

COLLECTIVE AGREEMENT

nitrochem

NITROCHEM CORP.

AND



COMMUNICATION, ENERGY

RECEIVED
&
PAPERWORKERS UNION
LOCAL 33-X
June 16, 2004

EFFECTIVE JUNE 21, 2003

MAITLAND WORKS

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AGREEMENT
BETWEEN
COMMUNICATION, ENERGY &
PAPERWORKERS UNION
LOCAL 33-X
&
NITROCHEM CORP.

EFFECTIVE JUNE 21, 2003

MAITLAND WORKS

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NITROCHEM CORP.

AGREEMENT

BETWEEN

**COMMUNICATION, ENERGY, &
PAPERWORKERS' UNION, LOCAL
33-X**

Maitland, Ontario, hereinafter called the "Union".

AND

NITROCHEM CORP.

hereinafter called the "Company", a corporation having an office at Maitland, Ontario,

WHEREAS the Company operates a manufacturing plant, located in the Township of Augusta, County of Grenville, Ontario, known as its "Maitland Works", and hereinafter referred to as the said "Works".

WITNESSETH THAT the parties hereto have agreed as follows:

ARTICLE 1 - SCOPE

This Agreement covers all employees of the Company herein defined.

The expression "employee" used throughout this Agreement, shall be deemed to mean all employees of the said Works save and except supervi-

sors, persons above the rank of supervisor, office staff, security guards and employees engaged in temporary construction.

For the purpose of clarity, office staff includes engineering, medical and technical personnel and laboratory technicians.

ARTICLE 2- RECOGNITION

- (a) The Company recognizes the Union during the term of this Agreement as the exclusive bargaining agent of the employees of the said Works, as defined in Article 1, for the purpose of collective bargaining in respect of wages, hours of work, seniority, grievance procedure and such other working conditions as are included in this Agreement.
- (b) The Union recognizes the right of the Company to manage the said Works, and to direct the working forces, including the right to hire, promote, transfer, or retire any employee on the attainment of age sixty-five (65), and to demote, discipline, suspend, or terminate the employment of any employee for any just cause.
- (c) The Union agrees that the Company may, at any time, change hours of work, determine or change work assignments, or methods, and select the materials to be handled, processed or manufactured.
- (d) The Union further recognizes the right of the Company to make and alter rules

and procedures, not inconsistent with this Agreement, to be observed by the employees. Manuals of Company rules and procedures will be placed in various locations for the convenience of the employees. New rules and procedures governing the conduct of employees in the plant will be posted on the bulletin boards for seven (7) days before taking effect.

ARTICLE 3 - UNION SECURITY

- (a) All employees, who at the effective date of this Agreement are members of the Union and all employees who are subsequently admitted to membership in the Union, shall remain members of the Union for the duration of this Agreement.

- (b)
 1. During the term of this Agreement, the Company will deduct Union Dues from the wages of all employees covered by this Agreement.

 2. The Company will remit to the Financial Secretary of the Union the total of all amounts so deducted during the month in which deductions were made.

 3. The Company will, at the same time, forward to the Financial Secretary of the Union a list of new employees, together with a list of those employees who have terminated their employment.

ARTICLE 4 - COOPERATION

- (a) The Union agrees that it will not cause, authorize, or sanction, or permit its members to cause, or take part in any sit-down, stay-in, or slow-down in any department, or any strike, or stoppage of any of the Company's operations, or any curtailment of work, or restriction of, or interference with production, or any picketing of the Company's premises during the term of this Agreement.
- (b) The Company agrees that it will not cause, or sanction a lockout during the term of this Agreement.
- (c) The Company agrees that the Union may post in the said Works, on notice boards supplied by the Company for such purposes, notices pertaining to meetings of the Union, elections of officers, social and recreational events. A copy of all such notices will be provided to the Company at time of posting.
- (d) No one shall conduct Union activities during working hours, except as specifically permitted in this Agreement. There shall be no discrimination, or intimidation by or on behalf of the Company, or by or on behalf of the Union, its members or its agents, with respect to any employee because of membership, or non-membership in the said Union.
- (e)
 1. The Company agrees to notify the Union by registered mail of the reason for the discharge of any employee. Any discharge may be discussed as a grievance, provided the grievance is submitted in writing within seven (7)

days after receipt by the Union of the written notice of the reason for the discharge. In the event that any employee is discharged and, after subsequent investigations is exonerated and reinstated, the employee **shall** be reimbursed for the time lost by reason of such discharge on the basis of their normal daily hours of work, less earnings received from other employers in respect of the period for which the employee is to be reimbursed.

2. In the event that an employee is discharged and is not exonerated by subsequent investigation, a lesser penalty may be substituted where, in the opinion of an arbitration board, the penalty of discharge is considered to be inappropriate.
3. The Company also agrees to notify the Chief Steward, by letter, of the reason for disciplinary action taken against any employee. No suspension without pay will be enforced until a full investigation has been conducted.
4. The Company shall meet with the Union B&G Committee within five (5) days of the suspension or termination. The parties may mutually agree to a date beyond the five (5) days.
5. Records of employee disciplinary action imposed by the Company will not be kept beyond a two (2) year period.

6. An employee who, by disciplinary action, is summarily required to leave the Works, may interview their steward at the gatehouse. The employee's supervisor will advise the steward accordingly.

ARTICLE 5 - SAFETY & HEALTH

- a) The Company will continue to make reasonable provision for the safety and health of its employees. The Company agrees that such protective devices as the Company requires to be worn and other equipment which, in the opinion of the Company is necessary to protect the employee from injury, shall be provided by the Company.
- b) Safety manuals shall be made available in each Area's Control Room and in each department. Changes to the safety manuals shall be posted separately for seven (7) days.
- c) The Company recognizes the legal status of the Joint Health and Safety Committee. This Committee shall have a maximum of eight (8) employees, four (4) of whom shall be worker members selected by the Union. There are no alternates. Employees from the layoff list, while in a temporary job, cannot hold membership on the Joint Health & Safety Committee. This Committee shall meet monthly on Company time, without loss of wages. The four (4) members selected by the Union may, in addition, meet for one (1) hour on the day of the Joint Health and Safety Committee meeting, just

prior to this meeting, in order to prepare for the meeting without loss of wages.

- d) An employee responsible for an operating production area will not be required to leave their area for more than forty-five (45) minutes to work in another area, unless properly relieved, except for an emergency condition concerning safety.

ARTICLE 6 - REPRESENTATION

- (a)
1. The Company agrees to recognize up to ten (10) stewards, one of whom shall be Chief Steward, to represent groups of employees as follows:
 - one (1) each from the Laboratory and Warehouse; and
 - two (2) each from the Nitrogen Products, Ammonia and Chemical Areas and the Maintenance Department.
 2. The Union shall notify the Company, in writing, of the names of the stewards and of the Chief Steward. It is understood that a group steward or, in their absence, a member of the Bargaining & Grievance Committee may, with the permission of their supervisor, and without loss of time or pay, leave their regular duties for a reasonable length of time, in order to investigate grievances in their group.
 3. On return from any such absence from their work place, the steward or

the member of the Bargaining & Grievance Committee, shall again report to their supervisor, who will record the total elapsed time.

- (b) The Company agrees to recognize a Union Bargaining & Grievance Committee of not more than five (5) employees.
- (c)
 - 1. The Union Bargaining & Grievance Committee shall have the right of meeting the appointed representative, or representatives of the Company, at least once every month. Both Company and Union will make every attempt to supply an agenda of items for discussion with the other party at least forty-eight (48) hours prior to the time of the meeting. Members who happen to be on duty shall be paid at straight time for that part of their regularly scheduled working hours devoted to attendance at such meetings held on Company property.
 - 2. It is understood that a representative of the Communication, Energy & Paperworkers Union may be present at such meetings.
- (d)
 - 1. The Company agrees to provide an annual Union leave-of-absence of up to four hundred and fifty (450) hours without pay. The Company shall invoice the Union for the gross amount paid for the first three hundred (300) hours of leave. The Company shall invoice the Union for the direct cost of replacing employees on Union leave

for the final one hundred and fifty (150) hours of leave.

2. Union leave to attend Arbitration and safety training shall be without pay but will not be included in the aforementioned four hundred and fifty (450) hours of leave.

ARTICLE 7 - HOURS OF WORK

- (a) The normal number of daily hours of work shall be eight for five days, Monday to Friday, for day and eight (8) hour shift workers. The terms and conditions for twelve (12) hour shift workers are set out in Schedules 3 and 4 of this agreement.
- (b) The normal number of daily hours of work is stated solely for the purpose of calculating overtime and shall not be construed as a guarantee of any minimum, or as a restriction on any maximum number of hours to be worked.
- (c) An employee will not be required to work more than twelve (12) continuous hours in any twenty-four (24) hour period.
- (d) An employee shall be at their work place and ready to assume their duties at the commencement of their scheduled working day.
- (e) An employee, assigned to operations on a shift, which is scheduled to be followed immediately by another shift without lapse of time, shall not leave their work place until relieved by the employee assigned to the same

operations on the succeeding shift, unless by special permission of their supervisor.

- (f) The Company agrees that normal rotation changes between shift and day work will be made on the long weekend, as shown on shift schedules, and no loss of hours shall occur during one complete shift cycle.
- (g)
 - 1. The Company agrees to schedule, for employees not engaged in continuous operations, a rest period of ten (10) minutes' duration in each half of their working day. It is understood, and the Union agrees, that the nature of the work in continuous operations is such that it is impractical to schedule rest periods for employees engaged therein, but that, under normal conditions, reasonable opportunity for smoking and refreshment will exist in designated areas. Rest period outside these designated areas can only be taken with the permission of the supervisor in charge.
 - 2. Employees who have hours of work at other than 0800 to 1630 will be paid for their lunch period.
- (h) Day workers shall be granted up to a maximum of five (5) minutes wash-up period before their lunch period and a five (5) minute wash-up period before the end of their normal working day. Any employee who has been engaged in unusually dirty work will be allowed washing time at the discretion of their supervisor.

ARTICLE 8 - OVERTIME & OTHER ALLOWANCES

- (a) 1. An employee shall be paid at the rate of time and one-half for all work required to be performed at other than their regularly scheduled working hours, provided, however, that the employee shall be paid at the rate of double time for all hours worked in excess of twelve (12) hours in any one day, or in any continuous period, including the time interval in that period between the twelfth (12th) and sixteenth (16th) hour.
2. Where an employee has been called in to work eight (8) hours prior to their regularly scheduled shift, the employee shall be paid at overtime rates for all hours worked in their regular shift, provided that such hours form a continuous period.
- (b) An employee shall be paid at the rate of time and one-half for work required to be performed on their assigned extra days of rest. All hours worked in excess of twelve (12) will be paid at the rate of double time. The rate of double time will be paid for work required to be performed on an employee's assigned regular day of rest.
- (c) 1. If an employee is required by the Company to report for the performance of work at other than their regularly scheduled working hours, the employee shall be paid at the rate of time and one-half for all hours worked at other than their regularly scheduled

working hours provided, however, that the employee shall be paid at the rate of double time instead of at the rate of time and one-half for all hours worked in excess of twelve (12) hours in that day, or in any continuous period including the time interval in that period between the twelfth (12th) and sixteenth (16th) hour. In any event, the employee shall be paid at their straight time rate only for regularly scheduled hours worked. The employee shall be paid a minimum amount equivalent to pay for four (4) hours at their straight time rate if their pay for the performance of such work is less than this amount, except when such work forms a continuous period with their regularly scheduled working hours, in which case no minimum shall apply. If the employee is entitled to the payment provided in clause (f), this minimum amount shall be paid in addition thereto for the performance of such work on a holiday.

2. In addition, the Company shall either pay to an employee required to report for work on less than twenty-two (22) hours' notice, a travelling allowance equivalent to one (1) hour's pay at their straight time rate or, where necessary, provide transportation for him/her.

(d) 1. Whenever an employee's regularly scheduled working hours are changed (i.e., a change from one shift to another) by the Company, the em-

ployee shall be paid at the rate of time and one-half for work performed during their first working day following such change, unless notice of such change has been given to him/her by the Company at least thirty (30) hours prior to such change.

2. In the Maintenance Department and Warehouse, any Company required change from day worker status to a shift worker status, or vice versa, not occurring over a weekend, the hours worked on the first shift, or day, will be paid at overtime rates.
3. A combination of call-in before regularly scheduled working hours and holdover after regularly scheduled working hours does not constitute a change under this clause.

(e) Notwithstanding the foregoing provisions of this Article 8, an employee shall not be paid at the rate of time and one-half for overtime work if such overtime work, with the permission of the supervisor, is performed by the employee at their own request, in exchange for their regularly scheduled hours by special arrangement with another, or other employees who may wish to change, or exchange, working hours.

- (f) 1. An employee shall, subject to provisions set out in the paragraphs below, be paid an amount equivalent to eight (8) hours' pay at their straight time hourly rate for the following holidays,

whether or not the employee works on such holidays:

NEW YEARS DAY, HERITAGE DAY, GOOD FRIDAY, VICTORIA DAY, DOMINION (CANADA) DAY, 3RD MONDAY JULY, CIVIC HOLIDAY, 3RD FRIDAY AUGUST, LABOUR DAY, THANKSGIVING DAY, CHRISTMAS DAY, BOXING DAY

2. Heritage Day shall be observed on the third Monday of February until legislated. If the legislated day of this holiday is other than the third Monday of February, then the observance of this holiday shall be moved to that legislated date.
3. However, an employee shall not be entitled to be paid for any such holiday:
 - i) If the employee does not work on that holiday when the employee has been required, or scheduled to do so.
 - ii) If the employee is absent without good cause on their scheduled working day immediately preceding, or succeeding that holiday.
 - iii) If the employee is absent for any reason except on vacation, proven illness, or with Company approval on both

their scheduled working days immediately preceding and succeeding the holiday.

- iv) If that holiday occurs while the employee is on leave-of-absence.

- 4. i) If an employee has been in the employ of the Company for less than thirty (30) consecutive days the employee will be paid holiday pay in accordance with the Ontario Employment Standards' Act. Pay will be at an hourly rate calculated by dividing the total regular wages plus vacation pay payable earned in the previous four (4) weeks by 160. They will be paid for public and plant holidays.

After thirty (30) days the provisions of (f) 1. apply.

- ii) Temporary Help, including students are eligible for holiday pay in accordance with the Ontario Employment Standards' Act. Pay will be at an hourly rate calculated by dividing the total regular wages plus vacation pay payable earned in the previous four (4) weeks by 160. They will be paid for public holidays but not plant holidays. The

act requires that the employee work his or her entire scheduled day of work immediately prior to and following the holiday, unless he or she has "reasonable cause" not to do so.

iii) These provisions would not apply to recalled employees with seniority, or to employees with seniority from the layoff list working in a temporary job.

5. The Company agrees to pay an employee who *is* receiving WSIB benefits, and who otherwise qualified for holiday pay, the difference between eight(8) hours pay at their regular rate at the time of the compensable injury. and 1/5 of the WSIB weekly benefit.

(g) An employee who works on any of the holidays mentioned in clause (f) shall:

I. If entitled to the payment provided in clause (f) be paid, in addition thereto, at the rate of time and one-half for all hours so worked up to eight (8) hours. In the case of clause (c), the minimum payment and travelling allowance shall apply. Payment for hours worked in excess of eight (8) hours shall be at the rate of double time and one-half.

2. If not entitled to the payment provided in clause (f), be paid at the rate of time and one-half for all hours so worked up to twelve (12). The rate of double time shall be paid for hours worked in excess of twelve (12).
- (h) If another day is substituted by statute or decree, or by mutual agreement between the parties for the observance of any of the holidays listed in clause (f), the day of observance so substituted shall be deemed to be the holiday for the purpose of this Article 8.
 - (i) An employee shall not be entitled to be paid under more than one (1) clause of this Article, unless otherwise specifically provided and, in any event, the rate of payment, including holiday and other allowances, but excluding the minimum payment and travelling allowances provided in clause (c), shall not exceed three (3) times the straight time hourly rate.
 - (j) For the purpose of establishing which shift crew employees, regularly scheduled to work on Sunday, shall receive Sunday premium and which shift crew employees shall receive premium pay for work performed on the holidays shown in clause (f) of this Article 8, the day shall extend from midnight to midnight. For all other purposes, any day shall be deemed to be a twenty-four (24) hour period, as shown in schedules established from time to time.
 - (k) 1. An employee who is directed to work over, and such overtime is for a period of one (1) hour or more, will be provided with a meal allowance of

\$9.25 effective June 21, 2003 and an opportunity to eat the meal at the completion of their regular hours of work. The employee will also be given an additional meal allowance of **\$9.25 effective June 21, 2003** every succeeding 4-1/2 hours, and a further 30 minute period to consume same (five (5) hours between meals).

2. An employee called in on emergency, with instructions to report for work immediately, will be provided with a meal allowance of **\$9.25 effective June 21, 2003** and given 30 minutes to eat the meal after 4-1/2 hours, or as soon after the commencement of their scheduled hours of work as possible, whichever occurs first, and an additional meal allowance of **\$9.25 effective June 21, 2003** every succeeding 4-1/2 hours, and a further 30 minute period to consume same (five (5) hours between meals).
3. The Company will pay two (2) meal allowances for employees called to come in to work during the "on-call period" and who are expected to report for work as soon as possible.
4. A day worker, who is required to work during any portion of their unpaid lunch period, will be compensated at the rate of time and one-half for the full lunch period and will be provided with a meal allowance of **\$9.25 effective June 21, 2003** and will be granted a one-half hour unpaid pe-

riod, by this supervisor, in which to eat their meal.

5. The Company reserves the right to provide the meal in lieu of the meal allowance.

(l)

1. When considered necessary by the Company, employees shall be required to perform overtime work in excess of their regularly scheduled hours. The Company shall determine when overtime shall be worked and when an employee shall report for duty. The Company shall consider any legitimate reason why an employee does not wish to work overtime and shall endeavour to find a replacement for such an employee. Failing this, the employee shall be required to work overtime. Overtime work shall be distributed as evenly as possible among the employees normally performing such work.
2. Records of all overtime worked shall be posted every week. Employees offered overtime and refusing same will be charged on the overtime records as having worked overtime. No employee shall be charged twice for the same period of time. Maintenance employees will have the average overtime worked in their classification added to their total on the overtime lists when absent for two (2) weeks or more, excluding vacation.

3. Maintenance employees who work four (4) hours of overtime, after working their regular day, will not be charged for further overtime refused.
4. In those departments where the practice is to have the employees off on their extra day of rest work the overtime, the obligation for the Company to distribute overtime as evenly as possible shall not apply on the day which an employee is called to work on their extra day of rest.

(m) Transportation will be paid to an employee's nearest residence if the employee is requested to work over and has no transportation. It is understood that the Company has the right to select, under the above circumstances, an employee who has transportation .

(n) Employees working overtime between midnight and 0500 shall be assured a period of rest of eight (8) hours from the time such overtime is completed without any loss of earnings. For greater certainty, the employee will report to work on their regular shift eight hours after the completion of the overtime period to finish at the regular, normal quitting time without any lost earnings.

(o) If scheduled overtime is canceled with less than twenty-two (22) hours notice, the employee so scheduled shall be paid a minimum amount equivalent to pay for four (4) hours at their straight time rate.

ARTICLE 9- WAGE CLASSIFICATION

- (a) The classification of the employees and the classification of new occupations shall be done by the Company.
- (b) Existing Job classifications shall not be eliminated without prior written notification to the Union. Should the Union object to the elimination of the job classification, the matter may be referred to the Arbitration process as provided in Schedule 1.
- (c) The classification of existing occupations within the recognized Bargaining Unit and the wage rates applying thereto shall be shown in Schedule "2", which is made part of this Agreement and is signed for identification by the parties hereto. In the event that the job content of any occupation is substantially changed during the term of this Agreement, or that a new occupation is established, the occupation may be reclassified, or classified, as the case may be by the Company, but the Company agrees to discuss and review such changes, or new classifications, with the Union prior to implementation.
- (d) An employee shall be paid the rate for the occupational classification to which the employee is assigned, provided the assignment is for more than one (1) hour in any eight (8) hour continuous period, unless the assignment is to a lower rated classification for the convenience of the Company, in which case the employee shall be paid the rate of the higher classification.

- (e) While an employee may, at any *time*, discuss their classification with their supervisor, no request for a change in the classification of such employee need be entertained by the Company unless presented to the Company within thirty, (30) working days following the date of classification, or change of classification, to which such employee objects. Insofar as is practicable, the Company agrees to inform the Union with regard to changes in classification.
- (f) An employee being transferred to a new job through job posting shall:
1. If being transferred from a Chemical or Senior Operator's position in one Production Department to a Chemical Operator's their position in another Production Department, be reclassified one group lower than previous classification for the retraining period. This period will be for a maximum of six months, or such shorter period as determined by the Company, after which a Chemical Operator will regain their classification and rate. The Senior Operator will continue to receive the lower rate unless promoted to their former classification of Senior Operator.
 2. If the employee is of another classification and being transferred from one department to another, be transferred to the appropriate job classification and rate. The employee must successfully write a test for their new position within the three (3) months' evaluation period, or be

returned to their former job classification and rate of pay.

3. If transferring from the following classifications - Production Operators, Mechanics, Electricians, Laboratory Assistants, or Store Attendants - be considered by the Company to possess the required matriculation qualifications in recognition of their years of actual plant experience (see Schedule "6" - No. 7).
4. Not be eligible to return to their former job for a period of twelve (12) months.

- (g) Temporary job experience may not be used in determining qualifications, ability, etc., in filling a vacancy in a permanent occupation which has been posted.
- (h) In no event shall an employee who has achieved a rate of pay above that of Trainee, be paid at a rate of less than the rate immediately above Trainee of the new or other classification.

ARTICLE 10 - SENIORITY

- (a) 1. The purpose of seniority provisions herein is to provide a policy governing layoffs, reduction of employees in a department or job classification, rehiring and job postings. In the event of a reduction of the working force, the Company shall apply the principle of "last on, first off", provided the retained employees have the necessary

qualifications and ability to perform the remaining work, consistent with the Company's obligation to maintain an efficient working force. Following a layoff, rehiring shall be executed conversely to the outlined layoff procedure, subject to the same conditions. This clause does not apply to those employees from the layoff list in a temporary job, because the acceptance, performance and completion of a temporary job is not a recall to permanent employment or subsequently a layoff.

2. Necessary qualifications and ability shall mean - in the case of qualifications, the minimum educational qualifications or equivalency, as per present hiring practice (see Schedule "6" - No. 7) and ability shall mean the employee has the ability, until proven otherwise, through the current training program within their department. When exercising seniority rights in another department, ability shall mean the employee must have the ability to do the job within a thirty (30) day training period. Such training shall not be conducted by members of the Bargaining Unit.
3. An employee on layoff and having recall rights shall have the privilege of making application for all job openings which are posted. The Company shall notify the employees with seniority on the layoff list by registered mail, with a copy to the Union.

- 4 An employee who wishes to be transferred, due to a reorganization which does not involve a layoff, the employee shall regress to the job classification level as determined by their seniority, provided that the employee has the necessary qualifications and ability to perform the job
- (b) Seniority shall be recognized on a plant-wide basis for employees covered by this Agreement. Employees hired on the same day will be considered to have been hired in alphabetical order for purposes of establishing seniority
- (c) 1 An employee with seniority who is indefinitely laid off due to a shortage of work in accordance with Article 10(a)1 shall be given notice or termination pay in lieu of notice in accordance with the Employment Standards' Act of Ontario, except that employees with five (5) years or more but less than six (6) years of service shall receive six (6) weeks pay or notice and employees with ten (10) years of service or more shall receive ten (10) weeks pay or notice
- 2 Employees given notice, and subsequently laid off prior to the specified notice date detailed in the Employment Standards' Act, shall receive the outstanding balance as termination pay. When an employee has received termination pay under this clause, and is later recalled within a time interval shorter than the number

of weeks for which termination pay was granted, the amount of excess termination pay paid to the employee shall be considered as an advance in pay by the Company and shall be repayable by payroll deduction. An employee who has received benefits under this clause, and who is recalled and laid off again at a later date, shall receive such benefit in relation to their service since date of last recall, provided the initial period of layoff was for thirteen(13) weeks or longer.

3. An employee laid off for a temporary period of time less than thirteen (13) weeks shall be given one (1) week's notice in writing, but shall not be entitled to termination pay.
4. General notices posted on notice boards, listing employees to be laid off in the first instance, their seniority and job classifications and setting forth the effective date of layoff, shall be notice of layoff, as of the date of posting, to employees losing their employment due to the application of seniority. Once notified, each employee shall have forty-eight (48) hours to notify the company, in writing, of their intent to exercise their seniority, under Article 10(a)1.
5. An employee having been given notice of their layoff, who elects to be laid off, rather than exercise their seniority rights to replace a junior employee, shall receive their own termi-

nation pay, according to their own seniority, if termination pay applies.

6. The Company may elect to pay severance and/or termination pay in weekly instalments, or in a lump sum.
- (d) A seniority list shall be prepared and posted by the Company once every six (6) months.
- (e)
1. An employee, other than an employee engaged in temporary work, shall be a probationary employee until the employee has completed ninety (90) consecutive calendar days of employment with the Company. If retained, the employee's name shall be placed on the seniority list, dated according to the date their present term of employment commenced. Notwithstanding any other provision of the Agreement, the Company shall have the exclusive right to discharge probationary employees within the first ninety (90) consecutive calendar days of their employment. Seniority shall accumulate during a permitted leave-of-absence from work on account of accident or sickness.
 2. An employee, classified as Temporary Help, who applies for, and is accepted for permanent work, shall be a probationary employee until the employee has completed ninety (90) consecutive calendar days of permanent employment with the Company. Upon completion of the probationary period, the seniority date shall revert

to the last date of hire, or ninety (90) calendar days prior to the date the employee commenced the permanent job, whichever is lesser.

- (f) Those promoted to supervisory positions, or those positions not subject to this Agreement, will retain their seniority after promotion for a period of one (1) year and, if demoted, for any reason, or if they voluntarily request reinstatement in the Bargaining Unit within this twelve (12) month period, the time served in the supervisory position shall be included in their seniority rating. If this option is exercised, the employee will revert to First Class rate. or if no First Class rate, to Group One.
- (g) An employee's name shall be removed from the seniority records and their employment terminated for the following reasons:
1. If the employee voluntarily quits the employ.
 2. If the employee is discharged for any just cause and is not reinstated through the grievance and arbitration procedure.
 3. If the employee fails to report for duty after a layoff, unless the employee furnishes a satisfactory reason to the Company, or if one (1) year has elapsed from the date of their layoff or if two (2) years have elapsed from the date of their layoff if the employee has five (5) or more years of seniority at the time of layoff. When calling an employee back from layoff, the em-

ployee shall be notified by registered mail to the last address on record with the Company and shall be allowed four (4) days from the date of notice in which to notify the Company of their intentions and a further period of five (5) days to report for work.

4. If the employee has been absent from work for three (3) years on a continuous L.T.D., or W.S.I.B. claim.
5. If employee takes early, or normal retirement.

(h)

1. When there is a vacancy in a job classification, other than that of Temporary Help, and the vacancy is expected to exceed thirty (30) days, the Company agrees to post a notice of such vacancy for seven (7) days and will follow the Job Posting Procedure in the Company's Rules & Procedures in filling the vacancy. Seniority will be the determining factor in filling such vacancies, except those job classifications deemed to be a promotion, where seniority will be a determining factor, consistent with the Company's obligation to maintain an efficient working force. Those classifications deemed to be promotions are identified, for the purposes of this Article, as:

- LEAD HAND
- SENIOR OPERATOR
- SHIFT ENGINEER
- YARD OPERATOR

2. The Company agrees not to change the Job Posting Procedure, or the Standard Minimum Job Qualifications during the term of this Collective Agreement.
3. Successful job posting applicant: the employee must occupy the vacancy within sixty (60) days of nomination.
4. Postings will remain open for a period of six (6) months from the date of the initial posting after which they will be cancelled.

ARTICLE 11- GRIEVANCE PROCEDURE

Any dispute involving the application, interpretation, administration or alleged violation of this collective agreement (hereinafter called "grievance"), which any employee, group of employees, or the Union or Employer, may wish to discuss shall be handled as follows:

STEP 1 (VERBAL)

The employee shall take up their grievance verbally, directly with their immediate supervisor or supervisor of their department, except when the employee believes that the employee cannot properly express, or explain, their difficulties to their supervisor, in which case the employee may be accompanied by their steward.

STEP 2 (WRITTEN)

If the grievance is not adjusted by supervision within forty-eight (48) hours after the grievance has been submitted to them, under the provisions of Step 1, the employee may report the matter to the steward elected

to represent their group who, together with the employee, may take the matter up with the supervisor and shall, at the same time, present a written summary of the grievance.

STEP 3

If supervision does not settle the matter to the satisfaction of the employee within forty-eight (48) hours after the grievance has been submitted to them, under the provisions of Step 2 hereof, the employee and the steward may take up the matter directly with the Area's or Department's Head.

STEP 4

- (a) If a satisfactory settlement is not obtained within forty-eight (48) hours after the matter has been discussed with the Department Head, in accordance with Step 3 hereof, the steward may submit the grievance, in writing, to the Union Bargaining & Grievance Committee, with a copy to the Human Resources Manager. The Union Bargaining & Grievance Committee may then discuss it with Management at a time to be agreed upon.
- (b) Grievances resulting from a suspension, or the termination of an employee, or grievances arising directly between the Union and the Company, known as Union or Policy grievances, will be submitted at Step 4 of the Grievance Procedure within sixty (60) calendar days of the event causing the grievance.
- (c) All decisions arrived at, by agreement between the Plant Manager, or their appointee, and the Union Bargaining & Grievance Committee, with respect to any grievance,

shall be made in writing and shall be final and binding upon the Company and the Union. In the event that no agreement is reached, the Company will confirm its decision, in writing, to the Chief Steward, by depositing it in the Union mail box provided.

- (d) Nothing in this Agreement shall be deemed to take away the right of an individual employee to present any personal grievance to the Company.
- (e) While the employee may discuss a grievance with their supervisor at any time, a request for retroactive adjustment need not be entertained by the Company, unless the grievance is presented, in writing, within sixty (60) calendar days of the date of the incident which gave rise to the grievance, or if more than fourteen (14) calendar days have elapsed from the time the employee receives a decision in writing, at any step in the grievance procedure, to the time the grievance is carried to the next higher step.
- (f) Any grievance shall be deemed to have been withdrawn if, after an answer has been given at any step, more than fourteen (14) calendar days has elapsed before the grievance is carried to the next step.

-
- (a) Within a period of thirty (30) days following the date of communication of the Company's written decision to the Union, any grievance, or other matter in dispute between the Company and the Union involving the interpretation, application, administration, or alleged

violation of any Article in this Agreement may, in the event of failure to reach agreement thereon, be referred by either party to arbitration by an arbitration board. in accordance with the procedure contained in Schedule "1" of this Agreement. Either party may by-pass the provisions of this Article, and Schedule "1", by referring a grievance to the Ontario Ministry of Labour for expedited arbitration, under the appropriate section of the Labour Relations' Act.

- (b) The decision of the majority of the arbitration board on the matter at issue, or of the chairperson if there is no majority, shall be final and binding on both parties, but in no event shall the arbitration board have the power to add to, subtract from, alter, or amend this Agreement in any respect.
- (c) Each party shall pay its own costs, and the fees and expenses of witnesses called by it and its representative. The fees and expenses of the chairperson shall be shared equally between the parties.

ARTICLE 13- VACATIONS

- a) Vacations with pay shall be granted to all regular employees of the Company, in accordance with the following provisions:
 - 1. The vacation period shall be from May 1st of the current year to April 30th of the following year. The Company will approve the carrying over of a maximum of two (2) weeks of vacation for employees with four (4) weeks or more of vacation and one (1) week for

employees with three (3) weeks of vacation at the rate they would have received for a period not to exceed one (1) year, provided the request is deemed reasonable and approved by the supervisor and authorized by area supervision, if business conditions and operations permit. Vacations may not be carried over for more than one (1) year, and payment for these weeks will be made at the rate the employee would have received during the qualifying period, by May 30th of each year.

2. The Company agrees not to change the revised Rule & Procedure on Vacations during the term of this Collective Agreement.
3. Vacations will be computed from May 1st of any year to April 30th of the following year. Employees with less than one (1) year's service on May 1st shall receive vacation pay at the rate of 4% of their earnings from their date of hire to April 30th. Employees with less than one (1) year's service prior to May 1st shall be granted time off at the rate of four (4) hours for every one hundred (100) hours of straight time service, up to a maximum of two (2) weeks. Employees who have completed one (1) year's service with the Company on April 30th shall be granted two (2) weeks' vacation and paid either an amount equivalent to eighty (80) hours at their straight time rate, or 4% of their gross earn-

ings, whichever is the greater. Employees will be granted three (3) weeks' vacation, and paid an amount equivalent to one hundred and twenty (120) hours at their straight time rate, or 6% of their gross earnings, whichever is the greater, in the year in which they will have completed five (5) years' service, and for each year of service thereafter, up to and including nine (9) years' service. Employees will be granted four (4) weeks' vacation and paid an amount equivalent to one hundred and sixty (160) hours at their straight time rate, or 8% of their gross earnings, whichever is the greater, in the year in which they will have completed ten (10) years' service and for each year of service thereafter, up to and including nineteen (19) years' service. Employees will be granted five (5) weeks' vacation, and paid an amount equivalent to two hundred (200) hours at their straight time rate, or 10% of their gross earnings, whichever is the greater, in the year in which they will have completed twenty (20) years' service.

4. Employees will be granted six (6) weeks' vacation, and paid an amount equivalent to two hundred and forty (240) hours at their straight time rate or 12% of their gross earnings, whichever is the greater, in the year in which they will have completed thirty (30) years' service, and in each subsequent year.

5. The foregoing forty (40) hours, eighty (80) hours, one hundred and twenty (120) hours, one hundred and sixty (160) hours, two hundred (200) hours and two hundred and forty (240) hours' pay shall only be payable to those employees who have worked not less than forty (40) hours in the preceding six (6) months, or not less than eighty (80) hours in the preceding year, whichever is applicable. For an employee who has worked less than the hours specified, the employee shall be paid 4%, 6%, 8%, 10% or 12%, whichever is applicable, of their earnings from the Company in the applicable period.
6. Employees who are entitled to three (3) or more weeks of vacation will have the opportunity to request payment, in lieu of time off, for one (1) or more weeks in excess of two (2) weeks, provided they elect not to request vacation during the prime time months of June, July and August and Christmas-New Year's week, March break and the Fall hunting season (November). The decision to approve this request for payment, with no time off, will rest exclusively with the Company.
7. This Article does not apply to employees from the layoff list, while in a temporary job. The vacation pay entitlement for these individuals is outlined in Schedule "7".

8. The Company shall have the right to change, or schedule vacations, as may appear advisable in the best interest of the Company. Subject to the foregoing, choice of vacations will be by seniority. The Company shall honour off-season (November - March inclusive) vacation requests, provided qualified relief is available.

b) An employee who permanently leaves the employ of the Company due to layoff, retirement, illness, injury, or death, will be paid a severance allowance based on their earnings from May 1st prior to termination, in lieu of paid vacations as follows:

UP TO AND INCLUDING 4 YEARS' SERVICE	4% OF EMPLOYEE'S GROSS EARNINGS
5 YEARS UP TO AND INCLUDING 9 YEARS' SERVICE	6% OF EMPLOYEE'S GROSS EARNINGS
10 YEARS UP TO AND INCLUDING 19 YEARS' SERVICE	8% OF EMPLOYEE'S GROSS EARNINGS
20 YEARS UP TO AND INCLUDING 29 YEARS' SERVICE	10% OF EMPLOYEE'S GROSS EARNINGS
30 YEARS SERVICE AND OVER	12% OF EMPLOYEE'S GROSS EARNINGS

c) Employees may book vacation in blocks of two (2) shifts. For greater clarity, two vacation shifts may only be booked when an em-

ployee is scheduled to work two (2) contiguous shifts i.e. two shifts in a row not interrupted by days off.

- d) Prime Time is defined as summer months of June, July, and August only.
- e) Vacation shall be booked by order of priority. 2nd or subsequent vacation choice by senior employees may not take precedence over first choice of less senior employees. First choice vacation blocks shall be limited to a maximum of seven (7) shifts.
- f) Vacation in one shift blocks may be approved by utilizing a mutual type system arranged by the employee. A mutual, for this purpose, shall not attract extra costs for the Company including, but not limited to, overtime. A mutual for this purpose may only be approved if the replacement is fully qualified.

ARTICLE 14- GENERAL

JURY DUTY

The Company will grant the necessary permission to any employee called upon to serve as a juror, or as a subpoenaed Crown witness. For each working day that the employee is required to be in court the Company will pay the employee for each working day that he/she is required to be in court.

EMPLOYEES' WELFARE

For the life of this Collective Agreement, the Company will provide a benefit package to employees covered by this Collective Agreement equivalent to the benefit package provided to non Union employees on

July 1, 1998 including any modifications agreed to during negotiations.

PENSION PLAN

The 3% employer-employee contributory money purchase plan which became effective July 1, 1988, shall be continued by the Company. The Company will match employees additional voluntary contributions of up to 2% and up to 2.5% effective June 21, 2004.

COMPASSIONATE LEAVE

- a) An employee who experiences the death of a husband, wife, parent, son, daughter, brother, sister, mother-in-law, or father-in-law, will be granted leave-of-absence with pay at their regular hourly rate for three (3) scheduled working days. An employee who experiences the death of a grandparent, sister-in-law, brother-in-law, daughter-in-law, son-in-law, or grandchild, will be granted one (1) day's leave-of-absence, with pay, at their regular rate on the day of the funeral, provided it occurs on one of their regularly scheduled work days.
- b) The Company will grant a one (1) day leave-of absence, without pay, if an employee attends a funeral over three hundred (300) miles.
- c) If a death in a family occurs when an employee is on vacation, the employee may immediately apply for compassionate leave and have the balance of their vacation rescheduled.

- d) The Company will grant a leave-of-absence to any employee who is absent from work because of the birth of their child. The employee will be paid at their regular hourly rate to a maximum of one (1) day, provided that such absence is on the first day, or the last day of confinement, and falls on a regularly scheduled working day.

MISCELLANEOUS

The Company agrees that staff employees will not perform work normally performed by employees of the Bargaining Unit, unless it is for either of the following reasons:

1. Where instructing, or training employees;
2. When an emergency occurs and it is necessary for the staff employee to act for the safety of equipment, safety of personnel and the continuation, or prompt restoration of operations.

ARTICLE 15 - SHIFT AND SUNDAY PREMIUMS

- a) An employee who is regularly scheduled to work on Sunday shall be paid, in addition to any shift premium, a premium of **\$2.94 effective June 21, 2003 and \$3.02 effective June 21, 2004** for each hour worked on Sunday.
- b) For work performed on a regularly scheduled multiple, or fixed evening, or night shifts, a premium of **95 cents per hour effective June 21, 2003 and 98 cents per hour effective June 21, 2004** shall be paid for shifts commencing between the hours of 3:00 P.M.

and 10:59 P.M. and **\$1.12 an hour effective June 21, 2003 and \$1.15 effective June 21, 2004** for shifts commencing between the hours of 11:00 P.M. and 2:59 A.M. Maintenance reassigned day workers shall be paid the above appropriate shifts premiums **95 cents and 98 cents**. These premiums are to be added to the rates shown in Schedule "2" of this Agreement, but are, at all times, to be shown separately from these rates. The premium is to be added to the rate after, and not before calculating overtime.

ARTICLE 16 - DURATION

- (a) This agreement shall become effective as of June 21, 2003, and shall remain in force up to and including June 20, 2005.
- (b) Either party may, on fifteen (15) clear days' notice, in writing, require the other party to enter into negotiations for the renewal of the Agreement within the period of three (3) months prior to the expiry date, and both parties shall, thereupon, enter into such negotiations in good faith, and make every reasonable effort to secure such renewal.
- (c) Any proposals that either party may wish to address during negotiations will be exchanged, in writing, at the first scheduled meeting.

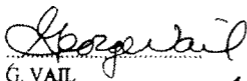
NOTE

All schedules and appendices to the Collective Agreement form an integral part of this agreement.

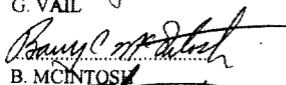
SIGNED THIS 26th DAY OF August; 2003

COMMUNICATION, ENERGY, &
PAPERWORKERS' UNION
LOCAL 33-X

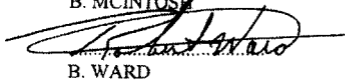
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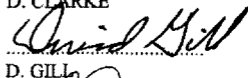

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G. VAIL

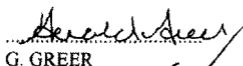

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J. CAVERS


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B. MCINTOSH

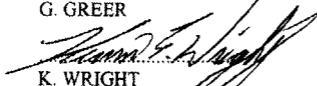

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D. CLARKE


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B. WARD

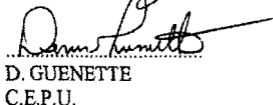

.....
D. GILL


.....
G. GREER


.....
R. HOMER


.....
K. WRIGHT


.....
B. WHITEHEAD


.....
D. GUENETTE
C.E.P.U.

SCHEDULE "1"

PROCEDURE FOR ARBITRATION PROCEEDINGS

1. The parties desiring to submit a matter to arbitration shall deliver to the other a notice of intention to arbitrate. This notice shall state the matter at issue and shall state in what respect the Agreement has been violated, or misinterpreted, by reference to the specific clause, or clauses relied upon. The notice shall also stipulate the nature of the relief, or remedy sought.
2. Within ten (10) days after the date of delivery of the foregoing notice, the party initiating arbitration will convene a B&G meeting at which the parties will select an arbitrator from the agreed list of four arbitrators. The selection will be made by random selection.
3. After the arbitrator has been appointed, he or she shall meet with the parties and hear evidence and render a decision.
4. The time limits specified herein shall be deemed to be exclusive of Saturdays, Sundays, and those holidays described in Article 8(f) of this Agreement and may be extended by mutual consent of the parties, or by the arbitration board.
5. List of four arbitrators to choose from:

William Kaplan
Brian Keller
Kevin Whitaker
Gord Simmons

SCHEDULE "2"

NITROCHEM CORP. SCHEDULE OF JOB CLASSIFICATIONS FOR WAGE EARNERS

RATES EFFECTIVE:

JUNE 21, 2003 JUNE 21, 2004

LABORATORY DEPARTMENT

	<u>2003</u>	<u>2004</u>
LABORATORY ASSISTANT - TRAINEE	14.87*	15.29*
LABORATORY ASSISTANT - III	18.89	19.42
LABORATORY ASSISTANT - II	22.91	23.55
LABORATORY ASSISTANT - I	26.92*	27.68*

MAINTENANCE DEPARTMENT

EQUIPMENT OPERATOR - I	23.73*	24.39*
LABOURER	21.56'	22.16*
LABOURER - LEAD HAND	22.66	23.26
STORES ATTENDANT - TRAINEE	21.70*	22.31"
STORES ATTENDANT	23.73*	24.39*
JANITOR	21.56"	22.16*
JANITOR - LEAD HAND	22.56	23.16
FIRE EQUIPMENT MECHANIC - TRAINEE	14.87'	15.29*
FIRE EQUIPMENT MECHANIC - II	19.85	20.41
FIRE EQUIPMENT MECHANIC - I	24.83*	25.52*
ELECTRICIAN - TRAINEE	14.87*	15.29'
ELECTRICIAN - III	18.19	18.70
ELECTRICIAN - II	21.51	22.11
ELECTRICIAN - I	24.83	25.52
ELECTRICIAN - FIRST CLASS	28.13*	28.92"
ELECTRICIAN - LEAD HAND	29.13	29.92

SCHEDULE "2"

RATES EFFECTIVE:

JUNE 21, 2003, JUNE 21,

2003

2004

INSTRUMENT MECHANIC - TRAINEE	14.87"	15.29'
INSTRUMENT MECHANIC - III	18.19	18.70
INSTRUMENT MECHANIC - II	21.51	22.11
INSTRUMENT MECHANIC - I	24.83	25.52
INSTRUMENT MECHANIC - 1ST CLASS	28.13'	28.92*
INSTRUMENT MECHANIC - LEAD HAND	29.13	29.92
E&I TECHNICIAN -TRAINEE	14.87*	15.29*
E&I TECHNICIAN - III	18.19	18.70
E&I TECHNICIAN - II	21.51	22.11
E&I TECHNICIAN - I	24.83	25.52
E&I TECHNICIAN - 1ST CLASS	28.13"	28.92'
E&I TECHNICIAN -LEAD HAND	29.13	29.92
MECHANIC - TRAINEE	14.87"	15.29'
MECHANIC - III	18.19	18.70
MECHANIC - II	21.51	22.11
MECHANIC - I	24.83	25.52
MECHANIC - 1ST CLASS	28.13'	28.92'
MECHANIC - LEAD HAND	29.13	29.92
HEAVY EQUIPMENT MECHANIC - 1ST CLASS	28.13*	28.92'
CARPENTER - I	24.83'	25.52*
PAINTER - I	24.83"	25.52'
LUBRICATOR - TRAINEE	14.87'	15.29'
LUBRICATOR - II	19.85	20.41
LUBRICATOR- I	24.83'	25.52'
INSULATOR -TRAINEE	14.87*	15.29*
INSULATOR - II	19.85	20.41
INSULATOR - I	24.83*	25.52*
INSULATOR - LEAD HAND	25.83	26.52

SCHEDULE "2"

<u>RATES EFFECTIVE:</u>	<u>JUNE 21,</u> <u>2003</u>	<u>JUNE 21</u> <u>2004</u>
MAINTENANCE APPRENTICE - TRAINEE	14.87'	15.29'
MAINTENANCE APPRENTICE - III	18.19	18.70
MAINTENANCE APPRENTICE - II	21.51	22.11
MAINTENANCE APPRENTICE - I	24.83*	25.52'

PRODUCTION DEPARTMENT

CHEMICAL OPERATOR - TRAINEE	14.87*	15.29"
CHEMICAL OPERATOR - III	18.89	19.42
CHEMICAL OPERATOR - II	22.91	23.55
CHEMICAL OPERATOR - I	26.92'	27.67'
CHEMICAL SENIOR OPERATOR	27.92	28.67
NITRIC & BOILER OPERATOR- TRAINEE	14.87'	15.29"
NITRIC & BOILER OPERATOR - III	18.97	19.50
NITRIC & BOILER OPERATOR - II	23.07	23.72
NITRIC & BOILER OPERATOR - I	27.17'	27.93'
NITRIC & BOILER SHIFT ENGINEER	28.47'	29.27'
WAREHOUSE -TRAINEE	14.87'	15.29"
WAREHOUSE - II	19.37	19.92
WAREHOUSE - I	23.87'	24.54'
WAREHOUSE -YARD OPERATOR	25.57'	26.29"
WAREHOUSE - LEAD HAND	25.30*	26.01*
STUDENTS	11.84	12.17
TEMPORARY HELP	14.87*	15.29'

SCHEDULE "3"

In conjunction with this principal Collective Labour Agreement between Nitrochem Corp., Maitland Works, and Communication, Energy & Paperworkers' Union, Local 33-X, the parties hereto agree to the following terms and conditions as related to the twelve (12) hour rotating shift schedule as hereinafter defined:

1. The work schedule considered herein shall apply to employees working on continuous rotating shifts, except the Maintenance Department. It is understood that when continuous rotating shifts are not required, the Company may on seven (7) days notice change the employees to other schedules and hours of work.
2. The following clauses of the principal Collective Labour Agreement shall be amended, or deleted, as the case may be, as follows only insofar as they apply to all those employees under the twelve (12) hour rotating shift schedule:

ARTICLE 7(a)

The normal number of daily hours shall be twelve (12) for shift workers and shall vary from twelve (12) hours for three (3) days in a week to twelve (12) hours for four (4) days in a week, according to schedules established from time to time.

ARTICLE 7(c)

An employee will not be required to work more than sixteen (16) continuous hours in any twenty-four (24) hour period.

ARTICLE 8(a) (1ST AND 2ND CLAUSES)

An employee shall be paid at overtime rates for work required to be performed at other than their regularly scheduled working hours. Payment will be made as follows:

OVERTIME BEFORE A SCHEDULED DAY SHIFT WILL BE AT THE RATE OF DOUBLE TIME

OVERTIME FOLLOWING A SCHEDULED DAY SHIFT WILL BE AT THE RATE OF TIME AND ONE-HALF

OVERTIME BEFORE A SCHEDULED NIGHT SHIFT WILL BE AT THE RATE OF TIME AND ONE-HALF

OVERTIME FOLLOWING A SCHEDULED NIGHT SHIFT WILL BE AT THE RATE OF DOUBLE TIME

In any event, an employee shall be paid at the rate of double time for all hours worked in excess of sixteen (16) hours in that day, or in any continuous period.

ARTICLE 8(b)

An employee shall be paid at the rate of time and one-half for work required to be performed on their assigned extra days of rest. The rate of double time will be paid for work required to be performed on an employee's assigned regular day of rest, which has been designated as Saturday and Sunday during an employee's weekend period of three (3) consecutive days of rest.

ARTICLE 8(c) (1ST PARAGRAPH)

If an employee is required to report for the performance of any work at other than their regularly scheduled working hours, the employee shall be paid a minimum amount equivalent to pay for four (4) hours at their straight time rate if their pay for work performed is less than this amount, except when such unscheduled work forms a continuous period with the employee's regularly scheduled working hours, in which case, no minimum shall apply.

ARTICLE 8(f)

An employee may choose to bank the eight (8) hour statutory holiday time, to be utilized as additional time off with pay. The employee may only schedule this time off in minimum periods of one twelve(12) hour shift and at the Company's discretion.

Approval of time off must be obtained from his/her direct supervisor. Any unused hours as of December 1st will be paid out in the 2nd pay of December.

Employees who have chosen to sell some of their vacation will not be eligible to bank stat holidays during the following vacation year.

ARTICLE 8(g)

An employee who works on any of the holidays mentioned in clause (f) shall:

1. If entitled to the payment provided in clause (f) be paid, in addition thereto, at the rate of time and one-half for hours so worked up to eight (8) hours and at the rate of double time for the remaining four (4) hours. In the case of clause (c), the minimum payment and

travelling allowance shall apply. Payment for hours worked in excess of twelve (12) hours shall be as shown in clause (a) of this Article 8.

2. If not entitled to the payment provided in clause (f) be paid at the rate of time and one-half for all hours so worked up to twelve (12). Payment for hours worked in excess of twelve (12) hours shall be as shown in clause (a) of this Article 8.

ARTICLE 8(j)

For the purpose of establishing which shift crew employees regularly scheduled to work on Sunday, shall receive Sunday premium and which shift crew employees shall receive premium pay for work performed on the holidays shown in clause (f) of this Article 8, the day shall extend from 0700 hours to 0700 hours. For all other purposes, any day shall be deemed to be a twenty-four (24) hour period, as shown in schedules established from time to time.

ARTICLE 8(l)

When considered necessary by the Company, employees shall be required to perform work in excess of their regularly scheduled hours. The Company shall determine when overtime shall be worked and when an employee shall report for duty. The Company shall consider any legitimate reason why an employee does not wish to work overtime and shall endeavour to find a replacement for such an employee. Failing this, the employee shall be required to work overtime. The Company will establish an on-call schedule of employees who will, after the day shift, on their days of rest, be on call for one-half hour both before and after the commencement of both shifts for relief work on either the

day, or night shifts. An on-call employee who is called for overtime work and is then excused from reporting for good reason, by their supervisor, will have the overtime recorded as if worked, as will also the employee who serves as their replacement.

An employee will not be disciplined should the Company be successful in getting a qualified employee from the on-call crew. Should no qualified employee from the on-call crew be available during the on-call periods, then the entire on-call crew shall be subject to discipline. On-call crew personnel will be able to make use of the mutual procedure.

In those departments where the practice is to have the employees off on their extra day of rest work the overtime, the obligation for the Company to distribute overtime as evenly as possible shall not apply on the day which an employee is called to work on their extra day of rest.

ARTICLE 11(f)

The time limits specified in this Article 11 shall be deemed to be exclusive of Saturdays, Sundays and those holidays described in Article 8(f).

ARTICLE 13 (2ND PARAGRAPH)

Vacations will be computed from May 1st of any year to April 30th of the following year. Employees with less than one (1) year's service on May 1st shall receive vacation pay at the rate of 4% of their earnings from their date of hire to April 30th. Employees with less than one (1) year's service prior to May 1st shall be granted time off at the rate of four (4) hours for every one hundred (100) hours of straight time service, up to a maximum of two (2) weeks. Employees who have completed one (1) year's service with the Company prior to April 30th

shall be granted two (2) weeks' vacation of six (6) twelve (12) hour shifts or, at the employee's option, seven (7) twelve (12) hour shifts, and be paid an amount equivalent to either eighty (80) hours at their straight time rate, or 4% of their gross earnings, whichever is the greater.

Employees will be granted three (3) weeks' vacation of ten (10) twelve (12) hour shifts and be paid the equivalent of one hundred and twenty (120) hours at their straight time rate, or 6% of their gross earnings, whichever is the greater, in the year in which they will complete five (5) years' service and for each year of service thereafter up to and including nine (9) years' service.

Employees will be granted four (4) weeks' vacation of thirteen (13) twelve (12) hour shifts and be paid the equivalent of one hundred and sixty (160) hours at their straight time rate, or 8% of their gross earnings, whichever is the greater, in the year in which they will complete ten (10) years' service and for each year of service thereafter up to and including nineteen (19) years' service.

Employees will be granted five (5) weeks' vacation of sixteen (16) twelve (12) hour shifts or, at the employees option, seventeen (17) twelve (12) hour shifts, and be paid the equivalent of two hundred (200) hours at their straight time rate, or 10% of their gross earnings, whichever is the greater, in the year in which they will complete twenty (20) years' service. Employees will be granted six (6) weeks' vacation of twenty (20) twelve (12) hour shifts, and be paid the equivalent of two hundred and forty (240) hours at their straight time rate, or 12% of their gross earnings, whichever is the greater, in the year in which they will complete thirty (30) years' service, and in each subsequent year.

Employees who are entitled to three (3) or more weeks of vacation will have the opportunity to request payment, in lieu of time off, for one (1) or more weeks in excess of two (2) weeks, provided they elect not to request vacation during the prime time months of June, July and August and Christmas-New Year's week, March break and the Fall hunting season (November). The decision to approve this request for payment, with no time off, will rest exclusively with the Company.

ARTICLE 15 (1ST PARAGRAPH)

An employee who is regularly scheduled to work on Sunday (as defined in clause (j), Article 8), shall be paid, in addition to any shift premium, a premium of **\$2.94** effective June **21, 2003** and **\$3.02** effective June **21, 2004** per hour for each hour worked on Sunday.

ARTICLE 15 (2ND PARAGRAPH)

For work performed on the night shift, 1900 hours to 0700 hours, a premium of **\$1.38** effective June **21, 2003** and **\$1.42** effective June **21, 2004** per hour shall be paid. This premium is to be added to the rates shown in Schedule "2" of the Labour Agreement, but is, at all times to be shown separately from these rates. The premium is to be added to the rate after and not before calculating overtime.

SCHEDULE "4"

In conjunction with the principal Collective Agreement, the parties hereto agree to the following terms and conditions for Maintenance Department employees assigned to a rotating shift schedule:

1. The twelve (12) hour work schedule shall be considered to be covered by Schedule "3". in lieu of the hours of work defined in Article 7, except for the on-call provisions, which shall not apply.
2. Upon converting from one shift schedule to another, no overtime premiums shall be paid to a Maintenance employee for the sole reason of transferring from one standard work week to another standard work week.
3. The Company may, on seven (7) days notice change the employees to other schedules and hours of work.
4. A Maintenance employee will not be required to work more than twelve (12) continuous hours in any twenty-four (24) hour period.
5. This Memorandum of Agreement shall not negate the Company's rights, as detailed in Article 2 of the principal Collective Agreement.

SCHEDULE "5"

MEMORANDUM OF AGREEMENT

BETWEEN

NITROCHEM CORP.

AND

COMMUNICATION, ENERGY & PAPERWORKERS'
UNION - LOCAL 33-X

SUBJECT: RTIN DISTRIBUTION PROCEDURE
LABORATORY & PRODUCTION DEPARTMENTS

The overtime distribution procedure in the Laboratory and Production Departments, for those employees whose hours of work and overtime allowances are detailed in Schedule "3" of our current Collective Agreement, shall be:

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Approved overtime that occurs in an Area between Monday and Thursday inclusive, for which a relief employee is not available on site and which is not a call-in, or a hold-over continuous with another employee's regular shift. | 1. Qualified employee off on their extra day of rest.
2. Qualified on-call personnel.*
3. Qualified off-call crew personnel and day relief employee.* |
| (b) Approved overtime that occurs in an Area on Friday, Saturday, or Sunday for which a relief employee is not available on site and which is not a call-in, or a hold-over continuous with another employee's regular shift. | 1. Qualified on-call crew personnel.*
2. Qualified off-call crew personnel and day relief employee.* |

*

ON-CALL PERSONNEL SHALL BE CALLED IN ORDER OF LOWEST EMPLOYEE ON THE POSTED OVERTIME RECORDS TO THE HIGHEST EMPLOYEE. SHOULD IT BE NECESSARY TO REQUIRE THE OFF-CALL CREW AND DAY RELIEF EMPLOYEE GROUP TO WORK OVERTIME, PERSONNEL SHALL BE CALLED IN THE SAME ORDER.

An employee off on their extra day of rest and on-call crew personnel will be expected to be available when called and shall be held accountable if they are not available when called. An individual shall not be called if the overtime to be worked will result in their working two (2) twelve (12) hour shifts continuously.

An employee will not be disciplined should the Company be successful in getting a qualified employee from the on-call crew. Should no qualified employee from the on-call crew be available during the on-call periods, then the entire on-call crew shall be subject to discipline. On-call crew personnel will be able to make use of the mutual procedure.

Should errors occur in the distribution of overtime, the following remedy will be used:

- i) The employee will be offered to make up for lost overtime hours opportunity by offering the employee training time on their off call day and.
- ii) It is understood that the employee shall not lose any opportunity for overtime hours because of hours spent in such training and,

- iii) The employee shall not be asked to cover any position except if no employees are available, or the employee is properly called for an overtime opportunity. In such case, the employee so assigned on overtime will have the opportunity to complete their make up training time.

The parties desire to work together to eliminate overtime distribution errors and will work together to achieve this goal.

The Company shall not be obligated to distribute overtime as evenly as possible.

SCHEDULE "6"

MISCELLANEOUS NOTES

1. All employees are required to pass a proficiency test before being upgraded.
2. A premium of 50 cents per hour will be added to the rates of employees while engaged in:
 - (i) catalyst change in shift converters:
 - (ii) cleaning activities on:
 - (a) all equipment contained in the south ammonium nitrate converted bagging area; and
 - (b) on the load-out equipment in the north ammonium nitrate warehouse.

Payment of the premium will be discontinued if the cleanliness of the area is substantially improved through facility modifications, improvements and/or other efforts.

This premium will not be paid to any employee whose main job is cleaning.

This clause should be reviewed annually or at a B&G meeting.
3. A premium of 50 cents per hour will be added to the Labourer's rate while engaged in cement finishing, operating air hammer for chipping concrete, laying bricks, or cement blocks.

4. For those Maintenance employees who are required to provide tools, the Company will replace all tools damaged, or worn out in the course of employment with tools of equivalent, or better quality. Lost tools will be replaced at the Company's discretion. The Company will assign one individual to administer this allowance, so that it may be consistently applied.
5. As a matter of policy, past service will not be restored for a previous period of permanent employment.
6. With Company approval, those employees required to write exams off site to qualify for, or to maintain qualifications for provincial certificates, will be reimbursed for time lost at regular straight time rates, tuition and certificate fees, if any, and actual costs there and back, if out of the area by car, train, or bus.
7. Employees with ten (10) years' seniority will be deemed to have the equivalent of Grade 12, subject to their successfully passing tests to demonstrate they have the basic skills required to do the job to which they are bidding, or bumping.
8. Any Chemical Operator, Nitric & Boiler Operator or Shift Engineer who possesses a 2nd Class Stationary Engineer certificate, shall be paid a premium of \$1.00 per hour effective June 21, 1999. This premium is to be added to the rate shown in Schedule 2 of this agreement, but is, at all times to be shown separate from the rate. This premium is to be added to the rate after and not before calculated overtime.

9. i) The Union recognizes the employers' responsibility to ensure that all employees are properly trained and competent to perform those duties as assigned.
- ii) The Union recognizes the Company's production operator process training program. Employees will be subject to testing throughout the duration of this process training program. Once an employee reaches the top level of their classification, the employee shall not be subject to further testing within this training program in order to qualify or re-qualify in their own classification. The results of tests required of an individual at the top level of their classification, which relates to process training, will not jeopardize an individual's rate of pay or level of classification if that individual is currently at the top level of their classification.
- iii) This does not apply to employees changing classification due to bumping, posting, re-assignment and transfer or training as a result of regulatory requirements.

SCHEDULE "7"

MEMORANDUM OF AGREEMENT

BETWEEN

NITROCHEM CORP.

AND

**COMMUNICATION, ENERGY & PAPERWORKERS'
UNION - LOCAL 33-X**

(a) **TEMPORARY JOBS**

1. In the event that a new employee occupies a temporary job, the employee shall be paid at the "Temporary Help" rate of pay.
2. Employees hired to fill a Temporary job shall not accumulate seniority and will be eligible for Extended Health benefits coverage commencing on their 121st day of employment. The Company shall advise the Union should the temporary job or jobs exceeds 30 days.
3. In the event temporary jobs become available, and there are employees on layoff with recall rights who are qualified and readily available to perform these jobs, the Company agrees to offer the temporary jobs to these individuals, according to seniority among those competent to perform. Employees from the layoff list who accept and report for temporary jobs will have their recall rights extended for one (1) year from their last day worked or for two (2) years if the employee has five (5) or more years of seniority at the time of layoff and will be entitled to benefits

- for the particular month. Upon ending a temporary job, the employee will receive vacation pay based on the applicable percentage of their gross earnings in the temporary job.
4. The duration of each temporary job will be reviewed every ten (10) working days to ensure the rule of seniority. Seniority shall apply only among those competent to perform.
 5. An employee laid off, in the first instance, with qualifications and seniority, shall immediately displace a less senior employee filling a temporary job so long as the employee is immediately competent to perform.
 6. These employees from the layoff list, while in a temporary job, will be considered to be covered under all terms and conditions of the Collective Agreement except where specifically excluded.
 7. The Company will notify the Union, in writing, when this classification is used. Experience gained in a temporary job, or as "Temporary Help" will not be used in determining qualifications and ability to fill a posted vacancy. "Temporary Help" will not be engaged, or retained, if an employee from the layoff list wishes to perform the temporary job.
 8. It is agreed that this Memorandum of Agreement will automatically be renewed from year to year, until such time as both parties meet and agree to its alteration. or discontinuance.
 9. The Company will maintain a temporary job recall list. Employees from the lay off list who accept and report for temporary jobs will have

their recall rights extended for one year from their last day worked. Employees will be permitted three (3) refusals and then will have their name placed at the bottom of the temporary job recall list for a period of eleven (11) months.

(b) 4TH CLASS STATIONARY ENGINEERS TICKET

1. The Company shall endeavour to maintain at least two (2) employees external to the Chemical Area holding a valid 4th Class Stationary Engineers ticket by offering training opportunities, by order of seniority, to qualified employees who express an interest.
2. A qualified employee is defined for these purposes only, as an employee who has successfully completed all 4th Class Stationary Engineer modules and has the marks registered with the Company.
3. One (1) employee only shall be in this training at any time.
4. Employees to be trained will be temporarily re-assigned to the Chemical Area for three (3) months qualifying experience for a 4th Class ticket. For the three (3) month period, the individual shall be paid at one level lower than their regular rate. At the end of the temporary period, the employee will be returned to their regular position.
5. **(Added June 21,2003)** The Company at this time cannot comply with the previous clauses because the present legislation requires one (1) year of steam time before achieving a 4th

Class Stationary Engineering ticket. Prior legislation required only three (3) months of steam time. If the legislation should be amended in the future the company will abide by these terms.

(c) CHEMICAL AREA VACANCIES

Vacancies in the Chemical Area except Shift Engineer shall be filled as follows:

1. Employees possessing a valid 2nd or 3rd Class Power Engineers Certificate will enter at the NBO I rate of pay.
2. Employees possessing a valid 4th Class Power Engineers Certificate will enter at the NBO II rate of pay. The employee must provide written proof of successful completion of 50% of the required 3rd Class examinations within nine (9) months from the date of assignment. Once the employee has passed 50% of the examinations the rate of pay will be increased to a rate half way between NBO II and NBO I. The employee must obtain a 3rd Class Certificate within eighteen (18) months of assignment to the position. Once the employee has passed 100% of the 3rd Class examinations the rate of pay will be increased to the rate for NBO I. Failure to meet these conditions will result in the applicant being returned to their prior position.
3. Employees with all 4th Class examinations successfully completed and marks registered with the Company will enter at a rate of pay half way between NBO III and NBO II. The successful applicant will remain at this rate for a period of one (1) year or until the em-

ployee has one (1) year of steam time. When the employee has the 4th Class Power Engineering Certificate he or she will progress to #2 above.

4. Employees with no previous Power Engineering experience (Trainee level) will enter at the NBO III rate of pay. Once the employee has passed 50% of the 4th class examinations the rate of pay will be increased to a rate half way between NBO III and NBO II. The successful applicant will remain at this rate for a period of one (1) year or until the employee has one (1) year of steam time. When the employee has the 4th Class Power Engineering Certificate he or she will progress to #2 above.

5. Employees with Chemical Operator I experience will enter at the NBO II rate of pay for a period of six (6) months and then will move to the NBO I rate of pay. These employees will have to pass 50 % of the 4th class examinations within 6 months of being assigned to the area and 100 % of the 4th class examinations within 1 year. This will complete the requirements for a 4th Class Power Engineering Certificate. They will also have to pass 50% of the 3rd class examinations within nine (9) months of getting their 4th Class Power Engineering Certificate and 100% within eighteen (18) months of getting their 4th Class Power Engineering certificate. This will complete the requirements for a 3rd Class Power Engineering Certificate. Failure to meet these conditions will result in the applicant being returned to their previous job classification and rate of pay.

6. Applicants unsuccessful in meeting the above conditions are excluded from participating in the program for twenty-four (24) months.
7. Only two (2) employees can participate at the Trainee level at any time. Conditions 3, 4, & 5 are classified at the Trainee level.
8. The Company retains the right to hire from outside the bargaining unit if a vacancy can not be filled as above.

The "Standard Minimum Job Qualifications" as agreed between the parties remains in effect for new hires following job postings.

(d) **STORES ATTENDANT VACANCIES**

1. All vacancies in Stores will be posted as per the minimum job qualifications as agreed.
2. Vacancies shall be filled by the most senior applicant at the Stores Attendant level, if qualified, or at the Trainee level, if not qualified. While an employee is occupying a Stores Attendant Trainee classification, all other vacancies shall be filled by the most senior applicant who meets the minimum job standard for Stores Attendant.

SCHEDULE "8"

LETTER OF UNDERSTANDING

BETWEEN

NITROCHEM CORP.

AND

COMMUNICATION, ENERGY & PAPERWORKERS'
UNION - LOCAL 33-X

(a) **SAFETY**

It is apparent that every effort must be made to protect our employees from injury while on the Nitrochem Corp Plant Site. It is agreed that Local 33-X will bring to the Company's attention any safety hazards and unsafe practices on the Nitrochem Corp. Plant Site. There will be a follow-up to ensure that the situation is corrected. The following policy was also agreed upon:

1. When an employee has cause to believe that a machine, device, or job is likely to endanger themselves, or another worker, and is in contravention of the Occupational Health and Safety Act, or Company Safety Procedures, the employee shall report the matter to their supervisor. The employee shall not perform the job and the supervisor shall investigate the matter.
2. If the employee disputes the supervisor's decision, the supervisor shall investigate the circumstances in the

presence of the worker, the Chairperson of the Local's representatives on the Joint Health & Safety Committee, or their delegate, and the Health, Safety, Security(H.S.S.) Manager, or delegate.

3. The employee may continue to refuse to work, if the employee has reasonable grounds to believe there is a contravention of the Occupational Health & Safety Act, or Company Safety Procedures.
4. At this point, an Inspector of the Ministry of Labour will be called in to investigate the matter by the Health, Safety, Security(H.S.S.) Manager, or their delegate.
5. The Company indicated that it welcomes recommendations for all areas of safety, such as safety planning, safety education, safety equipment, safety motivation and safety rules.
6. Both the local Union Executive and the Nitrochem Corp. Management hope a better safety awareness will develop, which will aid in preventing any injury to any employee on this plant site.

(t

THE **AND CONDITIONS FOR**
PERSONNEL

1. Laboratory Assistants are responsible for the process control analysis, whereby tests are performed on a scheduled basis in the Laboratory to assure production standards are being met on materials being manufactured in normal continuous, or batch processes. This function is to assure a quality product being transferred from production to storage.
2. Laboratory Technicians are responsible for the auditing of the process control function and for quality control analysis, by which the standards of materials being sold, or purchased, are analyzed to assure they meet pre-established specifications.
3. Laboratory Assistants are responsible for special analysis related to process control where standards have been established, material identification, and analysis of shipments of anhydrous ammonia and urea liquor.
4. Laboratory Technicians, on the other hand, are responsible for special analysis related to process or product development, optimization on work of a special, or investigative nature, where standards have not been established, including the establishing of new analytical procedures for process control.

5. This Letter of Understanding is intended to clarify the division of responsibilities between the Laboratory Assistants and the Laboratory Technicians, and is not an all inclusive list of duties of either, and shall not negate the Company's rights, as detailed in Article 2 of the principal Collective Agreement.

(c) **PENSION PLAN**

1. Should the Nitrochem Corp. Pension Plan provide for an increase to the matching Additional Voluntary Contribution amount of 2% during the term of this Collective Agreement, the Company shall provide an equal increase to the matching Additional Voluntary Contribution amount of 2% for the Hourly Pension Plan referred to in Article 14 of the Collective Agreement.

SCHEDULE "9"

MAITLANDS HIGHEST PAID CHEMICAL INDUSTRY

1. The parties agree to maintain the MHPCI comparator concept as the method to establish rates of pay.
2. Nitrochem Corp. rates identified by asterisk in Schedule 2 shall be adjusted by 3.1% effective June 21, 2003 and by 2.8% effective June 21, 2004 with the following exceptions:
 - Chemical Op. I* and Lab Assistant I* shall be adjusted to match 95.7% of the MHPCI Controller 5 rate effective June 21, 2003, and June 21, 2004.
 - Shift Engineer will be adjusted to match the MHPCI Shift Engineer rate effective June 21, 2003, and June 21, 2004.
3. MHPCI benchmark rate shall be maintained and adjusted throughout the term of this Collective Agreement effective June 21, 2003 and June 21, 2004.
4. Those occupying the classification of:

Lead Hand
Senior Operator

will receive a premium of \$1.00 per hour in addition to the asterisked rate of their classification, with the exception of Labourer - Lead Hand will receive a premium of \$1.10 per hour.

5. For rates other than those identified by asterisk, the following will apply:
 - i) the Trainee rate shall be the same as the Temporary Help rate.
6. For purposes of this Collective Agreement, progression rates are calculated on a linear basis, taking the differential between the Trainee rate and the top level of the classification, identified by asterisk in the Collective Agreement, equally divided by the number of progression steps in the classification.
7. The rate paid to the B trades, i.e. Fire Equipment Mechanic I, Insulator I, Carpenter I, Lubricator I, Painter I shall be equivalent to the Mechanic I rate.

The Warehouse-Yard Operator rate shall be established as 95% of the Chemical Operator I rate.

SCHEDULE "10"

MEMORANDUM OF AGREEMENT BETWEEN NITROCHEM CORP. AND COMMUNICATION, ENERGY, & PAPERWORKERS UNION - LOCAL 33-X

MAP (Maintenance Apprenticeship Program)

This document covers the principles behind a MAP (Maintenance Apprenticeship Program) for the Maitland site. Details of the program will be included in a procedure.

A MAP will be established on the Maitland site to allow the company to develop Maintenance resources in house to fill the expected vacancies in the Maintenance group and to provide an opportunity for interested plant employees to learn a trade.

1. A position of MA (Maintenance Apprentice) will be developed for the site.

This position will include the following levels:

MA - Trainee
MA - III
MA - II
MA - I

2. This position will be available to all Nitrochem employees as well as individuals hired off site.

3. The rate of pay will be the same as the equivalent level for Mechanics.

MA - Trainee	=	Mechanic - Trainee
MA - III	=	Mechanic - III
MA - II	=	Mechanic - II
MA - I	=	Mechanic - I

Nitrochem employees will start at MA - III but will remain at MA - III until they have completed the requirements of MA - Trainee and MA - III.

4. Progression through these levels will be based on the curriculum, testing, and times established by the Ontario Apprenticeship Program.
5. Individuals enrolled in the MAP will be full time regular employees. They will receive all the Company benefits and will become members of the Union.

Nitrochem employees will continue to be paid and receive Company benefits while attending school, as will individuals hired off site, if they attend school one day per week. Attendance at school, full time by individuals off site, will be handled on a case by case basis.

Individuals hired off site will accumulate service but not seniority while in the MAP. They will be credited with the seniority only if they accept a position with Nitrochem Corp. immediately following completion of the Apprenticeship Program.

6. Choice of employees to participate in the MAP will be:
 - i) As per the Collective Agreement for Nitro-chem employees, but each employee must be able to pass a mechanical aptitude test.
 - ii) Based on interview (25%), mechanical aptitude test (72%), relative working at the site (2%), and Co-op experience (1%).
7. The position of MA - Trainee will be offered to present employees before going external.
8. Tools would be provided as follows:
 - i) Basic tools would be provided but would remain Company property.
 - ii) A MA "tool crib" for uncommon items would be set up for their use.

* Apprentices can purchase their own tools.
(Government loans are available.)
9. Failure to pass written tests (as per Government practices of monitoring students) and/or failure to pass practical tests, as per employer's expectations with reference to school curriculum for each level, can result in the MA being removed from the program and returned to his or her original position.

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nitrochem

**Group
Benefit
Plan**

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02361(08)

INTRODUCTION

This information booklet has been prepared to give you an informal summary of the main features of your group insurance program.

This booklet is not an insurance policy, and does not grant or confer any contractual rights. All rights under this program shall be governed by the provisions of the Master Policy and by applicable law.

This booklet is for your reference. Please read it carefully and **keep** it for future use.

Nitrochem Corp. reserves the right to amend the group benefits, including the right to reduce or eliminate benefits.

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MAY 12 2004

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NITROCHEM CORPORATION

Policy Number: 901922

Plan Effective Date: February 19, 2000

ELIGIBILITY

Permanent, full-time employees will become eligible for coverage on the later of:

- the Plan Effective Date; or
- the date of hire.

Contract employees will become eligible for coverage on the later of:

- (i) the Plan Effective Date, if employment commenced on or prior to the Plan Effective Date.
- (ii) following 120 consecutive days of continuous, active employment if employment commenced after the Plan Effective Date.

Contract employees are eligible for Supplementary Health Expense, Emergency Travel Assistance and Dental Expense only. Retired employees are not eligible for coverage.

Please refer to the General Provisions section in the back of this booklet for further information, including

WHEN YOUR INSURANCE STARTS
WHEN YOUR INSURANCE TERMINATES
HOW TO CLAIM

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SUMMARY OF BENEFITS

All benefits except Short Term Disability benefit are underwritten by The Maritime Life Assurance Company.

LIFE INSURANCE

You are eligible for an amount of insurance equal to 3 times annual earnings, rounded to the next higher \$1,000 if not already a multiple thereof, subject to a maximum benefit of \$400,000.

Coverage terminates on the date you attain age 70 or retirement, whichever is earlier, and as outlined in the General Provisions section.

SHORT TERM DISABILITY (Self-insured by Nitrochem Corp.)

This benefit is equal to between ~~66~~^{66 2/3}% and 100% of regular basic earnings as determined by the employer. Benefits begin on the first day of disability due to an illness or a non-occupational injury or sickness. The maximum duration of benefits is 15 weeks (105 days).

LONG TERM DISABILITY

Your benefit is equal to 75% of the first \$5,000 of monthly earnings*, plus 55% of monthly earnings* in excess of \$5,000, subject to a maximum benefit of \$7,000 per month. Your monthly benefit may be reduced as described under Offsets in the Long Term Disability section later in this booklet.

* rounded to ~~the~~ next higher \$1.00, if not already a multiple thereof

The qualifying disability period starts when you first become totally disabled and ends after 105 days, provided your disability is continuous and you are under age 65. If the disability is not continuous, the days you are disabled will be accumulated to satisfy the qualifying disability period provided:

- no interruption is longer than 2 weeks;
- the disabilities arise from the same or related disease or injury.

Coverage terminates on the date you attain age 65 or earlier retirement, and as outlined under General Provisions.

SUPPLEMENTARY HEALTH EXPENSE

- Deductible
- \$25 per individual per calendar year
 - \$50 per family per calendar year

All eligible expenses are subject to the deductible excluding Preferred Accommodation in a Canadian Hospital

- Coinsurance
- 50% for Clinical Psychological or Master of Social Work;
 - 100% of all other eligible expenses; in excess of the Deductible are paid by Maritime Life

- Lifetime
Maximum Benefit
- Unlimited*

* If benefits are provided beyond age 65, the Overall Lifetime Maximum on charges incurred in or out of Canada will be \$50,000.

Coverage terminates on the date you attain age 70 or retirement, whichever is earlier, and as outlined in the General Provisions section.

EMERGENCY TRAVEL ASSISTANCE

Your employer has arranged to provide you and your family with Emergency Travel Assistance coverage. World Access Canada Inc., a multi-service corporation which assists travellers, has contracted with Maritime Life to provide you with timely, efficient assistance when you travel.

- Deductible ➤ Nil
- Coinsurance ➤ 100% of eligible expenses in addition to eligible services are covered.
- Lifetime Maximum ➤ Unlimited

Coverage terminates on the date you attain age 65 or retirement, whichever is earlier, and as outlined in the General Provisions section.

DENTAL EXPENSE INSURANCE

- Deductible ➤ Nil
- Coinsurance ➤ 80% for Minor Procedures
- 80% for Major Procedures
- 50% for Orthodontics

Fee Guide - Benefits are paid in accordance with the current fee guide in effect in the province where the service is rendered on the date the charge is incurred. Specialist's fees are covered. Please see the Dental Expense section for a list of eligible expenses.

Maximum Benefit per Individual:

Minor and Major Services: combined \$1,000 per calendar year

Orthodontics: Employee \$500 per calendar year

 Dependent(s) \$1,000 per lifetime

Notwithstanding the above, if you apply for dental coverage for yourself and/or your dependents more than 31 days following the date you are eligible to apply, the maximum benefit for the first twelve consecutive months of coverage is \$200 for Minor and Major treatment combined. After such twelve consecutive months, the maximum benefit will be as outlined above.

Coverage terminates on the date you attain age 70 or retirement, whichever is earlier, and as outlined in the General Provisions section.

EMPLOYEE LIFE INSURANCE

In the event of your death while insured, the amount of your Life Insurance is payable to your beneficiary. You may change your beneficiary at any time by written notice to your Employer, subject to any policy or legal limitations.

WAIVER OF PREMIUM FOR DISABILITY

If you become totally disabled and receive Long Term Disability Income benefits under this plan as a result of that disability, your Life Insurance will be continued free of charge until you cease to be totally disabled or you reach age 65, whichever occurs first. You must submit proof of your continuing disability **as** may be required by the Insurer.

Note: In order to qualify for the Waiver of Premium benefit you must notify Maritime Life of your disability within one (1) year of your last active day at work, and must furnish proof of your disability satisfactory to the Insurer within 18 months of that last active working day.

CONVERSION PRIVILEGE

Your Life Insurance continues for 31 days following either the termination of your employment, or your classification changing to one in which you are not insured. During this 31 day period you may convert the amount of your Group Life Insurance, provided you are under 65 years of age, to any individual whole life or convertible one-year term or term to age 65 plan without submitting evidence of health.

The amount **of** the individual policy shall not exceed the amount of insurance for which you were insured when coverage was discontinued, subject to a maximum of \$200,000 less any amount you become eligible for under a replacing contract of group life insurance.

The premium rate will be determined from your age and class of risk at the time of conversion.

Note: The conversion privilege does not apply for loss of insurance as a result of:

- i) any age reduction specified in the Summary of Benefits; or
- ii) if insurance terminates when you reach the age specified in the Summary of Benefits section or upon your retirement.

SHORT TERM DISABILITY

EMPLOYEE SHORT TERM DISABILITY BENEFITS

In the event you become totally disabled due to a non-occupational injury or sickness you will receive a disability benefit, provided you are under the continual treatment of a qualified and licensed physician.

Benefits for any one disability are payable from the first day of disability for injury resulting from an accident and the first day of disability for sickness. Your benefit will be payable for not more than 15 weeks (105 days) during any one period of disability.

Please contact your Employer for details on this coverage.

LONG TERM DISABILITY

EMPLOYEE LONG TERM DISABILITY BENEFITS

In the event that you become totally disabled for the required period of time known as the Qualifying Disability Period and you are under the continual treatment of a legally qualified physician deemed appropriate by the Insurer, you will receive a monthly income benefit.

Qualifying Disability
Period

- 105 consecutive calendar days

Monthly Benefit

- 75% of the first \$5,000 of month earnings*, plus 55% of monthly earnings* in excess of \$5,000, subject to a maximum benefit of \$7,000 per month.

* rounded to the next higher \$1.00, if not already a multiple thereof

Maximum Disability
Period

- to age 65.

Benefits will not be payable beyond age 65, unless you satisfy the Qualifying Disability Period while age 64, in which case benefits will be payable for a maximum of 12 months.

TOTAL DISABILITY

You are considered totally disabled, during the first 36 months in which you receive benefits, if you are unable to perform any and every duty of your occupation. After this period you are considered totally disabled if you are unable to perform any and every duty of any occupation for which you are reasonably qualified by training, education or experience.

RECURRENT DISABILITY

If a disability recurs and it is due to the same or related causes, it will be considered as one continuous disability and will not be subject to the Qualifying Disability Period unless you have returned to active, full-time employment for a period of 6 consecutive months or longer.

If your new disability is due to causes unrelated to your prior disability you may be eligible for a new disability period, subject to the Qualifying Disability Period, if you have returned to active work for at least one full day.

OFFSETS

The amount payable under this benefit for total disability is calculated by deducting from your benefit any other sources of income. These are specified in the Master Policy and include the following:

- wages or retirement benefits payable from your employer or employer's pension or retirement plan;
- any payments on account of your disability from any workers' compensation law or similar law;
- payments received from the Canada or Quebec Pension Plan, excluding payments made in respect of dependent children;
- any income or benefit payable under any other plan or program of any government or the crown or of any subdivision or agency of the government or the crown, including any plan or program established pursuant to a provincial automobile insurance act.

All Source Maximum: Your total monthly income while disabled (**Long Term Disability** benefit plus any income listed above and Canada or Quebec Pension Plan family benefits) cannot exceed 85% of your gross monthly earnings as of the date your disability commenced. If your total income exceeds 85%, your Long Term Disability benefit will be reduced accordingly.

EXCLUSIONS AND LIMITATIONS

Benefits are not payable for the following:

- for any portion of a period of disability unless you are receiving ongoing supervision/treatment by a physician deemed appropriate by the Insurer for the impairment which is causing the disability. You will not be paid for any portion of a period of disability during which you do not participate in the treatment program recommended by said physician;
- for any portion of a period of disability during which you are receiving treatment by a therapist unless such treatment is recommended by a physician deemed appropriate by the Insurer;
- for any portion of a period of disability resulting from substance abuse, including alcoholism and drug addiction, unless you are participating in a recognized substance withdrawal program;
- disabilities resulting from self-inflicted injuries or attempted suicide;
- disabilities as a result of participation in a war, riot, insurrection or criminal act unless as a victim of a criminal act;
- a disability resulting from an accident which occurs while you are operating a motor vehicle and the blood contains more than 80 milligrams of alcohol in 100 millilitres of blood (.08%);
- for the portion of a period of disability during which you are
 - a) imprisoned in a penal institution; or
 - b) confined in a hospital, or similar institution, as a result of criminal proceedings;
- any period of disability, or portion thereof, during any leave of absence (including maternity leave) as defined in the General Provisions section of this booklet;
- for a disability which commences on or after the date a strike or layoff begins, except as outlined in the Master Policy;

- to an insured individual who refuses to participate in a rehabilitation program which is deemed appropriate by the Insurer, the attending physician or on the advice of independent medical opinion.

SUBROGATION

If you are entitled to recover compensation for loss of income from a third party as a result of the incident which caused or contributed to the disability, for which benefits are paid or payable, the Insurer will be subrogated to all your rights of recovery for loss of income, to the extent of the sum of benefits paid or payable by the Insurer. You shall execute such documents as required by the Insurer.

In the event that you provide proof to the Insurer that you have not recovered full compensation for loss of income, the Insurer shall determine the proportion of damages actually recovered and share pro rata in that amount.

Should you choose to settle the matter prior to judicial determination, it is understood that the sum reached in settlement will be deemed to be full compensation for loss of income, and the Insurer's right of subrogation will apply.

The term compensation shall include any lump sum or periodic payments which you receive or are entitled to receive on account of past, present or future loss of income.

DISABILITY CASE MANAGEMENT PROGRAM

Maritime life has developed a disability case management program. The purpose of this program is to assist you, in the event that you become totally disabled and qualify for benefits, to return to productive employment. Our disability case management team includes medical consultants, claim adjudicators and a field coordinator. This team will work with you, your employer and your physician to assist you to recover and return to the workplace.

REHABILITATIVE EMPLOYMENT

If you are disabled, the Insurer may recommend that you undergo some suitable rehabilitative training program which would take into account the nature and limitations of your disability. Further details on this aspect will be provided in the event that you become disabled.

SUPPLEMENTARY HEALTH EXPENSE

EMPLOYEE AND DEPENDENT COVERAGE

In the event that you incur in a calendar year any of the Eligible Expenses listed below, you will be paid a percentage of such expenses in excess of the Deductible for that year. The percentage (coinsurance) and Deductible are specified in the Summary of Benefits.

DEDUCTIBLE

The Deductible is that portion of the Eligible Expenses which you are required to pay in any year before you receive benefits. The Deductible is \$25 a year per individual or \$50 a year per family.

LIFETIME MAXIMUM BENEFIT

The total lifetime benefit payable in respect of you or your dependents is limited to the Lifetime Maximum Benefit specified in the Summary of Benefits.

ELIGIBLE EXPENSES

The following is a list of eligible expenses.

Preferred Accommodation in Canadian Hospitals

Semi-private or private room and board in a licensed Canadian hospital. Such charges shall not be subject to Deductible.

Prescription Drug Expenses

Reasonable and customary charges for medically necessary drugs and medicines which are dispensed by a licensed pharmacist or physician and are prescribed by a physician for the treatment of an illness or injury and are either

- a) drugs which by law require a physician's prescription for purchase or
- b) drugs, medicines, injectable preparations and allergy serums, specified as covered expenses by the Insurer, or
- c) life-sustaining drugs not prescribed by a physician.

Note: Smoking cessation aids which require a physician's prescription are covered, subject to a lifetime maximum of a three-month supply of anti-smoking gum and nicotine patches. In addition, Viagra is subject to an annual maximum of \$500 per person.

No benefit shall be payable for

- 1) vitamins, vitamin supplements, dietary supplements, or diet foods.
- 2) food and food products, including infant formula, infant foods, and salt and sugar substitutes.
- 3) general products or any other product which can be sold at any retail outlet including, but not limited to, such items as contact lens care, non-medicated shampoo, toothpaste, skin protectors, emollients and soaps.
- 4) any single purchase of drugs which would not reasonably be used within 90 days from the date of purchase.

Drugs covered under the Quebec Universal Drug Plan formulary

Drugs not covered under the group plan but listed in the Quebec Universal Drug Plan formulary, will be reimbursed in accordance with the Quebec Universal Drug Plan.

A child age 18 to 25 inclusive will be considered a dependent if in full-time attendance at an accredited school, college or university.

Coverage will be maintained with payment of premium for a minimum

period of 30 days in the event of strike, lock-out or any other organized work stoppage;

At age 65 you have the choice of being insured either by the Regie de L'Assurance-Maladie du Quebec (RAMQ) or under this policy. If you choose to be covered under this policy an annual premium will be charged. A decision to take coverage under the RAMQ plan is considered irrevocable and you cannot at a later date apply for drug coverage under the group plan.

Out of Province Referral Expenses

If an individual is under age 70 and referred by a physician for non-emergency treatment outside the province of residence, the following expenses in excess of any provincial government plan allowance are covered, provided they are eligible for reimbursement in whole or in part by any provincial government plan. Expenses incurred outside Canada are subject to a lifetime maximum benefit of \$1,000,000.

1. reasonable and customary charges for semi-private accommodation;
2. reasonable and customary charges for the services of a physician;
3. reasonable and customary charges for hospital services and supplies furnished during hospitalization, and for x-ray examinations and laboratory tests related to medical treatment rendered without hospitalization.

Extended Health Expenses

- Charges for licensed Convalescent Care Facility, subject to a daily maximum benefit equal to the charge made for private or semi-private accommodation. Confinement must begin following a minimum of 3 consecutive days of hospital confinement and prior to the insured's 70th birthday;

- Charges for the services of a licensed speech therapist, osteopath, chiropractor, naturopath, massage therapist or chiropodist/podiatrist up to a maximum benefit of \$200 in excess of the provincial plan, per specialty per calendar year per individual;

Charges for one x-ray are included in the maximums noted above;

Reasonable and customary charges for the services for a licensed physiotherapist, or occupational therapist in excess of the provincial plan;

Charges for the services of a licensed psychologist or social worker up to \$20 per visit (including the initial assessment) to a total maximum of 50 visits per calendar year;

- Charges for the services (excluding custodial care) of a Registered Nurse (R.N.), Nursing Assistant (C.N.A., R.N.A., R.P.N., L.P.N. or L.N.A.) or a member of the Victorian Order of Nurses (V.O.N.) which are rendered while the insured is not confined to a hospital subject to an overall maximum benefit of \$25,000 in any calendar year provided such nurse is not a resident in your home or a relative of your family. These charges will be considered eligible expenses only if recommended by a physician and only if medically necessary. For the purpose of this policy, custodial care is defined as assistance with daily living or tasks which a layperson could perform;
- Charges for rental (or, at the Insurer's option, purchase and maintenance) of durable medical or surgical equipment required for therapeutic purposes and as approved by the Insurer;
- Charges for rental (or, at the Insurer's option, purchase and maintenance) of braces and crutches and the purchase of prostheses;

- Charges for necessary dental treatment required as the result of an accidental injury to natural teeth provided the accident occurred while insured under this coverage. As determined by the Insurer, only such charges directly related to such an accidental injury are considered a covered medical expense. The dental work must be completed within 12 months of the accident to be considered a covered medical expense;
- Charges for diabetic supplies and insulin preparations;
- Charges for professional ambulance service, other than airline, to and from the nearest hospital qualified to provide the necessary treatment.

Emergency transportation, except while travelling outside the insured's province of residence, by airline to and from the nearest hospital qualified to provide the necessary treatment. Such emergency transportation is subject to a maximum benefit equal to the economy airfare for the insured, and, if medically required, a medical attendant who is neither a resident in your home nor a relative of your family;
- Charges for orthopedic shoes and orthotics which have been specially designed and molded for the insured individual and are required to correct a diagnosed physical impairment. Such charges are limited to a maximum benefit of \$200 every 36 months (12 months for dependent children younger than age 18);
- Charges for laboratory tests and x-rays not covered by any provincial government plan, subject to a maximum benefit of \$100 per calendar year per individual;
- Charges for purchase of hearing aids (excluding batteries), subject to a lifetime maximum benefit of \$250 per person. Batteries are not covered.

Vision Care Expenses

Charges for vision care as follows:

- Lenses and frames for eyeglasses or contact lenses not covered below, subject to a maximum benefit of **\$140** per person in any period of **24** consecutive months (**12** consecutive months for dependent children younger than age **18**);
- Contact lenses prescribed for severe corneal astigmatism, severe corneal scarring, Keratoconus (conical cornea) or Aphakia, provided visual acuity cannot be improved to at least the **20/40** level by spectacle lenses, subject to a maximum benefit of **\$200** in any period of **24** consecutive months.

EXCLUSIONS

The foregoing list of eligible expenses shall not include any of the following:

- charges which are considered an insured service of any provincial government plan;
- charges which were considered an insured service of any provincial government plan at the time this plan/benefit was issued and subsequently were modified, suspended or discontinued;
- charges for general health examinations, and examinations required for use of third party;
- charges for a surgical procedure or treatment performed primarily for beautification, or charges for hospital confinement for such surgical procedure or treatment;
- charges for medical treatment or surgical procedure by a physician other than as provided under Out of Province Expenses;

- charges for transport or travel, other than as specifically provided under eligible expenses;
- charges for services or supplies which are furnished without the recommendation and approval of a physician acting within the scope of his license;
- charges not specified in the foregoing list of eligible medical expenses;
- charges which are not medically necessary to the care and treatment of any existing or suspected injury, disease or pregnancy;
- charges which are from an occupational injury or disease covered by any workers' compensation law or similar legislation;
- charges which would not normally have been incurred **but** for the presence of this insurance or for which you are not legally obligated to pay;
- charges which the Insurer **is** not permitted, by any law or regulation, to cover;
- charges for dental work where a third party is responsible for payment for such charges;
- charges for bodily injury resulting directly or indirectly from war or act of war (whether declared or undeclared), insurrection or riot, or hostilities of any kind;
- charges for services or supplies resulting from any intentionally self-inflicted wound;
- charges for drugs, sera, injectable drugs or supplies which are not approved by Health and Welfare - Canada or are experimental or limited in use whether or not so approved;

- charges for experimental medical procedures or treatment not approved by the Canadian Medical Association or the appropriate medical specialty society;
- charges made by a physician for travel, broken appointments, communication costs, filling in of forms, or physician's supplies.

SURVIVORS CONTINUED COVERAGE

If you should die, coverage under the Supplementary Health Expense benefit will continue for your dependents. Premiums will not be required. This continued coverage ends:

- when this policy or benefit terminates; or
- 12 months following the date of your death.

EMERGENCY TRAVEL ASSISTANCE

EMPLOYEE AND DEPENDENT COVERAGE

Note: Only insured individuals under age 65 are eligible for coverage. Coverage is limited to a period of 60 days from the date the insured leaves the province of residence. Dependent children who are attending school outside Canada are eligible for coverage only while travelling to and from their province of residence and the school.

Coverage for employees between ages 65 and 70 can be arranged for at a higher premium.

LIFETIME MAXIMUM BENEFIT

The total lifetime benefit payable in respect of an insured employee or dependent is unlimited.

SERVICES

The following benefits are covered in the event of an emergency which occurs while you or your dependents are travelling for non-medical reasons outside your province of residence:

- 1) The following Assistance Services are covered:
 - a) Multilingual assistance **by** toll-free telephone, 24 hours a day, 365 days a year, for insured individuals and providers of medical services to obtain aid and assistance;
 - b) Referral to a legally qualified physician, dentist, legal advisor or an appropriate medical care facility;
 - c) Assistance in replacement (but not cost) of necessary travel documents or tickets in the event of theft or loss;

- d) A centre for communication of messages between you and your family, friends or business associates. Messages are held for 15 days;
 - e) Medical consultation and monitoring of medical care and services if you or your dependents are hospitalized, and arrangement for contact with the patient, the attending physician and the patient's personal physician and family if necessary.
- 2) The following eligible expenses are covered:
- a) Medical Services - Charges incurred for medical and surgical fees, semi-private hospital accommodations and prescribed drugs;
 - b) Emergency transportation - Emergency transportation to the nearest appropriate medical care facility and if medically necessary from the medical care facility to a hospital in Canada. Upon written recommendation of a physician, such charges shall include a medical attendant if necessary who is neither a resident in the employee's home nor a relative of the employee or the employee's spouse;
 - c) Return of Deceased - Charges incurred for the return of a deceased employee or dependent to the place of former residence in Canada, subject to a maximum benefit of \$5,000 per individual;
 - *d) Return of Dependent Children - Charges incurred for the return of dependent children to their residence in Canada in the event you or your spouse is hospitalized and the children are left unattended. The children must be under 16 years of age. Arrangements for an escort to accompany the children will be made if necessary;

- *e) Return Trip Delay - Transportation - Charges incurred for delay of the return trip of an insured individual due to the hospitalization of that individual or another insured individual with whom the individual is travelling, limited to the cost of one way economy class transportation;
- *f) Visit of Family Member - Charges incurred for transportation of an immediate family member to visit a hospitalized insured individual. Such individual must have been travelling alone and confined to a hospital for more than 7 days. The cost of transportation is limited to return economy fare for one family member. An immediate family member is defined as a spouse, parent, child, brother or sister or a person with whom the insured individual normally resides;
- * Charges for d), e) and f) above, are subject to a combined maximum benefit of \$5,000 per emergency.
- g) Return of Vehicle - Charges incurred in connection with the return of an insured's vehicle in the event the insured is unable to return it due to illness, injury or death, subject to a maximum benefit of \$500 per trip. The vehicle will be returned to the insured's residence or nearest appropriate rental agency. Such charges shall not include commercial transport vehicles;
- h) Return Trip Delay - Accommodation - Charges incurred for commercial accommodation and meals for insured individuals while staying with a hospitalized insured family member when their return trip is delayed due to an illness or accident. Such charges are subject to a maximum benefit of \$700 per family;
- i) Convalescent Benefit - Charges incurred for accommodation for insured individuals requiring convalescence following hospitalization, subject to a maximum benefit of \$75. per day for not more than 5 days for each insured individual.

EXCLUSIONS

The foregoing list of services shall not include any of the following:

- charges listed as Exclusions under the Supplementary Health Expense section of this booklet;
- charges which are not incurred as a result of an emergency while travelling;
- charges in connection with childbirth and medical complications resulting from childbirth when the delivery takes place after the beginning of the 32nd week of pregnancy.

LIABILITY

The Insurer is not responsible for the availability, quantity, quality or results of any medical treatment received by an insured individual, or for the failure of an insured individual to receive Medical treatment for any reason.

DENTAL EXPENSE BENEFIT

EMPLOYEE AND DEPENDENT COVERAGE

As the wording of this dental coverage is technically oriented Maritime Life suggests you take this booklet with you when you visit your dentist.

In the event that you incur any of the Eligible Expenses listed below, you will be paid 80% of Minor Services, 80% of Major Services and 50% of Orthodontic expenses.

MAXIMUM BENEFIT

The total benefits payable are subject to the maximums specified in the Summary of Benefits.

EXTENSION OF BENEFITS

No benefits for Eligible Expenses will be paid for claims incurred after the termination of the Master Policy or after your insurance under this coverage ceases.

DENTAL CLAIM FORM REQUIRED

No payment will be made unless a Dental Claim Form, satisfactory to the Insurer, is submitted to a claim office of the Insurer.

ALTERNATE BENEFITS AND SUBMISSION OF TREATMENT PLAN

Where there exists more than one customarily employed and professionally adequate method of treating injury or disease to the teeth, Maritime Life reserves the right to determine eligible expenses on the basis of an alternate benefit.

As a service to you, Maritime Life will advise you in advance of the amount of its liability when a proposed course of treatment includes major restorative dentistry or orthodontics. To use this service, simply have your dentist complete a treatment plan on forms available from your employer, including pretreatment x-rays if the proposed treatment involves crowns or bridgework.

ELIGIBLE EXPENSES

Charges for the following supplies and services are considered Eligible Expenses if they do not exceed the Fee Guide for General Practitioners of the Dental Association as outlined in the Summary of Benefits. Further details may be found in the Master Policy.

MINOR PROCEDURES

- Diagnostics: Procedures required to assist the dentist in evaluating existing conditions and determining any further dental care which may be required subject to the following limitations:
 - (a) oral examinations: standard oral examination limited to once every 6 months, complete oral exam and diagnosis is covered only once every 2 years;
 - (b) x-rays: single diagnostic x-rays; complete series or equivalent once every 2 years;
 - (c) study casts: once per year;
 - (d) consultations.

- Preventive Therapy: Procedures intended to eliminate or reduce the need for future dental treatment subject to the following limitations:
 - (a) 1 unit of polishing every 6 months, 8 units of scaling and/or root planing in any calendar year, topical fluoride; (Unit of time = 15 minutes)
 - (b) passive space maintainers, those that do not move the teeth, for dependent children only.

- Basic Restorative Dentistry: The basic procedures used to restore the natural teeth to their normal functions by the use of silver amalgam, silicate, or synthetic restorations (fillings). In addition, sedative dressings are covered.
- Extractions: Uncomplicated removal of teeth.
- Endodontics: Emergency endodontic procedures and conservative root canal therapy.
- Periodontics:
 - (a) Adjunctive Services as follows: Root planing, Acute infections, Occlusal Adjustment, Provisional splinting;
 - (b) Surgical Services as follows: gingival curettage, gingivoplasty, gingivectomy or osseous surgery;
 - (c) Special Periodontal Appliances.
- Oral Surgery: Routine oral surgical procedures as follows: surgical removal of impacted teeth, residual roots and associated post-operative care.
- Anaesthesia: Anaesthesia where reasonably and customarily required in connection with other covered procedures.
- Repairs, Relining, and Rebasing of Dentures: Repair or relining and rebasing of dentures, including addition of new teeth, but not including the cost of dentures, their replacement or duplication.

MAJOR PROCEDURES

- Removable Prosthetic Devices: The initial installation of partial or full dentures, subject to the pre-existing condition limitations on teeth missing, extracted or fractured prior to becoming insured.

Replacement of existing dentures is not covered except if:

- (a) The replacement is required because of extraction, loss or fracture of one or more sound natural teeth after the individual became insured under this plan or
- (b) The existing dentures are at least 5 years old and no longer

serviceable.

Replacement of lost or stolen dentures, the duplication of dentures and personalization or characterization of dentures is not covered.

- Extensive Restorative Dentistry: Those procedures, including gold inlays, onlays and crowns, used to restore the natural teeth to their normal functions where the tooth, as a result of extensive caries or fracture, cannot be restored with a filling. Replacement of existing gold inlays, onlays and crowns are covered only if the existing restoration is no longer serviceable. 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. Such procedures are subject to the pre-existing condition limitations on teeth missing, extracted, or fractured prior to becoming insured.
- Fixed Prosthetic Devices: The initial installation of fixed prosthetic devices subject to the pre-existing condition limitations on teeth missing, extracted or fractured prior to becoming insured.

Recementing and replacement of the facing or veneer of the fixed prosthetic device.

The replacement of existing fixed prosthetic devices is not covered except if:

- (a) The replacement is required because of extraction, loss or fracture of one or more sound natural teeth after the individual became insured under this plan or
- (b) The existing fixed prosthetic device is at least 5 years old and no longer serviceable.

ORTHODONTICS

The diagnosis or correction of teeth irregularities and malocclusion of jaws, by wire appliances, braces or other mechanical aids, commonly known as "straightening of the teeth". These include active space retainers, or orthodontic appliances, for the purpose of repositioning or moving of the teeth.

EXCLUSIONS AND LIMITATIONS

Payments will not be made for any dental procedure in respect of any injury or dental disease for which the employee or dependent was advised to receive treatment or for which treatment first began before the employee or dependent became insured for that dental procedure.

Payments will not be made for any dental procedure in respect of teeth extracted, missing, or fractured before the employee or dependent became insured for that procedure except for appliance replacement as specifically stated under Eligible Expenses.

No benefit will be payable for the initial installation (or addition) of prosthetic devices unless such installation (or addition) is required primarily due to teeth that were missing, extracted or fractured after becoming insured under this plan for prosthetic devices.

No benefit is payable for the following:

- Services or supplies that are primarily for cosmetic dentistry;
- charges which were considered an insured service of any provincial government plan at the time this plan/benefit was issued and subsequently were modified, suspended or discontinued;
- Services or supplies which are not furnished by a legally qualified dentist or denturist acting within the scope of his license;
- Any charge for an injury resulting from war, riot, insurrection or participation in a criminal act;

- Any miscellaneous charges such as counselling or instruction, travel, broken appointments, communication costs or filling in of forms;
- Any charge resulting from any intentionally self-inflicted injury;
- Any services covered in whole or in part by any government plan, services for which no charge is made, or services which the insurer is not permitted by law to cover;
- Any charge for services which would not normally have been incurred, but for the presence of this insurance, or for which you are not required to pay;
- Any hospital charges for board and room and related services and supplies;
- Any dental examinations required by a third party;
- Diagnostic procedures in connection with any benefit categories excluded as eligible expenses;
- Services or supplies for implantology.

GENERAL PROVISIONS

WHEN YOUR INSURANCE STARTS

Your insurance comes into effect on the latest of the following dates if you are actively at work on that date.

- the date you become eligible;
- the date you apply;
- if Evidence of Insurability is required, as in the case of late application, the date it is approved by the Insurer.

EVIDENCE OF INSURABILITY

Evidence of Insurability is required if:

- you apply for insurance more than 31 days after becoming eligible to apply;
- you reapply after your insurance has terminated due to non-payment of premium.

WHEN YOUR INSURANCE TERMINATES

Your insurance terminates on the earliest of the following:

- non-payment of premium;
- a change in your classification to one not insured;
- termination of your employment;
- termination or amendment of the Master Policy;
- your commencing active duty in any armed forces; or
- the date outlined in the Summary of Benefits.

Note: In the event you are absent from work due to sickness, injury, layoff or leave of absence, your insurance coverages may continue for a period as outlined in the Master Policy, but only if the required premiums are paid.

COORDINATION OF BENEFITS

Payment of Supplementary Health, Emergency Travel Assistance and Dental benefits (where provided under this plan) shall be coordinated so that benefits from all plans do not exceed 100% of the eligible claim.

For this purpose, the Insurer has a right to receive and release information on benefits and if necessary, collect any overpayments made by it.

ELIGIBLE DEPENDENTS

- Unmarried children who are under age 22, or under age 25 if attending an accredited school, college, or university as a full time student. Dependent children must be dependent on you for support and not employed at a regular full-time job.
- Functionally impaired children of any age who are totally dependent upon you for support. For the purposes of this plan, a functionally impaired child shall mean an unmarried person who was insured as a dependent prior to the limiting ages above who is wholly dependent upon you for support and maintenance within the terms of the Income Tax Act.
- A child of your spouse provided,
 - i) he/she is also your biological child; or
 - ii) your spouse is living with you and has custody of the child.
- Your spouse as the result of a valid civil or religious ceremony, or a person of opposite sex or a same-gender partner with whom you have had a common-law/conjugal relationship for a minimum period of 12 consecutive months immediately prior to the date on which a claim arose.

In cases of divorce or separation, only one spouse per member shall be covered as per legal separation agreement and/or a court order.

CHANGE IN AMOUNTS OF INSURANCE

A change in the amount of your insurance shall become effective on the date of change, if you are actively at work for that full scheduled working day, otherwise on the first day thereafter on which you are actively-at-work.

CHANGE IN GOVERNMENT SPONSORED PROGRAMS

The medical, dental and hospital benefits under this group insurance plan are provided in conjunction with government sponsored provincial programs. In the event coverage under any provincial program is modified, suspended or discontinued, the group insurance plan will not automatically assume responsibility for any services or products previously covered under the provincial programs.

DEFINITIONS

- Earnings ➤ shall be your normal earnings which exclude premium, overtime pay, dividends, bonuses or any other special compensation unless specifically stated otherwise.
- Full-time
Employee ➤ a permanent Employee who works a regularly scheduled work week of at least 20 hours.
- Leave of
Absence ➤ shall mean a period of time away from work mutually agreed to by you and your employer. In the case of maternity leave of absence, the leave shall begin and finish on dates agreed to by you and your employer or as required by Provincial or Federal law.

HOW TO CLAIM

In order to quickly process a claim, the following information is required:

- **your full name and address.**
- **the name of your Employer.**
- **your Certificate (Identification) Number.**
- **your Provincial Medical Insurance Plan Number (Emergency Travel Assistance coverage only).**
- **your Group Policy Number. (901922)**

For Emergency Travel Assistance claims:

Dial the number on the back of your identification card and you will be connected with the World Access Operation Centre. Be sure to carry your identification card (supplied by your employer) with you when you travel. The card contains the information you are required to give to World Access in the event you need assistance.

If your claim is for payment of \$200 or less, you will be asked to make the payment and keep the receipts. Your provincial health plan and the Insurer will reimburse you for the eligible expenses upon your return.

For all other claims:

Contact your Employer who will supply you with the proper forms with instructions for completion.

If you require assistance with previously submitted health or dental claims, contact Maritime Life at 1-800-667-5165.

TIME LIMITATIONS

A claim for disability income benefits must be submitted within 6 months of the end of the qualifying disability period.

A claim for a waiver of premium benefit must be submitted within 12 months of the date disabled.

A claim for any other loss must be submitted within 15 months following the date the **loss is** incurred. However, in the event of termination of insurance, a claim must be submitted within 90 days following the date of termination of your insurance or the date following termination of a coverage or the policy.

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CLARICA™

**PENSION PLAN FOR THE HOURLY EMPLOYEES
OF NITROCHEM CORP.**

**Group Registered Pension Plan
For Hourly Employees
Plan Reference Id GA 15150-1-RPP1
Effective February 19, 2000**

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INTRODUCTION

NITROCHEM CORP. has established the Pension Plan for Hourly Employees of NITROCHEM CORP. Group Registered Pension Plan (RPP) with Clarica. NITROCHEM CORP. is providing this defined contribution RPP to help you save for a comfortable retirement. The plan is designed to provide attractive investment options, tax sheltering of assets and investment earnings until retirement.

In addition to the features of this plan, amounts contributed towards your retirement income are subject to both federal and provincial laws. This booklet will explain the common guidelines that apply to amounts deposited into a registered pension plan and describe the basic benefits that are payable to you.

Clarica is a leader in the Canadian financial services industry with total assets in excess of \$42.2 billion. Within the Canadian Customer Business Unit of Clarica, we have consistently attracted new clients, and more importantly, held on to our existing business relationships. In fact, one in nine working Canadians is covered through a group insurance or retirement savings plan with Clarica and we have over 10,000 group clients.

Clarica earns consistently high ratings from Standard & Poor's, A. M. Best and Moody's, three leading internationally recognized credit rating firms. We're respected for our superior capitalization (our capital is double government regulatory requirements), prudent management of investments, claims paying ability, and Clarica's strong market position in Canada.

The assets of this plan are not considered part of the assets/liabilities of NITROCHEM CORP.

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JOINING THE PLAN

All employees who are employed on a permanent basis and are represented by the Communications, Energy & Paperwork's Union, Local 33-x, Maitland Ontario can join the plan after 1 year of service but must join the plan after completing 3 years of service and you are at least 35 years of age.

Employees who participated in the prior plan are eligible to join immediately.

Clarica can begin accepting contributions once you complete an enrolment form.

CONTRIBUTIONS

Your required contributions: a minimum of 3% up to a maximum of 5% of annual earnings

You may change the level of contributions once per year

Your contributions will be made by payroll deductions

You may not make additional voluntary contributions under this plan

NITROCHEM CORP. contributions: will match the amount that you contribute

For the purposes of this plan, your earnings include your basic pay, before deductions. Amounts paid in addition are not included, e.g. overtime, bonuses.

Contributions made by or for you into this plan or any other registered plan may not exceed the overall tax assisted retirement savings maximum allowed under the Income Tax Act. In general, this amount will be a maximum of 18% of your employment income but is subject to maximum dollar limits.

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INVESTMENTS

Information about the investment manager(s) and the fund(s) available to you under the plan is provided separately from this booklet. Please refer to your member investment package.

The specific name of each fund available under the plan appears in the member investment package as illustrated by the following example. It is important to write the full fund name on your enrolment form(s) and any financial change form(s) sent in after your initial enrolment.

XYZ _____ FUND (XYZ □ Fund Manager Name)

The total amount allocated to each fund should be expressed on your enrolment form(s) in percentages totalling 100%.

BENEFITS ON TERMINATION OF EMPLOYMENT

If you terminate your employment with NITROCHEM CORP. for reasons other than retirement or death, Clarica will prepare a detailed statement for you which will include dollar amounts and options available. You will then be asked to decide what should be done with your funds, The following is a summary of what may be available:

If you've been a member of the plan for less than 2 years, the following options are available to you:

You are NOT entitled to NITROCHEM CORP. contributions made on your behalf.

Transfer

You may transfer the value of your pension account to the Clarica AssetBuilder RSP, another registered retirement savings plan, registered retirement income fund or registered pension plan. Direct transfers allow the funds to continue to be tax sheltered.

Cash Payment

You may withdraw all or any part of the funds as cash. Tax will be withheld.

Deferred Annuity Income

You may purchase a deferred annuity from Clarica or another financial carrier. Payments could begin at any age. See the 'Benefits on Retirement' section for further information.

If you've been a member of the plan for at least 2 years, the following options are available to you:

You are entitled to NITROCHEM CORP. contributions made on your behalf.

Transfer

You may transfer the value of your vested assets to the Clarica AssetBuilder LIRA, another locked-in retirement account or registered pension plan. Both the transfer amount and any future investment earnings must be used to purchase a retirement income, and are not available as a cash amount, now or in the future. Direct transfers allow the funds to continue to be tax sheltered.

Cash Payment

If you made voluntary contributions to the plan as outlined under 'Contributions' you could choose to withdraw these amounts as a cash amount. Tax will be withheld before the amount is paid to you. Neither required member or NITROCHEM CORP. contributions may be withdrawn in cash.

Deferred Annuity Income

You may purchase an annuity from Clarica or another financial carrier. Payments from this annuity may not begin prior to your 55th birthday. The 'Benefits On Retirement' section will provide you with more information on annuities.

Note: If you are within 10 years of your normal retirement date, you may choose any of the options available under the 'Benefits On Retirement' section.

BENEFITS ON RETIREMENT

TIMING OF RETIREMENT INCOME

The normal date for retirement income to begin is the first of the month following your 65th birthday. You can request a pre-retirement package which will outline the steps necessary to begin receiving retirement income from this plan.

You may elect to postpone receiving your retirement income beyond age 65, but no later than December 31st of the year in which you reach age 69. The earliest date you may start receiving retirement income from this plan is age 55.

RETIREMENT OPTIONS

There are a number of different forms of retirement benefits available to you under the plan. Provincial legislation has established guidelines on the types of retirement income you may choose.

Annuity Income Option

An annuity is a contract to receive a series of payments that you buy with all or part of your account. Monthly payments are the most common, and have been used in the following descriptions. However, payments may be quarterly, semi-annually or annually.

a) Joint Life Annuity

If you have a spouse or **same-sex** partner on the day payments begin, provincial legislation requires that you elect a pension on a joint basis. A joint life annuity is an equal amount paid to you monthly, for the entire lifetime of you and your spouse or **same-sex** partner. There are a number of choices you can make to add a guaranteed period. You may have all or a portion of the income continue if one of you dies, provided the payments to the survivor are not less than 60% of the original annuity.

If you want to elect another income option, you and your spouse or **same-sex** partner must jointly file a written waiver within the 12 months before your annuity begins.

b) Life Annuity

A Life Annuity is an equal amount paid to you monthly for your entire lifetime. You may select a guaranteed period.

If you do not have a spouse or **same-sex** partner, your normal form of pension will be payable for your lifetime with 120 payments guaranteed. This means payments will continue for as long as you live. If you die before having received 120 monthly payments, and if your beneficiary is the estate, the value will be paid in a lump sum. If your beneficiary is an

individual, the remaining payments may be continued or the value of the remaining guaranteed payments may be paid in a lump sum.

Transfer

You may choose to transfer the value of your account to another registered pension plan, the *Clarica AssetBuilder* LIRA, another *locked-in* retirement account or life income fund. Both the transfer amount and any future investment earnings must be used to purchase a retirement income and are not available **as** a cash amount, now or in the future. Direct transfers allow the funds to be moved tax sheltered.

Life Income Fund

You may choose to purchase a life income fund (LIF) with the value of your pension account from Clarica or another financial carrier. A LIF combines the flexibility of a registered retirement income fund (RRIF) with the security of an annuity.

A LIF converts retirement savings into regular income payments. **As** with a RRIF, you're able to adjust how much income you receive, how often you receive it and how it's invested. At age 80, the remaining savings must be used to purchase a life annuity.

The main difference between a LIF and a RRIF is a LIF restricts the maximum amount a person can withdraw in a year, in addition to a minimum payment requirement.

Locked-In Retirement Income Fund

A LRIF converts retirement savings into regular income payments. **As** with a RRIF, you're able to adjust how much income you receive, how often you receive it and how it's invested. The amount of income is subject to minimum and maximum limits.

WHAT IF YOU DIE AFTER INCOME HAS STARTED?

A post retirement benefit may be payable. Your beneficiary will receive information concerning any death benefit after notifying the company making the annuity payments of your death.

BENEFITS ON DEATH PRIOR TO STARTING A PENSION INCOME

If you die prior to starting an income from this plan, your beneficiary will receive any amount payable from your pension account. A detailed statement including the dollar amounts and the options available will be prepared for your beneficiary. The following is a summary of what may be available:

WHO IS YOUR BENEFICIARY?

If you have a spouse or same-sex partner, provincial legislation requires that your spouse or same-sex partner receive any death benefit payable from the plan. The terms 'spouse and same-sex partner' have been defined under the General Information section at the end of this booklet. If you wish to appoint a beneficiary other than your spouse or same-sex partner, both you and your spouse or same-sex partner may file a "Spousal Waiver of Pre-Retirement Death Benefit".

If you do not have a spouse or same-sex partner, you may name a beneficiary. Your beneficiary may be changed at any time, subject to any legal restrictions. If you do not name a beneficiary, any death benefit would be payable to your estate.

Ensure your beneficiary is aware of this plan and knows where your estate related documents are kept.

Your beneficiary will be entitled to all NITROCHEM CORP. contributions made on your behalf.

DEATH BENEFIT OPTIONS

Cash Payment

Your spouse or same-sex partner, beneficiary or estate will receive a cash payment equal to the value of your pension account. All cash payments are subject to withholding tax.

Transfer

If the death benefit is payable to your spouse or same-sex partner, your spouse or same-sex partner may choose to transfer the death benefit to another registered pension plan, registered retirement savings plan or registered retirement income fund. Direct transfers allow the funds to continue to be tax sheltered.

Annuity Income

If the death benefit is payable to your spouse or same-sex partner, your spouse or same-sex partner, may choose to purchase an annuity as described under the 'Benefits On Retirement' section.

GENERAL INFORMATION

SPOUSAL BENEFITS

If you have a spouse, your spouse has certain rights to the benefits earned under this plan at your death, retirement or marriage breakdown.

For the purposes of this plan, spouse includes legally married or common-law partners. A common-law partner must be of the opposite sex and have been living with you in a conjugal relationship for at least 3 years. If you and your common-law spouse have a child and have been in a relationship of some permanence, the 3 year rule does not apply.

For the purposes of this plan, same-sex partners, include someone of the same sex who you have been living with in a conjugal relationship for at least 3 years. If you and your same-sex partner have a child and have been in a relationship of some permanence, the 3 year rule does not apply.

MARRIAGE OR RELATIONSHIP BREAKDOWN

Your pension assets may be divided between you and your spouse or same-sex partner in the event of the breakdown of your marriage, as ordered by a court decision. A copy of the court order or domestic contract must be submitted to Clarica. Your spouse or same-sex partner may not receive an amount greater than 50% of the assets accrued during your marriage or common-law relationship. The portion of the benefit to which your spouse or same-sex partner is entitled must remain in the plan until the benefits become payable to you.

INCOME TAX REGULATIONS

The plan and the manner in which it is operated is governed by the Income Tax Act (Canada).

You must include benefits paid out of the plan in your taxable income unless you have made a tax-sheltered transfer.

Any cash payment out of the plan is fully taxable in the year in which you receive it. It is subject to withholding tax at the time of withdrawal.

The first \$1,000 of annuity income in any year may be eligible to claim as a non-refundable tax credit. Check your current Tax Guide published by Canada Customs and Revenue Agency.

You cannot assign assets under this plan. Benefits from this plan may not be used as collateral for a loan.

MEMBER STATEMENT OF BENEFITS

At least twice each year, Clarica will prepare a statement showing the contributions made on your behalf into the plan since the last statement and the total value accumulated to your credit.

PENSION ADJUSTMENT

The amount that you can contribute to a registered retirement savings plan (RRSP) on a tax-deductible basis will be directly affected by any amount contributed for you to this RPP or any other registered retirement savings vehicle.

The total of contributions made by or for you under this plan will be reported to Canada Customs and Revenue Agency each year on your T4 slip. This figure is called your 'Pension Adjustment' (**PA**) and is for tax reporting purposes only. The amount that you can contribute to an RRSP next year is reduced by your PA calculated for this year.

Canada Customs and Revenue Agency will advise you of your RRSP contribution room for each taxation year on your Notice of Assessment.

THE PLAN'S FUTURE

NITROCHEM CORP. expects this plan to be permanent. However, future conditions may require NITROCHEM CORP. to change or discontinue the plan. Your benefits earned before any change will not be negatively affected.

PURPOSE AND USE OF PERSONAL INFORMATION

The personal information requested of you is required in order to efficiently administer your benefits under the plan.

Clarica will establish a file in which your personal information will be kept. Only Clarica employees, representatives and other individuals who you authorize will have access to this file. All Clarica employees and representatives must abide by our Code of Business Conduct which ensures that your personal information is confidential and is used only for the administration of this plan.

If you wish to view the personal information held in this file, a written request should be sent to:

Group Savings Client Services
Clarica
227 King St S
PO Box 1601 Station Waterloo
WATERLOO ON N2J 4C5

Some restrictions and charges may apply

We need you to keep us informed of changes in your address, beneficiary or other personal information that we use to administer the plan. When a beneficiary change occurs, please contact NITROCHEM CORP. for the form to notify us of the change. All other changes can be made by calling the appropriate number below.

CAN WE HELP?

Questions???? Feel FREE to contact us.

Fully understanding every aspect of this plan is almost impossible. We realize, and expect, that from time to time you will have questions. "How much do I have saved up?"..."Can I make a change in the investment of my contributions?"..."Can I transfer other retirement savings into this plan?"

Whatever your questions, we want you to feel free to contact us. That is why we created ComfortLine and Customer Access.

ComfortLine is an easy to use telephone system that allows you to get retirement plan information toll-free 24 hours a day - 7 days a week. With ComfortLine, you can do most of your day-to-day transactions over the phone.

Customer Access is our interactive World Wide Web site that allows you to get account information and process day-to-day transactions over the Internet. **Please** remember that when you use electronic means to contact someone, the Internet for example, the security or confidentiality of the information cannot be guaranteed.

ComfortLine /Customer Access	FAX
English Service ComfortLine 1-800-366-1135 Customer Access http://www.clarica.com	(519) 888-3143
French Service ComfortLine 1-800-619-1101 Customer Access http://www.clarica.com	(519) 888-3143

The provisions of the contract apply if different from this booklet.

COMMONLY ASKED QUESTIONS

1. What is a defined contribution pension plan?

Contributions made by or for you to a defined contribution registered pension plan are deposited directly to your account. At retirement, the accumulated contributions and investment earnings are used to purchase a retirement income.

2. Does this plan affect my RRSP contributions?

Yes, contributions made to this plan this year will reduce the RRSP contribution room available to you next year. The amount of reduction will be reported to you each year on your T4 slip. This reduction is your Pension Adjustment (PA).

3. What is my RRSP contribution room?

The maximum tax-deductible RRSP contribution is set by Canada Customs and Revenue Agency each year. Your 'Notice of Assessment' sent by Canada Customs and Revenue Agency after reviewing your personal income tax filing will include the exact amount. You may also call Canada Customs and Revenue Agency directly at 1-800-267-3100 for this information.

4. Are my pension assets protected from creditors if I declare personal bankruptcy?

Your assets would likely be protected under the provincial pension laws, however, we can never guarantee full protection. Once your assets have been paid to you, the protection no longer applies. If you have any questions about your financial status, you should obtain legal advice.

5. Where can I obtain the necessary forms to receive benefits from the plan?

All the necessary forms can be obtained from NITROCHEM CORP

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Clarica is one of the leading financial solutions companies in Canada specializing in investments and insurance. While our name is new, our heritage is not. For well over 125 years, we have been working to bring clarity and understanding to employee savings and retirement plans. Clarica offers solutions that span the years of your life and reach across the generations of your family - helping you build a clear path to a secure financial future.

Do you need more information?

Call us toll-free at 1-800-366-1135,

email us at pension@clarica.com

or fax us at (519) 888-3143.

We're here to help!