

LANXESS

Energizing Chemistry



COLLECTIVE AGREEMENT

between

LANXESS INC.
Sarnia, Ontario

and

COMMUNICATIONS, ENERGY
& PAPERWORKERS UNION
Local 914

(LANXESS Manufacturing Unit)
Sarnia, Ontario

2004 - 2007

ENTERED

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**This Agreement executed this 1st day
of
February 2004**

BETWEEN:

LANXESS INC. - Sarnia, Ontario,
hereinafter referred to as the "Company".

OF THE FIRST PART

AND:

COMMUNICATION, ENERGY
& PAPERWORKERS' UNION, Local 914
(LANXESS Manufacturing Unit, Sarnia, Ontario),
hereinafter referred to as the "Union".

OF THE SECOND PART

ARTICLE 1 - PURPOSE

1.01

The purpose of this Agreement is to provide orderly collective bargaining relations, in good faith, between the Company and its employees and the Union representing such employees, to provide orderly procedure for the prompt, and equitable, disposition of grievances and for the maintenance of mutually satisfactory hours of work, wages and working conditions.

ARTICLE 2 - RECOGNITION

2.01

The Company recognizes the Union as the sole collective bargaining agent for all employees at its Sarnia Plant save and except Foremen, persons above the ranks of Foremen, Security Guards, Salaried Safety Inspectors, Students employed during their school vacation period, and salaried employees. The above is subject to the provisions outlined in the Letter of Understanding #4 relating to summer students.

2.02

The Company and the Union agree that no intimidation, no discrimination, no interference, and no restraint or coercion shall be exercised against any employee by either of the parties to this Agreement or their representatives on account of such employee's membership or non-membership in the Union.

2.03

An employee will be considered a probationary employee for his first one thousand (1000) hours worked in the job, for which he/she is hired and will have no seniority rights during that period. The termination of an employee during his/her probationary period is not a matter covered by this agreement and therefore shall not be grievable or arbitrable. After completion of his/her probationary period, the employee's seniority shall date from his/her successful completion of the probationary period.

ARTICLE 3 - UNION SECURITY

3.01

Any employee who is now a member of the Union and any employee who becomes a member of the Union shall, as a condition of employment, maintain such membership for the duration of this Agreement unless the Union deprives such employee of membership.

3.02

The Company will deduct an amount equal to the regular monthly dues of a Union member from the earnings of each employee covered by this Agreement who has completed thirty (30) calendar days of continuous employment. These deductions will be from the employee's earnings on the first pay day in each calendar month and the amounts deducted will be transmitted to the Secretary-Treasurer of the Union. Dues deductions will appear on T-4 slips.

ARTICLE 4 - UNION COMMITTEES AND STEWARDS

4.01 (a)

The Company will recognize a Union Steward Body hereinafter called "Steward Body". The Steward Body will be comprised of Stewards as designated in Appendix "A", one of whom shall be the Chief Steward, one of whom shall be the Deputy Chief Steward and five of whom shall be Lead Stewards. For contract negotiations, conferences and meetings held under any article of the agreement, the Company will recognize a Union Committee that shall not exceed seven (7)

4.01 (a) (cont'd)

including the Chief Steward. For grievance conferences in Step Three the Company will recognize Union representation that shall not exceed five (5) including the Chief Steward. In addition to the above, the President of the Local and/or a representative of the National Union may attend such conferences and negotiations when so desired by the Union.

The Company will compensate up to six (6) members of the Union Contract Negotiating Committee who are employees of LANXESS Inc. - Sarnia, Ontario for lost time from their regular schedule spent in contract negotiation meetings with the Company. Compensation will only be paid up to Conciliation.

4.01 (b)

The Union will select its stewards and committees and the Company will recognize such representatives of the Union in their respective capacities. The Steward Body shall be as designated in Appendix "A" attached hereto, it being understood that the number and distribution of Stewards may be changed during the term of this Agreement by mutual agreement between the Company and the Union.

4.01 (c)

In the event a Steward is transferred from one area of representation to a new area, the employee shall continue to be recognized by the Company as a Steward of the area from which the employee was transferred for a period of up to four (4) weeks.

4.01 (d)

Each Steward shall be an employee of the Company with not less than six (6) months seniority at the date of the employee's appointment.

4.01 (e)

The Union will provide the Company with a list of personnel comprised of the Union Executive Board, the Union Committee and Steward Body and of any change in personnel, as and when any such change occurs.

4.01 (f)

The Chief Steward will be placed on a day job on full-time union business during the employee's term of office and will be supplied at no cost to the Union with an adequate office facility within the plant property, including office furniture and a private telephone line.

4.01 (g)

All new Union members and new employees coming within the scope of the Collective Agreement shall receive the Union's Orientation Program. Adequate time and facilities shall be provided by the Company to the Union to accommodate the program. If requested by the Union this may be done at the Devine Street Hall.

4.02

Conferences will be held between the Company and a Union committee at such times as may be mutually agreed upon and a representative of the National Union and the Local Union President may be present at such conference, if the Union so desires. Requests for conferences will be made:

- (a) On behalf of the Company to the Chief Steward.
- (b) On behalf of the Union to the Manager of Employee Relations.

A written agenda of matters to be discussed will be supplied at the same time such a conference is requested.

4.03 (a)

During regular working hours the Stewards will be allowed a reasonable period of time from their regular duties at straight time payment to attend to Union business within the Plant. If, in the opinion of the Company, a Steward is spending an unreasonable amount of time on Union business, this matter will be the subject of a conference between the Company and a Union committee as provided for in Article 4.02. If the matter is not satisfactorily disposed of it may be referred by either party to Arbitration as provided for in Article 7.

4.03 (b)

Before leaving their regular duties, Stewards shall obtain the permission of their foreman or supervisor. Should the steward wish to enter another work area, the steward must contact the supervisor or foreman of the other area before commencing their Union business. Stewards will also report to their foreman when returning to regular duties.

4.03 (c)

The Stewards shall be permitted to enter the plant at any time to attend to Union duties, but before doing so shall obtain permission from the Security Section, which permission shall not be unreasonably denied and Stewards access cards will be programmed.

ARTICLE 5 - MANAGEMENT FUNCTIONS

5.01

The Union acknowledges that it is the function of the Company to manage the plant and direct the working force, including but not limited to the following:

5.01 (a)

To maintain order and efficiency, enforce and formulate plant rules and regulations including Fire and Safety Regulations; such rules and regulations to be consistent with the terms of this Agreement.

5.01 (b)

To hire, discipline, discharge for just cause, lay-off, classify, transfer, promote and demote, subject to the provisions hereinafter provided in this Agreement.

5.01 (c)

To manage the industrial enterprises in which the Company is engaged determining the products to be manufactured, the methods of manufacturing, the schedules of production, the kinds and location of machines and equipment to be used, the processes of manufacturing and the nature of its products.

Note: The following mechanisms may assist the above e.g.) Continuing Dialogue Process, Joint Health & Safety Committee, Positive Discipline Process, Joint Environmental Committee.

ARTICLE 6 - GRIEVANCE PROCEDURE

6.01 (a)

When an employee is to be notified of disciplinary action and/or undesirable behaviour, the employee will be advised that Union representation will be allowed if the employee so desires.

6.01 (b)

Parties to this Agreement are agreed that it is of the utmost importance to resolve grievances and disputes in good faith and as quickly as possible.

6.01 (b) (cont'd)

The aggrieved employee may be present at any or all steps of the grievance procedure if the employee so desires.

6.02

The Grievance Procedure shall be as follows:

STEP NO. 1

Employees who consider that they have a grievance shall through or with their Union Steward discuss the grievance with the employee's immediate supervisor. The supervisor shall give an oral decision within five (5) regular working days following the day on which discussions commenced.

If this decision is unsatisfactory to the Employee or the Union, Step 2 may be followed within two (2) regular working days of the supervisor's decision.

Notwithstanding the foregoing, where it is mutually agreed between the parties during the First Step discussion that the circumstances provoking the grievance can be reviewed most appropriately at Third Step, such a grievance may then be submitted directly in writing to Third Step within five (5) regular working days of the commencement of the discussions.

STEP NO. 2

The Union Steward shall reduce the Grievance to writing and refer it to the Department Head. The Union Steward shall discuss the grievance with the Department Head and the immediate supervisor involved. The Department Head shall within five (5) regular working days following the day the grievance was submitted to the Department Head, render a decision in writing. If this decision is not satisfactory to the employee or the Union, Step 3 may be followed within two (2) regular working days.

STEP NO. 3

The Lead Steward shall refer the grievance in writing to the Company through the Manager of Employee Relations. Within two (2) regular working days following the day the grievance was submitted, the Manager of Employee Relations will arrange for a conference between the Company and the Union to take place within ten (10) regular working days following the day the grievance was submitted.

The reply in writing shall be submitted to the Chief Steward of the Union Committee within five (5) regular working days following the day on which the conference was held. If such reply does not contain a satisfactory settlement, then the grievance may be referred by either party to Arbitration as provided for in Article 7.

6.03 (a)

In the Grievance Procedure outlined above, presentations of grievances and decisions where called for in writing, shall be on forms mutually agreed upon by the Company and the Union.

6.03 (b)

In Step 2 of the Grievance Procedure, a copy of the Department Head's decision will be given to the employee and a copy will be given to the Steward.

6.04 (a)

It is agreed that the settlement of any grievance will not be retroactive to a date earlier than thirty (30) calendar days prior to the commencement of the discussions at Step No. 1 of the Grievance Procedure.

6.04 (b)

In the case of an adjustment to an employee's rate of pay brought about through the Grievance Procedure, and which resulted from a mechanical error, proper adjustment will be made from the date the error occurred.

6.05

Any matter or question arising between the Company and the Union regarding the administration, interpretation, alleged violation, or application of this Agreement may be submitted in writing by either party as Step No. 3 of the Grievance Procedure, which in the case of a Company grievance shall be read and construed with the necessary changes.

6.06

Notwithstanding any other provisions in this Article, should the Company decide to discharge an employee or suspend an employee pending discharge, notification by the Company to such employee shall only be made in the presence of the Chief Steward and the employee's Lead Steward or their designates.

6.06 (cont'd)

Where an employee has been required to leave the premises previously, the employee will be permitted to return to the Plant to receive notification in this manner. Upon failure to return the employee will be advised by mail. Should the employee or the Union acting on the employee's behalf wish to file a grievance against the discharge it shall be reduced to writing within ten (10) regular working days and be a subject for discussion at a meeting to be held between the Company and a Union committee within five (5) regular working days following the filing of the grievance. Should the matter not be settled at this time, a grievance may then be referred to Arbitration as provided for in Article 7.

6.07

It is agreed that it should be optional with the Company to consider any grievance, the alleged circumstances of which occurred more than fifteen (15) working days prior to the commencement of discussions at Step No. 1 or the written referral directly to Step No. 3. In the case of a Company or a Union grievance it shall be optional with the receiving party to consider any grievance, the alleged circumstances of which occurred more than ten (10) working days prior to its written presentation.

6.08

When an employee is off work with permission due to sickness, days off, leave of absence, vacation, or layoff such time off will not be regarded as regular working days within the meaning of this Article.

ARTICLE 7 - ARBITRATION

7.01

Both parties to this Agreement agree that any alleged misinterpretation or violation of the provisions of this Agreement, including any grievance which has been carried through the prescribed steps of the Grievance Procedure outlined in Article 6 and which has not been settled, will be referred to a Board of Arbitration at the written request of either of the parties hereto, provided that such requests must be received not later than ten (10) regular working days after a decision has been rendered as provided in Step 3 of the Grievance Procedure.

7.02

The parties may, by mutual agreement, elect to substitute a single arbitrator in place of a Board of Arbitration. In that case, all provisions of Article 7 shall apply where appropriate.

7.03

The Board of Arbitration will be composed of one person appointed by the Company, one person appointed by the Union and a third party to act as Chairperson, chosen by the other two members of the Board. The Union and the Company shall each within ten (10) days from the Notice of Arbitration appoint its arbitrator. Each party shall forthwith give notice of such appointment to the other party. Should the person chosen by the Company to act on the Board and the person chosen by the Union fail to agree on a third person within seven (7) days, then they will notify the Minister of Labour of the Province of Ontario who will be asked to name a Chairperson.

7.04 (a)

The Board of Arbitration shall not have power to alter, change or add to this Agreement or to substitute any new provisions for any existing provisions nor to give any decision inconsistent with the terms and provisions of this Agreement.

7.04 (b)

At the request of the Chairperson of the Board of Arbitration, the parties will make available witnesses to give oral or written evidence which in the Chairperson's opinion is relevant and necessary for the determination of the matters in issue.

7.04 (c)

Notwithstanding the provisions of 7.03, the Board of Arbitration shall have the authority to uphold, modify or set aside any discharge, suspension or other disciplinary measure.

7.05

The decision of the majority shall be the decision of the Arbitration Board, and shall be binding upon both parties.

7.06

Each of the parties to this Agreement will bear the expense of its appointee and will jointly share the expenses of the Chairperson

ARTICLE 8 - NO STRIKE: NO LOCKOUT

8.01

The Union agrees that during the life of the Agreement there will be no strike and the Company agrees that there will be no lockout.

ARTICLE 9 - OCCUPATIONAL CLASSIFICATIONS AND WAGE RATES

9.01

The occupational classifications and the respective wage rates covered by this Agreement are as set forth in Appendix "B".

9.02

The classification of new jobs and requests for reclassification of existing jobs based on the Union's claim of a demonstrable inequity shall during the term of this Agreement be subject to negotiation and if necessary arbitration.

ARTICLE 10 - HOURS OF WORK AND PREMIUM PAY

Hours of Work

10.01

The regular hours of work shall be:

(a) Per Day

Day Employees & 8 Hr. Shift Employees	-	8 Hrs.
12 Hr. Day Employees & 12 Hr. Shift Employees	-	12 Hrs.

(b) Average Hours Per Week

All Employees - 38 Hours beginning January 1, 2006.

Note: For purposes of accounting "day" shall mean a twenty-four (24) hour period commencing at the employee's normal "AM" starting time.

Work Periods

10.02

Work Periods shall be:

(a) Day Employees

7:30 a.m. - 4:00 p.m.
or 8:00 a.m. - 4:30 p.m.

A thirty (30) minute lunch period commencing at 12:00 Noon to 12:30 p.m. shall be scheduled each working day and will not be included as part of the work period.

(b) 8 Hour Shift Employees

Eight (8) continuous hours commencing at:

"A" Shift 7:30 a.m. - 3:30 p.m.
"B" Shift 3:30 p.m. - 11:30 p.m.
"C" Shift 11:30 p.m. - 7:30 a.m.

Eight (8) hour shift employees will rotate weekly between "A" and "B" shifts or "A" and "C" and "B" shifts.

(c) 12 Hour Shift Employees

Twelve (12) continuous hours commencing at:

"D" Shift 7:00 a.m. - 7:00 p.m.
"N" Shift 7:00 p.m. - 7:00 a.m.

Twelve (12) hour shift employees will rotate weekly between "D" and "N" Shifts.

Note: Shift Schedules will maintain the average 37.33 hour work week and shall be by Mutual Agreement.

Days Off

10.03 (a)

Days off shall be:

(i) Day Employees

Saturday, Sunday and One (1) Friday in each Four (4) Week Cycle.

Note: The Company and the Union recognize that beginning January 2006 there will be 2 distinct Friday Off Schedules as follows:

Schedule A – Friday, January 6, 2006 and every consecutive 4th Friday thereafter.

Schedule B – Friday, January 13, 2006 and every consecutive 4th Friday thereafter.

(ii) 8 Hour Shift Employees

The two or three consecutive regularly scheduled twenty four (24) hour periods to which each employee is entitled and shall be as per shift schedule.

(iii) 12 Hour Shift Employees

The consecutive regularly scheduled twenty four (24) hour periods to which each employee is entitled and shall be as per shift schedule.

(iv) 12 Hour Day Employees

The consecutive regularly scheduled twenty-four (24) hour periods to which each employee is entitled and shall be as per the day schedule inclusive of Saturday and Sunday.

Compensation Day

10.03 (b)

For employees who receive one Friday off in each 4 week cycle.

(i) And where a Friday(s) off falls in an employee's vacation period, then the employee will be allowed to take a Compensation Day(s) at a time which is mutually agreeable between the employee and the employee's supervisor.

(ii) This Compensation Day will be paid at eight (8) hours straight time in the pay period during which it is taken.

10.03 (b) (cont'd)

(iii) An employee will not be asked nor will the employee volunteer to work employee's designated Compensation Day except an employee may be asked to work in emergencies, and will not be charged with refusal if the employee declines. Day refers to the twenty-four **(24)** hour period immediately following the a.m. starting time the day it is taken.

Irregular Work Periods

10.04 (a) Day Employees

(i) It may become necessary to establish regular work periods, lunch periods, and/or days off which do not conform with Article 10.03. Every effort will be made to keep these to a minimum and also every effort will be made to retain consecutive days off. The introduction of such new work periods will be discussed with the Union as far in advance as is practicable and any dispute may be the subject of a grievance.

(ii) It is recognized that certain requirements may make it necessary to establish Night Crews, for a short duration, which do not conform to the work periods above. See Appendix E: Night Crews.

10.04 (b) 8 Hour Shift Employees

(i) Certain changes of shift schedules which affect the employee's days off may make Article 10.03 impracticable, in which case, days scheduled for work in excess of the regular schedule in a pay period shall be considered as days off for purposes of payment.

(ii) It is understood in determining whether an employee is entitled to premium payment because of being scheduled to work in excess of the employee's regular schedule in a pay period, that days absent due to sickness or because of leave will not count as days scheduled for work. However, days absent due to vacation or on account of a Company recognized "holiday" will be included in determining premium payment.

(iii) Should it become necessary to establish regular work periods, which do not conform to Article 10.03 every effort will be made to keep this to a minimum. The introduction of such new work periods will be discussed with the Union as far in advance as is practicable and any dispute may be the subject of a grievance.

10.04 (c) 12 Hour Day Employees

A twelve hour day employee will not be scheduled to work in excess of four (4) consecutive twelve hour days and will not be scheduled for less than 72 hours in a pay period. In addition, hours over 84 hours in a pay period will be considered as distributable overtime.

Make-Up for Non-Relief Positions

10.05

All Employees

- (i) An employee who loses time due to a transfer or change in schedule will be granted the right to work at available work for straight time payment to make-up for lost time if requested by the employee.
- (ii) Opportunities for make-up work will be given in the same pay period or the pay period immediately following.

Make Up Work for Relief Positions

10.06 (a) Day Employees & 8 Hour Shift Employees

- (i) A relief employee scheduled to work in excess of 70 straight time days in the 15 week cycle will be paid at applicable overtime rates for those days. The affected employee may be given the option of time off in lieu of payment if requested.
- (ii) A relief employee scheduled to work less than 70 straight time days in the 15 week cycle will be granted the right to work at available work for straight time payment to make-up for lost time if requested by the employee.
- (iii) Vacation relief employees will be scheduled for a minimum of eight (8) days in a pay period.

10.06 (b) 12 Hour Shift Employees

- (i) A relief employee will not be scheduled to work in excess of four (4) consecutive twelve hour shifts and will not be scheduled for less than 72 hours in a pay period. In addition hours over 84 hours in a pay period will be considered as distributable overtime.

10.06 (b) (cont'd)

(ii) A relief employee scheduled to work less than 84 straight time days in the 27 week cycle will be granted the right to work at available work for straight time payment to make up for lost time if required by the employee.

(iii) A relief employee scheduled to work in excess of 84 days in a 27 week cycle will be paid at applicable overtime rates for those days. The affected employee may be given the option of time off in lieu of payment if requested.

Overtime

10.07

All Employees

(i) Overtime work shall be performed by employees whenever called upon providing suitable replacements cannot be obtained.

Note: For Overtime Waivers see Appendix C

(ii) Overtime shall be distributed as fairly and impartially as possible among employees within the same job classification and overtime work groups as set out in Appendix "C" who are qualified to perform such work. For Trades or Services Maintenance work the foregoing is subject to arrangements as set out in Appendix "E".

(iii) An employee regularly working in more than one work group will share in the distribution of overtime work in the work groups within which the employee regularly works.

Note: For overtime charging procedure see "related" Operating Progression Note found in Appendix "D" (Job Progression Charts).

(iv) Overtime lists shall be posted bi-weekly as a minimum standard.

(v) When no public transportation is available and an employee is unable to arrange their own transportation, the employee will be supplied with overtime transportation, provided the employee is required to work overtime and no suitable replacement can be obtained and notice of such overtime was not given before the employee arrived at work that day.

10.07 (cont'd)

Day Employees

(vi) In relation to an employee's vacation the employee will not be asked nor will the employee volunteer to work overtime on the employee's days off prior to or following the employee's vacation period. Only in emergencies will the employee be asked to work on these days off and the employee will not be charged with refusal if the employee declines. Days off prior to the employee's vacation will mean the time off period starting at the completion of the employee's normal working day. A Statutory Holiday or substituted day for a Statutory Holiday and Compensation Day prior to or following a vacation period will be recognized as a day off.

8/12 Hour Shift Employees

(vii) In relation to employee's vacation the employee will not be asked nor will the employee volunteer to work overtime on the employee's days off prior to or following the employee's vacation period. Only in emergencies will the employee be asked to work on these days off and the employee will not be charged with refusal if the employee declines. Days off prior to the employee's vacation will mean the time off period starting at the completion of the employee's normal working day. A Statutory Holiday and Compensation Day prior to or following a vacation period will be recognized as a day off.

All Employees

(viii) When an employee is called out to work overtime & has not had eight (8) hours unbroken free time since the completion of the employee's last period of work such employee shall not be required to continue working into the employee's next regular period of work except in cases of extreme emergency.

8 Hour Shift Employees

(ix) Employees working "C" shift will not normally be asked nor will they volunteer to work into "A" shift. The employees may be asked to work overtime in emergencies, but will not be allowed to work more than four (4) hours.

Overtime Meals

10.08 (a) Day Employees

If a day employee is scheduled to work more than nine and one-half (9 ½) continuous hours, the Company will provide a meal if requested. A second meal, if requested, will be provided if the employee works more than thirteen and one-half (13 ½) continuous hours. A lunch period of one-half (1/2) hour without pay will be allowed. Meals will be provided if an employee is called into work on such short notice that the employee is unable to provide their own meal. For the purpose of this Article, lunch periods shall not be considered to interrupt continuous hours.

10.08 (b) 8 Hour Shift Employees

If an eight (8) hour shift employee is scheduled to work more than nine and one-half (9 ½) continuous hours, the Company will provide a meal if requested. A second meal, if requested, will be provided if the employee works more than thirteen and one-half (13 ½) continuous hours. Meals will be provided if an employee is called into work on such short notice that the employee is unable to provide their own meal.

10.08 (c) 12 Hour Shift Employees

If a twelve (12) hour employee is required to work more than thirteen and one-half (13 ½) continuous hours, a meal will be provided if requested. Meals will be provided if an employee is called into work on such short notice that the employee is unable to provide their own meals.

10.08 (d) 12 Hour Day Employees

If a twelve (12) hour day employee is required to work more than thirteen and one-half (13 ½) continuous hours, a meal will be supplied if requested. A lunch period of one-half (1/2) hour without pay will be allowed. Meals will be provided if an employee is called into work on such short notice that the employee is unable to provide their own meal.

For the purpose of this article, lunch periods shall not be considered to interrupt continuous hours.

10.09 (a) Day Employees & 8 Hour Shift Employees

Straight Time will be paid for:

- (i) Hours worked in the work period.
- (ii) Hours worked in order to make-up time as outlined in Article 10.05 (i) and 10.06(a) (ii).

Double Time will be paid for all overtime hours worked.

10.09 (b) Twelve Hour Day & Twelve Hour Shift Employees

Straight Time will be paid for:

- (i) Hours worked in the Work Period.
- (ii) Hours worked in order to make up time as outlined in Article 10.05 (i) and 10.06(b) (ii).

Double Time will be paid for all overtime hours worked.

Premium Rates

10.10 (a) All Employees

Call Out

Call Out shall apply when an employee is requested to return to work outside of the employee's regular scheduled hours of work. The request to return to work may be made either before or after the employee leaves the plant. The minimum payment for call out work will be equivalent to payment for four **(4)** hours work at straight time except where the employee starts to work (two) hours or less before such employee's regular work starting time and continues working into the employee's regular work period, in which case overtime provisions will apply for the hours actually worked.

10.10(b) Day Employees & 12 Hour Day Employees

Change of Schedule

Double time will be paid one way only in all circumstances except for relief positions. The relief position will continue as currently managed.

However, days absent due to vacation or on account of a Company recognized "holiday" will be included in determining premium payment. If a change of schedule falls during a statutory holiday, payment for the change of schedule will be deferred to the next work period.

This provision does not apply to schedules changed as a result of the application of Article 14.02 (a) (ii) or when

- (i) an employee makes a personal request for lateral moves
- (ii) an employee returns to work from Long Term Disability
- (iii) an employee is going to or returning from a light duties position. This does not include a light duties position resulting from an injury sustained at work.
- (iv) Change of schedule payment will not apply to those employees going to work the 12 hour day schedule or deciding to return to their former schedule. This pertains only to employees opting "on and off" on a voluntary basis.

10.10 (c) Eight Hour Shift Employees & Twelve Hour Shift Employees

Change of Schedule

Double time will be paid one way only in all circumstances except for relief positions. The relief position will continue as currently managed.

This provision does not apply to schedules changed as a result of the application of Article 14.02 (a) (ii) or when

- (i) an employee makes a personal request for lateral moves.
- (ii) an employee returns to work from Long Term Disability.
- (iii) an employee is going to or returning from a light duties position. This does not include a light duties position resulting from an injury sustained at work.

Shift Differential

10.11 (a) 8 Hour Shift Employees

Premium pay to be paid for shift work as set out below:

Effective February 1, 2004

"A" Shift -	.62/hour
"B" Shift -	1.18/hour
"C" Shift -	2.06/hour

Effective January 31, 2006

"A" Shift -	.64/hour
"B" Shift -	1.22/hour
"C" Shift -	2.13/hour

Effective August 1, 2006

"A" Shift -	.66/hour
"B" Shift -	1.26/hour
"C" Shift -	2.19/hour

- (i) The above applies to those employees working on continuous twenty-four (24) hour rotation.
- (ii) Shift Differential will not be paid to day employees, 12 hour day employees or to those employees designated as "day shift employees".
- (iii) Shift Differential will be paid to those employees working "A" and "B" shift on a regular basis for the "B" shift only.

10.11 (b) 12 Hour Shift Employees

Premium pay is to be paid for shift work as set below:

Effective February 1, 2004

"D" Shift -	.80/hour
"N" Shift -	1.81/hour

Effective January 31, 2006

"D" Shift -	.83/hour
"N" Shift -	1.87/hour

Effective August 1, 2006

"D" Shift -	.85/hour
"N" Shift -	1.93/hour

- (i) The above applies to those employees working on a continuous twenty-four (24) hour rotation.
- (ii) Shift differential will not be paid to day employees or to those employees designated "day shift employees".

10.12 Shift Turnover Premium

Shift workers must remain in their work area until their relief arrives, dressed and ready for work. After an appropriate *hand-off* (update of pertinent data, etc.) workers may proceed to the central change facility.

This premium will be added to the shift differential for “D” and “N” shifts and to any 8 hour shift schedule for which management requires an employee to be relieved before they may leave their work area. See Appendix “B” for shift turnover premium.

Statutory Holidays- All Employees

10.13

Those employees scheduled but not required to work a designated holiday under Article 11 will be given 48 hours personal notice or allowed to work the Holiday.

Statutory Holidays for 12 Hour Day & 12 Hour *Shift* Employees

10.14 (a) 12 Hour Day Employees

(i) When a holiday falls during a twelve (12) hour day employee’s vacation, the employee will be given the holiday with pay on the day immediately preceding or immediately following the employee’s vacation. For each holiday, the employee will be allowed eight (8) hours **off** with eight (8) hours pay.

(ii) If the statutory holiday falls **on** a scheduled work day, the employee will be paid twelve (12) hour holiday allowance if he is not required to work. If the statutory holiday falls on a non-scheduled work day, the employee will be paid eight (**8**)hour holiday allowance.

10.14 (b) Twelve Hour Shift Employees

(i) When a holiday falls during a 12 hour shift employee’s vacation, the employee will be paid their holiday allowance in addition to their vacation pay. Holiday allowance shall equal eight (8) hours pay at straight time.

(ii) If a twelve hour shift employee is scheduled to work on a statutory holiday, but is not required to work, the employee will be paid twelve (12) hours holiday allowance instead of eight hours. This will apply only to those employees who are told not to report for work even though they are scheduled for the statutory holiday. In addition, the determination for 37.33 average weekly hours over the 27 week cycle when calculating the holiday allowance, will be taken into consideration as payment for a scheduled day. Where a Statutory Holiday falls **on** an employee’s regularly scheduled day **off** the employee will be paid eight (8) hours holiday allowance.

10.14 (b) (cont'd)

(iii) For the purpose of time off and payment, Christmas Day and New Year's Day will be observed from 1900 hours (7:00 p.m.) December 24th and December 31st to 1900 hours (7:00 p.m.) December 25th and January 1st, respectively.

Mutual Exchange of Working Hours

10.15 All Employees

Employees within the same classification, regardless of their rates of pay, may request a mutual exchange of regular hours (excluding overtime hours).

Each employee shall assume the hours of work of the employee replaced but shall continue to receive their own regular hourly rate.

If premium payment is involved because of a change of schedule, the premium will be paid to the employee whose schedule is changed on the first day the employee works on the new schedule.

Temporary Rates of Pay

10.16

(i) When an employee is temporarily changed from one job to another job which takes a higher rate, the employee's rate shall be increased to the new job rate for the period of the change.

(ii) When an employee is temporarily changed from one job to another job which takes a lower rate, the employee shall retain their regular rate for the period of the change.

ARTICLE 11 - HOLIDAYS

Designation

11.01

Days designated as Holidays shall be as follows:

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

and two additional Holidays to be determined in November of each year for the following year.

For the purpose of time off, Christmas and New Year's Day will be observed from 15:30 hrs. (3:30 p.m.) December 24th and December 31st to 15:30 hrs. (3:30 p.m.) December 25th and January 1st, respectively for eight hour shift workers only. For the observance of Christmas Day and New Year's Day for twelve hour shift workers see Article 10.14(b)(iii).

The two additional holidays will be designated separately for Day Employees and Shift Employees.

The determination of the two additional holidays will be in accordance with the provisions in the Letter of Understanding titled Undesignated (Floater) Holidays.

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

Holiday Payment

11.02 (a) If Worked

All hours worked on a Holiday during the regular work period shall be paid for at double time. All other hours worked will be paid for at double time. In addition, the employee shall receive a holiday allowance which shall equal eight (8) hours pay at straight time.

11.02 (b) If Not Worked

An employee shall receive eight (8) hours holiday allowance at the employee's straight time hourly rate, subject to the following:

(i) Payment for a Holiday will not be made to an employee absent without permission on a Holiday, or on the employee's last scheduled working day before the Holiday, or on the employee's first scheduled working day after the Holiday. However, an employee previously scheduled to be absent on a Holiday and subsequently required to work, will be excused from work if a suitable replacement can be obtained and in such case absence on the Holiday will not disqualify the employee from receiving the holiday allowance.

(ii) Payment for a Holiday will not be made to an employee on Leave of Absence which includes the Holiday, and the day before and the day after the Holiday. However, an employee absent on leave for sickness or injury will, for a period of **thirty-nine (39) weeks**, receive any difference between their compensation payment and their holiday allowance for any Holidays falling during this period. Notwithstanding the above, an employee absent on leave for Union Business shall receive their holiday allowance for any holiday falling during such leave of absence (excluding leaves of absence in excess of 14 calendar days).

(iii) When a Holiday falls during a day employee's vacation, the employee will be allowed to take the Holiday at a time which is mutually agreeable between the employee and the employee's supervisor.

The Holiday will be paid at eight (8) hours straight time in the pay period during which it is taken.

(iv) Effective January 1, 2005, when a Holiday falls on a 12 hour shift employee's vacation day, the employee will receive 8 hours Stat Holiday pay plus a 12 hour compensation day.

ARTICLE 12 – VACATIONS

Length of Vacation

12.01

Annual vacations with pay shall be granted to employees as follows:

12.01 (a)

Two weeks vacation upon completion of one or more years confirmed accumulated service.

12.01 (b)

Three weeks vacation upon completion of three or more years confirmed accumulated service.

12.01 (c)

Four weeks vacation upon completion of ten or more years confirmed accumulated service.

12.01 (d)

Five weeks vacation upon completion of eighteen or more years confirmed accumulated service.

12.01 (e)

Six weeks vacation upon completion of twenty-five or more years confirmed accumulated service.

12.01 (f)

Seven weeks vacation upon completion of thirty or more years confirmed accumulated service.

12.01 (g)

The amount of pay for the vacation entitlements outlined above shall be:

1 week vacation	=	40 hours x regular rate of pay
2 weeks vacation	=	80 hours x regular rate of pay
3 weeks vacation	=	120 hours x regular rate of pay
4 weeks vacation	=	160 hours x regular rate of pay
5 weeks vacation	=	200 hours x regular rate of pay
6 weeks vacation	=	240 hours x regular rate of pay
7 weeks vacation	=	280 hours x regular rate of pay

12.01 (h)

Days off prior to and following an employee's vacation will be considered as part of the vacation period. Days off prior to vacation will mean the time period starting at the completion of the normal working day. Days off following will mean the time up to the first scheduled work period.

Twelve Hour Shift Employees

12.01 (i)

Vacation time off will normally be the three day group(s) of scheduled working days plus the regular days off. Vacation time off may include a portion of the three day group of scheduled working shifts to round off the vacation entitlement. The day(s) may be tied to the beginning or end of the regular vacation period.

Twelve Hour Day Employees

12.01 (j)

Vacation time off will normally be the three (3) day group(s) of scheduled working days plus the regular days off prior to and following the three (3) day group(s). Vacation time off may include a portion of the three (3) day group of scheduled working days to round off the vacation entitlement. The day(s) may be tied to the beginning or end of the regular vacation period.

Scheduling Vacations

12.02 (a)

Vacations shall be scheduled by the Company and employees shall be notified of their vacation period sixty (60) days in advance if possible, and shall receive vacation pay on the employee's regular pay day.

12.02 (b)

Consistent with efficient plant operations, the preference of employees with respect to their vacation period will be given full consideration by the Company.

12.02 (c)

Employees may be scheduled for vacation any time during the calendar year without regard to their employment date.

Vacation Pay

12.03

Vacation pay shall be computed so that an employee will receive the amount of money the employee would have normally earned on their regular schedule including shift differential, had the employee not taken their vacation.

Vacation Pay Upon Termination

12.04

Upon termination an employee will receive their outstanding vacation pay. Such vacation pay will be calculated as follows:

12.04 (a)

Employees with less than one (1) year confirmed accumulated service - 4% of their gross earnings for that period of employment for which vacation pay has not already been received.

12.04 (b)

Employees with one (1) but **less** than three (3) years confirmed accumulated service - 4% of their gross earnings for that period of employment for which vacation pay has not already been received.

12.04 (c)

Employees with three (3) but less than ten (10) years confirmed accumulated service - 6% of their gross earnings for that period of employment for which vacation pay has not already been received.

12.04 (d)

Employees with ten (10) but less than eighteen (18) years confirmed accumulated service - 8% of their gross earnings for that period of employment for which vacation pay has not already been received.

12.04 (e)

Employees with eighteen (18) but less than twenty-five (25) years confirmed accumulated service - 10% of their gross earnings for that period of employment for which vacation pay has not already been received.

12.04 (f)

Employees with twenty-five (25) but less than thirty (30) years confirmed accumulated service - 12% of their gross earnings for that period of employment for which vacation pay has not already been received.

12.04 (g)

Employees with thirty (30) or more years confirmed accumulated service - 14% of their gross earnings for that period of employment for which vacation pay has not already been received.

12.05

An employee at time of retirement will receive vacation pay on the basis of one-twelfth (1/12) of vacation pay as provided in Articles 12.01 and 12.03 for each month or part thereof of the period of employment for which vacation pay has not already been received.

ARTICLE 13 - JOB SECURITY

Seniority Status

13.01 (a)

The seniority status and date for each employee included in the Company's posted list of December 1, 1956, shall be as shown and as subsequently amended from time to time in accordance with Section 13.02. All seniority credits to which any employee not shown on this list was entitled as of December 1, 1956, shall be maintained.

13.01 (b)

Seniority credits accrued subsequent to December 1st, 1956, will be the length of service with the Company as an hourly rated employee in the bargaining unit since that date.

13.01 (c)

Seniority credits will be the total of seniority credits accrued in the bargaining unit and in the former Technician's bargaining unit.

Seniority Lists

13.02

Seniority lists shall be revised and posted every six months.

Seniority if Absent from Work

13.03 (a)

Seniority shall accumulate when an employee is absent from work:

- (i) With leave.
- (ii) Owing to accident or sickness covered by the Workplace Safety and Insurance Board Act.

13.03 (b)

Seniority shall accumulate when an employee is absent from work owing to lay-off on the basis of one month for each month of seniority with the Company prior to lay-off up to a maximum of thirty-six (36) months.

Loss of Seniority

13.04

Seniority shall be lost in the case of:

- (a) Resignation

13.04 (cont'd)

(b) Discharge

(c) Failure to notify the Company of intention to return to work after layoff within seven (7) days after receipt of notification from the Company sent by registered mail to the employee's address as shown on the Company's personnel records.

(d) Failure to return to work after lay-off within seven (7) days after such notification by the Company unless it is shown that such failure has been caused by circumstances beyond the employee's control.

(e) Lay-off in excess of the seniority credits accumulated under 13.03 (b).

(f) A bargaining unit employee who accepts a position out of scope on or after May 1, 1986 and remains in that position more than six months will lose all seniority credits.

Preferential Seniority

13.05

The Chief Steward shall, during the term of office in the Union, head the seniority list. Such seniority shall apply only with respect to lay-offs.

Technological Change

13.06

The Company will advise the Union as far in advance as possible of any lay-offs affecting bargaining unit employees. In the case of a plant closure or change involving permanent work force reduction of employees covered under the agreement, the Company will provide the Union with a minimum of six (6) months notice. After providing such notice, the Company and Union will co-operate in considering all available methods to facilitate the planned work force reduction through attrition or other available methods to minimize the negative impact on employees affected where attrition is not appropriate.

13.06 (a)

Employees with one or more years of service whose employment is terminated will be paid severance pay at the rate of two (2) weeks pay for each complete year of continuous service plus two (2) weeks pay ~~X~~ 1.15. One week's pay shall mean 40 hours times the employee's regular rate of pay at the time of termination. Severance pay for a partial year of service will be calculated on a pro-rated basis.

Note: No employee who is actively employed on the date of ratification will be laid off from employment prior to January 31, 2007. If a unit is shutdown or downsized, employees will be re-deployed into other positions or to do other work but will not be laid off prior to January 31, 2007.

ARTICLE 14 - JOB PROGRESSION AND POSTING

14.01 (a)

(i) The Job Progressions for the respective Departments of the Company are attached herein as Appendix "D". If, and as work requirements necessitate, new jobs, departments or sections, will be incorporated into or added to the Job Progression Plan. Resultant changes to existing lines of progression and establishment of lines of progression to and from new jobs shall be subject to mutual agreement of the parties hereto.

(ii) The Job Progression Plan shall govern the selection of employees for vacant jobs in the Bargaining Unit, it being understood that the plan is applicable only to the extent that the jobs set out therein are required.

Any vacancy other than entry point jobs will be filled according to the Job Progression by seniority subject to the employee having sufficient ability to fulfill all of the job requirements satisfactorily. If the job is not thus filled, then it will be posted providing the vacancy is to be for a period in excess of sixty (60) days. In addition, each Job Progression contains entry point jobs which are to be posted if the vacancy to be filled is to be for a period in excess of sixty (60) days. In cases of sixty (60) days or less, selections will be made from senior qualified personnel who are willing, firstly from the Department affected, and secondly from the balance of the plant. All postings shall be bargaining unit wide and only employees making proper application will be considered.

The filling of posted jobs shall be according to seniority subject to the employee having sufficient ability to fulfill all of the job requirements satisfactorily, except that:

- (i) it shall be optional with the Company to consider an employee who has moved as a result of a posting in an existing progression as of January 31, 1999 within the previous twelve (12) months, and

14.01 (a) (cont'd)

- (ii) it shall be optional with the Company to consider an employee who has moved as a result of a posting in a new progression which did not exist as of January 31, 1999 within the previous twelve (12) months.

Notwithstanding the foregoing, an employee who has been curtailed in accordance with 14.01 (c) and who continues to work in the plant will return to a vacancy in the job the employee held at the time of the curtailment provided the vacancy occurs within nine (9) months from the date of curtailment, and the employee has the option not to return to the classification from which the employee was curtailed.

- (iii) For all postings and progressional movements involving less than seven (7) employees:

All postings and progressional moves will be filled within ninety (90) days of the first employee accepting the position.

Where there is more than one successful applicant the common start date/rate increase will be effective on the date the first successful applicant enters the classification.

- (iv) For postings and progressional movements involving seven (7) or more employees:

The Company and the Union will mutually agree on the start/rate increase date for each affected employee.

All postings and progressional moves will be filled within six (6) months of the first employee accepting the position.

It is also understood that the Company has the right to hire from outside the Bargaining Unit, if it chooses, when a qualified first-class tradesperson is required providing the company first offers the opportunity to:

- (v) Qualified First Class Tradespersons working in the bargaining unit in other progressions
- (vi) Qualified First Class Trades Trainees who are within 6 months of completing trades training to become a First Class Tradesperson
- (vii) Qualified employees currently laid off who have retained their recall rights - - first to First Class Tradespersons; secondly to Trades Trainees (within 6 months of completing trades training to become a First Class in the trade required).

14.01 (a) (cont'd)

(viii) The Company and the Union commit to have meaningful discussion regarding potential future apprenticeship programs once there is a need to hire first class trades.

NOTE: The Job Progression Charts referred to in 14.01 (a), i) as Appendix "D" shall be distributed to the Steward Body and appropriate locations throughout the plant.

14.01 (b)

If a move is designated as temporary the employee will be returned to the employee's previous job at the end of the temporary period. In the case of temporary postings, the temporary period of the posted assignment will not exceed one year.

If a temporary promotion becomes permanent the job shall be filled in accordance with 14.01 (a) from among the employees who were eligible at the time that the temporary promotion was made.

14.01 (c)

In the event of curtailment of work, employees in the Job Progression affected shall move in the reverse direction of the Progression, and those who as a result are moved out of the Progression will move into the Utility Group.

Before any movement in the reverse direction of the Progression due to curtailment of work commences, the Company in agreement with the Union, will arrange the placement of affected employees in suitable employment which they are willing to accept, and in such event placement may be made without application of 14.01 (a)(ii).

In the event of a temporary curtailment of work for two **(2)** months or less, the Company shall assign the affected employees who remain in the plant to suitable work. Such employees shall have their previous rate maintained for the duration of the curtailment.

Employees who are curtailed for greater than two months and who remain employed will be paid for a maximum period of twenty-four months at their previous rates. It is understood that during such period the Company may assign employees who have moved out of the Progression to suitable work in Rate Code 60 or lower. Suitable work excludes trainee assignments.

14.01 (d)

None of the foregoing in 14.01(c) shall apply to those employees removed from a progression as a result of a failure to meet the job requirements.

14.01 (e)

Rate code 30 trades people hired directly into the trade or through internal job postings will be considered along with trainees in the same trades group for purposes of curtailment provided the safety and efficiencies of the plant can be maintained.

Note: This will pertain to trades people entering the trades group as indicated above after January 1, 1990.

Lay-offs & Recalls

14.02 (a)

In the event of layoff the employees with the least seniority will be laid off first provided that the remaining employees are:

- (i) qualified to perform the available work
- or
- (ii) provided with up to 45 days of familiarization or training to enable them to become qualified to perform the available work. Such employees who receive this training or familiarization to avoid being laid off will not receive a change of schedule premium.

14.02 (b)

The Company shall give employees with one or more years' seniority a minimum of 30 days notice prior to the effective date of layoff or award pay in lieu thereof.

14.02 (c)

When there is an increase in the work force after a layoff, before new employees are hired, the employees who have retained seniority will be recalled in the reverse order in which they were laid off, provided that:

- (i) Such employees are capable of doing the work available
- or
- (ii) They can become qualified to perform the available work with up to 45 days of familiarization or training.

ARTICLE 15 - BULLETIN BOARDS

15.01

The Company agrees to supply the Union with bulletin boards for material approved by the Chief Steward or designate.

ARTICLE 16 - SAFETY, HEALTH AND WELFARE

16.01 (a)

The Company shall make reasonable provision for the safety and health of the employees during the hours of their employment and provide protective devices and other equipment, necessary to protect employees properly from injury, and the Union may, from time to time, meet with the Company to bring to the attention of the Company recommended suggestions in this regard. The Company will provide payment up to a maximum of \$70 for CSA approved safety shoes in November of each calendar year.

16.01 (b)

The parties agree to the establishment of a Committee comprised of 4 members appointed by the Union and 4 members appointed by the Company to advise Management of Safety and Health matters with particular emphasis on plant environmental conditions which may cause actual or potential safety or health hazards. The members shall choose one of their number who shall be Chairperson.

The Company will make available to the Committee technical data and other information in its possession which may be necessary for the Committee's efficient functioning including information regarding known hazardous substances present at the work site. The Company will compensate members of the Committee for approved time lost from their regular work while engaged on the work of the Committee.

16.01 (c)

The Company, through the Health and Safety Committee, will keep the Union and employees informed of known safety measures and hazardous substances to which employees may become exposed at their work place.

16.02

The Company agrees to provide and maintain suitable first aid equipment and facilities, lunchroom, locker, washroom, shower and sanitary facilities, and the Union agrees to co-operate fully with the Company in the maintenance of this service.

16.03

If an employee incurs a disability which prevents the employee from performing the employee's regular work, but which does not render the employee incapable of carrying out other duties in the Bargaining Unit, the company and the Union shall make every effort to arrange for the establishment of such an employee in a position suitable to the employee's capabilities. The company also agrees to maintain such an employee's rate of pay for a period of one year. Should that employee continue to be specially placed, they would be paid the rate of pay for the job they are currently doing to a minimum of Rate Code 90. It is also understood that the Chief Steward and the Manager of Labour Relations will review these specially placed individual cases during this one-year period at 3-month intervals. The intent is to return the employee to their previous job where possible.

Note: Employees identified as "Permanently Partially Disabled" as of June 17, 2004 will be grandfathered at their current rate codes.

16.04

An employee, who as a result of a lost time accident, suffered in the Company's employ is entitled to receive compensation under the Workplace Safety and Insurance Board Act, will be paid an allowance for the period of absence up to a maximum of fifty-two (52) weeks, provided the employee assigns to the Company all such compensation received by the employee in respect of the same period. The allowance will be equivalent to the employee's regular earnings, exclusive of shift differential, for the period of absence up to a maximum of fifty-two (52) weeks. If an employee incurs costs to obtain medical forms associated with the collection of Weekly Indemnity Benefits due to an occupational injury or illness which subsequently qualifies for compensation under the Workplace Safety and Insurance Board Act, the employee will be reimbursed for those costs.

16.05

Subject to only those changes which may be mutually agreed upon during the term of this Agreement, the Company will continue in force the benefits (including the amendments which have been negotiated) as provided in the existing Company Group Insurance Plans and Pension Plan for Wage Employees at LANXESS Inc. on the same cost sharing arrangements as are presently in effect. In the event that the Company is obligated by law to

16.05 (cont'd)

contribute towards the cost of benefits similar to one or more of the benefits provided under the Company's Group Insurance Plans and Pension Plan for Wage Employees at LANXESS Inc., the Company may terminate or revise such Plans in order to eliminate any duplication of benefits or to ensure that additional cost imposed by law, are offset by reduction in the cost of the Company's and employee's contributions to such plans. A summary of benefits covered in this article may be found in Appendix "F".

ARTICLE 17 - LEAVE OF ABSENCE

Leave for Union Business

17.01 (a)

On written request of the National Union or Local Union President submitted reasonably in advance, the Company agrees to grant leave of absence without pay to a maximum of 25 employees selected by the Union to attend to Union business when plant conditions permit. Such leave shall not exceed six (6) weeks in any twelve (12) month period for any one employee.

17.01 (b)

On written request of the National Union or Local Union President submitted reasonably in advance, the Company agrees to grant leave of absence without pay for a maximum period of one year to not more than three (3) employees at any one time for Union Business. Leaves of absence for one year shall be renewed at the request of the Union provided reasonable notice is given.

17.01 (c)

The provisions of (a) & (b) above shall also apply to any employee elected or appointed to full time work for the Communication, Energy & Paperworkers Union or the Canadian Labour Congress and its affiliated organizations.

17.01 (d)

In the application of (a) & (b) above the Union (National and/or Local) shall determine what constitutes Union business.

17.01 (e)

Seniority shall be maintained and shall accumulate during such leave.

Leave for Other Than Union Business

17.02

Separate and apart from any leaves of absence granted by the Company on compassionate grounds or in respect of such emergent situations as bereavement, when Plant conditions permit and on written request to the Company submitted at least four **(4)** weeks in advance, an employee shall be granted a leave of absence without pay for a period up to a maximum of one year.

Return from Leave of Absence

17.03

An employee upon return to work on the expiry of the leave of absence, under this Article will be entitled to resume the occupational classification the employee held prior to the employee's leave of absence. For the purpose of curtailment, layoff or termination, the employee on leave of absence will be treated in the same manner as if the employee were at work.

Leave for Sickness

17.04

The Company will grant leave of absence where an employee is absent from work due to sickness established by reasonable medical evidence. Such leave of absence shall not be unreasonably terminated. It is understood by both parties that such leaves of absence shall not be for an unlimited period of time.

Bereavement Leave

17.05

In the event of the death of a member of an employee's immediate family, the employee will, upon request, be granted leave of absence with pay for a maximum period of three working days to attend the funeral. Normally such period will be from the day of death to the day of the funeral inclusive. However, the period may include one day or two days immediately following the day of the funeral for travelling, or otherwise if the employee has a reason which is satisfactory to the Company. "Immediate Family" means father, mother, husband, wife, child, sister, brother, parents-in-law, grandparents, and grandchildren.

ARTICLE 18 - MISCELLANEOUS

18.01

A regular employee summoned for Jury Duty or subpoenaed as a witness will continue to receive the employee's regular rate of pay, exclusive of shift differential, for those days of the employee's regular schedule during which the employee is required to be absent. To be eligible for such pay, the employee must give adequate notice to the employee's foreman of such proposed absence.

18.02

A bonus of sixty (60) cents per hour will be paid for dirty work when approved by the employee's supervisor. A minimum of 8 hours premium will be paid whenever it is applied.

Effective January 31, 2006 sixty-two (62) cents per hour.

Effective August 1, 2006 sixty-four (64) cents per hour.

18.03

The temporary assignment to a tradesperson of work of another trade will not affect the employee's rate of pay, classification or seniority standing in the employee's trade nor will it cause the demotion or lay-off of any tradesperson, it being recognized that a tradesperson normally is assigned work of the employee's trade. A tradesperson will be held responsible for work of another trade only to the extent of the employee's ability to perform such work. Such assignments will not be used to interfere with the distinguishing features of trades.

18.04 (a)

Persons outside the Bargaining Unit employed by the Company will not do tasks that are normally done by members of the Bargaining Unit. Non-routine experimental work, instruction, training, requested aid or experimental laboratory bench work by technology professional staff, shall comprise the tasks which can be done by such personnel.

Performance of work for the Company by contractors for services will not serve to deny any right an employee has under the terms of this agreement nor cause the lay-off of any employee in the Bargaining Unit.

18.04 (b)

Maintenance Baseforce Staffing

The Company and Union agree a minimum number of 110 LANXESS Tradespersons less the number of first class tradespersons who remain with Bayer after the split (not including PPD's, Wage Supervisors and Planners) will be employed. These numbers will be achieved through attrition and job postings. Upon dropping below the agreed upon number of tradespersons, the Company will commence replacement to a Core trade (Core trades will consist of Control Systems Technicians, Mechanics, Pipefitters and Welders) within one month. This minimum number will include trainees. This base number may be affected if one of the following should occur:

1. The Sarnia Site experiences a significant decrease/increase in production volumes, or
2. A current production department or major piece of equipment on site permanently ceases operation, or is permanently modified such that the current levels of required maintenance have changed.

Should either #1 or #2 take place, the Company and the Union will negotiate a fair baseforce number that meets production needs and requirements. Should the parties not agree on a number then the dispute will be subject to binding arbitration.

The intent of this baseforce agreement is to promote flexibility to use contract resources when necessary while preserving employment security for our present employees. As a last resort, Management may use workers from outside the bargaining unit to do maintenance tasks as long as bargaining unit employees are employed at the site.

18.05 (a) General Provisions for 12 Hour Day Employees

(i) The viability of moving to a 12 hour day schedule will be determined jointly for each work group. Safety is not to be compromised. Work practices, future technological advances and the number of employees interested in a new schedule are examples in considering the viability of a new schedule.

(ii) The parties shall have a maximum of 3 months to determine the viability of a 12 hour day schedule and implementation of such a schedule.

(iii) Employees wishing to work the 12 hour day schedule will be on a voluntary basis after it is determined that it is viable.

(iv) Twelve hour day schedules may be terminated for the following reasons:
(a) At the request of the Union after 30 days notice.
(b) At the request of the Company after 30 days notice.

(v) A joint committee will be established to monitor the 12 hour day schedule process. Where it is determined that a 12 hour day schedule is not viable for a

18.05 (a) (cont'd)

particular work group, this committee will make alternate recommendations which may include the consideration of some other types of variable hours of work schedule.

18.05(b) General Provisions for 12 Hour Shift Employees

(i) Twelve hour shifts will apply only to employees working a seven day continuous twenty-four hour operation.

(ii) The implementation of a twelve hour shift will be by mutual agreement between the Company and the Union.

(iii) Twelve hour shifts may only be implemented where seventy-five (75) per cent of the employees in a unit or area petition for the change.

(iv) The Company and the Union will mutually agree on the constitution of units or areas.

(v) Two wage employees designated by the Union from the unit or area affected, will monitor the vote as outlined in part (iii) above.

(vi) Twelve hour shifts may be terminated for any of the following reasons.:

(a) When more than 50% of the employees who are working twelve hour shifts on a unit petition to terminate twelve hour shifts at the end of a 54 week cycle.

(b) At the request of the Union after 30 days notice.

(c) At the request of the Company after 30 days notice.

(vii) Employees transferring from one unit to another will be subject to the shift schedule of that unit.

Note:

The Company and the Union agree to implement a cohesive 4 spot shift schedule for areas of the plant. Such schedule will include a minimum of 2 – (8 hour “progress” days). The number of progress days in a year will be determined on a year by year basis by the Company in consultation with the Union. Progress days will always be scheduled on weekdays, never on weekends or on nights. Employees scheduled on progress days may be used to cover vacancies on an exception basis. This practice will be discouraged in order to avoid detracting from the benefit of the “progress” days. Progress days may not be mutualled. If a joint committee is unable to reach agreement on a schedule prior to November 1, 2004, the Company will determine the schedule which will be implemented January 1, 2005.

18.06

The Company and the Union recognize the right of all persons to work in an environment free from any type of harassment and to be treated fairly in the workplace. (For further information, refer to Explanatory Notes and/or LANXESS Inc. Administrative Guide).

ARTICLE 19 - DURATION OF AGREEMENT

19.01


This agreement shall remain in full force and effect until January 31, 2007, and shall be automatically renewed from year to year thereafter unless either party notifies the other party in writing of the termination of or proposed revision or addition to the Agreement or any provision thereof. Such notification must be given not more than 120 and not less than 90 days prior to the 31st of January 2007 or in any year thereafter.

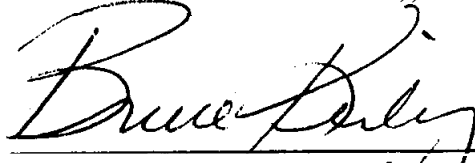
In such event, any negotiations with respect to such proposals, revisions or additions, shall commence within fifteen (15) days of such notice.

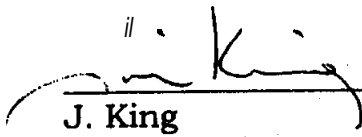
It is further provided the Agreement may be extended by mutual consent of the parties.

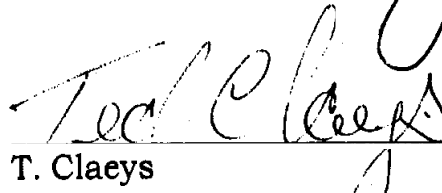
FOR BAYER INC.,
SARNIA

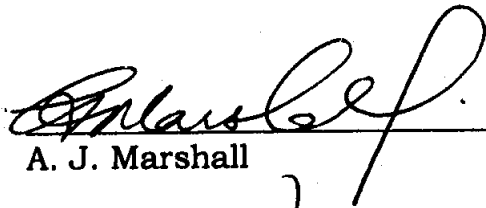
FOR COMMUNICATIONS,
ENERGY AND PAPERWORKERS'
UNION, LOCAL 914 (BAYER
MANUFACTURING UNIT), SARNIA

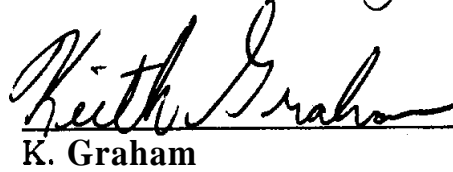

L. McDonald

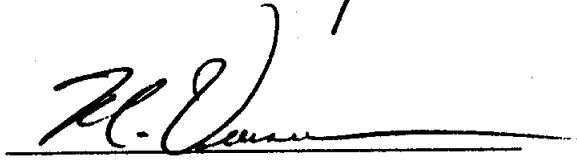

B. Kirby - Chief Steward


J. King



T. Claeys

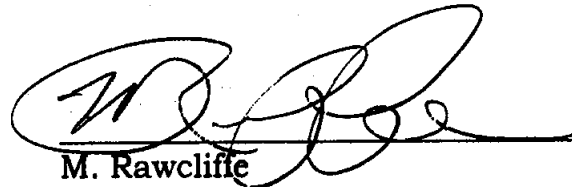

A. J. Marshall

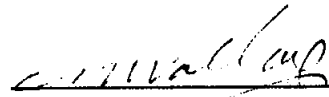

K. Graham



M. Varsava


L. Joy

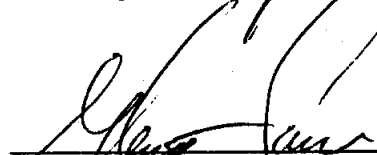

W. Wiarda


M. Rawcliffe


M. Wallace


R. Gonyou - President Local 914

Witnessed on behalf of
Communications, Energy and
Paperworkers' Union By:


G. Sonier - National Rep.

APPENDIX "A"

UNION STEWARDS

<u>Trade, Department, Unit, Area</u>	<u># Stewards</u>	<u># Lead Stewards</u>
Pipefitters.....	2	
Welders	1	
Boilermakers, Tinsmiths	1	1
CSE	2	
Wage Safety.....	1	
CSI	2	
Machinists.....	1	
Carpenters.....	1	
Painter/ Insulator, Mason.....	1	1
Group Leader, Wage Supervisor, Wage Planner...	1	
Mechanics.....	2	
Crane Operator, Rigger.....	1	
Garage, Truck Drivers, Loader Operator, Backhoe, Gardener	1	
Fire Protection.....	1	
Stores, Helpers, Toolcrib	1	
Utility, Janitors	2	
Butadiene, BE#2	1	
Feed Preparation, I-Plant.....	1	
K-1 Pumphouse & BE#3	1	1
Biox	1	
H.C. Starck - Tungsten	1	
- Nickel	1	
Q.A.- NBR,Halo,Butyl II	2	
Pilot Plant	1	
Technology R&D	1	
Compounding and Physical Testing.....	1	1
Analytical Lab	2	
Distribution	1	
ButylII Process	1	
ButylII Finishing.....	2	
NBR	2	1

40 Stewards
5 Lead Stewards
1 Deputy Chief Steward
1 Chief Steward

APPENDIX 'B' - OCCUPATIONAL CLASSIFICATIONS & WAGE RATES

Trades & Services Classifications	Process Classifications	Laboratory Classifications	Distribution Classifications	Stores Classifications	Rate Code	Effective 04-02-01	Effective 04-08-02	Effective 05-02-01	Effective 06-01-31	Effective 06-08-01
Flexible Wage Supervisor	Operator	Wage Scientist	Wage Supervisor		3	35.11	35.11	35.11	36.34	37.43
					5	34.21	34.21	34.21	35.41	36.47
					10P	32.50	33.00	33.50	34.67	35.71
					7 / IF	32.92	32.92	32.92	34.07	35.09
					60P	32.50	32.50	32.50	33.64	34.65
					10	31.66	31.66	31.66	32.77	33.75
Boilermaker Carpenter CST Garage Mech. Machinist Pipefitter Mason					3F	31.28	31.28	31.28	32.37	33.34
Refrigeration Mechanic Rigger Tinsmith Welder Insulator/Painter/ Signwriter Crane Operator										
Non Flexible Trades People Fire & Safety Equipment Service Person Lead Firefighter Backhoe Operator	Operating Assistant	Pilot Plant Technician Technician Technician Trainee			30P 30 30	30.83 30.01 30.01	30.83 30.01 30.01	30.83 30.01 30.01	31.91 31.06 31.06	32.87 31.99 31.99
Flexible Trainee Lead Firefighter Trainee Loader Operator Licensed Site Serviceperson	Operating Assistant Trainee	Technician Trainee			40	26.37	26.37	26.37	27.29	28.11
Flexible Trainee Site Serviceperson	Material Receiver Operating Assistant Trainee	Technician Trainee			5T	25.69	25.69	25.69	26.59	27.39
Tool Crib Attendant					50	24.82	24.82	24.82	25.69	26.46
					6T	23.84	23.84	23.84	24.67	25.41
Tool Crib Attendant Trainee					60	23.42	23.42	23.42	24.24	24.97
Trades Assistant Helper Utility					70	22.53	22.53	22.53	23.32	24.02
					80	21.53	21.53	21.53	22.28	22.95
					90	20.75	20.75	20.75	21.48	22.12
Summer Student					100	13.13	13.13	13.13	13.13	13.13
Shift Differential										
Shift Turnover										
Total Shift Differential & Shift Turnover										
"A" Shift	2005	2006-01-31	2005	2006-01-31	2005	2006-01-31	2005	2006-01-31	2006-01-31	2006-08-01
"B" Shift	.62 c/hr.	.64 c/hr.	.66 c/hr.	.66 c/hr.	.84 c/hr.	.87 c/hr.	.90 c/hr.	.64 c/hr.	.64 c/hr.	.66 c/hr.
"C" Shift	\$1.18/hr.	\$1.22/hr.	\$1.26/hr.	\$1.26/hr.	\$2.06/hr.	\$2.13/hr.	\$2.19/hr.	\$2.09/hr.	\$2.09/hr.	\$2.16/hr.
"D" Shift	\$2.06/hr.	\$2.13/hr.	\$2.19/hr.	\$2.19/hr.	\$1.64/hr.	\$1.70/hr.	\$1.75/hr.	\$1.64/hr.	\$1.70/hr.	\$1.79/hr.
"N" Shift	.80 c/hr.	.83 c/hr.	.85 c/hr.	.85 c/hr.	\$1.81/hr.	\$1.87/hr.	\$1.93/hr.	\$1.64/hr.	\$1.70/hr.	\$1.75/hr.
"N" Shift	\$1.81/hr.	\$1.87/hr.	\$1.93/hr.	\$1.93/hr.	\$2.65/hr.	\$2.74/hr.	\$2.83/hr.	\$2.65/hr.	\$2.74/hr.	\$2.83/hr.

APPENDIX 'B' - OCCUPATIONAL CLASSIFICATIONS & WAGE RATES

H. C. Starck Classification	Rate Code	Effective 04-08-02	Effective 05-02-01	Effective 06-01-31	Effective 06-08-01	Shift Turnover				Total Shift Differential & Shift Turnover										
						2000-08-01	2000-01-31	2000	2006-01-31	2006-08-01	2006-01-31	2006	2006-01-31	2006-08-01						
	MAL-T	33.15	33.15	34.31	35.34															
Mfg. Associate Leader (MAL)	MAL	32.55	32.55	33.69	34.70															
	MA-T	31.49	31.49	32.59	33.57															
Mfg. Associate	MA	30.89	30.89	31.97	32.93															
	MA1-T	29.02	29.02	30.04	30.94															
Mfg. Associate I	MA1	28.42	28.42	29.41	30.29															
	MA2-T	26.97	26.97	27.91	28.75															
Mfg. Associate II	MA2	26.37	26.37	27.29	28.11															
Shift Differential																				
			2000	2000-01-31	2000-08-01	2000-01-31	2000	2006-01-31	2006-08-01	2006-01-31	2006	2006-01-31	2006-08-01	2006-01-31	2006	2006-01-31	2006-08-01	2006-01-31	2006	2006-01-31
"A" Shift			.62 c/hr.	.64 c/hr.	.64 c/hr.	.84 c/hr.	.87 c/hr.	.90 c/hr.	"A" Shift	.64 c/hr.	.62 c/hr.	.64 c/hr.	.66 c/hr.	"A" Shift	.62 c/hr.	.64 c/hr.	.66 c/hr.	"A" Shift	.64 c/hr.	.66 c/hr.
"B" Shift			\$1.18/hr.	\$1.22/hr.	\$1.26/hr.	\$1.26/hr.	\$1.26/hr.	\$1.26/hr.	"B" Shift	\$1.22/hr.	\$2.02/hr.	\$2.09/hr.	\$2.16/hr.	"B" Shift	\$2.02/hr.	\$2.09/hr.	\$2.16/hr.	"B" Shift	\$2.09/hr.	\$2.16/hr.
"C" Shift			\$2.06/hr.	\$2.13/hr.	\$2.19/hr.	\$2.19/hr.	\$2.19/hr.	\$2.19/hr.	"C" Shift	\$2.13/hr.	\$2.06/hr.	\$2.13/hr.	\$2.19/hr.	"C" Shift	\$2.06/hr.	\$2.13/hr.	\$2.19/hr.	"C" Shift	\$2.13/hr.	\$2.19/hr.
"D" Shift			.80 c/hr.	.83 c/hr.	.85 c/hr.	.85 c/hr.	.85 c/hr.	.85 c/hr.	"D" Shift	.83 c/hr.	\$1.64/hr.	\$1.70/hr.	\$1.75/hr.	"D" Shift	\$1.64/hr.	\$1.70/hr.	\$1.75/hr.	"D" Shift	\$1.70/hr.	\$1.75/hr.
"N" Shift			\$1.81/hr.	\$1.87/hr.	\$1.93/hr.	\$1.93/hr.	\$1.93/hr.	\$1.93/hr.	"N" Shift	\$1.87/hr.	\$2.65/hr.	\$2.74 /hr.	\$2.83/hr.	"N" Shift	\$2.65/hr.	\$2.74 /hr.	\$2.83/hr.	"N" Shift	\$2.74 /hr.	\$2.83/hr.

APPENDIX "C"

WAIVER SYSTEM

1. A waiver system is in effect whereby an employee may sign off from overtime for a minimum of 12 months. The employee will not be selected for any overtime in the plant, or assignments where use of the Accumulated Overtime List is the basis for selection unless all other eligible workers have been contacted, The employee will then be obligated to work overtime as outlined in 10.07.
2. An employee on waiver will retain the overtime credits the employee has at the time of the waiver and the employee will only accumulate charges for overtime hours the employee works.

MEDICAL MODIFIED WORK

An employee placed on medical modified work shall not volunteer nor be asked to work overtime nor be charged overtime hours. (See Appendix "C" Overtime Averaging Procedure 6(c)).

PERMANENTLY PARTIALLY DISABLED

An employee who is Permanently Partially Disabled shall only be eligible for overtime within the limits of the employee's medical modification.

CHARGING PROCEDURE

If the employee is low on the overtime list, the employee shall not be asked nor volunteer for overtime assignments outside the limits of the employee's medical modification but will be charged the applicable hours in the same manner as if the employee refused the assignment.

APPENDIX "C" (cont'd)

OVERTIME AVERAGING PROCEDURE

1. Change of work group same classification
No averaging *See Note Below
2. Absence from work
 - (a) Return from an absence up to six (6) calendar months
No averaging
 - (b) Return from an absence over six (6) calendar months
 - (i) Maintenance & Engineering Department
Average of Plant Overtime List at time of re-entry
 - (ii) All others
Average of the overtime work group at time of re-entry
3. Temporary change of classification of less than (30) calendar days duration

No averaging, plus all hours worked and declined to be added to the employee's regular overtime list.
4. Permanent change of classification
 - (i) Maintenance & Engineering Department
Average of Plant Overtime List at time of entry
 - (ii) All others
Average of the overtime work group at time of entry.
5. Temporary change of classification exceeding (30) calendar days
 - (i) Maintenance & Engineering Department
Average of Plant Overtime List at time of entry
 - (ii) All others
Average of the overtime work group at time of entry

APPENDIX "C" (cont'd)

- 6.(a) Return from above
Original hours plus all hours worked and declined during the temporary assignment
 - (b) Return from Voluntary Waiver
Original hours prior to waiver plus the average of all hours worked and declined by their overtime work group during the absence
 - (c) Return from Medical Modified Work
After 60 calendar days, original hours prior to, plus the average of all hours worked and declined by their overtime work group during the absence.
7. At no time will any absence from an overtime work group and subsequent return result in being credited with fewer overtime hours than when the employee departed.

***Note:** All employees making permanent lateral moves within the same classification in the Laboratory, Operating, Utilities, and Biox progressions will be averaged into the overtime work group they are entering.

OVERTIME WORK GROUPS

A. TRADES & SERVICES PROGRESSION

Types of Overtime

Refer to overtime work groups and overtime procedures as contained in, (Appendix " E - Maintenance Practices Re: Scheduled & Emergency Turnaround Staffing).

1. Wage Supervisors, Wage Planners, Group Leaders
An overtime work group is defined by the work group(s) to which they are normally assigned.
2. Utility Group
3. Janitor/Utility Group
4. Backhoe Operators

APPENDIX "C"

OVERTIME WORK GROUPS (cont'd)

5. Site Services
6. Boilermakers
7. Carpenters
8. Crane Operators
9. Painter/Insulators/Signwriter
10. Refrigeration Repairperson
11. Brick Masons
12. Tool Crib Attendants
13. Pipefitters
14. Machinist
15. Riggers
16. Tinsmiths
17. Welders
18. Trades Assistants and Helpers
19. Garage Mechanics
20. CST

APPENDIX "C"
OVERTIME WORK GROUPS (cont'd)

21. Mechanics
- (i) NBR, Olefins, Shift Mechanics
Waste, Biox
 - (ii) Butyl II, Site Services/Labs, Construction Group, Shift Mechanics,
 - (iii) Central Shops
- a) Per weekly assignment providing the employee spends the last full working day in assigned area to be eligible for the following weekend coverage.
- b) If during weekly assignment the employee is assigned to another area for the day the employee will be eligible for overtime in both areas for that day.

B. LABORATORY PROGRESSION

- 1) Analytical
- 2) Compounding and Physical Testing
- 3) Research Technicians R&D Bldg.
- 4) Pilot Plant
- 5) Wage Scientist
- 6) Chemical Technologist

APPENDIX "C"

OVERTIME WORK GROUPS (cont'd)

C. OPERATING PROGRESSION

1. NBR
2. **Butyl II**
 - (i) Polys/Halo
 - (ii) Finishing
3. Feed Prep
 - (i) I-Plant/BE3
 - (ii) K-1
4. BD

D. BIOX

E. STORES

1. West Area Stores and Main Storehouse

F. DISTRIBUTION

1. Shipping and Product Transfer.

G. FIRE PROTECTION

H. TRAINING / SAFETY / ENVIRONMENT SPECIALISTS (T/S/E)

I. UNION EXECUTIVE SAFETY REPRESENTATIVE

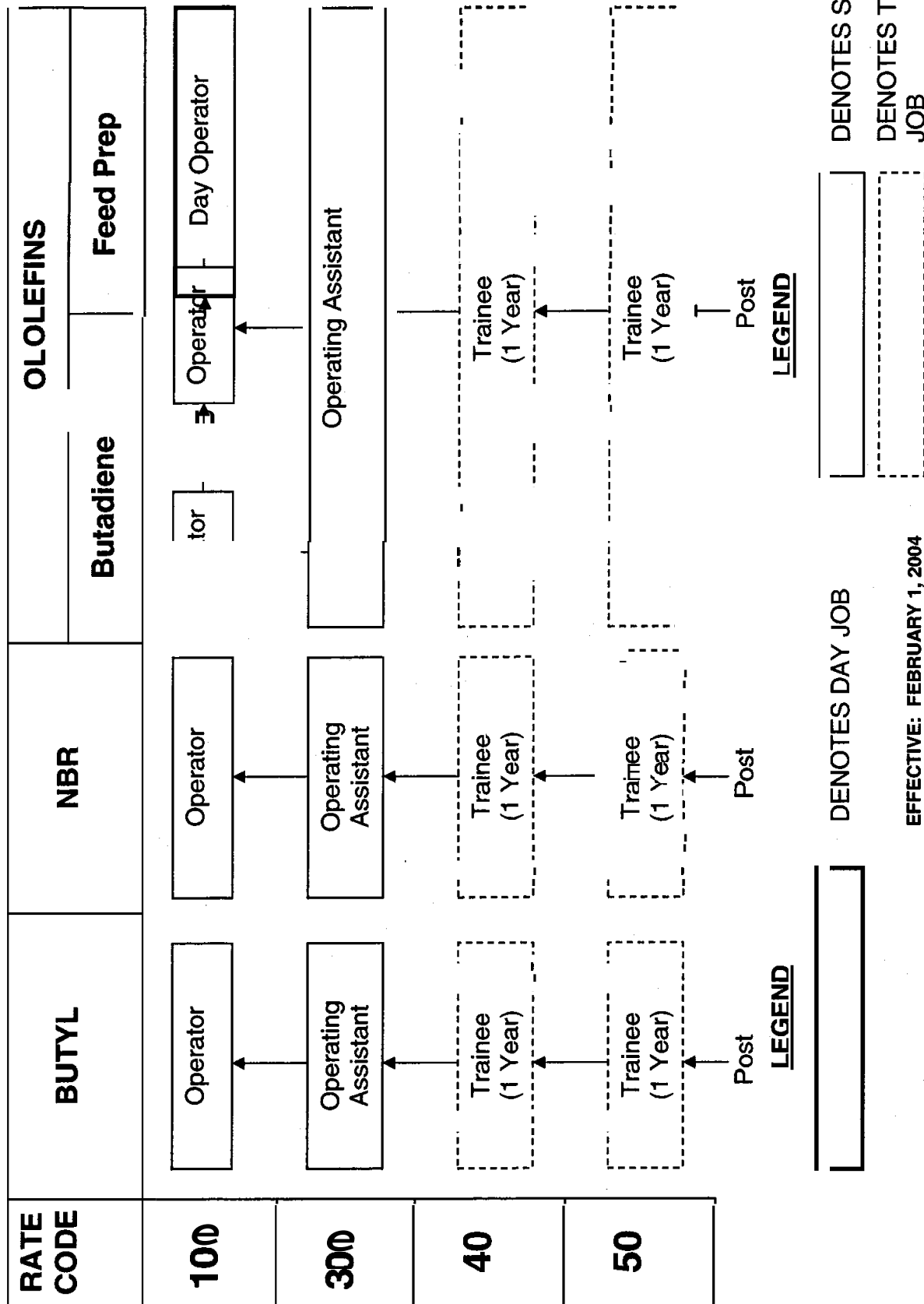
J. H.C. STARCK

APPENDIX "D"

JOB PROGRESSION CHARTS

		<u>PAGE NO.</u>
1.	Operating Progression.....	54
2.	Trades & Services Progression.....	59
3.	Stores Progression.....	63
4.	Fire Protection Section	65
5.	Distribution.....	67
6.	Laboratory Progression.....	69
7.	Biox Progression	72
a.	Training/Safety/Environment Progression	77
9.	H.C. Starck Progression.....	79

OPERATING PROGRESSION



EFFECTIVE: FEBRUARY 1, 2004

| OPERATING |

1. For the purpose of these notes "Units" shall mean:

Butyl, NBR, Olefins

"Area" shall mean:

In Butyl— Finishing, Polys/Halo

In Olefins – Butadiene, Feed Prep

2. For the purposes of job progression, relief jobs, which are not indicated on this chart, are considered equivalent to other jobs in the classification. Vacation Relief positions throughout the Site to be filled from within each respective unit by the junior qualified employee unless more senior qualified employee wants the job. Vacation and sick relief assignments are for one year at a time.
3. In upgrading (i.e., a change to a higher classification not exceeding thirty (30) days in a calendar year unless extended by mutual written agreement and the thirty days excludes any vacation coverage) the selection **is** made from employees in the specific unit shift crew or work group involved. If the change is expected to exceed thirty (30) days but not to exceed ninety (90) days unless extended by mutual agreement, the selection is made from employees on the particular unit.
4. Notwithstanding 14.01 (c) of the Collective Agreement, an Operator whose work has been withdrawn shall displace a Swing Operator with less seniority. For the purposes of this note a Swing Operator is defined as an Operator who is regularly scheduled to cover more than one job assignment.
5. For purposes of movement in the reverse direction of the job progression in accordance with 14.01 (c) surplus employees at the Operating Assistant level will displace an Operating Assistant with less seniority in the operating progression. Trainees at Rate Code 50 and 40 in that order will be displaced, before surplus Operating Assistants are displaced.
6. Trainees who prove unacceptable during their training period will be regressed to the Utility person in the Trades and Services progression,
7. The preferred assignments within the Operating Assistant classification will be filled on the basis of seniority from Operating Assistants in the area. Preferred movements will be defined in the following order; 24 hours (7 days), 3 shift (5 days), 2 shift (7 days), 2 shift (5 days), " A shift (7 days), days.

- 8.
- (a) An employee holding a Swing Operator position will be paid Rate Code 10P and will be given the first opportunity to move to a full time Operator.
 - (b) A Swing Operator will be averaged into the Operator overtime work group, and will receive the overtime from that group.
 - (c) When a vacation relief Operator or Operating Assistant regularly works in more than one overtime work group, the employee will receive the overtime average of the new overtime work group at the time of beginning the employee's assignment. Overtime hours worked or declined will be added to the employee's overtime lists in both overtime work groups.
9. For the safe and effective operation of the units, certain preventive maintenance responsibilities may be included with the normal job responsibilities of the operating progression employees.

These duties are subject to the discretion of the unit operators keeping in mind safety, individual training and the employee's personal comfort level.

These responsibilities may include –

- Painting during shutdowns and outages
- Housekeeping
- Removal of insulation for troubleshooting and temporary re-wrap
- Erect and take down one lift "Safeway" scaffold
- Replacement of damaged or faulty gauges
- Minor instrument corrections, e.g., unplugging and cleaning instrument lines
- Minor pipefitting, e.g., plugs or nipples
- Change filters/strainers
- Tighten packing and glands
- Lubrication and topping of oil rotating equipment
- Assist shift mechanic
- Open finishing building equipment for cleaning and plug-ups, e.g., cyclones, conveyors, driers
- Pressure cleaning (less than 2000 psi)

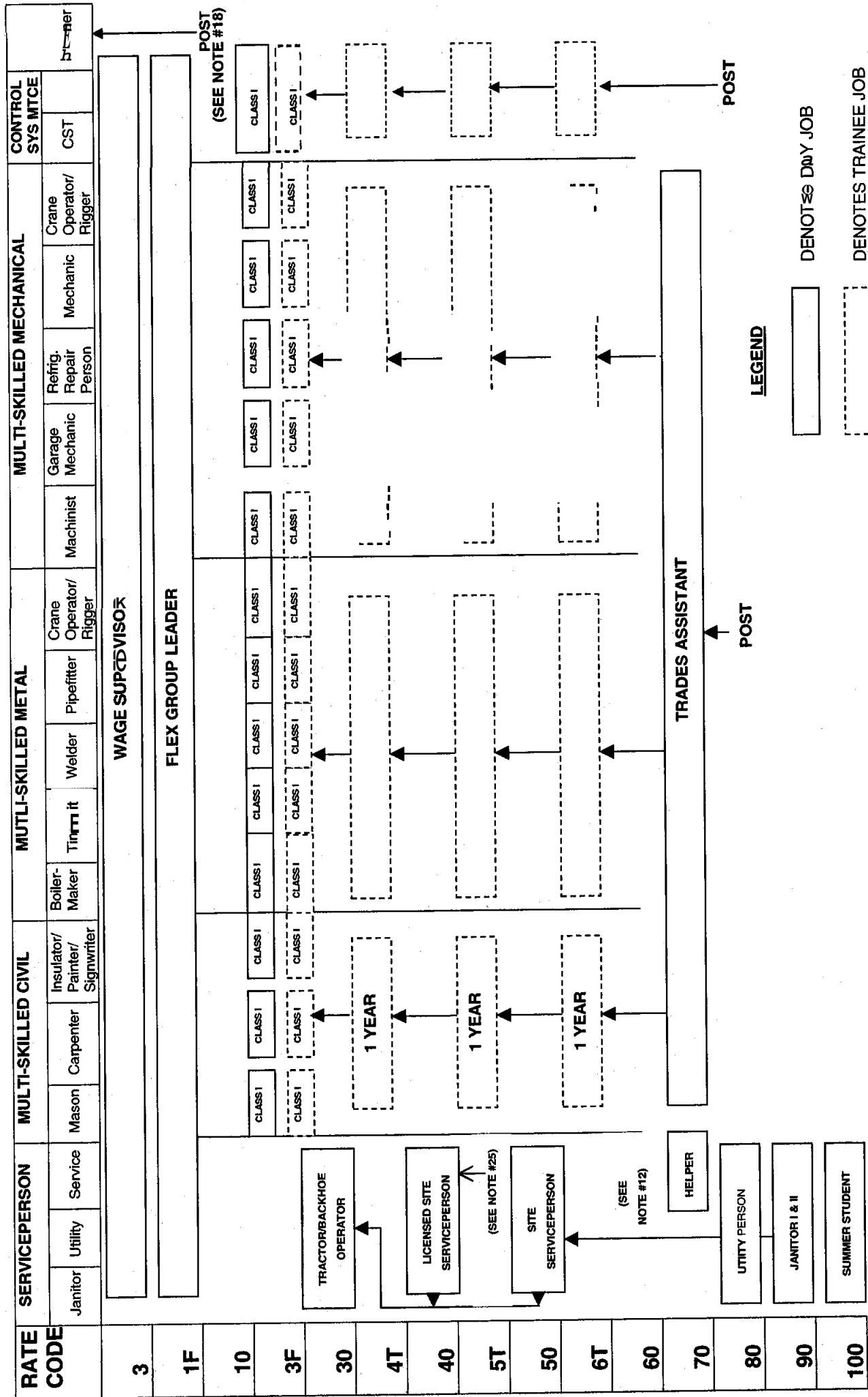
10.
 - (a) Operating Assistants and Operating Assistant Trainees will be allowed lateral movement when vacancies occur within the Operating Progression. One lateral movement will be allowed for each vacancy on the basis of seniority.
 - (b) Operating assistants exercising their rights to laterally move will have their rate maintained.
11. To be eligible to move into an area other than the Butyl Finishing Area, employees must be able to satisfy the educational requirements established by the Company.
 - (a) Entry to the Operating Progression will be through the Finishing Area. However, if no incumbent employee wishes to move out of each respective Finishing Area, then the employee entering the progression will be required to fill the vacancy wherever it exists.
 - (b) Entry to the NBR and Olefins Operating Progression will be through the respective Operating Assistant boxes.
12. When an Operator's position becomes open in a specific area, it will be filled by offering the position to the Operating Assistant(s) by seniority in the specific area. In the NBR Unit, progression from Operating Assistant to Operator follows satisfactory completion of specified, required on-the-job training and demonstrated technical skills of all Unit Operating tasks. The most senior qualified Operating Assistant will receive Operator rate during his training period if there are fewer than 4 Operators on the shift. Training opportunities will be offered to the most senior Operating Assistant first.
13. An Operating Assistant or Operating Assistant Trainee will normally be required to spend 12 months in their particular area as an Operating Assistant or an Operating Assistant Trainee before the employee is eligible for the position of Operator in that area.
14. Employees who wish to be considered for internal postings while absent on vacation or any other reason should inform their supervisor in writing prior to leaving.
15. When an employee fills a vacancy through a lateral move, the employee will be required to work in that assignment for a minimum of twelve (12) months before being eligible to move laterally. The above does not apply to preferred jobs or progressional moves.
16. Day positions within a specific area shall be filled by the most junior person in the classification within that specific area unless a more senior person in the classification within that specific area wants the position.

17. OLEFINS UNIT OPERATING PROGRESSION

When an Operating Assistant position becomes open in the Olefins Unit, it will be filled by offering the position in the following sequence:

- i) A lateral move from the entire Olefins Unit Operating Assistants by seniority (any area), then,
- ii) A lateral move from the other Unit Operating Assistants by seniority.

TRADES AND SERVICES PROGRESSION



TOOL CRIB ATTENDANT
(SEE NOTE #17)

EFFECTIVE: FEBRUARY 1, 2004

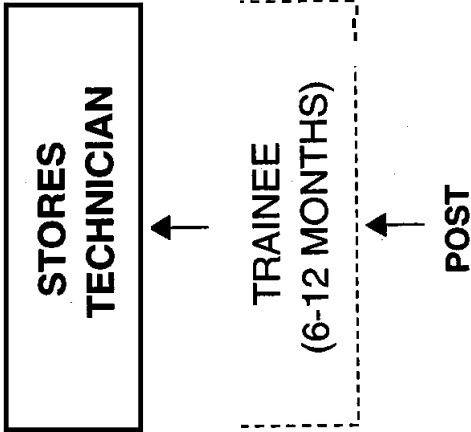
NOTES: TRADES AND SERVICES PROGRESSION

1. When an employee enters a classification, the employee will, for the first three months, be considered for promotion only after all others in the classification have been considered. Where shift work is involved, all or part of the three month period may be spent on days.
2. Temporary Trades Assistants will come from the senior interested employees from the Utility Group.
3. Trainees who prove unacceptable during their training period will be returned to Trades Assistant classification at which time the trainee will make a selection of another trade. The trainees will enter the second trade at the earliest opportunity and if proven unacceptable in the second trade will be removed from the progression.
4. For the purposes of job progression, relief jobs and shift jobs not indicated on this chart are considered equivalent to other jobs in the classification. A junior person will normally fill these jobs unless a more senior person in the classification wants the job. Vacation and sick relief assignments are for one year at a time.
5. Trainee jobs as set out in the Job Progression Chart are for the purpose of training only, and are not to be considered permanent assignments.
6. Riggers will be given the opportunity to train themselves in order to qualify for the classification of Crane Operator. This will be dependent upon the availability of crane work.
7. If no Class 1 Mechanic is qualified for a vacancy in the Refrigeration Repairperson job, the job will be filled from the Trades Assistant classification or posted under Article 14.01.
8. When tractors are used as backhoes or front-end loaders, a minimum of Rate Code 30 will be paid.
9. Advancement to Class 1 Tradesperson at Rate Code 3F will be one year at Rate Code 6T, one year at Rate Code 5T and year at Rate Code 4T.
10. In upgrading (i.e. a change to a higher classification not exceeding thirty (30) days in a calendar year unless extended by mutual written agreement and the thirty days excludes any vacation coverage) the selection is made from the specific work group involved.
11. To be eligible for selection to the position of Trades Assistant, an employee must have the ability to progress to a Multi-Skilled 1st Class Tradesperson.
12. Entrance to the Helper Classification will be by special placement only.
13. Pipefitters may be required to perform set up work.



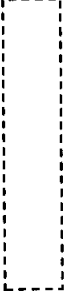
14. Employees entering the CST Progression at Rate Code 3F may spend up to a maximum of one year on days before being eligible for shift.
15.
 - (a) An employee who enters a trade directly from a posting will be required to successfully complete the designated multi-skilled trades training program. No reduction of training time will be allowed following completion of the common core training.
 - (b) A Trades Assistant at Rate Code 70 for one year will receive Rate Code 60 upon completion of the year.
 - (c) Trade Assistants will be required to take common core training during the first year if such training is offered.
 - (d) A Trades Assistant who moves to trades training during the employee's first six months in the Trades Assistant position will be required to successfully complete the three year training programme. No reduction of training time will be allowed if the Trades Assistant, has successfully completed the common core training during the first six months of residency.
 - (e) Employees selected for Trades Assistant classification who become trainees prior to the completion of one year will be given one month credit as a trainee for each month they were Trades Assistants in excess of six months up to a maximum of six months. Any period of time in excess of 15 days in a month will constitute a month for the purpose of such credit. This applies regardless of common core training.
 - (f) A Trades Assistant who is resident in the position for one year or more, will be given six months credit on the designated multi-skilled trades training programme.
 - (g) A Trades Assistant who proves unacceptable and/or fails to successfully complete the Common Core Training Module will be removed from the progression.
16. Filling of trainee openings for Class 1 Machinists will be first from employees in the Trades Assistant classification who successfully pass Machinist selection requirements.
17. The filling of Tool Crib Attendant assignments will be according to Article 16.03.
18. The method of selection for the Wage Planner's position will be in accordance with the jointly designed procedure used for the selection of Wage Supervisors.

19. If regression within the Wage Planner's position becomes necessary, the employee involved will regress back to the employee's former position with the Trades and Services Progression.
20. The Signwriter position will be filled by postings plant wide. Vacation relief and temporary upgradings are from the Painter/Insulator groups.
21. Filling of Trainee openings for CSM's will be first from employees in the Trades Assistant Classification who successfully pass CSM entrance requirements. If not thus filled, the job will be posted.
22. An employee entering the Garage Mechanic Trainee Position will be required to successfully complete the nine thousand hours (5 years) training programme. The trainee will spend one year at rate code 6T, one year at rate code 5T, one year at rate code 4T, and two years at rate code 3F.
23.
 - (a) Those employees identified as Loader Operators on February 29, 1992, will be paid at Rate Code 40 as long as they remain in this position.
 - (b) Site Servicepersons will be paid at Rate Code 50 except those performing work requiring Class 'A' drivers licenses and specialized training requiring additional responsibilities which would reflect the higher Rate Code of 40.

STORES PROGRESSION



LEGEND

-  DENOTES DAY JOB
-  DENOTES SHIFT JOB
-  DENOTES TRAINEE JOB

EFFECTIVE: FEBRUARY 1/2004

RA CC	
80	
90	

NOTES: -) DEPARTMENT

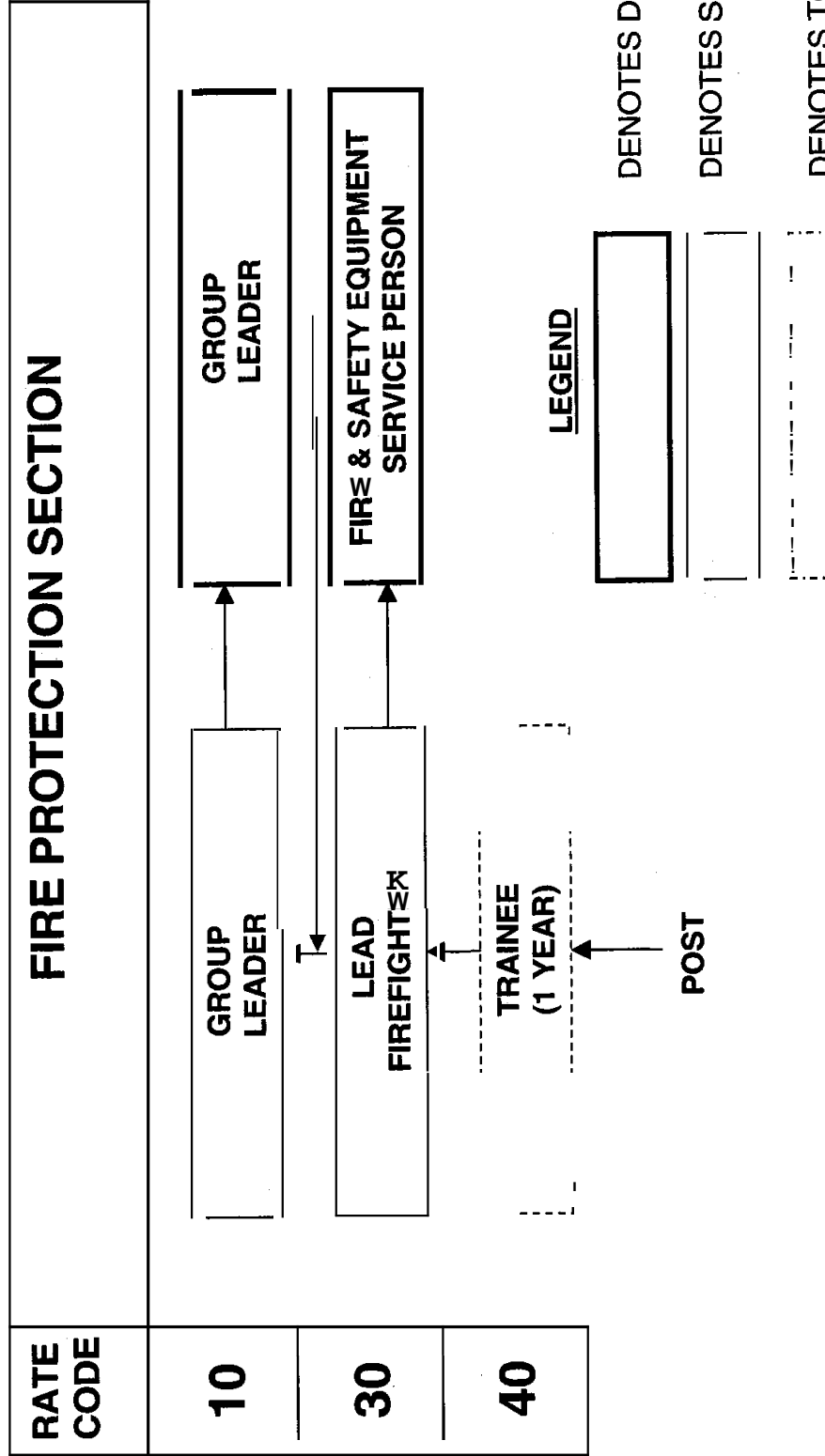
1. The entry point in the Stores progression will be filled at Stores Trainee.
2. Trainees will be required to possess the ability to move to Stores Technician. Trainees must be able to complete the Stores Technician training program or will be removed from the progression.
3. The training period for Stores Trainee(s) will be for 6 to 12 months.
4. For purposes of regression, the normal regression guidelines will apply. Trainees at RC 90, will be curtailed in that order.

Note: R&D deliveries are within the scope of the Stores Technician position.

Delivery work is part of the Stores Progression responsibilities.

Employees presently working in the Stores Progression will be paid according to current rate codes (reference 2001-2004 C.A.).

Employees recently regressed from the Stores Progression (names listed in the Explanatory Notes) will be grandfathered at the old rate code if an opportunity occurs to enable them to return to their previous progression.

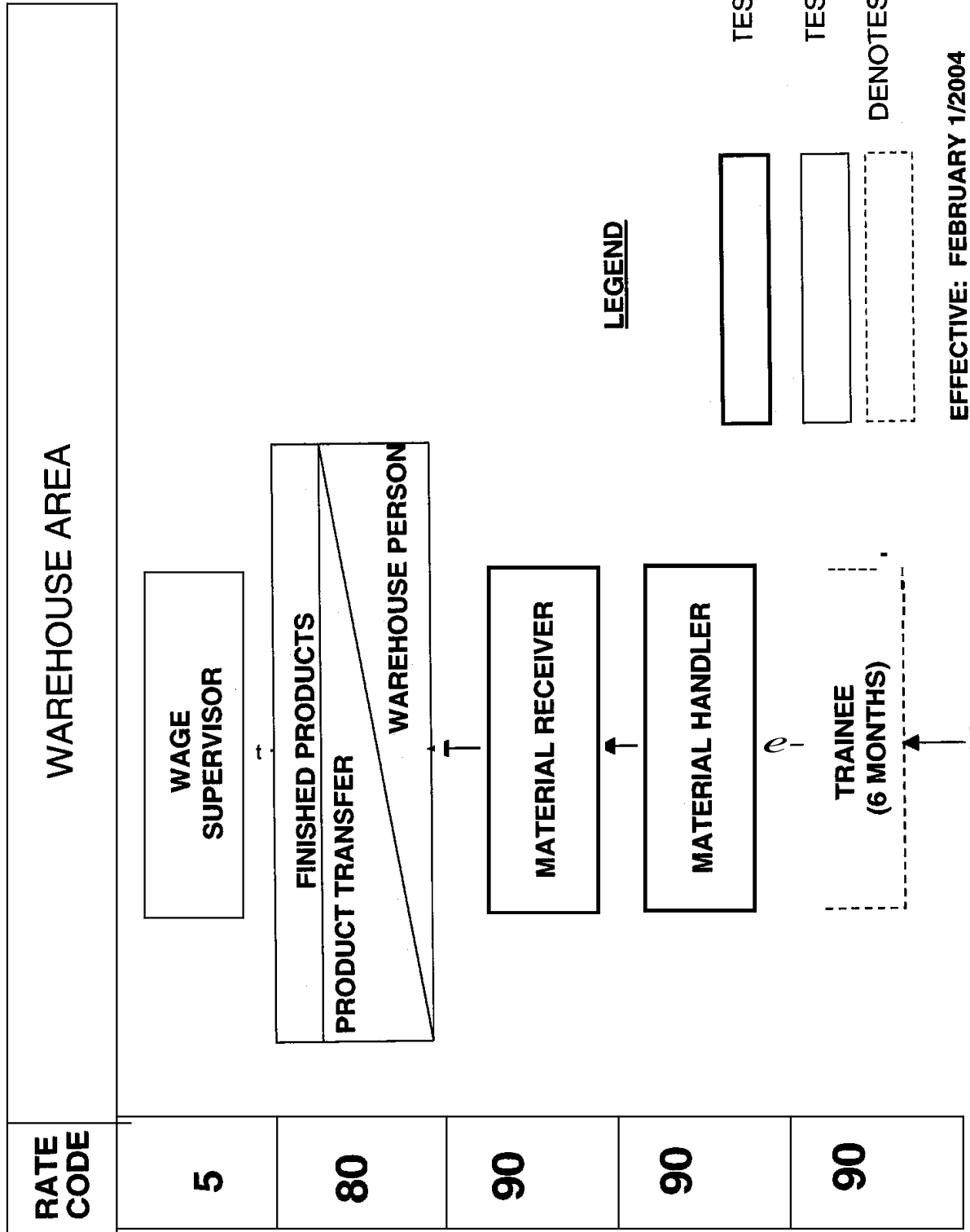


EFFECTIVE: FEBRUARY 1/2004

NOTES: FIRE PROTECTION SECTION

1. Progression from Lead Firefighter to Fire & Safety Equipment Serviceperson will be on the basis of seniority, i.e., from Lead Firefighter to vacation relief to miscellaneous schedule (swing) to Fire & Safety Equipment Serviceperson.
2. In upgrading (i.e., a change to a higher classification not exceeding thirty (30) days in a calendar year unless extended by mutual written agreement and the thirty days excludes any vacation coverage) the selection is made from employees in the specific unit shift crew or work group involved.
3. The staffing of shift work will be governed by seniority and movement will be first in first out with the exception of the present incumbent who may exercise their seniority to move to day work.
4. Successfully obtaining the required certification to repair Scott Air Packs (or equivalent devices) is a requirement of the Fire & Safety Equipment Serviceperson position.

DISTRIBUTION



NOTES: DISTRIBUTION

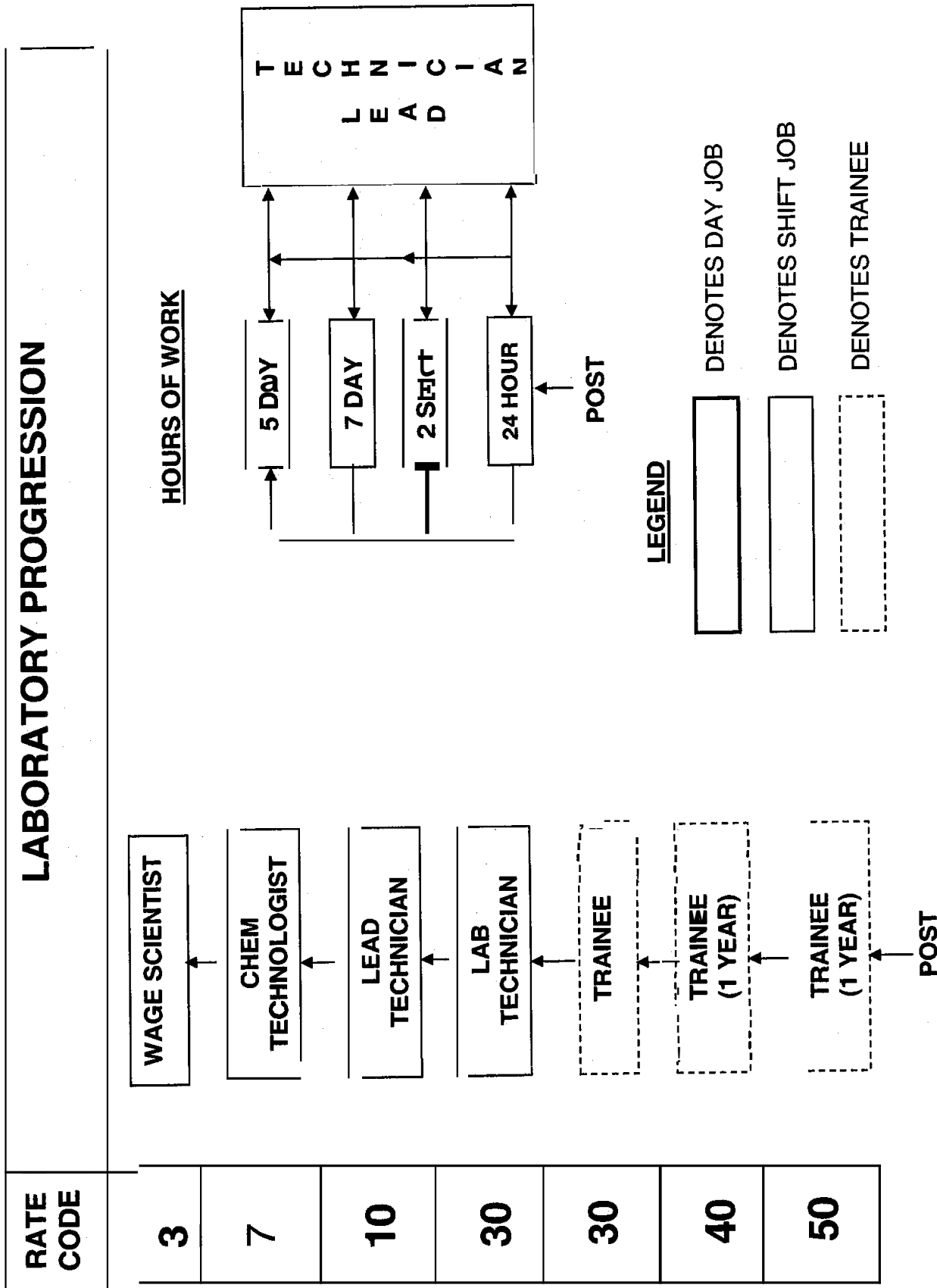
WAREHOUSE AREA

1. Relief jobs are not indicated on this chart but may be assigned, as required, in any job classification.
2. For purposes of job progression, relief jobs are considered equivalent to other jobs in the classification. A junior person will normally fill the relief job unless a more senior person in the classification wants the relief job. Vacation and sick relief assignments are for one year at a time.
3. In upgrading (i.e. a change to a higher classification not exceeding thirty (30) days in a calendar year unless extended by mutual written agreement) and the thirty days excludes any vacation coverage) the selection is made from employees in the specific unit shift crew or work group involved.
4. Minimum license required as defined by the M.T.O. to post into the Distribution progression. Employees accepted into the Trainee's position at Rate Code 90 will be required to successfully complete the training programme. The time periods may be reduced if the employee meets all of the job requirements satisfactorily.
5. Trainees who prove unacceptable during the training period will be removed from the progression.

Note: Employees presently working in the Distribution Progression will be paid according to current rate codes (reference 2001-2004 C.A.).

Employees recently regressed from the Distribution Progression (names listed in the Explanatory Notes) will be grandfathered at the old rate code if an opportunity occurs to enable them to return to their previous progression.

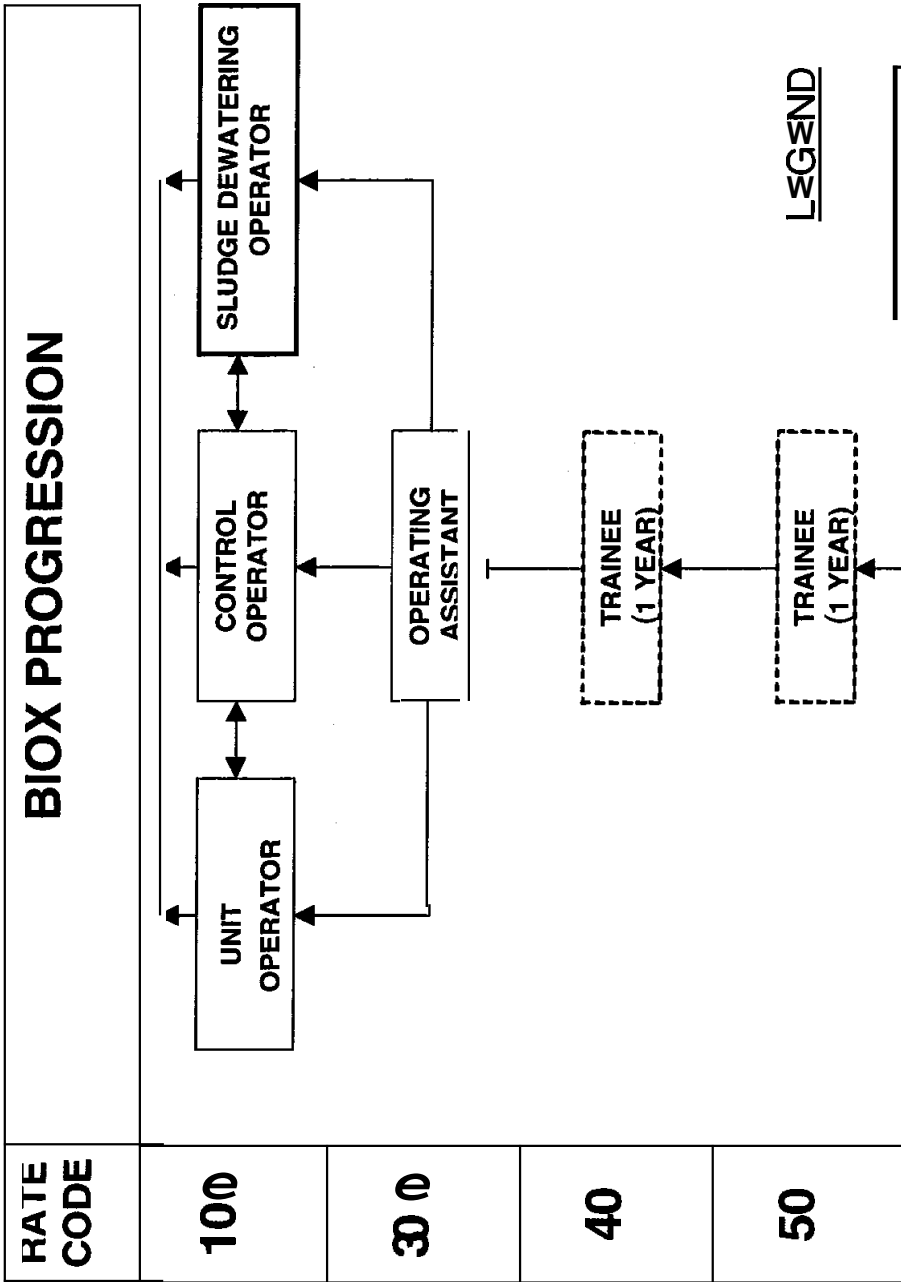
LABORATORY PROGRESSION



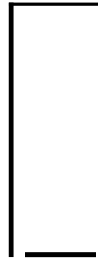


NOTES: LABORATORY PROGRESSION

1. In upgrading (i.e. a change to a higher classification for less than thirty (30) days in a calendar year unless extended by mutual written agreement and the thirty days excludes any vacation coverage) the opportunity will be given to the most senior qualified person in the overtime work group involved.
2. Relief jobs are not indicated on this chart but may be assigned as required in any job classification.
3. For the purpose of job progression, relief jobs are considered equivalent to other jobs in the classification. Vacation Relief positions in the Laboratory progression will be filled from within each respective unit(s) by the junior employee unless more senior employee wants the job. Vacation and sick relief assignments are for one year at a time.
4. A Technician Trainee who fails to qualify for advancement during the employee's first two years training will be removed from the progression. A Technician Trainee at Rate Code 30 who fails to qualify for advancement will be placed in accordance with the procedure of the second paragraph of 14.01(c).
5. Technician Trainees will be assigned to shift or day work without regard to seniority for training purposes only.
6. Movement from shift and seven day schedules to 5-day work in Technician jobs will be based on qualifications as established by the Company.
7. For purposes of progression,
 - (a) The Pilot Plant is considered a 24 hour shift operation. However, due to the varying requirements of the projects, the hours of work and days off may not be consistent with normal 24 hour operations.
 - (b) Vacancies in the Pilot Plant will be offered to Technicians in the 24 hour shift group.
 - (c) The Pilot Plant lab employees have "P" added to their rate codes to reflect preventative maintenance responsibilities for the safe and effective operation of the Pilot Plant.

8.
 - (a) For purposes of movement in the reverse direction of the progression, a surplus Technician will displace the most junior Technician in the progression. Trainees at Rate Codes 50, 40, and 30 will be curtailed in that order. For purposes of movement in reverse direction, Lead Technicians and Chemical Technologists will be considered as Lab Technicians in Rate Code 30.
 - (b) For the purposes of regression from Technology Support and Technology Analytical Services only, there will exist a ratio of one (1) Wage Scientist to five (5) Lab Technicians.
9. Lead Technician vacancies will be offered to the senior, qualified Technician exclusive of trainees. For purposes of regression of Lead Technicians and Chemical Technologists only, they will regress to Rate Code 30 and maintain their hours of work.
10. For details of the Laboratory Selection and Education Programme, see Letter of Understanding ('Laboratory Selection & Education Programme').
11. Each Wage Scientist and each Chemical Technologist will form their own overtime work group.
12. To be eligible to enter the Laboratory progression, employees must be able to satisfy the educational requirements established by the Company. Existing Lab Technicians as of February 1, 2001, who become impacted by any future lab regression, will be afforded a single grandfathered re-entry opportunity.
13. Flexible work time (mutually agreed between supervisor and employee) in the Laboratory Progression will observe core work hours between 8:30 a.m. and 3:00 p.m.



LEGEND

-  DENOTES DAY JOB
-  DENOTES SHIFT JOB
-  DENOTES TRAINEE JOB

EFFECTIVE: FEBRUARY 1/2004

NOTES: BIOX I PROGRESSION

1. In upgrading (i.e. a change to a higher classification not exceeding thirty (30) days in a calendar year unless extended by mutual written agreement and the thirty days excludes any vacation coverage) the selection is made from employees in specific unit shift crew or work group involved. If the change is expected to exceed thirty (30) days but not to exceed ninety (90) days unless extended by mutual agreement, the selection is made from employees on the particular unit.
2. Notwithstanding 14.01(c) of the Collective Agreement, an Operator whose work has been withdrawn shall displace a Swing Operator with less seniority.
3. For purposes of movement in the reverse direction of the job progression in accordance with 14.01(c) trainees at Rate Code 50 and 40 in that order will be displaced, before surplus Operating Assistants are displaced.
4. Trainees who prove unacceptable during the training period will be removed to the Utility classification.
5. An employee holding a Swing Operator position will be paid at Rate Code 10P and will be given the first opportunity to move to a full time Operator.
6. The Sludge Dewatering Operator position will be filled by the following method:
 - i) By seniority from the Operators in the Biox Progression.
 - ii) By seniority from the Operating Assistants at Rate Code 30P.
 - iii) By seniority from the Operating Assistant trainees at Rate Code 40.
 - iv) By seniority from the Operating Assistant trainees at Rate Code 50.
 - v) By plant posting for Sludge Dewatering Operator.

NOTE:

- 1) Lateral movement will be allowed from the Sludge Dewatering Operator's box if a position is available. The available position in the Unit or Control Operator box will be filled by the senior qualified employee. (Qualified means the 2 year Biox Training Programme).

- 2) Regression from the Sludge Dewatering Operators position will be on the basis of seniority. An Operator displaced from the Sludge Dewatering facility, will be regressed to either the Unit Operator or Control Operator's position, based on the seniority of the people within these classifications. The individual will only be regressed to Unit or Control Operators classifications if they have completed the Biox training programme. Sludge Dewatering Operators who have not completed the Biox training programme would be regressed to the Operating Assistant training programme and will be paid at Rate Code 30P.
- 3) Sludge Dewatering Operators will not be paid shift differential. This is in accordance with Article 10.11(b)(ii) of the Collective Agreement. The employees initially selected for the Sludge Dewatering Operator positions, accepted the positions based on the payment of shift differential and therefore it will be paid to these employees only. All employees subsequently accepting a position at the SDU will NOT be paid shift differential.

7. OVERTIME

Regular overtime will be covered in the following manner:

the lowest person on the overtime list within the job classification which required the overtime will be called first.

The job classifications within the Biox Progression are:

- Unit Operators
- Control Operators
- Sludge Dewatering Operators
- Operating Assistants

Regular overtime is defined as overtime which is required to operate the Waste Operations facilities.

Note: Trainees within the Biox Progression are considered part of the Operating Assistant classification for the purpose of overtime distribution (regular and irregular overtime).

Documented below is the proper order for filling a regular overtime spot for all job classifications.

If regular overtime is required in the Unit Operator classification, the order of call out shall be as follows:

- 1) Unit Operators
- 2) Operating Assistants**
- 3) Sludge Dewatering Operators
- 4) Control Operators

If regular overtime is required in the Control Operator classification, the order of call out shall be as follows:

- 1) Control Operators
- 2) Sludge Dewatering Operators
- 3) Unit Operators
- 4) Operating Assistants

If regular overtime is required in the Sludge Dewatering Operator classification, the order of call out shall be as follows:

- 1) Sludge Dewatering Operators
- 2) Control Operators**
- 3) Operating Assistants
- 4) Unit Operators

If regular overtime is required in the Operating Assistant classification, the order of call out shall be as follows:

- 1) Operating Assistants
- 2) Unit Operators
- 3) Control Operators
- 4) Sludge Dewatering Operators

Note: A level of training will be required to ensure the individuals for regular overtime are qualified to perform the work. Training requirements will be determined jointly by the Supervisor of Waste Operations and the Union.

Sludge Dewatering Operators are not eligible for regular overtime in the Unit Operator, Control Operator or Operating Assistant job classifications unless they have completed the Biox training programme.

Overtime for the following activities is defined **as** irregular overtime:

- spark watch
- clean-up work to improve housekeeping (including tank clean-up)
- emergency pump standby

Irregular overtime encompasses all areas covered within Waste Operations.

Irregular overtime is to be staffed from a common overtime group which includes all people covered under the Biox progression.

8. VACATION RELIEF

For purpose of job progression, relief jobs, which are not indicated on this chart, are normally equivalent to other jobs in the classification. A junior person will normally fill the relief job unless a more senior person in the classification wants the job. Vacation and sick relief assignments are for one year at a time.

Vacation Relief personnel will be trained in all areas of Waste Operations and will be required to provide coverage for all areas and all job classifications (including the O.A. classification). During shifts which the Vacation Relief person is spare, they will be expected to cover any vacancy as deemed by Supervision.

Vacation Relief personnel will be paid at Rate Code 10P.

Vacation Relief personnel are eligible for regular overtime assignments for which they are trained and will be called based on their regular job classification as per the overtime call out procedure. Vacation relief personnel are also eligible for all irregular overtime assignments.

Note: All overtime hours accepted or declined (regular and irregular) will be added to accumulate overtime hours in all job classifications for which they are trained to work, as well as in the irregular overtime work group.

9. PERMITS

Biox work permits, including permits for the laboratory area, shall be issued by the Unit Operator only. The Unit Operator will also issue all permits for the landfill site; the DAF feed pit area and pumping systems at the MOS.

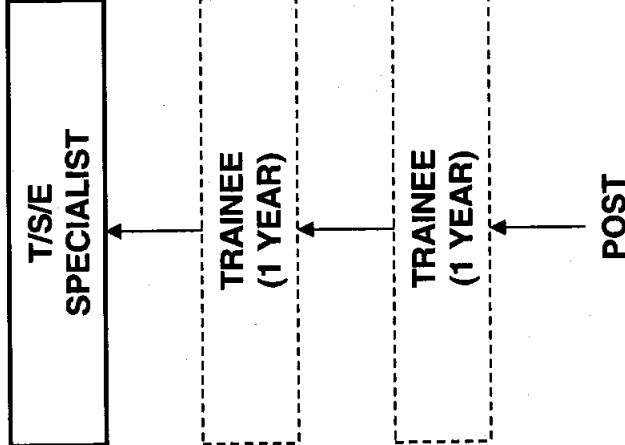
The MOS Operating Assistant will continue to issue all work permits for the MOS operations.

Work permits for the Sludge Dewatering area will be issued by the Sludge Dewatering Operator.

10. SHIFT CONTROL

Although all Waste Operations personnel are expected to work as a team to provide effective and efficient operation of the BiOX plant, the Unit Operator is the designated person in charge of the shift.

RATE CODE	TRAINING / SAFETY / ENVIRONMENT (T/S/E) SPECIALIST PROGRESSION	
10	<div style="border: 1px solid black; padding: 5px; text-align: center;">T/S/E SPECIALIST</div>	
30	<div style="border: 1px dashed black; padding: 5px; text-align: center;">TRAINEE (1 YEAR)</div>	
40	<div style="border: 1px dashed black; padding: 5px; text-align: center;">TRAINEE (1 YEAR)</div>	



LEGEND

DENOTES DAY JOB

DENOTES SHIFT JOB

DENOTES TRAINEE JOB

EFFECTIVE: FEBRUARY 1, 2004

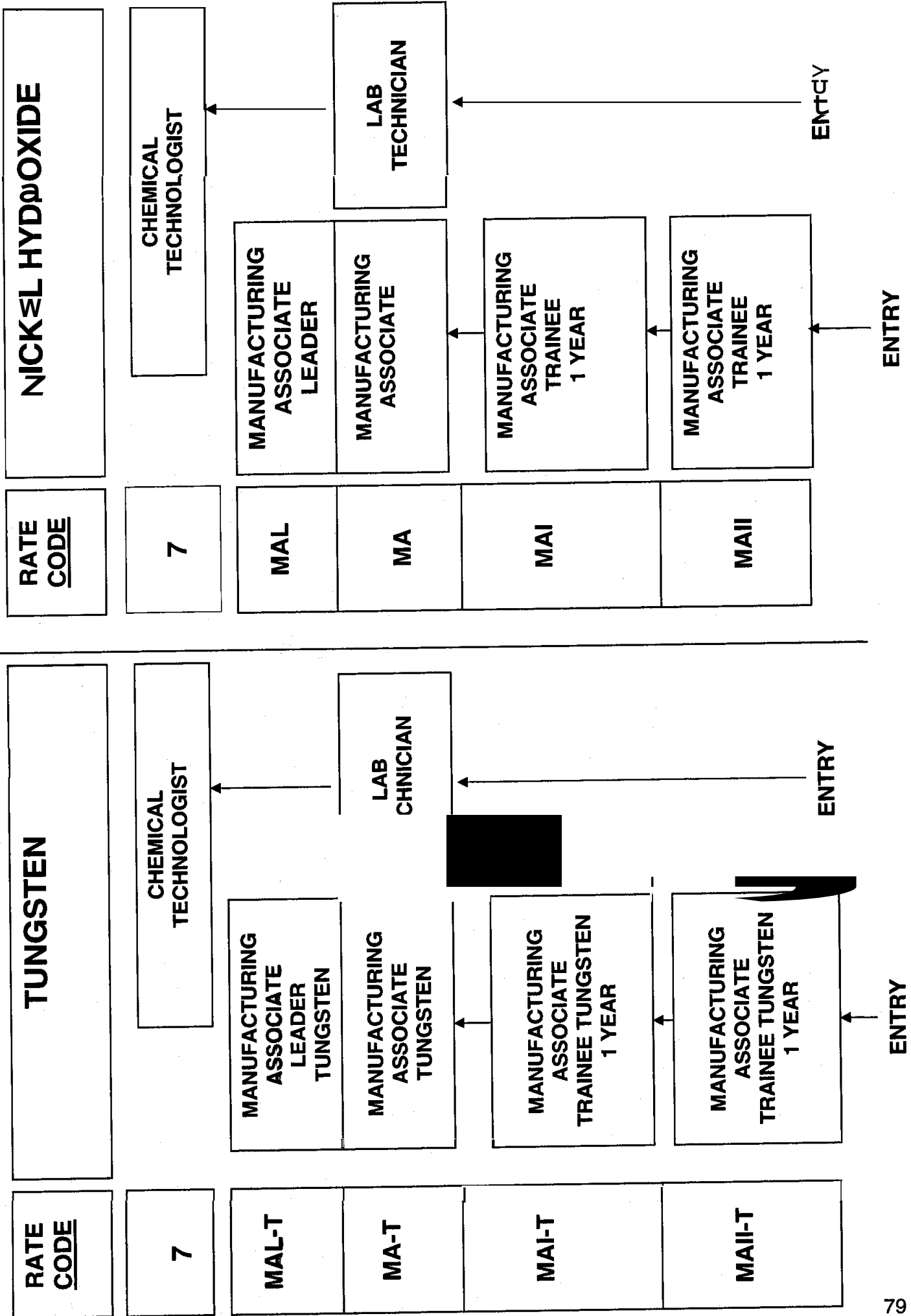
NOTES: INING/SAFE (T/S/E)

1. The T/S/E Specialist will be selected from a site wide posting using the Modified Targeted Selection process.
2. Trainee rate codes for employees entering the progression will be as follows:
 - a) If the employee is currently at RC-50 or lower paid rate code, the employee will follow the trainee progression as outlined in the Chart.
 - b) If the employee is at RC-40 or higher paid rate code, the employee's existing rate will be maintained until such time as their rate falls in line with the progression outlined in the Chart.
 - c) Employees will be designated as trainees for two years.
3. Each T/S/E Specialist will form their own overtime work group.
4.
 - a) In the event of a curtailment, the T/S/E Specialist would regress to the job classification/rate code from which the employee came.
 - b) In the event of a curtailment, the T/S/E Specialist trainee(s) with the least training time will be regressed first, followed by the T/S/E Specialist(s) with the least seniority.
 - c) T/S/E Specialists or trainees who are regressed for greater than two (2) months and who remain employed will be paid for a maximum period of one year at their previous rates.
5. A trainee lacking sufficient ability to fulfill all the job requirements satisfactorily will be removed from the T/S/E Specialist progression. Individuals removed from the progression will be regressed to the Utility group in the Trades and Services Progression.
6. T/S/E Specialists have responsibility for safety, health and environmental issues in the areas to which they have been assigned and report to a T/S/E Supervisor.

The following are the present major areas of responsibility:

Butyl II, Distribution	Butyl I, Fire, Security
NBR, Pilot Plant	BR, Dock, Stores
Olefins, Office Buildings, Main roads, CSG	S&PP, Biox, Landfill, Lab
Maintenance, Parking Lots, Special	Services
Projects (capital),	

H.C. STARCK PROGRESSION



NOTES: H.C. STARCK PROGRESSION

1. Progression from MAII to MA follows satisfactory completion of specified, required classroom and on-the-job training and demonstrated technical and team-related skills.
2. A minimum of one year's experience will be required at each level. A training program will be developed. The maximum time allowed to successfully complete the required training will be determined by the Starck teams.
3. To be eligible for either the Laboratory Technician or Chemical Technologist positions, employees must be able to satisfy the educational requirements established by the Company.

APPENDIX "E"

MAINTENANCE PRACTICES RE:

- A) Scheduled & Emergency Turnaround Staffing.
- B) Overtime on Turnarounds.
- C) Overtime in General.
- D) Night Crews.

A) **SCHEDULED & EMERGENCY TURNAROUND STAFFING**

Turnaround is defined as any scheduled production outage where major maintenance work requires the assignment of additional tradespersons to a unit for a specified time period.

Emergency Turnaround is defined as any unscheduled event where maintenance work commences immediately and requires the assignment of additional tradespersons to a unit.

Duration of a Turnaround is defined from the scheduled start date to the scheduled completion date inclusive.

Assignment:

1. Work on a turnaround is recognized as a work assignment required of every employee unless excused for approved reasons.
2. An employee may be excused from these assignments if:
 - a) The employee has signed an overtime waiver (see Appendix "C" - WAIVER SYSTEM).
 - b) The employee has a permanent-partial disability (PPD) which does not allow the employee to do the work required on a turnaround. (See Appendix "C" - PERMANENTLY PARTIALLY DISABLED).
 - c) The employee has a medical modified work status. (See Appendix "C" - MEDICAL MODIFIED WORK).
3. Verification of conditions as stated in 2(b) and 2(c) must be made by the Medical Department.

APPENDIX "E"

A) SCHEDULED & EMERGENCY TURNAROUND STAFFING (cont'd)

4. When an employee is assigned to a Turnaround the employee will normally complete this work assignment; e.g. the employee will return to the Turnaround assignment after an interruption, such as a priority Turnaround or job, which does not require the removal of all supplementary manpower.

If the interruption has required the complete removal of the supplementary manpower, when the Turnaround resumes the re-staffing will be carried out using the most current daily overtime list preceding the scheduled re-start date. Such interruptions must be for at least 3 consecutive regular working days.

5. Assignments to a turnaround apply to day employees who work regular hours (07:30 hrs. 16:00 hrs.) and in emergency, shift employees on their days off, for 8 hours only. Shift employees will be considered for any additional overtime according to their overtime credits.

Selections:

1. Unit personnel will form the basic turnaround crew, regardless of their overtime credits.

2. Scheduled or Emergency Turnarounds

a) **Scheduled Turnarounds**

The remaining crew requirements staffing will be completed by using the daily overtime list issued on the first working day of the week prior to the scheduled start date of the turnaround. The crew will not be changed during the term of the turnaround even though a later list has been issued. Those low in overtime credits will be selected for all turnarounds unless mutually agreed upon in writing between the Company and the Union office. Exceptions may have to be considered where special skills or needs are required.

APPENDIX "E"

A) SCHEDULED & EMERGENCY TURNAROUND STAFFING (cont'd)

2. Scheduled or Emergency Turnarounds (cont'd)

(b) **Emergency Turnaround**

The remaining crew requirements staffing will be completed by using the most current daily overtime list in effect at the time of official notification. The crew will not be changed during the term of the turnaround even though a later list has been issued. Those low in overtime credits will be selected for all emergency turnarounds unless mutually agreed upon in writing between the Company and the Union office. Exceptions may have to be considered where special skills or needs are required.

3. If additional or replacement crew *is* required after the scheduled start date the re-staffing will be from the most current daily overtime list preceding the assignment date.

4. It is understood that selections for T.A. assignments are made from those employees that are available at the start of the T.A. Those employees who are not available due to training, meetings and Union business will be selected for T.A. assignments.

In regards to vacation prior to a T.A.

a) If the employee is scheduled to return to work on the first day of the turnaround, the employee will be selected but will not be eligible for overtime on the preceding weekend.

b) If the employee is scheduled not to return to work until the second day of the turnaround the employee will not be selected for the turnaround, unless additional crew is required. (Refer to #3).

5. It may well be that an employee selected for a turnaround will come from an area which cannot afford at the time to contribute manpower to the turnaround.

Employees who are required to replace others going to a turnaround assignment during regular working hours will be chosen from the available low overtime personnel.

APPENDIX "E"

B) OVERTIME ON TURNAROUNDS

1. Any turnaround related overtime on regular days off or statutory holidays immediately preceding or following the scheduled turnaround start/completion date will be staffed by the turnaround crew.
2. The completing turnaround will have priority for overtime staffing.
3. An employee is eligible for overtime in their own overtime work group as well as on the Turnaround. Priority is given to the Turnaround. Turnaround priority extends to 14:00 hrs. (2:00 p.m.), after which time if the employee has not been selected for overtime, the employee's overtime work group will have priority.
4. Although assigned to a turnaround, an employee may decline overtime if the employee wishes as defined in 10.07(i) of the Collective Agreement.
5. For the Turnaround crew overtime will be distributed according to the most current daily overtime list.

C) OVERTIME IN GENERAL

1. Overtime will be distributed in accordance with Article 10.07
2. Callouts:
 - a) For areas having resident tradespeople in the specific trade required for the overtime, the tradespeople from the overtime work group will be called first as per Appendix "C", then from the plant list.
 - b) For areas not having resident tradespeople in the specific trade required, tradespeople from the Central trade forces will be called first then, those from the rest of the plant.
3. Employees assigned to another work group for a period of less than 30 days or as a replacement may participate in the overtime of that group, i.e. the employee will be eligible as per the employee's overtime credit since the employee is recognized as a member of that work group. Record of such moves must be made to the Manpower Scheduler/Co-ordinator for call-out purposes.

The following guidelines apply to No. 3 above:-

APPENDIX "E"

C) OVERTIME IN GENERAL (cont'd)

a) When an employee is assigned to another unit or area, the employee will not be eligible for overtime on the weekend preceding the assignment date.

b) When an assignment period is less than a week, the employee will only be eligible for overtime on the designated days (24 hrs.) that the employee is on assignment, except that when the assignment period includes the last full working day of the week in which case the employee is eligible for overtime on the week-end.

4. Most planned jobs provide opportunity for staffing with consideration for overtime; i.e., if a job is known to require overtime to complete it, the initial staffing should include the tradespeople who are eligible for the overtime. It is recognized that in spite of the above there will be situations where unplanned overtime will occur and circumstances do not allow for restaffing with the eligible tradespeople, the job will then be performed by those doing the work unless they decline and suitable replacements are available.

Needs for special skill and job continuity will also be considered as reasons for holding specific tradespeople on the job.

For the purposes of continuity and when overtime is required for two or more consecutive periods, overtime may be performed by LANXESS employees, provided one half of the trade required agrees to work the duration of the job. If no LANXESS employees are interested, the company may call upon LANXESS trades as per Article 10.07 (i) or contract out the work.

Note: This will apply to each trade required for the job, separately e.g. If Mechanics, Pipefitters and Boilermakers are required for the job and one half the Mechanics and one half the Boilermakers commit to the entire job, LANXESS Mechanics and Boilermakers would work on the job; the Pipefitting may be contracted out.

D) NIGHT CREWS

Payment:

1. The first two nights worked (excluding regular days off) on the night work period will be paid at premium payment.

2. The first **two** days worked (excluding regular days off) on the day work period will be recognized as overtime after regular hours are completed.

APPENDIX "E"

D) NIGHT CREWS Payment: (cont'd)

3. The remaining nights will be paid at straight time for the first eight (8) hours of work and applicable overtime rates for work beyond eight (8) hours.
4. Premium payment for night crews will not be recognized as overtime payment.
5. Night Crew coverage will be any hours other than regular day hours.

Selection:

1. Selections will be made from the most current daily overtime list. Each employee in turn will have the option to choose the period the employee wishes to work, or decline. This procedure continues until there are no options left; since there may be overtime involved, each employee may exercise their option except that the employee may be obligated to work overtime as outlined in 10.07 (i).
2. If the employee declines to work either option the employee will be charged with the greater of the overtime charges. The employee will still be eligible to work other overtime during the night crew period; the employee will not be charged for any of this overtime if the employee declines; however, if the employee works, the employee will be charged for the overtime work in addition to the overtime charges the employee incurred for declining the night crew.
3. Any regular hours lost during night crew assignment may be made up at straight time payment at a mutually agreed upon time.
4. Re-staffing will be considered for night/day crews that extend beyond fourteen days.
5. When accepting the night crew assignment an employee must accept the total package which may include overtime hours as well as hours at premium time.

NOTE:

Priority Turnarounds are those turnarounds that are given priority over other turnarounds by mutual agreement between the Company and the Union.

Work Group is the resident crew or their replacements. (Same job classification)

Overtime Work Groups - See Appendix "C"

APPENDIX "F"

SUMMARY OF BENEFITS COST SHARING FORMULA

1. **Group Life Insurance:**

Approximately 2 x basic earnings in accordance with a schedule. 85% Company Paid.
15% Employee Paid.

2. **Long Term Disability:**

100% Employee Paid.

60% of basic earnings on date of disability inclusive of any disability benefits from other sources (e.g. C.P.P., W.S.I.B. etc.) and subject to a maximum from all sources of 85% of net basic earnings, but not to exceed \$3,500 per month.

The Company will not reduce the amount paid by the insurer in the event of a Canada Pension Plan inflationary increase. This is *non-taxable* income.

3. (i) **Weekly Indemnity:**

Approximately 75% basic earnings in accordance with a schedule.

Cost Sharing
See Section 4

(ii) **Dental Plan:**

Plan will pay up to \$2000 per year for each employee and each eligible dependent as follows:

100% of the cost of basic and preventive care (routine oral examinations, cleanings, fillings)

and

50% of the cost of restoration and replacement care (crowns, inlays, dentures).

Orthodontic Treatment:

50% of the cost of treatment based on the ODA schedule in effect during the term of this agreement, for dependent children ages 6-21.

APPENDIX “F”

3. **Orthodontic Treatment:** (cont'd)

Treatment required to correct malocclusions of the teeth (maximum benefit is \$1,000 per year for each covered dependent with a lifetime maximum of \$2,000.00).

(iii) **Major Medical Plan:**

Plan will pay 100% of covered expenses after satisfying an annual deductible of \$25/single and \$50/family for the employee and each eligible dependent.

(iv) **Supplemental Hospital Benefit:**

Plan will pay the difference between semi-private hospital charges and the standard ward rates paid by OHIP for the employee and each eligible dependent.

(v) **Vision Care:**

The plan will pay up to \$200 per two year period for each employee and each eligible dependent for prescribed vision care.

4. **Cost Sharing:**

The cost sharing of all benefits listed in Section 3 will vary from year to year but the cost aggregate of Sections 1, 2 and 3 will be 85% Company paid and 15% Employee paid.

5. **Ontario Health Insurance Plan: OHIP**

In 1990 the funding for Ontario Health Insurance changed from a user insurance premium to an Employee Health Tax paid by the Company. For the cost sharing of the former user insurance premium, see the Explanatory Notes.

6. **Health Care Expense Account: HCEA**

This account is designed to assist in covering health care and dental expenses that are not currently covered by the existing plan:

February 1, 2004	\$200
February 1, 2005	\$200
February 1, 2006	\$200

You have two years to use your Health Care Expense Account deposit. If you have dollars left at the end of the first year, they can be carried forward to cover claims incurred in the next year. After that they must be forfeited to the Company according to Revenue Canada rules.

7. Pension Plan for Wage Employees:

Cost to Employee:

3.4% of earnings to the year's Maximum Pensionable Earnings (YMPE) under C.P.P. in that year and 5% of earnings which are in excess of the YMPE in that year.

Company Cost:

Company shall be liable and contribute the balance of the cost of the Plan and shall comply with any funding and solvency requirements of any applicable legislation relating thereto.

8. Savings Plan for Wage Employees

Effective February 1, 1995, there will be established a Savings Plan for all wage employees.

The plan will have two components; an Employee Savings Plan (ESP) and a Group Registered Retirement Savings Plan (Group RRSP).

The Company will contribute an amount on a per pay basis to an account established for each employee. The amount contributed will be as follows:

Effective February 1, 2004	\$25.20
Effective January 31, 2006	\$26.08
Effective August 1, 2006	\$26.86

The employee may direct all of the Company's contribution to either the Group RRSP or to the ESP.

Each employee may elect to make voluntary contributions through payroll deduction to either plan component. Contributions to the Group RRSP are on a pre-tax basis. Voluntary contributions to the Group RRSP will be limited to the employee's annual maximum RRSP room.

All Administrative fees of the plan will be paid by the Company.

Note:

The above summarizes the highlights of the Health Care benefits and the Pension Plan. For administrative details refer to the full texts of all plans. Such texts will be made available by the Company to the Union.

APPENDIX "G"

LETTERS OF UNDERSTANDING

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LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

1.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Employee Testing and Article 14

This letter will serve to confirm the Company's intention regarding the application of Article 14 in selecting employees for vacant jobs.

It being understood that seniority is the first consideration, in determination of ability in the application of Article 14, an employee's performance on the employee's previous jobs will be given primary consideration.

To the extent that a job selection test is used in assisting in the evaluation of an employee's qualifications under Article 14.01 (a) (ii) it is agreed as follows:

1. Such tests shall be applied equitably to employees being considered for a vacancy.
2. If a senior employee is by-passed, the employee shall, if the employee so requests, be given the written reason for the employee's rejection.

Cont'd ..2

3. If the test has affected the decision to reject a senior employee and the employee files a grievance, the details and results of the employee's test shall be made available to the Union and the employee.

Your signature on this letter will affirm your agreement to this understanding.

Yours very truly,

Linda McDonald
Manager, Employee Relations

Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally agreed: pre 1981

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

2.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Company-Union Pension Committee Agreement

This letter confirms our understanding regarding the Company-Union Pension Committee Agreement as per attached.

Your signature on this letter will affirm your agreement to this understanding.

Yours very truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed : Feb 1/86

COMPANY-UNION PENSION COMMITTEE AGREEMENT

This Agreement is dated and effective the 1st day of March 1979.

Section 1

- (a) A chairperson shall be elected by the Members of the Pension Committee from amongst themselves and the Chairperson at all times will be entitled to vote as a member of the Pension Committee.
- (b) Minutes of all meetings of the Pension Committee shall be recorded in writing by a secretary to be appointed by the Company.
- (c) In the event that the Pension Committee cannot resolve a matter before it, then such matter shall be resolved pursuant to the arbitration procedure as set out in the current Collective Bargaining Agreement between the Company and the Union.

Section 2

The powers and responsibilities of the Pension Committee shall be as follows:

- (a) In respect of any question of interpretation and application of the Pension Plan, all persons having an interest in or under the Plan shall have a right to a hearing by the Pension Committee. The determination and decision of the Pension Committee shall be conclusive and binding.
- (b) To receive and review the following information which the Company shall cause to be furnished to the Pension Committee:
 - (i) a certified annual summary by the Trustee setting out the total receipts, disbursements and assets at book value, of the Pension Fund. As well, such statement will set out the total membership in the Plan and any increase or decrease thereof during the preceding calendar year.
 - (ii) a copy of any Actuarial Report by the Plan's Actuary that is filed with federal and provincial regulatory authorities.
- (c) The Pension Committee may make recommendations to the Company as follows:
 - (i) ways and means to improve the operation of the Plan for the benefit of persons having an interest in or under this Plan;
 - (ii) amendments to the Plan in order to enhance its effectiveness in meeting the needs of all persons having an interest or under this Plan, in a changing social and economical environment.

Section 3

The Pension Committee shall have no power to add to or subtract from or to modify any of the terms of the Pension Plan, to change or to add to any benefit provided by the Pension Plan, nor to waive or fail to apply any requirement of eligibility for a benefit under the Pension Plan.

Section 4

The Pension Committee and any member of the Pension Committee shall be entitled to rely upon the correctness of any information furnished by the Plan's Actuary or the Company. Neither the Pension Committee nor any of its members nor the Union nor any officer or other representative of the Union nor the Company nor any officer or other representative of the Company, shall be liable because of any act or failure to act on the part of the Pension Committee or any of its members or any person, except that nothing herein shall be deemed to relieve any such individual from liability for the individual's own fraud or bad faith.

Section 5

- (a) No ruling of the Pension Committee in **one** case shall create a basis for retroactive adjustment in any other case.
- (b) There shall be no appeal from any ruling within its authority of the Pension Committee. Each such ruling shall be final and binding on the Union and its members, the Employee or Employees involved, and on the Company.
- (c) Any case referred to the Pension Committee on which it has no power to rule shall be referred back to the parties without ruling.

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

3.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Compensation of Chief Steward

This letter will confirm understandings reached with respect to the compensation of the employee holding the position of Chief Steward of the LANXESS Inc. Unit of Local 914, Communication, Energy & Papetworkers Union.

1. Effective March 8, 1983, the employee holding the position of Chief Steward as referred to above will be paid Rate Code 10 plus eight (8%) per cent.
2. At the end of each year, the average overtime earnings of the employees in the work group of which the Chief Steward would be a member if the employee was not holding the office, will be computed. The overtime earnings of employees in the work group who are absent because of illness, accident or occupational injury in excess of 30 days will not be included in the computation of the average. The average overtime earnings will be compared to the overtime earnings of the Chief Steward for the year concerned and any positive difference between the average overtime earnings and the overtime earnings of the Chief Steward will be paid to the Chief Steward in a lump sum.

Cont'd...2

Your signature on this letter will affirm your agreement to this understanding.

Yours very truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed: pre-1981

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

4.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Summer Students

This will confirm our understanding regarding summer students.

Employment date will be from approximately May 1 to the last scheduled working day prior to Labour Day.

A joint committee to be formed with two Union and two Management people to work on issues involving summer students.

The progressional rights of all employees will be maintained.

If a Utility Group employee elects to move as a result of summer students being hired, the employee will forego their change of schedule premium.

Summer students will receive rate code 100 for all work performed. Students will not be used above rate code 80 activities.

Rate code 100 to be part of Appendix "B".

Yours very truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed: pre-1981
Revised: Feb 1/90
Revised: Feb 1/01

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

5.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Leave of Absence for Union Business

This letter confirms arrangements reached in discussions between the parties with respect to lost time of Union Officers or members.

In past, lost time for Union business has been deducted from the pay of persons concerned on an ongoing basis.

Effective June 1, 1971, persons concerned will continue to be compensated by the Company at their normal rate. The lost time involved will be recorded by the Employee Relations Department and at the end of each month the LANXESS Inc. Unit of Local 914 will be billed for all lost time involved in that month. Reimbursement to the Company will then be made by the LANXESS Inc. Unit of Local 914.

It has also been arranged that all requests for Leave of Absence for Union business will be routed through the Chief Steward of the LANXESS Inc. Unit of Local 914.

Your signature on this letter will affirm your agreement to this understanding.

Yours very truly,

Linda McDonald
Manager, Employee Relations

Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed: *pre-1981*

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

6.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Employee Elected to Full-time Union Office

This letter will confirm our understanding regarding anyone elected to the full-time position of President of Local 914, Communications, Energy & Paperworkers Union.

The Company agrees to grant a leave of absence to a LANXESS Inc. employee elected as President of Local 914, C.E.P.U. Such leave shall be for the duration of the employee's elected term or terms.

LANXESS will maintain benefits/pension as per regular employee.

LANXESS will pay to Local 914, Communications, Energy & Paperworkers Union on a per capita basis the wages of any member elected to this position. Per capita means the percentage of the Local 914 membership that the number of LANXESS Inc. Manufacturing Bargaining Unit employees represent.

Per capita will be calculated on the following dates: March 31, June 30, September 30 and December 31 by Local 914 and per capita payment to Local 914 will be paid quarterly. LANXESS Inc. will provide Local 914 with the average number of Local 914 members in the Manufacturing Bargaining Unit on a quarterly basis.

Rate used for per capita will be no higher than the highest rate in the LANXESS Collective Agreement.

Cont'd ... 2

At the end of each year, or termination of the term, whichever is first, the LANXESS employee holding the position as President of Local 914, as referred to above, shall receive additional compensation on the basis of the following:

Average overtime earnings of the overtime work group of which the employee was a member.

This letter will expire December 31, 2004.

Your signature on this letter will affirm your agreement to this understanding.

Yours very truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

*Originally Agreed: pre-1981
Revised: Feb 1/92
Revised: Feb 1/97
Revised: Feb 1/04*

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

7.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Union Executive Safety, Health & Environment Representative

This letter will confirm our understanding with regard to the Union Executive Safety, Health & Environment Representative position.

1. This representative will be selected by the Union.
2. This position will be paid Rate Code 10 + 8 percent.
3. Overtime eligibility will be in respect to this position only.
4. In the event of curtailment of this position, the incumbent will move into the T/S/E Specialist Classification.

Your signature on this letter will affirm your agreement to this understanding.

Yours very truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed: pre-1981
Revised: Feb 1/92
Revised: Feb 1/97

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

8.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Undesignated (Floater) Holidays

This letter will confirm our understanding regarding the two undesignated (floater) holidays in Article 11.01 of the Collective Agreement that are to be determined in November of each year for the following year.

In no case shall the selection of any of the undesignated holidays result in a work week of less than three days, or a weekend of more than four days during the period April 1 to November 1 of each year.

Your signature on this letter will affirm your agreement to this understanding.

Yours very truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed: *pre-1981*
Revised: *Feb 1/97*

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

9.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Maintenance Requirements and Contracting Out

This will confirm our understanding regarding the level of LANXESS employees and the use of outside contractors at the Sarnia Site.

Both parties recognize that there will be a continuing need to contract out capital work and work beyond the capability of in-house resources.

The parties to the Collective Agreement will use every effort to minimize **the** use of outside contractors in the performance of normal Bargaining Unit work. This will be accomplished through the effective utilization of LANXESS Employees.

Yours very truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed: Feb 1/86
Revised: Feb 1/92
Revised: Feb 1/94
Revised: Feb 1/01
Revised: Feb 1/04

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

10.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Straight Time Payment for Specified Training & Education Programme

This will confirm our understanding with respect to payment for specified Company sponsored training programmes and our commitment re attendance at position-specific Education Programmes which involve attendance at an institution of higher learning and leading to a College – or University – recognized degree or diploma, or federally or provincially recognized accreditation.

For purposes of clarification this proposal is intended to include training related to QP2, DIS, Targeted Selection and like issues mutually agreed upon and educational programmes such as, but not limited to:

- e The Laboratory Selection and Education Programme
- Ontario Certificate of Qualification for Refrigeration and Air Conditioning Mechanic
- e Refrigeration, Compressor and Steam Tickets
- e Provincial Trades Certification
- Industrial Firefighter Certification
- e Crane Operator Certification

The Company will compensate employees participating in LANXESS Inc. sponsored training programmes taking place outside of their regular hours of work at the rate of straight time for the number of hours attended.

With regard to educational programmes covered by this letter the following will apply:

Cont'd ... 2

1. The Company will reimburse employees 100% of all tuition fees paid to the educational institution for class registration, the cost of any books required, as well as the cost of examination fees upon presentation of receipts.
2. In the event of scheduling conflicts, the Company will make best efforts to accommodate the employees.
3. The Company will provide time off with pay for employees to write examinations, if examination hours are only available during regularly scheduled hours.
4. The Company will compensate employees at the rate of straight time payment, or time-off in lieu if mutually agreed, for the number of hours attended at the employee's regular rate code.

Your signature on this letter will affirm your agreement to this understanding.

Yours very truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

*Originally Agreed: Feb 1/88
Revised: Feb 1/04*

**LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2**

11.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Safety, Health and Industrial Relations Training

This letter will confirm our understanding regarding the Safety, Health and Industrial Relations Training Fund.

As part of the current wage settlement, the Company agrees to remit three cents (\$.03) per hour for each full-time employee's regular hours of work to a Health, Safety and Industrial Relations Training Fund. Payments are to be made to the Health, Safety and Industrial Relations Training Fund of the C.E.P.U. on a quarterly basis.

The Union agrees that the sole purpose of this fund will be to provide training to its members, primarily those from LANXESS Inc., in the areas specified above. The Union further agrees that the content of the Health and Safety programmes will be consistent with the current Health and Safety programmes endorsed by the Company, i.e., Five Star Programme. The Union also agrees to furnish the Company, on an annual basis, a listing of the courses to be presented.

The Union agrees to provide a fund audit as requested.

Leave(s) of absence provisions in the Collective Agreement will apply to leave requested pursuant to this memorandum of agreement.

Cont'd ... 2

This memorandum will be included as part of the Collective Agreement and unless cancelled by either party within thirty (30) days prior to January 31, 2000 all terms and conditions will continue to apply.

Yours very truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed: Feb 1/88

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

12.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Multi-Skilled Trades Training Programme

This letter will confirm our understanding with regard to agreed changes to the Trades & Services Progression with respect to the Multi-Skilled Trades Training Programme.

The Company and the Union have committed to the following:

- (a) The new Trades & Services Progression Chart.
- (b) Trainees will be paid at Rate Code 6T for the first year of training, the second year at rate code 5T, the third year at 4T, and subsequently at rate code 3F. It is further agreed that the duration of the training programme will exceed this rate increase schedule.
- (c) The CSM Agreement, dated April, 1997, will continue to define the training programme for the CSM group.
- (d) The multi-skilled categories will be as outlined on the Trades & Services Progression Chart.
- (e) The entry qualifications (for existing employees as of February 1, 1997) for trainees entering this training programme will be as follows:
 - (i) Minimum grades XII Mathematics, Chemistry and grade XI Physics.
 - (ii) Must be able to pass appropriate GATB tests.
 - (iii) Must be able to pass appropriate trades training test.
 - (iv) In addition, CSM trainees must pass an appropriate test as approved by the joint team.

Cont'd ... 2

- (f) Existing trades personnel will be allowed to participate in the training programme at their existing rate code with due regard to plant needs, numbers and scheduling.
- (g) A minimum of ten (10) new trainees for the Multi-Skilled Trades Trainee programme in each of the years 1998, 2000 and 2002, for a total of thirty (30) new trainees.
- (h) To form a joint task team to develop the Multi-Skilled Trades Training Programme in detail. The team will have the following mandate:
 - (i) Develop the details of the Multi-Skilled Trades Training Programme for each group, excluding CSM.
 - (ii) Completion date to be by December 31, 1997, for implementation in Quarter 1, 1998.
 - (iii) Review the Trades & Services progression notes, and modify them, as appropriate.
 - (iv) To determine when, during the programme, it is appropriate for the new trades trainees to select their primary specialty.

Your signature on this letter will affirm your agreement to this understanding.

Yours very truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed: Feb 1/97

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

13.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Temporary Employees

This letter confirms our understanding regarding temporary employees to be used in the service person group. Temporary employees are not regular employees of the Company and are not covered by the terms of the Collective Agreement except as follows:

1. Employees working one or more days per month will have an amount equal to the regular monthly dues of a Union member deducted that month. The Company will remit such dues to the Union.

Dues deduction shall begin after a temporary employee has been engaged for four weeks. For dues deduction only, one day's employment in a week is sufficient to be considered as being engaged for that week.

If a temporary employee with four weeks' service as defined above is hired by the Company as a regular employee, the employee shall, notwithstanding the service limitation in Article 3.02, have regular Union dues deducted starting from the date of such hiring.

2. Before hiring a Wage employee on a regular basis, the Company will first offer such employment to these temporary employees while they are working for the Company by seniority providing that the temporary employee meets the current minimum hiring criteria and the qualifications necessary for the position.

From temporary employees hired on the same day, the Company reserves the right to select permanent hires based on performance on the job.

Cont'd ... 2

Example:

5 temporary employees hired September 1

5 temporary employees hired October 1

3 permanent employees hired December 1

The 3 hired would be selected based on performance from the most senior temporaries (i.e. –those hired September 1)

3 more permanent hired January 1

Those 3 would be the remaining 2 from those hired September 1 and the best performer hired October 1.

The temporary employee(s) hired as regular employee(s) will be credited with seniority on the basis of five actual days of work being equivalent to one week's service accumulated from the start of employment as a temporary employee.

These temporary employees are not eligible for permanent job progression and applications to postings until such time as they are hired on as regular employees.

The progression rights of all regular employees will be maintained.

3. The grievance procedure in Article 6 shall apply to these temporary employees as pertains to the conditions contained in this document only and on other employment related issues such as harassment in the workplace.
4. These temporary employees will form their own overtime work group.

Overtime will be filled using the regular employees overtime list first. If unable to fill from the regular employees, then the temporary overtime list will be used.

5. Designated Holidays will be in accordance with Article 11.01 of the Collective Agreement.
6. These temporary employees will receive a percentage of their wages in lieu of vacation. The percentage shall be based on the length of time employed, as follows:

4% for less than 3 years

6% for greater than 3 years and less than 10 years

8% for greater than 10 years and less than 19 years

10% for greater than 19 years and less than 25 years

12% for greater than 25 years and less than 30 years

14% for greater than 30 years

Cont'd ... 3

The employee has the choice of receiving the above percentage of pay included as part of their regular pay, or receive a lump sum amount owing prior to taking an unpaid vacation at a time mutually agreed with their supervisor.

7. These temporary employees will be laid off before any regular employee. Two weeks notice in writing will be given to these temporary employees before any layoff will occur. After completion of 1941 straight time hours, 30 days notice will be given.

Performance on the job will be recognized as the primary consideration for purposes of layoff.

8. These temporary employees will receive 6% of their wages in lieu of benefits.
9. Article 16.01 and 16.02 of the Collective Agreement relating to safety, health and welfare shall apply to these temporary employees.
10. Bereavement leave as related in Article 17.05 of the Collective Agreement shall apply to these temporary employees.
11. Jury Duty as covered by Article 18.01 in the Collective Agreement shall apply to these temporary employees.

The Company recognizes that the C.E.P. represents the rights of these temporary employees relative to the terms and conditions outlined in this proposal.

The Company and the Union agree to assess these manpower needs in one year or sooner at the request of either party.

Your signature on this letter will affirm your agreement to this understanding.

Yours truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed: *Sept 23/98*

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

14.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Contracting Out Janitorial, Gardening and Furniture Moving

This letter confirms the agreement that the Company may use workers from outside of the Bargaining Unit to do Non-Core Maintenance work.

Employees who were performing janitorial and gardening work as at February 1, 1999 and who are still performing janitorial or gardening work as at February 1, 2004, and employees currently performing Non-Core Maintenance Trades work as at February 1, 2004 (see list in Explanatory Notes) will be allowed to remain in their current job as long as they wish to do so.

In the event of a partial layoff, the Company agrees to retain seven (7) additional employees over and above plant staffing requirements. These employees will be placed in the Utility person box and assigned to assist with Bargaining Unit work and non-core work. As individuals leave the group they will not be replaced.

The following examples are used to illustrate the intent of this letter.

Example #1

A hypothetical shutdown, of an Area four years from now results in the loss of four positions performing janitorial work. If, as exists today, twenty LANXESS employees are performing the janitorial work, the number of people required in that group would be reduced by four to sixteen. The sixteen remaining Janitor/Utility positions would not be effected.

Seven additional employees over and above all plant staffing requirements would avoid layoff and would be assigned to assist with Bargaining unit work and/or non-core work.

Cont'd ... 2

Example #2

A hypothetical shutdown, of an Area seven years from now results in the loss of four positions performing janitorial work. Assuming ten LANXESS employees have attrited or posted out, there would be ten LANXESS employees and ten contractors performing the janitorial work. The number of contract employees would not be effected.

Seven additional LANXESS employees over and above all plant staffing requirements, excluding contractors, would avoid layoff and would be utilized doing Bargaining unit work and/or non-core work.

Example #3

A hypothetical shutdown, of an Area ten years from now results in the loss of four positions performing janitorial work. Contractors are performing the janitorial work. The number of contact employees would be reduced by four to sixteen. The remaining contractors would continue to perform the janitorial work.

Seven additional LANXESS employees over and above all plant staffing requirements, excluding contractors, would avoid layoff and would be utilized doing Bargaining unit work and/or non-core work.

Your signature on this letter will affirm your agreement to this understanding.

Yours truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

***Originally Agreed: Feb 1/99
Revised: Feb 1/04***

**LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2**

15.

February 1, 2001

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Wage Supervisors

This letter will confirm the agreement between the Company and Union that effective February 1, 2001, permanent supervisory positions will no longer be filled by wage employees except where such employees cease to be members of the bargaining unit. Existing Wage Supervisors will be grandfathered.

Your signature on this letter will affirm your agreement **to** this understanding.

Yours truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed: Feb 1/01

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

16.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Temporary Pension Equalization

This letter will confirm the agreement between the Company and Union that the Company will provide a temporary equalization (for the period August 1, 2004 to August 1, 2006 only) reducing the penalty on the C.P.P. bridge from 6% to 0%.

This letter expires August 2, 2006.

There are nine employees (names listed in the Explanatory Notes) who become eligible for early retirement after the expiry of this letter but before the expiry of this collective agreement. Those employees will be afforded this temporary equalization provided they notify the company before August 1, 2006 of their intention to retire and provided they retire on the first of the month following their 55th birthday.

Your signature on this letter will affirm your agreement to this understanding.

Yours truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed: Feb 1/01
Revised: Feb 1/04

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

17.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Bayer/LANXESS Split

The Company and the Union agree that effective when LANXESS is established as a separate legal entity (anticipated to be July 1, 2004), Bayer and Lanxess will be recognized as separate employers with separate bargaining units and separate Collective Agreements. Employees in the H.C. Starck progression at the time the separate legal entity is established will remain with Bayer; all others will become employees of LANXESS, with the exception of the following outlined positions. Maintenance and Lab positions will be offered first to resident employees at H.C. Starck. If they decline, qualified employees will be asked by seniority. If an insufficient number of employees choose to remain with Bayer, the junior qualified employees will fill the required positions.

NOTE: H.C. Starck laboratory employees staffing will be finalized before the movement of two 7-day lab employees to the Biox Progression.

The minimum headcount and classifications for H.C. Starck will be as follows:

H.C. Starck	
Process	33
Labs	5
Maintenance Trades	5 (2 CST's, 2 Mechanics, 1 Pipefitter)
Utility/Stores (RC 80)	2

Other classifications currently in the Collective Agreement will be applied **as** business needs require. However, transportation of products and raw materials, will not be Bargaining Unit work at Bayer.

Cont'd ... 2

The Company and the Union (H.C. Starck representatives) will meet upon ratification to discuss the necessary issues related to the split.

Yours truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed: Feb 1/04

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

18.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Recall of repressed Maintenance tradespeople

This letter confirms the agreement between the Company and the Union that Maintenance tradespeople who were regressed as a result of the permanent shutdown of BR and Butyl I units, will be given one recall opportunity into their trade as vacancies occur. This is despite the fact that the current number of 1st Class Tradespersons is significantly higher than the Baseforce number.

The names of the 1st Class Tradespeople to whom this letter applies are listed in the Explanatory Notes.

Yours truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed: Feb 1/04

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

19.

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Grandfathering regarding Qualifications Required in the Operating Progression

Employees wishing to work outside of the Butyl Finishing area in Butyl or in another Unit must be able to satisfy the educational requirements established by the Company or meet the following qualifications established for specific grandfathered employees.

Employees with hydrocarbon experience:

Existing employees as of Feb. 1, 2004, who have a minimum of one year's experience in a hydrocarbon area will be grandfathered. The following areas are considered hydrocarbon areas for the purposes of this letter:

- BR (excluding Finishing)
- Olefins
- NBR (excluding Finishing)
- Butyl 1 (excluding Finishing)
- Butyl 1 Refrigeration
- Butyl 2 Halo/Polymerisation
- Pilot Plant

Employees without hydrocarbon experience:

Employees without experience in a hydrocarbon area will be grandfathered once they have successfully completed a minimum of two technical courses at Lambton College; Mathematics (MTH 105-5) and Chemistry (CHM 105-3). They will be required to obtain the technical qualifications of the Unit as defined by the TSSA once they move into a hydrocarbon area.

- The course tuition and books will be paid for by the Company upon successful completion of the course.

Cont'd ... 2

- Employees may be provided the opportunity to use Progress-Days in the effort to obtain the required courses.
- The Company will provide time off with pay for employees to write examinations, if examination hours are only available during regularly scheduled hours.
- Letter #14 will apply for TSSA requirements only.

In the case of a regression or partial layoff, existing employees as of Feb. 1, 2004, will not be required to complete the technical courses prior to entering a hydrocarbon area. They will however be required to successfully complete the above mentioned courses and obtain the technical qualifications as defined by the TSSA within three years.

Yours truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed: Feb 1/04

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

CPET Students

This letter confirms the agreement between the Company and the Union regarding the use of CPET Students performing Bargaining Unit work.

Note: CPET students will not be brought on site before March 1, 2006.

- Students in the CPET program will not be used to fill job vacancies, vacation relief, sickness, training or other relief coverage as replacements for bargaining unit employees
- CPET students will not cause a reduction in the number of bargaining unit employees
- During the first term, students in the program will be paid Rate Code 90. The Company and the Union will review first term pay rates on an ongoing basis to ensure that they are competitive.
- During the second term, students in the program will be paid Rate Code 60. This rate applies throughout the whole of the term. Students in the CPET program will be considered probationary employees in the second term and will be recognized as Bargaining Unit members and union dues will be deducted accordingly for the duration of the term.
- Overtime opportunities will not be available to students in the CPET program.
- The Company agrees to provide the CPET student all the necessary tools and training to enable them to learn and participate in a safe and effective manner.

Cont'd ... 2

- Students will accompany qualified personnel and follow an established schedule in the area.
- In the event of a regression/layoff the program will be suspended.

Yours **truly**,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed: Feb 1/04

LANXESS Inc.
SARNIA, ONTARIO, CANADA N7T 7M2

February 1, 2004

Mr. Bruce Kirby, Chief Steward
Local 914 (LANXESS Mfg. Unit)
C.E.P.U. of Canada
900 Devine Street
Sarnia, Ontario

Dear Mr. Kirby:

Movement of Laboratory employees currently working in the Operating units,
Biox or H.C. Starck Progressions

This letter confirms the agreement between the Company and the Union that Laboratory employees currently working in the Operating units (Butyl, Olefins & NBR), Biox and H.C. Starck, will become part of the Operating, Biox and H.C. Starck Progressions respectively. The Biox Operations role will include Lab testing.

In the Operating and Biox progressions, Laboratory employees will become Operating Assistants. In the H.C. Starck progression, a separate box will be added to the progressions to distinguish the Lab positions. Record of job changes and resulting pay increases will be effective the pay period following ratification.

In the case of the Biox progression, the Operating Assistant positions will be offered by seniority to the seven-day employees first. If an insufficient number of employees choose to accept the positions at Biox, the junior qualified 7-Day Lab Technicians will fill the required positions.

Note: It is understood that with the exception of Biox, current Manufacturing Lab Technicians who become Operating Assistants as of February 1, 2004 will continue to do their normal daily Lab work, unless mutually agreed between the employee and the company. It is also understood that existing Operating Assistants before February 1, 2004 do not qualify to do normal Lab work, unless they meet the educational requirements established by the company (reference: Note #12 page 76 of the Collective Agreement).

Cont'd ... 2
page 2

Movement of Laboratory employees currently working in the Operating units,
Biox or H.C. Starck Progressions- continued

Yours truly,

Linda McDonald
Manager
Employee Relations

Bruce Kirby
Chief Steward
Local 914 (LANXESS Mfg. Unit)

Originally Agreed: Feb 1/04

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