

AGREEMENT

BETWEEN

DOW CHEMICAL CANADA INC.
SARNIA, ONTARIO

AND

COMMUNICATIONS, ENERGY
& PAPERWORKERS UNION
LOCAL 672 – 01 (Dow Unit)

2004 - 2007

THIS AGREEMENT is made and entered into
this 26th day of February, 2004

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BETWEEN:

DOW CHEMICAL CANADA INC.
SARNIA

Hereinafter referred to as the COMPANY

AND

COMMUNICATIONS, ENERGY
& PAPERWORKERS UNION

LOCAL 672 – 01 (Dow Unit)

Hereinafter referred to as the UNION

ARTICLE 1
PURPOSE

- 1.01 The Company and the Union desire to co-operate and work harmoniously together in promoting their mutual interest in the operating of the plant. It is their desire to provide orderly procedure for collective bargaining, orderly procedure for the prompt and equitable disposition of grievances and for the maintenance of mutually satisfactory hours of work, wages and working conditions in the plant.

ARTICLE 2
RELATIONSHIP

- 2.01 (a) The Company recognizes the Union as the sole collective bargaining agency for all employees in the Processing and Maintenance departments and Site Operations Services Group (SOSG) of the Company's Sarnia Site, save and except sub-front line supervisor, persons above the rank of subfront line supervisor, plant protection personnel, Warehouse personnel, technical personnel, office janitors, and office staff.
- (b) For the purpose of clarity it is agreed that the term technical personnel comprises Graduate Engineers and Graduate Scientists, and that the term office staff includes clerks in the Analytical Laboratory, Construction Engineering, Electrochemical Division, Hydrocarbons Division, Plastics Division, Maintenance department.
- 2.02 The Union will not engage in Union activities during working hours or hold meetings at any time on the premises of the Company without the permission of the Labour Relations Manager.
- 2.03 The Company agrees that no employee shall in any manner be discriminated against or coerced, restrained or influenced on account of membership or non-membership in any labour organization or by reason of any activity or lack of activity in any labour organization.
- 2.04 The Union agrees that it will not discriminate, coerce, restrain, or influence any employee because of that employee's membership or non-membership, activity or lack of activity in any labour organization.
- 2.05 Representatives of the National Union shall, at the request of the Local Union, be entitled to participate in any meeting between the Company and the Local Union.
- 2.06 It will be the Union Committee's function to see that those whom they represent comply with the terms of this Agreement, and it will be the Company's function to see that its supervisory employees comply with the terms of this Agreement.

ARTICLE 3
UNION SECURITY

- 3.01 Unless exempted by the Ontario Labour Relations Board by provisions of the Ontario Labour Relations Act, all employees shall pay to the Union an amount equal to the regular bi-weekly dues of a Union member, for the duration of this Agreement.
- 3.02 The Company is authorized, on the request of the Union, to deduct an amount equal to the bi-weekly dues as designated by the Financial Secretary of the Union, from each bi-weekly pay cheque of employees designated in Article 3.01. Such deductions will be remitted to the Financial Secretary of the Union.
- 3.03 The Company agrees to provide a list of newly hired hourly employees to the Union Secretary within forty-eight (48) hours of hiring, along with their work assignments.
- 3.04 The Company undertakes that for the life of the current collective agreement, it will abide by the following labour legislation as it exists at the writing of this collective agreement: Section 69(2) of the Labour Relations Act of Ontario.

ARTICLE 4
UNION COMMITTEE AND STEWARDS

- 4.01 (a) The Company agrees to recognize a Union Bargaining Committee from and representing the employees, such Committee not to exceed seven (7) members, all of whom shall be regular employees of the Company with a minimum of three (3) months' service with the Company's plant. Trustees can substitute for absent Committee members.
- (b) The Company agrees to recognize a Union Grievance Committee from and representing the employees, such Committee not to exceed four (4) members and one (1) unit or group steward, all of whom shall be regular employees of the Company with a minimum of three (3) months' service with the Company's plant. This Committee will be expanded provided that the Company and the Union mutually agree.
- 4.02 The Company agrees to recognize one steward to represent employees of the bargaining unit as follows:

Maintenance employees - in each group of central shop; in each assigned area as specified on stewards' list.

Process employees - in each unit or group.

SOSG employees - not assigned to an area or unit.

In lieu of a steward, a named alternate will be recognized. All such stewards or alternates will be employees of the Company who are members of the Union.

It is agreed that a steward may call another steward or the chief steward should the steward need clarification of a specific complaint or grievance in the steward's area.

ARTICLE 4 - continued

- 4.03 The Company will recognize any member of the Union as a delegate to labour organizations with which the Union is affiliated, in particular, Sarnia and District Labour Council, O.F.L., C.L.C., when such delegate has been duly selected by members of the Union.
- 4.04 The Union will provide the Company with an up-to-date list of the Union Bargaining Committee, Union Grievance Committee, Union unit or group stewards and delegates elected according to 4.03 above. Such lists will be revised on a quarterly basis.

ARTICLE 5

COMPLAINT AND GRIEVANCE PROCEDURE

- 5.01 (a) **Complaints**--Employees who feel they have a complaint shall discuss the matter with their immediate supervisor with or without the assistance of their Union unit or group steward as they so desire. Failing satisfactory adjustment of the complaint within the next following work day or any longer period which may be mutually agreed upon at the time, then the grievance procedure may be invoked.
- (b) **Grievances**--Any complaint not settled in the manner above or any grievance involving the interpretation or alleged violation of the Agreement shall be dealt with as quickly as possible. In order to accomplish this the Company and the Union are agreed on the following procedure:

STEP NO. 1--Employees shall inform their immediate supervisor of their intent to submit a grievance. The grievance shall then be reduced to writing with the assistance of the steward and signed by the aggrieved employee. A copy of the grievance shall be given to the supervisor and shall be taken up by the steward and chief steward with representatives of the unit or group supervision and/or department head not more than seven (7) working days after the date of the written presentation of the grievance to the supervisor. A decision shall be rendered within two (2) working days from the date of the meeting and shall be in written form.

STEP NO.2--Should either the Company or the Union desire to appeal any decision arrived at on the grievance in Step No. 1, they shall advise the other party of their intentions within seven (7) working days of the reply to the first stage meeting. A meeting will then be arranged as soon as conveniently possible to both parties. The decision reached as a result of such meeting shall be rendered within seven (7) days of such meeting, and shall be in written form. If a satisfactory settlement of the grievance is not reached it may be referred by either party to a Board of Arbitration as provided for in Article 6.

- 5.02 No complaint or grievance will be entertained that has not been processed according to the procedure defined in Article 5.01 or that is presented to the immediate supervisor more than seven (7) days, excluding regular days off and holidays, after the date the complaint or grievance first arose. It is agreed that when an employee grievance involving suspension or discharge is submitted to the immediate supervisor, it shall proceed directly to Step No. 2 of the complaint and grievance procedure.
- 5.03 At any stage of the above procedure, the grievor shall have the right to be present, if the grievor so desires. The grievor shall also be required to attend any stage of the procedure at the request of either the Company or the Union.

ARTICLE 5 - continued

- 5.04 Should differences arise between the Company and Union Committee or stewards as to the interpretation or application of this Agreement, or should either party allege that the other has violated this Agreement, the matter will be submitted in writing and dealt with in the same manner as Step. No.2 of the grievance procedure.
- 5.05 It is agreed that the settlement of any grievance relating to back pay shall not be retroactive for more than thirty (30) days prior to the date of the written presentation to the supervisor as provided in Article 5.01 above.
- In case of an undisputed error as to an employee's rate of wages, proper adjustment will be made from the date the error occurred.
- 5.06 Stewards (1 per complaint/grievance) shall, after reporting to their immediate supervisor and when arrangements for relief have been made if necessary, be permitted to leave their work for a reasonable length of time when their presence has been requested by an employee in their group for the purpose of settling complaints or grievances. The Company agrees that all reasonable steps will be taken to provide such relief.
- 5.07 If, in the handling of a complaint or grievance, it becomes necessary for Stewards (1 per complaint/grievance) to leave their building or department they shall upon entering another building or department, report to the supervisor in charge of that building, stating their reason for being in that building. They shall return to their job as promptly as possible and upon returning shall at once report to their supervisor.
- 5.08 Stewards (1 per complaint/grievance) or members of the Union Committee leaving their work because of a grievance shall properly enter such time on their time record card.
- 5.09 Employees on duty, provided that they first secure permission from their supervisor, will be permitted to leave their work without loss of pay for Union/Company business as provided in the Grievance Procedure. An employee off duty will not be paid for time spent on Union-Company business.
- 5.10 Any of the time limits specified in this Article may be extended by mutual agreement between the Company and the Union.

ARTICLE 6
ARBITRATION

- 6.01 The Company and the Union agree that any dispute or grievance regarding the interpretation, application or alleged violation of this Agreement, which has been carried through the steps of the Grievance Procedure outlined in Article 5 and which has not been settled, may be referred to a Board of Arbitration at the written request of either of the parties hereto, provided such request is made within thirty (30) working days, excluding Saturdays, Sundays and Statutory Holidays, after a decision has been rendered at the completion of Step No. 2 of the Grievance Procedure.
- 6.02 The Board of Arbitration will be composed of one person appointed by the Company, one person appointed by the Union and a third person to act as Chairperson chosen by the other two members of the Board.

ARTICLE 6 - continued

- 6.03 Within seven (7) days of the request by either party for a Board of Arbitration, each party shall notify the other in writing of the name of its appointee.
- 6.04 Should the two appointees fail to agree on a third person to act as Chairperson within seven (7) days of notification of the second appointee in Article 6.03 above, the Minister of Labour for the Province of Ontario shall be asked to name a third person to act as Chairperson.
- 6.06 The Company and the Union will share equally the expenses, if any, of the Chairperson, but each will bear the expenses of its own appointee.
- (a) The Board of Arbitration shall not have any power to alter or change any of the provisions of this Agreement or to substitute any new provisions for any existing provisions nor to give any decision inconsistent with the terms and provisions of this Agreement.
- (b) The Board of Arbitration shall have the authority to set aside or modify any suspension, discharge or other disciplinary measure.
- 6.07 The decisions of a Board of Arbitration constituted in the above manner shall be final and binding on both the Company and the Union.
- 6.08 Any of the time limits specified in this Article may be extended by mutual agreement in writing between the Company and the Union or their respective appointees.

ARTICLE 7
SENIORITY

7.01 Newly Hired Employees

- a) Newly hired employees will be on employment probation for 16 calendar weeks after their date of hire. Upon successful completion of their probationary period they will attain plant seniority retroactive to their date of hire. The Company may layoff or discharge such probationary employees and such action will not be subject to the grievance procedure.
- b) Employees hired after January 01, 1997 with the same date of hire will have their names placed on the seniority list in alphabetical order.

7.02 Temporary Employees

Employees who are hired for temporary work will be classified as temporary for a maximum of 26 calendar weeks during which time they will not be eligible for vacancies under 7.06 and will not accumulate seniority. Temporary employees will be classified as permanent if their employment extends beyond 26 calendar weeks and their seniority will be dated back to their hiring date.

ARTICLE 7 - continued

7.03 Accumulation of Seniority

- a) The Company recognizes plant seniority which accumulates from the starting date of the most recent term of continuous employment. Two (2) departments are recognized - Process and Maintenance.
- b) Plant seniority will accumulate when an employee is absent from work: during a layoff on the basis of one month for each month of seniority with the Company prior to layoff, up to a maximum of twenty four (24) months.

7.04 Loss of Seniority

Employees shall lose their seniority if:

- a) The employee voluntarily quits.
 - (i) As a special case an employee shall be considered to have quit voluntarily if the employee is absent for three (3) consecutive working days without, during such period, notifying the employee's unit or group leader as to the reason for the employee's absence, or if upon giving such notice the employee does not have an acceptable reason for the absence.
 - (ii) As a special case, an employee on lay-off shall be considered to have quit voluntarily if the employee fails to report for work within five (5) consecutive working days after the postal registration date on the employee's notification to report for work, and during such period fails to notify the Labour Relations department of the Company as to the reason for the employee's absence or, if upon giving such notice, the employee does not have an acceptable reason for the absence.
- b) The employee is discharged for just cause and not reinstated.
- c) The employee has been laid off for a period in excess of the applicable period in Article 7.03 (b).

7.05 Seniority List

- a) The Company will provide the Union with and post in each unit an up-to-date seniority list bi-annually.
- b) Elected Union Executive persons shall head the plant seniority list during their term of office. Such seniority shall apply only with respect to layoffs.

ARTICLE 7 - continued

7.06 Vacancies

- a) Two types of vacancies will be recognized: temporary and permanent.
 - i) Temporary vacancies: Temporary vacancies will be filled by offering to all available employees. Available employees are those employees in the Site Operations Services Group (SOSG). Temporary vacancies are filled by the senior qualified employee who accepts the job. Temporary vacancies will usually have a duration of less than 1 year, but can be extended to a maximum of 30 months with the Union's approval. It is not the intent of filling temporary vacancies to allow employees to gain qualifications for future permanent vacancies in the same unit.
 - ii) Permanent vacancies: Permanent vacancies have an expected duration of greater than 1 year. Subject to 7.06 (b), all permanent vacancies will be posted plant-wide for 14 calendar days.

- b) Three processes are recognized for filling permanent vacancies:
 - i) Postings will be used to fill Process vacancies when no candidates currently in the unit or group are available. Postings are filled by the senior qualified employee. Vacancies filled by an employee returning to their original unit or group will not be considered a move if training in the new unit or group consists of thirty (30) days or less. The third subsequent vacancy in a series of postings will be restricted to those in SOSG. If there are no successful applicants, the Company will assign the junior employee from SOSG. Timing between postings will not exceed thirty (30) days.

 - ii) Postings will be used to fill vacancies in the Maintenance Department as per the posting procedure. Postings are filled by the senior qualified employee. In the event there are no eligible qualified employees in the plant or qualified employees on layoff to fill the vacancy, the company will be able to hire qualified outside personnel.

 - iii) Employees transferring via the posting process will maintain their rate contingent upon completing progression-training requirements of the new unit or group. If their rate is higher than the top progression of the new unit or group their rate will be adjusted to the top progression rate of the new unit or group.

ARTICLE 7 - continued

7.07(a) *New Departments/Units/Groups*

If a new department/unit/group is started up, the Company shall have the right to transfer to the key jobs therein, employees from other departments/ units/groups who are capable of doing the work. Key jobs will be those of the highest classification, and the Company and Union will discuss in advance any other jobs to be considered key jobs. The Company agrees to provide the Union with a list of such employees before the transfers are made. Such employees may be transferred back to their original department/unit/group within two years.

At the completion of the process for staffing of new departments/units/groups no department/unit/group's original workforce will be depleted by more than 33%.

Before the Company will fill jobs from outside they will carefully review the employees on the payroll and/or recall employees on layoff at the time.

7.07(b) *Guidelines for Staffing for Startup and Commissioning of New Facilities*

The Company and Union agree to use on a voluntary basis, DBU maintenance personnel to staff for startup and commissioning of new facilities.

If units/groups require backfill to cover the workload under these conditions then preferred contractors can be utilized.

7.08 *Adjustment of the Work Force*

- a) Employees on temporary assignment to a unit or group will be cut back first.
- b) Employees on permanent assignment will be cut back to SOSG by plant seniority.
- c) Employees cutback to SOSG will have maintenance of rate for their classification for 24 months from the time of cutback.
- d) Following the maintenance of rate and classification, the employee's rate will be frozen until the rate of the job being performed equals or exceed the frozen rate.
- e) A Senior Technician may voluntarily demote within the Senior Technician's unit or group if agreed to by the individual and the individual's supervision. The demotion will result in the employee immediately going to Technician rate of pay and losing Leadership Premium and the Team Leader lump sum.

7.09 *Lay-off and Recall*

- a) Should it become necessary to lay off employees from the plant due to lack of work, the employees with the least plant seniority will be the first laid off. The Company agrees to notify the Union whenever a job is being discontinued.
- b) Recall is by plant seniority.
- c) To protect one's seniority, it is the employee's responsibility to keep Labour Relations informed by registered mail of changes of the employee's proper home address or to report same to Labour Relations in person and to receive a receipt.

7.10 Student Employment

The Union agrees that the Company shall have the right to hire students on a temporary basis. The students will work out of SOSG to do utility type work only. These students will be allowed to retain employment from May 1st to September 30th each year, unless altered by mutual consent of the Union and the Company.

ARTICLE 8 WAGES, HOURS AND OVERTIME

- 8.01 (a) During the term of this Agreement the Company and the Union agree that all payments of wages will be made in accordance with the scale of wage rates as set forth in Appendix "A".
- (b) New jobs shall be classified by the Company, provided however, that the classification for the new job shall be determined on the basis of a fair and equitable relationship to the existing job classification structure, having regard to the skill, duties, responsibilities, effort, working conditions and the essential qualification requirements of the job and shall be subject to review through the grievance procedure including arbitration.
- (c) The Company and the Union agree that wage employees will be paid on an annualized bi-weekly basis. The bi-weekly rate is calculated by taking the employee's hourly rate including premiums, multiplying the rate by 1942 hours and dividing it by 26 pay periods.

rate (including premiums) X 1942 / 26 pay periods. Hourly

The following guidelines will apply:

1. The bi-weekly pay system will apply to all wage employees.
2. The bi-weekly pay system will be based on the employee's annual base rate, including premiums.
3. All employees will be paid on a 74.7 hour bi-weekly basis. All premiums will be converted to a bi-weekly amount.
4. Employee's time will be accounted for by an exception report. The exception reports are subject to supervisory approval. Any changes to the employee's exception report will be made only after contacting the affected employee personally.
5. Adjustments to balance differences created by WS&A claims, will be made at least quarterly.
6. Effective dates for annual, contractual wage increases will coincide with the beginning of a pay period.

Simplifies and improves the efficiency of the pay administration process, while reducing variations in the employee's base pay, from pay period to pay period.

ARTICLE 8 – continued

8.02 **Work Schedule for Employees**

- (a) **General**--The work day shall be from 8:00 a.m. to 8:00 a.m. the following day. The work week shall be from 8:00 a.m. Monday to 8:00 a.m. the following Monday. For shift workers the time 8:00 a.m. is replaced by 7:30 a.m.

- (b) **Schedule for Day Workers** –
 - i) This group normally will work an eight-hour day from 8:00 a.m. to 4:30 p.m. with half-an-hour off for lunch. Days off shall be Saturday, Sunday, and one Friday in each three week cycle, except that for day workers scheduled to work other than Monday to Friday, the third day off every third week will be consecutive with their two regular days off. Those regularly scheduled to work on Statutory Holidays will work 8:00 a.m. to 4:00 p.m. with a twenty (20) minute paid lunch period.

 - ii) For alternate schedule for day workers refer to LOU #37.

- (c) **Schedule for Shift Workers**--(Employees working 12-hour continuous shifts refer also to Appendix "D"). This group normally will work an eight-hour day. Days off shall be the two or three consecutive, regularly-scheduled twenty-four hour periods to which each employee is entitled and shall be per the shift schedule. Shift schedules will be posted prominently in the plants, and shift employees will report to work as follows:
 - (i) Shift employees on a two-shift schedule will report at 8:00 a.m. and 4:00 p.m.

 - (ii) Shift employees on a three-shift schedule will report at 7:30 a.m., 3:30 p.m. and 11:30 p.m. and may punch out up to 15 minutes early when properly relieved by the in-coming shift.

- (d) The Company will inform the Union of any exceptions to the above-stated hours before they are implemented.

- (e) Employees will be at their place of work and ready to begin work at the commencement of their work period. They will remain at their work until the end of their work period.

- (f) All employees will work rotating shifts should the need for round-the-clock coverage increase in the future.

- (g) Except in an emergency no employee shall work more than sixteen (16) hours in a twenty-four (24) hour period.

8.03 **Overtime, General**

- (a) Each employee is expected to work overtime as may be requested by the Company provided this request does not violate the Employment Standards Act of Ontario. Overtime lists shall be prominently posted on a bulletin board and shall be revised every two weeks.

- (b) Overtime in the Process Department (employees working 12-hour continuous shifts refer also to Appendix "D") will be offered to the lowest possible employee in the unit or group who is able and qualified to do the work.

ARTICLE 8 – continued

(c) The assignment of overtime to Maintenance employees will be based on the following priorities and sources of personnel: (Assignment of Maintenance overtime shall be as per the chart in Appendix "C").

(1) **On the Job**; i.e., person(s) currently doing the task.

(2) **In the Unit**; i.e., other persons, lowest in overtime (where practical), who have reported their presence to the Unit Supervisor in charge of maintenance and are present when the overtime arrangements are being made.

(3) **For Call-Out (also refer to flowchart in Appendix 'C')**:

- a) Are Unit personnel required? If required, Unit personnel may be called before going to the Site Overtime Availability List.
- b) Site Overtime Availability List; i.e., person lowest in overtime who has signed the list.

(4) **Shutdown Availability List**; i.e., when a shutdown requires more than the regular complement of Unit personnel, others assigned to shutdowns with planned overtime will include those who sign the shutdown availability list.

(5) **Pre-Shutdown Availability**; *When there is pre-shutdown work to be done in a unit, the assignment of overtime shall be as follows:*

- a) *Permanently assigned unit personnel with the lowest overtime*
- b) *Others per Appendix C Flowchart, Assignment of Overtime to Maintenance Employees*

Notes:

- (i) When prior knowledge is required for priority (3) above, persons known to be familiar and experienced with the work in question will be called first.
- (ii) The following areas will be considered as Units for purposes of jobs/work assigned to them: EUG, Epoxy Resins, Hydrocarbon Wells, Latex Polyethylene Maintenance, P.O.D., Polystyrene, Shared Maintenance.
- (iii) When using the overtime availability list, the Company will make every effort to contact all employees that have signed the overtime availability list prior to going to other sources.

This establishes that when required, Unit personnel may be called prior to going to other sources.

The Contract language for overtime in the Maintenance Department has been converted to a simpler format complete with charts (see Appendix "C") to assist users with the allocation of overtime for Maintenance work. This is not a change to the Collective Agreement.

(d) **Emergency and Overtime Transportation**

The Company will provide transportation from the plant only to those employees who are asked to work overtime beyond their normal quitting time after they have reported to work that day.

ARTICLE 8 – continued

(e) **Overtime Meals**--The Company will furnish a meal to employees who are requested to work past their regular quitting time at each regular meal hour which they are working. The regular meal hours are 8:00 a.m., 12:00 noon, 6:00 p.m., 10:00 p.m., and 1:30 a.m (meal chit only). The above meal hours may be altered by mutual agreement to suit the needs of a shut-down or turnaround overtime work force.

Employees called in on less than four (4) hours' notice shall be provided with meals at each regular meal time while working. Employees called in on more than four (4) hours' notice will be furnished with a meal after eight (8) hours' work, at the first regular meal hour nearest the completion of eight (8) hours' work, and each regular meal hour thereafter. The Company will not furnish meals when overtime work is scheduled sufficiently in advance for employees to bring their lunch. Employees held over from the midnight shift for periods expected to exceed one (1) hour, will be provided with breakfast as near 8:00 a.m. as possible.

Day workers on overtime will be given a one-half hour period without pay during the 8:00 a.m. to 4:30 p.m. period to eat their meal. All other meals will be eaten in a 20-minute period on Company time.

When 12-hour shifts are requested by the Company and worked by the employee the Company shall provide the employees working such a shift with one overtime meal during the shift at a regular meal hour.

8.04 **Payment of Overtime**

(a) Double time will be paid for:

(i) all hours worked in excess of eight (8) hours per day on a regularly-scheduled work day.

(ii) all hours worked on an employee's scheduled two or three consecutive, regularly-scheduled days off.

(iii) hours worked continuous with and after working sixteen (16) hours in one work day.

(b) A day worker who is requested and does work overtime during all or part of the midnight shift (12:00 midnight to 8:00 a.m.) and by so doing misses part or all of that worker's next regular day, will be paid at applicable rates for any hours worked after 4:30 p.m. on the following day.

(c) All approved overtime work continuous with and after regular working hours and not caused by lateness of an employee, or as a result of safety meetings, will be paid no less than one (1) hour's pay at straight-time if less than twenty-four (24) hours' notice is given.

ARTICLE 8 – continued

8.05 Minimum Pay for Call-Ins

- (a) When employees are called in for work outside of their regularly-scheduled hours of work, they shall receive a minimum of four (4) hours' pay at their regular rate. This does not apply when the work is continuous with regular time or when the broken work period is caused by leaving the Company area for meals.
- (b) Employees who are called in after 6:00 a.m. without twelve (12) hours' notice and works continuously through their regular day or day shifts, will be paid a minimum of four (4) hours' pay at their regular rate for time worked between 6:00 a.m. and 8:00 a.m.
- (c) When a day worker performs work between the hours of midnight and 4:00 a.m. as a result of a call-out, the employee shall be entitled to an 8 hour rest period before returning to work for the completion of the regular scheduled work day. No pay will be lost because of this provision.

8.06 Change of Work Schedule

The provisions of this Article do not apply to relief employees as defined in Article 8.07 of this Agreement.

- (a) The provisions of (b), (c) and (d) below shall apply only when an employee's work schedule is changed by the Company but shall not apply if a change is made at the request of an employee, as a result of the application of any provision in Article 7, to provide training as a result of a temporary medical placement, or as a result of training for progression. The provision of (e) below will apply for any change of work schedule.
- (b) Double-time will be paid for the first eight (8) hours worked on a new work schedule to which an employee is transferred. (Employees working 12-hour continuous shifts refer also to Appendix "D").
- (c) A new work schedule is one where the starting time has been altered by more than one (1) hour from that of the original work schedule, or a change of regular days off, but does not include the regular rotation of days off, changes which are a regular part of 37-1/3 hour relief schedules or the 12-hour shifts worked in continuous operations (24 hours) of the Process department for overtime coverage. Following the change of work schedule the employee's days off will become those shown on the new work schedule.
- (d) When a change of schedule coincides with a Statutory Holiday, the premium rate for the change of schedule will be paid on the next scheduled working day.
- (e) If a change of work schedule results in employees working more regularly-scheduled hours in a work week than they would have on their old schedule, the excess hours worked will be paid at the applicable overtime rate.

ARTICLE 8 – continued

8.07 **Overtime and Premiums for Relief Employees**--(Employees working 12-hour continuous shifts refer also to Appendix "D")

- (a) A relief employee is one who is designated to provide coverage for vacations, training or sickness in a unit or group.
- (b) If a relief employee works more than ten (10) days in a fourteen (14) day pay period, the days worked in excess of ten (10) will be paid at double-time rates. In addition, days worked in excess of seventy (70) straight-time days in a fifteen (15) week cycle will be paid at applicable overtime rates.
- (c) Relief work schedules should be arranged so that a relief employee will not work more than ten (10) consecutive days without a day off. In the event that a relief employee does work more than (10) consecutive days, each consecutive day in excess of ten (10) will be paid for at double-time rates until the employee has a day off. Days worked immediately prior to or leaving relief work or as the result of the normal rotation of days off will not count as consecutive days except that if they result in the relief employee working more than ten (10) days in a pay period the provision in (b) will apply.
- (d) A change of work schedule premium of double-time will be paid for the first eight (8) hours worked on a new schedule to which the relief employee has been transferred with less than twenty-eight (28) days' notice.
- (e) When a change of schedule coincides with a Statutory Holiday, the premium rate for the change of schedule if applicable as set out in 8.07 (d) above, will be paid on the next scheduled working day.
- (f) Any days for which overtime has been paid under this section will be considered as days not worked when computing time for subsequent overtime or premium pay. Statutory Holidays worked and vacation days will be considered as days worked for purposes of this Article.

8.08 **Application of Overtime or Premium Pay**--Whenever it is possible to apply more than one overtime rate or premium, only the higher rate will apply. When employees trade shifts or days off by personal agreement approved by supervision, no additional overtime or premium rates will apply.

8.09 **Shift Differential** - (Employees working 12-hour continuous shifts refer also to Appendix "D")

- (a) Shift workers will be paid one dollar & fifteen (\$1.15) cents per hour shift bonus for work performed on the afternoon shift and two dollars and three (\$2.03) cents per hour shift bonus for work performed on the midnight shift. For the purpose of applying shift differentials, shift workers will be defined as hourly-paid employees working on a regularly-scheduled rotating shift basis. Effective January 24, 2005, the above shift differentials will become one dollar and nineteen (\$1.19) cents and two dollars and ten (\$2.10) cents respectively. Effective January 23, 2006, the above shift differentials will become one dollar & twenty-three (\$1.23) cents and two dollars and sixteen (\$2.16) cents respectively.
- (b) It should be noted that differentials are established to compensate shift workers for the inconvenience of working shifts as defined above and do not apply to employees whose normal schedule calls for working the same hours each day.

ARTICLE 8 - continued

8.10 **Mutual Trading of Work Hours**--(Employees working 12-hour continuous shifts refer also to Appendix "D")

Two employees within the same classification desiring to trade working hours must request the same in writing on the customary Company form and obtain approval from their supervisor in advance. Each employee will be paid on the basis of actual time on the job. No overtime pay will be allowed in such cases.

8.11 **Compensable Injury Pay**

(a) This section only applies to employees absent from work as a result of injury or illness incurred in the course of their Dow duties.

(b) Such employees will be eligible for continuation of annualized bi-weekly pay, contingent upon the assignment to the Company, by the employees, of their Workplace Safety & Insurance Board of Ontario loss of pay benefit as follows:

(i) For a maximum of twenty-six (26) weeks from the date of the accident or illness, the employees' pay will be equal to the annualized bi-weekly pay for their scheduled straight-time hours.

(ii) For a further period of twenty-six (26) weeks the employees' pay will be equal to 90% of the annualized bi-weekly pay for their scheduled straight-time hours.

Simplifies and improves the efficiency of the compensable injury administration process and to provide uninterrupted pay to the employee.

ARTICLE 9
STATUTORY HOLIDAYS

9.01 **General** - Days designated as Statutory Holidays are as follows:

New Year's Day, Good Friday, Easter Monday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving, Remembrance Day, Christmas Day, and two additional Statutory Holidays to be determined by the parties in September of each year for the following year.

For the purpose of time off and payment, the designated holidays will be observed on the traditional calendar date or date decreed by statute, except that day employees with Saturday, Sunday and one Friday off in each three (3) week cycle, will be given any designated holiday that falls on any one of such days, on the Monday immediately following or on the Friday immediately preceding the traditional calendar date for the holiday, as applicable. In instances where the Friday is already a day off, that day off will be observed on the Monday immediately following.

9.02 **Payment When Worked**

(a) Day workers will be called in on an observed Statutory Holiday for emergency jobs only. Shift workers and scheduled day workers when required, will follow their regular schedules without regard to observed Statutory Holidays.

- (b) An employee will be paid eight (8) hours Statutory Holiday pay for the employee's normal hours of work on an observed Statutory Holiday. For purposes of definition, normal hours of work on an observed Statutory Holiday will be defined as follows:

ARTICLE 9 – continued

- (i) Where the observed Statutory Holiday coincides with a regular day off, normal hours of work will be those of the regular work period immediately preceding the observed statutory Holiday.
- (ii) Where the observed Statutory Holiday is not a regular day off, normal hours of work will be the hours scheduled to be worked if there had been no observed Statutory Holiday.
- (c) An employee required to work part or all of the employee's normal hours of work on an observed Statutory Holiday will be paid double-time for the hours actually worked.
- (d) Employees required to work outside of their normal hours of work on an observed Statutory Holiday will be paid double-time-and-one-half for the hours actually worked.

9.03 **Payment If Not Worked**

(a) **Day Workers:**

- (i) When an observed Statutory Holiday falls on a regular work day during an employee's continuous vacation, the employee will receive vacation time with pay, plus one additional day with pay.
- (ii) Day workers will be paid single-time for their regular work hours on observed Statutory Holidays should they not be required to work with the following exceptions:
 - (1) Statutory Holiday pay will not be paid to employees unless they have worked their scheduled day previous and their scheduled day following the observed statutory Holiday.
 - (2) Statutory Holiday pay will not apply to employees on leave of absence for personal reasons or sickness; except when an employee on an approved leave of absence for legitimate sickness, who is drawing W.S. & A. benefits, is medically cleared to return to work prior to a Statutory Holiday, the employee will be eligible for Statutory Holiday pay.
 - (3) Statutory Holiday pay will not be paid to employees who are scheduled to work on the observed Statutory Holiday and do not report to work without adequate reasons.

(b) **Shift Workers:** (Employees working 12-hour continuous shifts refer also to Appendix "D")

- (i) When an observed Statutory Holiday falls on a scheduled work day during an employee's continuous vacation, the employee will receive vacation time and pay, plus one (1) additional day's pay. Additional time cannot be granted in this case due to the impracticability of shift schedules.

(ii) Shift workers will be paid for Statutory Holidays which fall on their day off with the following exceptions:

ARTICLE 9 – continued

- (1) Statutory Holiday pay will not be paid to employees unless they have worked their scheduled day previous and their scheduled day following the observed Statutory Holiday.
- (2) Statutory Holiday pay will not apply to employees on leave of absence for personal reasons or sickness; except when an employee on an approved leave of absence for legitimate sickness, who is drawing W.S. & A. benefits, is medically cleared to return to work prior to a Statutory Holiday, the employee will be eligible for Statutory Holiday pay.
- (3) Statutory Holiday pay will not be paid to employees who are scheduled to work on the observed Statutory Holiday and do not report to work without adequate reasons.

9.04 **Banking of Statutory Holidays**--Shift workers may request five (5) days off without pay in consideration of working on Statutory Holidays that fell during their regular work schedule.

Such requests are to be made prior to the commencement of the calendar year and will be scheduled at a mutually agreeable time when relief is available. Scheduling of these days will not interfere with normal vacation scheduling.

ARTICLE 10
VACATIONS WITH- PAY

Employees hired after January 1, 1997 vacation entitlement per Letter of Understanding #33, paragraph 4.

- 10.01 The vacation qualifying period shall be the twelve (12) month period from January 1st to December 31st of the previous year.
- 10.02 The length of continuous employment on December 31st of each year will be used to determine vacation entitlement for the following calendar year as follows:
 - (a) An employee who has been continuously employed for less than twelve (12) months as of December 31st shall be entitled to a pro-rated vacation to maximum of eighty (80) hours in the following calendar year (1/12th of 80 hours for each month of employment). (Employees working 12-hour continuous shifts refer also to Appendix "D".)
 - (b) An employee who has been continuously employed for one (1) or more but less than two (2) years as of December 31st shall be entitled to eighty (80) hours vacation in the following calendar year.
 - (c) An employee who has been continuously employed for two (2) or more but less than nine (9) years as of December 31st shall be entitled to one-hundred and twenty (120) hours of vacation in the following calendar year.

ARTICLE 10 – continued

(d) An employee who has been continuously employed for nine (9) or more but less than eighteen (18) years as of December 31st shall be entitled to one-hundred and sixty (160) hours of vacation in the following calendar year. (This change is effective January 1, 1994)

(e) An employee who has been continuously employed for eighteen (18) or more but less than twenty-four (24) years as of December 31st shall be entitled to two-hundred (200) hours of vacation in the following calendar year. (This change is effective January 1, 1994).

The language has been modified so that employees can take five (5) weeks of vacation during rather than after their nineteenth year of employment.

(f) An employee who has been continuously employed for twenty-four (24) or more but less than twenty-nine (29) years as of December 31st shall be entitled to two-hundred and forty (240) hours of vacation in the following calendar year.

(g) An employee who has been continuously employed for twenty-nine (29) or more years as of December 31st shall be entitled to two-hundred and eighty (280) hours of vacation in the following calendar year.

10.03 (a) Vacation pay shall be computed so that employees will receive the amount of money they would normally earn on their regular straight-time work schedule, including shift differential if applicable, had they not taken their vacation. Adjustments in pay will be made, where necessary, to comply with government legislation, in which case the qualifying period will be used for pay calculations.

(b) Vacation pay may be drawn in advance if the request is made to Payroll one week before the start of the vacation.

10.04 When an employee leaves the service of the Company the employee will be paid for any unused vacation credits from the previous calendar year plus pay for vacation earned from January 1st to date of termination in the current year, calculated according to the employee's entitlement.

10.05 Employee's must arrange for their vacations well in advance and at such time as will not interfere with the efficient operation of the departments concerned. Vacation time off will normally be the four (4) or five (5) day group or groups of regularly scheduled working shifts plus the regular days off both prior to and following. (Employees working 12-hour continuous shifts refer also to Appendix "D").

10.06 Day workers who schedule their vacation during a four (4) day work-week will be allowed one day(s) extra, with pay. The extra day(s) may be taken at the beginning or the end of an employee's scheduled vacation period, at the discretion of supervision.

ARTICLE 11
LEAVE OF ABSENCE

11.01 Leave of Absence Because of Illness

- (a) The Company will grant leave of absence for illness where such illness is established by reasonable medical evidence. Such leave of absence will not be unreasonably terminated and it is understood by both parties that such leave of absence shall not be for an unlimited period of time. If there is a reason for doubt, the employee, to continue the leave of absence, must agree to submit to a physical examination, by a physician mutually satisfactory to both parties, and at the Company's expense.
- (b) Leave of absence for illness shall not injure an employee's service record and the employee shall continue to accumulate seniority during such leave as long as the employee or the employee's family keeps the immediate supervisor, superintendent or manager informed as to the employee's condition.
- (c) Employees may be required upon their return to satisfy the Company of their ability and physical fitness to carry out the duties of their previous job, before being reinstated.

11.02 Leave of Absence for Reasons Other Than Illness

- (a) An employee with seniority who desires a leave of absence for good and sufficient reasons, must make application in writing to the employee's immediate supervisor with adequate advance notice. If the services of the employee are not immediately required, the application shall be approved by the employee's supervisor and the Labour Relations department who will issue a written leave of absence to the employee for periods not exceeding one month. An employee with seniority shall accumulate seniority during such periods. Under special circumstances the Company and Union may agree to further extension of leave. For leaves of two (2) months or less, under this section, the Company may replace the employee on leave without a posted notice of vacancy.
- 11.02 (b) An employee selected for office in the Union shall, at the employee's request, receive a written leave of absence without pay for a period of up to one (1) year when a suitable replacement is trained. A further extension not to exceed one (1) year may be granted by mutual agreement. An employee with seniority shall accumulate seniority during such leaves of absence.
- (c) A member of the Union shall upon written request of the Union Secretary, at least two (2) weeks in advance, receive a written leave of absence without pay for periods not in excess of two (2) weeks for Union business or any business required of duly selected delegates to affiliates of this Union in carrying out the duties of their elected office. An employee with seniority shall accumulate seniority during such leaves of absence.
- (d) Leave of absence will not be granted to extend an employee's vacation without adequate reasons.

ARTICLE 12
SAFETY AND HEALTH

- 12.01 The Company and the Union agree that safe working conditions should be maintained at all times throughout the plant. The Company agrees to provide all reasonable safety devices necessary for the protection of the employees and to design and operate plants with the safety and health of the employees in mind. The Union agrees that collectively and individually its members will co-operate with the Company to enforce safety rules for the purpose of protecting the employees and the property of the Company, and will recognize and abide by the Company's safety code as a condition of employment.
- 12.02 A Health and Safety Committee with equal representation from the Company and the Union will be maintained for the duration of the Agreement and will function as set out in a Letter of Understanding.
- 12.03 A Medical Committee with representation from the Company and the Union will function as set forth in a Letter of Understanding.
- 12.04 Medical Disability--If employees incur a medical disability which prevents them from performing their regular work, but which does not render them incapable of carrying out other duties within the bargaining unit, the Company will make every effort to place such employees in a job, which in the Company-Union Medical Committee's opinion is suitable to their capabilities, without a posted "Notice of Vacancy".
- 12.05 When an employee who has not been working due to a compensable injury or occupational disease within the Ontario Workers' Compensation Act, which occurred while working for the Company, is able to return to some work, such employee will be temporarily placed in any department regardless of seniority. If necessary, the case will be reviewed periodically by the Company-Union Medical Committee.

ARTICLE 13
FUNCTION OF MANAGEMENT

- 13.01 The Union acknowledges that it is the exclusive function of the Company to manage the plant and direct the working force, in particular:
- (a) To maintain order, discipline and efficiency.
 - (b) To hire, lay off, classify, transfer, promote, and demote, and to discharge or otherwise discipline for just cause; all these to be subject to the provisions of this Agreement.
 - (c) To make appointments to supervisory positions outside the scope of the bargaining unit.
 - (d) To manage the industrial enterprises in which the Company is engaged, determining the products to be manufactured, the methods of manufacturing, the schedules of production, the kinds and location of machines and equipment to be used, the processes of manufacturing and the nature and quality of its products.

ARTICLE 14
MISCELLANEOUS

- 14.01 **Plant Rules and Regulations** - The "Plant Rules and Regulations" of the Company shall be in full force and effect providing they are not inconsistent with the terms of this Agreement, and the Company shall have the right to amend such rules and regulations and make further rules and regulations providing such amendments or new rules and regulations are not inconsistent with the terms of this Agreement.
- 1 4.02 **Discipline** - When an employee is to be given discipline that will be recorded on the employee's personnel record, the employee shall be accompanied by the employee's Union unit or group steward unless the employee specifically requests that the steward not be present.
- 14.03 **Bulletin Boards**--The Company agrees to provide a bulletin board in each plant for the purpose of posting Union notices. The Union agrees to secure the approval of the Labour Relations Manager before posting any such notices and to provide the Labour Relations Manager with one copy of each notice before posting.
- 14.04 **Dirty Work Pay**--A premium of twenty (20¢) cents per hour will be paid for dirty work when approved by the employee's supervisor. A minimum of four (4) hours' premium will be paid whenever it is applied.
- 14.05 **Department of Labour Certificates** -- It is a requirement of certain jobs that a valid Department of Labour Certificate of various types be held by the incumbent. To accommodate this requirement, the Company will:
- (a) Allow reasonable time off with pay for a person to write the required examinations where it is impossible for attendance at the examination to be arranged at a time other than the employee's regular work hours.
 - (b) Pay equivalent rail transportation if the Company requests that the employee travel out of town to write the examination.
 - (c) Pay annual certificate renewal fees for as long as the employee remains in the department for which the certificate is applicable.
- Items (a) and (b) above will apply only to the first writing of the required examinations.
- 1 4.06 **Bargaining Unit Work**--Employees outside the bargaining unit, as defined in Article 2.01, will not do tasks which are normally done by members of the bargaining unit. Experimental work, instructions or requested aid shall comprise the tasks done by such personnel. This provision is not intended to be applied to tasks normally performed by employees outside the bargaining unit.
- 14.07 **Contracting Out** -- The Company agrees that outside contractors will not perform maintenance work in the plant. This Article will not prevent the Company from Contracting out work involved in new construction, nor work of a magnitude or type not within the capability of the Maintenance department. It is the intention of the Company to continue the normal growth of the Maintenance department.

ARTICLE 14 – continued

- 14.08 **Leave for Jury Duty and Crown Witness**--The Company will reimburse an employee called for jury duty, or as a Crown Witness, up to the amount of the difference between the employee's normal straight-time pay and the amount allowed by the Court.

To qualify for the reimbursement, the employee must give adequate advance notice to the employee's supervisor, and obtain forms from the Personnel office for completion by the Clerk of the Court.

- 14.09 **Letters of Understanding**--All signed Letters of Understanding shall remain in force and effect for the duration of this Agreement.

ARTICLE 15
**CONTINUITY OF WORK
DURING LIFE OF AGREEMENT**

- 15.01 In view of the orderly procedures established by this Agreement for settling of disputes and the handling of grievances, the Union agrees that there will be no strikes, slowdown or stoppage of work either complete or partial and the Company agrees that there will be no lock-out.

ARTICLE 16
DURATION OF AGREEMENT

This Agreement shall be effective from February 1, 2004 and shall remain in force and effect until January 31st, 2007 and from year to year thereafter, unless either party gives notice in writing to the other party not less than sixty (60) days nor more than ninety (90) days prior to the expiry date hereof, to terminate or renew this Agreement or to negotiate a revision thereof.

APPENDIX "A" - 2004

	Effective August 2 nd , 2004	Effective January 24 th , 2005	Effective January 23 rd , 2006
SENIOR TECHNICIAN	32.16	33.29	34.29
TECHNICIAN	30.72	31.80	32.75
TECHNICIAN LEVEL 11	27.56	28.53	29.39
TECHNICIAN LEVEL 1	24.21	25.06	25.81
UTILITY	21.18	21.92	22.58
CO-OP STUDENT 1 st Year	15.30	15.84	16.32
2 nd Year	19.67	20.36	20.97
STUDENT (65% of Utility)	13.75	14.23	14.66

LEADERSHIP PREMIUM

(Tech Spec/IM Tm Ldr/Chief	1.42	1.47	1.51
- Prior to 01/31/98)	.46	.48	.49

INDUSTRIAL MECHANIC PREMIUMS

IM LEVEL 1	.63	.65	.67
IM LEVEL II	1.03	1.07	1.10
IM	1.42	1.47	1.51

SHIFT DIFFERENTIALS

8 HOUR SHIFTS:

AFTERNOON SHIFT	1.15	1.19	1.23
MIDNIGHT SHIFT	2.03	2.10	2.16

12 HOUR SHIFTS:

DAYS	.77	.80	.82
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NIGHTS

1.73

1.79

1.84

Tech Spec/IM Team Ldr/Chief Op.(Prior to 01/31/98):

August 2nd, 2004 – 33.10

January 24th, 2005 – 34.26

January 23rd, 2006 – 35.29

1. Employees receiving the Team Leader Premium as of January 4, 1998, will have such Team Leader Premium removed from their base pay effective pay ending January 4, 1998. They will be paid a pension eligible lump sum of \$2,200 in the second pay period of January 1998. This lump sum adjustment shall be increased by the same percentage as wage increases yearly, and will be paid to eligible employees in the second pay period of each January from 1999 through 2007, as long as they are on the payroll at the time the payment is due.
2. Chief Operators, IM Team Leaders and Maintenance Technical Specialists as of January 4, 1998, will be reclassified as Senior Technicians in January, 2007, and will be able to qualify to earn the premiums associated with Senior Technician classification at that time.

APPENDIX “C”

The following charts and notes constitute an agreement on how maintenance overtime work is prioritized.

OVERTIME PRIORITIES FOR DAY-TO-DAY MAINTENANCE WORK (BY WORKFORCE)

Categories as per Article 8.03	Dow Unit	Preferred Contractor(s)	Contractors
Call-out - unplanned and unscheduled	1 st	2 nd	3rd
Carry-over	Group on the	job retains O/T	work
Scheduled - job in progress	Group on the	job retains O/T	work
Scheduled - new O/T job not yet assigned	1 st	2 nd	3rd

OVERTIME PRIORITIES FOR SHUTDOWN MAINTENANCE WORK (BY WORKFORCE)

Categories as per Article 8.03	Dow Unit	Preferred Contractor(s)	Contractors
Call-out - unplanned and unscheduled	1 st	2 nd	3rd
Carry-over	Group on the	job retains O/T	work
Scheduled - job in progress	Group on the	job retains O/T	work
Scheduled - new O/T job not yet assigned	1 st	2 nd	3rd

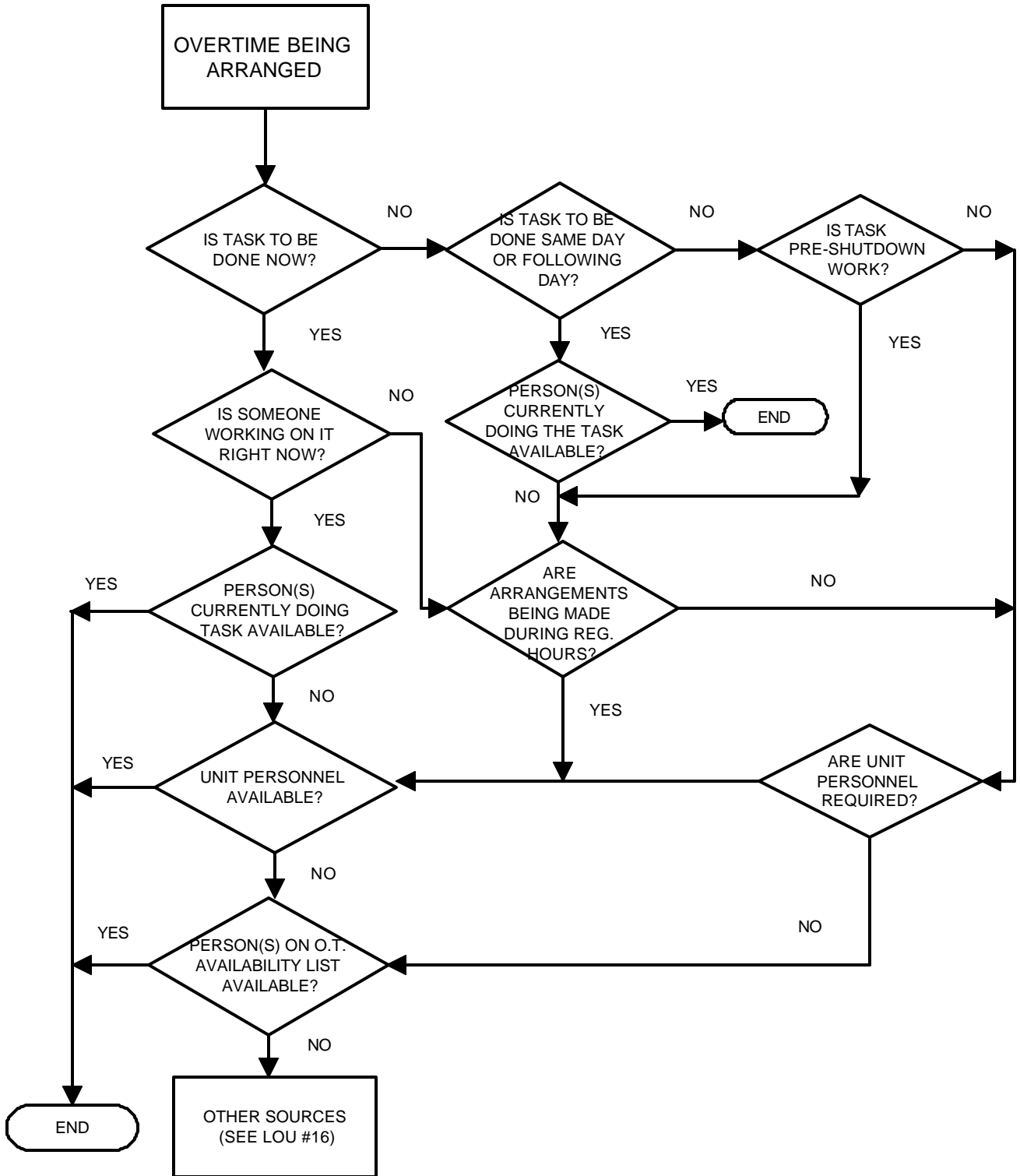
If work is to be done on overtime and one Dow Bargaining Unit can not supply enough manpower on overtime, the other Bargaining Unit will be asked to do the work before going to contractors.

If an uncompleted maintenance job is not scheduled for carry-over then later becomes a priority, it will be considered a call-out.

The current Maintenance Hoisting overtime practice continues.

Note: See Letter of Understanding #5.

**ASSIGNMENT OF OVERTIME TO
MAINTENANCE EMPLOYEES**



APPENDIX C – continued

NOTES:

- (1) For planned shutdowns with scheduled overtime, personnel shall be assigned according to
 - (a) Shutdown Staffing Agreement
 - (b) Shutdown Availability List
- (2) When prior knowledge is required, persons known to be familiar and experienced with the task in question will be called first.

APPENDIX "D"

12-HOUR SHIFTS

1. General

- (1) 12-hour shifts will apply only to employees working seven-day continuous shift operations in the Process department.
- (2) Shift schedules will maintain the average 37-1/3 hour work-week.
- (3) Employees transferring to 12-hour shift units will be subject to the shift schedule for that unit.
- (4) A petition to implement or terminate 12-hour shifts in a unit will only be considered at the end of their annualized cycle.

2. Criteria for Implementation of 12-Hour Shifts

As a requirement to enter into 12-hour shifts, a simple majority of those employees working on seven-day continuous shift coverage in any given unit must be in favour of a 12-hour shift in their unit.

3. Criteria for Termination of 12-Hour Shifts

The 12-hour shift may be terminated for any of the following reasons:

- (1) (a) Work limitations placed on employees which will not permit them to work a full 12-hour shift.
 - (b) Passing of new legislation or amendments to existing legislation, which would prohibit the working of 12-hour shifts.
 - (c) Legislation which regulates overtime premiums in excess of those now in existence.
 - (d) Unfavourable ruling or penalties imposed by the Workers' Compensation Board.
- (2) Failure of the "spareboard" system to provide adequate coverage.
- (3) Deterioration of safety, sickness, morale, absenteeism or efficiency attributable to 12-hour shifts.

APPENDIX D – continued

- (4) More than 50% of the employees in a 12-hour shift unit petition to terminate 12-hour shifts at the end of their annualized cycle.

4. Revisions To Collective Agreement for 12-hour Shifts

The following changes to the Collective Agreement apply only to 12-hour shifts:

5. Unit Shift Schedule Change:

- 1) A petition or vote will be conducted before October 15th of the previous year to see if there is 50% + 1 in favour to change from the work schedule that is already worked in the unit.
- 2) If there is not a 50% + 1 in favour of change to the existing work schedule then the unit will continue to work the existing work schedule.
- 3) If there is 50% + 1 in favour to change the existing work schedule, then there will be a vote held in the unit of all three work schedules (3on 3 off, 4on 4 off, 2day 2 night). If a vote is to be held Labour Relations shall be notified.
- 4) There must be a 50% + 1 to confirm a new work schedule.
- 5) When the vote is held of all three work schedules and there is 50% + 1 in favour of a schedule then that will be the work schedule in the unit. If there is not 50% + 1 in favour of any given schedule then the schedule with the least number of votes will be left off the next ballot. The next ballot of the remaining schedules will then be decided by a 50% + 1 margin, this will be the work schedule in the unit. If there is a tie vote then the unit will revert back to its original work schedule.

ARTICLE 8
WAGES, HOURS AND OVERTIME

- 8.02 (c) Replace the first two sentences with the following:

"This group normally will work a twelve (12)hour day with three (3) or four (4) consecutive, regularly-scheduled days off, as shown on the shift schedule."

- 8.02 (c) (ii) Change to read:

"Shift employees on a two-shift, 12-hour schedule will report at 7:30 a.m. and 7:30 p.m. and may punch out up to fifteen minutes early when properly relieved by the in-coming shift."

- 8.03 (b) Second sentence to be replaced with the following:

"Overtime for continuous operations will normally be covered by work on days off and may be scheduled at the discretion of supervision to correct inequities in overtime distribution. The "spareboard" will only be used when there is insufficient notice to schedule overtime.

- (e) In second paragraph, last sentence:

Change the word "midnight" to the word "night".

Delete the fourth paragraph.

- 8.04 (a) Revise to read:

Double-time will be paid for:

(i) all hours worked in excess of twelve (12) hours per day on a regularly scheduled work day.

(ii) all hours worked on an employee's scheduled three (3) or four (4) consecutive regularly-scheduled days off.

(iii) hours worked continuous with and after working sixteen (16) hours in one work day.

(iv) notwithstanding the above, an employee shall be paid at straight-time rates for work performed with the permission of supervision, at the employee's request, in substitution for the employee's regularly-scheduled working hours.

- 8.06 (b) Add the following:

"No Change of Schedule premiums or overtime will be paid for going on or coming off 12-hour shifts."

"Change of Schedule premium of 12 hours for 12-hour shift workers."

8.07 (b) Revise to read:

If a relief employee works more than ninety-six (96) straight-time hours in a fourteen-day pay period, the hours worked in excess of ninety-six (96) will be paid at double-time rates. In addition, hours worked in excess of four hundred and eighty-six (486) straight-time hours in an eighty-one (81) day shift cycle for a 3 on -3 off schedule or six hundred and forty-eight (648) straight-time hours in a one hundred and eight (108) day shift cycle for a 4 on - 4 off schedule, will be paid at applicable overtime rates. The eighty-one (81) or one hundred and eight (108) day cycles begin the day the cohesive shift schedule is instituted in a unit.

(c) Revise to read:

Relief work schedules should be arranged so that a relief employee will not work more than ninety-six (96) straight-time hours in consecutive days without a day off. In the event that a relief employee does work more than ninety-six (96) straight-time hours in consecutive days, each hour in excess of ninety-six (96) will be paid for at double-time rates until the employee has a day off. Days worked immediately prior to or leaving relief work, or as a result of the normal rotation of days off, will not count as consecutive days except that if they result in the relief employee working more than ninety-six (96) hours in a pay period the provision in 8.07 (b) will apply.

- (d) "A change of work schedule premium of double-time will be paid for the first twelve (12) hours worked on a new schedule to which the relief employee has been transferred with less than twenty-eight (28) days' notice.

8.09 (a) Revise the first sentence to read:

"Shift differential of seventy-seven (\$.77) cents per hour for 12-hour day shift and one dollar and seventy-three (\$1.73) cents per hour for 12-hour night shift."

Revise the second sentence to read:

"Effective January 24, 2005 the above shift differentials will become eighty (\$.80) cents and one dollar and seventy-nine (\$1.79) cents respectively."

Revise the last sentence to read:

"Effective January 23, 2006 the above shift differentials will become eighty-two (\$.82) cents and one dollar and eighty-four (\$1.84) cents respectively."

8.10 Add the following:

"Shift trades involving working two shifts back to back, i.e. twenty-four (24) consecutive hours, will not be allowed. Shift trades up to four hours tied to an existing 12-hour work shift will be allowed."

ARTICLE 9
STATUTORY HOLIDAYS

9.03 (b) (i) Revise the first sentence to read:

"When an observed Statutory Holiday falls on a scheduled work day during an employee's continuous vacation, the employee will receive vacation time and pay, plus eight (8) hours' Statutory Holiday pay."

9.03 (b) (ii) Revise the first sentence to read:

"Shift workers will be paid eight (8) hours' Statutory Holiday pay for Statutory Holidays which fall on their day off with the following exceptions.

ARTICLE 10
VACATIONS WITH PAY

10.02 (a) Add the following after the last sentence; to read as follows:

"This pro-rated vacation shall be a 12-hour period or multiple of 12-hour periods the employee would have worked had the employee not taken vacation".

10.05 Add the following to the present wording:

"Vacation time off will normally be the three-day or four-day group or groups of scheduled working shifts plus the regular days off, both prior to and following. Vacation time off may include a portion of a three-day or 4-day group of scheduled working shifts to round off the vacation entitlement, provided the day(s) be tied to either the beginning or end of the regular vacation period. If the employee elects not to take this extra day off, but instead works it, the rate of pay for the four or eight hours will be that applicable on the employee's first day back to work following the employee's vacation.

IN WITNESS WHEREOF THE Parties hereto have caused these presents to be executed this 26th day of February, 2004.

Executed on behalf of
Communications, Energy
& Paperworkers Union,
Local 672 – 01 (Dow Unit)

Executed on behalf of
Dow Chemical Canada Inc.
Sarnia, Ontario

BY:

Joe Free

Dan Dutrizac

Gerry Cossette

Ron Ladner

Brad Wright

Herb Jarvis

Brian Boucher

Onoria Fazio

Gary Tedball

Allan Ebert

John Paddick

Witnessed on behalf of
the National Union by:

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**LETTERS
OF
UNDERSTANDING**

2004

LETTERS OF UNDERSTANDING 2004

1. Relationship By Objectives (RBO)
2. Article 9.03 (a) (i) and 10.06
3. Medical Premiums on Retirement
4. Group Life Insurance
5. Preferred Contractor(s)
6. Pension Plan for Hourly Employees
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8. Compensable Injury Supplementary Pay
(Clarification of Article 8.11)
9. Joint Health and Safety Committee
10. Company and Union Medical Committee
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13. Article 8.06
14. Vacation Relief Operators
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16. Maintenance Overtime
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32. Severance (Revised)
33. Health & Welfare Benefits
34. Base Hours for Businesses New to Sarnia Site
35. Workforce Adjustment (Based on Plant Closures and/or Any Infrastructure
Changes)(New)
36. Wage Structure for Low Tech Work (New Business)(New)
37. Alternate Schedule for Day Workers (New)

RELATIONSHIP BY OBJECTIVES (RBO)

Intent: The parties desire that any issue known or which may arise between the Company and the Union be resolved using the RBO process.

RBO is our method of setting objectives, to achieve a Labour-Management relationship in the interest of all employees.

The purpose of RBO is to work together to achieve and sustain a relationship of trust and credibility, and to set and implement objectives which contribute to the future success of Sarnia Site.

Both parties are responsible to participate in regularly scheduled meetings, to resolve and communicate issues in a timely manner.

Examples for RBO effort:

- Communications.
- Training.
- Implementation of legislated changes.
- Direction setting.
- Workplace practice improvement.
- Harassment-free workplace.
- Employee development.

Essential to the success of RBO, is the commitment, active support and participation of the Company and the Union.

FOR THE UNION:

FOR THE COMPANY:

ARTICLES 9.03(a)(i) AND 10.06

Day workers whose scheduled vacation includes RDO(s) and/or Statutory Holiday(s) may schedule additional vacation days in accordance with Articles 9.03(a)(i) and 10.06. The additional day(s) will be scheduled with the approval of the employee's supervisor, with the following conditions:

1. Employees may schedule additional days consecutive with their vacation at the time the vacation is scheduled. Such days shall be taken at the beginning or end of their vacation period at the discretion of supervision.

2. Employees wishing to schedule additional days not consecutive with their vacation will be allowed to do so only after all vacation in the group has been scheduled. The additional days will be scheduled so that the maximum number of employees allowed off in each group at one time is not exceeded.

3. Changes and additions to the scheduling of extra days will not be allowed after the vacation schedule is finalized.

FOR THE UNION:

FOR THE COMPANY:

MEDICAL PREMIUMS ON RETIREMENT

- A) Effective July 01, 1984, the Company will make the following contribution to the cost of Extended Health and Supplementary Hospital premiums:

At early retirement, employees will pay an experience related premium which is currently \$4.00 per month. The Company pays 100% of the cost of premiums after age sixty five (65).

- B) Effective February 1, 2001, upon retirement, employees will co-share the cost by paying an experience-related premium which is currently:

Core Plan

Enhanced Plan

Single - \$4.00/month

Single - \$8.00/month

Family - \$7.50/month

Family - \$15.00/month

The Company agrees to communicate to the Union any changes that it plans to make affecting experience-related premiums in section B), at least 90 days in advance of the implementation date.

FOR THE UNION:

FOR THE COMPANY:

This establishes an arrangement where future retirees co-share in medical premium costs while providing them with access to enhanced coverage at their option.

Preferred Contractor(s)

The Company and the Union (Dow Unit) shall agree who will be the Preferred Contractor(s) at the Sarnia Site as per Appendix "C" of the Collective Agreement.

The RBO process shall be the process used to determine the Preferred Contractor(s) at Sarnia Site.

FOR THE UNION:

FOR THE COMPANY:

PENSION PLAN FOR HOURLY EMPLOYEES

The Company agrees that the Wage Pension Plan benefits will be the same as the Salaried Pension Plan benefits.

The Company and the Union agree that any future changes made by the Company to the Pension Plans, will apply to all Dow Chemical Canada Inc. employees.

The Company agrees to communicate to the Union, any changes that it plans to make, affecting wage employee pension benefits, at least ninety (90) days in advance of the implementation date.

The Company will provide to the CEP National Office (or its designates) copies of the pension plan text applicable to our employees. Copies of any amendments made to the text will be provided when they are filed with the regulatory bodies. Upon request the Company will provide copies of actuarial valuations filed with applicable federal or provincial regulatory bodies.

FOR THE UNION:

FOR THE COMPANY:

This agreement establishes the Company's commitment to have the same pension benefits for all Dow Chemical Canada Inc. employees.

**Shift Differential and Shift Schedule for Short-term Basis for
Shutdowns, Plant Outages, etc.**

The Company and the Union agree that the application of shift differential is for hourly-paid employees working shifts. It shall be intended to cover day workers who may be scheduled to work shifts (other than their normally scheduled shift) on a short-term basis for shutdowns, plant outages, etc. In these cases the terms of Article 8.06 Change of Work Schedule, shall apply.

The Company and the Union agree that ten-hour shift schedules may be used for temporary shift assignments, maximizing the use of Maintenance employees in support of operating and shut down Units and thereby reducing the potential need for other workforces. It is understood that shift differential shall not apply to a ten-hour shift used for short-term basis for shutdowns, plant outages, etc.

FOR THE UNION:

FOR THE COMPANY:

COMPENSABLE INJURY
SUPPLEMENTARY PAY
(CLARIFICATION OF ARTICLE 8.11)

In cases where an employee returns to work after being absent because of a compensable injury and it is found that the injury will not permit the employee to assume the assigned work, the periods of supplemental pay as outlined in Article 8.11 will continue. For example, if a person returns after 4 weeks, works for 3 days and cannot continue, the total period still available will be 48 weeks (52 weeks minus 4 weeks).

In cases where an employee returns to work after being absent because of a compensable injury subsequently incurs a new compensable injury, whether contributed to by the first injury or not, the case will be considered as a new one for the purposes of Article 8.11. For example, if a person returns to work after 5 weeks absence because of a knee condition and then stumbles, partly because of the weak knee and breaks another limb, the employee will have 52 weeks supplemental pay available.

In cases where an employee returns to work after being absent because of a compensable injury and reinjures the original injury, the case will be considered as a new injury. For example, if a person has been absent because of a fractured arm for 4 weeks and returns to work and as a result of an accident re-fractures the same arm in the same place, that person will have 52 weeks supplemental pay available.

FOR THE UNION:

FOR THE COMPANY:

**JOINT HEALTH
AND SAFETY COMMITTEE**

A Joint Health and Safety Committee will be established consisting of a maximum of five hourly and five salaried members none of whom will be members of the Company or Union Bargaining and Grievance Committees. The regular meetings of the Committee will be open for attendance by one officer of the Union and one member of Management.

The purpose of the Joint Health and Safety Committee is to assist in the development, implementation and updating of a meaningful health and safety program in the Sarnia Site consistent with Sarnia Site health and safety policies, to fulfill the responsibilities as outlined in the O.H. & S.A. for Joint Health and Safety Committees and to audit the performance of this program. As part of this function, one hourly member of the Joint Committee will be included in accident investigations.

Any pertinent technical information the Company may have will be made available to the Committee and the Committee's advice and recommendations after considering specific matters may be passed to the responsible Company personnel for their consideration.

FOR THE UNION:

FOR THE COMPANY:

COMPANY/UNION
MEDICAL COMMITTEE

RESTRICTED DUTIES PERSONNEL

From time to time one of our employees becomes incapacitated to the point where the employee cannot perform the employee's normal job, but can be assigned with work restrictions. This situation can occur for the following reasons:

- (a) A job-related compensable injury
- (b) An off-the-job injury
- (c) Illness or physical deterioration

These incapacities fall into two categories:

- (a) **Short-Term** - where the illness or injury is of such a nature that the employee will be able to return to the employee's normal duties within a predictable period of time.
- (b) **Indefinite Term** - where the illness or injury is of such a nature that the employee will not be able to return to the employee's normal duties within the foreseeable future.

Employees with work restrictions are defined as employees who by reason of illness or injury are not capable of carrying out the duties of their normal job, but who can do some useful work.

A. SHORT TERM

- 1. If, in the opinion of the employee's physician and the Company doctor, an employee is capable of doing some form of work, the employee will be returned to work at the employee's normal job rate of classification within their unit or group.
- 2. The employee's position with work restrictions will be reviewed monthly by the Company Doctor and the Manager of Labour Relations. After a two-month period a review of the case will be made by a joint Company/Union committee as defined in (1) below:

B. INDEFINITE TERM

- 1. A Company/Union Medical Committee will be formed to consider cases of indefinite term restricted capabilities. This committee will consist of:
 - (a) The Company Medical Doctor
 - (b) Three representatives of the Union
 - (c) Manager, Labour Relations
 - (d) A member of Process Supervision
 - (e) A member of Maintenance Supervision
- 2. If, in the opinion of the Company Physician, an employee is not capable of carrying out the employee's normal duties, that case will be referred to the Committee.
- 3. The Committee will review the employee's case. If possible, the employee will be placed in a job in the employee's business which the employee is capable of doing at the same classification.

- 4. If no such placement is possible, the Committee in accordance with Article(s) 12.03; 12.04; 12.05 of the Collective Agreement may recommend placement in another job which an employee is capable of doing at an equal or lower classification.
- 5. Employees with indefinite work restrictions who are only capable of doing work at lower classifications will have maintenance of rate for their classification for 24 months. This maintenance of rate shall stay in effect until the employee's rate is equivalent to Technician Level 2 at which point that rate will be stabilized and negotiated increases will apply.
- 6. The employees on indefinite restrictions shall maintain Premiums as long as their restrictions do not prohibit them from performing the Premium duties.

C. EMPLOYEE STATUS

- 1. The status of each employee with work restrictions will be reviewed by the Committee at intervals of no less than six months.
- 2. If the employee's condition deteriorates to the point where the employee can no longer perform any useful duties, the employee will continue to have access to the benefit plans to which the employee is eligible.
- 3. Employees with work restrictions will maintain their plant seniority. In the event of a lay-off they will be considered in the same manner as any other employee.
- 5. Any employee with work restrictions may bid on a posted vacancy. However, in order to be considered for the vacancy, the employee must be capable and qualified to carry out the full duties of the job.

D. ACCOMMODATING EMPLOYEES

The object of the accommodating employee is:

- 1. To provide an opportunity for rehabilitation of employees with medical restrictions.
- 2. To perform useful and necessary work to the extent that it is economically practical to do so.
- 3. To provide medically restricted employees an opportunity to do value added work to the extend of their capabilities.
- 4. The Medical Committee is to look at reassignment of roles and to review work content as per the Physical Demands Analysis (PDA) versus role descriptions. The Medical Committee shall review job assignments of employees with work restrictions to allow the employee to maintain their rate of classification that they had when they entered into work restrictions.

To this end, work will be assigned to employees with work restrictions based on the ability of the employee to perform it, and without regard to the business that normally performs the work.

FOR THE UNION:

FOR THE COMPANY:

PAYMENT OF PERSONNEL
ON UNION BUSINESS

1. Employees who require time off to attend Union meetings, arbitration, conciliation, conventions or other Union business will request a leave of absence. In this instance the Company will provide relief at its own expense. A leave of absence for one day or less may be granted by the supervisor provided 24 hours notice, if possible, is given. If more than one day is required the application of Article 11.02 (c) in the Collective Agreement will apply.
2. For Company/Union meetings the Company will pay straight-time to employees for the time they attend meetings during regular work hours, and straight-time to employees required to provide relief.

FOR THE UNION:

FOR THE COMPANY:

**LEAVE OF ABSENCE FOR EMPLOYEE
SERVING SENTENCE
OF IMPRISONMENT**

- (a) In the event that an employee should be sentenced to a term of imprisonment following conviction for any offence, the Union may submit the case to the Labour Relations Manager for consideration and the manager shall then, at said manager's discretion, decide whether any, and if so how much, leave of absence shall be granted to the employee while serving that sentence of imprisonment.

- (b) Seniority shall accumulate during the above period of leave of absence.

FOR THE UNION:

FOR THE COMPANY:

ARTICLE 8.06

Change of Schedule Premium will not be paid to the successful applicant to a Job Posting when:

1. The employee is moved to the new unit or group.
2. The employee is moved onto a training schedule, which shall be in writing.
3. The employee is moved onto a regular job on completion of training.

Change of Schedule Premium will be paid if the employee is moved to a new training schedule under (2) above.

FOR THE UNION:

FOR THE COMPANY:

VACATION RELIEF OPERATORS

Vacation relief operators in process units will be at the senior technician classification. Temporary requirements for additional vacation relief will be filled by an employee moving up to the senior technician classification for the period indicated on the vacation relief schedule, then returning to the employee's former classification in the unit.

With supervisory approval a more senior senior technician may move to a more desirable job at the same classification if the senior technician so wishes.

Vacations and CDO's will normally be covered by the vacation relief operator. In cases where the vacation relief operator is not qualified, that operator may relieve other employees who will then cover the vacations and CDO's. Line changes where applicable will be paid in accordance with Article 8.06.

Vacation relief operators to be eligible for both senior process technician and process technician overtime.

Vacation relief operator(s) will be assigned to 1 or 2 or 4 unit teams depending on coverage required.

EXAMPLE

	ASSIGNED TO <u>1 TEAM</u>	ASSIGNED TO <u>2 TEAMS</u>	ASSIGNED TO <u>4/5 TEAMS</u>
A.....VR			
B.....VR		VR	
C.....VR			VR
D.....VR		VR	
E.....VR			

FOR THE UNION:

FOR THE COMPANY:

PDP Start-Up

The Company and the Union agree that for the PDP Start-Up, which is set to take place commencing March 25th, 2004 and ending May 9th, 2004, the normal shift schedule will be modified and the parties involved agree to work up to 72 hours per week.

The Company and the Union agree that with 2 weeks written notice, either party can revoke this Letter of Understanding.

FOR THE UNION:

FOR THE COMPANY:

MAINTENANCE OVERTIME

At the Company's discretion, after the provisions of Article 8.03 have been followed, it is agreed that the Company representative may attempt to contact other Dow Maintenance employees who have indicated they are available to assist on overtime work but who have not signed the overtime availability list. It is also agreed that the Company is under no obligation to contact all, or any, of those who have not signed the regular overtime availability list prior to going to other sources.

FOR THE UNION:

FOR THE COMPANY:

**MAINTENANCE WEEK-END COVERAGE
AND SHIFT PROCEDURE**

In the event that shift work or week-end coverage is implemented for Maintenance employees, for a pre-determined duration of greater than thirty (30) calendar days, the following provisions will apply:

1. Shift Procedure

- (a) When an employee is promoted to a trade technician classification the employee shall be placed on shift and the trade technician, on shift, with the most plant seniority in the group shall be transferred to day work. In the event the employee being promoted has more plant seniority than all employees on shift, the employee shall remain on day work.
- (b) Any relief coverage due to continuous shift coverage will be provided by the trade technician on day work with the least amount of plant seniority in the group.
- (c) Sickness and vacation relief for shift or the relief employee will be assigned by length of time in the group considering first the trade technician on day work with the least amount of plant seniority and so on until all the needs for relief are filled.
- (d) If at any time it becomes necessary to hire a trade technician from outside the group, such employees shall, within two (2) weeks following the completion of their probationary period, be placed on shift and section (1) above shall apply.
- (e) The above provisions will not apply to temporary shift requirements for new unit start-ups.

2. Week-End Coverage

The provision of (1) above (Shift Procedure) shall also apply to Week-End Coverage.

FOR THE UNION:

FOR THE COMPANY:

Clarifies that this Letter of Understanding applies only to maintenance shifts of a duration greater than thirty (30) calendar days.

ALTERATION OF WORK SCHEDULE

For the purposes of administering Article 8.02 and Article 8.09 and Appendix "D" (1.1) of the collective agreement, for process employees, the Company and the Union have agreed to the following:

In the event an alteration to a unit or group's existing work schedule is required, the Company agrees to meet with the Union to review and discuss the changes that are necessary. The Company agrees to make every reasonable effort to accommodate the concerns raised by the Union in the course of these discussions in developing the new work schedule to be implemented. Permitted work schedules will include weekend and or 6 day coverage in 12 hour non continuous shift operations.

Notwithstanding Article 8.09 (b), day shift differential as outlined in Appendix "A", will be paid to employees working 12 hour day shifts in units or groups whose schedule requires greater than 5 day a week coverage as well as stat holiday coverage.

FOR THE UNION:

FOR THE COMPANY:

BEREAVEMENT LEAVE (FUNERAL LEAVE)

The Company agrees that provisions for bereavement leave (funeral leave) for Wage employees will be the same as for Salaried employees. The provisions for bereavement leave are outlined in the Canadian Regions Policies. Currently the provisions are:

PURPOSE:

To provide employees with paid time off to attend to personal needs at a time of a death of an immediate family member.

GUIDELINES:

In the event a death occurs in an employee’s immediate family, the employee may take up to three (3) days’ leave with pay to attend to any needs that may arise.

For the purposes of this policy, immediate family normally includes spouse, parents, grandparents, children, grandchildren, sisters, brothers, parents-in-law, sisters-in-law, brothers-in-law, sons-in-law and daughters-in-law. However, many cultures place special significance on relatives outside of the immediate family. Supervisors should review special cases with Labour Relations (L.R.).

Employees may need an extended leave due to travel, executing a will, etc. Again, these cases should be reviewed with L.R. and additional leave with pay may be granted based on the individual circumstances of the case.

The Company agrees to communicate to the Union any changes it plans to make affecting Bereavement Leave (Funeral Leave) at least 90 days in advance of the implementation date.

- This letter replaces Article 14.09.

FOR THE UNION:

FOR THE COMPANY:

SEVERANCE CAP

In conjunction with LOU 32 (Severance) it is understood that at the time of any curtailment the Company may establish a cap, which will not be lower than 25 years of service

FOR THE UNION:

FOR THE COMPANY:

IMPROVED VACATION SCHEDULING

The following changes will be made to the practices of vacation scheduling:

- 1. In each unit or group, one employee will be allowed on vacation at a time for each 40 employee-weeks of vacation eligibility in the unit or group at the time vacations are scheduled.

Should temporary vacation relief be required, such relief will be provided for the summer prime-time period as described in 3(a). Additional coverage in excess of this period will be provided consecutive with the summer prime-time period.

- 2. Employees in the vacation group with the first vacation choice will be allowed to schedule all their vacation entitlement during prime-time subject to the practice of allowing two "first choices" to each employee.

Employees in the vacation group with second vacation choice will be allowed to schedule a maximum of two weeks during prime-time.

Employees in the other two vacation groups will be allowed to schedule a maximum of two weeks during prime-time, subject to the amount of prime-time vacation openings remaining to be filled.

- 3. Prime-time is defined as follows:

- (a) The 13-week period extending from mid-June to mid-September.
- (b) The one-week period known in the school system as "Mid-Winter Break".
- (c) The one-week period at Christmas.

Double coverage for vacations at Christmas and Mid-Winter Break will be provided in those units where a permanent secondary vacation relief operator is required.

- 4. Vacation choice by group will be as follows:

	1 st Choice	2nd Choice	3 rd Choice	4th Choice
1st year	A	C	B	D
2nd year	B	D	A	C
3rd year	C	A	D	B
4th year	D	B	C	A

FOR THE UNION:

FOR THE COMPANY:

LOU 21 Addendum

Effective January 1, 1998.

Maintenance Department Vacations

- 1. Maintain Facility Teams (MFT) will be responsible for administering the vacation process. Their goal is to best accommodate MFT member needs while providing adequate technical coverage.

IM Vacation MFT's:	12	IEM Vacation MFT's:	12
	92 & 87		92 & 87
	72 & 104		72 & 104
	431		431
	36 MFT		122 MFT
	122 Hoisting & Mechanic		62
	62		

- 2. 12 prime vacation weeks will be designated each year as follows;
 - a) Christmas week
 - b) March (school) break week
 - c) 10 weeks in the summer
- 3. All Maintenance employees have the opportunity to schedule vacation during prime time.
- 4. Prime time vacation entitlement for each person is their total less 2 weeks.
- 5. Prime time vacation must be scheduled by the calendar week. Extra days due to 3 or 4 day weeks, may be scheduled anytime in the year as long as the total entitlement in the MFT are not exceeded.
- 6. When the team's prime time entitlement exceeds 12 weeks, the 12 week prime period should be filled before scheduling the remaining weeks to reduce the frequency of minimum staffing.
- 7. An employee with 3 weeks vacation will be allowed 1 week in prime time.
- 8. If consensus cannot be reached in the MFT group, plant seniority within A,B,C,D groups will be the fallback.
- 9. The Maintenance Leader and Committee person assigned to Maintenance will update the MFT vacation entitlements annually to determine the maximum number of employees away during prime time.
- 10. During the 40 non-prime vacation weeks the maximum number of employees on vacation from a MFT group is 1 out of 3.
- 11. The Maintenance Leader must approve any special request that would cause the maximum allotment to be exceeded.

Progression System**Section I**

The Company and the Union agree to a progression system with the following guidelines:

1. The progression system will apply to all Process employees.
2. Process Level I will be the entry level and progression will be as follows for Process units or groups.
 - (a) Units/Groups where the top wage classification is at Senior Process Technician rate.

Wage Classification

Process Level I	Entry	
Process Level II		12 Months at Level I & successful completion of unit modules
Process Technician		12 Months at Level II & successful completion of unit modules & I.M. Level I
Senior Process Technician		36 Months in a unit & successful completion of unit modules

Notes

- i) Employees on payroll February 1, 1992 will not require I.M. Level I to progress.
- ii) Employees are required to have 36 months of operating experience to be qualified for Senior Process Technician.
- iii) I.M. Level I is not required in a unit without 5th shift.
- iv) I.M. Level 1 & 2 skills are portable.

- (b) Units/Groups where top progression is Process Technician.

Wage Classification

Process Level I	Entry
Process Level II	12 Months at Level I & successful completion of unit modules
Process Technician	12 Months at Level II & successful completion of unit modules

- (c) Units/ Groups where top progression is Level II

Wage Classification

Process Level I	Entry
Process Level II	12 Months at Level I
Process Technician	by vacancy only

Progression in all units or groups will be based on above time schedules and the successful completion of training and tests.

3. (a) Vacancies at the entry level in any unit or group will be filled in accordance with the provisions of Article 7.06 of the Collective agreement, except that technicians from another unit or group will not be eligible to apply for such vacancies until they have completed thirty-six (36) months in a unit or group.
- (b) For permanent day vacancies as described in Article 8.02 (b), the 36-month timeframe will be waived for employees bidding from a shift job.
- (c) Once in a permanent day vacancy by the posting procedure the employee will not be eligible for any vacancy under 8.02 (b), (c) for 24 months.
- (d) If there is no successful applicant for a permanent day vacancy, the 24-month timeframe for non-eligible qualified employees will be waived.
4. Process Technicians must successfully complete the module training program in order to qualify for the Senior Process Technician classification in their unit or group.

5. Failure to meet the qualifications of on-the-job or modular training during the first 36 months in a unit or group will result in demotion to the Site Operations Service Group (SOSG).

6. Technicians will be expected to rotate for all operating duties for which they are trained and qualified, or for which they are training in their unit or group.
7. Employees on cutback under terms of Article 7.08 will be moved to SOSG at the progression level they have attained at the time of cutback.
8. Employees on payroll as of May 30, 2001 do not have to progress to Senior Technician classification in a unit or group.
9. I.M. Premiums in Process

I.M. Level I

For existing employees:
At the start of their first 5th shift Assignment or within 15 Months of entering the unit & upon completion of Level I I.M. training. New hires must be at Process Level II Rate of pay to be eligible for I.M. Level I.

I.M. Level II

New hire or new 5th shift employee will get I.M Level II within 15 months of completion of I.M. Level I & Completion of sign-off assessments.

Upon ratification of the Collective Agreement April 23, 2001 existing employees that have I.M. Level I premium will receive I.M. Level II premium and must sign-off the assessments within a 15 month timeframe or they will lose their I.M. Level II premium.

The parties agree to consider proposals from units/groups described in 2a, 2b and 2c of the Process progression to allow them access to Senior Technician, Leadership Premium and I.M. Level I premium when such proposals provide mutual benefit to the unit/group and its employees.

Section II

The Company and the Union agree to a progression system with the following guidelines.

1. The progression system will apply to all Maintenance employees.
 - (a) Unit/group where the top wage classification is Senior Maintenance Technician (this section applies for existing trades persons and ex-trades people that are in process)

Wage Classification

Maintenance Technician	Entry: For ex-tradesmen that bid from process or from another Maintenance job. Article 7.06 (b) (iii) shall also be referred to.
Senior Maintenance Technician	Successful completion of group modules.

- (b) Units/Groups where the top wage classification is at Senior Maintenance Technician (this applies for New Hires as of February 1, 2001).

Wage Classification

Maintenance Level II Maintenance Technician	Entry 12 Months in the group & successful completion of assessment sign-off.
Senior Maintenance Technician	36 Months in group and successful completion of group modules.

I.M. Premium in Maintenance

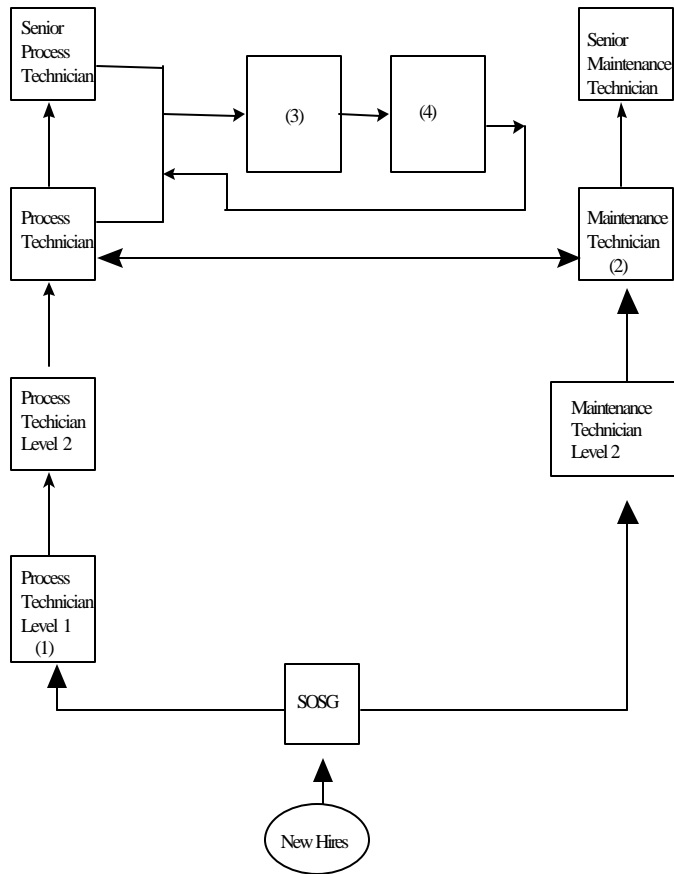
New Hire	
I.M. Level I	Entry
I.M. Level II	Upon sign-off of assessments within 12 months in maintenance.

I.M

When 433A qualification
has been attained.

2. Maintenance Level II will be entry level for New Hire as of February 1, 2001.
3. Upon a new hire going to maintenance the employee will be assessed as per what gaps exist to achieve maintenance technician rate of pay. Assessments will be done at 3, 6, 9 month intervals to assess gaps, if all gaps are closed then the employee will receive Maintenance Technician rate of pay. If gaps still exist after 12 months timeframe employee will be demoted to SOSG. Failure on the Company's part to do assessments in the 12-month timeframe will result in the Company paying the employee the Maintenance Technician rate of pay.
4. Failure to meet the qualifications of on-the-job training or modular training by a new hire in the first 36 months will result in demotion to the SOSG. A new hire must obtain a 433A qualification in the first 36 months in the Maintenance Department.
5. Employees entering the Maintenance department as a new hire will not be eligible to apply for vacancies until they have completed thirty-six (36) months in the Maintenance Department.
6. Once in a day vacancy by the posting procedure the employee will not be eligible for a vacancy under 8.02 (b) for 24 months.
7. If there are no successful applicants for a permanent day vacancy, the 24-month timeframe will be waived for non-eligible qualified employees.

**SECTION III
PROGRESSION SYSTEM**



Process Progression
Section I

Maintenance Progression
Section II

Notes:

- (1) Process Department vacancy.
- (2) Maintenance Department vacancy.
- (3) Vacancies created for individual employee skill enhancement.
- (4) Trained to Maintenance Technician skill level based on completion of Apprenticeship Program with full IM premium obtained.
5. Employees on payroll June 1, 2001 at Trade Technician classification will be eligible for Maintenance Technician vacancies independent of achieving Process Technician.

FOR THE UNION:

FOR THE COMPANY:

PEAK MAINTENANCE
WORKLOAD STAFFING

INTENT:

The intent of this agreement is to promote flexibility to use human resources where most needed while preserving employment security for full-time employees without setting precedents which would interfere with either flexibility or employment security.

It is not intended to open the door for people to use as an excuse to refuse work (i. e. to choose work assignments).

It is not intended to diminish employment rights of full-time employees outside of the Maintenance Department.

It is not intended for Process workers to do maintenance tasks on shift when it conflicts with the operation of the unit.

WE AGREE THAT:

Management may use workers from outside the bargaining unit to do traditional maintenance tasks as long as full-time bargaining unit workers are employed at other tasks.

AND THAT:

Full-time bargaining unit workers will retain priority rights to traditional maintenance tasks.

THIS AGREEMENT will supersede any relevant provisions of the Collective Agreement and may be cancelled by either party with 30 days notice to the other party, following a trial period of no less than one year. During the trial period or after, this agreement may be mutually amended using the collaborative method under which it was developed.

FOR THE UNION:

FOR THE COMPANY:

New Hire

1. This Letter of Understanding is intended to cover all employees that are hired after February 1, 2001.
2. As of February 1, 2001 new hires must progress to Senior Technician classification within sixty (60) months of entering a unit or group. Failure to achieve Senior Technician rate within 60 months the employee will be demoted to SOSG.
3. An employee may bid to another unit or group as long as the requirements of LOU #22 have been met. An employee that bids after achieving the requirements of LOU # 22 will enter the new unit or group at entry level rate of pay unless the Senior Technician classification has been achieved before bidding to the new unit or group, then Article 7.06(b), (iii) shall apply.
4. When an employee moves to new unit or group the employee must achieve Senior Technician qualification within sixty (60) months of entering the new unit or group. Failure to achieve Senior Technician rate within 60 months the employee will be demoted to SOSG.

FOR THE UNION:

FOR THE COMPANY:

Co-op Employment for Operations

It is the intent of this agreement to use unionized Co-op students to work with operations to gain practical experience in the operational units. Ground rules shall be referred to in the RBO minutes. The RBO team will take ownership of the Co-op Program. The Union and Company agree that this letter may be terminated by either party providing the other party with 90 day written notice.

FOR THE UNION:

FOR THE COMPANY:

EMPLOYMENT SECURITY

The Company and Union agree that:

- The Company will provide the Union with 6 months written notice prior to any permanent lay-off of bargaining unit employees.
- The Company and Union agree that the Company can place employees from SOSG into temporary jobs, with a maximum total duration of one (1) calendar year. Employees accepting placement will have their rate maintained or receive job rate, whichever is higher.
- Permanent vacancies will be filled as per the Collective Agreement.
- In support of this letter the Company and Union agree to have the wage co-chair of the Joint Health & Safety Committee (JH&SC) be a full-time position appointed by the Dow Unit Chairperson and that the total wage employee membership of the JH&SC will be three (3).
- This letter replaces previous letters referencing the High Density Polyethylene (H.D.P.E.) closure. Employees placed into temporary jobs under the terms of the H.D.P.E. letter will be addressed as follows:
 - they may bid any permanent posted vacancy
 - beyond the above their status remains same as set out in H.D.P.E. closure agreement
- Company and the Union agree that all non-traditional jobs/work performed by bargaining unit members during the term of this letter of understanding, will continue to be considered as jobs/work outside the bargaining unit, notwithstanding such performance by bargaining unit members, and will not set precedent and will not be relied on in any claims by the Union under articles 14.06 and/or 14.07.
- The Company may use workers from outside the bargaining unit to do traditional main bargaining unit tasks as long as any full-time bargaining unit employees are not on layoff. The Company will continue to communicate to the Union any traditional work assigned to others.
- Notwithstanding any article of the Collective Agreement this letter would take precedence.
- The Company and Union agree that this letter may be terminated by either party providing the other party six (6) months written notice.

FOR THE UNION:

FOR THE COMPANY:

TEAM LEADERS

The intent of the following agreement is:

To allow the Company to offer positions of leadership to senior Bargaining Unit employees, provided they can be removed by the Company if, in the opinion of the Company, they are not meeting Unit performance standards following reasonable training. The employee will be removed with minimal financial hardship to the employee.

Only employees designated as Team Leaders will receive the Team Leader premium.

Team Leader positions will be offered by vacancy only. The selection of employees for Team Leader positions within a Unit will be made in accordance with the Collective Agreement. The Company will make every effort to qualify a Team Leader.

If, in the opinion of the Company, a Team Leader fails to meet the Unit's job performance standards, the Team Leader can be reassigned, by the Company, to a job at the employee's classification prior to becoming a Team Leader. In the case of such reassignments, such employees will have their rate of compensation frozen at the current Team Leader rate. The premium will continue at that level until the base wage of the job to which the employee was assigned, equals or exceeds the frozen rate of compensation. However, if the employee has committed an act of disobedience or willful misconduct or willful neglect, the employee's premium will be reduced immediately.

In cases where an employee voluntarily opts out of the Team Leader position, the employee's premium will be dropped on the first day at the new job.

FOR THE UNION:

FOR THE COMPANY:

May be deleted prior to end of agreement with the approval of the Site RBO Team.

NON-TRADITIONAL JOBS

The intent of the following agreement is to allow the Company to offer jobs/work that would normally be performed by employees outside the bargaining unit or by contractors, to bargaining unit employees without precedent. It is not the intention to prevent claims under 14.06 and/or 14.07 for jobs/work normally done by bargaining unit employees. This allows the hourly employees to use their additional skills and provides enhanced employment security.

- 1 . The Company and Union agree that all non-traditional jobs/work performed by bargaining unit members on or after April 6, 1 989 will continue to be considered as jobs/work outside the bargaining unit, notwithstanding such performance by bargaining unit members, and will not set precedent and will not be relied on in any claims by the Union under Articles 14.06 and/or 1 4.07

2. The Company and the Union agree to maintain a current list of employees on non-traditional jobs/ work and the employees on this list will not be used as examples or relied upon in any claims made by the Union under Articles 14.06 and/or 14.07. Maintenance employees working on projects will not be included on this list but the provisions of paragraph one will still apply. Inadvertent errors or omissions to the list will not supersede the provisions of paragraph one.

3. No non-traditional jobs/work will be filled with bargaining unit employees without the Dow Unit Chairperson’s agreement.

non-traditional: Jobs/work which prior to April 6, 1989 were not normally performed exclusively by members of the bargaining unit. Without limiting the generality of this definition and by way of example, the parties agree that the following jobs/work were not performed exclusively by members of the bargaining unit prior to April 6, 1989:

- CIP co-ordination
- Training co-ordination
- MOD systems
- Computer hardware installations
- Off site customer/equipment vendor support
- Miscellaneous capital and/or revamp work

FOR THE UNION:

FOR THE COMPANY:

Revised so that joint agreement is required to transfer a bargaining unit employee to a non-traditional job.

STAFFING FOR TEMPORARY SHIFTS IN MAINTENANCE

All Maintenance employees are expected to staff temporary shifts (less than 30 calendar days in duration) when required.

A point system will be used to evenly distribute the inconvenience of working temporary shifts. When employees work a temporary shift, they will be credited with points as mutually agreed upon by the parties.

Joint Coordinators, mutually agreed upon by the parties, will:

- Administer the point system.
- Advise on selection of employees based on the point system.
- Assign initial points to new employees in a group.

FOR THE UNION:

FOR THE COMPANY:

Provides for flexibility in assigning maintenance employees to temporary shift assignments in a balanced way.

FLEXIBLE WAGE WORKFORCE

THE INTENT OF THE FOLLOWING AGREEMENT IS:

To create a multi-skilled flexible workforce that contributes to improved Site competitiveness while providing employees with the skills that better enable the Company to manage lay offs by Plant seniority. Integral to this is a new progression system where employees progress based on their qualifications & seniority and are paid for the skills they use. Employees are assisted by Company supported training.

The Key Elements of this Agreement are:

Flexibility:

This means:

- Employees are multi-skilled.
- Employees use all their skills.
- Maximum use of IM skills, including overlap on common Mechanical/I&E skills.
- A Bargaining Unit, free from work-practice barriers
- Operators supporting IM's via participation on a 5th shift.

A MEASURE OF SUCCESS IS:

Percentage of time Operators on 5th shifts are doing maintenance.

Lay Off by Plant Seniority:

This means:

- Lay offs are by Plant seniority
 - Temporary exceptions may be required to access employees with qualifications not readily available in the workforce (eg. regulatory certification, electronics or high voltage expertise, etc.)
 - Temporary is deemed to mean the period of time required to train a senior employee to become qualified.

Expanded capability and flexibility of the workforce better enables lay offs by Plant seniority.

- During periods of downsizing, qualifications guide placement of the remaining employees so that the employees' current skills match the requirements of any remaining jobs.
- Plant seniority guides which employees with the same skills, remain within a work group designated for downsizing.
- A period of downsizing ends when all employees designated for lay off have been released.

A MEASURE OF SUCCESS IS:

Development of required qualifications to support lay off by Plant seniority.

Recall by Plant Seniority:

- Recall is by plant seniority.

The last employee laid-off will be the first recalled provided the employee is qualified to do the work and has retained seniority.

Training:

This means:

- Provide Operators with the skills to support IM's. (all Operators in Units with 5th shifts require IM Level 1)
- Provide Operators with advanced process training.
- Provide advanced technical training for IM's with specialized skills.
- Provide training resources and facilities to develop globally competitive employees.
- Assist employees to obtain IM tickets for required skills.

A MEASURE OF SUCCESS IS:

Percentage of eligible employees who successfully complete the training.

Pay For Skills:

This means:

- A premium paid while training and continued upon successful completion of training, to employees who work in a Unit with a 5th shift and use their IM Level 1 skills.
- An IM premium paid while training and continued upon successful completion of training to employees in a Unit with a 5th shift or in a Maintenance function, who become eligible for an IM ticket and use these skills.
- Premium pay for flexibility is included in pensionable earnings, benefits (Sickness & Accident) and vacation pay.

A MEASURE OF SUCCESS IS:

Percentage of eligible employees who qualify for premium pay.

Qualifications:

This means:

- Qualifications guide the placement of employees within the Division.
- Qualifications are defined as the employee's current level of:
 - training
 - experience
 - reliability
 - ability

which are relevant to the job requirements.

- Assignments are made on the basis of qualifications and employee development.
- Job postings are filled on the bases of Company specified qualifications and seniority.
- The successful candidate is the senior person from among the qualified candidates.

A MEASURE OF SUCCESS IS:

Percentage of job postings filled by the senior person from among the qualified candidates.

Progression System:

This means:

- Progression is based on time worked and successful completion of training requirements as per Letter of Understanding #22.
- Progression is supported by pay for skills used.

A MEASURE OF SUCCESS IS:

Percentage of eligible employees who successfully complete progression to 'dual' qualifications; i.e., I.M. Technician and Operations Technician or I.M. Technician and Trade Technician.

Essential to the success of this agreement is the joint commitment and the active support of the Company and the Union.

FOR THE UNION:

FOR THE COMPANY:

PERFORMANCE COMPENSATION

The Company wishes to recognize the contribution of the Main Bargaining Unit's performance to the Sarnia Site's performance. The intent is to promote teamwork and encourage employee involvement through goal setting to increase productivity.

The Performance Award Program for Main Bargaining Unit Employees is structured as follows:

- There are two components that determine the potential payout of the Program
 - Company performance level results
 - Site performance - determined by site and or unit results such as safety, reliability, and productivity.
- Annually the Company determines the performance expectations for the Sarnia Site. The performance expectations are set after the Site goals have been identified. The payout potential is based on the performance opposite these expectations. Any payout will occur before the end of the 1st quarter of the following year.
- The Company will communicate the goals and performance expectations of the Site to the RBO Team by the end of each year, commencing 2001.
- The Company will communicate the performance level expectations of the Company to the RBO Team by the 15th of March of each year, commencing 1998.
- The Company will communicate the annual payout potential for the program to the Site RBO Team by the 15th of March of each year, commencing in 1998.
- The Company will communicate the details of any payouts to the Site RBO Team.
- Any changes to the program will be reviewed by the Site RBO Team.

Terms and Conditions of the Program:

- If an employee's employment with The Dow Chemical Company terminates for any reason other than death, disability, or retirement under the Dow Canada Pension Plan, the employee will not be eligible for any payout.
- An employee or their beneficiary will receive a prorated payout of any award earned based on the time you were employed during the program year, if the employee dies, is disabled, or retires under the Dow Canada Pension Plan during the program year.
- The target for all eligible employees is 3% of their annualized pay.
- This plan shall not confer or deem to confer you any right with respect to continuance of employment by the Company, nor interfere in any way with the right of the Company to terminate an employee's employment in accordance with the Collective Agreement.
- **Any payout under any component of the program shall be at the discretion of the Dow Chemical Company under the terms and conditions of the program. (for terms and conditions refer to CAN).**

For the Company

For the Union

SEVERANCE

Employees with at least one (1) year of service who are laid off will be entitled to severance pay as follows:

The greater of either:

The amount specified in The Employment Standards Act of Ontario,
OR

- a) 4 weeks pay multiplied by 1.15 or
- b) 2 weeks pay plus 2 weeks pay for each year of continuous service multiplied by 1.15, provided in either case the employee has at least one year of continuous service with the Company. Severance pay for a partial year of service will be calculated on a prorated basis.

A weeks pay shall equal 40 hours at the employees base hourly rate.

It is understood that any modification to this severance formula could result in a "cap" or maximum benefit, established as a result of such change.

(This LOU must be read in conjunction with LOU 20)

FOR THE COMPANY:

FOR THE UNION:

HEALTH AND WELFARE BENEFITS

1. Effective July 1, 1996, the Company and the Union agree that the benefit plan for health and welfare benefits, dental care benefits, vision/hearing care benefits, life insurance benefits, short term disability benefits, and long term disability benefits provided to bargaining unit employees (exclusive of retirees) will be the same as the benefit plan coverage for such benefits provided to salaried employees. Subject to paragraphs 2 and 3 hereof, it is further agreed that any future changes made by the Company to the benefit plan coverage for such benefits will apply to all Dow Chemical Canada Inc. employees.
2. Notwithstanding paragraph 1 hereof, and in respect of life insurance coverage only, a bargaining unit employee may elect, in writing, to maintain life insurance coverage under the existing life insurance plan applicable to bargaining unit employees, provided such written election is provided to the Company on or before July 1, 1996. If no written election is received by such date, coverage will be switched to the salaried plan effective July 1, 1996. Any employee who elects to maintain coverage under the existing bargaining unit plan will be able to subsequently elect for coverage under the salaried plan as per the provisions outlined in the Sarnia Site Dow Bargaining Unit Employees' Benefits Binder. Employees hired after January 1, 2001 will have coverage under the salaried plan.
3. Notwithstanding paragraph 1 hereof, main bargaining unit employees will have short term disability coverage with the following understanding. There are two levels of coverage; core and limited. Coverages are defined in the Sarnia Site Dow Bargaining Unit Employees' Benefits Binder. A joint committee consisting of two union representatives and 2 company representatives will monitor absenteeism to ensure the absenteeism of main bargaining unit employees does not go beyond 3%. An individual's absenteeism will be reviewed by this joint committee which could give cause to amending the amount of benefit to limited coverage for a minimum of 12 months. The joint committee will determine when the employee is to be re-enrolled in core coverage. If a deadlock exists in the joint committee, the final decision will be decided on by the Dow Unit Chairperson and the Labour Relations Manager. In the event that the absenteeism of main bargaining unit employees exceeds 3%, the company reserves the right to amend short term disability coverage for all Dow bargaining unit employees to limited coverage.
4. The Company and the Union agree that all Dow bargaining unit employees hired after January 1, 2001 will have the same vacation and vacation pay entitlement as salaried employees, as such entitlement may be amended from time to time, notwithstanding the provisions of Articles 10.01, 10.02, 10.03 and 10.04 of the Collective Agreement. Article 10.05 and 10.06 of the Collective Agreement will apply to employees hired after January 1, 2001.

5. No later than July 1, 1996, the Company agrees to make available a savings plan to bargaining unit employees which will provided for employee contributions through payroll deductions. The Company agrees to match 50% of any employee's bi-weekly payroll deduction contributions to a maximum of 6% of the employee's base pay earnings.

6. Effective July 1, 1996, the Company and the Union agree that Letter of Understanding #4 will continue to apply only in respect of bargaining unit employees opting to maintain coverage under the existing life insurance plan applicable to bargaining unit employees and retirees.

7. The Company agrees to communicate to the Union any changes that it plans to make to benefit plan coverage for health and welfare benefits, dental care benefits, vision/hearing care benefits, life insurance benefits, short term disability benefits, or long term disability benefits, Employee & Family Assistance Program(EFAP), or any changes it plans to make to salaried vacation or vacation pay entitlement at least 90 days in advance of the implementation date.

FOR THE UNION:

FOR THE COMPANY:

SCHEDULE 'A'**SHORT TERM DISABILITY**

The intent of short term disability is to ensure that employees do not incur a disruption in base pay as a result of a non-occupational illness or injury. This benefit is not to be used for personal business or family emergency needs. Personal business or family emergency needs should be managed by use of vacation, CTO's, or RDO's in a manner mutually agreeable to the employee and their supervisor.

- Employees on short term disability are expected to take all reasonable actions to effect a full recovery as soon as possible.
- Employees are expected to accept alternate work assignments while recovering from illness or injury if their condition permits. Employees may be asked to provide input from their physician detailing what activities they are capable of performing.
- Employees are expected to report to the Health Centre as soon as practically possible upon their return to work (to assure appropriate fitness to work) when:
 - an employee is absent from work for more than 1 week due to illness, or
 - an employee is absent due to non-occupational injury, or
 - an employee has been treated with prescription medication.
- Employees may be asked to provide medical evidence supporting their absence.

Description of Coverages

Core coverage provides a benefit of uninterrupted continuation of base pay for a maximum of 26 weeks. The process to claim entitlement is as follows:

- employee notifies supervision that he/she is absent from work due to non-occupational illness or injury
- occurrences and total hours are to be recorded on exceptions reports

Limited coverage provides a benefit of 66% of base pay commencing on the 3rd day of an illness or the 1st day of an injury, for a maximum of 26 weeks. The process to claim entitlement is the same as the process of the previous Weekly, Sickness and Accident benefit program.

Role of the Joint Committee

A joint committee consisting of 2 Company representatives and 2 Union representatives will monitor employee absenteeism to ensure that the absenteeism of the bargaining unit does not exceed 3%.

The joint committee has the authority to amend an individual employee's benefit entitlement to limited coverage for a minimum of 12 months. The joint committee will also determine when an employee will be re-enrolled in core coverage. Enrollment dates shall be July 1 and January 1.

If the committee is unable to reach a decision, the Dow Unit Chairperson and the Labour Relations Manager will make the final decision.

Group absenteeism will be reviewed at the end of the 2nd and 4th quarters of each year.

The Company reserves the right to amend entitlement for all bargaining unit employees to limited coverage if the absenteeism of the bargaining unit exceeds 3%.

Absenteeism Formula

$$\frac{\text{Total short-term disability hours of DBU in the timeframe}}{\text{Total base hours of DBU in the timeframe}} = \% \text{ absenteeism}$$

BASE HOURS FOR BUSINESSES NEW TO SARNIA SITE

Notwithstanding the provisions of Article 8 of the Collective Agreement, the Company and Union agree that the annual base hours for employees in any units coming into being after June 1, 2001 will be 2080.

The hours of work for such employees in such new business units will be amended accordingly.

FOR THE UNION:

FOR THE COMPANY:

WORKFORCE ADJUSTMENT
(BASED ON ANY PLANT CLOSURES AND/OR ANY REDUCTION IN
INFRASTRUCTURE)

1. For the duration of the collective agreement, the Company and the Union agree that a restructuring process will be used for Main Bargaining Unit employees based on any plant closures and/or infrastructure changes.
2. For the purpose of this Letter of Understanding, the following groups are included in infrastructure: Maintenance, SSBO, SOSG, R&D, WMOP.
3. The Company shall offer a voluntary top down process in the form of an early retirement incentive in an effort to meet the company's number of reductions on an annual basis to meet plant / infrastructure needs on site. The early retirement enhancement is in the form of:
 - a) 3 weeks pay per year of service to a maximum of 78 weeks pay (based on base pay)
 - b) the equivalent of the lump sum credited as pensionable service to eligible employees.
 - c) employees shall have the opportunity for Job Search or Retirement counseling up to the maximum amount of \$5,000 total cost
4. Employees will be selected by the most senior employees having the first choice to accept the offer. If the maximum number of enhancement offers is not achieved, then it shall be offered to other employees who wish to voluntarily leave the service of the company based on seniority.

Failure to reach the required numbers will result in the company's enforcement of article 7.09 of the collective agreement.

5. During the redeployment process Article 7.06 a & b will not be in effect. Article 7.06 a & b will still be used for all other job postings outside the redeployment process.
6. The Company and the Union agree that a redeployment process will be used for the Main Bargaining Unit employees, jointly administered by the Company and the Union to allow for one (1) placement for the displaced employees and for employees that are in SOSG as of the acceptance of this memorandum. Filling of Maintenance vacancies will be done as follows:

In the event that there are any existing Maintenance vacancies after posting to the Redeployment group and after posting to the site those vacancies will be filled from the redeployment group by those with the appropriate skill set.

Any additional resources necessary to do the work in Maintenance will be addressed through the Resource Allocation Process as agreed upon at RBO.

7. The employees leave dates will be administered jointly through a Company-Union team. If a deadlock exists in the joint committee, the final decision will be made by the Dow Labour Relations Leader.
8. For the groups defined in Item #2, excluding Maintenance:
If there is a difference between the number of employees required in a given service group and the number of remaining employees, the following process will be utilized:
 - a) Offer to employees in the redeployment group.
 - b) In the event there is no-one in the redeployment group it is the intent of the company to follow 7.06 (a) & (b).
9. This LOU will be in effect until January 31st, 2007.

FOR THE UNION:

FOR THE COMPANY:

WAGE STRUCTURE FOR LOW TECH WORK (NEW BUSINESS)

1. The Company and the Union agree to use the RBO process to develop a progression system for any new business, which has been classified by the Company as low tech work, as well as any contractual details required.
2. The Company and the Union agree that the parties will establish rates of pay appropriate to the work.

FOR THE COMPANY

FOR THE UNION

ALTERNATE SCHEDULE for DAY WORKERS

1. The Union and Company agree to allow day workers in Maintenance to work a ten hour work schedule that is agreed upon by both parties.
2. The parties agree to consider other units/groups who work a day schedule, to work a ten hour work schedule that is agreed upon by both parties if it provides mutual benefit to the unit/group and its employees. Any requests for units/groups to work a ten hour shift must be approved by RBO.
3. The alternate work schedule for day workers shall be for a minimum of 1 year and may be cancelled by either party with a 30 day notice. At any time throughout the year, either party can give the 30 day notice.
4. The Company and Union agree that this schedule will be in effect for the calendar year 2005.

Guidelines and boundaries for maintenance employees are as follows:

1. Cost neutral, employees will work 1846 hours plus stat. pay equaling 1942 for total pay for the year and for pension purposes.
2. No shift differential.
3. No line change to go on or off alternate schedule or to switch days off.
4. As per Process guidelines, CDO time to be taken in blocks.
5. Working day is 7:30 a.m. to 6 p.m. Lunch break will be from 12:30 p.m. to 1:00 p.m.
6. All Maintenance wage employees must follow the same schedule.
7. Administration of schedule belongs to Labour Relations.
8. All Maintenance will follow the existing guidelines for vacation purposes and that CDO time will be taken outside prime time.

FOR THE COMPANY

FOR THE UNION
