

COLLECTIVE AGREEMENT

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between:

**LILY CUPS INC.
TORONTO, ONTARIO**

and

**GRAPHIC COMMUNICATIONS
INTERNATIONAL UNION,
LOCAL 100-M**

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EFFECTIVE: DECEMBER 1, 1997
EXPIRES: NOVEMBER 30, 2000

ENTERED
[Signature]

01363(08)

LABOUR AGREEMENT

THIS AGREEMENT entered into at Toronto, Ontario, as of the first day of December, 1997.

by and between

LILY CUPS INC.

300 Danforth Road and 2121 Markham Road
Toronto, Ontario

(hereinafter called the "Company") of the first part

and

GRAPHIC COMMUNICATIONS INTERNATIONAL UNION, LOCAL 100-M

(hereinafter called the "Union") of the second part

WITNESSETH:

PURPOSE OF THE AGREEMENT

It is recognized by this Agreement to be the duty of the Company, the Union and the employees to co-operate fully, individually and collectively for the advancement of the conditions in the Collective Agreement and the efficient and profitable operations of the Company within a safe environment.

Recognizing the common dependence of the Company and its employees upon the success of the business as a whole, the parties to this Agreement support the mutual objective of increased productivity and efficiency, improved quality and customer satisfaction, and jointly promote the goodwill between the parties that is necessary to the achievement of this objective.

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ARTICLE 1
RECOGNITION AND COVERAGE

- 1.01** The Company recognizes the Union as the sole and exclusive collective bargaining agency with respect to all matters properly arising under the terms of this Agreement for all employees of the Company at its plant at 300 Danforth Road and 2121 Markham Road, Toronto, save and except supervisors, persons above the rank of supervisor, production control personnel, office staff. The Company agrees that if the Lily Cups Inc. plant at 300 Danforth and/or 2121 Markham Road, Toronto is moved to any other location in Metropolitan Toronto during the term of this Agreement, it will extend jurisdiction to this Union and this Agreement will apply.

ARTICLE 2
CHECK-OFF AND NO DISCRIMINATION
OR INTIMIDATION

- 2.01** It is agreed that there will be no discrimination or intimidation by the Company, the Union or their respective representatives, against any employee because of his Union or non-Union affiliation or because of his activity in any labour organization.
- 2.02** It is further agreed that there will be no solicitation of members, collection of dues or other Union activity on the premises of the Company except as permitted by this Agreement or specifically authorized by the Company in writing. It is understood that no meeting of the Union or its members shall be held on the premises of the Company without prior written approval of the Company.

- 2.03** Subject to Article 1.01, all employees shall, upon completion of their probationary period and' as a condition of continued employment, be required to become members of the Union. The Company shall deduct the application fee of Local 100-M and the regular monthly dues as prescribed by the Secretary/Treasurer of the Union from the said employees commencing the first pay of the month following the hiring of the employee. Such authorization shall be irrevocable for the term of this Agreement. Dues so deducted shall be forwarded to the Union office by cheque no later than the end of the month with a list of applicable names. The Company agrees to provide to the Union, the address and classification of each new employee at the time when he becomes eligible for Union membership.
- 2.04** Violation of any of the provisions of this Article shall render an employee liable to discipline including discharge.
- 2.05** The Company shall advise new employees of the fact that a Union Agreement is in effect.
- 2.06** The Union shall indemnify the Company against all claims made against the Company by reason of its compliance with this Article.

ARTICLE 3 MANAGEMENT RIGHTS

- 3.01** The Union acknowledges that it is the exclusive function of the Company to:
- a) Maintain order, discipline and *efficiency*.
 - b) Hire, discharge, direct, classify, transfer, promote, demote, lay-off and suspend or otherwise

discipline employees subject to the grievance and arbitration procedures.

- c) Establish and enforce rules and regulations, not inconsistent with the provisions of this Agreement, governing the conduct of the employees.
- d) Generally to manage the industrial enterprise in which the Company is engaged and, without restricting the generality of the foregoing, to determine the products to be manufactured, methods of manufacture, the schedules of work and of production, the establishment of shifts, and the hours for each shift; the kinds and locations of machines and tools to be used, process of manufacturing, the engineering and designing of its products, the control of materials and parts to be incorporated in the products produced, the extension, limitation, curtailment or cessation of operations, and all other matters concerning the Company's operations not otherwise specifically dealt with elsewhere in this Agreement.

3.02 The Company agrees that all of these functions will be exercised in a manner consistent with the terms of this Agreement.

ARTICLE 4 STRIKES AND LOCKOUTS

4.01 In view of the orderly procedure for settling grievances, the Company agrees that it will not cause or direct any lockout of its employees and the Union agrees that there will be no strike or other collective action which will stop, curtail or interfere with work

or production. The Union agrees that if any such collective action takes place it will repudiate it forthwith and instruct its members to return to work. It will also confirm such repudiation by confirmatory letter delivered to the Company within twenty-four (24) hours after each collective action takes place. Any employee who engages in a strike or other collective action which stops, curtails or interferes with work, production or overtime is subject to immediate discharge.

- 4.02** It is understood and agreed, however, that employees will not be required to work on material or supplies which may be received by the Company from a supplier whose employees are on strike and are covered by agreement with another Local of the Union unless such material or supplies have been shipped thereby prior to commencement of such strike. It is further understood that this provision in no way restricts the Company from supplying its own product to the customers of a supplier whose employees are on strike and are covered by an agreement with another Local of the Union.

ARTICLE 5 UNION REPRESENTATION

- 5.01** In order to provide an orderly procedure for the servicing of differences between the parties and employee grievances which may arise hereunder, the Company acknowledges the right of the Union to appoint or otherwise elect from amongst the employees, stewards whose duty shall be to assist employees working in the department or group of departments under the Grievance Procedure. A total of not more than eight (8) stewards and six (6) alternate stewards may be so chosen, four (4)

stewards and three (3) alternate stewards from each plant. The stewards shall also constitute the Shop Committee. At contract negotiations, a maximum of six (6) members of the Shop Committee shall be in attendance. Not more than three (3) stewards or alternate stewards may be involved in the handling of a grievance or attend a meeting concerning a grievance with representatives of the Company. The Company and the Union agree that stewards will not be paid by the Company for time spent attending a meeting concerning a grievance with representatives of the Company outside of the steward's working hours. The Company will endeavour as much as possible, to schedule the meetings during the working hours of the stewards concerned. The Company agrees to pay the Union Shop Negotiating Committee members at contract negotiations for missed regular straight time scheduled hours excluding shift differential up to a maximum of four (4) days per member.

5.02 Employees shall not be eligible to serve as members of the Union Shop Committee unless they have been in the Company's continuous employ for at least one (1) year.

5.03 Stewards shall be so chosen as to give as broad a representation as possible to all employees in all departments and there shall be at least one (1) steward on each shift.

5.04 The Union shall notify the Company in writing of the names of the members of the Union Shop Committee, the stewards and the shift or zone each represents and of the changes in such personnel before the Company shall be required to recognize them.

5.05 It is understood that stewards and members of the Union Shop Committee have their regular work to perform on behalf of the Company and that if it is necessary to service a grievance during working hours they will not leave their work without obtaining the permission of their Supervisor. When resuming their regular work, they will report to their Supervisor, and if requested, will give a reasonable explanation as to their absence. In order that **loss** of time will be kept to a minimum, it is understood that, whenever possible, differences and grievances will be serviced outside of working hours, and accordingly, as little time as possible will be used by the stewards and members of the Union Shop Committee in servicing grievances during working hours.

5.06 Union stewards (excluding alternate stewards), as well as the legally-required minimum number of safety committee members, shall be considered to possess sufficient seniority to retain employment with the Company in the event of a lay-off only, provided there is work available which the steward is qualified to satisfactorily perform.

ARTICLE 6 GRIEVANCE PROCEDURE

A grievance is defined as being a complaint by an employee or group of employees, union or management arising from the interpretation, application, administration or alleged violation of this Agreement.

6.01 It is the mutual desire of the parties hereto that complaints, if any, of employees shall be adjusted as quickly as possible and that an employee has no grievance until he has first given to his Supervisor an opportunity to adjust his complaint.

6.02 ,

If an employee has an unsettled complaint, it may be taken up as a grievance within six (6) full working days of its occurrence in the following manner and sequence:

Step 1

By the aggrieved employee, who may request the assistance of the steward, with the Supervisor. The grievance shall be submitted in writing and the Company decision given in writing within not more than six (6) full working days. Failing satisfactory settlement, then:

Step 2

Within three (3) full working days following the decision under Step 1,

By the aggrieved employee, who may request the assistance of the steward and the Chairperson of the Union Shop Committee, with the Human Resources Manager or other authorized representatives of the Company, at which time the written record of the grievance shall be submitted and the Company decision given in writing within not more than four (4) full working days. Failing satisfactory settlement, then:

Step 3

Within seven (7) full working days following the decision under Step 2,

By the Union Shop Committee, accompanied by the Union Business Agent, with the Plant Manager of the Company and/or any other person or persons designated by him, at which time the written record of the grievance shall be submitted. The aggrieved employee may be present at the request of either of the parties hereto and the decision at this Step shall be

given in writing within not more than ten (10) full working days.

- 6.03** Failing the settlement under the above procedure of any difference between the parties arising from the interpretation, application, administration, or alleged violation of this Agreement, including any questions as to whether a matter is arbitrable, such differences or question may be taken to arbitration, as provided in Article 7. **If** no written request for arbitration is received within ten (10) full working days after the decision in Step 3 is given, or should have been given, it shall be deemed to have been settled or abandoned.
- 6.04** Any differences arising directly between the Company and the Union may be submitted in writing by either party at Step 3.
- 6.05** When a group of employees has a complaint or grievance it shall first be taken up under Step 2.
- 6.06** No difference or grievance shall be considered under the Grievance or Arbitration Procedures if the circumstances involved occurred or originated more than six (6) full working days prior to its presentation, except cases coming under Articles 6.04 or 6.05 when the time limit shall be fourteen (14) full working days.
- 6.07** Any and all time limits fixed by this Article and Article 7 may at any time be extended by written agreement between the Company and the Union.
- 6.08** All decisions arrived at between the representatives of the Company and the representatives of the Union shall be final and binding upon the Company, the Union and the employee or employees concerned.

ARTICLE 7 ARBITRATION

- 7.01** When either party requests that any matter be submitted to arbitration as hereinbefore provided, it shall make such request in writing addressed to the other party to this Agreement. It is agreed that disputes which are carried to the arbitration stage shall be heard before a single Arbitrator to be agreed upon by the Company and the Union. If an agreement as to the choice of an arbitrator is not arrived at within sixty (60) days, the Ministry of Labour will be asked to appoint an Arbitrator.
- 7.02** No matter may be submitted to arbitration which has not been properly carried through all previous Steps of the Grievance Procedure.
- 7.03** The Arbitrator shall not have any power to alter, modify, amend or change any of the provisions of this Agreement or to substitute any new provisions for any existing provisions nor to give any decision inconsistent with the terms and provisions of this Agreement.
- 7.04** The proceedings of the Arbitrator will be expedited by the parties hereto, and the decisions of the Arbitrator will be final and binding upon the parties hereto and the employee or employees concerned.
- 7.05** Each of the parties hereto will **bear** the expenses of the Arbitrator appointed.

ARTICLE 8 DISCHARGE CASES

- 8.01** The discharge of a new probationary employee is at the sole discretion of the Company and shall not be the subject of any grievance.
- 8.02** Subject to Article 8.01 above, a claim by an employee that he has been unjustly discharged shall be treated as a grievance and may be taken to arbitration, if necessary, if a written statement of such grievance is lodged with the Manager, Human Resources within six (6) full working days after the employee ceases to work for the Company and Step 1 of the Grievance Procedure will be omitted in such case. The Chairperson of the Union Shop Committee or his designated representative will be notified prior to a discharge.

ARTICLE 9 SENIORITY

- 9.01** Seniority in this Agreement shall mean length of continuous service in the employ of the Company, while under the jurisdiction of this Agreement, from an employee's last date of hire and shall be on a plant-wide basis with each plant constituting a separate entity for seniority purposes. It is understood that for the purposes of determining payment for vacations or statutory holidays, seniority will be defined as an employee's total length of continuous service with the Company.
- 9.02** A new employee shall be considered on probation for sixty (60) days worked and during that time shall have no seniority rights pursuant to the Agreement. Upon the successful completion of the probationary period, the employee shall be credited with seniority back to his most recent date of hire.

9.03 Plant seniority lists shall be prepared on January 1st of each year and revised when necessary to implement the seniority clauses of this Agreement. These lists shall be made available to the Chapel Chairperson.

9.04 Seniority shall accumulate in the following circumstances only:

- (i) when actually at work for the Company;
- (ii) when absent on vacation or on paid holidays;
- (iii) when off the payroll due to authorized leave of absence;
- (iv) when off the payroll due to lay-off, sickness or accident in which case seniority will continue to accumulate for a period of time equal to eighteen (18) calendar months.

9.05 Seniority shall terminate and an employee shall cease to be employed by the Company when he:

- (i) voluntarily quits his employment with the Company or is discharged and not reinstated through the Grievance Procedure;
- (ii) is laid off and fails to return to work within five (5) working days after he has been notified to do so by the Company by registered mail or courier to his last known address;
- (iii) fails to return to work upon termination of an authorized leave of absence unless he gives a legitimate reason for being unable to do so;
- (iv) accepts gainful employment while on a leave of absence without first obtaining the consent of the Company in writing;

(v) has not performed any actual work for the Company or is laid off for a continuous period equal to eighteen (18) months;

(vi) is absent for three (3) consecutive working days without authorization and/or without notifying the Company.

9.06 It shall be the duty of each employee to notify the Human Resources Department in writing promptly of any change in address and/or telephone number. If an employee fails to do so, the Company will not be responsible for failure of a notice to reach such employee.

9.07 Selections for job postings shall be based upon the following qualifications:

(i) seniority; and

(ii) skill and ability

Where in the judgement of the Company, the qualifications in factor (ii) are relatively equal, then seniority shall govern.

Lay-off Procedure

9.08 (a) Lay-offs shall be based on seniority providing the senior employee is qualified to satisfactorily perform the available work. An employee will be considered to have the requisite qualifications by:

(i) having previously held the classification or a classification that is substantially similar for 480 hours worked; or

(ii) the available work is within Job Level one; and

(iii) there is no bona fide medical reason barring the employee from performing the available work.

9.08 (b) An employee affected by a lay-off will be entitled to exercise his plant-wide seniority to:

- (i) fill a vacancy in the same or similar classification where he is qualified to perform the work required; or
- (ii) bump into the same classification in the same department provided the senior employee is qualified to satisfactorily perform the work required; or, if unable to do so,
- (iii) bump into the same or similar classification in any department provided the senior employee is qualified to satisfactorily perform the work required; or if unable to do so,
- (iv) bump into the next lower classification in any department provided the senior employee is qualified to satisfactorily perform the work required. If an affected employee is unable to accomplish the above, this process will be utilized for succeeding lower level classifications.

In (ii) through (iv) above, the junior employee will be the first employee to leave an affected classification and/or shift and/or department provided the remaining employees are qualified to do the work available.

So long as there are no vacancies as set out in (i) above, and shift staffing requirements are maintained, an employee may elect to be laid off rather than change shifts or plants.

9.08 (c) Temporary transfers between plants of up to four **(4)** months, will be allowed after discussion with the Union Committee in both plants. Seniority will

continue to accumulate at the plant of hire. The transferred employee will have no seniority at the plant where he is working on a temporary basis. The affected employees may waive such an inter-plant transfer and elect to be laid off.

- 9.08** (d) There shall be no bumping between the Danforth Road plant and the Markham Road plant. However, in the case of a permanent lay-off, such affected employee may elect to replace employees in either plant, provided they are qualified to perform the available work and have greater seniority.

In a permanent lay-off, the senior employee will have the option, but the junior employee will be the first employee who would be obligated to leave an affected classification and/or shift and/or department provided the remaining employees are qualified to do the work available.

- 9.08** (e) Where employees are to be laid off, the Union will be notified of the date and approximate number of employees involved, not less than two (2) weeks prior to the date of layoff. No employees shall be laid off prior to such notification period having expired without being paid one (1) week's regular wages in addition to any other severance or termination pay or compensation to which the employee may be entitled under the provisions of this agreement or any statute. This clause does not apply where the layoff(s) is a result of a temporary suspension of operations or an emergency.

Recall Procedure

- 9.09** (a) Employees who have elected to be laid off will be recalled to their classification in the same plant and/or on the last shift they worked, as applicable.

- 9.09** (b) Other employees who have been laid off or curtailed will be recalled in order of their seniority provided they are qualified to do the work available.

Shift Transfers

- 9.10** (a) When a permanent vacancy occurs and after plant requirements are satisfied, employees holding the classification will be allowed to transfer to the vacant shift according to seniority. An employee who has transferred shift for a minimum of four (4) months, shall have the right to retain the shift in a curtailment situation.
- (b) The Company agrees to give to employees as much notice of shift transfers as is reasonably possible in the circumstances.

Return from Sick Leave

- 9.11** Any employee's reinstatement after sick leave will be conditional on his supplying, when requested, a certificate from a physician that he is fully recovered from the sickness which caused his absence and capable of fully performing his duties and responsibilities.

Job Postings

- 9.12** All permanent vacancies above job level one shall be posted at both plants for a period of four (4) working days and any employee, excepting probationary employees may make application for such vacancies. Such employees may apply for lower, lateral or higher-rated posted jobs. An employee selected to fill a posting shall be precluded from applying for another posting at a lower or lateral level for a period of twenty-four (24) calendar months.

Employees selected to fill job postings shall be given a reasonable trial period not exceeding sixty (60) days worked. If at any time during such trial period the employee does not, in the judgement of the Company, demonstrate the required skill and ability to do the job concerned, the Company will make every reasonable effort to transfer the employee back to his previous or similar job classification.

Transfer Procedure

- 9.13** (a) Permanent vacancies at Job Level 1 will be available to employees from either plant.
- (b) An employee who has been transferred or promoted on a temporary basis up to a maximum of four (4) months shall not have the right to use his seniority to retain the classification in a curtailment situation.
- (c) Any employee under the jurisdiction of this Agreement transferred or promoted to a position not under the Agreement, may be returned by the Company within the first three (3) months, unless extended by mutual agreement, to an available job under this Agreement without loss of previously accumulated seniority.
- (d) An employee may transfer to a lower rated job or laterally for bona fide health reasons provided he/she is qualified to perform the available work when a permanent vacancy exists.

Students

- 9.14** (a) It is understood that summer students may be offered employment during the period from May 1 to Labour Day of each year. A student retained beyond Labour Day will be considered for status as a regular employee under the terms of Articles 9.01 and 9.02 of

this Agreement, subject to the satisfactory completion of a probationary period commencing Labour Day. Upon the successful completion of this probationary period, the employee shall be credited with seniority back to his most recent date of hire. The Company will have the right to hire temporary students between Labour Day and April 30 to perform occasional non-production work such as painting, cleaning, etc.

- (b) Where production, manpower and vacation scheduling requirements permit, employees with seniority will be allowed to transfer shifts in priority to summer students during the months when summer students have been hired.

Continuous Operations

9.15 If a new continuous production operation is established after December 1, 1985, an affected employee with seniority prior to that date will have the right to exercise his seniority to retain an existing similar job classification and wage rate, for which he is qualified, on a non-continuous operation at either plant.

In the event said employees are affected by a future curtailment or lay-off, they may exercise their seniority to displace less senior continuous production operation employees provided they are willing to work a continuous operation subject to Article 9.08 (b).

Rate Protection

9.16 (a) When an employee is curtailed to a lower level job as a result of a permanent layoff, his former rate will be maintained until the earlier of three (3) months or the

date upon which the employee acquires a position at a level equal to the position from which he "was curtailed. This clause does not apply where the layoff is a result of business loss.

- 9.16** (b) Commencing December 1, 1997, where a job is reclassified to a lower job level, the former job level will apply to the current incumbents, or any employee curtailed from the position at the time of the reclassification for any hours worked on the job for a period of one (1) year from the date of the reclassification. At the expiry of that one year, the current job level will apply.

ARTICLE 10 WAGES

- 10.01** Wages and job levels to be as in the attached wage and wage progression schedules.

No employee's current hourly wage rate will be reduced as long as they remain in their current job classification.

New Equipment and Rates

- 10.02** New equipment and rates - it is agreed that when additional equipment or machinery is installed and in operation, the management and the Union Committee will meet no later than three (3) months after such an installation and by mutual agreement give new equipment or machine a rate classification in keeping with the classifications as set forth in the wage schedule of this Agreement. Rate to be effective from date of agreement of machine classification.

Lead Hands

10.03 Employees appointed as lead hands shall receive \$1.00 additional per hour while they serve in this capacity. Employees shall be appointed as lead hands to fulfill the functions as outlined in Article 10.04 with respect to vacation coverage, new operation start-up, special project assistance, terminations and unexpected work load of a Supervisor. The Company agrees to inform the Union of any employees appointed as lead hands and to inform the Union once such employee has spent three (3) months as a lead hand. Selection of lead hands shall be at the sole discretion of the Company. Total time spent by an employee as a lead hand will not exceed three (3) months in any twelve (12) month period. These time limits can be extended by mutual agreement between the Company and the Union.

10.04 It is understood that the lead hand's function is primarily to direct the work and/or train. Lead hands shall not have the right to hire, discipline or terminate employees.

Tool Replacement

10.05 The Company agrees to replace worn out, or broken tools to any employee who is required by the Company to purchase his own tools upon presentation to his immediate Supervisor.

Payroll Corrections

10.06 Payroll corrections as a result of Company error will be rectified within 24 hours of notification.

ARTICLE 11
HOURS OF WORK AND OVERTIME
(REGULAR PRODUCTION EMPLOYEES)

- 11.01** (a) The normal work week shall be from Monday to Friday inclusive, beginning on Monday at 6 a.m. or 7 a.m., and shall consist of five (5) consecutive days totalling forty (40) hours.
- (b) The normal work day shall consist of three (3) eight (8) hour shifts, 7 a.m. to 3 p.m., 3 p.m. to 11 p.m., and 11 p.m. to 7 a.m., except for relief shifts that will consist of three (3) six (6) hour shifts with no lunch and two (2) fifteen (15) minute rest periods. Relief shifts shall be 8:45 a.m. to 2:45 p.m., 4:45 p.m. to 10:45 p.m., and 12:45 a.m. to 6:45 a.m.
- (c) The provisions of this Article are intended only to provide a basis for determining the number of hours of work for which an employee shall be entitled to be paid at overtime rates and shall not be construed as a guarantee of any specific number of hours of work either by day or by week. Under normal conditions, the daily system of operations shall be three (3) eight (8) hour shifts, but the number of hours constituting a shift and the number of shifts operating may be varied at the discretion of the Company. Management agrees to post and keep posted the regular scheduled shift hours. **A copy** of such notices will be sent to the Union.
- (d) It is understood, however, that this provision shall not constitute a guarantee of hours of work and that nothing shall prevent the Company from scheduling overtime work as required to maintain efficient operation of the plant and equipment.

- , (e) When Saturday work is required, the Company shall, except in cases beyond its reasonable control, post the schedules for such work on the previous Thursday.

11.02 Except for relief shifts, each employee shall be allowed a thirty (30) minute paid lunch during each shift.

11.03 (a) All authorized hours worked in excess of the regular daily work hours (eight (8) hours) shall be paid at the overtime rate of time and one-half for the first three (3) hours and double time thereafter.

11.03 (b) (i) An employee scheduled for Saturday work shall be paid time and one-half for the first four (4) hours and double time thereafter.

(ii) All authorized hours worked in excess of the regular daily work hours (six (6) hours) for Relief Workers shall be paid at the rate of time and one-half for the first three (3) hours and double time thereafter. Time and one-half will be paid to such employees for the first three (3) hours of authorized work on a scheduled day off. Double time will be paid to such employees for authorized work in excess of three (3) hours on a scheduled day off, and for all hours worked on a second successive day off.

11.03 (c) All employees will be paid in accordance with Article 12 when working a continuous operation.

11.04 Authorized work performed on a Sunday from 7 a.m. until Monday at 7 a.m. shall be paid at the rate of double the employee's regular straight time rate of pay except when Sunday forms part of the employee's regularly scheduled work week. This provision shall not apply to a plant start-up, stationary

engineers, or continuous production operation employees.

- 11.05** In order to be entitled to the overtime premiums for hours worked on a Saturday or Sunday under Section 11.03 (b) and 11.04, an employee must have worked his complete normal scheduled work week within which the Saturday and Sunday fall, or while absent during such week, was in receipt of pay or payments under this Agreement. An employee who **is** not entitled to the overtime premiums for hours worked on a Saturday or Sunday under Section 11.03 (b) and 11.04, shall be paid time and one-half for all hours worked on such days which are in excess of forty (**40**) hours worked in the week.
- 11.06** The Union acknowledges that employees are expected to co-operate with the Company by working overtime when they have been given reasonable notice and to do so in accordance with the Ontario Employment Standards Act. The Company shall make every reasonable effort to distribute overtime work equally among employees in their respective job classifications, departments and shifts. No employee shall be required to work an excessive amount of overtime and any complaint concerning excessive overtime shall be settled under the grievance procedure.
- 11.07** The Company agrees to continue the system of rest periods presently in effect. When weekend overtime is scheduled, the cafeteria will be open for a rest period, except that in the event the Company introduces a **full-service** cafeteria, such full-service will not be available on weekends.
- 11.08** Unless specifically provided for in this Agreement, there shall be no duplication or pyramiding in computing premium pay and/or overtime pay, and the

same hours shall not be used twice in computing premium pay and or overtime pay under any provisions of this Agreement.

11.09 Overtime Procedure

An overtime list of general classification by seniority will be maintained and each employee will be asked to work their turn on a rotation basis for scheduled overtime. If an employee does not work overtime when requested, then their name will be bypassed and that turn marked against them and then they must wait until their name is eligible for the next scheduled overtime. The overtime list showing the rotation basis will be kept and posted in each Supervisor's office.

ARTICLE 12
CONTINUOUS PRODUCTION SCHEDULE
EMPLOYEES AND STATIONARY ENGINEERS

12.01 The Union acknowledges that the Company shall have the right to establish a continuous shift schedule in all operations at Markham Road excluding the Warehouse. The provisions of this article are intended only to provide a basis for determining the hours of work. It does not constitute any guarantee of hours of work. However, the normal work week shall not be confined to Monday to Friday in case of a continuous production operation. A continuous operation is defined to mean twenty-four (24) hours per day, seven (7) days per week. The normal work week for Stationary Engineers or employees working on a continuous production operation shall be forty (40) hours on an average basis.

Where shifts will change from a continuous operation to a regular production shift or vice versa, the Company agrees to provide four (4) weeks' notice to the Union.

12.02 Such employees on a continuous shift schedule required to work on a Saturday or Sunday will be paid time and one-half.

12.03 (a) Eight Hour Shifts:

- (i) The normal work day shall consist of three (3) eight (8) hour shifts 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. The provisions of this Article are intended only to provide a basis for determining the number of hours of work for which an employee shall be entitled to be paid at overtime rates and shall not be construed as a guarantee of any specific number of hours of work either by day or by week.
- (ii) All authorized hours worked in excess of the regular daily work hours (eight (8) hours) shall be paid at the overtime rate of time and one-half for the first three (3) hours and double time thereafter Monday to Friday inclusive. Time and one-half will be paid to such employees for the first four (4) hours of authorized work on a scheduled day off. Double time will be paid to such employees for authorized work in excess of four (4) hours on a scheduled day off, and for all hours worked on a second successive day off.

12.03 (b) Six Hour Shifts

- (i) The normal work day shall consist of three (3) six (6) hour shifts, no lunch and two (2) fifteen (15) minute rest periods. Relief shifts shall be 8:45 a.m. to 2:45 p.m., 4:45 p.m. to 10:45 p.m., and 12:45 a.m. to 6:45 a.m. The provisions of this Article are intended only to provide a basis for determining the number of hours of work for

which an employee shall be entitled to be paid at overtime rates and shall not be construed as a guarantee of any specific number of hours of work either by day or by week.

- (ii) All authorized hours worked in excess of the regular daily work hours, (six (6) hours for Relief Workers,) shall be paid at the rate of time and one-half for the first three (3) hours and double time thereafter. Time and one-half will be paid to such employees for the first three (3) hours of authorized work on a scheduled day off. Double time will be paid to such employees for authorized work in excess of three (3) hours on a scheduled day off, and for all hours worked on a second successive day off.
- (iii) Employees **on** a continuous shift schedule who are regularly scheduled for Saturday and Sunday will be paid at time and one-half.

12.03 (c) Twelve Hour Shifts:

- (i) Hours of work will be 7:00 to 7:00 with one-half hour paid lunch.
- (ii) **All** scheduled hours will be paid at straight time except for regularly scheduled Saturday and Sunday work which will be paid at time and one-half, **plus** \$1.00 per hour worked.
- (iii) Time worked on an employee's scheduled day off, Monday through Friday, will be paid at the rate of time and one-half. If the employee's days off are Saturday and Sunday, the rate of pay will be six (6) hours at time and one-half and six (6) hours double time for Saturday and twelve (12) hours double time for Sunday hours worked.

- (iv) Plant and Statutory holidays and bereavement will be paid at a rate of twelve (12) hours for each qualifying day off.
- (v) Jury Duty or Crown Witness, will be made up to a forty (40) hour schedule work week less any payment made by the court.
- (vi) For vacation purposes, seven (7) days, Monday through Sunday will constitute one week's vacation.

12.03 (d) In order to be entitled to the overtime premiums for hours worked on a Saturday or Sunday under Sections 12.02, 12.03(a), 12.03(b), and 12.03(c), an employee must have worked his complete normal scheduled work week within which the Saturday and Sunday fall, or, while absent during such week, was in receipt of pay or payments under this Agreement. An employee who is not entitled to the overtime premiums for hours worked on a Saturday or Sunday under Sections 12.02, 12.03(a), 12.03(b), and 12.03(c), shall be paid time and one-half for all hours worked on such day(s) which **are** in excess of forty (40) hours worked in the week.

12.04 Holiday pay will be paid in accordance with Article 16, Statutory and Plant Holidays.

12.05 In the event the Company determines that it is necessary to establish a continuous operation, the Union and the Company agree that existing employees working on a non-continuous basis, will be surveyed to seek volunteers who desire to work a continuous operation. The Company agrees to inform all probationary employees that they may be transferred to a continuous operation at the Company's option during their employment with the Company.

12.06 Overtime Procedure

^u An overtime list of general classification by seniority will be maintained and each employee will be asked to work their turn on a rotation basis for scheduled overtime. If an employee does not work overtime when requested, then his name will be bypassed and that turn marked against him and then he must wait until his name is eligible for the next scheduled overtime.

The overtime list showing the rotation basis will be kept and posted in each Supervisor's office.

**ARTICLE 13
REPORTING PAY**

13.01 Any employee reporting for work at his regularly scheduled starting time will be guaranteed at least three (3) hours of work or three (3) hours of pay at his applicable rate of pay for the day, provided the Company is in possession of the employee's current home telephone number and has not notified the employee not to report for work.

**ARTICLE 14
SHIFT DIFFERENTIAL**

14.01 All employees shall be paid a premium for shift work as follows:

- (a) for all hours worked on the second shift, each employee shall be paid fifty-five (55) cents per hour.
- (b) for all hours worked on the third shift, each employee shall be paid sixty-five (65) cents per hour.

Effective December 1, 1999, this will increase to sixty (60) cents for the second shift, and seventy (70) cents for the third shift.

14.02 Shift differential payments shall be considered as payments additional to all other hourly compensation and will not be considered in the computation of overtime premium.

14.03 All hours worked by an employee during a work day shall be considered as being worked on the shift on which he starts to work, except that work performed on two (2) shifts shall be paid the shift differential of the shift on which the majority of time is worked and when two (2) complete shifts are worked, the rate applicable to each shift will be paid.

ARTICLE 15 CALL-INPAY

Call-In Pay

15.01 If an employee is called from home to work at other than his regularly assigned working hours, he shall be paid for a minimum of three (3) hours' work at time and one-half his regular straight time rate of pay even though he works less than three (3) hours. Applicable shift differential pay will also be paid if the hours worked occur during the second or third shifts. This policy shall not apply when an employee is called in early to his regular shift and works continuously from the time of reporting to his regular shift.

Standby Fees

15.02 Any employee who is required to be on standby shall receive fifty (50) cents per hour while officially on standby and required to wear a pager.

ARTICLE 16

PLANT AND STATUTORY HOLIDAYS

16.01 From December 1, 1997 through November 30, 2000, the following plant and statutory holidays will be granted each year with pay to all employees who have completed their probationary period, on the basis of the employee's currently scheduled shift hours at his regular straight-time rate of pay (exclusive of shift differential), provided however, that:

- 1) the employee works the full scheduled shift immediately before and immediately after the holiday, or
- 2) the employee does not work the full scheduled shift immediately before and/or immediately after the holiday but shows satisfactory proof of personal illness and/or a cause for the part or full shift of absence.

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

Optional Holidays to be selected by the Company. The Company will discuss its selection-with the Union Committee.

- 16.02** If an employee is required to work on any of the Holidays designated in Article 16.01, he shall be paid overtime at the rate of twice his regular straight time rate of pay (plus regular shift differential, if any) for authorized time worked on such holiday, in addition to his statutory holiday pay.
- 16.03** If a holiday, or the day observed by the Company in respect of a holiday, falls on a continuous operations employee's non-working day, the employee will be given another normal working day off at a mutually agreed time within the calendar year, subject to seniority and operational requirements. For continuous operations employees working a 12-hour shift, refer also to Article 12.03 (c).
- 16.04** Should an employee be laid-off at the time of the observance of an Optional Holiday, the Company agrees to pay to the employee on his recall, one day's missed Optional Holiday pay for every four (4) months of the calendar year during which the employee was in receipt of pay or payments under this Agreement.

ARTICLE 17

VACATIONS WITH PAY

- 17.01** An employee is eligible to take his first vacation after completing one year of service. After an employee's first vacation, he shall be entitled to his next and subsequent vacations on January 1st of the calendar year in which his future anniversary falls. For vacation purposes, employees shall be entitled to vacation with pay as follows:

<u>Length of Continuous Service</u>	<u>Length of Vacation</u>	<u>Rate of Vacation Pay</u>
1 year	2 weeks	4%
5 years	3 weeks	6%
11 years	4 weeks	8%
20 years	5 weeks	10%
30 years	6 weeks	12%

For continuous operations employees working a 12-hour shift, refer also to Article 12.03 (c).

Effective December 1, 1999, employees with 10 years of continuous service will be entitled to 4 weeks of vacation at the vacation pay rate of 8%.

17.02

Vacation pay shall be computed on the basis of the employee's total annual earnings for the twelve (12) month period ending June 30th in the vacation year.

If an employee has been continuously absent due to illness for a period of at least three (3) weeks and not longer than three (3) months and can show satisfactory proof to the Company of such continuous illness, lost time shall not work to the detriment of the employee so far as his annual vacation pay is concerned. In calculating his vacation pay, the absence shall be deemed as time worked and thus credit shall be given on the basis of his regular shift hours at the employee's earned rate of 4%, 6%, 8%, 10% or 12% of base rate for the lost time. Only one such illness a year shall be recognized.

Time lost by an employee as a result of a job incurred injury covered by Workers' Compensation shall also be considered in computing an employee's vacation pay. In such instances, the amount of Workers' Compensation received by the employee for a period

of not in excess of 3 months in any (1) year shall be added to the employee's earnings and counted in calculation of the employee's vacation pay.

17.03 It shall be the right of the Company to designate the vacation periods. In making this determination, the Company will endeavour, within the provisions of Article 9 of this Agreement, to grant the date preferred by the employee.

17.04 If a holiday falls during an employee's vacation period, a day either before or after such vacation period will be added. The Company shall endeavour to allow employees to take a maximum of three (3) weeks vacation in a row provided such requests are consistent with seniority and staffing levels established by the Company in specific classifications and departments. Where possible, the Company shall endeavour to assure that employees who qualify for three (3) or more weeks of vacation will receive two (2) of those weeks during the period of June 1 to Labour Day inclusive. This allowance shall also fall within the provisions of Article 9 of this Agreement. All employees will be allowed to take their vacation entitlement within the year they are eligible and no vacation shall be forwarded to the following year.

17.05 The Company will endeavour to post all vacation schedules by April 1st of the vacation year.

17.06 It is understood that in cases of emergencies, such vacation schedules may require revision after posting, but in such cases, the Company will endeavour to give full consideration to the personal plans of each employee involved.

ARTICLE 18 LEAVES OF ABSENCE

- 18.01** Upon written application, an employee for valid reasons may be granted a leave of absence without pay for a period of up to thirty (30) days. Leaves of absence necessitated by personal illness or physical disability may be granted for a period of up to six (6) months upon proper notification to the Company. Extensions beyond six (6) months may be granted if approved by the Company and the Union, however, no leave of absence will extend beyond eighteen (18) months unless due to a compensable injury. The Union Committee shall be advised and fully informed of the application and circumstances for which the application was requested. It is mutually agreed that in the case of two or more employees making application for a conflicting leave of absence, seniority will be the deciding factor on which leave is granted. Any rejection of requests for leave of absence will be discussed with the Union.
- 18.02** The Company may require written substantiation of the reasons for any leave of absence.
- 18.03** An employee who becomes pregnant will be granted a leave of absence in accordance with the Employment Standards Act.
- 18.04** An employee who is elected to a full-time position as a Union Officer with the G.C.I.U. shall, upon thirty (30) days' written notice, be granted a leave of absence without pay or benefits for a maximum period of one (1) elected term of office. Subject to receipt by the Company of thirty (30) days' written notice of the employee's desire to return to work, the employee may exercise his bumping rights in

accordance with Article 9.08(b) of this Agreement. Upon reinstatement, the employee will be credited with all seniority accumulated prior to his departure on such leave.

ARTICLE 19 BEREAVEMENT LEAVE

19.01 In the event of the substantiated death of an employee's spouse or child, such employee shall, upon notification, be granted five (5) working days leave of absence with pay. In the event of the substantiated death of an employee's mother, father, stepmother, stepfather, brother, sister, grandchild, son-in-law, daughter-in-law, brother-in-law, sister-in-law, or parents of spouse, the employee will be granted three (3) working days' leave of absence with pay. In the event of the substantiated death of an employee's grandparents, the employee will be granted a one (1) day leave of absence with pay. The employee shall be paid at the rate of his present rate of pay for his regular scheduled hours for any such days off. Probationary employees are eligible for bereavement leave equal in duration to that described above, but such leave is without pay.

For continuous operations employees working a 12-hour shift, refer also to Article 12.03 (c).

ARTICLE 20 JURY DUTY

20.01 Upon presentation of proper evidence of jury service and of the amount of compensation received therefor, an employee with seniority called on jury duty or crown witness shall be paid his regular rate of pay for the period spent on said jury duty not to exceed the

pay he would be entitled to receive for working his regularly scheduled daily hours during such period, less, however, such jury duty payment as may be made to him by the Court or government agency having jurisdiction. However, no employee shall be entitled to receive more pay as aforesaid, in the aggregate, with respect to periods of jury service in any one (1) year than the equivalent of twelve (12) weeks' pay for working his regular daily scheduled hours.

For continuous operations employees working a 12-hour shift, refer also to Article 12.03 (c).

ARTICLE 21 CO-OPERATION AND SAFETY

- 21.01** (a) The Union agrees that it will co-operate fully with the Company to assure a full day's or a full night's work on the part of its members. It will support the Company actively in its effort to eliminate waste in production, conserve materials and supplies, maintain and improve the quality of workmanship and housekeeping, assist in preventing accidents and to strengthen goodwill between the Company, the employees, the customers and the public.
- (b) Safety Shoes - Effective December 1, 1997, the Company will provide an allowance of up to eighty dollars (\$80.00) per year for each employee toward the purchase of C.S.A. approved Safety Shoes. Effective December 1, 1998, this will increase to eighty-five dollars (85.00). Effective December 1, 1999, this will increase to ninety dollars (\$90.00).

The allowance will only be paid on Safety Shoes that have a steel reinforced toe with non-slip bottoms and purchased through the Company payroll program, from a Company authorized supplier. Employees who

choose to purchase Safety Shoes from other than a Company authorized supplier may be reimbursed their Safety Shoe allowance upon presentation of a valid sales record or invoice of purchase. Probationary employees will be compensated for their safety shoes upon completion of their probationary period.

- (c) The Company will pay the full cost of uniforms for employees required to work with OMSO inks.

ARTICLE 22 INSURANCE - PENSION

22.01 The present Group Insurance Plan underwritten and administered by an insurance company will continue subject to the terms and provisions of the underwriter and the eligibility requirements therein with coverage as follows:

FOR EMPLOYEES WITH SENIORITY AND THEIR DEPENDENTS

Daily Hospital Benefit

Semi-Private coverage at no premium cost to the employee.

Major Medical Expense Benefit

The Company will provide employees and dependents with Extended Health Care (EHC) group coverage at no premium cost and no deductible to the employees.

Dental Plan

The Company will pay 100% of the cost of the present Dental Plan. The Dental Plan will cover the current O.D.A. Schedule of Fees as revised each and every year.

FOR EMPLOYEES WITH SENIORITY ONLY

Life Insurance

The nearest \$1,000.00 of annual base earnings as described in the policy as of January of each year at no premium cost to the employee. The life insurance maximum is \$40,000. Employees will have the option of purchasing additional insurance in increments of \$5,000 at a cost of approximately \$0.43 per \$1,000 up to a maximum of \$20,000.

Weekly Accident and Sickness Benefit

Effective the first day of accident and the fourth day of illness, and first day hospital, payable for a maximum of thirty (30) weeks. Payment of claims will be calculated at 66-2/3 % of the weekly pay at no premium cost to the employee.

- 22.02** The Company reserves the right to change insurance carriers or to self-insure so long as coverage equivalent to that set out above is maintained.

Pension

- 22.03** The pension plan provides employees with a \$12.50 per month benefit per year of service up to April 29, 1996, plus \$23.50 per month benefit per year of service after April 29, 1996.

All employees will contribute to the pension plan twenty-one and one-half (21.5) cents per hour worked, including hours in respect of paid statutory holidays, paid leaves of absence and vacation period entitlements. The maximum employee contribution in a calendar year is \$447.20. These new contribution levels are retroactive to April 29, 1996. Employees will make retroactive payment in a lump sum. Employee

contributions are subject to change in accordance with the agreement reached between the Company and the Union prior to April 29, 1996.

The company will contribute to the pension plan the balance necessary to fund the benefits.

ARTICLE 23 WORK OF SUPERVISOR

- 23.01** Salaried Supervisors will not be permitted to perform work regularly done by an employee in the bargaining unit, if it results in a loss of time to the employee concerned. Salaried Supervisors will perform work done by an employee in the bargaining unit in such circumstances as training employees, demonstrating adjustments or set-ups, in an emergency or experimental work.

ARTICLE 24 NOTICES

- 24.01** Except where otherwise provided, official communications in the form of correspondence between the Company and the Union should be sent by registered post to official addresses as shown below:

COMPANY:

~~Manager, Human Resources~~
Lily Cups Inc.
2121 Markham Road
Scarborough, Ontario
M1B 2W3

UNION

Graphic Communications
International Union,
Local 100-M
165 East Beaver Creek Rd.
unit 21
Richmond Hill, Ontario
L4B 1E2

- 24.02** Any such notice shall be deemed to have been given and received on the first regular business day following date of posting.

ARTICLE 25 FAIR EMPLOYMENT PRACTICES AND EQUAL OPPORTUNITIES

- 25.01** There shall be no discrimination by either the Company or the Union against any employees because of race, creed, colour, age, sex, or national origin, in the administration and application of this Agreement.
- 25.02** In this Agreement, words using the masculine gender include the feminine and words using the feminine gender include the masculine and the singular includes the plural and the plural the singular where the text so indicates.

ARTICLE 26 SEPARABILITY

- 26.01** If any provision of this Agreement is in violation of any federal or provincial law, now in effect or hereafter to become effective, the remainder of the Agreement shall not be affected thereby.

ARTICLE 27 DISCIPLINE

- 27.01** An employee called for an interview for the purpose of a reprimand, disciplinary action or investigation of same, shall have a Union representative present during the interview, and if the employee does not receive any discipline for an elapsed period of twelve (12) months, any discipline recorded prior to the said



twelve (12) month elapsed period will not be used against the employee. A copy of the interview will be given to the employee and the involved Chairperson. The Company will inform the Union within five (5) working days of becoming aware of an incident, and will expedite its disciplinary response, if any.

ARTICLE 28 BULLETIN BOARD

- 28.01** The Company will provide a bulletin board on its premises for the purpose of posting official Union notices. All such notices must be signed by the proper Union officers and submitted to the Human Resources Manager, or his authorized representative for approval prior to being posted.

ARTICLE 29 RENEWAL, AMENDMENT AND TERMINATION

- 29.01** This Agreement shall become effective on December 1, 1997, and continue in effect until November 30, 2000, and shall continue automatically thereafter during annual periods of one (1) year each, unless either party notifies the other in writing not less than thirty (30) days and not more than ninety (90) days prior to the expiration date that it desires to amend or terminate this Agreement.
- 29.02** In the event of such notification being given as to amendment of the Agreement, negotiations between the parties shall begin within fifteen (15) days following such notification.
- 29.03** If, pursuant to such negotiations, an agreement on the renewal or amendment of this Agreement is not reached prior to the current expiration date, this

Agreement shall be automatically extended until
"consummation of a new Agreement or completion
of the conciliation proceedings prescribed under
The Labour Relations Act, of the Province of
Ontario, as amended, whichever should first occur.

ARTICLE 30 ENTIRE AGREEMENT

30.01 The parties agree that this Agreement constitutes the entire agreement between them and that any and all previous agreements and or practices, supplementary agreements, letters of intent, understanding, etc., whenever made and whether or not reduced to writing, are hereby cancelled and that, effective upon the signing of this Agreement, the Company's obligations respecting conditions of employment, working conditions and employee benefits are limited exclusively to those specifically stated in this Agreement.

30.02 Any supplementary agreements reached between the Company and the Union during the term of this contract will be reviewed for possible inclusion into the contract at the succeeding round of negotiations.

IN WITNESS WHEREOF each of the parties hereto has caused this Agreement to be signed by its duly authorized representative on the date first written above.

FORTHEUNION

FORTHECOMPANY

G. Novak

C. Hall

W. Ginn

D. McIntyre

**CON'T
FOR THE UNION**

FOR THE COMPANY

I. Ridley

S. Basso

K. Gandevia

M. Emerson

S. Akhtar

D. Little

B. Saunders

SCHEDULE A JOB LEVEL WAGE RATES

CURRENT CLASSIFICATION	JOB LEVEL	Dec. 1/97 TopJob Rate	Dec. 1/98 TopJob Rate	Dec. 1/99 Top Job RATE
Elect. A. Maint. Mech. A	12	19.90	20.40	21.06
3rd Class Sta Eng Elect B Maint Mech B	11	18.62	19.09	19.71
Ink Mixer/Matcher Printing Pressman	10	17.77	18.21	18.80
4th Class Stat. Eng. App Electrician App Mechanic Ink Mixer	9	17.08	17.51	18.08
Adjuster Adjuster LTC Plate Mounter Printing Assistant	8	16.23	16.64	17.18
Blanking Press Operator Lift Truck Operator Shipper/Receiver	7	15.58	15.97	16.49
Auto Pkg. Tender Handyman Oiler Tool Rm. Attend. A. Waxer Tender	6	15.08	15.46	15.96
Forming Operator Pelletizer Operator Slitter M/C Oper. Tool Rm. Attend.	5	14.49	14.85	15.33

SCHEDULE A JOB LEVEL WAGE RATES CONT

CURRENT CLASSIFICATION	JOB LEVEL	Dec. 1/97 TopJob Rate	Dec. 1/98 TopJob Rate	Dec. 1/99 Top Job RATE
	4	13.91	14.26	14.72
Auditor Crtn. Seal Attend. Gem Operator PMC Operator Sample Cage Attend.	3	13.11	13.44	13.88
Baler Inspector	2	12.70	13.02	13.44
Carton Mkr/Packing Rm. Glue Room Attend. Packer Printing Helper Utility	1	11.95	12.25	12.65

The grouping of different job classifications into the same job level is not intended to be interpreted as job merging. However, the Company retains the right to temporarily transfer employees from one job classification to another in order of seniority of qualified available employees.

The following positions were re-classified to Level 1 effective December 1, 1990, except for incumbents of these positions, and those affected by lay-off for bumping, who will be grandfathered and maintain their wage rates:

Glue Room Attendant	(former Level 3)
Crtn. Seal Attendant	(former Level 4)
Baler	(former Level 4)
Printing Helper (Press Operator)	(former Level 5)

SCHEDULE B
WAGE PROGRESSION - DECEMBER 1, 1997

WAGE LEVEL	START RATE	3 MOS. RATE	6 MONS. RATE	9 MONS. RATE	12 MONS. RATE
12	18.87	19.06	19.25	19.58	<u>19.90</u>
11	18.03	18.13	18.23	18.41	<u>18.62</u>
10	16.88	17.15	17.39	17.59	<u>17.77</u>
9	16.14	16.40	16.70	16.88	<u>17.08</u>
8	15.59	15.80	15.98	16.14	<u>16.23</u>
7	15.09	15.34	15.46	<u>15.58</u>	
6	14.18	14.57	14.84	<u>15.08</u>	
5	13.49	13.89	14.18	<u>14.49</u>	
4	13.10	13.49	<u>13.91</u>		
3	12.70	12.93	<u>13.11</u>		
2	11.95	12.32	<u>12.70</u>		
1	10.28	11.04	<u>11.95</u>		

Note: Effective December 1, 1998 employees who occupied the classifications indicated on Schedule **A** and who were red-circled will receive the same dollar increase that the top job rate of their classification received. The same shall **apply** effective December 1, 1999. An employee permanently forfeits his red-circled rate **if** he voluntarily leaves the classification by way of promotion or transfer.

SCHEDULE C
WAGE PROGRESSION - EFFECTIVE
DECEMBER 1, 1998

WAGE LEVEL	START RATE	3 MOS. RATE	6 MONS. RATE	9 MONS. RATE	12 MONS. RATE
12	19.34	19.54	19.73	20.07	<u>20.40</u>
11	18.48	18.58	18.69	18.87	<u>19.09</u>
10	17.30	17.58	17.82	18.03	<u>18.21</u>
9	16.54	16.81	17.12	17.30	<u>17.51</u>
8	15.98	16.20	16.38	16.54	<u>16.64</u>
7	15.47	15.72	15.85	<u>15.97</u>	
6	14.53	14.93	15.21	<u>15.46</u>	
5	13.83	14.24	14.53	<u>14.85</u>	
4	13.43	13.83	<u>14.26</u>		
3	13.02	13.25	<u>13.44</u>		
2	12.25	12.63	<u>13.02</u>		
1	10.54	11.32	<u>12.25</u>		

**SCHEDULED
WAGE PROGRESSION - EFFECTIVE
DECEMBER 1, 1999**

WAGE LEVEL	START RATE	3 MOS. RATE	6 MONS. RATE	9 MONS. RATE	12 MONS. RATE
12	19.97	20.18	20.37	20.72	<u>21.06</u>
11	19.08	19.18	19.30	19.48	<u>19.71</u>
10	17.86	18.15	18.40	18.62	<u>18.80</u>
9	17.08	17.36	17.68	17.86	<u>18.08</u>
8	16.50	16.73	16.91	17.08	<u>17.18</u>
7	15.97	16.23	16.37	<u>16.49</u>	
6	15.00	15.42	15.70	<u>15.96</u>	
5	14.28	14.70	15.00	<u>15.33</u>	
4	13.87	14.28	<u>14.72</u>		
3	13.44	13.68	<u>13.88</u>		
2	12.65	13.04	<u>13.44</u>		
1	10.88	11.69	<u>12.65</u>		

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IN WITNESS WHEREOF each of the parties hereto has caused this Agreement to be signed by its duly authorized representative on the date first written above.

FOR THE UNION

FORTHE COMPANY

G. Novak

C. Hall

W. Ginn

D. McIntyre

I. Ridley

S. Basso

K. Gandevia

M. Emerson

S. Akhtar

D. Little

B. Saunders

THIS AGREEMENT SIGNED AT Scarborough, Ontario on
March 3, 1998.