

AGREEMENT

BETWEEN

**CHEMTURA CANADA CO./CIE
Elmira, Ontario**

AND

**UNITED STEELWORKERS
LOCAL UNION NO. 13691
Elmira, Ontario.**

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PREAMBLE

UNITED STEELWORKERS, LOCAL UNION 13691, hereinafter referred to as the Union, being certified by the Ontario Labour Relations Board to represent certain employees of CHEMTURA CANADA CO./CIE, hereinafter referred to as the Company, recognize that there exists between both parties a community of interests which *consists of the* support of all measures which tend to maintain harmonious and co-operative relations between both parties, which will in turn enhance production, working conditions, hours of work, wages and the general well-being of all concerned.

The Union encourages and will co-operate with the Company in any attempt to improve efficiency, lower production costs, eliminate waste, conserve material and supplies, and strengthen goodwill between the Company and its employees, the customer and the public.

We herewith freely enter into this Agreement with the intention of fostering a spirit of friendliness and mutual consideration which shall prevail in and around the properties of the Company in Elmira, Ontario.

NOTE: For the purpose of this Agreement, the masculine gender shall be applicable to both female and male employees, unless otherwise specified.

NON-DISCRIMINATION AND HARASSMENT POLICY

PURPOSE

Chemtura Canada Co./Cie in recognition of the dignity and worth of every person will strive to provide equal rights and opportunities for everyone within an environment free of sexual harassment or discriminatory practices.

NON-DISCRIMINATION

It is this Company's philosophy and policy to treat employees and applicants for employment fairly and without regard to race, colour, sex, religion, national origin, age, sexual orientation or any other unlawful consideration in accordance with the provisions of the Ontario Human Rights Code, as amended from time to time.

This policy applies to all employment practices including recruiting, hiring, pay rates, training and development, promotions, terminations and other terms and conditions of employment.

HARASSMENT/RACIAL HARASSMENT

Chemtura Canada Co./Cie will not tolerate any form of harassment, joking remarks or any course of conduct or comment which is known or ought reasonably to have been known to be unwelcome because of race, colour, creed, ancestry, place of origin or any other unlawful consideration in accordance with the provisions of the Ontario Human Rights Code, as amended from time to time.

SEXUAL HARASSMENT

Chemtura Canada Co./Cie prohibits sexual harassment of any employee. Sexual harassment is prohibited because it is intimidating and an abuse of power. It is defined as unwelcome sexual attention or advances, requests for sexual favours, and other verbal or physical conduct of a sexual nature.

EMPLOYEE RECOURSE

Any employee who feels subject to discrimination or harassment should immediately report it to Management and/or Union Executive. Any reports or complaints made to the Company will be referred to the Union Executive by the Company. No retaliation against the employee will take place. Such reports will be investigated thoroughly by Company and Union Representatives. If the report has merit, disciplinary action will be taken against the offender. Depending on the severity of the misconduct, the disciplinary action could range from a warning to termination.

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COLLECTIVE LABOUR AGREEMENT**

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AGREEMENT

between

**CHEMTURA CANADA CO./CIE
Elmira, Ontario**

and

**UNITED STEELWORKERS
LOCAL UNION NO. 13691
Elmira, Ontario**

This Agreement made and entered into this June 2, 2006, by and between CHEMTURA CANADA CO./CIE, of Elmira, Ontario, hereinafter referred to as the Company, and LOCAL UNION NO. 13691, UNITED STEELWORKERS, of Elmira, Ontario, hereinafter referred to as the Union.

The parties agree as follows:

ARTICLE 1 – RECOGNITION

1.01 The Union recognizes the Company's right to manage the plant and direct the working force which includes the right to hire, transfer, promote, demote, suspend, discipline or discharge for proper cause, to relieve employees of their duties because of lack of work or any other legitimate reason provided that no action shall be taken under this article which is in violation of the terms of this Agreement or is used in discrimination against any employee.

1.02 The Company recognizes UNITED STEELWORKERS, LOCAL UNION NO. 13691, as the sole collective bargaining agent for all hourly paid employees of the Company save and except Security Guards, and Department and Shift Supervisors, and those above the rank of supervisors, and office staff.

Students employed during their vacation or co-operative educational plan work periods are not covered by this Agreement unless employed on a job in the bargaining unit.

ARTICLE 2 - REPRESENTATION

2.01 Union committees recognized by the Company are:

- an Executive Committee of five (5) employees
- a Grievance Committee of four (4) employees

At the discretion of either party, a Representative of the United Steelworkers may accompany the Executive Committee at a meeting of the parties, and accompany the Grievance Committee at a third step grievance meeting.

2.02 A total of ten (10) department and shift Union stewards shall be recognized by the Company. The Company shall also recognize one (1) Benefits Officer and one (1) Compensation Officer. Such a Steward or Officer may, on receiving permission from his Department Head or Supervisor, or from the Shift Supervisor in their absence, leave his regular duties to investigate any grievance which may arise, without loss of wages.

A Department Steward will be recognized in the Quality Assurance Laboratory, and in the Maintenance and Shipping Departments. A Shift Steward will be recognized on each of the four rotating shifts.

A Compensation Officer will be recognized and assigned to matters related to WSIB and Return to Work. The Benefits Officer will be recognized and assigned to matters related to Employees Assistance Program, Employment Insurance, Group Life and Health Insurance Plan and any other specific problem deemed necessary by the Local Union.

2.03 The Union agrees to notify the Company promptly of any changes in Union representation.

2.04 The Company and the Union representatives shall meet when it is considered necessary by either party to discuss, negotiate, and amicably settle any difference, or other matter relating to this Agreement.

As defined in Section 2.01, payment will be made at straight time rate to an employee who is a member of the Executive

Committee for time spent at a meeting called by either party for discussion of matters related to administration of Agreements between the parties, and to a member of the Grievance Committee for time spent at a meeting held under the provisions of Section 12.01 for negotiation of a grievance up to but not including arbitration proceedings.

In addition to members of the Grievance committee, not more than two employees involved in the dispute and a Department or Shift Steward for a total of not more than three additional employees may attend a meeting for negotiation of a grievance, and will be paid at straight time rate for time spent at the meeting.

2.05 On request, the Company will permit an employee to be absent from work without pay to perform duties for the local union, except that not more than five employees nor more than one employee from one department will be permitted to be absent at any one time.

It is understood that requested absence in excess of one week for more than two employees will be considered a request for leave of absence and subject to the provisions of Section 11.04.

2.06 The Company agrees to provide a bulletin board for the use of the Union to post Union notices. The Union agrees to inform the Human Resources Manager of all notices to be posted.

ARTICLE 3 - UNION SECURITY

3.01 Any person hired as a new employee or an employee transferred into the bargaining unit on or after the effective date of this Agreement will be required to sign the Authorization for Deduction Form. The Company agrees that all employees shall become and remain members of the Union as a condition of their continued employments.

3.02 The Company shall deduct Union dues including, where applicable, initiation fees and assessments, on a

weekly basis, from the wages of each employee covered by this agreement. The amount of dues shall be calculated in accordance with the Union's Constitution. It is the responsibility of the Union to notify the Company of any change in the amount of deductions. Providing notice is received not later than the 20th day of the month, the change in the amount of deduction will become effective in the first weekly pay period in the following month.

3.03 All dues, initiation fees and assessments shall be remitted to the Union forthwith and in any event no later than 15 days following the last day of the month in which the remittance was deducted. The remittance shall be sent to the International Secretary Treasurer of the United Steelworkers, AFL-CIO-CLC, P.O. *Box* 13083 Postal Station "A", Toronto, Ontario M5W 1V7 in such form as shall be directed by the Union to the Company along with a completed Dues Remittance Form R-115. A copy of the Dues Remittance Form R-115 will also be sent to the Union office designated by the Area Coordinator.

3.04 The remittance and the R-115 form shall be accompanied by a statement containing the following information:

- (a) A list of the names of all employees from whom dues were deducted and the amount of dues deducted
- (b) A list of the names of all employees from whom no deductions have been made and reasons
- (c) This information shall be sent to both Union addresses identified in Article 3.03 in such form as shall directed by the Union to the Company

3.05 The Union shall indemnify and save the Company harmless against all claims, suits, judgments, attachments and from any other forms of liability that may arise out of any actions taken by the Company in compliance with this Article.

3.06 The Company, when preparing T-4 slips for the employees, will enter the amount of Union dues paid to the employee during the previous year.

**CHEMTURA CANADA CO./CIE
ELMIRA, ONTARIO**

**AUTHORIZATION FOR DEDUCTION OF
INITIATION FEE AND
AN AMOUNT EQUIVALENT TO
WEEKLY UNION DUES**

Name:.....

Employee No:.....

Date:.....

I, the undersigned employee, hereby authorize CHEMTURA CANADA CO./CIE to deduct from wages owing me, commencing with my first weekly pay of 200 , and subsequently from each weekly pay an amount equivalent to weekly Union Dues, and if notified by the local union to do so, an amount equivalent to the Union's Initiation Fee, both amounts determined in accordance with the Constitution of the United Steelworkers as advised by Local Union No. 13691. The amount so deducted will be remitted by the Company to the Union as advised by Local Union No. 13691.

Witness:.....

Signature of Employee:.....

ARTICLE 4 – HOURS OF WORK

4.01 The normal daily and weekly hours of work are listed solely for the purpose of calculating overtime. It shall not be construed as indicating a guarantee of minimum hours, nor a restriction on the maximum daily or weekly hours to be worked.

4.02 The workweek for an eight (8) hour shift schedule is defined as the seven-day period beginning and ending at 24:00 Saturday.

The workweek for a twelve (12) hour shift schedule is de-

fined as a seven-day period beginning and ending at 05:30 Sunday.

A rate of one and a half times the individual employee's regular straight time rate will be paid for hours worked 17:30 Saturday to 05:30 Sunday.

Employees on the 12-hour shift schedule will be paid at two times the individual employee's regular straight time rate for:

- (1) shifts commencing at 05:30 and 17:30 on Sunday.
- (2) shifts commencing at 05:30 and 17:30 on Designated Holidays and is in addition to payment of twelve (12) hours at the employee's straight time hourly rate for the holiday, if qualified.

4.03 Normal daily hours of work will be eight (**8**) hours per day and scheduled Monday to Friday.

These normal daily hours of work may be extended to include Saturday and/or Sunday, to meet production demands.

Normal daily hours of work will be twelve (12) hours per day scheduled Sunday to Saturday. The twelve (12) hour shift schedule will be day shift 05:30 to 17:30 and/or night shift 17:30 to 05:30.

4.04 If considered necessary, the Company may establish two or three rotating eight (8) hour shifts on a 5-day schedule; or a twelve (12) hour rotating shift schedule and assign maintenancetrades and laboratory technicians to work these shifts and/or schedules as required.

The Union will be notified in writing of any permanent change in an employee's normal daily hours of work.

4.05 A rotating shift worker will remain at his process until relieved by the employee taking his place on the next shift, or until other arrangements are made in case he does not appear. A 15-minute change over time will be added to each employee's work day and paid at the regular straight time rate.

4.06 REST AND LUNCH PERIODS

Employees on the twelve (12) hour shift schedule will be permitted two (2) rest periods not to exceed fifteen (15) minutes and one (1) lunch period not to exceed thirty (30) minutes on each shift at times scheduled by the Company.

All other employees will be permitted one (1) rest period not to exceed fifteen (15) minutes, and one (1) lunch period not to exceed twenty (20) minutes on each shift at times scheduled by the Company.

4.07 In the fall, when clocks revert back one (1) hour to Eastern Standard Time, the shifts affected by the change will both work 12.5-hour shifts. The night shift will work until 05:00 and the day shift will start at 05:00. The applicable premium rate will apply to the extra one-half hour worked by each affected shift.

In the spring when clocks are moved ahead to Daylight Savings Time, the shifts affected by the change will both work 11.5-hour shifts. The night shift will work until 06:00 and the day shift will start at 06:00.

ARTICLE 5 – OVERTIME

5.01

(a) Overtime at one and one-half times the individual employee's regular straight time rate will be paid for:

- (1) Hours worked prior or subsequent to the normal daily hours of work outlined in Article 4.
- (2) Hours worked on the first shift following a change of shift unless the employee has been notified 24 hours prior to the starting time of the new shift.
- (3) All hours worked on a Saturday. This does not apply to the 12-hour shift schedule.

The provisions of (2) do not apply if the change of shift or change of schedule is the result of a work shortage.

(b) Overtime at two times the individual employee's regular straight time rate will be paid for:

- (1) Hours worked on Sunday.
 - (2) Hours worked on a Designated Holiday. Such payment at double time rate is in addition to payment for the holiday, if qualified.
- (c)** Employees on the 12-hour shift schedule will be paid overtime at two times the individual employee's regular straight time rate for:
- (1) shifts commencing at 05:30 and 17:30 on Sunday.
 - (2) shifts commencing at 05:30 and 17:30 on Designated Holidays and is in addition to payment of twelve (12) hours at the employee's straight time hourly rate for the holiday, if qualified.

5.02

- (a)** A CALL-BACK to work is defined as unscheduled overtime on work assignments where an employee is required to return to work outside his normal working hours.
- (1) Payment for such overtime shall be at the rate of one and one-half times the employee's straight time rate of pay for all hours worked Monday through Saturday, and at double time the employee's straight time rate of pay for all hours worked on Sunday or on a Designated Holiday.
 - (2) A three (3) hour minimum allowance will be paid to all such employees having complied with a call-back.
 - (3) Overtime assigned less than ten (10) minutes before the employee's normal quitting time will be considered to be a call-back and provisions (a) and (b) of this Article 5.02 (a) (1) will apply.
 - (4) Assigned overtime of more than one hour prior to normal hours will be considered a call-back and provisions (a) and (b) of this Article 5.02 (a) (1) will apply. Such overtime shall be continuous with nor-

mal working hours and notification shall be given prior to 9:00 p.m. the previous evening.

- (5) Where an employee has complied with a call-back assignment additional work assignments will not normally be made. In the event an additional work assignment is made, the employee will be considered on a second call-back and the provisions (1) and (2) of this Article 5.02 (a) will apply. Except that if more than one assignment is made at the time of call-back, the provisions of this sub-article (5) will not apply.
- (6) A call-back shall not apply to overtime continuance of unfinished work interrupted by an employee leaving the plant voluntarily and with permission.

(b) SCHEDULED OVERTIME is defined as overtime scheduled prior to ten (10) minutes before the employee's normal quitting time and is not in conjunction with normal hours.

- (1) Payment for such overtime shall be at the rate of one and one-half times the employee's straight time rate of pay for all hours worked Monday through Saturday, and at double time the employee's straight time rate of pay for all hours worked on Sunday or on a Designated Holiday.
- (2) A three (3) hour minimum allowance will be paid to all such employees having complied with the scheduled overtime.
- (3) There shall be no limitation as to number or type of work assignments that may be made or assigned for such overtime.

(c) CONTINUOUS OVERTIME is defined as overtime worked by an employee in conjunction with normal hours.

- (1) Payment for hours worked on such overtime will be as provided in Article 5.01 (a) or (b) as applicable.

- (2) The provisions of sub-article 5.01 (a) or (b), as applicable, shall apply to overtime continuance of unfinished work interrupted by an employee leaving the plant voluntarily and with permission.
- (3) When an employee is required to remain at his work station beyond his normal hours, he shall be paid as provided under sub-article 5.01 (a) or (b), as applicable, until relieved by the employee taking his place on the next shift or until other arrangements are made in case the employee does not appear.

5.03 Employees who are required to work on Sunday, shall not be required to take time off in the same week to off-set such Sunday work except to comply with the maximum weekly hours of work.

5.04 There shall be no duplication of overtime and other bonuses.

5.05 No overtime will be paid in the following cases:

- (a) Change or exchange of hours at the request of employees with permission of the supervisor.
- (b) Hours on which overtime or premium pay has been made shall not be used to calculate hours of work for further payment of overtime.

5.06 Overtime work to be performed in any job classification shall be performed by employees in the particular job classification concerned. Employees of the job classification are to be offered overtime first. If no employees in that classification are available, outside contractors may be called. This does not apply to work performed under Capital Projects. Any such overtime work shall be shared equally, as far as practical, among the employees of the job classification.

5.07 Overtime records shall be kept by the Company and these records shall be available for review by employees in their departments. Overtime records will be posted in all departments on a weekly basis.

ARTICLE 6 – SHIFT BONUS

6.01 Employees on the twelve (12) hour shift schedule will receive 80 cents (5.80) per hour for hours worked between 17:30 and 05:30. No bonus will apply for hours worked between 05:30 and 17:30.

6.02 In the event of an employee being called in to work on a shift other than his regular shift, the shift bonus for the “call-in” shift shall apply.

6.03 In the event of a shift worker being scheduled to work prior to or beyond his regular shift, the shift bonus applicable to the shift worked prior to or beyond his regular shift shall apply.

6.04 Overtime shall not apply to the rate of the shift bonus.

ARTICLE 7 – DESIGNATED HOLIDAYS

7.01

(a) The Company will pay all qualified employees for the following twelve (12) Designated Holidays: New Year’s Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day, Boxing Day and three (3) floating holidays.

Payment for these days will be at the employee’s current straight time hourly rate, exclusive of all types of premium payments.

(b) To qualify for the Designated Holidays, an employee must:

- (1) complete thirty (30) days of continuous Company service, and
- (2) must work his full shift immediately preceding and following the holiday.

To qualify for the three (3) floating holidays, an employee must have completed the probationary period. An employee who terminates will have earned the floating

holidays on the basis of one (1) for each four **(4)** month period completed prior to termination.

Employees on the twelve (12) hour shift schedule will be paid for twelve (12) hours straight time pay and for those on the eight (8) hour schedule will be paid for eight (8) hours straight time pay for each of the nine (9) designated holidays and three (3) floaters.

- (c)** Absence from work on one or both qualifying shifts is permitted as follows:
- (1) Due to verified personal illness or injury and not eligible for Workplace Safety and Insurance Board (**WSIB**) payments or short term disability (**STD**) for the date on which the holiday is observed, provided that the ineligibility is not due to a discontinuance of **WSIB** payments or having received **STD** for the maximum period. An employee is not entitled to receive payment from both the Company and **STD** or **WSIB** for the same holiday.
 - (2) Due to family bereavement. Eligible days are as stipulated in Article 15.01.
 - (3) Due to the birth or adoption of the employee's child. The employee is eligible to be absent on only one (1) of the qualifying shifts. In the event of complications with the birth or adoption, the Human Resources Manager may consider granting the second qualifying shift.
 - (4)** Due to Jury or Witness Service for which payment is made under Article 16.01.
 - (5) Absent on one, but not both, of the qualifying shifts with permission granted by the Human Resources Manager on the recommendation of the employee's supervisor.
 - (6) An employee who is laid off will be paid for the holiday provided that the employee worked the scheduled qualifying shift immediately preceding the holiday.

- (7) An employee who arrives for work more than one hour after the start of a qualifying shift must report to his department supervisor, or to the shift supervisor in their absence, before commencing work. If permitted to work the remainder of the shift, he will receive payment for the holiday.
- (8) Absent on one or both of the qualifying shifts because of a Union leave of absence of less than three (3) months as described in Article 11.04 (c).
- (d) An employee scheduled to work on the holiday who fails to do so will not receive payment for the holiday, unless his absence is due to a reason specified in (c), (1), (2), (3) or (8) above. This does not exclude an exchange of hours between employees which has been approved by the supervisor or department head.
- (e) An employee on an approved Leave of Absence will not receive payment for a Designated Holiday which falls during his leave of absence except as provided in (c) (1) and (4) above.

7.02 A Designated Holiday may be observed on other than the calendar date by mutual agreement between the parties.

7.03 The hours constituting a Designated Holiday for the purpose of pay calculation for the individual employee will be the 24-hour period from the starting time of normal hours of work on the date that the holiday is observed through to the corresponding time on the following day.

7.04 When a Designated Holiday is observed on Friday or Saturday, an employee who has worked his qualifying shift preceding the holiday will receive payment for the holiday in that pay period. If the employee does not qualify for payment for the holiday, the amount received as payment for the holiday will be deducted from his pay.

7.05 If an employee is absent on one or both of the qualifying shifts for Christmas Day and Boxing Day, the maximum penalty to be imposed shall be the loss of one (1) of the paid days.

ARTICLE 8 – TRANSFERS

8.01 For the purpose of this agreement, job transfers will be divided into three (3) categories:

- (a) temporary loans – on loan by the Company to another job classification, department or production process building for a period of ninety (90) calendar days or less.

In the case of a temporary loan expected to last ninety (90) days, the Company agrees to meet with the Union Executive to resolve the issues surrounding the affected process(es) and employee(s) involved in the temporary assignments required.

- (b) temporary job transfers – transferred to another job classification, department or production process building following the job posting procedure for a period of more than ninety (90) calendar days but not more than one (1) year.

- (c) permanent job transfers – transferred to another job classification, department or production process building following the job posting procedure for a period in excess of one (1) calendar year.

8.02 Job Posting Procedure

- (a) All temporary and permanent job openings will be posted individually. Postings will include, as a minimum, the following information:
- (i) the job classification,
 - (ii) the department or production process building of the job opening,
 - (iii) the qualifications required,
 - (iv) whether the job opening is temporary or permanent and,
 - (v) the deadline date of the posting.

Postings will be placed on the main bulletin board in each building in the plant and Bonnie Crescent Warehouse for a minimum of ten (10) calendar days.

- (b) Application forms will be available from the Human Resources Department and must be submitted to the Human Resources Department on or before the posted deadline. The Company will furnish a list of the applicants of each job opening to the Union at the deadline time.

8.03 Selection Process – Temporary and Permanent Job Openings

- (a) From the applicants if any, the Company will select the successful applicant within twenty-one (21) working days of the expiration of the posting. All applicants will be interviewed by the Human Resources Manager and Department or area Supervisor or Manager.
- (b) Preference will be determined on the basis of seniority status of the employee and the employee's qualifications for the job. Qualifications as determined by the Company shall be observed on the basis of such terms as experience, skill, ability, knowledge, efficiency, and education required for the job. Where applicants are considered equal, seniority will govern.

Each employee absent from work during the original ten (10) calendar day posting prior to the final selection may make application to the specific job posting.

- (c) The Company will provide notice to the successful applicant, the Union and post the result on the main bulletin boards of each building in the plant and Bonnie Crescent Warehouse.
- (d) Upon request, the Company will provide the reasons for the decision to the unsuccessful applicant or applicants.
- (e) The successful applicant will be transferred as soon as possible to the new job from the date of selection and will be paid the hourly rate of that job on the start date of the transfer.

8.04 Temporary Loans

- (a) The Company may loan an employee to a different department or production process building providing the

employee has the required qualifications to perform the job, or can be adequately instructed to perform the job, in a timely fashion when the job is general labour tasks (examples include small packaging, drumming, jug labeling, assisting with grinding/blending operations).

- (b)** The employee with the highest seniority and required qualifications will be given the first opportunity to work or decline the temporary loan.
- (c)** If necessary the employee with the lowest seniority and required qualifications will be loaned and thereafter successively until the required number of employees have been loaned.
- (d)** An employee with seniority rights on loan will be paid the higher of the two hourly rates, if different.

8.05 Employees who transfer to a new job are not eligible to apply for a job in a similar job classification with the same hourly rate for a period of six months from the expiration date of the previous posting.

8.06 Employees who transfer to a temporary job created by an approved leave of absence will continue to accumulate seniority in the former department or production process building. If the employee does not return from the leave of absence, the job opening will be re-posted as a permanent job and Article 8.02 & 8.03 will apply.

8.07 Employees who transfer to the Trades Department must enroll in the applicable training program directly upon transfer to that department. Should the applicant fail to enroll and/or fail to complete the training program satisfactorily, the employee will be placed in the first vacancy within the plant for which he is qualified.

Completing the training program satisfactorily shall be deemed to mean obtaining the diploma, certificate or ticket in an appropriate timeframe as determined by the governing body of the organization responsible for conducting the training program. In the case of no governing body, the Company will set the Standards to qualify the employee.

ARTICLE 9 – VACATIONS

9.01 Employees will be eligible for vacation and vacation pay in the current calendar year on the following basis:

- (a)** An employee with less than 1 year of seniority as of June 30th will receive vacation pay calculated at a vacation rate of 4%, as described in Article 9.06.

Time off for vacation will be on the basis of 1 week for six completed months of seniority as of June 30th and prorated for completed months of seniority above or below that figure.

- (b)** An employee with one year of seniority but less than 5 years' seniority as of June 30th will receive two weeks vacation calculated at a vacation rate of 4%, as described in Article 9.06.
- (c)** An employee with 5 years but less than 12 years' seniority as of June 30th will receive 3 weeks vacation calculated at a vacation rate of 6%, as described in Article 9.06.
- (d)** An employee with 12 years but less than 20 years' seniority as of June 30th will receive 4 weeks vacation calculated at a vacation rate of 8%, as described in Article 9.06.
- (e)** An employee with 20 years but less than 25 years' seniority as of June 30th will receive 5 weeks vacation calculated at a vacation rate of 10%, as described in Article 9.06.
- (f)** An employee with 25 years' seniority or more as of June 30th will receive 6 weeks vacation calculated at a vacation rate of 12%, as described in Article 9.06.
- (g)** An active employee who accumulates and is credited in the current calendar year with five, twelve, twenty or twenty-five years' seniority between June 30th and December 31st shall receive, after such seniority is credited, an additional week of vacation. Vacation pay

will be calculated as an additional 2% on top of normal vacation rate.

At the discretion of the Company, the additional week of vacation may be granted prior to the date on which such seniority is credited. However, vacation pay paid in advance shall be deducted from the final pay if the employee ceases to be actively employed or if employment is terminated for any reason prior to the qualification date.

9.02 For all employees, a week of vacation is defined as a seven (7) consecutive days off work. An employee on the eight (8) hour shift schedule with three (3) or more weeks of vacation can request two weeks (10 days) of vacation as individual days.

An employee on the 12-hour shift schedule with three (3) or more weeks of vacation can request two weeks (8 days) of vacation as individual days.

Employees with less than three (3) weeks of vacation must have the permission of the supervisor to take their one-week as single days.

9.03 If an employee's vacation is scheduled on a calendar week basis he will be entitled to an additional day off without pay if a Designated Holiday is observed during his vacation period on a day which would otherwise have been a regularly scheduled work day for such employee. The additional day off will be granted at a time mutually agreeable to the Company and the employee.

9.04 Vacation will be taken at a time designated by the Company. The Company will endeavour to give 3 months' notice and grant at least two weeks' vacation for eligible employees during the summer months. It is understood that the third, fourth, fifth and sixth week of vacation need not be granted together nor consecutively with the other two weeks, and, if necessary to meet emergency requirements, payment of vacation pay may be made for the fifth and sixth weeks without time off being granted. At the option of the

employee, payment of vacation pay may be made for the fifth and sixth week without time-off being granted providing the employee was on an approved leave of absence for four weeks or more.

9.05 When an employee is laid off for an indefinite period, or employment terminated, the employee will be paid the amount of his vacation pay accrual to the date of lay-off or termination, which shall be either 4%, 6%, 8%, 10% or 12% according to seniority qualifications as set out in Article 9.01.

9.06

(a) Vacation pay will accrue to each employee's account on a weekly basis. The amount accrued will be calculated as a percentage of the current weeks earnings. The percentage will be based on the seniority which would be accumulated and credited by the end of the calendar year in which payment is to be made, (see 9.06(b)) assuming continuous employment. If the employee ceases to be actively employed or if employment is terminated for any reason prior to the qualification date, any vacation pay paid in advance, in anticipation of attaining qualification, shall be deducted from the final pay.

(b) Vacation pay will be paid out twice per year. The first payment will be made not later than the second regular pay date in January. The second will be made not later than the second regular pay date in July. The amount of each payment will be the total amount of vacation pay accrued during the preceding six months.

I.E: January payment will be based on accruals during the six months July 1 to December 31.

July payment will be based on accruals during the six months January 1 to June 30.

An employee on Pregnancy, Parental or Family Medical Leave may elect to defer payment of their vacation pay until they return to work.

9.07 The vacation for which an employee is eligible must be taken during the calendar year of eligibility and cannot be deferred or carried forward to the following calendar year.

9.08 The vacation pay calculated in accordance with Article 9, will be a minimum amount of \$500.00 for the year or the two payments in January and July of \$250.00 for each week of vacation entitlement when the employee:

1. Is a regular, full time employee, with one (1) or more years of seniority, and
2. Has been unable to work for a portion of the six months preceding December 31 or June 30, as applicable because of verified illness or injury, and
3. Has accrued vacation pay during the previous six months which is less than the minimum amount stated above, and
4. Has worked three or more months during the twelve months ending December 31 or June 30 as applicable.

ARTICLE 10 – SAFETY AND HEALTH

10.01 The Company shall continue to provide for the safety and health of its employees by providing necessary safety devices, safety equipment and protective clothing that the Company considers necessary.

10.02 The Company and the Union agree that no employee will be required or permitted to work alone in a building where a high-pressure process or a chemical process of a hazardous nature is in operation.

Where considered necessary for safety reasons that two or more employees be in attendance in a work area, that provision will be stipulated in process operating procedures and will include Alkylators, Reducers, BLE Autoclave, PAO Hydrogenator and high-pressure vessels in the Pilot Plant.

The Joint Health and Safety Committee will review each process and any significant changes to an existing process and will make recommendations to the manager of that department regarding the health and safety of workers.

10.03 The Company and the Union agree that all employees will follow the Company's Health and Safety Policies and the provisions of the provincial Occupational Health and Safety Act, 1978, and Regulations as amended, whichever provides a greater benefit to the employee.

10.04 If, through an injury while at work, it is found necessary to remove the injured employee from the plant, he shall be paid for his entire shift for that day.

10.05 An employee shall report promptly any injury, no matter how minor, to his supervisor or department head and the Occupational Health Nurse.

10.06

(a) A Joint Health and Safety committee will be comprised of three employee members appointed by the Local Union and three employee members appointed by the Company. There shall be two (2) co-chairpersons, one from the Company and one from the Union who shall alternate the chair at meetings.

The functions of this committee will be in accordance with the Occupational Health and Safety Act as amended.

Meetings of the Committee will be scheduled by the co-chairpersons. An employee appointed as a member by the Local Union will be paid at their applicable hourly rate for time spent at such meetings.

(b) The Company will, upon request, co-operate in furnishing available information to the Committee on materials and substances used in the plant.

The Union agrees to respect the confidential nature of information pertaining to materials and manufacturing processes made available to the Committee under this Article.

10.07 Policies, procedures and programs associated with The Right to Refuse Unsafe Work, The Return to Work Com-

mittee and The Employee Assistance Program can be found in the Benefits Manual.

The Training Policy can be found in the Policies and Procedures Manual located throughout the plant.

10.08 An employee will not work alone on a chemical process and/or equipment until trained according to the training policy.

ARTICLE 11 – SENIORITY

11.01

(a) The Company values and appreciates faithful service of employees and will endeavor to provide continuity of employment and preference in advancement. It is recognized that the safe and efficient operation of the plant is of first importance for the prosperity of the employees and the growth and survival of the Company.

On qualifying for seniority, it will be expressed in terms of time of a continuous nature and will include the probationary period, temporary employment period, time on an approved leave of absence as provide in Article 11:04, and time on lay-off up to six (6) months for an employee with less than five (5) years of seniority and up to one (1) year for an employee with five (5) or more years of seniority as of the date of lay-off.

Seniority accumulated while on an approved leave of absence or lay-off will not be credited until the employee returns to work.

Seniority rights will commence upon completion of the probationary period as described in Article 11.02.

(b) The Company will furnish the Recording Secretary of the Union, upon request, but not more than every six (6) months, with a list of employees in the bargaining unit in order of their plant seniority and a separate list of the current addresses of the employees in the bargaining unit.

- (c) The Company will provide, in advance, a Letter of Understanding to the Union for all temporary employees the Company wishes to hire in the bargaining unit to replace employees on an approved leave of absence with particulars including but not limited to the name of the employee(s), the purpose of the hire, the job the employee will be performing and the expected duration of the period of employment. Temporary employees will receive no seniority rights but will receive remuneration based on the job classification and rates in Article 14 and pay the applicable Union dues as provided in Article 3.
- (d) The Company will provide, within 30 days of the end of each quarter, a record to the Union of all outside maintenance contractor employees the Company hired that quarter, to perform work normally performed by bargaining unit employees. The record will state the number of hours worked, the job classification and company name. Outside contractor employees receive no seniority rights. The Company will pay to the Union, as provided in Article 3, the appropriate Union dues based on the job classification hourly rate of pay as listed in Article 14.

11.02 An employee is a probationary employee until completion of five (5) months' continuous employment, and has no seniority rights during that period.

The only exception to the foregoing is that an employee laid off after completing at least three (3) months' continuous employment and who is re-employed within six (6) months of the date of lay-off will, upon completion of two (2) additional months' continuous employment, be considered to have completed the above probationary period and be credited with actual time worked during the two periods, thus qualifying for seniority rights.

11.03 Lay-offs

In the event a lay-off becomes necessary, the following procedure will apply:

- (a) Prior to any lay-off, the Company and the Union representatives will meet to discuss such lay-off.
- (b) **All** probationary, temporary, contract and/or outside contractor employees performing bargaining unit work will be placed on lay-off before employees with seniority rights are placed on lay-off. If the necessary skill set is not available among the employees to be laid off the above may be retained.
- (c) Where it is the deciding factor in a lay-off, progression or transfer, seniority will be confined to three departments: Trades Department, Laboratory Technician Department and Production Department. The three departments are further described in Article 11.05.

Seniority accumulated in the Trades Department, Laboratory Technicians Department or Production Department will not be recognized in the other departments. Seniority will accumulate in one department as department seniority but all seniority will accumulate as plant seniority.

All lay-offs will be based on Department Seniority except in the Trades Department where lay-offs will be based on job classification.

The employee with the least seniority in the department or, in the Trades Department, job classification, will be placed on lay-off first and continuing in succession until the required number are placed on lay-off.

When employment start dates are identical, any lay-off will start with the highest employee number.

For further clarity, when it becomes necessary to lay-off or transfer an employee or employees of a job classification in the Trades Department where a class of qualification or certificate level applies, the lay-off or transfer will, commencing with the lower rated class or level, be in order of seniority within each class of qualification in the Maintenance Department and within

each certificate level in the Steam Generation, Groundwater/Wastewater Treatment Department.

- (d)** Employees with seniority rights have the right of recall for up to one (1) year.
- (e)** Employees on lay-off will be recalled in reverse order of lay-off. Where practical, no new, temporary, contract and/or outside contractor employees will be hired to perform bargaining unit work until all employees with right of recall and the necessary skill set to perform the required work have been recalled.
- (f)** Employees on lay-off are responsible to inform the Company of their current address and telephone number.
- (g)** An employee on lay-off, will, upon receipt of recall, report to the Company within two (2) weeks after receiving such notice. To mitigate any dispute, the dated postmark of the written recall notice will determine the start date of the two (2) week period. Failure to report within the two-week period will result in loss of further employment rights with the Company.
- (h)** Department seniority will terminate upon lay-off and must be re-established on return to work.
- (i)** Employees with sufficient seniority to escape a lay-off, but who are affected by a process and/or department shut down, shall be placed in the jobs made vacant by laid-off employees, according to their seniority and their qualifications to satisfactorily fill the vacant jobs.
- (j)** Except as provided in the paragraph immediately following, an employee with three or more years of plant seniority who is to be laid off may, providing he has greater seniority and can qualify in a two week period, replace the employee with the least seniority in the Trade Department, Laboratory Technician Department or in the Production Department, as applicable.

The foregoing provision will not apply if the employee to be replaced is enrolled in a recognized apprentice-

ship program in the Trades or Production Departments or enrolled in the modular training program for Operating Engineers.

- (k) In the event of a lay-off involving employees with seniority, the Company will give such employees a minimum of fourteen (14) days notice of lay-off. When an emergency shutdown occurs, the Union and the Company will meet to arrange shorter notice. In case of probationary employees, shorter advance notice of lay-off may be given. In any event, the Company will follow, as a minimum, the provisions of the current Ontario Employment Standards Act.

Seniority, for a maximum of one (1) year, accumulated while on lay-off will not be credited until the employee returns to work.

- (l) An employee transferred to a position outside the bargaining unit, but within this plant, will retain the seniority credited to him at the time of transfer. Such an employee has forfeited his right of return to the bargaining unit except as a new employee.

11.04 Leave of Absence

An employee with seniority who desires a leave of absence will submit an application to the Department Head and Human Resources Manager. A leave of absence may be granted without loss of seniority subject to the following conditions:

- (a) Leave of absence for a specified period of time not in excess of 3 months and subject, upon application by the employee, to not more than 3 extensions for a total period not in excess of one year, may be granted to an employee due to personal non-occupational injury or illness.

An application by the employee for an extension beyond the one-year period will be reviewed by the Company, the Union and the employee concerned and may, at the option of the Company, be granted if it is indicated

that the employee will be able to return upon expiration of such extension; otherwise, an extension will not be granted beyond the one-year period.

Seniority will be accumulated during a leave of absence, under the above conditions, up to an amount equivalent to the seniority credited to the employee at the start of such leave but not in excess of six (6) months accumulation for an employee with less than 5 years' seniority, and not in excess of one (1) year for an employee with 5 or more years' seniority.

- (b)** Leave of absence for a specified period of time not in excess of 1 month and not subject to any extension may, at the option of the Company, be granted upon written application by an employee due to a serious personal necessity or reason. If granted, seniority will be accumulated for the period of such leave.
- (c)** A member of the Union elected or selected for union duties with the United Steelworkers, which necessitates his absence from employment with the Company may, upon written application by the Union, be granted leave of absence for a specified period of time up to one year.

If leave is granted for this purpose seniority status will be retained, and on return to work, accumulation of seniority will be credited for the period of the leave.

- (d)** Subject to physical qualifications and seniority status, an employee returning from an approved leave of absence of up to one year shall, within one week of notifying the Company of his desire to return, be returned to the job on which he was employed immediately prior to the leave of absence.

If the leave of absence has extended beyond one year, or physical capabilities or seniority status do not permit return to his former job, he will be placed on an available job consistent with his physical capability and seniority status.

- (e) An employee on leave of absence due to a compensable injury incurred while in the employ of the Company is not subject to the limitation on accumulation of seniority provided in this Article. He may return to work when medically able to do so, and, if unable to perform his previous job, may be placed on an available job consistent with his capabilities and seniority status, and will be credited with full accumulation of seniority for the period of the leave.

11.05 Department Seniority Rights

- (a) The following are recognized as departments for purpose of this agreement:
 - 1. Trades Department will consist of Maintenance, Steam Generation and Groundwater/Wastewater Treatment (generally buildings 20, 45, 44, 54, 62 and groundwater wells).
 - 2. Laboratory Technicians Department will consist of the Quality Assurance Lab, Factory Services and Environmental Department.
 - 3. Production Department will consist of Production Process Buildings:
 - (i) Buildings numbered 13, 14, 15, 18, 19, 25, 28, 33, 36 and 37.
 - (ii) Logistics – Bldg 7 and Bonnie Crescent Warehouse
 - (iii) UtilitiesException to the above is the Vitaflo operations that will include building 28 and 36 and be considered a single Production Process Building.
- (b) Department Seniority is based on the following criteria:
 - 1. An employee with department or Production Process Building seniority transferred by the Company to a different Department or Production Process Building will retain seniority in the Department from

which he was transferred until employed in another Department or Production Process Building for ninety (90) days. Seniority from the initial date of transfer, or total production seniority in case of transfer or transfers between Production Process Buildings, will then be credited in the new Department or Production Process Building and Seniority in the previous Department or Production Process Building terminated.

2. An employee who transfers from a Department at his own request terminates seniority in that Department or Production Process Building immediately on transfer. Seniority from the date of transfer, or total production seniority where the transfer is between Production Process Buildings will be credited as Production Process Building Seniority when employed in the new Department or Production Process Building for ninety (90) consecutive days.
3. Upon three (3) consecutive months of employment in any department, department seniority rights shall apply for an employee with seniority rights as provided in (2) above. For the Production Department, each Production Process Building will be recognized as distinct for the purpose of accumulating department seniority. For probationary employees five (5) consecutive months of employment shall apply except as provided in the second paragraph of Article 11.02.
4. Overtime ranking as provided by Article 5 is excluded from the time period above for employees with seniority rights.
5. Total plant seniority will be credited to the employee as department or production process building seniority upon completion of three (3) months of employment in the department or production process building.

6. For an employee as described in 11.05(b) 2, employment time spent outside of the department due to a temporary loan as described in Article 8 will be included in the department from which he was loaned.
7. Department or production process building seniority will terminate on the date that an employee transfers from the department or production process building at the employee's request through the job posting procedure as provided in Article 8.
8. Notwithstanding the provisions of this Article, an employee with long service who is no longer able to perform the work of his regular job classification but is capable of performing lighter work, or an employee who has incurred a permanent partial disability in the course of his employment in this plant, may, by agreement between the Company and the Union's Executive Committee, be assigned to or retained in a job classification at the hourly rate of the job classification concerned. In accomplishing this, it may be necessary to place or retain such employee in a job classification to which his seniority would not entitle him.

11.06 Termination of Seniority Rights

- (a) A complete loss of seniority rights will occur for any of the following reasons:
 - (1) When an employee voluntarily resigns or quits employment with the Company. An employee who resigns or quits employment will notify the Company seven (7) days before separation.
 - (2) Discharge for cause. However, should an arbitrator or other relevant authority overturn the discharge, all time away from employment will be credited to the employee upon return to work.
 - (3) Failure to return to work following recall from lay-off

as provided in Article 11.03(g) or from an approved leave of absence as provided in Article 11.04.

ARTICLE 12 – GRIEVANCE PROCEDURE

12.01 – Grievance Procedure

The Company and the Union agree to meet promptly to discuss and negotiate any complaints or grievances that may arise, and make every effort to settle any matter at issue as quickly as possible. The following procedure will be followed progressively for the resolution of grievances and disputes.

Grievances related to suspensions and/or terminations shall commence with Step 3 of the grievance procedure and will be reduced to writing and submitted to the Human Resources Manager within three (3) working days.

Step 1

No grievance shall be considered if the circumstances occur or originate more than fourteen (14) calendar days prior to filing the grievance at step one. A meeting will be held between the aggrieved employee and the steward and/or chief steward and the first line supervisor or department head in his absence. A response from the supervisor or department head will be provided within seven (7) working days of the Step 1 meeting.

Step 2

Failing settlement at Step 1, the grievance will be reduced to writing and submitted to the Human Resources Manager within seven (7) working days of the Step 1 response. A meeting of the Union Grievance Committee and management representatives will be arranged within fourteen (14) working days of receipt of the written grievance. A written response from the Company will be provided to the Union Grievance Committee within seven (7) working days of the meeting.

Step 3

Failing settlement at Step 2, the Union may, within seven (7) working days of the receipt of the Step 2 response, re-

quest a meeting of the Union Grievance Committee with the Union President and management representatives including the Director of Manufacturing. This meeting will take place within fourteen (14) working days of receipt of the request for the meeting. A written decision from the Company will be provided within seven (7) working days from the date of the meeting.

Step 4

Failing settlement at Step 3, the grievance may be referred to a mediator qualified to deal with the matter in dispute. The Company and the Union shall equally share the costs incurred by this process.

Step 5

Failing settlement at Step 4, the grievance may be referred to a registered arbitrator in accordance with the provisions of the Ontario Labour Relations Act.

12.02 Should an agreement not be reached through the foregoing steps of the grievance procedure, it shall be handled in accordance with the provisions of the Ontario Labour Relations Act as follows:

Where a difference arises between the parties relating to the interpretation, application or administration of this agreement, including any question as to whether a matter is arbitrable or where an allegation is made that this Agreement has been violated, either of the parties may, after exhausting any grievance procedure established by this Agreement, notify the other party in writing of its desire to submit the difference or allegation to arbitration providing such written request is made within fourteen (14) calendar days of completion of the four preceding steps of the grievance procedure. The notice shall contain the name of the first party's appointee, and the recipient of the notice shall, within five (5) calendar days, advise the other party of the name of its appointee to the Arbitration Board.

The two appointees so selected shall within five days of the appointment of the second of them appoint a third person

who shall be the chairman. If the recipient of the notice fails to appoint an arbitrator, or if the appointees fail to agree upon a chairman within the time limits, the appointment shall be made by the Minister of Labour for Ontario upon the request of either party. The Arbitration Board shall hear and determine the difference or allegation and shall issue a decision and the decision shall be final and binding upon any employee and upon the parties affected by it.

The Company or the Union may select an employee as its appointee to an Arbitration Board.

If the grievance to be arbitrated concerns the discharge or suspension of an employee, a single Arbitrator will be substituted for a Board of Arbitration, unless the Company and the Union elect for a Board of Arbitration by mutual agreement.

If the grievance to be arbitrated concerns other than the discharge or suspension of an employee a single Arbitrator will be substituted for a Board of Arbitration, if requested by either the Company or the Union.

Where a single Arbitrator is substituted as provided above, all other applicable provisions of this Article 12 including the procedure for selection of an Arbitrator in lieu of the Chairman of a Board of Arbitration, shall continue to apply.

12.03 The Company and the Union shall within three (3) regular working days from the date of appointment of the Arbitrators, sign a joint stipulation of the dispute on the question which is to be arbitrated. The Arbitration Board shall not have jurisdiction to alter or change any of the provisions of this Agreement, and such jurisdiction shall be limited to a decision on the dispute in question set forth in the stipulation. All decisions of the Board of Arbitration arrived at in accordance with the provisions of this paragraph shall be final and binding on all parties concerned.

12.04 The decision of a majority shall be the decision of the Arbitration Board, but if there is no majority the decision of the chairman shall govern.

12.05 Each of the parties hereto will bear the expenses of the arbitrator appointed by it and the parties will jointly bear the expense of the chairman and other expenses incurred, if any.

12.06 Both parties agree to abide by the laws with reference to Labour Relations presently in effect which define that – no employer who is party to a collective agreement shall declare or cause a lock-out and no employee bound thereby shall go on strike unlawfully, cause a slow-down, sit-down or work stoppage during the term of the collective agreement. In the event of an unauthorised slow-down, sit-down, or work stoppage, partial or complete, the Union undertakes to co-operate actively with the Company to restore normal production.

12.07 Nothing contained herein shall prohibit an employee from presenting any personal matter directly to the Management.

Article **12.08** – Discipline

The Company and the Union agree that in the issuance of discipline, the concept of progressive and corrective discipline shall prevail in the majority of cases. The Company agrees to issue discipline on an equitable basis as far as it is practicable.

The Company may, depending on the severity of the violation, for good and sufficient cause, skip the progressive discipline concept and issue discipline up to and including immediate termination.

The Company and the Union agree, subject to the Union's right to challenge any such discipline through the grievance procedure, that progressive discipline for suspensions shall be administered wherever appropriate in the following three levels:

- (1)** A Level 1 suspension shall be equivalent to a one-day suspension whether or not a twelve (12) hour or an eight (8) hour shift. Employees at Level 1 shall have a one-day suspension recorded as discipline issued.

- (2)** A Level 2 suspension shall be equivalent to a 3-day suspension of 8 hours per day and therefore a person working 12 hour shifts shall lose two – 12 hour shifts to reach the three-day equivalency, Notwithstanding the foregoing, employees at Level 2 shall have a three-day suspension recorded as discipline issued.
- (3)** A Level 3 suspension shall be equivalent to a 5-day suspension of 8 hours per day and therefore a person working 12 hour shifts shall lose three – 12 hour shifts to reach the 5 day equivalency. Notwithstanding the foregoing, employees at Level 3 shall have a 5-day suspension recorded as discipline issued.
- (4)** A workday for which double time is paid, e.g. Sunday or a Designated Holiday, may be served in a Level 2 or 3 suspension and in which case shall be counted as 2 days of the suspension.
- (5)** The Company shall not issue discipline by way of a Level 1 suspension which would cause an employee who is employed on a Sunday or a Designated Holiday as part of his regular workweek to lose pay for that specific day; moreover, the Company shall postpone the suspension to a straight time shift except where such suspension is required to be issued immediately for good and sufficient cause.
- (6)** In the event the Company suspends an employee either directly, before, during or after the Designated Holiday, it will not affect the employee's entitlement to be paid for the holiday in accordance with the Employment Standards Act, provided the employee works his full regular shift scheduled before and after the suspension.
- (7)** A record of any discipline given by the Company to an employee will be furnished to the Union at the time the discipline is administered.
- (8)** When an employee is to be disciplined Union representation by means of a steward, chief steward or executive officer will be present.

- (9)** When an employee is to be suspended or discharged, the chief steward, president or, in his absence, another executive officer must be notified and will be present at the meeting.
- (10)** Any verbal or written discipline will be stricken from the employee's record after one **(1)** year from the date of issue providing no additional disciplinary action of like manner is recorded during the above time limit.
- (11)** Any disciplinary suspension of three **(3)** days or less will be stricken from the employee's record after two **(2)** years from the date of issue providing no additional disciplinary action of like manner is recorded during the above time limit.

12.09 It is understood and agreed that any of the time limits provided in Article 12 may be extended by mutual agreement of the parties in writing. Should the time limits elapse without an application for an extension, the grievance will be deemed abandoned or settled, as applicable.

ARTICLE 13 – MISCELLANEOUS

13.01 An employee reporting for work on his regular shift who has not been informed that work was not available, shall receive four **(4)** hours pay at his applicable rate and be allowed to go home, unless the reason for work not being available is due to reasons over which the Company has no control. If, after reporting for work in such instances, it is possible for the Company to provide other work for the employee, he shall accept the work provided at his applicable rate of pay.

13.02 No payment shall be made to an employee reporting for work or remaining on the premises when no work is available as a result of a work stoppage by the Union members.

13.03 The payment of premium rates for Saturday and Sunday work is not intended to encourage employees to absent themselves from work on their regular scheduled shifts

and the Union in no way condones such practice, and will co-operate with Management to eliminate such practice.

13.04 A Department Head, Supervisor or Shift Supervisor, shall not perform work which supplants any other production or service employee on his regular job, except under circumstances requiring emergency or experimental work. Experimental work is defined as processes or equipment that remain in the scope of the Research and Development Department or Project and/or Process Engineers.

This shall not, however, prohibit such Department Head or Supervisor from training an employee on an operation or from taking inventory.

13.05 For purposes of this Agreement, the term "process" shall mean individual processes. The term "department" shall refer to the entire section, such as "Production Department", "Laboratory Technicians Department", "Trades Department".

13.06 The Company agrees to deduct on a weekly basis, the amount of one cent (\$.01) per hour from the wages of all employees in the bargaining unit for all hours worked and prior to the 15th day of the month following, to pay the amount so deducted to the "Humanity Fund and to forward such payment to United Steelworkers National Office, 234 Eglinton Avenue East, Toronto, Ontario, M4P 1K7, and to advise in writing both the Humanity Fund at the aforementioned address and the Union that such payment has been made, the amount of such payment and the names of all employees in the bargaining unit on whose behalf the payment has been made. All employee deductions are voluntary and may be cancelled upon written request.

ARTICLE 14 – JOB RATES AND PROMOTIONS

14.01

- (a) If the Company establishes a new classification or reclassifies a position, the Union will be notified in writing and if requested, a meeting arranged for an explanation of the change. Protest by the Union must be sub-

mitted in writing within seven (7) days of the notification or meeting and will be considered a grievance under Article 12, commencing at Step 2.

14.02

(a) PRODUCTION

An employee, without previous experience, assigned on hiring to a production job will be required to register with the Ministry of Training, Colleges and Universities in the Chemical Process Operator Apprenticeship Program and complete all phases of the program. The employee will receive an increase of one quarter of the difference between the minimum starting rate and the full rate for each written phase of the program completed until he reaches the classification of the job.

(b) STEAM GENERATION, WASTE WATER/GROUND WATER TREATMENT

An employee with seniority transferred to the classification of Operating Assistant will receive the classified rate of the job. This employee is required to be enrolled immediately in the Modular Training Program for Operating Engineers. They are required to write the first exam within the first six months in the position. Upon successful completion of this exam the employee will receive an increase of the midpoint between the Operating Assistant and 4th Class rate. All examinations necessary to obtain a Fourth Class Stationary Engineer's certificate must be completed within fourteen months of the date of transfer. If the employee has failed to obtain the required certificate within the above time limit, the employee may be replaced by another employee through the job posting procedure.

Employees qualifying or hired into any level of the Operating Engineer classifications are encouraged and expected to continue their training to the next level. Once obtaining the next level the employee will be paid at that rate once the certificate is obtained and presented to the Company.

(c) LABORATORY TECHNICIAN

An employee on being hired as a technician in one of the laboratories will be given the classified rate of a 2nd Class Technician.

On showing satisfactory performance, an additional minimum increase of 45 cents per hour will be given after each six-month period, and the classified rate of 1st Class Technician after eighteen (18) months of employment.

To achieve the classification of Senior Technician the employee must be performing job functions above that of the 1st Class technician and of a developmental nature. This classification will be limited to one employee in each technical area.

(d) LOGISTICS

The employee, without previous experience, assigned on hiring or qualifying for transfer to the classification of Helper-Materials Handler must obtain their forklift and Transportation of Dangerous Goods certification within the first 60 days through training opportunities provided by the Company in this time period. On showing satisfactory performance they will receive a minimum of 40 cents per hour after the first and each succeeding month of employment until they reach the full rate of the classification.

14.03 Subject to provisions of Article 14.01, the following job classifications and rates shall apply under the terms of this Agreement:

MAXIMUM HOURLY CLASSIFICATION RATE

JOB CLASSIFICATION	Hourly Rate Effective:		
	2006	2007	2008
PRODUCTION			
Utility Person	20.51	21.02	21.55
Expediter	22.02	22.57	23.13
Process Operator	20.41	20.92	21.44
LOGISTICS			
Lead Shipper	21.76	22.30	22.86
Materials Handler	20.51	21.02	21.55
Helper	18.56	19.02	19.50
TECHNICIANS			
Senior Technicians	22.12	22.67	23.24
1st Class Technicians	21.76	22.30	22.86
2nd Class Technician	20.41	20.92	21.44
TRADES			
STEAM GENERATION AND STEAM WATER/GROUNDWATER			
Assistant Chief Operating Engineer	26.43	27.08	27.74
Second Class Operating Engineer	25.93	26.58	27.24
Third Class Operating Engineer	23.81	24.41	25.02
Fourth Class Operating Engineer	20.41	20.92	21.44
Operating Assistant (Transferred in house)	19.41	19.92	20.44
Operating Assistant (Outside hire)	18.56	19.02	19.50
MAINTENANCE			
Lead Tradesman	26.13	26.78	27.45
Instrumentation Technologist	28.36	29.07	29.80
1st Class: Electrician; Instrument Mechanic 1st Class; Insulator; Mechanic; Machinist/Mechanic; Pipefitter/Welder	25.85	26.50	27.16
Repairman	25.56	26.20	26.86
Painter	21.64	22.18	22.73
Stockkeeper	21.64	22.18	22.73
Maintenance Office Clerk	21.51	22.05	22.60
Janitor	21.51	22.05	22.60
Helper	19.55	20.04	20.54
Helper	18.56	19.02	19.50
Minimum Hiring Rates:	17.90	18.35	18.81

A bonus of 50 cents per hour will be paid to a 3rd or 2nd Class Operating Engineer when acting in the next higher classification and for the position of Assistant Chief Operating Engineer.

Trainer rate is \$.50/hour above the employee's current rate. This rate is paid only when acting as a trainer.

Relief Shift Supervisor – a bonus of \$ 1.00/per hour above Expediter rate will be paid when acting as a Shift Supervisor.

Maintenance Pager – Trades people requiring to carry a pager will be paid \$1.25/hour for the time required.

ARTICLE 15 –BEREAVEMENT PAY

15.01 In the event of bereavement in an employee's immediate family, the employee will be granted permission to be absent and will be paid for time lost on regular hours during his normal work week up to three (3) consecutive working days **up** to and including the day after the funeral or memorial service. If the funeral or memorial service is not attended, payment will be made for time lost on only one (1) of the above mentioned days.

Immediate family shall mean current spouse, child, step-child, mother, father, sister, brother, and the current mother-in-law, father-in-law, daughter-in-law, son-in-law, sister-in-law and brother-in-law.

Permission to be absent will be granted and payment made for one (1) day only for time lost on regular hours during the employee's normal workweek in the event of death of an employee's grandchild, grandparent, uncle or aunt or a grandparent of the employee's current spouse.

In the event that interment occurs after the day of the funeral or a memorial service occurs later, permission to be absent and payment made for that day provided that the total allotted time off has not been used.

It will be the responsibility of the employee to make claim for every payment to the Human Resources Department, and to provide evidence satisfactory to the Company to support his claim. Payment for lost time will be at the employee's applicable rate.

ARTICLE 16 – JURY AND WITNESS SERVICE

16.01 When an employee is required to serve on a jury or as a subpoenaed witness and is prevented from performing his regular duties because of time required to serve in this capacity, he shall be paid a make-up pay for time lost representing the difference between his fees from the court and his normal earnings for regular hours during the period of such jury service.

ARTICLE 17 – RENEWAL AND TERMINATION

17.01 This agreement shall become effective June 1, 2006, and remain in full force and effect until May 31, 2009 and shall continue in effect thereafter from year to year for further periods of one year each, unless either party shall have given written notice of termination or written notice of proposals for amendment to the other not less than sixty (60) days or more than ninety (90) days prior to the expiration of this three year agreement, or any yearly period thereafter.

17.02 In the event of written notice of termination or proposals for amendment having been given by either party as provided in Article 17.01, negotiations shall be carried on during the period of notice with a view of arranging another agreement. Should such negotiations extend beyond the expiration date, this Agreement shall remain in full force and effect until the provisions of the Labour Relations Act of Ontario have been applied or until a new agreement is entered into by the parties.

Dated at Elmira, Ontario, this second day of June 2006.

Signed on behalf of the parties hereto by their duly authorized representatives:

FOR THE COMPANY:

R. J. Lackner
Director of Manufacturing

J.A. Pansolin
Human Resources
Manager

R. M. Walton
Engineering Manager

L.V. Forbes
Production Manager

FOR THE UNION

A. Lubberts
President

J.D. Hoelscher
Negotiation Committee
Member

P. D. Lippert
Recording Secretary

B. R Arnold
Financial Secretary

E. E. Kailing
Treasurer

M. Simms
Staff Representative

**APPENDIX " A OF
COLLECTIVE LABOUR AGREEMENT**

INTERIM INCREASE

SECOND AND THIRD YEAR OF AGREEMENT

The Cost of Living Allowance (COLA) will be based on the Consumer Price Index (CPI) published by Statistics Canada where 1992 = 100

In each year the COLA will be based on the May CPI. The COLA will trigger after a 5.0 point increase in the CPI All Items has been reached in each year of the collective agreement.

The COLA will be paid on the basis of one cent (\$0.01) for each .15 rise in the CPI All Items after the trigger point has been reached. The COLA will be calculated and paid quarterly and will be rolled into the regular rates as of June 1st of each year of the collective agreement.

Elmira, Ontario

Mr. A. Lubberts, President
Local Union No. 13691, U.S.W.
P.O. Box 248
Elmira, Ontario

Dear Mr. Lubberts:

This will confirm the commitment made by the Company at the meeting of negotiations on May 8, 1981, concerning payment to employee members of the Union's Executive Committee for time spent in meetings with company representatives for the purpose of negotiation of renewal Agreements between the Company and Union.

Payment will be made at the employee's straight time hourly rate for time spent at every other meeting up to a maximum of 8 hours per day, per committee member, and only up to the date of any application for Conciliation services.

Notwithstanding the above, a Committee member scheduled for a 12 hour shift shall be paid at the employee's straight time hourly rate for time spent at every other meeting up to a maximum of 12 hours per day and only up to the date of any application for Conciliation services.

Sincerely,

J.A. Pansolin,
Human Resources Manager

Elmira, Ontario

Mr. A. Lubberts, President
Local Union No. 13691, U.S.W.
P.O. Box 248
Elmira, Ontario.

Dear Mr. Lubberts:

Re: Safety Footwear Program

The Company agrees to reimburse employees following the purchase of approved safety boots/shoes on the following basis:

1. Effective June 1, 2006 the reimbursement will be based on a maximum of \$ 110.00 for safety boots/shoes in a 12-month period.
Effective June 1, 2007 the reimbursement will be based on a maximum of \$ 120.00 for safety boots/shoes in a 12-month period.
Effective June 1, 2008 the reimbursement will be based on a maximum of \$130.00 for safety boots/shoes in a 12-month period.
The date on the purchase invoice will establish the start of the 12-month period for each individual employee.
2. Where an employee requires replacement of worn out safety boots/shoes in a period of less than 12-months from their previous purchase, the maximum reimbursement will be pro-rated by the number of full months elapsed since the previous payment.
3. Employees who purchase safety boots/shoes during their probationary period will be eligible for reimbursement only upon completion of the probationary period.

It is understood between the parties that the wearing of approved safety footwear will be mandatory in the plant for all bargaining unit employees.

Sincerely,

J.A. Pansolin,
Human Resources Manager

Elmira, Ontario

Mr. A. Lubberts, President
Local Union No. 13691, U.S.W.
P.O. Box 248
Elmira, Ontario.

Dear Mr. Lubberts:

There have been questions raised regarding the status of employees who, in the vernacular, "blow the whistle" on environmental matters, and we would like to give you the Company's position on the subject.

The Environmental Protection Act provides protection for an employee who reports an environmental problem.

The Company agrees with that principle and will certainly honour the legislation.

The Company also has as its objective the prevention of environmental problems and to that end must rely ~~on~~ employees to report any existing or perceived potential problem to the appropriate member or members of management and again without fear of any repercussions for making such a report.

It is our sincere hope that employees will acknowledge that problems can best be solved within our system.

Sincerely,

R. J. Lackner
Director of Manufacturing

MEMORANDUM OF AGREEMENT
Between
CHEMTURA CANADA CO./CIE
and
UNITED STEELWORKERS
LOCAL UNION NO. 13691

This Apprenticeship Program provides an opportunity for employees to participate in a workplace based training system to acquire the skills necessary to be certified as a Regulated Trades under the Apprenticeship and Certification Act of the Province of Ontario.

The selection of apprentices, will be in accordance with the Job Posting Procedure in Article 8 of the Collective Labour Agreement.

Apprentices will be required to pass the standards set by the Ministry of Training, Colleges and Universities. The Company will also periodically review the on-the-job performance and training progress of the employee, which **must** be maintained at an acceptable level. Failure to do so will result in the employee's removal from the Apprenticeship Program and placement on a job in the bargaining unit for which the employee is qualified. Such transfer must not result in the displacement of any other employee from their regular job except, that if there is no vacant job for which they can qualify. The employee may displace the most junior employee in the plant if the transferring employee has more seniority and possesses the necessary qualifications and ability to perform the job.

Upon successful completion of each phase of training or block release segment of schooling at a Community College the following wage structure will apply:

Entry Level	- 80% 1st Class Maintenance Trades Classification
Basic Level	- 85% 1st Class Maintenance Trades Classification
Intermediate Level	- 90% 1st Class Maintenance Trades Classification

Advanced Level – 95% 1st Class Maintenance
 Trades Classification
Certificate of Qualification– 100% 1st Class Maintenance
 Trades Classification

The Company will pay each apprentice a travel cost at the applicable Company rate and all books and learning material costs while they attend the block release segment of schooling at a community college.

When requested by the Company, apprentices will provide, in a timely fashion, all relevant information such as grades, attendance sheets, etc., pertaining to their participation in the program.

The Company and Union agree that all apprentices in the Regulated trades that are affected by the block release program will be reimbursed for their net loss of wages. This will be the difference between the current system of payment and the employee's straight time hourly rate for 40 hours per week times the number of weeks absent from work. The difference will be paid upon the successful completion of the program and the obtaining of the Certificate of Qualification. The employee will be required to produce all documentation of Government payments and Income Tax information.

GROUP LIFE AND HEALTH INSURANCE PLAN

BETWEEN

**CHEMTURA CANADA CO./CIE
Elmira, Ontario**

and

**UNITED STEELWORKERS
LOCAL UNION NO. 13691
Elmira, Ontario**

June 2006 – May 2009

**ALPHABETICAL INDEX
GROUP LIFE AND HEALTH INSURANCE PLAN**

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PREAMBLE

The Company agrees to provide the following Group Life and Health Insurance Plan, effective June 1, 2006, under the terms and conditions as detailed in the following Agreement.

ARTICLE 1 – DEFINITIONS

1.01 “Employee” means any hourly-paid male or female in regular full-time employment with the Company.

1.02 “Dependent” means a person defined as follows:

- (a) The Spouse of an employee. For purposes of any benefit payable under the Plan, “Spouse” means the person who is legally married to the employee; a common-law spouse who is living with the participant in a conjugal relationship; or former spouse for whom insurance protection for some of the benefits available under the employer’s benefit program is mandated by court order.
- (b) An employee’s unmarried, unemployed child under twenty-one years of age.
- (c) An employee’s unmarried, unemployed child who is over 21 years of age but under 25 years of age provided such child is in full time attendance at school, college or university.

1.03 “Physician” means a medical practitioner who is registered under the Medical Act of the Province of Ontario or such similar statute or law as governs the practice of medicine in the jurisdiction in which any medical, surgical or diagnostic services are rendered to an employee or his dependant.

1.04 “Lay-off means the termination of employment of an employee by the Company for an indefinite period, caused by the decision of the Company to reduce or eliminate the work upon which the employee was engaged.

ARTICLE 2 – ELIGIBILITY

2.01 All employees actively at work on June 1, 1996, are eligible for benefits covering death, dismemberment or disability suffered or incurred on or after that date (providing the employees have fulfilled the initial eligibility requirements as outlined in Section 2.02 following).

2.02 New employees are entitled to the benefits of the Group Life and Health Insurance Plan on the first day of the month following the completion of three (3) months of continuous employment.

2.03 An employee not actively at work on the dates specified in Sections 2.01 and 2.02 above will be eligible on return to active employment.

2.04

- (a) An employee will be considered to be single and without dependants until the employee has furnished such proof as the Company may reasonably require to establish the eligibility of any person claimed as a dependant.
- (b) An eligible dependant of an eligible employee is entitled to benefits as stated herein on or after the date on which the dependant is properly enrolled under the Plan.

If a dependant is confined to hospital on the date benefits would otherwise become effective the coverage will be postponed until the dependant is discharged from hospital.

- (c) Any change in the status of a dependant, which would affect eligibility under the Plan, must be reported promptly to the Company.

2.05 Where an insured employee is also insured as a dependant under another group insurance plan for Medical Services, Supplementary Hospital Expense or Supplementary Health, benefits are not payable for the portion of any eligible expense paid by the other plan.

Payment of any eligible expense incurred by an insured dependant, if such dependant is also an insured person under another group insurance plan, will be determined on the following basis:

- (a) Benefits will not be paid for the portion of any expense for which the dependant is eligible to be reimbursed as an insured member of another plan.

- (b) Benefits will be reduced by the amount of reimbursement made by the other plan if the dependant is also insured as a dependant under that plan.

2.06 An employee who is recalled from lay-off or who returns from a properly approved leave of absence, and who retains seniority, shall be eligible for benefit under the plan in respect of any disability incurred by himself or his dependants on or after the date on which he returns to work.

2.07 TERMINATION OF ELIGIBILITY

- (a) Voluntary Resignation or Discharge

An employee whose employment is terminated by voluntary resignation or discharge will cease to be eligible for all benefits under the plan on the date of termination, except that life insurance will continue for 31 days under the conversion privilege.

- (b) Lay-off or Retirement

An employee whose employment is terminated by lay-off or by retirement shall cease to be eligible for the Short Term Disability benefit on the date of termination, and for all other benefits on the last day of the month in which termination occurs, except that life insurance will continue for 31 days under the conversion privilege.

An employee whose employment is terminated by lay-off while on an approved leave of absence which was granted for reasons of sickness or injury shall continue to be eligible for Short Term Disability benefit in respect of the disability previously established as the cause of the leave of absence.

- (c) Dependants

Dependants of an employee shall cease to be eligible for benefit under this plan on the date on which the employee ceases to be eligible or on the date on which the dependant no longer qualifies under Section 1.02, and in the case of the death of an employee at the end of the month in which said death occurs.

2.08 LEAVE OF ABSENCE – INJURY OR SICKNESS

Subject to the provisions of sub-section 3.03 (g), when an eligible employee is granted leave of absence because of injury or sickness, applicable benefits of the plan for the employee and eligible dependants will be maintained for a period commencing with the first day of the month following the date such leave commences as follows:

- (a) Up to 6 months for an employee who has less than 5 years' seniority.
- (b) Up to 9 months for an employee who has 5 years but less than 10 years' seniority.
- (c) Up to 12 months for an employee who has 10 or more years' seniority.

EXPIRATION OF LEAVE OF ABSENCE BENEFITS

An employee who is unable to return to work at the expiration of the period of leave of absence for which he is eligible for benefits as set out above, may continue coverage for himself and dependants for all benefits, except Short Term Disability, by payment, monthly, in advance to the Company, of the total premiums applicable to such benefits. Such payment will be the responsibility of the employee. This privilege will terminate on termination of employment (including lay-off) or termination of the plan or failure to pay premiums.

2.09 LEAVE OF ABSENCE – OTHER REASONS

An employee who is granted leave of absence for any reason other than sickness or injury, education or union leave after becoming eligible for the plan, shall continue to be eligible for all benefits for himself and dependants, except Short Term Disability, until the end of the month in which such absence commences.

ARTICLE 3 – BENEFITS

3.01 LIFE INSURANCE BENEFIT

Group Life Insurance, with a death benefit payable under the terms and conditions found in a standard Group Life

Insurance policy issued in the province of Ontario, will be provided according to the following schedule:

- (a) Each employee while eligible for life insurance as an active employee:

Effective June 1, 2006 – \$36,000.00

Effective June 1, 2007 – \$37,000.00

Effective June 1, 2008 – \$38,000.00

- (b) Each retiree who becomes eligible for and receives a monthly retirement pension, except a Deferred Vested Pension or a Disability Allowance, from the Company on or after the date specified below:

Effective June 1, 1993 – \$ 7,000.00

If an employee with 10 or more years of service becomes totally disabled prior to age 65 years and is granted a monthly Disability Allowance under provisions of the Wage Employees Retirement Agreement, the life insurance in the amount applicable as an active employee will be extended during the period the employee is in receipt of the monthly Disability Allowance up to age 65 years. At age 65 years the amount of life insurance will be reduced to the amount provided above for a retiree on the date of disability pension.

The group policy will further provide that an individual who has qualified for life insurance as an active employee may, within 31 days of the date of termination of employment, obtain an individual life insurance policy up to a maximum of the amount applicable as an active employee without a medical examination. The group life insurance will continue during this 31 day period.

3.02 ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT

In addition to the group life insurance benefit provided under Section 3.01, a Group Accidental Death and Dismemberment benefit will be provided while eligible as an active employee:

Effective June 1, 2006	– \$36,000.00
Effective June 1, 2007	– \$37,000.00
Effective June 1, 2008	– \$38,000.00

The above principal sum will be payable in the case of death or loss of both hands, both feet, or sight of both eyes, or any two of the above members, providing death or such loss occurs within 90 days of the date of the accident and is caused by external, violent and accidental means.

One-half of the above principal sum will be payable in the case of loss of one hand, one foot, or sight of one eye under the same conditions.

The policy under which this benefit is provided will contain such limitations and conditions as are found in a standard Group Accidental Death and Dismemberment policy issued in the province of Ontario. The maximum payable under this benefit for any one accident is the principal sum.

3.03 SHORTTERM DISABILITY BENEFIT

- (a)** If, while insured for this benefit, an employee becomes totally disabled so that he cannot work due to a non-occupational accident or illness and is under the care of a physician, payment will be made, on the basis defined in the sub-sections following, up to a maximum of fifty-two (52) weeks during any one period of disability.
- (b)** A period of disability, whether from one or more causes, will be considered as one period of disability and benefits limited accordingly. A recurrence of disability from the same or related causes will be considered a separate period of disability only if the employee has recovered and returned to full time employment for a period of at least fourteen (14) calendar days.

A disability resulting from an unrelated cause will be considered a different period of disability if separated by return to regular full time employment.

- (c)** If the disability is the result of an accident the benefit will be paid commencing with the first day of disability.

If the disability is the result of illness the benefit will be paid commencing with the fourth (4th) day of continuous disability. If the illness necessitates confinement in a hospital or undergoes day surgery and is unable to return to work, the benefit will be paid commencing with the first (1st) day of hospital confinement if such date is prior to the date on which the benefit would otherwise commence.

The date on which the disability terminates will be deemed to be the day preceding the date on which the employee is capable of returning to work as determined by the attending physician.

- (d)** Effective June 1, 2001, for claims commencing on or after that date, the weekly benefit is the greater of **A** and **B**, subject to a maximum of **C**, all rounded to the nearest dollar, where:

A = 40 hours times employee's hourly rate times 2/3;

B = average of last 20 weeks of gross pay times 2/3;
and

C = \$525.00

It is understood that when there are weeks with less than 16 hours paid, that they will not be included in the average.

Benefit payment for part of a week will be paid at the rate of one-seventh of the Short Term Disability rate multiplied by the number of qualifying days during that week. Total earnings in any week will not exceed the employee's normal pay excluding overtime.

- (e)** In consideration of the improvements in the Short Term Disability plan provided in sub-section

- (d)** above, the Union and its members agree to forego the total rebate or savings to which they might be entitled, in whole or in part, under the Employment Insurance Act as a result of the Short Term Disability plan becoming or remaining approved for any reduction of pre-

mium, and that all such money shall be retained by the Company.

- (f) Should the provisions of this Section fail to meet or fail to continue to meet the criteria required to maintain the Short Term Disability plan as an approved plan for premium reductions under the Employment Insurance Act, the Company and the Union will, following the effective date of such legislation or change in the regulations, commence negotiations to amend these provisions providing that such amendments do not increase the aggregate cost of Short Term Disability to the Company before the enactment of the legislation or change in the regulations.
- (g) The Short Term Disability benefit is not payable for any disability:
- (1) During which the employee is not under the care of a physician.
 - (2) Resulting from an occupational injury or illness for which the employee receives Workplace Safety and Insurance Board or similar benefit payments.
 - (3) Resulting from pregnancy.

However, if the Employment Insurance Commission changes its regulation, generally, to discontinue payment for claims relating to pregnancy, the plan will be revised to provide the payments provided in this Section but shall be limited to a maximum period of 6 weeks.

- (4) The Short Term Disability benefit is not payable for any day for which the employee receives payment as a Designated Holiday under the provisions of the Collective Labour Agreement.

3.04 SUPPLEMENTARY HOSPITAL EXPENSE BENEFIT

The Company will provide Supplementary Hospital Expense Benefits for any eligible employee and any eligible depen-

dant in the amount of the usual charge of the hospital concerned for standard semi-private ward care decreased by an amount equal to the value of any benefit for which the employee or dependant is eligible under a provincial government hospitalization or health plan. The maximum period for which this benefit will be payable is 365 days in respect of any one Benefit Period.

Successive periods of confinement in a hospital shall be considered as occurring during one Benefit Period unless the employee has recovered and returned to full time employment for a period of at least fourteen (14) days before commencement of the later confinement, or unless the later confinement is due to causes wholly different from those of the prior confinement; or in the case of a dependant, successive periods of confinement are separated by an interval of 3 months or more unless the dependant has completely recovered from the bodily injury or sickness causing the prior confinement before commencement of the later confinement or unless the later confinement is due to causes wholly different from those of the prior confinement.

3.05 SUPPLEMENTARY HEALTH BENEFITS

Subject to Eligible Expenses and Limitations, the plan will provide payment of reasonable and customary charges for the benefits listed below for each eligible employee and eligible dependant(s).

Eligible Expenses: Eligible Expenses mean reasonable and customary charges for the following services, providing that such services are prescribed by a physician licensed to practice medicine:

- All paramedical services are limited to a combined maximum of \$1,500.00 per year, per patient. *Requires a prescription from a physician.

Speech Therapist	Psychologist
Chiropractor	Osteopath
Podiatrist	Naturopath
Acupuncturist	Audiologist
Physiotherapist	Registered Massage Therapist*

- Services rendered in the patient's home by a registered nurse, provided such registered nurse is not ordinarily resident in the patient's home and is not a relative of the patient, and subject to maximum total eligible expenses in a calendar year of \$15,000.00 less the amount paid under this provision for registered nurses' services during the two preceding calendar years plus \$50.00 per day thereafter.
- Prescription drugs dispensed by a physician or by a registered pharmacist on the written prescription of a physician. Dispensing fees on prescription drugs will be limited to \$9.00.
- Rental of a wheel chair, hospital bed, iron lung and other durable equipment required for temporary therapeutic use.
- Trusses, braces and crutches where the disability necessitating such equipment is incurred while insured.
- Artificial limbs or other prosthetic appliances where the disability causing loss of the natural member is incurred while insured.
- Local ambulance service.
- The services of a dental surgeon for treatment of a fractured jaw or for the treatment of accidental injuries to natural teeth within six months of the accident where the injury was caused by external, violent and accidental means.
- Services of a physician or surgeon rendered outside Canada, on an emergency basis or following written referral by the attending physician in excess of the charges covered by any government plan.
- Eye glasses up to a total amount of \$200.00 per person in any period of 24 consecutive months when purchased on the written prescription of a medical doctor or optometrist, excluding sun glasses, glasses for cosmetic purposes

and safety glasses except where such safety glasses require prescription lenses. Eye exams for employees only will be covered to obtain prescription glasses.

- Hearing aids, including repairs and batteries, up to a total amount of \$500.00 per person in any period of 60 consecutive months, when purchased on the written prescription of a physician.

Limitations:

The insurance under this benefit does not cover charges in respect of:

- Injuries or sickness for which benefits are payable under any Workplace Safety and Insurance Act.
- Services of a physician or surgeon except as provided under Eligible Expenses.
- Self-inflicted injuries which are not accidental.
- Injury or sickness resulting from war or from engaging in a riot, illegal disturbance of the peace, or criminal act.
- Any services for which the individual is not required to pay or for which benefits are received under any other group insurance policy.
- Services for which benefits are payable under any government hospital or medical care insurance plan.

3.06 DENTAL EXPENSE BENEFIT

The plan will provide for reimbursement of eligible expenses incurred by an eligible employee or eligible dependant as set forth in the following schedule:

- 100% of Basic and Rider No. 1 eligible expenses
- 50% of Rider No. 2 eligible expenses
- 50% of Rider No. 4 eligible expenses

Reimbursement will be on the basis of reasonable and customary charges, and limited to the 2004 Schedule of Fees of the Ontario Dental Association for expenses incurred on or

after June 1, 2006; and limited to the 2005 Schedule of Fees of the Ontario Dental Association for expenses incurred on or after June 1, 2007; and limited to the 2006 Schedule of Fees of the Ontario Dental Association for expenses incurred on or after June 1, 2008.

“Reasonable and customary charges” means the usual charges where there is no insurance.

Employees and dependants will only be covered for dental visits on a 9-month frequency.

3.07 EXTENDED TERMINATION BENEFITS

If an employee or an eligible dependant is totally disabled on the date of termination of the employee’s insurance because of termination of employment, benefits payable under the Supplementary Hospital Expense Benefit and Supplementary Health Benefit will be continued in respect of the disabled individual during total disability for a period up to 90 days following the date of such termination.

3.08 The following benefits will be provided for a retiree who becomes eligible for and receives a monthly Disability Allowance under provisions of the Wage Employees Retirement Agreement on or after June 1, 1996.

Payment by the Company of the monthly group insurance premiums required to entitle the retiree and any eligible dependants to reimbursement for charges for prescription drugs dispensed by a physician or by a registered pharmacist on the written prescription of a physician.

Payment of such premiums will commence in the month following the effective date of retirement and terminate at the end of the month in which the retiree or spouse reaches age 65 years, or on the death of the retiree, if earlier.

In the case of a Retiree who is receiving a monthly Disability Allowance granted during the term of a previous Life Insurance and Welfare Agreement, the Company will continue to make payment of the monthly premiums required to provide the benefits stipulated in the applicable Agreement.

ARTICLE 4 – GENERAL PROVISIONS

4.01 Benefits under this plan are not payable under the following conditions:

- (a)** Injury or illness resulting from self-inflicted injury, act of war or insurrection.
- (b)** Operations or treatments for cosmetic purposes.
- (c)** Operations or treatments for conditions not detrimental to bodily health.

4.02 No employee shall be eligible for payment of an indemnity claim either full or in part for any period for which an employee is receiving other income to which the Company is either directly or indirectly a contributor. If an employee, who is temporarily laid off and is receiving Employment insurance, suffers an injury or illness, he would not be excluded from coverage under the plan providing he is otherwise eligible.

4.03 No payment of claim will be made if the employee fails to meet the requirements of the insurer with respect to proof and time limitations under regulations included in policies written in Ontario.

4.04 An employee suffering an injury or a disability while participating in sport for personal gain and remuneration may be subject to exclusion from any or all coverage under this plan.

4.05 The Company may enter into a contract or contracts with an insurance company or companies or such other organizations as it may choose, to provide the benefits of this Agreement, and upon so doing will be relieved of any individual liability to any employee other than to maintain such contract or contracts in force.

4.06 If at any time a Federal or Provincial Government passes legislation which directly or indirectly has the effect of providing benefits similar to one or more of the benefits described in this plan for which the employee as a class

shall be eligible, this Agreement shall terminate in respect of that benefit or benefits upon the expiration of thirty (30) days after the proclamation of such statute or upon the date the statute comes into effect, whichever is later.

During such thirty (30) day period or such longer period as may expire after date of proclamation of the statute, the parties will meet for the purpose of negotiating any amendments required or desirable to assure that the aggregate of the statutory benefits and the benefits provided under this plan shall approximate in kind and money value the benefits provided under the plan before said statutory enactment.

4.07 CLAIM TO BE FILED WITHIN 90 DAYS

Proof of claim on forms furnished by the Company must be submitted to the Company by the employee within 90 days after the commencement of any disability for which benefits are payable.

4.08 If a dispute shall arise between the Company and the employee, as to whether such employee is, or continues to be suffering from bodily injury or sickness of a degree, extent and type that gives rise to a claim for benefits under the plan, such dispute shall be resolved as follows:

The employee or disabled person shall be examined by a physician appointed for that purpose by the Company and a physician appointed for that purpose by the Union. If they shall disagree concerning the kind and nature of the disability, the question shall be submitted to a third physician, selected by the said two physicians. The opinion of the third physician, after examination of the disabled person and consultation with the other two physicians shall be accepted by the Company, the Union and the employee as irrefutable evidence of the facts herein disclosed, and the degree, extent and type of disability suffered by the disabled person. The fees and expenses of the third physician shall be shared equally by the Company and the Union.

4.09 SUBROGATION

When an employee or dependant receives Short Term Dis-

ability benefits, or other payments to him or on his behalf by reason of bodily injury or sickness in respect of which some third party is under legal liability, the Company or the insurer at the Company's option, shall be subrogated to the employee's or dependant's right to compensation for the cost of the benefits and/or services provided in respect of such bodily injury or sickness to the extent of the amount paid by the Company either directly or indirectly, or through coverage provided by the insurance policy in respect thereof and the employee by acceptance of the benefits, will undertake that he or the dependant so entitled to compensation shall prosecute such claim against the third party at the expense of, and to the extent directed by the Company and pay over to the Company what it is entitled to receive as aforesaid together with any expenses it may have paid or incurred, from any monies recovered from such third party, and he or the dependant will do all acts, and execute all documents necessary to permit the Company to obtain the benefit of this clause.

ARTICLE 5 – TERMINATION

5.01 This Agreement shall become effective on June 1, 2006, and remain in full force and effect until May 31, 2009, and shall continue in effect thereafter from year to year for further periods of one year each, unless either party shall have given written notice of termination or written notice of proposals for amendment to the other not less than sixty (60) days or more than ninety (90) days prior to the expiration of this three year Agreement, May 31, 2009, or any yearly period thereafter.

5.02 In the event of written notice of termination or proposals for amendments having been given by either party as provided for in Section 5.01 of this Article, negotiations shall be carried on during the period of such notice with a view to arranging another agreement.

Should such negotiations extend beyond the expiration date, this Agreement shall remain in full force and effect until the

provisions of the Labour Relations Act of Ontario have been applied or until a new agreement is entered into by the parties.

Dated at Elmira, Ontario, this second day of June 2006.

Signed on behalf of the parties hereto by their duly authorized representatives:

FOR THE COMPANY:

R. J. Lackner
Director of Manufacturing

J.A. Pansolin
Human Resources
Manager

R. M. Walton
Engineering Manager

L.V. Forbes
Production Manager

FOR THE UNION

A. Lubberts
President

J.D. Hoelscher
Negotiating Committee
Member

P. D. Lippert
Recording Secretary

B. R Arnold
Financial Secretary

E. E. Kailing
Treasurer

M. Simms
Staff Representative

WAGE EMPLOYEES RETIREMENT AGREEMENT

BETWEEN

CHEMTURA CANADA CO./CIE
Elmira, Ontario

and

UNITED STEELWORKERS
LOCAL UNION NO. 13691
Elmira, Ontario

June 2006 – May 2009

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**CHEMTURA CANADA CO./CIE
Elmira, Ontario**

**WAGE EMPLOYEES RETIREMENT AGREEMENT
EFFECTIVE JUNE 1, 2006**

ARTICLE 1 – INTRODUCTION

1.01 This document constitutes the CHEMTURA CANADA CO./CIE, Elmira, Ontario, Wage Employees Retirement Agreement (the “Retirement Agreement”), being amended and restated herein as of June 1, 2006.

1.02 The basic purpose of the Retirement Agreement is to provide retirement income for eligible employees of the Company who were covered as Members under the prior Retirement Agreement immediately prior to June 1, 1996 (hereinafter referred to as the “Prior Retirement Agreement”) and who continue to be employed on and after the Effective Date. No person who joins the Company’s employment on or after June 1, 1996 shall be permitted to be covered under the terms of the Retirement Agreement. This Retirement Agreement amends and restates the Prior Retirement Agreement with respect to eligible employees and, as such, the document incorporates and preserves the entitlements and benefits accrued prior to the Effective Date under the Prior Retirement Agreement. All assets accumulated under the Prior Retirement Agreement are therefore consolidated in the Fund established for this Retirement Agreement, and all liabilities under the Prior Retirement Agreement are correspondingly assumed under the terms of this Retirement Agreement.

1.03 The Retirement Agreement as contained herein shall be applicable to Members who are in the employment of the Company on or after the Effective Date; benefits in respect of a Member whose employment ceased prior to the Effective Date shall be determined in accordance with the terms of the Prior Retirement Agreement at the time of such cessation of employment except as specifically provided herein.

1.04 The terms of the Retirement Agreement shall meet the requirements of Applicable Pension Laws and the Revenue Rules and the continued registration of the Retirement Agreement as a registered pension plan under both Applicable Pension Laws and the Income Tax Act is a pre-condition for the Retirement Agreement to become and remain operative.

ARTICLE 2 – CONSTRUCTION, INTERPRETATION AND DEFINITIONS

CONSTRUCTION AND INTERPRETATION

2.01 The masculine pronoun wherever used herein shall include the feminine pronoun where applicable, and the singular shall include the plural and vice versa, as the context shall require. References to a paragraph, Section or an Article, mean a paragraph, Section or an Article in the Retirement Agreement.

2.02 The Retirement Agreement and all the rights and obligations hereunder shall be construed, governed and administered in accordance with the laws of the Province of Ontario, except for those rights and obligations which are solely within the jurisdiction of Canada.

2.03 All monetary references in the Retirement Agreement are to be construed as being expressed in terms of the lawful currency of Canada.

DEFINITIONS

In this Retirement Agreement the following terms shall, unless the context clearly indicates otherwise, have the following meanings:

2.04 “Actuarial(Iy) Equivalent” means a benefit of equivalent value but of different form of payment to a specified benefit, as determined on a basis of calculation adopted by the Company on the advice of the Actuary and in effect on the date such determination is being made, provided that such basis is in accordance with Applicable Pension Laws

and provided further that the basis used for purposes of determining the commuted value of a benefit shall be the fair market value of such benefit on the date such determination is being made.

2.05 “Actuary” means an individual from time to time appointed by the Company to carry out actuarial valuations and provide such actuarial advice and services as may be required from time to time for the purposes of the Retirement Agreement. The Actuary shall at all times be a person who is a Fellow of the Canadian Institute of Actuaries.

2.06 “Applicable Pension Laws” means The Pension Benefits Act of the Province of Ontario and any regulation pursuant thereto and any amendments or substitutes therefore as well as any similar statute applicable to the Retirement Agreement and any regulation pursuant thereto adopted by the federal government.

2.07 “Basic Benefit Rate” means the Basic Benefit Rate as described in Section 6.01.

2.08 “Basic Pension” means the Basic Pension as described in Section 6.01.

2.09 “Beneficiary” means that person last designated by the Member to receive any benefit under this Retirement Agreement in the event of the death of the Member according to the provisions of Article 10 or in the absence of an effective designation of a Beneficiary, the estate of the Member.

2.10 “Collective Labour Agreement” means the collective labour agreement between the Union and the Company effective June 1, 2006, as amended from time to time.

2.11 “Company” means Chemtura Canada Co./Cie, Elmira, Ontario. Administrative action required to be taken by the Company shall be performed by the Pension Board Committee in accordance with Article 15.

2.12 “Continuous Service” means the service of a Member

as defined in Section 4.01, used to determine eligibility for benefits.

2.13 “Credited Service” means the service of a Member as defined in Section 4.05, used to determine the amount of benefits for which a Member is eligible.

2.14 “Date of Determination” means the date as of which a benefit is to be calculated under the Retirement Agreement, as specified in each relevant Section, and being one of:

- (a) a Member’s Retirement Date,
- (b) a Member’s date of termination of employment,
- (c) a Member’s date of death, and
- (d) the date of amendment or discontinuance of the Retirement Agreement or the date of consolidation or merger of the Retirement Agreement with another pension plan.

2.15 “Disability Retirement Date” means the date specified in Section 5.05.

2.16 “Early Retirement Date” means the date specified in Section 5.03.

2.17 “Effective Date” means June 1, 2006.

2.18 “Employee” means a person who is employed on a regular full-time or regular part-time basis by the Company at the Chemtura Canada Co./Cie, Elmira, Ontario operations and who is a member of the Union or is a member of any other class of employees designated by the Company as being eligible to be covered under the terms of the Retirement Agreement.

2.19 “Fund means the fund established for the purposes of the Retirement Agreement as set forth herein and established in accordance with the terms and provisions of the Funding Agreement, to which all contributions in respect of the Retirement Agreement shall be made and from which all benefits and expenses under the Retirement Agreement shall be payable.

2.20 “Funding Agency” means the trust and/or insurance company and/or any group of individual trustees as eligible under Applicable Pension Laws designated by the Company and holding the whole or a portion of the assets of the Fund at any time pursuant to the terms of a Funding Agreement.

2.21 “Funding Agreement” means any trust deed, agreement or agreements executed from time to time between the Company and any Funding Agency, including any insurance or annuity contract or contracts issued by a Funding Agency and including any amendments which are from time to time made to any such documents, pertaining to the custody of the investments of the Fund.

2.22 “Income Tax Act” means the Income Tax Act (Canada) as amended from time to time, together with any relevant regulations and application rules made thereunder from time to time.

2.23 “Member” means an Employee who is covered under the terms of the Retirement Agreement in accordance with Article 3.

2.24 “Normal Retirement Date” means the date specified in Article 5.01.

2.25 “Old Age Security Date” means the first (1st) day of the month in which the Member first becomes eligible (or could become eligible but for some act or failure to act by him or by another on his behalf, such as leaving Canada, failing to make timely application or failing to notify the proper authority of his address), for benefit under the Old Age Security Act, Canada.

2.26 “Pension Board Committee” means the officials of the Company who have been designated and authorized by the Board of Directors of the Company to act on behalf of the Company in accordance with the provisions of Section 15.01.

2.27 “Plan-Yea?” means a twelve (12) month period beginning on January 1 and ending on December 31.

2.28 "Postponed Retirement Date" means the date specified in Section 5.04.

2.29 "Prior Retirement Agreement" means the agreement established for the Employees, as it existed immediately prior to the Effective Date, and which is hereby succeeded by this Retirement Agreement as of the Effective Date.

2.30 "Retirement Agreement" means the Chemtura Canada Co./Cie, Elmira, Ontario Retirement Agreement set forth in this document and includes any amendments which are from time to time made hereto.

2.31 "Retirement Date" means the Early, Special Early, Normal, Postponed or Disability Retirement Date on which a Member actually retires.

2.32 "Revenue Rules" means the provisions of the Income Tax Act pertaining to employees' pension plans or funds registered under the Income Tax Act as they are applicable to this Retirement Agreement.

2.33 "Special Early Retirement Date" means the date specified in Section 5.02.

2.34 "Spouse" means, at the time a determination is required, a person of opposite sex:

- (a) who is married to the Member; or
- (b) who is not married to the Member and is living with such Member in a conjugal relationship for a continuous period not less than three (3) years or in a relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the Family Law Act, 1986 (Ontario) provided that the person is not living separate and apart from the Member at that time.

Where the Date of Determination is on or after December 18, 1999, the foregoing definition of "Spouse" shall be read with the words "of the opposite sex" deleted, subject to the requirements for registration under Applicable Pension Laws and Revenue Rules.

2.35 “Statutory Benefit” means any old age or disability benefit payable under any federal or provincial legislation as now in effect, or under any future federal or provincial legislation, amending, superseding, supplementing, or incorporating existing federal or provincial legislation, but such term does not include Workplace Safety and Insurance Act payments or a benefit payable pursuant to occupational disease laws, the Blind Persons Act, or a benefit payable on a “needs test” basis or solely on account of service in the Armed Forces or other national service, or a benefit payable to or in respect of dependents, or a benefit payable under the Old Age Security Act, Canada.

For the purpose of this Retirement Agreement, the amount of such Statutory Benefit shall be the amount of Statutory Benefit that a Member shall be eligible to receive as of the date he first becomes eligible to receive such Statutory Benefit, and if the Member either does not apply for or loses part or all of such Statutory Benefit through delay in applying for such benefit, by earnings while eligible for such benefit, or other act or failure to act, the amount of the Statutory Benefit may be estimated and the estimated amount applied where the term Statutory Benefit occurs.

In the event that a Member has the option of receiving a Statutory Benefit in a reduced amount on account of receiving it prior to the normal earliest date of eligibility, Statutory Benefit shall mean the amount which would have been payable had such option not been exercised.

2.36 “Supplemental Benefit Rate” means the Supplemental Benefit Rate as described in Section 6.02.

2.37 “Supplemental Pension” means the Supplemental Pension as described in Section 6.02.

2.38 “Union” means United Steelworkers, Local Union No. 13691.

2.39 “YMPE” means the Year’s Maximum Pensionable Earnings established each year under the Canada Pension

Plan as amended from time to time or under any superseding legislation considered by the Company to be appropriate.

ARTICLE 3 – MEMBERSHIP

3.01 Each person who was a member of the Prior Retirement Agreement immediately prior to the Effective Date shall automatically become covered under the terms of this Retirement Agreement as of the Effective Date and shall be classified as a Member from such date.

3.02 No other person, including a person who was an Employee on the Effective Date or who becomes an Employee after the Effective Date, shall become covered under the terms of this Retirement Agreement.

3.03 Nothing herein contained shall be deemed to give any Employee the right to be retained in the service of the Company or to interfere with the rights of the Company to discipline, discharge or lay-off any Employee at any time and to treat him without regard to the effect which such treatment might have upon him as a Member.

3.04 Upon becoming covered under the terms of this Retirement Agreement, the Employee shall complete and sign the enrolment form provided by the Company, thereby specifying a Spouse and designating a Beneficiary, if necessary.

3.05 While a Member remains in employment with the Company, he may not discontinue his active coverage under the terms of this Retirement Agreement.

ARTICLE 4 – SERVICE

4.01 CONTINUOUS SERVICE

(a) Continuous Service means the period of uninterrupted, regular, full-time or part-time employment of a Member with the Company, beginning with the date on which he was last hired by the Company and ending on the earliest of:

- (1)** his ceasing to be actively employed by the Company where cessation of employment shall include, without loss of generality and subject to Section 4.03, lay-off from employment;
- (2)** his death;
- (3)** his retirement on pension, including for greater certainty, his retirement on his Disability Retirement Date;
- (4)** the discontinuance of the Retirement Agreement without immediate substitution of a successor employees' pension plan.

Continuous Service in respect of an employee whose employment is transferred from temporary to regular, permanent shall include such service as a temporary employee. For greater certainty, such temporary employment shall include periods of vacation employment while pursuing a course of study at a recognized college or university provided that application for such regular, permanent employment is made immediately after completion of such course of study and further provided that only periods worked shall be included in Continuous Service.

- (b)** The following shall not constitute interruption of employment, unless and until the Member fails to return to active employment upon expiry of the period concerned:
- (1)** leave of absence duly authorized by the Company, including sickness, accident, emergency, pregnancy or parental leave;
 - (2)** total disability qualifying for benefits under Section 5.05;
 - (3)** lay-off provided that the Member has not received a benefit pursuant to Article 11 and the period of lay-off does not exceed six (6) months. In the event

that such period of lay-off exceeds six (6) months but is less than one (1) year, such lay-off shall not constitute interruption of employment but Continuous Service shall exclude the period of lay-off in excess of six (6) months;

4.02 TRANSFER OF EMPLOYMENT

The transfer of a Member within the Company to a category of employment such that the Member ceases to be an Employee for the purposes of this Retirement Agreement, shall not constitute a termination of employment for the purposes of Article 11. In the event of such transfer, the Member's:

- (a) Continuous Service shall include all periods of uninterrupted, regular employment of the Member while he remains in the employment of the Company;
- (b) For the purpose of the computation of the Member's retirement income in Article 6, Credited Service shall exclude those periods of employment while not an Employee. However, for purpose of determining eligibility for benefits under Articles 5 and 11, Credited Service shall include all periods of uninterrupted regular employment of the Member while he remains in the employment of the Company.

4.03 RE-EMPLOYMENT

- (a) Subject to paragraph 4.03(b), in the event that an Employee terminates employment other than by retirement, and is subsequently re-employed with the Company, his periods of Continuous Service shall be treated separately, and the second period shall be considered to start from the date of said subsequent re-employment for the purposes of the Retirement Agreement.
- (b) Different periods of prior Continuous Service of five (5) years or more, together with prior Continuous Service for any intervening period or periods of service of less than five (5) years which were terminated otherwise than by voluntary resignation or discharge shall be

combined with Continuous Service after re-employment and treated as one continuous period of Continuous Service for an Employee who, at his date of termination of employment other than by retirement, had five (5) or more years of Continuous Service to his credit and who subsequent to his date of re-employment remains employed with the Company for a continuous period of at least five (5) years. For greater certainty, the period during which the Employee was not employed by the Company shall be excluded in the calculation of Continuous Service. This paragraph 4.03(b) shall not apply to an Employee who has received a benefit pursuant to the terms of Article 11.

4.04 In the calculation of Continuous Service, a period of fifteen (15) days or more shall constitute one (1) month of Continuous Service; a period of fourteen (14) days or less shall be disregarded in its entirety.

4.05 CREDITED SERVICE

- (a) Subject to Section 4.06, Credited Service with respect to a Member means the Member's Continuous Service.
- (b) Notwithstanding any other provisions of the Retirement Agreement, in respect of eligible periods of employment during which the Member was employed regularly on a part-time basis, Credited Service shall be reduced to an amount which will have the same proportionate relationship as the regular hours of such a Member have to the normal hours of a Member in full-time employment.

4.06 EXCLUSIONS FROM CREDITED SERVICE

Notwithstanding the provisions of Section 4.05, Credited Service shall not include:

- (a) any period of active membership in any other plan of the Company for which a benefit is credited under such other plan, except as provided in the Retirement Agreement;

- (b) any period of temporary absence as described in paragraph 4.01(b)(i) during which such Member is not receiving earnings from the Company or income under Section 5.05 unless the Member returns to employment with the Company prior to Normal Retirement Date upon cessation of disability. This paragraph does not apply to short periods of leave of absence not exceeding one (1) year, unless the Member fails to return to active employment, in which case such leave of absence will not be included in Credited Service.

In no event, however, shall the total periods of temporary absence to be included as Credited Service, excluding those throughout which the Member suffers a physical or mental impairment, as certified in writing by a qualified medical doctor licensed to practice under the laws of Canada, that prevents the Member from performing the duties of employment in which the Member was engaged before the commencement of the impairment, exceed the sum of:

- (1) five years; and
- (2) the periods of parenting, as defined in Revenue Rules, subject to a maximum of 36 months of such periods of parenting and a maximum of 12 months for any one period of parenting.

ARTICLE 5 – RETIREMENT DATES

5.01 NORMAL RETIREMENT

The Normal Retirement Date of a Member is the first (1st) day of the month next following the attainment of age sixty-five (65).

5.02 SPECIAL EARLY RETIREMENT

A Member may retire or may be retired on a Special Early Retirement Date which shall be the first (1st) day of any month following or coincident with the Member having both attained age sixty-two (62) and completed ten (10) years of Credited Service.

5.03 EARLY RETIREMENT

A Member may retire or may be retired on an Early Retirement Date which shall be the first **(1st)** day of any month following or coincident with the Member:

- (a)** having attained age fifty-five (55) and having completed two (2) years of Credited Service; or
- (b)** having attained age fifty-five (55), but not age sixty-two (62), and having combined years of age and Credited Service total eighty-five (85); or
- (c)** having attained age sixty (60), but not age sixty-two (62), and having completed ten (10) years of Credited Service.

5.04 POSTPONED RETIREMENT

If a Member continues in the employ of the Company beyond Normal Retirement Date, the Member shall retire, or be deemed to have retired for the purposes of the Retirement Agreement, not later than the first (1st) day of the month immediately prior to the Member's attainment of age sixty-nine (69). The date of the Member's actual retirement in accordance with this paragraph shall be his Postponed Retirement Date.

5.05 DISABILITY RETIREMENT

- (a)** A Member, who through no fault of his own as described below, suffers a total and permanent disability, shall be retired, provided he has completed ten (10) years of Credited Service. For this purpose, a Member shall be deemed by the Company to be totally and permanently disabled if it is certified by a qualified medical doctor who is licensed to practice under the laws of Canada that, as a result of bodily or mental injury or disease, he is wholly and presumably permanently prevented from engaging in any regular occupation or employment for remuneration, except that no Member shall be deemed **to** be totally and permanently disabled if such disability resulted from engaging in a criminal enterprise, or an intentionally self-inflicted injury, or injuries received

due to service in the armed forces of any country, or if such disability resulted from or consists of chronic alcoholism or addiction to narcotics. The date from which such certification is effective shall be deemed to be the Member's Disability Retirement Date.

- (b)** A Member in receipt of retirement income as a result of disability is required from time to time, but not more frequently than at six (6) month intervals, to report at a reasonable place for physical re-examination. In the event that a Member refuses or neglects to be so re-examined, the Member's disability retirement income shall be discontinued until such time as the continuance of his disability, as described in paragraph 5.05(a) is so verified by such examination.
- (c)** In the event that a Member in receipt of retirement income ceases to be totally and permanently disabled as described in paragraph 5.05(a) or engages in any work similar to that described in the job requirements of any job in the bargaining unit as defined in the Collective Labour Agreement, the retirement income in respect of such a Member may be terminated at the Company's discretion and such Member shall be re-hired by the Company in a capacity consistent with his seniority and his physical and mental ability, provided the Member promptly applies for such work.

ARTICLE 6 – RETIREMENT INCOME FORMULA

6.01 BASIC PENSION

The monthly amount of Basic Pension as of a Member's Date of Determination shall be equal to the Basic Benefit Rate multiplied by his years of Credited Service.

For all Members, the Basic Benefit Rate shall be \$23.00.

6.02 SUPPLEMENTAL PENSION

- (a)** The monthly amount of Supplemental Pension as of a Member's Date of Determination shall be equal to the Supplemental Benefit Rate, multiplied by the Member's

years of Credited Service to a maximum of thirty (30) such years. The Supplemental Benefit Rate shall depend on the Member's Date of Determination and shall be as follows:

Date of Determination	Supplemental Benefit Rate
On or after June 1, 1996	\$9.50

The Supplemental Pension shall be reduced by the amount of Statutory Benefit to which the Member may be or becomes eligible for prior to his Old Age Security Date.

Notwithstanding the foregoing, the Supplemental Pension shall not be reduced by the amount of Statutory Benefit which the Member may be eligible to or become eligible to receive in a reduced amount, at his option, prior to the normal earliest date of eligibility for such Statutory Benefit.

- (b) The Supplemental Pension shall be payable in the form of monthly instalments beginning on the last day of the month in which the Member's Retirement Date occurs and continuing thereafter up to and including the month in which the Member's Old Age Security Date occurs or his earlier death.

ARTICLE 7 – AMOUNT OF RETIREMENT INCOME

7.01 NORMAL RETIREMENT

A Member who retires on his Normal Retirement Date will receive an amount of retirement income computed in accordance with Section 6.01, using the Member's Normal Retirement Date as his Date of Determination.

7.02 SPECIAL EARLY RETIREMENT

- (a) A Member who retires on a Special Early Retirement Date will receive an amount of retirement income computed in accordance with Section 6.01 using the Member's Special Early Retirement Date as his Date of Determination.

- (b)** In addition to the retirement income in paragraph 7.02(a), a Member who retires on a Special Early Retirement Date will receive a Supplemental Pension computed in accordance with Section 6.02 using the Member's Special Early Retirement Date as his Date of Determination.

7.03 EARLY RETIREMENT

- (a)** A Member who retires on an Early Retirement Date under paragraph 5.03(a) will receive an amount of retirement income computed in accordance with Section 6.01 using the Member's Early Retirement Date as his Date of Determination, reduced to the lesser of:
- (1)** the Actuarial Equivalent of the retirement income otherwise payable at his Normal Retirement Date; and
 - (2)** the retirement income otherwise payable at his Normal Retirement Date, reduced by 0.25% for each month by which the pension commencement date precedes his Normal Retirement Date.
- (b)** A Member who retires on an Early Retirement Date under either paragraph 5.03(b) or paragraph 5.03(c) will receive an amount of retirement income computed in accordance with Section 6.01 using the Member's Early Retirement Date as his Date of Determination, multiplied by the applicable early retirement factor, in accordance with paragraph 7.03(d).
- (c)** In addition to the benefit in paragraph 7.03(b), a Member who retires on a Early Retirement Date under either paragraph 5.03(b) or paragraph 5.03(c) will receive a Supplemental Pension computed in accordance with Section 6.02 using the Member's Early Retirement Date as his Date of Determination, multiplied by the applicable early retirement factor, in accordance with paragraph 7.03(d).
- (d)** The early retirement factor referred to in paragraphs

7.03(b) and 7.03(c) shall be determined by the following table:

Period in Months by Which Pension Commencement Precedes Age Sixty-Two (62)	Percentage Payable
0	100.0
12	95.2
24	90.4
36	85.6
48	80.8
60	76.0
72	71.2
a4	66.4

For periods not shown above, the appropriate percentage payable shall be determined on a pro-rata basis.

7.04 POSTPONED RETIREMENT

A Member retiring on a Postponed Retirement Date shall be entitled to receive an amount of retirement income payable from the Member's Postponed Retirement Date and computed in accordance with Section 6.01 using the Member's Postponed Retirement Date as his Date of Determination.

7.05 DISABILITY RETIREMENT

- (a) A Member who retires on his Disability Retirement Date will receive an amount of retirement income computed in accordance with Section 6.01, using the Member's Disability Retirement Date as his Date of Determination and, subject to paragraph 7.05(d), commencing on his Disability Retirement Date.
- (b) In addition to the retirement income in paragraph 7.05(a), a Member who retires on his Disability Retirement Date will receive a Supplemental Pension computed in accordance with Section 6.02 using the Member's Disability Retirement Date as his Date of Determination and, subject to paragraph 7.05(d), commencing on his Disability Retirement Date.

- (c) A Member who is in receipt of retirement income under Section 7.05 of the Retirement Agreement shall not be entitled to any other retirement income or allowance under the Retirement Agreement.
- (d) Notwithstanding the foregoing, retirement income in the event of disability shall not commence during a period when the Member is on approved leave of absence from the Company and is in receipt of or is eligible to receive indemnity benefits from an insurance or compensation plan to which the Company contributes.

ARTICLE 8 – REVENUE CANADA MAXIMUM PENSION

8.01 Anything to the contrary contained herein notwithstanding, the maximum amount of lifetime annual pension provided to any employee or former employee under this Retirement Agreement and any other pension plan of the Company shall not exceed the product of (a) and (b) where:

- (a) is the lesser of:
 - (1) two percent (2%) of the average of the best three (3) years of remuneration of the employee; and
 - (2) \$1,722.22 or such higher amount as permitted under the Income Tax Act and the regulations thereunder,and
- (b) is the sum of:
 - (1) the lesser of
 - (A) pensionable service prior to January 1, 1992; and
 - (B) thirty-five (35) years, and
 - (2) pensionable service after December 31, 1991;

where pensionable service is the service permitted under the Income Tax Act and the regulations thereunder.

ARTICLE 9 – PAYMENT OF RETIREMENT BENEFITS

9.01 NORMAL FORM

Unless a Member elects an optional form of Basic Pension under Section 9.03, payment thereof shall be in the form of monthly instalments beginning on the last day of the month in which his Retirement Date occurs and continuing thereafter up to and including the month of death, or earlier cessation of disability (as defined in paragraph 5.05(c)).

Notwithstanding the foregoing, the Basic Pension payable to a Member who retires on his Normal Retirement Date and retirement income payable under Section 11.02 which is locked-in pension as defined under Applicable Pension Laws, will be payable as above, with a guarantee that not less than sixty (60) monthly payments shall be made to the Member and the Member's Beneficiary combined.

9.02 STATUTORY SPOUSAL PENSION

Notwithstanding Section 9.01, in respect of Basic Pension, a Member who has a Spouse at the Member's Date of Determination and who is entitled to retirement income under the Retirement Agreement shall elect, or shall for purposes of the Retirement Agreement be deemed to have elected, an optional form of retirement income under which the Member shall receive the Actuarial Equivalent of the retirement income described in Section 9.01 payable during the Member's lifetime with the provision that, on his death, sixty percent (60%) of such actuarially reduced retirement income shall be continued to his surviving Spouse during the Spouse's lifetime. A Member may elect to receive his Basic Pension in the normal form as described in Section 9.01 provided a waiver has been signed in a manner prescribed under Applicable Pension Legislation. A Member may elect an alternative form of pension payment under Section 9.03 provided such waiver has been signed.

9.03 ELECTION OF OPTIONAL GUARANTEED FORM

- (a) With the approval of the Company, a Member who is retiring at his Normal Retirement Date and who is en-

titled to a guaranteed retirement income under Section 9.01 may elect, in lieu of such retirement income payable in the normal form as described in Section 9.01, any optional form of retirement income contained in this Section 9.03 as may be applicable. Such written election in prescribed form must be filed with the Company prior to his attainment of age sixty (60). Such written election may be filed with the Company after the Member's attainment of age sixty (60) and prior to his Normal Retirement Date provided that the Member accompanies such election with evidence of good health which is satisfactory to the Company. The retirement income payable under the elected option shall be the Actuarial Equivalent of the retirement income payable under the normal form as described in Section 9.01.

- (b) An election made under paragraph 9.03(a) may be revoked by the Member at any time prior to the Member's Normal Retirement Date. Such revocation shall be made by filing written notice thereof with the Company. Subsequent elections under paragraph 9.03(a) shall not be permitted after such revocation.
- (c) In the event of the death of the Member prior to his Normal Retirement Date, elections under paragraph 9.03(a) shall be considered to be inoperative and ineffective.

(d) Life Annuity – Guaranteed Term

A Member may elect to receive retirement income payable to him during his lifetime, with the provision that should he die before he has received payments for the available guaranteed term (in complete years only) elected by him, then either the remainder of the payments shall be paid to his Beneficiary or to the estate. At the election of the Member's estate or, if applicable, the Beneficiary's estate, the Actuarial Equivalent Value of the remaining payments shall be paid to the applicable estate. The guaranteed terms available are one hundred and twenty (120) months and one hundred and eighty (180) months.

9.04 SMALL BENEFITS

If the annual retirement income payments at normal retirement date under the Retirement Agreement are **less** than two percent (2%) of the YMPE as at the Date of Determination, the Pension Board Committee may direct the payment of the Actuarial Equivalent in a lump sum to the recipient.

9.05 COMMUTATION FOR SHORTENED LIFE EXPECTANCY

Retirement income currently being paid or required to be **paid** under the Retirement Agreement may be commuted and paid in a lump sum at the discretion of the Member if the Member:

- (a) establishes that he has an illness or physical disability that is likely to shorten his life expectancy to less than two (2) years, **as** certified by a written statement from a qualified medical doctor licensed to practice in Canada;
- (b) provides an application to the Company in the prescribed form; and
- (c) satisfies any other conditions prescribed by Applicable Pension Laws.

ARTICLE 10 – DEATH BENEFITS

10.01 DEATH BENEFITS PRIOR TO NORMAL RETIREMENT DATE

If the death **of** a Member occurs prior to the earlier of the Member's Retirement Date and Normal Retirement Date the following benefit is payable to his Spouse, unless waived in prescribed form in accordance with the Applicable Pension Laws:

The Actuarial Equivalent of the Basic Pension that the Member would have been eligible to receive in accordance with Section 7.01, Section 7.02, Section 7.03 or that the Member would have been eligible to receive in accordance with Section 11.02, as applicable,

- (1) in respect of Credited Service on and after January 1, 1987, and,
- (2) in respect of Credited Service prior to January 1, 1987 where such Basic Pension is the improvement resulting from amendments made to the Retirement Agreement on and after January 1, 1987, assuming that the Member retired or terminated employment, as applicable, on the date of death.

At the Spouse's election, the benefit shall be payable as an annuity commencing on or before the Spouse's attainment of age sixty-five (65) or as a lump sum. If the Member has no Spouse at date of death, the above benefit shall be payable in a lump sum to his Beneficiary.

10.02 DEATH BENEFITS AFTER NORMAL RETIREMENT DATE AND BEFORE POSTPONED RETIREMENT

- (a) If the death of a Member occurs after the Member's Normal Retirement Date, but before the Member's Postponed Retirement Date, for the purpose of determining any death benefit payable hereunder, the Member shall be deemed to have retired on the first (1st) day of the month coincident with or immediately preceding the date of the Member's death.
- (b) Notwithstanding paragraph 10.02(a), a Member's Spouse or Beneficiary shall be entitled to receive such larger amount, if any, as specified in Section 10.01 with the references to Section 7.01, Section 7.02, Section 7.03, and Section 11.02 replaced by Section 7.04.

10.03 DEATH BENEFITS AFTER RETIREMENT DATE

If the death of a Member occurs after his Retirement Date there shall be paid to his Beneficiary any benefits due in accordance with the retirement income option elected by the Member under Article 9. In the case of a Member who did not elect an optional form of retirement income, payment shall be made to the Member's Beneficiary in accordance with Section 9.01 or Section 9.02 as applicable.

10.04 BENEFICIARY DESIGNATION

A Member shall designate in writing a Beneficiary to receive any benefits payable under the Retirement Agreement upon the death of such Member and may change such designation from time to time. Such designation or change must be in accordance with any law applicable to the Member and shall be in such form and executed in such manner as the Company may, from time to time, determine. Any designation or change must be filed with the Company. In the absence of an effective designation of a Beneficiary, the Company shall instruct the Funding Agency to make payment of any death benefits under this Retirement Agreement to the estate of the Member and any such payment shall completely discharge all liability with respect to the amount paid. Any Beneficiary designations under the Prior Retirement Agreement that are on record with the Company as of the Effective Date shall remain in effect for the purposes of this Retirement Agreement.

ARTICLE 11 – TERMINATION OF EMPLOYMENT

11.01 A Member whose employment with the Company is terminated prior to the completion of two (2) years of Credited Service, for any reason other than death or retirement, shall not be eligible to receive any benefit under the terms of this Retirement Agreement.

11.02

(a) A Member whose employment with the company is terminated after the completion of ten (10) years of Credited Service, or after attainment of age forty-five (45) and completion of ten (10) years of Continuous Service with the Company, for any reason other than death or retirement (including disability retirement as described in Section 5.05) is entitled to receive retirement income equal to the basic benefit rate applicable to the Member as at January 1, 1987 under the terms of the pension agreement at such time multiplied by the Member's years of Credited Service prior to the first (1st) day of January, 1987.

- (b)** In addition to the amount in paragraph 11.02(a), a Member whose employment with the Company is terminated after the completion of two (2) years of Credited Service for any reason other than death or retirement (including disability retirement as described in Section 5.05), is entitled to receive retirement income:
- (1)** in respect of Credited Service on and after January 1, 1987, and
 - (2)** in respect of Credited Service prior to January 1, 1987 where such retirement income is the improvement in the Basic Pension resulting from amendments made to the Plan on and after January 1, 1987, determined in accordance with Section 6.01 using the Member's date of termination of employment as the Date of Determination.
- (c)** The retirement income under paragraph 11.02(a) and paragraph 11.02(b) is payable in accordance with Article 9.01 and Article 9.02, commencing at the Members' Normal Retirement Date. At the Member's election, the retirement income may commence on the first (1st) day of any month following attainment of age fifty-five (55). In this case, the retirement income will be reduced to the Actuarial Equivalent of the retirement income otherwise payable at Normal Retirement Date. In no event however, shall such reduction be less than the reduction required by paragraph 8503(3)(c) of the Income Tax Regulation. Application for such retirement income must be made in writing by the Member not earlier than sixty (60) days prior to his elected date of commencement of such income.

11.03 A Member entitled to receive retirement income in accordance with Section 11.02 or the Spouse of a deceased Member who is entitled to retirement income under the terms of the Retirement Agreement may direct that the lump sum that is the Actuarial Equivalent of such pension:

- (a)** be transferred to another employee's pension plan; or

- (b)** be transferred to a registered retirement savings plan or such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules, in the name of the Member, or Spouse where applicable, or
- (c)** be applied towards the purchase of an immediate or deferred life annuity from an insurance company; provided, however, that the administrator of such plan or vehicle agrees in writing to administer such transferred benefit as a deferred life annuity within the conditions of Applicable Pension Laws.

The transfers under this Section 11.03 shall be subject to any limitations prescribed by Applicable Pension Laws and Revenue Rules in respect of the transfer of monies from the Fund.

ARTICLE 12 - CONTRIBUTIONS AND FUNDING

12.01 FUND

- (a)** The retirement income and other benefits provided under the terms of the Retirement Agreement, shall be financed by a Fund established for the purposes of the Retirement Agreement under which all contributions and investment income are held to pay such retirement income, other benefits and expenses.
- (b)** The Company shall be responsible for the selection of a Funding Agency, and its appointment by the Board of Directors of the Company. The Fund or a portion thereof shall be maintained and administered by the Funding Agency in accordance with the terms of a Funding Agreement entered into between the Company and the Funding Agency. The Company and the Funding Agency may agree to amend the form and the terms of the Funding Agreement at any time. The Board of Directors of the Company may further appoint an organisation licensed to provide investment management services, to manage the investment of any portion of the Fund.

The Board of Directors of the Company may replace any Funding Agency or investment manager at any time, in accordance with the terms of any applicable agreement or contract.

- (c) Subject to Applicable Pension Laws, the retirement income and other benefits provided under this Retirement Agreement payable hereunder shall only be paid to the extent that they are provided for by the assets held under the Fund, and no liability or obligation to make any contributions thereto or otherwise shall be imposed upon the Funding Agency or the Company other than in accordance with Section 12.02.
- (d) The investment of the Fund shall be made in accordance with Applicable Pension Laws and Revenue Rules so as not to subject the Fund to income tax liability.
- (e) Fees of the Funding Agency, fees of an investment manager, investment brokerage, transfer taxes and similar costs arising as a result of the making of investments, sale of assets or realization of investment yield, and the expenses reasonably incurred or compensation properly paid in the course of the administration of the Retirement Agreement, including actuarial and pension consulting fees, shall be paid by the Company in cash or from the Fund as determined by the Company.

12.02 COMPANY CONTRIBUTIONS

Based upon the amounts estimated by the Actuary, the Company will contribute to the Fund such amounts as are necessary after application of actuarial surplus determined by actuarial valuation, or any portion thereof, to provide for the benefits accruing in that year and to fund any unfunded liability and any experience deficiency in accordance with, and within the time limits specified in, Applicable Pension Laws. Subject to Applicable Pension Laws, the liability of the Company at any time is limited to such contributions as should have theretofore been made by it in accordance with

Applicable Pension Laws. The Company contributions shall be in accordance with Applicable Pension Laws.

Notwithstanding the foregoing, contributions made to the Fund after 1991 by the Company shall only be made if they are eligible contributions in accordance with the Income Tax Act and the rules and regulations thereunder. In the event that the Company makes a contribution to the Fund, which would cause the revocation of the Retirement Agreement's registration under the Income Tax Act then, subject to conditions or approval procedures under the Pension Benefits Act of Ontario, such contributions shall be returned to the Company.

12.03 CLAIMS ON THE FUND

No Member or any person claiming through him, by virtue of any provision of this Retirement Agreement, shall have any right to, or any interest in, any part of the Fund except to the extent provided from time to time under the Retirement Agreement and the Funding Agreement, and any Member or other person having any claim through him shall have recourse solely to the Fund for payment of any benefits hereunder. Under no circumstances shall any liability attach to the Company or Funding Agency, or any director, officer or employee of the Company for payment of any benefits or claims hereunder.

ARTICLE 13 – PROTECTION OF BENEFITS

13.01 Except as permitted under Section 13.02 and subject to Applicable Pension Laws and the portability and commutation provisions of any other Article of the Retirement Agreement, no benefit, right or interest provided under the plan shall be capable of anticipation, alienation, sale, transfer, assignment, surrender, pledge, encumbrance, charge, seizure, attachment, being given as security or other legal or equitable process. For the purpose of this Section 13.01, "surrender" does not include a reduction in benefits to avoid the revocation of the registration of the Retirement Agreement under the Income Tax Act.

13.02

- (a) Subject to Applicable Pension Laws and pursuant to a written agreement, decree, order or judgement of a competent tribunal, a benefit payable under the Retirement Agreement may be subject to execution, seizure or attachment in satisfaction of an order for support or maintenance or may be assigned, pledged, charged, encumbered or alienated to satisfy a division of matrimonial property on or after the breakdown of the marriage in settlement of rights arising out of the marriage.
- (b) The determination of the benefit payable to a person under paragraph (a) shall be subject to Applicable Pension Laws and Revenue Rules.
- (c) The Member's benefit entitlements shall be reduced to account for the value of any settlement made under paragraph (a). Such reduction shall be determined in accordance with Applicable Pension Laws and Revenue Rules.

13.03 If the Company shall receive evidence which in its absolute discretion is satisfactory to it that:

- (a) a person entitled to receive any payment provided for under the terms of the Retirement Agreement is physically or mentally incompetent to receive such payment and to give a valid release therefore,
- (b) another person or an institution is then maintaining or has custody of such payee, and
- (c) no guardian, committee or other legal representative of the estate of such payee shall have been duly appointed, then the Company may direct the payment to such other person or institution, and such payment shall be a valid and complete discharge to the Retirement Agreement for the payment.

In the absence of the appointment of a legal guardian, any benefit payable to a minor may be paid to such adult or

adults as have, in the absolute discretion of the Company, assumed the custody and principal financial support of such minor.

ARTICLE 14 – DISCLOSURE

14.01 RETIREMENT AGREEMENT COPY

On or before the date an Employee becomes eligible for coverage under the terms of the Retirement Agreement, the Company shall provide to such Employee a copy of the Retirement Agreement.

Not later than allowed under Applicable Pension laws, the Company shall provide a copy of the amendment or the revised agreement to each Employee affected by the amendment.

14.02 INSPECTION

The Company shall permit a Member or his authorized agent to inspect, or make extracts from, documents required to be made available under Applicable Pension Laws, at any reasonable time at such offices of the Company including its principal office as designated by the Company.

14.03 BENEFITS STATEMENT

- (a)** Within six (6) months after the end of each Plan Year, the Company shall provide to each Member a written statement describing the benefits the Member has earned to date and such other information as required under Applicable Pension Laws.
- (b)** Upon cessation of employment of a Member or upon termination of his active coverage under the terms of this Retirement Agreement, the Company shall provide the Member (or the person entitled to benefit in the event of the Member's death) with a written statement of the benefits to which he is entitled.

14.04 OTHER INFORMATION

The Company shall provide such other information regarding the Retirement Agreement, statistical or otherwise, as is required under Applicable Pension Laws.

14.05 LIMITATION

Such statement or other information provided shall have no effect on the rights or obligations of any person under the Retirement Agreement, and shall not be referred to in interpreting or giving effect to the provisions of the Retirement Agreement. The Company shall not be liable for any loss or damage claimed by any person to have been caused by any error or omission in such statement or other information.

ARTICLE 15 – ADMINISTRATION

15.01 The Retirement Agreement shall be administered by the Company. To facilitate any action required to be taken by the Company under the provisions of the Retirement Agreement, the Board of Directors of the Company has established the Pension Board Committee to act on behalf of the Company.

15.02 The Pension Board Committee may from time to time direct that appropriate records be maintained and may establish rules for the administration of the Retirement Agreement. The Pension Board Committee shall have the exclusive right to interpret the Retirement Agreement provisions and to decide any matters arising hereunder in the administration and operation of the Retirement Agreement. All interpretations and decisions shall be applied as nearly as may be possible in a uniform manner to all Members similarly situated.

15.03 The Pension Board Committee is empowered to execute certificates of amendments to the Retirement Agreement.

15.04 The Company shall indemnify and save harmless the members of the Pension Board Committee and any other employees who are involved in the administration of the Retirement Agreement from the effects and consequences of their acts, omissions and conduct in their formal capacity to the extent permitted by law except for their own wilful and intentional malfeasance or misconduct. No part of the Fund shall be used for indemnification payments.

15.05 The Company and members of the Pension Board Committee shall be entitled to rely conclusively upon all tables, valuations, certifications, opinions and reports which shall be furnished by an actuary, accountant, legal counsel or other professional person who shall be employed or engaged for such purposes.

15.06 Whenever the records of the Company are used for the purposes of the Retirement Agreement, such records shall be conclusive of the facts with which they are concerned.

15.07 An eligible Employee, a Member, a Beneficiary, or a Spouse shall sign such application forms prescribed by the Pension Board Committee and furnish proof of age and furnish such other data and sign such documents as the Pension Board Committee deems necessary or desirable for the proper administration of the Retirement Agreement or to evidence initial or continued eligibility for a benefit hereunder.

In the absence of actual notice to the contrary, the Company shall make payment in accordance with the information provided by the Member. If there is a dispute as to whether a person is a Spouse, Beneficiary or other person entitled to payments hereunder, or where two or more persons make adverse claims in respect of a benefit, or where a person makes a claim that is inconsistent with information provided by the Member, the Company may obtain court directions or seek an interpleader order and the costs in respect thereof may to the extent permitted by law, be charged against the benefit to be paid.

ARTICLE 16 – GRIEVANCE PROCEDURE INFORMATION

16.01 If any dispute shall arise between the Company and any Employee, former Employee or retired Employee represented by the Union with reference to eligibility, age, Continuous Service, Credited Service or amount of retirement income or allowance, or suspension or termination of retire-

ment income or allowance, such dispute may be taken up as a grievance under the grievance procedure of the Collective Labour Agreement then in effect between the Company and the Union omitting, however, all steps prior to the presentation of the grievance to the Human Resources Manager of the Company.

If any such grievance shall be taken to arbitration in accordance with such procedure, the appointed arbitrator or appointed board of arbitration shall have only the authority to interpret and apply the provisions of this Retirement Agreement, and of any applicable provisions of the Collective Bargaining Agreement relating to grievance procedure, but shall have no authority to alter, add to or subtract from any such provision in any way. The decision of the arbitrator or board of arbitration on any grievance properly referred shall be binding upon the Company, the Union, and such Employee, former Employee or retired Employee represented by the Union. If any dispute shall arise as to whether any such Employee, former Employee or retired Employee represented by the Union, is or continues to be permanently or totally disabled as defined in Section 5.05, such dispute shall be resolved as follows:

Such Employee, former Employee or retired Employee represented by the Union shall be examined by a physician appointed for that purpose by the Company and by a physician appointed for that purpose by the Union, and their decisions, if they shall be in agreement, shall be final and binding. If they shall disagree, the issue shall be submitted to a third physician selected by the said two physicians. The decision of such third physician after examination of the person concerned and consultation with the other two physicians appointed by the parties shall be binding upon the Company, the Union and such Employee, former Employee or retired Employee represented by the Union concerned.

The fees and expenses of any such third physician shall be borne equally by the Company and the Union.

16.02 The Union shall be furnished with such pertinent information as it may reasonably request, from time to time, concerning the operation of this Retirement Agreement and the administration of this Retirement Agreement insofar as it affects such Employee, former Employee or retired Employee represented by the Union thereunder whom it has represented.

ARTICLE 17 – UNDERTAKINGS

17.01 The Company undertakes that during the term of this Retirement Agreement or any extension thereof as described in Article 18, this Retirement Agreement shall, subject to Applicable Pension Laws, continue in effect without modification or change insofar as it may be applicable to Members represented by the Union, except as provided in Section 17.03.

17.02 The Union undertakes that during the term of this Retirement Agreement or any extension thereof, neither the Union nor any of its representatives shall:

- (a)** make any demands that this Retirement Agreement be changed in any respect or terminated or that a new Retirement Agreement be established for the Members represented by the Union or that the Company contribute or pay any greater amount for such Members than it is required to pay under the provisions of this Retirement Agreement;
- (b)** engage in or continue to engage in or in any manner encourage or sanction any strike or other action which will interfere with work or production in the Company's plant for the purpose of securing any such change, increase or termination; and
- (c)** except during the last seventy-five (75) days of the term of this Retirement Agreement or any renewal thereof the Company shall not have any obligation to negotiate or bargain with the Union with respect to any of the matters contained in the Retirement Agreement, except as provided in Section 17.03.

17.03 In the event that federal or provincial legislation is made effective after the Effective Date, providing for contributions by the Company or changes in the present method of financing Company pension payments and accrual of funds, or should changes be made in the Old Age Security Act, the Company shall have the option to amend, and/or integrate the benefits provided under the Retirement Agreement by notice in writing to the Union, provided that the aggregate benefits payable to a Member under such amended agreement is not thereby reduced in amount, so that the amount such individual shall receive from the Company when added to that part of the benefits provided by any government plan which are financed or paid for by a compulsory contribution from the Company, shall not be less than the amount of benefits provided under this Retirement Agreement.

17.04 Should the Company elect not to amend, and/or integrate the benefits provided under the Retirement Agreement as provided in Section 17.03 and as a result benefits to a Member in the aggregate are lessened thereby, the Union shall have the right to re-open the Retirement Agreement for re-negotiations, with respect only to the affected benefits, sixty (60) days after the official proclamation of such change, modification, or supplementation; negotiations with respect only to the affected benefits will commence within fifteen (15) days, and if negotiations are not completed before termination of the notice period, this Retirement Agreement shall continue in full force and effect thereafter, subject to termination upon thirty (30) days written notice. Such notice shall be given only on such date as will allow for termination of this Retirement Agreement to coincide with the termination of the Collective Labour Agreement then in effect. In the event of such termination, the provisions of this Retirement Agreement shall continue to operate in the manner as provided under Applicable Pension Laws and under the Labour Relations Act of Ontario.

17.05 Notwithstanding any other provisions of the Retirement Agreement, the Company may amend the Retirement

Agreement as is necessary to maintain the registration of the Retirement Agreement under Applicable Pension Laws and the Income Tax Act including an amendment providing for benefits to be reduced. Any such benefit reduction shall be subject to conditions or approval procedures under Applicable Pension Laws.

ARTICLE 18 – DURATION AND TERMINATION

18.01 This Retirement Agreement shall remain in full force and effect in respect to all its terms until midnight May 31, 2009, and shall continue in effect thereafter from year to year for further periods of one (1) year unless either the Company or the Union gives written notice of termination or written notice of proposals for amendment to the other party prior to, but not more than three (3) months prior to the expiry date or any yearly period thereafter. In the event of written notice having been given by either party as provided herein, negotiations shall commence within fifteen (15) days of receipt of such notice with a view to completing a new Retirement Agreement. Should such negotiations extend beyond the expiration date, this Retirement Agreement shall not expire, but shall continue in force and effect in accordance with Applicable Pension Laws and the Labour Relations Act of Ontario, or until a new Retirement Agreement is entered into by the parties, whichever date shall occur first.

18.02 It is understood that amendment of this Retirement Agreement is subject to the approval of the Board of Directors of the Company, subject to obtaining and retaining such acceptance of the Retirement Agreement under Applicable Pension Laws and Revenue Rules to establish that the Company is entitled to deduct the amount of its contributions to the Fund as an expense before taxes under the provisions of the Income Tax Act, or any other applicable tax laws, as now in effect or as hereafter amended or adopted. Any amendment to the terms of this Retirement Agreement shall not adversely affect any right with respect to benefits which have accrued immediately prior to the time such action is taken,

except as provided in Section 18.05. The accrued benefits will be computed using as the applicable Date of Determination, the earlier of the date the Member's employment is terminated and the date of the amendment.

18.03 The Company agrees with the Union that, subject to the sufficiency of the assets in respect of the Retirement Agreement in the Fund and to Applicable Pension Laws and Revenue Rules, the Company will provide the retirement income provided for herein which are awarded to those who become eligible therefore during the term of this Retirement Agreement or any renewal thereof. No action in performance of the terms of this Retirement Agreement and consistent herewith shall be construed or interpreted to be a violation of any of the terms of any Collective Labour Agreement between the Company and the Union.

18.04 Should such approval or acceptance under Applicable Pension Laws and Revenue Rules be refused, or withdrawn, negotiations will be started by the parties in an effort to make such changes as are required to obtain approval. In the event of failure in such negotiations, but in any case not later than the effective date of such refusal or withdrawal, this Retirement Agreement will be terminated. In such event, either the Union or the Company may apply to the Ontario Labour Relations Board for permission to terminate the Collective Labour Agreement then in effect (solely for the purpose of obtaining conciliation service as defined in the Collective Labour Agreement on the matter in dispute) and the other party shall join in such application. If subsequent to notice of termination of the Collective Labour Agreement or subsequent to termination of this Retirement Agreement under these circumstances, the parties settle any difference between them, then the Collective Labour Agreement, if terminated, shall be reinstated to continue in full force until termination according to its provisions.

18.05 In the event the Retirement Agreement shall be terminated at any time either in whole, or in part with respect to a specified group of Members only, the assets of the Fund

(or the interest therein of Members affected by a partial discontinuance) shall be allocated to provide to the extent of said assets subject to Applicable Pension Laws, the retirement income and other benefits then accrued under this Retirement Agreement. The accrued benefits will be computed using the date the Member's employment is terminated as the applicable Date of Determination. Such allocation shall be made in accordance with an allocation schedule then established by the Company in consultation with the Actuary and filed with and approved by the appropriate authorities in accordance with the Applicable Pension Laws.

18.06 The provisions for the accrued retirement income and other benefits described in Section 18.05 may be in the form of cash or annuity contracts, or a combination thereof, at the discretion of the Company and as permitted under Applicable Pension Laws.

18.07 Upon termination of the whole Retirement Agreement, any assets of the Fund remaining after full provision has been made for the accrued retirement income and other benefits as described in Section 18.05 may be returned to the Company or, at the option of the Company, used to increase such benefits, subject to Article 8, in such manner as the Company in its discretion shall determine, subject to Revenue Rules.

Dated at Elmira, Ontario, this second day of June 2006.

Signed on behalf of the parties hereto by their duly authorized representatives:

FOR THE COMPANY:

R. J. Lackner
Director of Manufacturing

J.A. Pansolin
Human Resources
Manager

R. M. Walton
Engineering Manager

L.V. Forbes
Production Manager

FOR THE UNION

A. Lubberts
President

J.D. Hoelscher
Negotiating Committee
Member

P. D. Lippert
Recording Secretary

B. R. Arnold
Financial Secretary

E. E. Kailing
Treasurer

M. Simms
Staff Representative

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