
|---|---------|---------|---------|
| Maintenance Services Mechanical Technician - criteria | \$27.40 | \$28.03 | \$28.67 |
|---|---------|---------|---------|

Maintenance Planner/Coordinator plus:

- a) Engineering ability
- b) Major project planning skills

|                               |         |         |         |
|-------------------------------|---------|---------|---------|
| Master Maintenance Technician | \$26.89 | \$27.51 | \$28.14 |
|-------------------------------|---------|---------|---------|

This position will no longer be available to Maintenance

employees effective at ratification. However, those who currently hold this level will continue to do so for the life of this contract.

**B1.4 Electrical**      May 17/04    May17/05    May 17/06

|  |         |         |         |
|--|---------|---------|---------|
| Entry Level Electronic Technologist - criteria | \$24.43 | \$24.99 | \$25.56 |
|--|---------|---------|---------|

Electrical Trade plus:

Electronic/Electrical Technologist Diploma (3years)

|                                     |         |         |         |
|-------------------------------------|---------|---------|---------|
| Electronic Technologist - 12 months | \$25.61 | \$26.20 | \$26.80 |
|-------------------------------------|---------|---------|---------|

|                                     |         |         |         |
|-------------------------------------|---------|---------|---------|
| Electronic Technologist - 24 months | \$26.63 | \$27.24 | \$27.87 |
|-------------------------------------|---------|---------|---------|

|   |         |         |         |
|---|---------|---------|---------|
| Maintenance Services Electronic Technologist - criteria | \$27.40 | \$28.03 | \$28.67 |
|---|---------|---------|---------|

Electronic Technologist plus:

- a) Aptitude and ability
- b) Coordination and leadership skills
- c) Engineering ability
- d) Major planning skills

**B1.5** Maintenance personnel who hold and apply two trades recognized by the Company will receive an additional \$0.50/hour over the rates listed above.

**B1.6** Trades will increase automatically determined by the months of service indicated.

**B1.7** Training requirements will be determined by the Maintenance Manager through recommendations made by the Maintenance Effectiveness and Training Committee.

**B1.a** Training to bring all maintenance personnel up to the Mechanical Technician/Electronic Technologist wage level, from the 2001 contract skills/trades matrix, will be offered over a four (4) month period following ratification. Maintenance personnel who fail to complete or to choose not to complete the training, will remain at the their current wage level for the time periods indicated above.

**B1.9** Personnel who fail to complete or who choose not to complete the Networking course, during this time

period, will have their wage rates reduced by \$0.50/hour for a twelve (12) month period following the date of refusal/failure. This is due to \$0.50/hour Networking premium being rolled into the wage rates indicated above.

## **B2.0 Maintenance Training**

**B2.1** The Company will establish a training matrix and indicate which courses are considered required prior to any employee being loaded on the course. Should an employee fail a course that is deemed "required" by the Company, that employee will have their rate level frozen and be offered another opportunity to pass the course after a minimum waiting period of three (3) months.

**B2.2** Every effort will be made to ensure training is equally distributed amongst the personnel in the department and classification affected. This does not mean that every course will be offered to every member in that department, but if one individual takes one particular course, when another type of course becomes available it will be offered to another individual.

**B2.3** Personnel may have their rate level frozen or reduced, due to:

- a) consistent refusal to attend courses. Rate freeze or reduction will continue until such time as they are willing to take the courses offered.
- b) having taken and passed a course and refusing to apply the skills gained on that course.

**B2.4** Under no circumstances can an employee have their rate reduced lower than Entry Level.

## **B3.0 Maintenance Effectiveness and Training Committee**

The Maintenance Effectiveness and Training Committee will be composed of: Engineering Manager, Maintenance Manager, Maintenance Supervisor(s), Serviceman (men), Maintenance Union Steward, Maintenance Executive Representative and any other employees this

committee deems necessary. This committee will meet on a quarterly basis as a minimum to develop methods of enhancing the effectiveness of the various maintenance departments and to develop training for maintenance personnel.

#### **B4.0 Recognized Trades**

Industrial Mechanic Millwright (IMM)

Sheet Metal

Plumber

Steamfitter

Refrigeration

Electrician

Machinist

**APPENDIX "B"**  
**SPECIAL APPENDICES RESPECTING**  
**MAINTENANCE**

**B5.0 Maintenance Departments and Classifications**

| <u>Department</u>      | <u>Classifications</u>   |
|------------------------|--|
| Central Maintenance    | <ul style="list-style-type: none"> <li>-Apprentices</li> <li>- Battery Attendant</li> <li>- Maintenance Mechanic</li> <li>Material Handling</li> <li>- Maintenance Mechanic-Central</li> <li>- Sheet Metal</li> <li>- Entry Level Mechanical</li> <li>- 2nd Class Operating Engineer</li> <li>-Assistant Chief Operating Engineer</li> <li>- Chief 1st Class Operating Engineer</li> <li>- Machinist</li> <li>- Steamfitter/Plumber</li> </ul> |
| Cereals/Rice           | <ul style="list-style-type: none"> <li>- Maintenance/Mechanic/Packaging</li> <li>- Maintenance/Mechanic/Processing</li> <li>- Oiler - Packaging/Processing</li> <li>- Maintenance Planner/Coordinator</li> <li>- Maintenance Services Mechanical Technician</li> <li>- Maintenance Auditor</li> </ul>  |
| Desserts/<br>Beverages | <ul style="list-style-type: none"> <li>- Maintenance Planner/Coordinator</li> <li>- Maintenance Services Mechanical Technician</li> <li>- Oiler</li> <li>- Maintenance Auditor</li> <li>- Maintenance Mechanic - Candy</li> <li>- Maintenance Mechanic/<br/>Dessert/Beverages</li> </ul>   |
| Electrical             | <ul style="list-style-type: none"> <li>- Refrigeration Mechanic</li> <li>- Electronic Technologist</li> <li>- Maintenance Electrician - Scales</li> <li>- Maintenance Services Electronic Technologist</li> </ul>  |
| Plant Services         | <ul style="list-style-type: none"> <li>- Plant Services</li> </ul>   |

## B6.0 Filling of Vacancies

\*Battery Attendant and Oiler classifications will be bid on a plant-wide basis.

### B6.1 Types of Vacancies

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

### B6.2 Method for Filling Vacancies-Mechanical and Electrical

- a) After a vacancy of a type described above has been identified, the trade needs of the area where the vacancy exists are assessed by the area Maintenance Supervisor/designate 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:
  - i) Central - (except Apprentices, Battery Attendant, 2nd Class Operating Engineer, Assistant Chief Operating Engineer and Chief 1st Class Operating Engineer)
  - ii) Cereals/Rice - (except Oiler)
  - iii) Desserts and Beverages - (except Oiler)
  - iv) Electrical

B6.3 The successful applicant will be the person possessing the trade 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 requirements are met.



**B6.4 Method for Filling of Vacancies-Special Maintenance Classifications**

To fill vacancies in the following classifications, the incumbents must possess the following criteria:

- a) Maintenance Services Electronic Technologist must possess Electronic Technologist criteria (Electrical Department)
- b) Maintenance Services Mechanical Technician must possess Maintenance Mechanical Technician criteria (Maintenance Mechanical Department)
- c) Maintenance Auditor must possess Maintenance Mechanical Technician criteria (Maintenance Mechanical Department)
- d) Maintenance Planner/Coordinator must possess Maintenance Mechanical Technician criteria (Maintenance Mechanical Department)

**B6.5** Applicants must possess and demonstrate these specific technical criteria, along with the required aptitude and ability in coordination and leadership skills for these positions.

- a) Maintenance Services Electronic Technologist and Maintenance Services Mechanical Technician must also possess engineering ability and major project planning skills.
- b) Where more than one applicant meets the technical requirements and has been determined to have equal aptitude and ability criteria, then the successful applicant will be determined by seniority.
- c) The required numbers of incumbents in these classifications will be determined by the Company.

**B6.6** If no response is received to an Advice Notice, the Company will:

- a) Assign a maintenance person from the Central Department, or
- b) Hire someone from outside the plant.

**B6.7** 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. Assignments will then be made depending on crew vacancies.

- a) 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 B7.2 a) b).
- b) Vacancies filled by the Advice Notice procedures are not subject to the Plant job posting trials periods.
- c) Any individual wishing to respond to an Advice Notice has the right to discuss the posted job with the potential Supervisor.

#### **B7.0** Shift Rotation

**B7.1** The following requirements will dictate shift rotation:

- a) Production
- b) Maintenance requirements
- c) Individual expertise

#### **B7.2** Rotation within Unit only

#### **B8.0** 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) or the purposes of this section, a Central Maintenance Mechanic is not temporarily assigned to other areas, as it is part of his job classification.

## B9.0 Maintenance Overtime

**B9.1** 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".

## B10.0 Reduction in the Maintenance Workforce

**B10.1** 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 be 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.

**B10.2** 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.

**B10.3** 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.

**B10.4** 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.

**B10.5** 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.

**B10.6** 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 other Electrical workforce employees who possess the trade qualifications required, be eligible to submit an Advice Notice for the position and become a candidate.

#### **B11.0 Apprenticeship Training Program**

**B11.1** The following are the terms and conditions for the Apprenticeship Training Program. In an effort to encourage further usage of the Apprenticeship Training Program, the Company and the Union

agree to utilize, as a minimum program rate, the current start rate percentage and progression prescribed by the Ontario Department of Skills Development for Apprentices hired after ratification of this agreement. If the Ontario Department of Skills Development rates improve, the Company will match.

**B11.2** The Company will attempt to maintain a minimum of two (2) apprentices, subject to business needs and demonstrated success of the program

**B11.3** The Program will meet the Provincial Government requirements for accreditation.

**B11.4** 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.

**B11.5** 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.

**B11.6** Successful applicants from within or outside the plant will enter the apprenticeship program through the Central Maintenance Department as apprentices.

**B11.7** 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.

**B11.8** 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 Labor.

B11.9 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 at Appendix "B", Article B4.0 and be paid the rate for the trade required.

B11.10 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).

B11.11 Assignment from classification to classification, filling of vacancies and shift rotation outlined in Appendix "B" above does not apply to apprentices.

B11.12 Every effort will be made by the Company to ensure that apprentices complete all the required trades schooling prior to completion of apprenticeship hours. Should an apprentice, through no fault of his own, reach the completion of apprenticeship hours prior to completion of all necessary schooling, he will receive back pay to the date his hours were completed, once he has successfully completed the trade qualifying exam.

B11.13 Once an applicant has been selected by the Company to undergo apprenticeship training, the Company will provide a one time tool allowance of one hundred and eighty-five (\$185.00) to begin his accumulation of tools. The apprentice will then receive the regular maintenance tool allowance for the duration of his apprenticeship.

#### **B12.0 Powerhouse Employees Twelve (12) Hour Shift Schedule**

B12.1 The following are the terms and conditions for the Powerhouse Employees scheduled to work twelve (12) hour shifts:

- a) 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.
- b) 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.
  - c) With respect to Article 16.1, pay for time lost due to bereavement will be based on twelve (12) hours per day.
  - d) Notwithstanding Article 17.1, vacations will be scheduled in blocks from the yearly shift schedule for each powerhouse employee, including the relief powerhouse employee.
  - e) 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.
  - f) 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.
  - g) 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.
  - h) 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.

- i) Notwithstanding Article 21.1, a shift premium of one dollar (\$1.00) 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 shift premium times 16 hours divided by 12 hour shifts.
- j) The Assistant Chief Operating Engineer 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.

**B13.0 Appendix "F" Benefit Plans as they apply to Powerhouse Employees on 12 Hour shifts**

**B13.1 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 AND STUDENT EMPLOYEES**

**C1.0 Temporary Employees and Students**

**C1.1** The following terms and conditions of employment apply to Temporary Employees.

A Temporary Employee;

- a) occupies a job limited by the amount of work or by time. The employment period will include the start date and end date of the job.
- b) does not participate in benefit plans nor obtain seniority under the provisions of Article 23.1 of this Agreement.
- c) is subject to a deduction from wages due and payable in each calendar week, the regular weekly union dues.
- d) is eligible to work overtime as per Appendix "E .
- e) rates of pay will be as per Appendix " A depend-ent on the classification scheduled on or per-forming. Temporary and Student employees will be trained on any jobs within Appendix "A" that are required to be filled for vacations, sick-ness and/or skill shortages, notwithstanding Article 24.1 and the Temporary Bid Posting memorandum.
- f) 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".

**C2.0 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 eli-gibility.

**C2.1** The eligibility requirements are as follows:

- a) A Temporary Employee must have worked 700 hours in the previous calendar year **to** claim expenses in the current year.

- b) 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.
- C2.2 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.
- C2.3 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.
- C2.4 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.
- C2.5 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:

Basic Work Week - 5 - 8 hour work days, Monday through Friday inclusive within the Calendar Week for Basic Work Week schedules

Calendar Week for Basic Work Week Schedule - begins Sunday at 11 p.m. and ends the following Sunday at 11 p.m.

Alternative Work Weeks:

7 Day Calendar Week for Continuous Work Week Schedules begins Sunday at 7 a.m. and ends the following Sunday at 7 a.m.

7 Day Calendar Week for Flexible Work Week Schedules begins Sunday at 7 a.m. and ends the following Sunday at 7 a.m.

Common-Law - Employee who has co-habitated with an individual for a period of not less than one (1) year and who has publicly represented the person as their spouse during this period.

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

- a) 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
- b) a child born of a Common-Law union; or
- c) 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.

- d) 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 chiefly by you and permanently resides in your household, and any other child for whom you are legally responsible for support and care.

Plant Manager - Refers to the Plant Manager - Cobourg or their 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) a Regular pay cheque
- b) a Sick Benefit cheque
- c) a LTD cheque within the initial 18 month LTD period refers to paid holidays
- d) a Vacation cheque
- e) 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 oth-

erwise specifically excluded under any article of this Agreement.

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

Spouse :

- a) The person who is your lawfully wedded husband or wife; or
- b) If you do not have a lawfully wedded husband or wife, the person who has resided with you in a conjugal relationship, either continuously for not less than one (1) year, 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

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;  
or
- b) is admitted to a duly constituted hospital or medical facility for surgery and released as an outpatient;  
or
- 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 - 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**

E 1.0 Overtime Distribution

- E1.1 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.
- E1.2 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.
- E1.3 For the purpose of the administration of Appendix “ E Temporary Employees and Students are considered as “employees.”
- E1.4 Overtime shall be offered to the employee with the lowest number of recorded hours in each of the categories in the following priority:
- a) Bid and Currently Performing or Temporarily  

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    - i. Among employees, qualified, available and currently performing and holding the bid in the job in which overtime is required; or,
    - ii. Among employees temporarily assigned off their bid job, under Article 20.3, in which overtime is required.
  - b) Currently Performing the Job  
Among employees, qualified, available, and currently performing the job in which overtime is required.
  - c) Currently Working in the Unit
    - i. Among employees qualified, available and working in the Unit, who have been cut-back from their bid job within this Unit where overtime is required.



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

d) Currently Working in the Department

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

e) Mandator), Protection of the Work

- i. Meal Periods not counted as hours worked;  
The Company will apply the legislation regarding the contractual meal periods not being counted as hours worked. This will apply only for the Mandatory protection of Saturday/Sunday overtime.
- ii. 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. 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.

E2.0 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.

E3.0 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 Business Unit/Department Manager and Human Resources Manager level of the grievance procedure.

#### E4.0 Overtime Refusal Letter

- a) 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.
- b) 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:
  - i) employee with the lowest recorded hours of overtime; or
  - ii) 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.

#### E5.0 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”.

#### E6.0 Paid Plant Holidays

Paid Plant Holidays will be treated and recorded as overtime.

#### E7.0 Department & Units

Department & Units as follows for the Manufacturing, Warehouse, Plant Services and Maintenance Departments:

| <u>Department</u>  | <u>Units</u>                                 |
|--------------------|--|
| Central            | - Apprentices                                |
| Maintenance        | - Battery Attendant                          |
|                    | - Maintenance Mechanic-Material Handling     |
|                    | - Maintenance Mechanic-Central               |
|                    | - Sheet Metal                                |
|                    | - Entry Level Mechanical                     |
|                    | - 2nd Class Operating Engineer               |
|                    | - Assistant Chief Operating Engineer         |
|                    | - Chief 1st Class Operating Engineer         |
|                    | - Machinist                                  |
|                    | - Steamfitter/Plumber                        |
| Cereals/Rice       | - Packaging                                  |
|                    | - Processing                                 |
|                    | - Maintenance Mechanic- Packaging            |
|                    | - Maintenance Mechanic- Processing           |
|                    | - Oiler -Packaging/Processing                |
|                    | - Maintenance Planner/Coordinator            |
|                    | - Maintenance Services Mechanical Technician |
|                    | - Maintenance Auditor                        |
| Desserts/Beverages | - Packaging                                  |
|                    | - Candy Manufacturing                        |
|                    | - Maintenance Mechanic                       |
|                    | - Maintenance Planner/Coordinator            |
|                    | - Maintenance Services Mechanical Technician |
|                    | - Oiler                                      |
|                    | - Maintenance Mechanic- Candy                |

Distribution  
Warehouse

• Warehouse

Electrical

- Electronic Technologist
- Refrigeration Mechanic
- Maintenance Electrical • Scales
- Maintenance Services Electronic Technologist

Plant Services

• Plant Services

## 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".

### Benefit Plans

#### F1.0 KRAFT CANADA MEDICAL PLAN

##### F1.1 Eligibility

The Kraft Canada Inc. Health Care 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.

##### F1.2 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 May 20, 2007. 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.

##### F1.3 Costs for the Base Plan and Optional Plans are as follows:

\* the deductions are based on forty-eight (48) pay periods. The total amount paid annually remains the same.

| BASE PLAN                  | <u>OPTIONAL</u>        | EFFECTIVE AT<br>August 4, 2004 |        | EFFECTIVE<br>01/01/05 |         | EFFECTIVE<br>01/01/06 |         |
|----------------------------|------------------------|--------------------------------|--------|-----------------------|---------|-----------------------|---------|
| (Fully paid<br>by Company) | (Premiums<br>Employee) | Single                         | Family | Single                | Family  | Single                | Family  |
| Base Plan (only)           |                        | \$0.00                         | \$0.00 | \$0.00                | \$0.00  | \$0.00                | \$0.00  |
| Base Plan                  | + Option A             | \$1.42                         | \$3.01 | \$1.64                | \$3.46  | \$1.89                | \$3.98  |
| Base Plan                  | + Option B             | \$2.11                         | \$4.44 | \$2.42                | \$5.10  | \$2.79                | \$5.87  |
| Base Plan                  | + Option C             | \$1.10                         | \$2.68 | \$1.27                | \$3.08  | \$1.46                | \$3.54  |
| Base Plan                  | + Option D             | \$2.04                         | \$5.11 | \$2.35                | \$5.88  | \$2.70                | \$6.76  |
| Base Plan                  | + Options A&C          | \$2.53                         | \$5.69 | \$2.91                | \$6.54  | \$3.35                | \$7.52  |
| Base Plan                  | + Options A&D          | \$3.47                         | \$8.12 | \$3.99                | \$9.34  | \$4.59                | \$10.73 |
| Base Plan                  | + Options B&C          | \$3.21                         | \$7.11 | \$3.69                | \$8.18  | \$4.25                | \$9.40  |
| Base Plan                  | + Options B&D          | \$4.15                         | \$9.55 | \$4.77                | \$10.98 | \$5.49                | \$12.62 |

## F1.4 BASE PLAN COVERAGE

The Base Plan Coverage is as follows:

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

## F1.5 ADDITIONAL COVERAGE FOR CORE BENEFITS BASE PLAN PLUS

“A” Option—Unlimited excess Drug coverage

“B” Option—Unlimited excess Core Benefits coverage (includes option “A”)

## F1.6 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

### F1.7 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.

### F1.8 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.

### F1.9 Out of Country Coverage

Out of Country coverage continues to cover the same type of expenses that were paid under the previous plan. (as per "Emergency Travel Assistance"). 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".

### F1.10 Medical Expenses

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

- a) Base Plan Option- up to \$1200/year
- b) Base Plan plus Option "6-unlimited costs /year
  - i. Drugs and medicines which require a prescription by law to be obtained.



- ii. Emergency treatment of an illness or accident occurring while outside Canada is reimbursed on a reasonable and customary basis.
- iii. Emergency travel assistance expenses (see leaflet entitled "Emergency Travel Assistance" for full details).

**F1.11 SUPPLEMENTAL BENEFITS - eligible expenses reimbursed at 100%**

- a) Maximum Costs available for these Benefits are based on the choice of Plan the employee signs up for.
- b) 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 "Cor "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.
- c) 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.
- d) 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.
- e) Paramedical services by a licensed physiotherapist, massage therapist, 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.

- f) Laboratory tests and x-rays for diagnosis not covered by any government plan.
- g) Prescription contact lenses, eyeglasses and frames and eye exams up to a maximum reimbursement of the chosen optional plan per person every 2 years.
- h) 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.
- i) Hearing aids up to a maximum reimbursement of the chosen optional plan per person every 3 years.
- j) Charges for:
  - i. Rental or purchase of braces and crutches, and purchase or prostheses required for therapeutic use.
  - ii. Rental or purchase of a wheelchair, hospital bed, or oxygen equipment required for therapeutic purposes.
  - iii. 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.
  - iv. Blood sugar monitoring devices for insulin dependent diabetics, when prescribed by a physician, up to a lifetime maximum reimbursement of \$200.

## F1.12 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 expenses incurred.

## F1.13 Exclusions

The Kraft Canada Inc. Medical Plan does not cover:

- a) Services and supplies not included in the list of eligible expenses.
- b) Charges for general health examinations.
- c) Charges for eye examinations, except in provinces where Medicare does not cover this expense.
- d) Services paid for under any federal or provincial government legislation.
- e) Cosmetic surgery or treatment, including hospital confinement for such surgery or treatment.
- f) Charges related to any disability for which benefits are provided under any Workplace Safety and Insurance Board compensation legislation.
- g) Dental work where a third party is responsible for payment of such charges.
- h) Charges related to injury resulting directly or indirectly from war, declared or not, insurrection or riot, or hostilities of any kind.
- i) 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.
- j) Drugs, sera, injectable drugs or supplies that are not approved by Health and Welfare, Canada, and that are experimental or limited in use.

- k) Charges which are not medically necessary for the care and treatment of any existing or suspected injury, disease or pregnancy.
- l) Charges made by a physician for travel, broken appointments, communication costs, completion of claim forms or physician's supplies.
- m) 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.

#### **F1.14 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.

#### **F1.15 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.

#### **F1.16 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.

#### **F2.0 Dental Plan**

##### **F2.1 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.

## F2.2 Cost of the Plan

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

## F2.3 Eligible Expenses

- a) The Kraft Canada Inc. Dental Plan covers 80% of the eligible expenses for three categories of dental care:
  - i. Basic services
  - ii. Major restorative work
  - iii. Orthodontic treatment
- b) 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.
- c) 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.

## F2.4 Basic Services

- a) Diagnostic
  - i. Consultations
  - ii. Single diagnostic x-rays
  - iii. Complete series of x-rays: once every 24 months
  - iv. Oral examinations: once every six months
  - v. Study casts: once per year
- b) Preventive
  - i. Scaling and polishing (prophylaxis) once every six months
  - ii. Topical fluoride
  - iii. Passive space maintainers (that do not move the teeth) for dependent children only

- iv. Oral hygiene instruction once every six months
- c) Minor restorative work
  - i. Fillings (silver amalgam, silicate or synthetic restorations)
  - ii. Stainless steel crowns
- d) Oral surgery
  - i. Removal of teeth, including impacted teeth and residual roots
  - ii. Anesthesia
  - iii. Post operative care
- e) Endodontics

Emergency endodontic procedures and root canal therapy
- f) Periodontics
  - i. Treatment of diseases of the gum and other supporting tissue of the teeth
  - iii. Repair or relining and rebasing of dentures including addition of new teeth.

## F2.5 Major Restorative Work

### a) 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.

### b) Orthodontic treatment

- i. Correction of malocclusion of the teeth
- ii. Full-mouth reconstruction

## F2.6 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.

#### **F2.7 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.

#### **F2.8 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., except in the case of retirement, whereby dental benefits continue in accordance with the Kraft Retiree Dental Plan.

#### **F2.9 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.

#### **F2.10 Exclusions**

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

- i. Services or supplies that are primarily for cosmetic dentistry, e.g., bonding, bleaching and facings.
- ii. Services covered by any government plan.
- iii. Services or supplies not furnished by a legally qualified dentist or denturist.
- iv. Services or supplies necessitated directly or indirectly as the result of committing, attempting to commit or provoking an assault or criminal offense, or by a war or act of war, declared or not, insurrection or riot, or hostilities of any kind.

- v. Miscellaneous charges such as counseling, travel, broken appointments, communication costs or completion of claim forms.
- vi. Services or supplies resulting from any intentionally self-inflicted wound.
- vii. Any hospital charges for board and room and related services and supplies.
- viii. Any dental examinations required by a third party.
- ix. Services or supplies not medically necessary.
- x. Services or supplies for implantology, including tooth implantation or transplantation and surgical insertion of fabricated implants.

### F3.0 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).

### F3.1 Amount of Term Insurance

- Employee - \$45,000
- Spouse - \$ 5,000
- Dependent Child(ren) - \$ 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.

### F3.2 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).

### F3.3 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.

### F3.4 General Provisions

- a) 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.
- b) 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.
- c) 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.

- d) When you die from any cause, the full amount of your Kraft Global 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 installments, 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@) for income tax purposes will be deemed to be the beneficiary.

#### F4.0 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.

##### F4.1 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%     |

F4.2 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(ren) |

#### F4.3 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. |

#### F4.4 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.

## F5.0 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:

### F5.1 Eligibility for Benefits

- a) 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.
- b) 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.
- c) 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.
- d) 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 ensure 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.

## F5.2 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:

### a) Basic Benefits

- i. 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.
- ii. 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.
- iii. 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.
- iv. 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.
- v. 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.

- vi. 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.
- vii. 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.
- viii. 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.

b) 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.

F5.3 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.

#### **F5.4 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 otherwise 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.

#### **F 5.5 Part-Time Employment Due to Disability**

- a) 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.
- b) 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.
- c) 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.

## F5.6 Exclusions

- a) No payment will be made under the Plan with respect to absence from work due to the following reasons:
- b) 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".
- c) Disability caused by or resulting from use of alcoholic beverages, stimulants, drugs or narcotics, unless the employee is participating in a Kraft Canada Inc. sponsored program toward rehabilitation.
- d) Disability resulting from acts of immorality or fighting.
- e) Disability occurring while an employee is violating a Company rule.
- f) Disability resulting from a pregnancy related illness during:
  - i. a pregnancy leave of absence,
  - ii. 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.

## F6.0 Long-Term Disability

### F6.1 Benefits

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



- c) 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.
- d) 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.
- e) 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.
- f) Benefits payable under this plan are considered taxable income.

## F6.2 Recurrence of Disability

- a) 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.
- b) 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.

## F6.3 Rehabilitative Employment

- a) 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.
- b) 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.

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

#### F6.4 Co-ordination with Other Sources of Income

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

#### F6.5 Continuation of Other Employee Benefits during Disability

- a) 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 cannot 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.
- b) Seniority will continue to accumulate for as long as LTD benefits are paid.
- c) If an employee wishes to continue contributions to the retirement plan, retirement benefits will accrue during the LTD period.

#### F6.6 Exclusions

No Long-Term Disability benefits are payable for:

- a) 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.

- b) 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.
- c) 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.
- d) A disability caused by or resulting from a self-inflicted injury or illness.
- e) 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.
- f) A disability caused by or resulting from participation in a criminal act or any act of war, declared or not.

## F7.0 Retirement Plan

### F7.1 Eligibility

- a) 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.
- b) 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.

## F7.2 Benefits Formula

### a) Normal Retirement

- i. Normal retirement is the first day of the month following attainment of age 65.
- ii. The monthly pension you will receive will be calculated as follows:
  - a. \$50.00 per month for each year of credited service effective May 17th, 2004.
  - b. \$51.00 per month for each year of credited service effective May 17th, 2005.

### b) Early Retirement

- i. You may retire on the first of the month after your 55th birthday.
- ii. The monthly pension you will receive will be calculated as follows:
  - a. \$50.00 per month for each year of credited service effective May 17th, 2004.
  - b. \$51.00 per month for each year of credited service effective May 17th, 2005 less 3% for each year of early retirement before age 60.
- iii. In addition, if you retire early while still an employee, a supplemental benefit of \$12.50 per month per year of credited service (maximum 35 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.

- iv. 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 Plan 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.

### F7.3 Employee Contributions

Monthly contribution is \$101 per month

### F7.4 Spouse's Benefit

- a) 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.
- b) The Company agrees that, effective with pensions beginning 6/1/01, the Spousal Option - 60 % with Pop-up shall be eliminated. The Company shall have the unilateral right to re-implement a Spousal Option with a reduction provision for future service only along with any other improved/additional optional forms of pension payout, in the event such changes are implemented in the Kraft Canada Inc. Retirement Plan for Non-Unionized Hourly-Paid Employees.
- c) In the case of early retirement, the resultant pension benefit will not include the early retirement supplement referred to in Section (b).

### F7.5 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:

- a) Life Only: Is a pension payable for the life of the retiree with a guaranteed payout of the value of the employee's contribution and interest.  
If the retiree has a spouse and elects this option, the spouse must waive his or her rights on a Spousal Waiver Form. Any balance owed goes to the beneficiary.
- b) 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, 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.

- c) Spousal Option-60%- 60% spousal required by law.

The plan provides 60% of the retirees pension, exclusive of the early retirement supplement benefit.

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

i. The retiree can choose to leave:

- 60 Y<sub>o</sub>
- 66 2/3 %
- 75 Y<sub>o</sub>
- 100 %

ii. Should the Joint Survivor predecease the employee, there is no pop-up for the retiree- his/her pension remains reduced.

iii. And these options will be fully explained to you prior to retirement. Also each specific option will cause a particular adjustment to your normal retirement income payment.

## F7.6 Death Benefit

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

- a) The total amount of your contributions to

December 31, 1986 plus compound interest to date of payment.

- b) 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.
- c) 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.

#### F7.7 General Provisions

- a) Regardless of whether or not an employee participates in the Plan, retirement from the service of Kraft Canada Inc. must be not later than the first day of the month following attainment of age 65.
- b) 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.

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

- i. 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.
  - ii. 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.
  - iii. 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 cancelled.
- d) 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, Long Term Disability, Pregnancy, or Parental Leave, missed contributions cannot be paid into the Plan on your return to work. Contributions may be deducted at the employee's option, over a maximum of the next eighteen (18) pay periods, unless the employee advises the Company in writing that he or she does not want to continue to make contributions to the Pension Plan.

- e) 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 Kraft Benefits and Pension Centre. This is your responsibility.



f) 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:

- i. The person who is your lawfully wedded husband or wife: or
- ii. If you do not have a lawfully wedded husband or wife, the person who has resided with you in conjugal relationship, either continuously for not less than one (1) year, 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.

g) 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.

h) 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.

- i) Marriage Breakdown- Pension benefits may be included as pari 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.

#### F7.8 Status of Benefits on Retirement

- a) New Retirees will be covered by the "Kraft Retiree Medical Plan"
- b) Dental benefits continue for the retiree in accordance with the Kraft Retiree Dental Plan. Effective June 1st, 2001, new retirees will be covered by the Kraft Retiree Dental Plan.
- c) Life Insurance coverage as provided under the Life Insurance Plan.
- d) 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**

#### F8.0 Summary of Pension Plan Provisions

1. Plan Effective Date: January 1, 1986  
Date of most recent amendment July 19, 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 B14045).
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 \$101.00 for each month

5. Normal Retirement Benefit:

a) Eligibility: First day of the month following attainment of age 65.

b) Monthly Pension:

\$50.00 per month for each year of credited service effective May 17th, 2004.

\$51.00 per month for each year of credited service effective May 17th, 2005.

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 \$150 multiplied by the member's credited service, to a maximum of 35 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, 15 years
  - Spousal Option 60%
  - Joint **Survivor/Contingent** Annuitant

9. Termination of Employment:

- a) Eligibility: 0 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. 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 or 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**

- F9.0 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.
- F9.1 The eligibility requirements are as follows:
- a) 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.
  - b) 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.
- F9.2 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.
- F9.3 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.
- F9.4 To obtain reimbursement for Dental or Prescription claims, employees will complete claim forms available from the Human Resources Department.

## F10.0 Savings Program

### F10.1 Eligibility:

Optional Pension Plan (OPP) 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.

### F10.2 Functioning:

You may contribute up to a maximum of six (6 %) percent of your wages, including overtime. Kraft Canada Inc. will make contributions equal to forty (40%) percent of your contributions. In other words, each dollar that you will contribute to the program, Kraft Global Inc. will contribute forty (\$0.40) cents. Detailed information on the Program is contained in the SAVINGS PROGRAM brochure, available at the Human Resources Department.

## **APPENDIX "G"**

### **Appendices Respecting Laboratory Employees**

#### **GI.0 Reclassification**

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

#### **GI.1 Laboratory Technician Workforce**

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

#### **GI.2 Overtime Distribution**

- a) 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.

- b) Meal Periods not counted as hours worked; The Company will apply the legislation regarding the contractual meal periods not being counted as hours worked. This will apply for the **Mandatory** protection of **Saturday/Sunday** overtime.
- c) 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.
- d) Overtime shall be offered to the employee with the lowest number of recorded hours in each of the categories in the following priority:
  - i. Among employees, qualified, available and currently working in the task grouping in which overtime is required.
  - ii. Among employees, qualified, available and currently working in the Unit in which overtime is required.
  - iii. Among employees, qualified, available and currently working in the department in which overtime is required.
  - iv. Among employees, qualified and available to perform the job in which overtime is required.
- e) 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.
- f) 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.



- g) 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.
- h) 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.

### G1.3 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 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 "G" for employees in this category who become eligible for overtime to protect the job.

### G1.4 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".

### G1.5 Paid Plant Holidays

Paid Plant Holidays will be treated and recorded as overtime.

## **G2.0 Reduction of Laboratory Technicians**

- will be reduced by Unit , by seniority; followed if necessary, by overall Laboratory Department seniority.

**G2.1** In the event of a reduction of a Laboratory Technician, from a Unit, the following reduction procedures will apply:

- a) the lowest seniority employee within the Unit will be cutback
- b) 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.

**G2.2** 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.

**G2.3** 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.

G2.4 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"**  
**Alternative Work Schedules**

H1.0 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.

H1.1 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.

H1.2 Overtime will be paid at the rate of time and one-half (1 1/2x) times for all hours worked beyond the regularly scheduled work day and work week.

H1.3 Flexible Work Week - The Flexible Work Week will consist of any regularly scheduled forty (40) hours within the work permit cycle.

H1.4 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.

H1.5 Applicable to the alternate work schedules above: Except in an emergency, employees will not be requested to work more than twelve (12) hours.

## H2.0 Flexible Work Schedules

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

### H2.1 Development

- a) Any plan involving the use of a Flexible Work Schedule, will be proposed to the Business Unit/Department Manager. The Business Unit/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.
- b) A detailed plan will be put together by the Business Unit/Department Manager and submitted to the Flexible Work Schedule Committee at least fifteen (15) worked 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 Business Unit/Department Manager from the area involved. Other members from the membership and the Company will be added to the Committee as resources, as needed.

### H2.2 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 Business Unit/Department Manager, the committee will;

- a) review and assess the details of the submitted plan for impacts on the Collective Agreement Articles and the procedures for filling vacancies
- b) it will be the responsibility of this committee to develop a Letter of Understanding, outlining any Articles of the Collective Agreement impacted.
- c) assists the Business Unit/ Department Manager in filling the required vacancies
- d) assists the Business Unit/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 implementation date
- e) assists the Business Unit/Department Manager to evaluate the learnings on an ongoing basis and implement these changes where appropriate.

### H2.3 Intent

- a) Flexible Work Schedules will not cause an employee to lose wages and benefits based on a 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.

The contents of this document will be reviewed mutually by both parties to adopt and successful learnings on the principle of continuous improvement.

**AMENDMENTS TO THE 2004 TO 2007  
COLLECTIVE AGREEMENT  
FOR ALTERNATE WORK SCHEDULES**

1. Continuous 12 Hour Shift Schedule
2. Flexible 10 Hour Shift Schedules

FOR

CEREALS/RICE DEPARTMENT, MAINTENANCE,  
QUALITY SYSTEMS, PLANT SERVICES & WARE-  
HOUSE DEPARTMENT SUPPORT EMPLOYEES

EFFECTIVE DATE: May 17th, 2004

**H3.0 Continuous Operations - 12 Hour Shifts**

**H3.1 Averaging Agreement**

- a) Continuous Operations Cereals/Rice Manufacturing employees and Continuous Operations Support employees in Maintenance, Quality Systems, and Warehouse will be scheduled for the Pay Averaging Continuous Operations Work Week. The two (2) week pay averaging cycle will be pre-established by the Company consisting of:

one 36 hour and one 48 hour work week,  
worked consecutively

OR

one 48 hour and one 36 hour work week,  
worked consecutively

- b) The two (2) week cycle comprises a total of eighty-four (84) scheduled hours per cycle. This cycle consists of one (1) thirty-six (36) hour week and one (1) forty-eight (48) hour week. During this two (2) week cycle, the employee averages four (4) hours of scheduled overtime over and above their regularly scheduled eighty (80) hours. This overtime premium of one and one-half times (1.5X) their regular rate of pay will be paid out during their forty-eight (48) hour scheduled work week in the cycle. Eg. Forty-four (44) hours at

their regular rate of pay and four (4) hours at one and one-half times (1.5X) their regular rate of pay. Overtime will be paid after thirty-six (36) hours in the thirty-six (36) hour scheduled cycle week and after forty-four (44) hours in the forty-eight (48) hour scheduled cycle week.

- c) When an employee is scheduled for one (1) week out of a two (2) week pay averaging cycle of 84 hours, excluding vacation entitlement week(s), they will be considered on a "stand alone week".
- d) In the event of a Departmental shutdown, the patterns of the Department's two (2) week cycles will continue through the Departmental shutdown. Transition pay or "stand-alone week" pay will not be paid to laid-off employees returning from the Departmental shutdown in the middle of a cycle.
- e) Overtime Paid if employee is absent during their scheduled forty-eight hour week in a two (2) week pay averaging cycle is as follows;
  - i. an employee who is scheduled to work forty-eight (48) hours in one work week and who is absent from work the same week, for any reason other than vacation, will have his scheduled overtime reduced by one (1) hour for every six (6) hours of lost time.

H3.2 The following are examples of transition pay and "stand alone weeks" are applied when people move in and out of Continuous Operations:

## For individualson cycle (36 - 48)

| Example                                       | Wk 1/Wk 2       | Wk 3/Wk 4                         | Week 5/Wk 6       | Comments  |
|---|-----------------|-----------------------------------|-------------------|---|
| Examples that are not stand-alone weeks       |                 |                                   |                   |   |
| 1   | (36 - 48)       | (40 - 40)                         | (36 T - 48)       |   |
| 2   | (36 - 48)       | (40 - 40)                         | (48 T - 36)       | Individual cycle change due to production needs |
| 3   | (36 - 48)       | (VAC - VAC)                       | (36 - 48)         |   |
| 4   | (36 - 48)       | (Layoff - Layoff)                 | (36 - 48)         |   |
| 5   | (36 - 48)       | (Flex - flex)                     | (36 - 48)         | No transition                                   |
| 6   | (36 - 48)       | (36 - VAC)                        | (36 - 48)         |   |
| 7   | (36 - 48)       | (VAC - 48)                        | (36 - 48)         |   |
| 8   | (36C - 48C)     | (36W - 48C)                       | (36C - 48C)       |   |
| 9   | (36 - 48)       | (40 - 40hFlex T)                  | (40 - 40)         |   |
| Examples that are stand-alone weeks (in bold) |                 |                                   |                   |   |
| 10  | (36 - 48)       | <b>(36 - 40)</b>                  | <b>(36T - 48)</b> |   |
| 11  | (36 - 48)       | (40 - <b>48 T</b> )               | (36 - 48)         |   |
| 12  | (36 - 48)       | (40 - <b>36 T</b> )               | (48 - 36)         | Individual cycle change due to production needs |
| 13  | (36 - 48)       | <b>(36 - Layoff)</b>              | (36 - 48)         |   |
| 14  | (36 - 48)       | (Layoff - <b>48</b> )             | (36 - 48)         |   |
| 15  | (36 - 48)       | (40hFlex - <b>48</b> )            | (36 - 48)         | No transition                                   |
| 16  | (36 - 48)       | (Candy* - <b>48 T</b> )           | (36 - 48)         | *if Candy = 36h = stand-alone week              |
| 17  | (36 - 48)       | <b>(36 - 36)</b>                  | (36 - 48)         |   |
| 18  | (36 - 48)       | <b>(48 - 48)</b>                  | (36 - 48)         |   |
| Dept layoff = no production                   |                 |                                   |                   |   |
|   |                 | Examples for individuals laid Off |                   |   |
| 19  | (36 - 48)       | (X - 48)                          | (36 - 48)         | No stand-alone after                            |
| 20  | <b>(36 - X)</b> | (X - 48)                          | (36 - 48)         | No stand-alone after                            |
| 21  | (36 - 48)       | (X - X)                           | (36 - 48)         |   |
| 22  | (36 - 48)       | (X - X)                           | (48 - 36)         | Individual cycle change due to production needs |
| 23  | (36.48)         | <b>(36 - X)</b>                   | (36 - 48)         |   |



## For individuals on cycle (48 - 36)

| Example                                       | Wk 1/Wk 2            | Wk 3/Wk 4                   | Wk 5/Wk 6   |   |
|---|----------------------|-----------------------------|-------------|---|
| Examples that are not stand-alone weeks       |                      |                             |             |   |
| 1   | (48 - 36)            | (40 - 40)                   | (48 T - 36) |   |
| 2   | (48 - 36)            | (40 - 40)                   | (36 T - 48) | Individual cycle change due to production needs |
| 3   | (48 - 36)            | (VAC - VAC)                 | (48 - 36)   |   |
| 4   | (48 - 36)            | (Layoff - Layoff)           | (48 - 36)   |   |
| 5   | (48 - 36)            | (Flex - flex)               | (48 - 36)   | No transition                                   |
| 6   | (48 - 36)            | (48 - VAC)                  | (48 - 36)   |   |
| 7   | (48 - 36)            | (VAC - 36)                  | (48 - 36)   |   |
| 8   | (48C - 36C)          | (48W - 36C)                 | (48C - 36C) |   |
| 9   | (48 - 36)            | (40 - 40hFlex T)            | (40 - 40)   |   |
| Examples that are stand-alone weeks (in bold) |                      |                             |             |   |
| 10  | (48 - 36)            | <b>(48 - 40)</b>            | (48T - 36)  |   |
| 11  | (48 - 36)            | (40 - <b>36 T</b> )         | (48 - 36)   |   |
| 12  | (48 - 36)            | (40 - <b>48 T</b> )         | (36 - 48)   | Individual cycle change due to production needs |
| 13  | <del>(48 - 36)</del> | <b>(48 - Layoff)</b>        | (48 - 36)   |   |
| 14  | (48 - 36)            | (Layoff. 36)                | (48 - 36)   |   |
| 15  | (48 - 36)            | (40hFlex - 36)              | (48 - 36)   | No transition                                   |
| 16  | (48 - 36)            | (Candy* - <b>36 T</b> )     | (48 - 36)   | *If Candy = 36h = stand-aloneweek               |
| 17  | (48 - 36)            | <b>(48 - 48)</b>            | (48 - 36)   |   |
| 18  | (48 - 36)            | <b>(36 - 36)</b>            | (48 - 36)   |   |
|   |                      | Dept layoff = no production |             |   |
| Examples for individuals laid off             |                      |                             |             |   |
| 19  | (48 - 36)            | (X - 36)                    | (48 - 36)   | No stand-alone after                            |
| 20  | <b>(48 - X)</b>      | (X - 36)                    | (48 - 36)   | No stand-alone after                            |
| 21  | (48 - 36)            | (X - X)                     | (48 - 36)   |   |
| 22  | (48 - 36)            | (X - X)                     | (36 - 48)   | Individual cycle to production needs            |
| 23  | (.. ..)              | (.. ..)                     | (.. ..)     |   |

H3.3 Stand Alone Weeks - these are individual weeks whereby an employee is scheduled for one week in the cycle. (Please refer to *the 2 Week Pay Averaging Cycle* examples on the chart provided in this appendix *that* shows examples where the “stand alone” rules below do not apply.)

H3.4 36 Hour Stand Alone Scheduled Work Week

This pertains to being scheduled to the continuous twelve (12) hour shift schedule for only one (1) thirty-six (36) hour work week in the cycle or to an employee who completes a thirty-six (36) hour work week prior to going on their scheduled vacation period or returning to a thirty-six (36) hour week. Such employees will receive the minimum payment of forty (40) hours pay at their regular rate of pay. A minimum of thirty-two (32) hours must be worked by the employee to receive an additional four (4) hours payment. Overtime would commence after thirty-six (36) hours if the employee is required to work in this stand alone week. This Basic Work Week of 40 hours will be paid, plus any overtime after forty (40) regular hours will be paid at one and one-half times (1.5x) their regular rate of pay.

Eg. Thirty-six (36 hours) regular rate of pay , plus four(4) hours regular rate of pay(guaranteed) then overtime at one and one half (1.5x)times the regular rate of pay for any hours worked over thirty-six (hours) .

H3.5 48 Hour Stand Alone Scheduled Work Week

This pertains to being scheduled to the continuous twelve (12) hour shift schedule and for only one (1) forty-eight (48) hour work week in the cycle .The employee will be paid overtime for the eight (8) hours worked over their regularly scheduled forty (40) hours worked, at the rate of one and one half times (1.5x) their regular rate of pay. They do not participate on the cycle averaging of hours. This does not apply to employees who are part of the continuous twelve (12) hour shift cycles, and who

are not scheduled to work due to vacation, leave of absence, sickness, etc. and who creates a forty-eight (48) hour stand alone week.

### H3.6 As per Appendix 'ID-Definitions

For the purposes of this Continuous Operations memorandum:

- a) Seven (7) day Calendar Week for Continuous Work Week Schedules begins Sunday at 7 a.m. and ends the following Sunday at 7 a.m.
- b) Overtime Recording for employees on the Continuous Operation begins Sunday at 7 a.m. and ends the following Sunday at 7 a.m.
- c) Pay week for employees on the Continuous Operation begins Sunday at 7 a.m. and ends the following Sunday at 7 a.m.
- d) Vacation Entitlement Week - begins Sunday at 7 a.m. and ends the following Sunday at 7 a.m.
- e) Overtime Hours - Recording - Overtime hours for the employees scheduled on the 12 hour Continuous Operations shifts will be recorded to begins Sunday at 7 a.m. and ends the following Sunday at 7 a.m.
- f) Basic work week overtime hours will remain recorded from Sunday at 11 p.m. until the following Sunday at 11 p.m.

### H4.0 Continuous Operations -12 Hour Shifts

The following are amendments to Articles and Appendices of the 2004 to 2007 Collective Agreement that pertain to the Continuous Operations- 12 hour Shift Schedules;

#### H4.1 Article 8.2-Eve of Christmas and New Years

Notwithstanding Article 19.1, the workdays 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 (\$) hours of work for the Continuous Operations Personnel covered in this appendix.

#### H4.2 Article 8.6 - Sick benefits and paid holidays

Twelve (12) hours Shift weekly averaging re paid holiday and sick benefits -a complete week of sick benefits is forty-three (43) regular hours of pay for employees that are part of the twelve hour (12) Shift Continuous Operation Schedule only. If a Paid Holiday falls in the week of sick benefits it is equal to eight (8) hours regular pay. Sick benefits for this week would be: four (4) days at eight point six (8.6) hours x basic or supplemental benefits plus eight (8) hours regular pay for paid holiday entitlement.

#### H4.3 Article 8.8 - Regularly Scheduled Workday falls on a Plant Paid Holiday

An employee whose regularly scheduled work day falls on a Plant Paid 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.

#### H4.4 Article 8.9-(i) Plant Paid Holiday on scheduled day off (ii) Plant Paid Holiday on scheduled day off and requested to work

- a) An employee who is on a scheduled "day off" and such Plant Paid Holiday is to be observed on such "day off shall receive eight (8) hours pay at his regular rate for this Paid Holiday.
- b) An employee who is on a scheduled "day off" and is requested to work on such day, shall be paid at one and one half (1.5X) time his regular rate of pay for all hours worked plus eight (8) hours pay at his regular rate for the Paid Holiday.

An employee who is on a scheduled "day off" and who has to mandatory work as per Appendix "E" & "G", to cover a twelve (12) hour shift, on a Plant Paid Holiday, will be paid at their applicable overtime rate of pay plus twelve (12) hours pay for the Plant Paid Holiday.

#### H4.5 Article 8 - Plant Paid Holidays;

- a) Employees are required to work on Plant Paid Holidays if they fall during the employees' regularly scheduled work week.
- b) Employees on a continuous operation schedule and who are not required to work on a Plant Paid Holiday, even though such day is part of their continuous scheduled twelve (12) hour shift work week, will be paid twelve (12) hours pay at their regular rate for the Plant Paid Holidays.
- c) Heat Treatments and/or Fumigations and Department training days for all Continuous Operation/Flexible schedule employees, will be scheduled during regularly scheduled Continuous Operation/Flexible schedule work days or Cereals/Rice Department shut downs. Employees who are scheduled on their regular work day schedule, when these occur will participate in four (4) hours of scheduled training and be paid for their full work day at their applicable rate of payment. Every effort will be made to rotate through these days equitably.
- d) Employees scheduled on the continuous operation rotation schedule prior to the scheduling of Plant Paid Holidays at the Christmas period, five (5) consecutive days will be paid a minimum of forty-three (43) hours at regular pay for this week.

#### H4.6 Article 9.1 Rest and Meal Periods

- a) Rest Periods - Three (3) paid rest periods of fifteen (15) minutes duration each
- b) Meal Period - Two (2) twenty (20) minute paid meal periods

#### H4.7 Article 13.1 Appearance in Court

An employee will receive the difference between his regular rate of pay and the amount paid by the court for all hours of work missed up to twelve (12) hours per day if it is his scheduled workday. He will

receive his applicable rate for such day(s). This includes the 4th scheduled day of a scheduled forty-eight (48) hour work week.

#### H4.8 Article 16.1 Bereavement Pay

Notwithstanding Article 16.1 - payment for time lost due to bereavement as per Article 16.1 will be based on twelve (12) hours per day. He will receive his applicable rate for such day(s). If the approved bereavement falls on the 4th day of the scheduled forty-eight (48) hour work week, the employee will receive their applicable rate for such day.

#### H4.9 Article 17 Vacations-Start and end

Notwithstanding Article 17.1 an employee scheduled on a continuous schedule -twelve (12) hours will be granted a vacation and receive vacation pay as follows. A week of vacation will constitute time off between the work week beginning Sunday at 7:00 a.m. and ending the following Sunday at 7:00 a.m..

#### H4.10 Article 17.2

Notwithstanding Article 17.2 (a) and (b)-Vacation Pay entitlement

For each week of vacation, an employee will receive a minimum of forty-three (43) hours pay at his regular hourly rate or a percentage of 2% per entitled week of vacation based on his previous year's earnings.

#### H4.11 Article 17.6-Paid Plant Holiday occurring during vacation

For purposes of this Article, as it pertains to a twelve (12) hours shift, an employee, who has a Paid Holiday occur during their scheduled vacation period, will either have such day paid twelve (12) hours for the holiday or another twelve (12) hour day will be substituted for such holiday. (One (1) day in lieu of the Paid Holiday owing to the employee constitutes twelve (12) hours.)

#### H4.12 Article 19.1 Hours of Work and Overtime

7 a.m. to 7 p.m. and 7 p.m. to 7 a.m.

#### H4.13 Article 19.2-OvertimeHours

All hours worked before or after an employee's regularly scheduled work day will be paid at one and one half (1.5x) times his regular rate. An employee who works on his scheduled day(s) off will be paid one and one half (1.5x) his regular rate for all hours worked on such day(s). Except in emergency, employees will not be requested to work more than twelve (12) hours.

#### H4.14 Article 19.3-Saturday and Sunday

- a) Any hours worked on Saturday and Sunday which are part of the employees' regularly scheduled work week, will be paid at the employees' regular rate of pay.
- b) Notwithstanding Articles 19.1 and 19.4 - the Company will schedule employees transitioning in or out of the Continuous Operation schedule no later than 7 p.m. of Thursday's Personnel Schedule for the upcoming week.

#### H4. 5 Article 20.3-Job rate rules

Thirty (30) days of work is equivalent to two hundred and forty (240) scheduled hours of work.

#### H4. 6 Article 21.1 Off Shift Premium

A shift premium of one (\$1.00) dollar per hour shall be paid for all hours worked on the 7 p.m. to 7 a.m. shift.

#### H4.17 Article 24 Posting and Filling of Positions

For the purpose of this article "days of work shall be considered on the number of twelve (12) hours scheduled days of work by an employee.

#### H5.0 Amendments to Appendix " E and or "G" re 12 Hour Shifts Overtime Distribution

H5.1 Continuous 12 Hours-for departments that have employees on this schedule and the Basic Work Week Schedules;

Employees scheduled in the Continuous twelve (12) hour shift operation will be asked first for Continuous Operation overtime. Overtime in any 24 hour period will be administered in blocks of hours (e.g. if an opening is required to be filled by overtime for a 12 hour shift, then the block of overtime an employee is asked to work consists of the 12 hours providing this employee's regularly scheduled work week is the continuous schedule).

H5.2 The usage of Employees from the Basic Work Week for Overtime on the Continuous Operations;

Basic Work Week scheduled employees will be asked first for Basic Work week overtime. If it is necessary, according to Appendix "E", to request employees to work, who are scheduled as part of BASIC WORK WEEK - MONDAY TO FRIDAY, then overtime requests for hours beyond their regularly scheduled 8 hours per day, will be scheduled in the maximum of 4 hour blocks as per Appendix "E". On Saturday, Sundays and Paid Holidays, these employees would be asked to volunteer to work up to a twelve (12) hour block. Please note that these are employees who are part of the BASIC WORK WEEK and therefore if they desire, are only required by law to work 8 of the 12 hour overtime block. The maximum of sixty (60) total hours in a calendar week also applies to these employees.

H5.3 Transferring from the Basic Work Week to the Continuous Operation 12 Hour Shift Schedule on a Sunday;

When an employee is transferred from the Basic Work Week- (Monday to Friday), their calendar week for this week of transition, ends at 11 p.m. Sunday. The 7 Day Calendar Week Work Schedule for the Continuous Operation starts at 7 a.m. Sunday and ends the following Sunday at 7 a.m.. Employees transitioning into the Continuous Operation/Flexible schedule from a Basic Work



Week Schedule on Sunday will be paid overtime at one and one half (1.5x) their regular rate of pay for all hours worked as of 7 a.m. Sunday until 11 p.m. Sunday (transition day). Once the employee has completed the transition day, they will work the schedule and hours of the twelve (12) hours and/or Flexible Work week. (ii) Basic Work Week employees on Vacation, who are scheduled to transition to the Continuous Operation/Flexible Work Week schedules have the option of working the scheduled Sunday shift at one and one-half times (1.5x) their regular rate of pay, or not working and forfeiting such applicable pay.

\* *Please refer to the Pay Averaging 2 week cycle examples contained in this appendix where transitioning pay does not apply.*

#### H6.0 Appendix "F" Benefits

H6.1 Short Term Disability will be calculated on the basis of a twelve (12) hour day.

Example:

Basic Benefits of 75% will be 75% of hourly rate x 12 hours = (For incomplete Weeks after waiting time)

Supplemental Benefits of 60% will be 60% of hourly rate x 12 hours =

#### H6.2 Non-Occupational Accident and Short Term Disability Plan

Amended for employees on 12 hour shift schedules.

##### a) Benefits

Plan Benefits are payable to eligible employees during a maximum benefit period of 26 weeks = 1040 hours per disability but not more than 26 weeks or equivalent 1040 hours in a calendar year.

##### b) Basic Benefits

- i. An employee is credited with ten (10) days equal to 80 hours of Basic Benefits upon attainment of seniority and with ten (10) additional days equal to 80 hours on his employment anniversary in each sub-

sequent year of continuous employment. If employment is continuous, unused Basic Benefits may be accumulated up to a maximum of one hundred thirty (130) days or equal to 1040 hours of regularly scheduled work.

- ii. When disabled, an eligible employee will receive Basic Benefits of three quarters of his basic rate of pay, after a waiting period of sixteen (16) hours, regularly scheduled, for as many days/hours as he has to his credit or a minimum period of seventy-five (75) days equal to 600 hours of regular scheduled work, per disability, as long as the disability is continued.
- iii. When an employee returns to work after an absence, the Basic Benefit period of seventy-five (75) days equal to 600 hours of regular scheduled work will be fully reinstated after the employee has been back at work for at least four (4) weeks equal to 160 hours of regular scheduled work.
- iv. If he is back at work for at least a four (4) weeks or one hundred and 60 (160) hours of regular scheduled period, and is then absent, due to a disability not associated with the previous disability, the minimum period of seventy-five (75) days equal to 600 hours of regular scheduled work 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 equal to 520 hours of regular scheduled work has 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.

- v. Basic Benefits are payable to employees after a waiting period of sixteen (16) consecutive hours in a regularly scheduled work week. Further, if this first day following the waiting period is not a regularly scheduled workday for the employee, Basic Benefits will not begin until the employees next regularly scheduled working day.
- vi. 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 equal to 112 hours consecutively, beginning with the first regularly scheduled work day of the disability, Basic Benefits are payable retroactively for all regularly scheduled hours in the waiting period, if such benefits have not been exhausted.
- vii. Should an employee leave work because of disability, the time as lost will count as hours towards the waiting period only in those instances where he has worked one half or less of his regular 12 hour shift.

c) 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 equal to 1040 hours of regularly scheduled work benefit period for the disability, but not to exceed 26 weeks equal to 1040 hours in a calendar year. Waiting period example - 16 hours.

After completion of waiting period the next full week minimum sick pay will be either 75% Basic or 60% supplemental of 43 regular hours per week of disability.

### H6.3 Long Term Disability

If an employee is unable to work after 26 weeks equal to 1040 hours of disability, he may eligible for Benefits under the Long Term Disability Plan.

This Plan provides him with a monthly income equal to 67% of the monthly base salary he was receiving when he became disabled, up to a maximum benefit of \$15,000 per month. (If an employee qualifies for LTD and he is bid and works on the Continuous Operation Schedule, his minimum pay will be 67% of the averaged 43 hours that he receives as part of this schedule).

## **APPENDIX "H" ALTERNATIVE WORK SCHEDULES FLEXIBLE WORK WEEK SCHEDULES - 10 HOUR SHIFTS**

### H7.0 Flexible Work Week Schedules-10 Hour Shifts

Flexible Work Schedules - Flexible Work Schedules will consist of any regularly scheduled forty (40) hours of work within the 7 Day Calendar Week for Flexible Work Week Schedules which begins Sunday at 7 a.m. and ends the following Sunday at 7 a.m. (as per Appendix "D" definitions of the Collective Agreement)(excluding the Desserts/Beverages Candy Manufacturing 4-10 hour shifts schedule)

H7.1 The Company and the Union agree to the following amendments to Articles contained in the 2004 to 2007 Collective Agreement that are impacted by the Flexible Work Schedules on the Cobourg site, that consist of four (4) ten (10) hour shifts .

These Article amendments are as follows;

- a) Article 8.2 - Plant Paid Holidays -the last shift prior to Christmas and New Year's Day will be no more than four (4) hours for the ten (10) hour shift schedule.
- b) Article 8.6 - If a Plant Paid Holiday falls in a ten (10) hour shift schedule, and the employee scheduled is off sick, they will receive their

applicable sick pay for three (3) - ten (10) days and ten (10) hours regular pay for the Paid Holiday.

c) Article 8.8 - An employee whose regularly scheduled work day falls on a Plant Paid Holiday, shall be paid at one and one half times (1.5x) his regular rate of pay for all hours worked, plus ten (10) hours pay at his regular rate for the Paid Holiday.

d) Article 8.9

i. An employee who is on a scheduled "day off on the ten (10) hour shift schedule and such Plant Paid Holiday is to be observed on such "day off", shall receive eight (8) hours pay at their regular rate for this Paid Holiday.

ii. An employee who is on a scheduled "day off and is requested to work on this day, shall be paid at one and one half times (1.5x) his regular rate of pay for all hours worked, plus ten (10) hours pay at his regular rate for the Paid Holiday.

iii. An employee who "observes" a Plant Paid Holiday on their ten (10) hour regularly scheduled work day, will be paid ten (10) hours pay for the Paid Holiday at their regular rate of pay.

e) Article 9.1 - Rest and Meal Periods

i. Rest periods-Three (3) paid rest periods of fifteen (15) minutes each

ii. Meal Period-One (1) twenty (20) minute paid meal period.

f) Article 13.1 -Appearance in Court

An employee will receive the difference between their regular rate of pay and the amount paid by the court for all hours missed up to ten (10) hours per day, if it is the employee's regularly scheduled workday. They will receive their applicable rate for such day(s).

g) Article 16.1- Bereavement Pay

Notwithstanding Article 16.1-payment for time lost due to bereavement as per this Article, will be based on ten (10) hours per day, when scheduled on the ten (10) hour shift schedule. The employee will receive their applicable rate for such day(s).

h) Article 17.6- Vacations

For the purposes of this Article, as it pertains to a ten (10) hour shift schedule, an employee, who has a Paid Holiday occur during his scheduled vacation period, will either be paid eight (8) hours pay for such holiday not observed, at the end of the year at their regular rate of pay or they will substitute the day for another day when they are scheduled on their ten (10) hour schedule. If they substitute the day on their 10 hour shift schedule, they will receive Ten (10) hours pay at their regular rate for such day.

i) Article 19 Hours of Work and Overtime

For the ten (10) hour shift schedule, the hours of work and days will be determined between Sunday at 7 a.m. and the following Sunday at 7 a.m. as per Appendix "H" of the Collective Agreement under Flexible Work Schedules "intent".

j) Article 19.2 - Overtime Hours

All hours worked before or after the employee's regularly scheduled ten (10) hour shift schedule will be paid at one and one half times (1.5x) their regular rate of pay. An employee who works on their scheduled day off will be paid at one and one half times (1.5x) at their regular rate of pay for all hours worked on such day(s).

*Except in the case of an emergency, employees on this shift schedule will not be requested to work more than twelve (12) hours.*

k) Article 19.3 - Saturday and Sunday

Any hours worked on Sunday, which are part of the employee's regularly scheduled ten (10) hour shift schedule will be paid at the employee's regular rate of pay.

All hours worked on Saturday and Sunday, if not part of the employee's regularly scheduled work week shall be paid at one and one half times (1.5x) the employee's regular rate of pay.

l) Article 20 Wages and Job Rate Rules

For the purpose of this Article "days of work" for the employee scheduled on the ten (10) hour shift schedule, shall be considered as a ten (10) hour scheduled day.

m) Article 20.3 - Job rate rules

Thirty (30) days of work is equivalent to two hundred and forty (240) scheduled hours of work for employees on the ten (10) hour shift schedule.

n) Article 24 - Posting and Filling of Positions

For the purpose of this Article "days of work" shall be considered on the number of ten (10) hour scheduled days of work by the employee.

o) Appendix "D" Definitions: employees on the 4-10 hour shift schedules will have their *Calendar Week as for the Basic Work Week Schedule which begins Sunday at 11 p.m and ends the following Sunday at 11 p.m.* Calendar week overtime hours will be calculated as per this definition.

p) Appendix "F" Benefits. These benefits are converted to hours for application by employee's on the ten (10) hour shift schedule.

H8.0 Dessert/Beverages Department Candy Unit - Reduced Activity Shift Schedule

The current Candy Department schedule and people working that schedule will be considered

on a Basic Work Week from Sunday 11 p.m. to the following Sunday at 11 p.m. as below:

Current 2 week Continuous 12-hour Shift Schedule, **Desserts/Beverages Candy** Manufacturing Unit - 01/026/04:

Kitchen Days - Week # 1 - 12/12/12/8 -  
Monday to Thursday

Week # 2 - 12/12/12 -  
Monday to Wednesday

Kitchen Midnights - Basic Work Week hours-  
11p.m. Sunday to 11 p.m.  
Sunday for both weeks

Packing- 10/10/10/10 - Flexible 10 hour  
Shift Schedule- 10/10/10//10-  
Tuesday to Friday for both wks



**APPENDIX "J"**  
**LETTER OF UNDERSTANDING**

**Temporary Warehouse Relief**

**RE: Increased Activities and Short Term Layoffs**

The Company and Union agree to the following procedures to ensure that the Company has the required number of Warehouse Utility employees qualified and available over and above the current compliment of Warehouse Utility employees. These employees would be trained and made available, along with the current qualified employees from other departments, to fulfill the manpower requirements of the Distribution Warehouse. The employees, after being qualified, would also be available as per Appendix " E for Distribution Warehouse overtime, as required, when the department remedy has been completed. This scheduling will be done on an as-needed basis, as there will be times when these employees skills will be needed to fill their own classifications. Also when other qualified lower seniority employees are available they will be scheduled in the Distribution Warehouse Department on an as-needed basis.

Procedure for filling these positions:

1. The company will post a plant wide notice requesting employees on the site, who have a seniority date of 2001 or prior, to volunteer to be trained as a Warehouse Utility employee. These employees, once trained will be scheduled in the Distribution Warehouse on an as-needed basis.
2. The required number of volunteers will be chosen by seniority. The chosen employees will be entitled to use their individual vacation weeks at their discretion with the approval of their departmental supervisor/manager, should they be required to work when they would have otherwise be on vacation in their


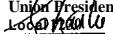
own department.

3. If required they can volunteer to work in the Distribution Warehouse on any of the three (3) floater holidays, they will be given the opportunity to take the floaters at their discretion with the approval of their departmental supervisor/manager.
4. In the event that the Company does not receive the required number of volunteers in the targeted seniority range to train and qualify, the Company will appoint the required number to be trained between the seniority dates of 1987 and 2001.
5. Employees who qualify to be scheduled as Warehouse Utility persons, as of the date of ratification, will be scheduled as per Distribution Warehouse needs on a weekly basis. These personnel will also be included for overtime coverage as per Appendix " E as well as Section 2 and 3 above, regarding vacation entitlement and paid holidays.
6. An updated list of current qualified Warehouse Utility Persons will be provided to the Union exclusive of those on medical restrictions etc.

Applicable as per date of signing this agreement  
October 4, 2004

**For the Company**

  
\_\_\_\_\_  
Associate HR Manager

For the Union  \_\_\_\_\_  
Union President, IFCW  
Local   
\_\_\_\_\_  
\*\*\*

**LETTER OF UNDERSTANDING**

between

**KRAFT CANADA INC.  
COBOURG, ONTARIO**

and

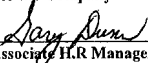
**UNITED FOOD AND COMMERCIAL WORKERS  
INTERNATIONAL UNION, LOCAL 1230**

**Re: WORKPLACE SAFETY AND INSURANCE  
BOARD & LONG TERM DISABILITY**

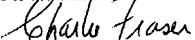
- (1) The Company recognizes the difficulty experienced by employees awaiting claims submitted to the Workplace Safety and Insurance Board and Long Term Disability carrier.
- (2) The Company will set up the mechanisms required to allow relief payment, due regard to Workplace Safety and Insurance Board Policy and Long Term Disability.
- (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 4th day of October, 2004

For the Company

  
Associate H.R. Manager

For the 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

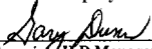
September 1st of each year. This will be an in-house report, as the Company does not file an Actuarial Report with the Government every year, but every 3 years.

- 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.

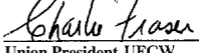
This meeting will take place by November 1st of each calendar year.

Signed at Cobourg, Ontario this 4th day of October, 2004

For the Company

  
\_\_\_\_\_  
Associate H.R. Manager

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 the temporary posting

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

Postings and Filling of Positions (Cont'd)

Procedures and Posting

All job vacancies, which need to be filled on a temporary posting shall be posted for seven (7) calendar 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 cut-back employee, or if no employees are cutback, an employee from the General Labor 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.

### Posting and Filling of Positions (Cont'd)

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 plant wide as per Article 24.

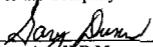
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As per Appendix "E" temporary bid and any employees holding the bid will follow under Section (i). Employees holding a temporary bid will go one hour more than the highest employee in their regular bid classification when their temporary bid job is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

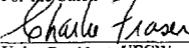
This memorandum only applies to a Temporary Job Posting providing it does not exceed 12 calendar months.

Signed at Cobourg, Ontario this 4th day of October 2004

For the Company

  
\_\_\_\_\_  
Associate H.R. Manager

For the Union

  
\_\_\_\_\_  
Union President, UFCW  
Local 1230



## **Letter of Agreement**

### **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:

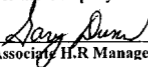
- i) All bid job applicants and/or current employees who will be temporarily assigned to a job where the qualifications have been determined to include a specific skill or ability which can be pre-determined through the testing procedure will be pre-tested by seniority.
- ii) Outside applicants who do 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.

Letter of Agreement Pre-Testing of Applicants

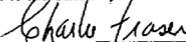
- vii) Pre-testing will not be required for an employee(s) temporarily assigned to one specific task of a multi-task job providing that the employee is scheduled for 30 work days or less to meet immediate business needs, in times of short term absences, personal leaves, vacations and shutdown coverage. 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 Labor rate during their assignment.

Applicable as per date of signing this agreement  
October 4, 2004

For the Company

  
\_\_\_\_\_  
Associate H.R Manager

For the Union

  
\_\_\_\_\_  
Union President, UFCW  
Local 1230

## LETTER OF UNDERSTANDING

for

### Desserts/Beverages - Candy Unit developed for the Reduced Volume Period

#### Effective Monday January 26th, 2004-Appendix "H" Alternate Work Schedules

The following are agreed upon amendments to the Collective Agreement. These Articles pertain to an Alternate Work Schedule for the Desserts and Beverages Candy Manufacturing Unit employees. The purpose of the having the following 3 work schedules as stated below is to maximize the efficiencies for this reduced volume period. When volumes increase requiring increased production the Company and the Union will meet prior to any changes.

A - Candy 12 hour shift schedule for a two week cycle ,scheduled within the Monday to Friday within the Basic Work Week: 7 a.m. to 7 p.m.  
One week- 3-12 hour shifts- second week- 3-12 hour shifts and 1- 8 hour shift that will be scheduled for the affected employees and will occur and be averaged over a consecutive 2 week period to equal 80 regular hours of pay. Overtime for week one of the cycle is paid after 36 regular hours of work. In week two(2) overtime is paid after 44 regular hours of work.

Classifications affected: Some - Wrapper/Cooker Operators-Panner/Extruder Operators-Laboratory Technician

B - 10 hours/day-4 days per week-40 regular hours per week scheduled -Tuesday to Friday within the Basic Work Week .The scheduled hours of work will be 7 a.m. to 5 p.m..

Classifications affected: Some - Operators-Panner/Extruders Bagger /Mt'l Handler Operators-Utility Packers

C - 8 hours/day-5 days per week-40 regular hours per week scheduled as the normal Monday to

Friday, Basic Work Week. The regular shift hours will be 7 a.m to 3 p.m..

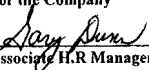
Classifications affected: Some - Wrapper/Cooker Operators-Candy Mechanics

- \* shift rotation for classifications Wrapper/Cooker Operators, Panner /Extruders between A-B-C alternative hours of work shift schedules will be worked out with the Candy Department Employees. The Candy supervisors will be responsible for informing the Payroll and Manpower Coordinator each scheduled week of the employees scheduled on each of alternate shift schedules.

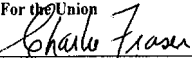
Both the Company and the Union agree that should issues that are not contained in this document arise during the implementation of this schedule, both parties will meet to discuss and resolve such issues.

Signed at Cobourg, Ontario this **4th** day of, October 2004

For the Company

  
\_\_\_\_\_  
Associate H.R Manager

For the Union

  
\_\_\_\_\_  
Union President, UFCW  
Local 1230