

COLLECTIVE AGREEMENT

BETWEEN:

CANADA CORDAGE INC.

Kitchener, Ontario

AND

THE UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,
ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION

ON BEHALF OF LOCAL 454

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MARCH 1, 2006 to FEBRUARY 28, 2009

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THIS AGREEMENT made and entered into this 1st day of March 2006

BETWEEN:

CANADA CORDAGE **INC.**

(hereinafter referred to as the "Company")

- and -

THE UNITED STEEL.PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,
ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION

(hereinafter referred to as the "THE UNION")

ARTICLE I

-

PURPOSE

1.01

It is the **mutual** desire of the contracting parties to promote cooperation and harmony and to provide **an** amicable method of settling any dispute or grievance that might arise between them.

ARTICLE II

RECOGNITION

2.01

The Company recognizes the Union as the exclusive Bargaining Agent for all the employees of the Company in the Regional Municipality of Waterloo save and except supervisor, persons above the rank of supervisor, office and sales staff

2.02

The Company agrees that persons outside the scope of the Bargaining Unit shall not normally perform Bargaining Unit work except for purposes of experimentation, instruction, testing, emergency or in the absence of regular Bargaining Unit employees

ARTICLE IIIRELATIONSHIP

The Company and the Union agree that there shall be no discrimination, interference, restraint or coercion of any sort practised by either representatives of the Company or representatives of the Union.

The Company recognizes and will not interfere with the right of its employees to become members of the Union. There shall be no discrimination, interference, restraint or coercion **by** the Company or any of its agents against any employee subject to this Agreement because of membership in the Union.

The Union will not engage in Union activities during working hours or hold meetings at any time on the premises of the Company unless permitted by this Agreement.

ARTICLE IVUNION RIGHTS

The Union acknowledges that it is the exclusive function of the Company, except as expressly modified by any other Articles of this Agreement, to:

- (a) Maintain order, discipline and efficiency
- (b) Hire, retire, classify, direct, transfer, promote, demote, layoff, discipline, suspend or discharge employees, provided that a claim that **an** employee has been unjustly discharged or disciplined, may be the subject of a grievance and **be** dealt with as hereinafter provided;

- (c) Generally manage the individual enterprise in which the Company is engaged and, without restricting the generality of the foregoing, to determine the number and location of plants, the products to be manufactured or handled, the methods of manufacturing, the determination or work to be performed, the schedules of production and work, the kinds and locations of machines, tools and equipment to be used, the processes of manufacturing and assembling, the engineering **and** designing of its products, the control of materials and parts to be incorporated into the products manufactured, handled or serviced, and the extension, limitation, curtailment or cessation of operations or any part thereof.

4.02 The Union further acknowledges that the Company **has** the right to make and/or alter, from time to time reasonable rules and regulations to be observed by all employees. Employees found to be in breach of these rules and/or regulations are subject to discipline by reprimands, suspensions or discharge and not necessarily in that order. Nothing herein shall prevent **an** employee going through the Grievance Procedure to determine whether or not such breach actually took place.

4.03 The Company agrees to exercise these functions in a manner not inconsistent with the express terms of this Agreement.

ARTICLE V

UNION SECURITY, DEDUCTION OF UNION DUES, EQUIVALENT OF UNION DUES

5.01 **All** present employees in the Bargaining Unit who are or become members of the Union shall remain members of the Union in good standing to the extent of paying Union Dues as a condition of continued employment with the Company. This Section shall remain effective during the term of this Agreement or any extension thereof or any successor Agreement.

- 5.02 Any person hired on or after the effective date of this agreement or transferred therein after such effective date shall make application for Union Membership and shall as a condition of his continued employment maintain his Union Membership on the same terms and to the same extent as provided in Sub Section 5.01.
- 5.03 All present employees who are not members of the Union shall pay an amount equivalent to Union Dues. This Section shall remain effective during the term of this Agreement or any extension thereof or any successor Agreement.
- 5.04 Company shall deduct Union dues including, where applicable, initiation fees and assessments, on a weekly basis, from the total earnings of each employee covered by this agreement. The amount of dues shall be calculated in accordance with the Union's Constitution.
- 5.05 All dues, initiation fees and assessments shall be remitted to the Union forthwith and in any event no later than 15 days following the last day of the month in which the remittance was deducted. The remittance shall be sent to the International Secretary Treasurer of the United Steelworkers, AFL-CIO-CLC, P.O. Box 13083 Postal Station A, Toronto Ontario M5W 1V7 in such form as shall be directed by the Union along with a completed Dues Remittance Form R-115. A copy of the Dues Remittance Form R-115 will also be sent to the Union office designated by the Area Coordinator.
- b) A list of the names of all employees from whom no deductions have been made and reasons;
 - c) This information shall be sent to both Union addresses identified in clause 5.05 in such form as shall be directed by the Union to the Company.
- 5.06 The remittance and the R-115 form shall be accompanied by a statement containing the following information:
- a) A list of the names of all employees from whom dues were deducted and the amount of dues deducted;
- 5.07 The Company, when preparing T-4 slips for the employees, will enter the amount of Union dues paid by the employee during the previous year.

- 5.08 The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability by reason of action taken for the purposes of complying with the provisions of this Article.
- 5.09 The Union shall notify the Company in writing of changes in dues, the names of Union Members or any other changes in the Constitution affecting the Company's obligations under this Article. The Union shall notify the Company in writing of the name of the Local Union Treasurer.

ARTICLE VI - UNION REPRESENTATION - GRIEVANCE PROCEDURE

- 6.01 The Company agrees to recognize a reasonable number of Stewards selected by the Union as provided below. Such Stewards shall be regular employees of the Company during their term of office and shall have completed their probationary period.
- There shall be one (1) Chief Steward for the Bargaining Unit and there may be up to **three (3)** other Stewards as follows:
- (a) **one (1) Steward for day shift Production employees**
 - (b) **one (1) Steward for the Maintenance Department No. 6 and Shipping Department No. 5**
 - (c) **one (1) Steward for afternoon and night shifts**
- 6.02 The Union will inform the Company in writing of the names of the Stewards and of any subsequent changes in the names of the Stewards and the Company shall not be asked to recognize any Steward until such notification from the Union has been received.
- 6.03 It is understood that Stewards have their regular work to perform for the Company. If it is necessary to service a grievance or complaint during working hours, the Steward shall **be** permitted to leave **work** without loss of pay, provided that the Steward obtains the permission of the Supervisor to do so. Such permission shall not be unreasonably withheld. The Steward shall be paid at Average Hourly Earnings for time so spent away from work.

- 6.04 The Company further acknowledges the right of the Union to appoint or select from the Bargaining Unit a Negotiating Committee of not more than **two (2)** employees who have completed one (1) year's service. The Company will negotiate with such Committee for renewals or extensions of Agreements. The said Committee will cooperate with the Company in the administration of this Agreement. A Staff Representative of the Union may participate in such negotiations if requested to do so by the Union.
- 6.05 The Company will pay the Negotiating Committee one hundred percent (100%) of their Average Hourly Earnings for time lost during Normal Working Hours which is spent negotiating renewals to *this* Agreement, subject to a maximum of **two (2)** Negotiating Committee members.
- For meetings other than negotiations during the term of the Agreement, the Company will pay the members of the Negotiating Committee their Average Hourly Earnings for all time lost during Normal Working Hours.
- 6.06 Grievance Procedure
- Grievances must be filed within twenty-five (25) Normal Working Days of the Employee concerned, with circumstances giving rise to the grievance or such grievance will become null and void.
- 6.07 *An* employee who has a complaint shall first discuss same with the immediate Supervisor. The immediate Supervisor being the Supervisor of the Department in which the complaint takes place. The employee may be accompanied by the Steward **if** desired. If the complaint occurs outside the employee's department, the employee and Steward upon request to their department Supervisor shall be given permission to leave the department and shall be paid Average Hourly Earnings for such time lost while discussing this complaint. If the complaint is not settled, it may be treated as a grievance and thereafter processed through the Steps hereafter in sequence.

- Step No. 1 The aggrieved employee with the Steward shall present the grievance to the immediate Supervisor within three (3) Normal Working Days of the Supervisor's reply to the complaint. The Supervisor shall render a **written** decision within three (3) Normal Working Days. If a satisfactory settlement is not reached, the Grievor and the Steward may proceed to the next Step within three (3) Normal Working Days thereafter.
- Step No. 2 The grievance shall be reduced to writing and presented to the Operations Manager by the Chief Steward at which time the parties will make an effort to resolve the grievance. The Operations Manager will render a written decision within three (3) Normal Working Days. Failing satisfactory settlement of the grievance, it may be processed to the next Step within three (3) Normal Working Days thereafter.
- Step No. 3 The Union Negotiating Committee shall present the grievance to the Company Management Committee. Within five (5) Normal Working Days thereafter a meeting shall take place between the above-named Committees. A Staff Representative of the Union may attend upon the request of the Union. The authorized member of the Management Committee shall render **the** disposition in writing to the grievance within three (3) Normal Working Days subsequent to such meeting.
- Step No. 4 Failing satisfactory settlement, the grievance may be referred by either party to a **Single Arbitrator** in writing at **any** time within thirty-five (35) calendar days following completion of Step No. 3, but not thereafter. Both parties to this Agreement agree that any dispute or grievance concerning the interpretation, application, administration, or alleged violation of this Agreement which has been properly carried through all the Steps of the Grievance Procedure, including any questions as to whether a matter is arbitrable, and which has not been settled, **will** be referred to a **Single Arbitrator** at the written request of either of the parties hereto. When either **party** to this Agreement requests that a grievance be submitted to Arbitration, they shall make such request in writing and address same to the other party. Such request shall contain insofar as possible a complete and accurate statement of the grievance matter *to* be arbitrated.

- 6.08 **The decision of the Arbitrator shall be binding on both parties.**
- 6.09 The **Arbitrator** shall not have any power to alter or change any of the provisions of this Agreement or to substitute any new provisions for any existing provisions or to give any decision inconsistent with the terms and provisions of the Agreement.
- 6.10 **Each of the parties to this Agreement will bear the expenses of the Arbitrator.**
- 6.11 The time limits may be extended at any time by mutual agreement between the Company and the Union in writing.
- 6.12 The Union agrees that the final written answer of the Company to a grievance at any Step in the Grievance Procedure shall dispose of the grievance unless such is appealed by the Union within ten (10) Normal Working Days from the date of the Company's final answer. The only exception shall be that of **an** appeal to Arbitration wherein thirty-five (35) calendar days is allowed. Where the Company fails to answer in writing **as** provided in Step No. 2 of Section 6.07 and the President of the Union has reminded the Operations Manager of the lack of such notice and provided after such notification the Company fails to render its decision in writing within ten (10) Normal Working Days of the date of the President's reminder, the grievance will be settled in favour of the Grievor or the Union as the case may be.
- 6.13 No grievance after it has once been submitted to the Negotiating Conunittee for adjustment shall be settled except through the Negotiating Committee, or if otherwise, with the consent and approval of such Committee.
- 6.14 There shall be one regular meeting between the Company and the Union each month. Additional meetings shall be held when required

6.15 Management - Grievances

It is understood that the Company may file a grievance Concerning a violation of this Agreement by the Union, its Officers or Stewards within twenty-five (25) Normal Working Days of occurrence and that if such grievance is not resolved, it may be referred to Arbitration in accordance with this Agreement. Such grievances shall commence at Step No. 2 of the Grievance Procedure

6.16 Union - Grievances

It is understood that the Union may file a policy grievance concerning matters of general interpretation within **twenty-five (25)** Normal Working Days of occurrence and if such grievance is not resolved, it may be referred to arbitration in accordance with this Agreement. Such grievances shall commence at Step NO. 2, of the Grievance Procedure.

6.17 Suspension, Discharge, Improper Layoff or Recall Cases

A claim by an employee of being unjustly suspended or discharged or being laid off or not recalled in accordance with this Agreement shall be treated as a grievance and shall commence at Step No. 2 of the Grievance Procedure if a written grievance is filed with the Operations Manager within five (5) Normal Working Days after the employee ceases work in the case of suspension, discharge or improper layoff and within **twenty-five (25)** Normal Working Days after the employee should have been recalled.

In the event **an** employee is suspended or discharged, the Supervisor concerned shall notify such employee's Steward or Local Union President immediately.

Such special grievances may be settled **under** the Grievance Procedure by:

- (a) Confirming the Company's action;
- (b) reinstating the employee with full compensation for the time lost; or
- (c) by any other arrangement which may be deemed just and equitable in the opinion of the parties or of an Arbitrator.

When an employee at work is discharge without notice, the employee shall be given the opportunity to interview a Steward or a member of the Negotiating Committee at work in a suitable place. The above shall not apply when the circumstances are such that the employee must be removed from the premises of the Company without delay.

6.18 No Strike- No Lockout

The Union agrees there shall be no strike, picketing, sit-down, slowdown nor stoppage of work, either partial or complete, during the term of this Agreement. The Company agrees there shall be no lockout during such term

ARTICLE VII - SENIORITY, SENIORITY RIGHTS

7.01 Seniority as referred to in this Agreement shall mean, length of continuous service in the employ of the Company and shall allow for time off as provided in Section 7.06 hereafter.

7.02 Probationary Period

An employee, hired after the effective date of this Agreement, will serve a Probationary Period of sixty (60) working days from the date of first employment except that in the case of intermittent employment due to layoff or approved leave of absence **an** employee will accumulate such sixty (60) working days over a twelve (12) month period from the date of employment and such employee's seniority date will be three (3) months prior to completion of the sixtieth (60th) working day. **An** employee will have no Seniority Rights until the Probationary Period is completed. Upon completion of the Probationary Period under this Section, the employee will be placed on the seniority list. The suspension or discharge of a Probationary employee shall not be subject to the Grievance Procedure.

7.03 Temporary Layoff

Any temporary reduction of the work force which is expected to be of not less than one (1) Normal Working **Day and** not more than five (5) Normal Working Days duration. Employees shall be laid off by seniority within the department and shift where the temporary condition exists providing the employees remaining can satisfactorily perform all the functions necessary to operate the department. The foregoing five (5) Normal Working Days may be extended by mutual agreement in writing between the Company and the Negotiating Committee.

7.04 Displacement and Layoff Procedures

Reduction of the **work** force in excess of five (5) Normal Working Days shall be based on the following factors:

- (a) Seniority
- (b) Qualifications

Where the qualifications referred to in paragraph (b) are relatively equal, seniority will govern.

The term "qualifications" as used in this Agreement, means such factors relating to job performance as skill, ability, experience, reliability and physical fitness.

Layoffs and recalls shall be exercised by Departments, except as provided in Section 7.05 (c).

7.05

When displacement and/or layoff of employees is necessary, the order shall be determined as follows:

- (a) Probationary employees will be laid off first in the Department and/or Plant.
- (b) An employee who has acquired Seniority Rights and who is displaced may:
 - (i) displace the least senior employee having less seniority in the Department whose position the employee is capable of efficiently performing. There shall only be one such displacement per layoff under this paragraph (b) (i).
 - (ii) if incapable under (i) displace a Probationary Employee in another Department. Providing such employee can qualify within a two (2) week learning period.
 - (iii) If incapable under (i) or (ii) above, displace an employee in another department with less seniority if such employee can qualify with no training.
 - (iv) if incapable under (i) (ii) or (iii) will be laid off from the Department in which such employee last established Seniority.

- (c) *An employee who has three (3) years or more Seniority and is displaced may:*
- (i) displace the least senior employee, having less Seniority, on any position within the Department on which the employee can qualify within a two (2) week learning **period**.
 - (ii) If there is no such position, displace the least senior employee, having less Seniority in the plant, provided the employee is qualified to perform the job within a two (2) week learning period.
 - (iii) if not able to qualify ~~for~~ a position under (i) or (ii) will be laid off from the Department in which Seniority was last established.

7.06

Accumulation of Seniority

Seniority shall accumulate in the following circumstances:

- (a) when actually at work;
- (b) when off work due to sickness or accident; other than as referred to in Section 7.18 or up to the times specified in Sections 7.07 (e)
- (c) when off work due to approved Leave of Absence to a maximum of one (1) year;
- (d) when off work due to Layoff up to the times specified in Section 7.07 (d).

7.07

Termination of Seniority

Seniority shall terminate and an employee shall cease to be employed by the Company for any of the following reasons;

- (a) when an employee quits employment;
- (b) when an employee is discharged and not reinstated through the Grievance Procedure;

- (c) when an employee overstays an authorized Leave of Absence unless a reason acceptable to the Company is given;
- (d) when **an** employee is laid off for a period in excess of six (6) months and has less **than** three (3) years Seniority, for a period in excess of twelve (12) months and has three (3) years Seniority but less than five (5) years, for a period in excess of two (**2**) years and has five (**5**) years Seniority but less than ten (10) years, or for a period in excess of three (3) years and has ten (10) or more years Seniority;
- (e) **when off work due to illness or injury the employee will be treated in accordance with the Human Rights Code.**
- (f) if an employee on layoff **fails** to return to work within one (1) week of notice sent by registered mail to the last known address of the employee on the Company's records unless prior notification is given to the employee and an extension is mutually agreed to.

7.08

An employee, who has acquired Seniority Rights presently in, or who has been in what is now the Bargaining Unit who transfers to a Supervisory position or any position outside the Bargaining Unit directly connected with the operation of the Plant, who returns to the Bargaining Unit within six months of the transfer, shall return to the position held prior to transfer, but shall not displace an employee with more Seniority. Failing this may be placed in another position providing such employee is qualified and has more Seniority than the employee to be displaced. Time spent on Supervisory or other positions outside the Bargaining Unit as herein provided shall not be credited to the Department where Seniority was established prior to the promotion **or** transfer.

7.09 Where an employee has been displaced from his job due to a cut in production and such job is resumed again within a three (3) month period from the day he is displaced, he will be offered such job before it can be declared vacant. If during said three (3) month period the employee bids and is granted another job he will forfeit his right to his former job.

7.10 Recall Procedures

Employees will be recalled to the plant, their Department or former position in the reverse order of layoff, as follows:

- (a) The Company agrees that before it hires **any** new employees it will give preference to existing employees on layoff who have recall rights, provided they have the qualifications required.
- (b) Employees who are not capable of performing under (a) shall be returned to the recall list in accordance with their original date of layoff

7.11 Transfer of Department Seniority

In the case of transfer, layoff or displacement, **an** employee's Department Seniority shall be transferred to the new Department after three (3) months in the new department. In the event of closure of all or part of a Department, an employee who transfers into another Department as a result shall have Department Seniority immediately after transferred to the new Department.

7.12 Filling Vacancies

The Company agrees to post permanent vacancies in the plant. A permanent vacancy is where no employee at work **has** recall rights under Sections 7.09, 7.10, 7.18 or 7.19. Such permanent vacancies will be filled as follows:

- (a) The posting shall identify the vacancy, the location of the work, the rate of pay, whether or not shift work is involved and the date and time of posting.

- (b) An employee who has acquired Seniority Rights, wishing to make application for the posting must do so in writing to the Operations Manager or designate during the posting period. Such applications will be in triplicate and date stamped by the Operations Manager or designate, upon receipt. A copy of the application will be retained by the employee and one copy to be sent to the President of the Union. Senior employees will be given preference in accordance with the principles set out in Section 7.04.

Employees who are awarded a job posting will not be eligible for consideration for further posting until the expiration of ten (10) months from the date of commencement of the new job. This will not apply if the job becomes redundant or the employee is displaced from the job through the lay-off procedure or taken off the job as per Article 7.12 (e) below.

- (c) Vacancies will be posted in all customary posting areas for a period of forty-eight (48) consecutive hours during the Normal Work Week. All Transfer Applications on file along with the job posting applications received will be considered for the vacancy.
- (d) Transfer Applications received prior to the job posting, will be considered for the first vacancy created by a job posting. All subsequent vacancies created by filling of a vacancy in accordance with this Section shall not receive a posting except in the case where a selected employee has returned to a previous position, then the original vacancy shall be reposted in accordance with this Section.
- (e) The Company shall have the right to transfer an employee who has obtained a vacancy posting but who is unsatisfactory, back to the position from which transferred, during the first thirty **(30)** working days of such applicant's transfer. In the case of the Extruder Operator the Company shall have 60 working days in which to evaluate a new employee as well as an employee who is transferred through a job posting.

- (f) The Company agrees that before it hires new employees to fill a vacancy, it will **give** preference to existing employees with the required qualifications.
- (g) The Company shall have the right to delay a transfer on a job posting for a period of time equal to the normal training period required to train a replacement. In any event this period of time shall in no case exceed three (3) months.
- (h) When an employee wishes to consider a transfer to another job, the employee shall make written application through the Personnel Department on the forms provided. Such application shall be automatically cancelled after one (1) year or if the employee is transferred within the year. Employees will be allowed two (2) transfers on file at any one time. Copies of said transfers will be given to the employee involved and one (1) copy to the President of the Union.
- (i) **An** employee awarded the job posting shall have his Seniority start on the new job no later than the following Sunday after awarded the job posting.
- (j) The company is not required to post the following positions when vacant, mechanic, millwright, machinist, electrician, boiler engineer and lead hand. It will however, put up a notice identifying the position and stating the experience and qualifications needed for the position **and** any employee will be able to submit a letter of application expressing their interest in the job. The company shall have the right to select the person they feel is most qualified for the position.

7.13

Leave of Absence

The Company agrees to **grant** Leave of Absence without pay to employees, who have acquired Seniority Rights for reasons of sickness, injury, personal, maternity and Union business subject to the applicable Sections of this Article.

7.14 Sickness or Injury Leave

The Company will grant Leave of Absence for sickness or injury in writing to an employee upon written request from the employee. When the employee is unable to make this request in writing the Company will grant leave of Absence in writing upon being made aware of the employee's requiring a Leave **The duration of the Leave of Absence will be in accordance with the Human Rights Code.**

7.15 Personal Leave

The Company may grant Leave of Absence without pay to an employee for reasons regarded ~~as~~ justifiable and acceptable to the Company provided it does not unreasonably interfere with the efficient operation of the plant. Requests for Leave of Absence shall be made in writing at least four (4) weeks in advance except in cases of emergency. The ~~answer~~ shall be given in writing within ten (10) calendar days of such request.

An employee will be eligible for a leave of absence without pay once every (3) years. Approval of this leave will be subject to production requirements.

Length of leave shall be:

- 1) **up** to two (2) years service - maximum one (1) week
- 2) **up** to five (5) years service - maximum three (3) weeks
- 3) over five (5) years service - maximum four (4) weeks

Employees requests shall be made at least two months prior to leave. The Company shall respond within two (2) weeks. This paragraph shall not apply in the case of an emergency.

It is agreed that Personal Leave is not considered Family Medical Leave as defined by the Employment Standards Act.

7.16 Maternity and Parental Leave

Maternity/**Parental** Leave shall be granted in accordance with the Employment Standards Act of Ontario.

The Company agrees to grant one (1) day paternity leave which can be taken either on the day of the birth or on the day of hospital discharge.

7.17 Union Leave

The Company agrees the employees shall be granted time off without pay to attend Union education sessions or conventions. No more than two (2) employees shall be granted such leave at any one time. The employees shall be from different Departments. A total of ~~thirty~~ (30) calendar days per year shall be allowed for such leaves.

Requests for such leaves must be made in writing at least one (1) week in advance. The parties may mutually agree in writing to allow leave other than as provided in this Section. It is mutually agreed that the leave will not unreasonably interfere with the efficient operation of the Plant.

7.18 Return from Leave of Absence

An employee who returns from Leave as provided for in this Article shall be reinstated according to the following procedure:

- (a) The employee shall be returned in accordance with Seniority, to the Department where Seniority was last established and the position in such Department held prior to leave, provided the employee is capable of performing the work.
- (b) An employee returning from leave who does not meet the requirements set out in (a) of this Section shall have the right to use the procedures set out in Sections 7.05, 7.12, Recall Procedures, in that order.

7.19 An employee who is absent from work because of a compensable injury incurred in the employ of the Company is not considered to be on leave in the meaning of this Article. Such employee may return to work **on any job** when certified medically fit to do so, subject to the Seniority Provisions set out in this Article and will be credited with full accumulation of Seniority on return. Any employee who by medical certification will remain permanently disabled and unable to work in the Company's plant shall be terminated as of the date of such certification.

7.20

Union President Seniority Rights

The Company agrees that an Employee who has at least one (1) year of Seniority **and** is President or in his absence the Vice President of Local 454 will be retained at work during layoff, notwithstanding Seniority, provided there is work in such employee's Department, or work available, and the employee **is** willing and able to perform, subject to qualifications.

7.21

- (a) The President or the Vice President of Local 454 will be retained on the day shift **while** holding office in the Local Union. When on opposite shifts the Company agrees *to* pay a reasonable amount of overtime to one officer for the purpose of discussing union business.
- (b) The Negotiating Committee shall be retained on day shift from the week of the first Negotiation meeting until Negotiations are complete and shall be paid Average Hourly Earnings or the rate of the job, whichever is greater.

7.22

The Company agrees to post a Seniority list and furnish the Union with a copy every **six (6)** months.

ARTICLE VIII - WAGES, SPECIAL PAYMENTS

- 8.01 During the term of the Agreement the Company and the Union agree that the minimum wages will be made in accordance with the wage rates set forth in Schedule "A" hereto which is hereby made a part of this Agreement. The start rate shall be eight percent (8%) below the base rate set out in Schedule "A".
- 8.02 The Company agrees that all employees shall be paid weekly on Thursday.:
- (a) In the event of a paid holiday falling during a pay week the Company may extend the payday to Friday.
 - (b) Pay shortage adjustments of \$25.00 and up will be made by quick cheque on payday or on the next workday following payday.
- 8.03 Shift Premium
- There shall be a premium of **sixty cents (.60)** per hour paid for all hours worked on the afternoon shift and a premium of **sixty-five cents (.65) per** hour paid for all hours worked on the night shift.
- 8.04 Call-In Pay
- An** employee who is called back to work after leaving the Company premises, shall be paid at time and one-half for all hours worked or three (3) hours pay at Average Hourly Earnings, whichever is the greater. Where work is in excess of two (2) hours, time and one-half shall be paid or four **(4)** hours pay at Average Hourly Earnings, whichever is greater.

8.05

Bereavement Pay Leave

- (a) In the event of the death of an employee's spouse, father, mother, son, daughter, brother, sister, mother-in-law, father-in-law, son-in-law, daughter-in-law grandchild **step parent or grandparent** such employee shall, upon notification to the Company be granted a maximum of three (3) days leave of absence for this purpose. It is further agreed that in the event that any or all of the leave of absence falls during the employee's scheduled Normal Working Days, the employee will be paid for lost time at Average Hourly Earnings.
- (b) In the event of the death of **an** employee's brother-in-law or sister-in-law such employee shall, upon notification to the Company, and the completion of an Employees Statement Re: Bereavement Leave be granted up to a maximum of one (1) day leave of absence, provided the employee uses such time for the purpose of attending the funeral or memorial service of the deceased relative. It is further agreed that in the event that any or all of the leave of absence falls during the employee's scheduled Normal Working Days, the employee will be paid for the lost time at Average Hourly Earnings.
- (c) . Bereavement leave shall also be granted in the case of a legal common-law spouse, but only if the common-law spouse has co-habited with the employee and has been publicly represented as a spouse. As well all relationships are considered as mentioned above
- (d) Additional leave without pay may be granted upon request.

8.06

Jury Duty - Witness Pay - Oath of Citizenship

- (a) An employee who is called for jury duty or subpoenaed as a Crown Witness shall be compensated by the Company for the difference between payment received for such duty and such employee's Average Hourly Earnings for the straight time hours that were lost from scheduled Normal Working Hours. The differential payment made in accordance with this Article shall only be made upon presentation of the documentary proof of call to duty, performance of duty and payment received thereof.
- (b) ~~When~~ an employee requests time off from work for the purpose of taking his Oath of Citizenship, he shall be paid for time lost from his regular scheduled shift to take said oath subject to a maximum of eight (8) hours. Payment shall be made at the employee's Average Hourly Earnings on a straight time basis.

In order to qualify for such payment the employee shall notify the Company at least one (1) week in advance, and shall make claim for payment through the Personnel Department.

8.07

An employee who is injured in the plant and unable to complete the shift shall be paid at Average Hourly Earnings for the balance of the shift provided such employee first reports to the First Aid Department or supervisor.

8.08

Report-In Pay

An employee that reports for work at **the** normal scheduled time and no work is available, shall receive four **(4)** hours pay at Average Hourly Earnings unless notified not to report at least one (1) hour in advance. This Section shall not apply in cases where work is not available due to circumstances beyond the control of the company such as snowstorms, power failure, other acts of God, or where the Company has made every reasonable effort to contact the employee but has been unsuccessful and these attempts are verified by a Union Steward.

8.09

Transfer Payments

- (a) When an employee is permanently transferred from regular work for reasons such as displacement through the seniority procedures; or application for transfer; such employee shall be paid Base Rate or according to qualifications to perform the other work.
- (b) When an employee is temporarily transferred from regular work for performing inventory work; for performing experimental work; or training another employee, such employee shall be paid Average Hourly Earnings.
- (c) When an employee is temporarily transferred from regular work in the Company's interests, such employee shall be paid Average Hourly Earnings or the earned rate of the work transferred to, whichever is the higher. The length of a temporary transfer shall not exceed one hundred twenty (120) working days excluding Saturdays with sixty (60) working days between transfers unless mutually agreed between Company and Union.
- (d) When an employee is temporarily transferred from regular work for reasons of shortage of regular work such employee shall be paid Base Rate or according to qualifications to perform the other work. The option to leave and be paid only for the time at work, rather than transfer to the offered job shall be given to the employee.

8.10

Raw Material - Non-Standard Procedure

- (a) When an employee is working with defective or inferior raw materials and this stock condition could extend beyond a normal eight (8) hours shift, he will report this condition to his Supervisor who will investigate and confirm this stock condition.

A temporary rate will be issued so that an employee working under this stock condition will be able to maintain his normal earning level and this temporary rate will remain in effect as long as the stock condition remains.

- (b) When an employee is following a non-standard procedure, such employee shall be paid Average Hourly Earnings, provided such employee makes a satisfactory effort on the job.

Either of the above conditions must be reported to the Department Supervisor as soon as the condition arises,

8.11 Payment of Safety Shoes

The Company will pay one hundred percent (100%) of the cost of safety shoes to a maximum of **one hundred five dollars (\$105.00)** once every twelve (12) month period for all employees who have acquired Seniority Rights. **Effective March 1, 2008 this amount will increase to one hundred ten dollars (\$110.00)**

- (a) The Company will cover the cost of basic prescription safety glasses once in a twenty-four month period for those employees requiring corrective lenses. The cost will only be covered through the designated provider. Progressive bifocals will be covered to a maximum of one hundred and fifteen dollars (\$1 15.00). Additional costs for upgrades or changes will be paid for by the employee through payroll deduction. Any cost related to eye examination will be the responsibility of the employee. All other safety equipment will be supplied and paid for by the Company and remains the property of the Company.
- (b) Winter clothing will be supplied and paid for by the Company for persons working outside. **All** winter clothing will remain the property of the Company **and** will remain on the Company premises.
- (c) The Company will provide fully stocked first aid kits. These kits will be kept locked and all certified first-aiders will be issued a key for these first aid kits.

8.12 Definition of Average Hourly Earnings

"Average Hourly Earnings" as used in this Agreement shall mean, in the case of an hourly rated employee, the regular hourly rate being paid the employee, or in the case of an incentive employee, the earnings of the employee over the immediate past eight (8) pay periods worked divided by the number of hours worked.

Article IX - Incentive

9.01 The parties agree that the incentive rates currently in effect shall remain unchanged unless there is a corresponding change in method, operation, layout or product specification or unless mutually agreed to. The Company agrees where it is unable to provide a one hundred percent (100%) workload when setting incentive rates, the employee involved will be made-up to one hundred percent (100%), however, the Company reserves the right to allocate additional workload for the employee to substitute for such make-up.

- 9.02 (a) When a rate is altered or a new rate is established, notice of such rate will be provided at least one (1) Normal Working Day in advance to the employees affected, at which time the Company will explain the altered, or the new rate to the Steward **and** the Employees.
- (b) The Company agrees to pay Average Hourly Earnings for orders which take less than one (1) shift to run **on two (2) stage rope machines**. This will be authorized by the Department Supervisor.

9.03 Persons outside the Bargaining Unit shall not be used to establish time standards.

9.04 Trial Period

When **an** altered or new incentive rate becomes effective, the employee will give such rate a trial period of ten (10) Normal Working Days, putting forth a reasonable effort, before any complaint is registered. On completion of the trial period, the Company will inform the employee of the amount of earnings since the altered or new rate became effective.

9.05 Incentive Rate Complaints

It is agreed that the resolution of any incentive rate complaint should be as expeditious as possible, using the following:

- (a) **In** the event an employee complains about an altered or new rate, such complaint shall be treated as a grievance and processed through the Grievance Procedure. Upon receiving the complaint, the Company will re-check the rate.

- (b) The Union may bring in a qualified International Time Study Engineer at Step No. 3 provided arrangements are made in advance. The data shall be made available to the International Engineer who may perform a check study of the rate in dispute in the presence of the Company's Time Study Engineer. The International Engineer shall render an opinion based on the Company's system of rate measurement standards.
- (c) Step No. 4 of the Grievance Procedure will be complied with by the parties appointing an outside Industrial Time Study Engineer with experience in time study. Failing to agree on such an appointment, either party may request the Minister of Labour for Ontario to appoint such a person. The cost of such a person will be shared equally by the parties.

9.06

Payment of Adjustments

Should any adjustments be made, under Section 9.05, in any incentive rate, it will be retroactive to the date the rate became effective, unless the complaint is registered more than fifteen (15) Normal Working Days after the effective date of such rate, in which case the adjustment will be retroactive to the date of the complaint.

ARTICLE X - PAID HOLIDAYS

10.01 The Company recognizes the following ten (10) Paid Holidays and agrees that all employees who qualify in accordance with this Article shall receive payment for such holidays based on their Average Hourly Earnings multiplied by the Normal Hours per day. Employees who perform work on any of these holidays shall be paid at the rate of double time for all such hours worked in addition to their holiday pay.

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Christmas Day
Canada Day	Boxing Day
Civic Holiday	Floater(1 per calendar year)

The date of the floating holiday to be mutually agreed upon.

When one of the holidays stated above falls on a Saturday, it will be observed on the preceding Friday. When one of the holidays stated above falls on a Sunday, it will be observed on the following Monday. When two successive holidays fall on a Friday, Saturday, Sunday or Monday, they shall be Observed on Friday and Monday.

10.02 To qualify for holiday pay an employee must work on the last full scheduled Normal Shift **prior** to and the first full scheduled Normal Shift after the holiday unless absent with the permission of the Company, subject to the exceptions in this Article.

10.03 An employee who is absent on one, but not both of the qualifying days and the reason of absence was because:

- (a) The employee was late in reporting for work due to a reason beyond the employee's control that is acceptable to the Company;
- (b) The employee who is absent on one or both of the qualifying days as a result of being confined in hospital and such is verified to the satisfaction of the Company then so long as the employee has been at work some part of the week during which one of the qualifying days fall such employee shall receive payment for the Paid Holiday. This exception is limited to the number of Paid Holidays falling within the thirty (30) day period from the date of the qualifying day during the same confinement case.

- (c) The employee was absent on one or both of the qualifying days as a result of being on an approved leave of absence and provided the employee has been at work some part of the week during which one of the qualifying days fall, such employee shall receive payment for the Paid Holiday.
- 10.04 (a) Employees absent on the holiday who are receiving WSIB shall not receive holiday pay.
- (b) Employees absent and receiving Weekly Indemnity Benefits, shall receive the difference between the Weekly Indemnity and what the employee would be paid for such holiday for those holidays falling within a thirty (30) day period from when the absence commenced.
- 10.05 When one of the paid holidays falls during the vacation period of an employee, otherwise eligible for such Paid Holiday, such employee will be paid such holiday pay and given another day off by mutual agreement. The qualifying days as provided in Section 10.02 herewith shall be the last scheduled Normal Work Day preceding and following the vacation period.
- 10.06 An employee who does not work either one or both of the qualifying days due to layoff, shall be paid for such holiday on return to work, provided the layoff does not exceed three (3) calendar weeks.

ARTICLE XI - HOURS OF WORK, OVERTIME

- 11.01 This Article is intended to define the Normal Hours of Work and shall not be construed as a guarantee of hours of work per day or week, or of days per week.
- 11.02 Normal Hours
- The Normal Hours per day and week shall be eight (8) hours per day and forty (40) hours per week for all employees, scheduled as follows:

- (a) For employees working on a three (3) shift basis (7:00 a.m. to 3:00 p.m., 3:00 p.m. to 11:00 p.m. and 11:00 p.m. to 7:00 a.m.) scheduled from 11:00 p.m. Sunday through 11:00 p.m. Friday.
- (b) For employees working on a two (2) shift basis (7:00 a.m. to 3:30 p.m., 3:30 p.m. to 12:00 midnight) scheduled from 7:00 a.m. Monday through 12:00 inidnight Friday.
- (c) For employees working on a one (1) shift basis scheduled from 7:00 a.m. to 3:30 p.m. Monday through Friday, except as provided in (d) and (e) of this Section.

It is further agreed that the Company and the Negotiating Committee may mutually agree to alter the provisions of this Section for good reason.

11.03

Overtime

- (a) The Company agrees that employees who work in excess of **eight (8) hours per day** shall be paid at the rate of time and one-half Time and one-half shall be paid for all time worked in excess of his normal hours **per** day, when he is prevented from working his fill working week by the intervention of a paid holiday(s) or by the failure of the Company to provide him work or by the circumstances listed in 7.13, 7.14, 7.15, 7.16, 7.17, 8.05 (a), (b), (c), 8.06 (a) and (b), 8.07, Article XII.
- (b) The Company agrees that hours worked between 11:00 pm. Friday and 11:00 p.m. Saturday shall be paid for at the rate of time and one-half. Hours worked between 11:00 p.m. Saturday and 11:00 pin. Sunday shall be paid for at the rate of double time.
- (c) An employee reporting to **work** twice within a twenty-four (24) hour period except on his normal shift, shall be paid at the rate of time and one-half for all extra hours worked during such second period except as outlined in Section 11:06.

- (d) Employees will be notified by 2:00 p.m. Thursday of cancelled weekend overtime. Where the Company fails to cancel overtime by 2:00 p.m. Thursday the employee will be compensated for these hours offered at applicable rates. This does not apply where cancelled overtime is a result of absenteeism or circumstances beyond the control of the company such as snow storms, power failure, equipment breakdown or other acts of God.
- 11.04 (i) The Company shall have the **right** to schedule overtime where in its discretion same is required. Overtime scheduled and posted not later than the last working day of the previous week will not be voluntary, all other overtime will be on a voluntary basis (with the exception of Maintenance). In the case of any individual employee, the Company will consider any reasonable request to be excused from overtime work on any particular occasion for valid reasons. Overtime shall be distributed equally among employees in the Department who normally perform the **work** in question.
- (ii) The Company agrees that all overtime worked during the months of July and August will be voluntary. This will not apply to maintenance in the case of breakdowns, emergency situations, call-ins or any situation beyond company control unless said work can be planned in advance.
- 11.05 Employees who work overtime shall not be required to take time off to offset such overtime.

11.06

Overtime work does not include:

- (a) time worked by employees substituting for one another at their own request;
- (b) a change in working hours at the employee's request;
- (c) the regular shift change.

11.07

Lunch and Rest Periods

- (a) There shall be one (1) ten (10) minute paid rest period in the first (1st) half of each shift;
- (b) There shall be a one-half (1/2) hour unpaid lunch period during each shift for all employees, except those employees assigned on a three (3) shift basis, in which case there shall be a twenty (20) minute paid lunch period during each **shift**;
- (c) Employees on a three (3) shift basis who earn incentive over eight (8) hours will be paid twenty (20) minutes at the Base Rate for the lunch period.

11.08

Wash-Up Period

Employees shall be allowed a five minute paid wash-up period per shift immediately before their designated lunch period and also immediately before the end of the shift. Employees who leave their work station **prior** to these times shall be subject to discipline.

ARTICLE XII - VACATIONS

12.01 Employees' annual vacation and vacation pay shall **be granted as follows:**

- (a) An employee having less than one (1) year of Seniority shall be granted vacation **pay** in accordance with **the** current Employment Standards Act.
- (b) An employee having one (1) year of Seniority but less **than** five (5) years of Seniority shall be granted two **(2)** weeks vacation with pay amounting to four percent (4%) of earnings for the twelve (12) month period ending on June 30th.
- (c) **An** employee having five (5) years of Seniority but less **than ten** (10) years of Seniority shall be granted three (3) weeks vacation with pay amounting to six percent **(6%)** of earnings for the twelve **(12)** month period ending on June 30th.
- (d) **An** employee having **ten (10))** years of Seniority but less than twenty (20) years Seniority shall be granted four (4) weeks vacation with pay amounting to eight percent (8%) of earnings **for** the twelve month period ending on June 30th.
- (e) **An** employee having twenty (20) years or more Seniority shall be granted five (5) weeks vacation with pay amounting to ten percent (10%) of earnings for the twelve (12) month period ending on June 30th.

12.02 Vacation pay for the additional week shall be two percent (2%) of earnings for the twelve (12) month period ending on June 30th in the current year. Entitlement to the additional week as well as the additional two percent (2%) will be after the employee's anniversary date is reached.

Vacation pay shall be paid when vacation weeks are taken.

12.03 **All requests for vacation time must be completed and handed in by April 1st. The Company shall advise the employees of their said requests no later than fourteen (14) calendar days from April 1st.**

The Company shall make every effort possible to allow vacations from July 1st through to August 15th. If there is more than one request for a specific week/s from employees within the same classification, time off will be granted according to seniority for those requests submitted by April 1st.

It is agreed that the third, fourth and fifth weeks of vacation shall be granted but not necessarily consecutively with the other two. These weeks of vacation will be mutually agreed upon by the employee and the Company either on a daily basis or a **full** week and **must** be scheduled

Any unused vacation in excess of two weeks **will** be paid out in one week increments after June 30th which is the end of the vacation pay year.

12.04 An employee absent due to medically certified illness or injury who has worked two hundred (200) days in a year, shall receive vacation pay equal to forty (40) times Average Hourly Earnings per eligible week. Days worked for the purpose of this Section shall include holidays and plant shutdown.

12.05 An employee who leaves the employ of the Company before becoming entitled to a vacation as provided in this Article shall receive vacation pay according to the percentage to which such employee would have been entitled if in employment to June 30th.

12.06 The Company will give to each employee a statement showing earnings for the past vacation year along with vacation pay.

Vacation pay shall be based on actual wages earned and vacation pay paid for the twelve (12) months preceding July 1st.

ARTICLE XIII - GENERAL13.01 Bulletin Boards

The Company will provide bulletin boards for the convenience of the Union in posting notices. Such notices must relate to the relationship between the Company, the Union and the employees.

All such notices must be submitted to the Company President or an authorized representative for approval before being posted.

13.02 Health and Safety

The Company and the Union shall maintain an Occupational Safety and Health Committee consisting of not more than **two (2)** members elected or appointed by the Union **and** not more than **two (2)** members appointed by the Company.

13.03 The general duties of the Occupational Safety and Health committee shall be:

- (a) To make a monthly inspection of the plant or place of employment for the purpose of determining hazardous conditions, to check unsafe practices and to receive complaints and recommendations with respect to these matters.
- (b) To investigate promptly all serious accidents and any unsafe conditions or practices which may be reported to it. Such investigations shall include accidents which might have caused injury to a worker whether or not such injury occurred.
- (c) To hold regular meetings at least monthly for the discussion of current accidents, their causes, suggested means of preventing their recurrence, and reports of investigations and inspections.
- (d) To keep records of all investigations, inspections, complaints, recommendations together with minutes of meetings. The minutes shall indicate what action has been taken with respect to suggestions or recommendations previously made, and if no action has been taken, the reasons therefore shall be given.
- (e) The Union Chairperson of the Joint Health and Safety

Committee, or designate, shall have the right to accompany all authorized Ministry of Labour Inspectors on tour of the plant and shall receive copies of any reports sent to the Company pertaining to such inspections.

- (f) Accident, injury, and occupational illness records shall be kept by the Company, and shall be made available to the Joint Occupational Safety and Health Committee. These records shall include all reports required by the Ministry of Labour under the Occupational Health and Safety Act. The Company also agrees to *make* available to the Committee upon request, the trade name and or technical description (including chemical analysis, if available) of any compounds and substances used in the plant.

13.04

An employee may refuse to work or do particular work where he has reason to believe that:

- (a) any equipment, machine, device or thing he is to use or operate is likely to endanger himself or another employee, or
- (b) the physical condition of the work place or the part thereof in which he works or is to work is likely to endanger himself.

13.05

- (a) If as set down in Article 13.04, an employee refuses to work or do particular work, he shall promptly report the circumstances of his refusal to his supervisor, or management representative, who shall forthwith investigate the report with representatives of the Occupational Safety and Health Committee. If no union member of the Joint Health and Safety Committee is available, a designate, selected by their Union, shall participate in the investigation.
- (b) Following the investigation and any steps taken to deal with the circumstances that caused the employee to refuse to work or do particular work, if the employee continues to have reasonable grounds to believe that carrying out the work would endanger himself or another employee, then an inspector representing the Ministry of Labour shall be notified to investigate the refusal to work and they shall give their decision in writing as soon as practicable.

- (c) The employees shall be found reasonable alternate work until the issue in dispute has been resolved.

13.06 Pending the investigation and decision of the inspector, no employee shall be assigned to use or operate the equipment, machine, device or thing or to work in the workplace or the part thereof which is being investigated, unless in the presence of a Union member of the Joint Health and Safety Committee, or if none available, a designate, selected by the Union, the worker has been advised of the other worker's refusal and the reasons for the refusal.

13.07 No disciplinary action shall be taken against any employee by reason of the fact that he has exercised the right conferred upon him under any act respecting the occupational health and safety of employees.

13.08 (a) The Company shall supply all protective clothing and other devices (excluding safety footwear) deemed necessary by the company to protect employees from injuries arising from their employment with the Company.

(b) **All** employees shall follow the Company safety rules at all times while on the Company premises and use or wear the personal protective devices that the Company requires to be used or worn.

Education and Training

(a) No employee shall be required or allowed to work on any job or operate any piece of equipment until they have received proper education, training and instruction.

(b) The Company will ensure that all members receive chemical hazard training. This training shall include WHMIS education and training.

The Company agrees to pay lost time wages for one (1) Union Health and Safety Committee member at applicable rate to attend the United Steelworkers Health and Safety conference twice a year. This will be for a maximum of two days per Conference.

13.09 Separate Agreements

The following are separate agreements between the parties and form part of this Collective Agreement:

Welfare Benefit Plan Agreement
Letters of Understanding 1 - 12
Company Pension **Plan**

13.10 Definition of Departments

Definition of Departments is attached hereto as Schedule "B".

13.11 Pension Plan

There shall be a Pension Plan available to employees on a voluntary basis: Employees must have completed six (6) months service to be eligible to participate in the plan.

There shall be a deduction of four dollars (\$4.00) per week from the **pay** of those employees who decide to participate in the Plan. The Company will match the amount of four dollars (\$4.00) per week and contribute the same for the benefit of each employee participating in the Plan. Employees who wish may contribute **an** amount in excess of four dollars (\$4.00) per week.

The Company agrees that our pension agreement will be submitted in contract terms and incorporated as part of our Collective Agreement.

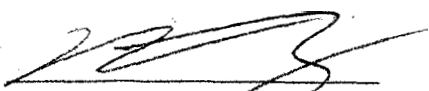
ARTICLE XIV - DURATION

- 14.01 This Agreement shall become effective **March 1, 2006** and shall remain in full force and effect until midnight **February 28, 2009**, and shall continue in effect thereafter from year to year for further periods of one (1) year each unless either party shall have given written notice of termination or ~~written~~ notice of proposals for amendments to the party not less than thirty (30) days and not more than ninety (90) days **prior** to the expiration date or any yearly period thereafter.
- 14.02 In the Event that written notice of termination or proposals for amendments have been given by either **party** in accordance with 14.01 above, negotiations shall proceed during the notice period with a view to completing a new Agreement,
- 14.03 This Agreement shall continue in effect until the date of expiry or until the procedure provided in the Labour Relations Act of Ontario has expired, whichever is later.
- 14.04 This Agreement may be amended at **any** time by the mutual agreement of the parties in writing.

IN WITNESS WHEREOF each of the parties hereto has caused this Agreement to be signed by its duly authorized representatives on the day and year first above written:


DATE SIGNED: March 7, 2006

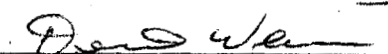
CANADA CORDAGE INC.

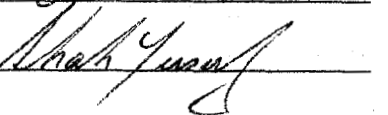


Glenn Busch

UNITED STEELWORKERS



Jim Stacey


Denis Weir


Mark Young

LETTERS OF UNDERSTANDING

During recent Contract Negotiations, the following Letters of Understanding were agreed upon by the parties:

- 1) The Company will provide one pair of scissors or a knife to each new employee and will replace same when worn out or broken. Worn or broken knives and scissors will be given to Department Supervisor before replacement is issued. Each employee will be responsible for the custody of his or her scissors or knife and will be charged for a replacement if lost or stolen.
- 2) It is the responsibility of all trades to have the basic hand tools required for the performance of their duty. However, all special equipment and tools are made available by the Company. The cost of replacing or repairing personal hand tools will be absorbed by the Company providing the employee proves to his Supervisor that the damage occurred while carrying out his duties with Canada Cordage Inc.
- 3) The Company will absorb one hundred percent (100%) of the cost of coveralls for the Maintenance Department. Employees will be responsible for the replacement cost of lost coveralls.
- 4) The Company agrees to pay 100%, to a maximum equal to our current optical coverage, for prescription eye glasses damaged on the job. The damaged glasses must be shown to *the* employees Supervisor and an incident report must be filed during the shift the glasses are damaged on.
- 5) The Company agrees the following premium will be paid in addition to that outlined in Schedule A:

Plant Wide Lead Hand and Department 5 Lead Hand:

 - Effective March 6, 2000 an additional twenty cents (.20) per hour
 - Effective March 1, 2001 an additional twenty cents (.20) per hour
 - Effective March 1, 2002 an additional ten cents (.10) per hour.

Packing in the Extrusion Dept. will be paid the trucking rate for two hours (2) per full day and one hour (1) if working five hours (5) or less.

- 6) The Company agrees to grant one hour release time where necessary, in order to prepare for a job related course to upgrade a skilled trade.
Payment for this release time will be made at the end of the course and upon presentation of a verified certificate of attendance. Upon successful completion of work related courses the company will reimburse employees for 75% of the cost of the course. Such course must be approved by the Operations Manager prior to enrolment in order to qualify for reimbursement.
- 7) The Purpose of this Letter of Understanding is to set out the Job Descriptions for the Skilled Trades as follows:

CLASS I MILLWRIGHT

From Class 1 Mechanic
Ontario License
Be able to
Weld all positions gas and electric all metals incl. cast iron

SHEET METAL WORK

Duct work hoods and covers and tanks
Lay out using formulas

PIPE WORK

Air water hydraulic
Knowledge of
Lifting equipment chain falls, jacks, hoists, slings
Rigging for lifting
To move and install machinery safety install and align **pumps**
conveyors shafts and power drives
Read and work from blue prints to demonstrate **safety** in all aspects of lifting and moving equipment and the use of tow motors.
Oxy - acetylene cutting

CLASS I MECHANIC

Gas and electric welding

Basic machining key way cutting machine

Able to read and work from blue prints and machinery specifications

To **strip** and assemble all machines including pumps compressors, vacuum pumps, gear boxes and vari drives.

Use of all measuring tools vernier, micrometer, height gage, slip gages and dial gage

Install all bearing correctly-ball, roller, linear, pillow blocks, oilite bearings, bronze bushings, and hanger bearings.

Fit and install taper pins, dowel pins and retaining rings

Use of all hand tools including hand reamers, and scrappers to close tolerances.

Good knowledge of hydraulic and pneumatic systems

Safe use of oxy-acetylene cutting equipment

Safe **use** of cut off saws

Installation of couplings and correct alignment

Ontario **License**

MACHINIST CLASS I

Accurate use of all machinery lathes - milling machine shaper surface & cylindrical grinders. Key cutters dividing heads drilling machine cut all thread internal and external familiar with all formulas to determine cutting, feeds, - for gear blanks, cut all gearing bevel helical spur sprockets and timing pulleys.

Ability to finish machined parts by hand to a high finish using hand tools file scrapper hand grinder

All machine reaming

All splines internal and external

Die repair and new dies

Case hardening and tempering

Ontario License

8)

Letter of Understanding, Re: Full Time Temporary Employees

1. A full time temporary employee is an employee hired for a specific period of time not to exceed six (6) months and **only** to replace **an** employee off for illness, injury, maternity, parental **or** paternity leave.
2. When a fulltime temporary employee is required the Company shall meet with **the** Union to determine the temporary situation and the employee being covered.
3. There will be no more than three (3) full time temporary employees at any one time unless mutually agreed by both parties.
4. Full time temporary employees shall have all the rights and benefits of a permanent employee which are contained in the Collective Agreement with the exception that full time temporary employees with three months or more seniority will **only** be able to bump probationary employees under article VII and will not be covered under the Welfare Benefit Plan.
5. Any fulltime temporary employee who becomes a permanent employee shall have seniority as of the date they were hired for the temporary position.
6. Any position filled by a full time temporary employee which becomes a permanent vacancy will be subject to clause 7.12 of the Collective Agreement.

7. A full time temporary employee may be offered a permanent vacancy prior to the company hiring a new employee.
8. When displacement and/or layoff of employees is necessary full time temporary employees will be laid off first with probationary employees under clause 7.05 (a) of the Collective Agreement.
- 9) **The purpose of this Letter of Understanding is to outline the terms of the 2006, 2007 and 2008 wage increase. Effective February 26, 2006 a wage increase of two percent (2%), effective March 1, 2007 a wage increase of three percent (3%) and effective March 1, 2008 a wage increase of four percent (4%) will be paid all job classifications.**
- 10) The Company agrees that effective **February 26, 2006** all skilled trades workers who are working in their field and provide the Company with a copy of their provincial license shall receive an additional **one dollar seventy-five cents (\$1.75) per hour**. Effective **March 1, 2007** this will be increased to **two dollars (\$2.00)** and effective **March 1, 2008** this will be increased to **two dollars twenty-five cents (\$2.25) per hour**.
- 11) The Company shall cover the cost of printing the Collective Agreement in small hound book form.
- 12) The Company and the Union agree there is a need to review the current standards to insure that they correctly reflect the work being performed.

The parties will set up a committee consisting of a minimum of four people two from the Company and two from the Union. This committee will meet on a regular basis and review areas where there is a problem with the standards. Where there is a problem the committee will try to find a solution to the problem and *make* the necessary changes.

The Committee may require input from employees and when necessary will request their attendance at meetings.

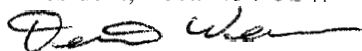
The intent of this letter is to address incentive problems and not to change or restrict any of the provisions of Article IX- Incentive.

Date Signed: March 7, 2006

A handwritten signature in cursive script that reads "Luann Busch".

Luann Busch
Personnel Administrator

Dennis Weaver
President, Local 454 USW

A handwritten signature in cursive script that reads "Dennis Weaver".

Schedule A

Dept. 3 - Rope Finishing
Regular Standard Hourly Rates

<u>POSITION</u>	<u>EFFECTIVE MARCH 1, 2006</u>	
	<u>START</u>	<u>BASE</u>
No. 1 Watson	\$14.03	\$15.25 (+.25 in lieu of Piece Work)
No. 2 Watson	13.50	14.67
No. 3 Watson	12.58	13.67
No. 4 Watson	12.58	13.67
No. 2-1/2 Watson	12.83	13.95
No. 2 H.D. Layer	12.32	13.39
No. 3 H.D. Layer	12.16	13.22
42 x 22 Rope Machine	12.92	14.04
17 x 8 Layer	12.32	13.39
17 x 8 Former	11.22	12.20
Roblon	11.80	12.83
Saco-Lowell Twister	10.59	11.51
Heat Setting	11.17	12.14
Memmingen	11.80	12.83
Shrink Wrap	11.32	12.30
Handy Coils	10.12	11.00
Universal/SW/Packing	10.90	11.85

LEAD HAND PAID HIGHEST BASE RATE PLUS 20% + 50¢

TRAINEE LEAD HAND PAID HIGHEST BASE RATE PLUS 20%

NEW UNTRAINED WORKERS

to be employed at the "start Rate", "base Rate" for the job to be paid after six (6) weeks or sooner if able to do the job.

REHIRED TRAINED WORKERS

will be paid "Base Rate".

Schedule A
Dept. 7 - Extrusion
Regular Standard Hourly Rates

<u>POSITION</u>	<u>EFFECTIVE MARCH 1, 2006</u>	
	<u>START</u>	<u>BASE</u>
Extruder No. 1	\$14.20	\$15.44
Extruder No. 2	12.84	13.96
Sima Twisters	11.67	12.69
Packing	10.40	11.30 (+.25 in lieu of Piecework)
Plastic Cutting	11.21	12.19

LEAD HAND TO BE PAID HIGHEST BASE RATE PLUS 20% + 50¢

NEW UNTRAINED WORKERS to be employed at the "Start Rate", "Base Rate" for the job to be paid after six (6) weeks or sooner if able to do the job.

REHIRED TRAINED WORKERS will be paid "Base Rate".

EXTRUSION OPERATORS to be paid "Base Rate" plus 20%

PLANT WIDE LEAD HAND

"B & "C" SHIFT

Plant Wide Lead Hand

shall be paid \$1.00 per hour higher than the highest paid person on his shift. If no mechanic is working, Lead Hand shall be paid highest base rate plus 20% plus \$1.00. (See Letter #6)

Schedule A
Dept. 6 - Maintenance
Regular Standard Hourly Rates

POSITIONEFFECTIVE MARCH 1, 2006BASEMECHANICS

Class 1	\$18.99
Class 11	17.52
Class 111	15.98

MILLWRIGHTS

Class 1	20.21
Class 11	18.71
Class 111	17.18

MACHINE SHOP

Class 1	20.42
Class 11	18.41
Class 111	16.95

Janitor	10.45	11.36
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LEAD HAND TO BE PAID HIGHEST BASE RATE PLUS 50¢

Schedule A
 Dept. 5 - Shipping & Receiving
 - Mill Service & - Truckers
 REGULAR STANDARD HOURLY RATES

<u>POSITION</u>	<u>EFFECTIVE MARCH 1, 2006</u>	
	<u>START</u>	<u>BASE</u>
Chief Shipper	\$17.09	\$18.58
Shipper No. 1	15.01	16.32
Mill Service	17.09	18.58
<u>TRUCKING ALL DEPARTMENTS</u>	11.82	12.85

Trucker allocated in Dept. 7 - Extrusion will be paid "Truckers Rate" while packing.
 Dept. 5 Lead Hand shall be paid at Chief Shippers rate plus \$1.00. (See Letter #6)

Schedule A

Dept. 3 - Rope Finishing
Regular Standard Hourly Rates

<u>POSITION</u>	<u>EFFECTIVE MARCH 1, 2007</u>	
	<u>START</u>	<u>BASE</u>
No. 1 Watson	\$14.45	\$15.71 (+.25 in lieu of Piece Work)
No. 2 Watson	13.91	15.11
No. 3 Watson	12.96	14.08
No. 4 Watson	12.96	14.08
No. 2-1/2 Watson	13.21	14.37
No. 2 H.D. Layer	12.69	13.79
No. 3 H.D. Layer	12.52	13.62
42 x 22 Rope Machine	13.31	14.46
17 x 8 Layer	12.69	13.79
17 x 8 Former	11.56	12.57
Roblon	12.15	13.21
Sam-Lowell Twister	10.91	11.85
Heat Setting	11.51	12.50
Memmingen	12.15	13.21
Shrink Wrap	11.66	12.67
Handy Coils	10.42	11.33
Universal/SW/Packing	11.23	12.21
LEAD HAND PAID HIGHEST BASE RATE PLUS 20% + 50¢		

TRAINEE LEAD HAND PAID HIGHEST BASE RATE PLUS 20%

NEW UNTRAINED WORKERS

to be employed at the "start Rate", "base Rate" for the job to be paid after **six** (6) weeks or sooner if able to do the job.

REHIRED TRAINED WORKERS

will be paid "Base Rate".

Schedule A
Dept. 7 - Extrusion
Regular Standard Hourly Rates

<u>POSITION</u>	<u>EFFECTIVE MARCH 1, 2007</u>	
	<u>START</u>	<u>BASE</u>
Extruder No. 1	\$14.63	\$15.90
Extruder No. 2	13.23	14.38
Sima Twisters	12.02	13.07
Packing	10.71	11.64 (+.25 in lieu of Piecework)
Plastic Cutting	11.55	12.56

LEAD HAND TO BE PAID HIGHEST BASE RATE PLUS 20% + 50¢

NEW UNTRAINED WORKERS

to be employed at the "Start Rate", "Base Rate" for the job to be paid after six (6) weeks or sooner **if** able to do the job.

REHIRED TRAINED WORKERS

will be paid "Base Rate".

EXTRUSION OPERATORS

to be paid "Base Rate" plus 20%

PLANT WIDE LEAD HAND

"B & "C" SHIFT

Plant Wide Lead Hand

shall **be** paid \$1.00 per hour higher than the highest paid person on his shift. If no mechanic is working, Lead Hand shall be paid highest base rate plus 20% plus \$1.00. (*See Letter #6*)

Schedule A
Dept. 6 - Maintenance
Regular Standard Hourly Rates

POSITIONEFFECTIVE MARCH 1, 2007BASEMECHANICS

Class 1	\$19.56
Class 11	18.05
Class 111	16.46

MILLWRIGHTS

Class 1	20.82
Class 11	19.27
Class 111	17.70

MACHINE SHOP

Class 1	21.03
Class 11	18.96
Class 111	17.46

Janitor	10.76	11.70
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LEAD HAND TO BE PAID HIGHEST BASE RATE PLUS 50¢

Schedule A
 Dept. 5 - Shipping & Receiving
 - Mill Service & - Truckers
 REGULAR STANDARD HOURLY RATES

<u>POSITION</u>	<u>EFFECTIVE MARCH 1, 2007</u>	
	<u>START</u>	<u>BASE</u>
Chief Shipper	\$17.60	\$19.14
Shipper No. 1	15.46	16.81
Mill Service	17.60	19.14
<u>TRUCKING ALL DEPARTMENTS</u>	12.17	13.24

Trucker allocated in Dept. 7 - Extrusion will be paid "TruckersRate" while packing.
 Dept. 5 Lead Hand shall be paid at Chief Shippers rate plus \$1.00. (See Letter#6)

Schedule A

Dept. 3 - Rope Finishing
Regular Standard Hourly Rates

<u>POSITION</u>	<u>EFFECTIVE MARCH 1, 2008</u>	
	<u>START</u>	<u>BASE</u>
No. 1 Watson	\$15.03	\$16.34 (4.25 in lieu of Piece Work)
No. 2 Watson	14.47	15.71
No. 3 Watson	13.48	14.64
No. 4 Watson	13.48	14.64
No. 2-1/2 Watson	13.74	14.94
No. 2 H.D. Layer	13.20	14.34
No. 3 H.D. Layer	13.02	14.16
42 x 22 Rope Machine	13.84	15.04
17 x 8 Layer	13.20	14.34
17 x 8 Former	12.02	13.07
Roblon	12.64	13.74
Saco-Lowell Twister	11.35	12.33
Heat Setting	11.97	13.00
Memmingen	12.64	13.74
Shrink Wrap	12.13	13.18
Handy Coils	10.84	11.78
Universal/SW/Packing	11.68	12.70

LEAD HAND PAID HIGHEST BASE RATE PLUS 20% + 50¢

TRAINEE LEAD HAND PAID HIGHEST BASE RATE PLUS 20%

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to be employed at the "start Rate", "base Rate" for the job to be **paid** after **six** (6) weeks or sooner if able to do the job.

REHIRED TRAINED WORKERS

will be paid "Base Rate"

Schedule A
Dept. 7 - Extrusion
Regular Standard Hourly Rates

<u>POSITION</u>	<u>EFFECTIVE MARCH 1, 2008</u>	
	<u>START</u>	<u>BASE</u>
Extruder No. 1	\$15.21	\$16.54
Extruder No. 2	13.76	14.95
Sima Twisters	12.50	13.59
Packing	11.14	12.11 (+.25 in lieu of Piecework)
Plastic Cutting	12.02	13.06

LEAD HAND TO BE PAID HIGHEST BASE RATE PLUS 20% + 50¢

NEW UNTRAINED WORKERS to be employed at the "Start Rate", "Base Rate" for the job to be paid after six (6) weeks or sooner if able to do the job.

REHIRED TRAINED WORKERS will be paid "Base Rate",

EXTRUSION OPERATORS to be paid "Base Rate" plus 20%

PLANT WIDE LEAD HAND

"B & "C" SHIFT

Plant Wide Lead Hand shall be paid \$1.00 per hour higher than the highest paid person on his shift. If no mechanic is working, Lead Hand shall be paid highest base rate plus 20% plus \$1.00. (*See Letter #6*)

Schedule A
Dept. 6 - Maintenance
Regular Standard Hourly Rates

POSITION EFFECTIVE MARCH 1, 2008

BASE

MECHANICS

Class 1	\$20.34
Class 11	18.77
Class 111	17.12

MILLWRIGHTS

Class 1	21.65
Class 11	20.04
Class 111	18.41

MACHINE SHOP

Class 1	21.87
Class 11	19.72
Class 111	18.16

Janitor	11.19	12.17
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LEAD HAND TO BE PAID HIGHEST BASE RATE PLUS 50¢

Schedule A
 Dept. 5 - Shipping & Receiving
 - Mill Service & - Truckers
 REGULAR STANDARD HOURLY RATES

<u>POSITION</u>	<u>EFFECTIVE MARCH 1, 2008</u>	
	<u>START</u>	<u>BASE</u>
Chief Shipper	\$17.09	\$19.91
Shipper No. 1	16.08	17.48
Mill Service	18.30	19.91
91		
<u>TRUCKING ALL DEPARTMENTS</u>	12.66	13.77

Trucker allocated in Dept. 7 - Extrusion will be **paid** "Truckers Rate" while packing.
 Dept. 5 Lead Hand shall be paid at Chief Shippers rate plus \$1.00. (See Letter #6)

SCHEDULE "B"
DEPARTMENTS
INCLUDES

NUMBER

- 3 Rope - Manufacturing
- 5 **Shipping &** Receiving
- 6 Maintenance
- 7 Extrusion - Twisting

WELFARE BENEFIT PLAN

AGREEMENT

BETWEEN:

CANADA CORDAGE INC.

AND

THE UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,

ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION

ON BEHALF OF LOCAL 454

March 1, 2006 to February 28, 2009

WELFARE BENEFIT PLAN AGREEMENT

This Welfare Benefit Plan Agreement is made and entered into this 1st day of March 2006 between Canada Cordage Inc., (hereinafter referred to as the "Company") and the United Steelworkers, (hereinafter referred to as the "Union").

ARTICLE I - PURPOSE

- 1.01 The parties hereto, in consideration of the mutual promises herein contained, agree that the Company will establish and administer for the term of this Agreement, a Company paid Welfare Benefit Plan, for all employees in the Bargaining Unit as defined in the Collective Labour Agreement and their dependents as defined herein.
- 1.02 Subject to the provisions of this Agreement the Company shall determine the manner in which the Plan shall be established and administered.

ARTICLE II - INTERPRETATIONS

- 2.01 The term "Employee" means any male or female employee who is employed by the Company and is a member of the Bargaining Unit as defined in the applicable section of the Collective Labour Agreement, and referred to hereinafter in the masculine gender.
- 2.02 The term "Pensioner" means a person who has been retired and is eligible to receive a benefit under the current Pension Benefit Plan Agreement.
- 2.03 The term "Dependent" means a person not in the employ of the Company who is:
- (i) The legal spouse or common-law spouse, but only if the common-law spouse has co-habited with the employee and has been publicly represented as a spouse whether same sex or opposite sex spouse. **Only** one (1) spouse at any time may be claimed;
 - (ii) **Any** unmarried, natural, adopted, step-child or foster child or other child under the age of twenty-one (21) years who depends on the employee for support and lives with the employee in a parent-child relationship. A fully employed child is not a dependent under the definition;
 - (iii) The unmarried children under twenty-five (25) years of age who are full-time students;
 - (iv) The unmarried children of twenty-one (21) years or more of age who

are dependent on the employee for support and maintenance and who are either mentally or physically incapable of self-support. Fully

- (v) However, wherever the word "dependent" shall bear a wider meaning in the plans or contracts entered into by the Company in satisfaction of its obligations hereunder, such wider meaning shall be used if, and to the extent applicable;
- (vi) **An** employee will be considered to be single and without dependents until the dependents are properly enrolled on the application forms applicable to the specific dependent benefits, and may be required to furnish such proof as the Company may reasonably require to establish the eligibility of any person claimed as a dependent. The employee must ~~further~~ inform the Company promptly of any changes in the status of dependents which would affect their eligibility under the Plan.

- 2.04 The Term "Physician" means a medical practitioner who is registered under the Medical Act of the Province of Ontario or such similar statute or law as governs the practice of medicine in the jurisdiction in which any medical, surgical or diagnostic services are rendered to an employee or dependent.
- 2.05 The term "Layoff" shall mean the same as the definition of layoff in the Collective Labour Agreement.
- 2.06 The term "Collective Labour Agreement" shall mean the current Collective Labour Agreement between the Company and the Union as may be amended or supplemented, or any successor agreement.
- 2.07 The term "Commission" shall mean the Ontario Hospital Commission established by an Act of the Legislature of Ontario that is charged with the responsibility of establishing and administering the health care insurance **plan** (OHIP).
- 2.08 The term "Insurer" shall mean the insurer, that the Company enters into a contract with, to provide the benefits of this Agreement.

ARTICLE III - LIFE INSURANCE
ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS

- 3.01 (a) The amount of all employees Life Insurance shall be thirty-four thousand dollars (\$34,000.00)
- (b) The amount of the Retiree's Life Insurance will be three thousand five hundred dollars (\$3,500.00) for those employees who retire at age sixty-five (65) with ten or more years of Seniority. Effective March 1, 2005 this amount will increase to four thousand dollars (\$4,000.00)
- 3.02 The policy of group life insurance shall provide that a person, within thirty-one (31) days after his life insurance ceases because of termination of employment for any reason, shall have the privilege of obtaining, without medical evidence an individual policy of life insurance of a class and under the conditions specified by the Insurer in the individual's certificate of insurance, and that during this thirty-one (31) day conversion period the Insurer will maintain in force the group life insurance of such person.
- 3.03 The policy of group life insurance shall provide that if an employee becomes totally disabled before attaining the age of sixty-five (65) years, the life insurance will be extended, without payment of premiums, during the continuance of such total disability, subject to satisfying the Insurer of the continuance of disability in the manner prescribed in the certificate of insurance, and provided that the death of the disabled employee occurs prior to a sixty-fifth birthday and that (I) within twelve (12) months from the effective date of termination of employment, or, (II) within a period commencing with the date of termination of employment equal to the time during which the life insurance under the group policy was in force, whichever is the lesser.
- 3.04 The Company will provide for additional coverage for employees in the amount of one times the employee's regular annual earnings rounded to the highest thousand dollars (\$1,000) adjusted annually as a result of non-occupational accidental death, dismemberment, or loss or loss of use of sight. This sum will be payable in the case of death, or loss or loss of use of both hands, or loss or loss of use of both feet, or loss or loss of use of both eyes, or any two of those members. Payment of one-half the above amount will be provided for on the case of loss or loss of use of one hand, one eye or one foot. This payment will be made provided such loss or loss of use of or death occurs within three hundred and sixty-five (365) days of the accident.

The contract will contain such limitations and conditions as are normally found in contracts issued in the Province of Ontario for insurance of this type.

ARTICLE IV - WEEKLY INDEMNITY

- 4.01 When bodily injury caused by non-occupational accident or sickness disables an employee so that the employee cannot work, the Company will make provisions for payment to such employee a Weekly Indemnity Benefit based on "Insurable Weekly Earnings" as follows:
- Sixtypercent (60%) of the employee's Regular Hourly Base Rate times 40 .
- 4.02 The Company will provide a disability program that provides for fifteen (15) weeks of Weekly Indemnity, after which, if the employee is unable to return to work he/she will apply for Long Term Disability to be paid for a maximum period of *two* (2) years, but not beyond age sixty-five (65).
- The Long Term Disability is payable at the same dollar amount as the Weekly Indemnity Benefit. To qualify an employee must be considered totally disabled. Definition of total disability, is unable to perform at least 60% of his/her own occupation. Long Term Disability benefits will be offset by Primary Canada Pension plan payments and WSIB Benefits. The Company will subsidize employees for delays in benefits in excess of two (2) weeks and will be reimburse once benefits are received.
- If disabled employee is receiving widowers and/or WSIB payments the Long Term Disability payment from the Group Insurance carrier may be reduced so that the Employees income will not exceed eighty-five (85) percent of income prior to the Weekly Indemnity claim.
- 4.03 Periods of disability due to the same cause will be treated as a different period of disability if the employee has returned to full time employment for a period of fourteen (14) calendar days, and periods of disability for wholly different causes will be treated as a new period of disability, where the employee has returned to full time work.

- 4.04 Benefits will be payable from the first day of disability as a result of an accident, if confined to a hospital, or as a result of day surgery and the eighth (8th) day of disability as a result of sickness.
- 4.05 The date on which the disability begins shall be deemed *to* be the first day upon which the employee fails to report to the Company for work, or is required to cease work before the employee's regular quitting time, and the date upon which the disability terminates shall be deemed to be the date before the **first** day upon which the employee is capable of returning to work. This date shall be that set by the attending physician. Part weeks shall be indemnified at the rate of one-seventh of the weekly amount for each calendar day of disability.
- 4.06 Weekly Indemnity Benefits shall not be payable for any disability resulting from:
- (i) Any injury or sickness for which the employee is not under the care of a physician.
 - (ii) Any injury or sickness covered by WSIB.
 - (iii) Injury sustained or sickness contracted as a direct or indirect result of war or engaging in a riot or illegally engaging in a disturbance of the peace.

ARTICLE V - HOSPITAL - MEDICAL - SURGICAL - EXTENDED HEALTH AND DENTAL BENEFITS

5.01 Basic Hospital - Medical - Surgical Benefits

The Company shall pay seventy-five percent (75%) of the monthly premium to the Ontario Health Insurance Commission on behalf of each eligible employee and eligible dependent(s), if any, to qualify such employee and dependent(s) for Ontario Health Insurance Plan Benefits.

5.02 Extended Health Benefits

The Company shall provide for Extended Health Benefits in accordance with this Section 5.02 for eligible employees and eligible dependent(s), if any, provided such benefits are not covered by any government agency.

This benefit will be at reasonable and customary rates where there is no amount specified.

"Reasonable and Customary Rate" will be interpreted to mean the exclusion of charges which are in excess of those usually made for the service, treatment or supplies in the absence of insurance coverage or in excess of the general level of the rates in this area.

- 1) Drugs, serums, injectibles, vaccines, oral contraceptives and insulin requiring the prescription of a medical physician or dentist, except, for vitamins or vitamin preparations (unless injected) and patent or propriety medicines purchased from registered pharmacist or physician.
- 2) Private duty nursing (RN) or licensed practical nursing in the home or hospital subject to a maximum of fifteen thousand dollars (\$15,000) in a three (3) consecutive year period.
- 3) Registered or licensed physiotherapist, including diagnostic.
- 4) Laboratory tests and X-rays.
- 5) Purchase or rental of special remedial appliances, trusses, braces, crutches, artificial limbs, eyes.
- 6) Specialized treatments such as radium, deep X-Ray and radioisotopes, oxygen, plasma or blood transfusion, surgical dressing and bandages.
- 7) Ambulance ~~service~~ to the nearest hospital.
- 8) Registered clinical psychologist in the amount of fifty dollars (\$50.00) per visit to a maximum of three hundred dollars (\$300.00) in a twelve (12) consecutive month period per calendar year.

- 9) Registered masseurs, osteopaths, naturopaths, podiatrists and chiropractors to a maximum of two hundred and fifty dollars (\$250.00) in a twelve (12) consecutive month period per calendar year for each of such services. X-ray examinations are limited to one (1) per year for each service. Beginning March 1, 2001 the Health Benefit plan will cover the additional cost of chiropractor appointments not covered by OHIP.
- 10) Qualified speech therapist to a maximum of **three** hundred dollars (\$300.00) during any period of twelve (12) consecutive months per calendar year. Such coverage must be certified as necessary by a medical physician or dentist.
- 11) Medical fees where legal while travelling or residing outside Ontario when such fees are in excess of the Ontario Medical Association Schedule of Fees and are not greater than the amount that would **be** paid in Ontario if it were legal to provide such benefits in Ontario.
- 12) Hearing aids to a maximum of four hundred dollars (\$400.00) every three (3) years.
- 13) Effective **April 1, 2003** eye glasses to a maximum of two hundred seventy-five dollars (\$275.00) in any period of twenty-four (**24**) months with a written prescription from a medical physician or optometrist. This provision includes contact lenses, medically necessary to a maximum of two hundred (\$200.00) in any period of twenty-four (24) months. There is no provision to cover sun or safety glasses. **Effective March 1, 2008 coverage will increase to three hundred dollars (\$300.00).**
- 14) Dental surgeon, including dental prosthesis, required for a treatment of a fractured jaw or accidental injuries (caused by external and violent means) to natural teeth provided treatment takes place within six (6) months of the accident.

The Extended Health Benefits do not have any provision to cover the following:

- Services covered by WSIB Act or any other statute;
- Self-inflicted injuries;
- Dental services or appliances other than those provided for in this Article;
- Services required as a result of the employee or dependent participating in a criminal offence;

- Services required as a result of war or hostility of any kind;

Services performed by a person who is ordinarily a resident in the patient's home or who is a member of the patient's immediate family;
- Lifestyle drug therapies such as fertility drug expenses, smoking cessation products, erectile dysfunction, weight loss and others will be excluded entirely from the plan, unless evidence of a defined medical condition requiring this drug has been received.
- Services for which reimbursement is payable due to the legal liability of any other party, to the extent of such reimbursement.

5.03

Dental Expense Benefit

The Company will provide Dental Expense Benefits according to this section 5.03 for employees and their dependent's without maximum, in accordance with the amounts set in the **2005** Ontario Dental Schedule of Fees.

Effective June 1, 1991 Dental coverage will be upgraded to the Blue Cross Plan 9 equivalent.

Effective **March 1, 2007** Dental coverage will increase to the **2006** Ontario Dental Schedule of Fees and **March 1, 2008** the ODA schedule will increase to the **2007** fee guide.

(a) Expenses Not Covered

- 1) Any expense not specifically included in the Definition of Eligible Expenses;
- 2) Charges for broken appointments;
- 3) Charges for protective appliances.
- 4) Charges for dental surgery or treatment for cosmetic purposes.
- 5) Charges for dental surgery or treatment for a self inflicted injury, whether sane or insane at time of injury.
- 6) Charges for dental surgery or treatment for an injury sustained due to an act of war or hostilities of any kind.

- 7) Charges for that part of treatment or supplies payable under another part of this insurance plan, a governmental plan or law, or another group insurance or prepayment plan.
- 8) Charges for dental surgery or treatment for which the covered person is entitled to indemnity or compensation under WSIB or similar law.
- 9) Charges for dental surgery or treatment during a period of treatments which commenced prior to the date on which the covered person became insured.
- 10) Charges for dental surgery or treatment performed or supplies delivered after the termination of insurance.

(b) Alternate Course of Treatment

When alternate procedures, services or courses of treatment may be performed for the treatment of a dental condition or to accomplish a desired result, benefits are payable for the least expensive procedure, service or course of treatment listed in the Definition of Eligible Expenses, which as determined by *the* Company will produce a professionally adequate result.

(c) Pre-Determination of Benefits

When a claimant requires a course of dental treatment expected to cost in excess of three hundred dollars (\$300.00), the dentist's treatment plan including estimates of the charges must be pre-filed with the Company before treatments commence, otherwise no payment will be made to such claimant.

The Company will advise the claimant of benefits payable in regard to this course of treatment. The Company is not providing coverage for charges for completion and filing of the treatment plan.

(d) Definition of Eligible Expenses

CODES	PROCEDURES
	Examinations
01110, 01120, 01130	Initial examination of a new patient
01200	Re-examination of a previous patient
01400	Specific examination
01300, 94400, 94100,	Emergency examination and/or
94200	consultation
	Consultations
05100	Treatment Planning - per unit of time
05200	With patient
93100	Another Dentist
	Specific Diagnostic Procedures
04100	Bacteriologic cultures for determination of pathologic agents
04200	Dental carries susceptibility test
04300, 04310	Biopsy, soft-hard tissue
04330	Cytological examination
04400	Pulp vitality tests
	Radiographic Examination and Interpretation (X-ray)
02100	Intraoral periapical films, complete series
02111-01120 (inclusive)	Intraoral periapical films, one to ten films
02131-02134 (inclusive)	Occlusal films
02141-02144 (inclusive)	Posterior bitewing films
02201-02204 (inclusive)	Extraoral films
02304	Sinus examination
02400	Sialography
02430	Use of radiopaque dyes to demonstrate lesions
02504, 02505	Temporomandibular joint films
02600	Panoramic film
02701-02705 (inclusive)	Cephalometric films
02800	Interpretation of radiographs from another source - per unit of time
02920	Tomography
2930	Hand and wrist (as diagnostic aid for dental treatment)

11100, 11200, 11300	Preventive Service
12400	Scaling and Polishing
13200, 13210	Topical Fluoride Treatment
43310	Oral Hygiene Instruction
	Occlusal Equilibration
	Treatment of Dental Caries (Fillings)
39930	Sedative (palliative) dressing
	Amalgam Restorations
21101-21105 (inclusive)	Primary Teeth
21211-21215 (inclusive)	Permanent Anterior and Bicuspid Teeth
21221-21225 (inclusive)	Permanent Molar Teeth
21301-21305 (inclusive)	Pin reinforcement
22101, 22102	Silicate restorations
23101-23223 (inclusive)	Acrylic or composite restorations
	Surgical Services -
	Removal of Teeth
	Removal of Erupted Tooth -
	Uncomplicated
71101	Single tooth
71111	Each additional tooth in same surgical site
	Surgical Removal
72100	Removal of erupted tooth (complicated)
72210, 72220, 72230	Removal of impacted tooth
72240	
	Removal of Residual Roots
72310	Soft tissue coverage
72320	Bone tissue coverage

Anaesthesia

92110, 92120, 92201,
 92202, 92215, 92251,
 92252, 92310, 92311,
 92330, 92340

Effective June 1, 1991 the following covered expenses are covered under your Dental Care plan:

- e dental surgery: fibrotomy; surgical exposure; transplantation; alveoplasty; gingivoplasty; osteoplasty; frenectomy; surgical excision of cysts and tumours; incision and drainage of abscesses; treatment of fractures - simple open reduction and closed reduction; antrum lavage; closure of oro-antral fistula, except following nasal antrostomy; recovery of dental root or foreign body ~~from~~ antrum; post-surgical care; therapeutic drug injections provided by a dentist
- endodontic services; pulp capping; vital pulpotomy; root canal therapy and apexification; periapical services including root amputation; gingival curettage; alveolotomy; hemisection; chemical bleaching; intentional removal, apical filling and reimplantation; emergency procedures
- periodontal services: application of displacement dressing; management of acute infections and other oral lesions; tooth desensitization; gingival curettage; gingivectomy; osseous surgery; osseous grafts; soft tissue grafts; vestibuloplasty; post-surgical treatment; provisional splinting; periodontal scaling and root planning; special periodontal appliances excluding appliances for treatment of temporal mandibular joint dysfunction
- repairs, relines, rebases and adjustments to existing dentures
- e space maintainers

5.04

Co-ordination of Benefits

Allowable expenses incurred by the employee or eligible dependents may be claimed under this Agreement, but only for that portion of the expense not paid through any other insurance plan.

5.05 Extended Coverage

An employee's or dependent's benefit may be extended under this Article, after the termination date of insurance coverage, only in the following cases and subject to the following limitations.

- (i) In the case of any other disability, **if** an employee or dependent shall be confined in a lawfully operated hospital within three (3) months after termination of the employee's insurance where the employee or dependent shall have been, from the date of such termination to the date of such confinement, wholly and continuously disabled by mental or physical illness or injury and thereby prevented from performing any and every duty pertaining to such person's occupation or employment.

5.06 Services Not Covered

An employee or dependent shall not be eligible for and no amount will be payable for any procedures resulting from any of the following:

- (i) Resulting from illness or injury for which the employee or dependent is entitled to benefit under the WSIB Act or similar law, or
- (ii) Which was not recommended and approved by a physician

ARTICLE VI - ELIGIBILITY

6.01 New Employees

New employees hired on or after the effective date of this Agreement shall be eligible for benefits covered by this Agreement on the first of the month following the completion of the probationary period, as provided in the Collective Labour Agreement.

6.02 Dependents

- (a) The dependents of an eligible employee shall be eligible to receive benefits in respect to any disability suffered or incurred on or after the date on which such dependent is properly enrolled under the Plan.
- (b) Dependents of any employee shall cease to be eligible for benefits under the Plan on the date on which the employee ceases to be eligible and in the case of the death of an employee, at the end ~~of~~ the month in which such death occurred.

6.03

Employees on Layoff or Leave of Absence

- (a) Employees whose active employment is terminated by layoff or leave of absence, other than sickness or injury, shall be eligible for all benefits, except weekly indemnity until the end of the month following the month such layoff or leave commenced.
- (b) **An** employee with less than one year (1) service whose active employment is terminated by leave of absence due to sickness or injury shall be eligible for all benefits under the Plan up to three (3) months from the effective date of such leave. In the case of an employee with more than one year (1) service they shall be eligible for all benefits under the Plan for up to **six** (6) months from the effective date of such leave. Employees off due to work related injury shall be eligible for such benefits for a maximum of two years.
- (c) Provision will be made that an employee, who is still unable to return to work at the expiration of the period for which eligible for benefits, as set out in (a) and (b) of this Section, may continue coverage for all benefits, except weekly indemnity, by payment monthly in advance to the Company, of the total premiums applicable to such benefits. Such payment shall be the responsibility of the employee and this privilege will terminate on termination of employment or termination of the Plan or failure to pay the premiums as provided. The maximum period under this provision is limited to four (4) months.

6.04

Voluntary Termination or Discharge

An employee whose active employment is terminated by discharge for just cause or voluntary separation or by entering military service shall cease to be eligible for any benefits under this Agreement as of the date of termination, except for the provision that Life Insurance may continue for thirty-one (31) days under the conversion privilege.

6.05

Return From Layoff or Leave of Absence

An employee, who had previously been eligible under the Plan, and who returns to active employment from layoff or leave of absence should be eligible for all benefits including dependents on the day of return to work.

6.06

Retirement at Age 65

A Retiree whose active employment is terminated at age sixty-five (65) shall be eligible for all benefits provided for under Article III, Section 3.01 (b) Life Insurance, and Article (V) except OHIP under 5.01, drugs under 5.02, by the Company paying the applicable premiums provided such Retiree is receiving a Pension under the Pension Plan. This provision will also apply under the Pension Plan. This provision will also apply to the eligible dependent(s), if any, of the Retiree. Such coverage will be limited to three (3) months from the effective date of retirement for any employee with less than fifteen (15) years Seniority and twelve (12) months for an employee with fifteen (15) or more years of Seniority.

6.07

Early Retirement

A Retiree whose active employment is terminated between the ages of fifty-five (55) and sixty-five (65) shall be eligible for all benefits provided for under Article (V), by the Company paying the applicable premiums, provided such Retiree is receiving a Pension under the Pension Plan. This provision will also apply to the eligible dependent(s), if any, of the Retiree. Such coverage will be limited to twelve (12) months from the effective date of retirement for any employee with ten (10) or more years of Seniority.

ARTICLE VII - GENERAL PROVISIONS

- 7.01 The Company shall have the sole responsibility **and** authority consistent with the provisions of this agreement for the operation and administration of the Plan.
- 7.02 The Company may enter into a contract or contracts to supply the benefits herein, provided such contract does not alter, amend, or detract from the Agreement.
- 7.03 The employee shall complete any application or questionnaire relating to such employee and to the number, sex and age of dependents for the facts pertaining to a claim for benefit presented by an insurer through the Company or otherwise.
- 7.04 No payment of claim will be made if the employee fails to meet the requirements of the insurer with respect to proof and time limitations under regulations normally included in policies written in the Province of Ontario.
- 7.05 The Company shall issue or cause to be issued **an** identification card and/or certificate of insurance, as the case may be, to each employee eligible for benefits which will describe the benefits and privileges provided hereunder by said insurer. The employee shall be deemed to accept all the benefits and privileges thus described **and** all the liabilities and obligations except the liability and obligation to pay the premium, fee, or other regular charge of the insurer.
- 7.06 The Company shall have the right and an employee claiming payment of disability shall afford an opportunity, to examination of the person of the employee or dependent, by a physician appointed by it, when and as often as it may reasonably require while a claim for benefit is pending.
- 7.07 When a disagreement arises between the Company and the Insurer, as the case may be, as to whether an employee or dependent is, or continues to be, suffering from bodily injury or sickness of a degree, extent, and type that gives rise to a claim for benefits, such disagreement shall be resolved as follows:
- (a) The employee or disabled dependent shall be examined by a physician appointed for that purpose by the Company or the Insurer and by a physician appointed for that purpose by the Union.
 - (b) When the physicians disagree concerning the kind and nature of the disability the question shall be submitted to a third physician selected by the said two physicians. The opinion of the third physician after examination and consultation with the other two physicians, shall be accepted by the Company or the Insurer, the Union and the employee as irrefutable of the facts therein disclosed, and the degree, extent and type of disability suffered by the disabled person. The fees and expenses of the third physician shall be shared equally by the Company and the Union.

- 7.08
- (a) When a disagreement arises between the Company and an employee with reference to eligibility for benefits or payment of claims under the Plan, or if a dispute shall arise between the Company and the Union as to whether the Company has provided and continues to provide benefits as herein described, such dispute may be taken as a grievance under the grievance provisions of the Collective Labour Agreement then in effect, omitting however, all steps preceding presentation of grievance, in which the Operations Manager participates.
 - (b) When a grievance is taken to Arbitration, under the provisions of the Collective Labour Agreement, the Arbitrator, insofar **as** it may be necessary to the determinations of such grievance, shall have authority only to interpret and apply the provisions of this Agreement and the Collective Labour Agreement.
 - (c) The Arbitrator shall have no authority to add to or subtract from any provision of this Agreement or to waive or fail to apply **any** requirement of eligibility for benefit.
 - (d) The decision of an Arbitrator on any grievance properly referred shall be binding upon the company, the Union and the employee.

7.09 The establishment of this Plan shall not give any employee any additional right to be retained in the employment of the Company, and each employee shall remain subject to discipline, discharge or layoff to the extent as if such Plan has not been put in effect.

7.10 Subrogation

Where an employee or dependent receives Weekly Indemnity Benefits, or payment for hospitalization, surgical and/or medical expenses by reason of bodily injury or sickness in respect of which some third party is under legal liability the Company at the Company's option, shall be subrogated to the employee's or dependent's right to compensation of the cost of the benefits and/or* services provided in respect of such disability to the extent of the amount paid by the Company either directly or indirectly, or through coverage provided by the insurance policy, in respect thereof, and the employee by acceptance of the benefits, will undertake that the employee or the dependent so entitled to compensation, shall prosecute such claim against the third **party** at the expense of, and to the extent directed by the Company and pay expense over to the Company what it is entitled to receive as aforesaid together with any expenses it may have paid or incurred, from any monies recovered from such third party and will do all acts and execute all documents necessary to permit the Company to obtain the benefit of this clause.

ARTICLE VIII - TERMINATION, MODIFICATION

- 8.01 The Plan is subject to such amendment from time to time as may be necessary to meet the requirements of any applicable Federal or Provincial Laws, order or regulations, and relevant provisions of the Insurance Act of Ontario shall be deemed to apply except to the extent that such provisions may be waived or are superseded by the express provisions of this Agreement.
- 8.02 The said Plan may be modified or discontinued, after three (3) months' notice to the Union, but not prior to the effective date of any change in the legislation referred to hereinafter, should the whole or any part of the expenses to the company be disallowed as a deduction for income tax purposes, or should the income tax laws be changed to provide for disallowance in whole or in part of payments of this Class **and** kind as income tax deductions. Should modification or discontinuance of the Plan become necessary for any of these reasons, negotiations will be resumed immediately after such notice is given.
- 8.03 If at any time the Federal or Provincial Government passes legislation which directly or indirectly has the effect of providing or discontinuing benefits similar to one or more of the benefits described in the Plan for which the employees as a Class shall be eligible, this Agreement, shall terminate in respect of that benefit or benefits upon the expiration of thirty (30) days after the proclamation **of** the statute, or upon the date the statute comes into effect, whichever is later. During such thirty (30) day period or such longer period as may expire after date of proclamation of the statute, the parties will meet for the purposes of negotiating any amendments required or desirable *to* assure that the aggregate of the statutory benefits and the benefits provided under this Plan shall approximate in kind and money value to the benefits provided under the plan before said statutory enactment.
- 8.04 The Union agrees that it shall *not*:
- I) Make any demand that this Agreement be changed in any respect or terminated or that a new Welfare Benefit Plan be established for the employees, or that the Company contribute or pay any greater amount for such benefits for the employees than it is required to pay under the terms of this Agreement;
 - II) Engage in or continue to engage in, or in any manner encourage or sanction any strike or other action which will interfere with work or production at the plants of the Company for the purpose of securing any such change, increase of *termination*;
 - III) And except during the periods specified in 8.06 next the Company shall not have any obligation to negotiate or bargain with the Union with respect to any of the matters referred to in this Section 8.04.

8.05 Amendments

Amendments to this Agreement may be made in writing by the mutual consent of both parties.

8.06 Termination

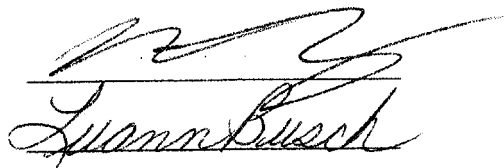
This Agreement shall become effective and shall remain in full force **and** effect as provided in Article XIV of the Collective Labour Agreement.


IN WITNESS WHEREOF each of the parties hereto have caused this agreement to be signed by its duly authorized representatives as of the effective date of the Collective Labour Agreement.

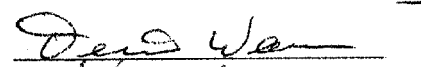
DATE SIGNED: March 7, 2006

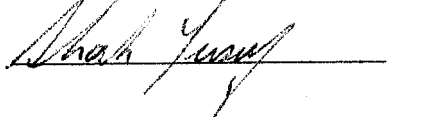
CANADA CORDAGE INC.

UNITED STEELWORKERS









PENSION AGREEMENT

BETWEEN:

CANADA CORDAGE INC.

Kitchener, Ontario

-AND-

THE UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,

ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION

ON BEHALF OF LOCAL,454

March 1, 2006 to February 28, 2009

AGREEMENT

This Agreement made and entered into the 1st day of March 2006, by and between Canada Cordage Inc. of Kitchener, Ontario and the United Steelworkers, hereinafter referred to as the "Union".

WITNESSETH THAT:

The parties hereto in consideration of the mutual promises herein contained agree **as** follows:

ARTICLE I
DEFINITIONS

- a) The term "Employee" means *my* male or female who is in employment by the Company at Canada Cordage Inc. and is a member of the Bargaining Unit at the Plant and referred to hereafter in the masculine gender and is a member of the Pension Plan.
- b) The term "Credited Service" means the service of an employee which has been credited to him in accordance with Article V.
- c) The term "Normal Retirement Date" means the first (1st) day of the month next following an Employee's sixty-fifth (65th) birthday.
- d) The term "Retiree" means a person who has been retired and is eligible to receive a Pension under this Agreement.
- e) The term "Pension" means the monthly amount granted under the Normal Retirement, Early Retirement, and Deferred Vested provision of this Agreement.
- f) The term "Spouse" means the person who at the earlier of the commencement of an Employee's pension or the date of his death meets the following eligibility requirements:
 - i) the person who is the lawfully wedded spouse of the Employee; or
 - ii) where an Employee has a lawfully wedded spouse and is prohibited from marrying by reason of the previous marriage, the person of the opposite or same sex who has resided with such Employee as his spouse for a continuous period of three years or more and has been publicly represented as his spouse; or

- iii) where an employee does not have a lawfully wedded spouse, the person of the opposite or same sex who has resided with such Employee as his spouse for a continuous period of one year or more and has been publicly represented by such Employee as his spouse, provided that not more than one person shall be a Spouse hereunder and in the event of more than one person having claims to be such, the determination of the Company as to which person shall be the Spouse, on the basis of evidence available to it and which it considers sufficient for the purposes of such determination, shall be final.

ARTICLE II

ELIGIBILITY FOR RETIREMENT

AND AMOUNT OF PENSION

Section 1. Normal Retirement

Each Employee who is a member of the Plan and has reached his Normal Retirement Date shall be retired from active service and be awarded a monthly Retirement Pension. The amount of monthly Retirement Pension shall be calculated according to the provisions of Article III.

An Employee's normal retirement date will be the first day of the month immediately following the date you attain the age of 65.

For each year of membership in the plan, a retiree will receive a pension at normal retirement date equal to \$72.00 per annum, less any annuity purchased under Group Annuity Policy No. GA703 to provide past service. For each year of membership in the plan, after July 1, 1993, a retiree will receive a pension at normal retirement date equal to \$80.00 per annum. For each year of membership in the plan after April 1, 1995, a retiree will receive a pension at normal retirement date equal to \$90.00 per annum.

For each year of membership in the plan, after **April** 1, 1997, a retiree will receive a pension at normal retirement date equal to \$100.00 per annum, after April 1, 1998, a retiree will receive a pension at normal retirement date equal to \$105.00 per annum, after April 1, 1999, a retiree will receive a pension at normal retirement date equal to \$110.00 per annum **and** after April 1, 2000 a retirant will receive a pension at normal retirement date equal to \$175.00 per annum.

No employee shall continue in the active service of the Company beyond his Normal Retirement Date, unless the Company determines that his retirement would not be in its best interests. Any Employee who continues in service shall, receive his Retirement Pension herein provided, but the payment of such Pension shall not be deferred beyond age 71.

Section 2. Early Retirement

1. Early Retirement
 - a) An Employee who has attained age 55, and who has ten or more years of credited service, may elect to retire on or after the effective date of this Agreement, and prior to his Normal Retirement Date, and shall be entitled to a pension.
 - b) The pension payable upon Early Retirement, if elected by the Employee shall be an immediate pension the monthly amount of which, shall be computed **as** if he were a Retiree entitled to a pension at Normal Retirement Date, with the Credited Service which he has as of his last day of active employment, but each monthly payment shall reflect the actuarial equivalent.

Section 3. Deferred Vested Pension

- Any Employee whose services with the Company are terminated who has two (2) years or more of Credited Service at the date of termination of employment shall upon application not earlier than sixty (60) days prior to his Normal Retirement Date, be eligible for a Pension under this Section and shall be considered as a Retiree under this Agreement.
2. The Deferred Vested Pension of an employee will be established on the basis of service credited to the last day of active employment, **and** shall be calculated in the amount of seventy two dollars (\$72.00) per annum for each year of Credited Service.

Section 4. Death Prior To Retirement

If an Employee dies before his actual retirement date, his beneficiary shall receive a death benefit equal to:

his member contributions and voluntary contributions with interest to date of death

plus

the commuted value of the vested portion of the pension benefits attributable to Plan Sponsor contributions.

The death benefit will be paid as a lump sum cash refund, an immediate or deferred annuity or transferred to a Registered Retirement Savings Plan.

ARTICLE IIIAMOUNT OF PENSION ALLOWANCESection 1.

A basic amount of seventy two dollars (\$72.00) per annum for each year of Credited Service not exceeding Normal Retirement plus any past service purchased under Group Annuity Policy GA 703.

Section 2.

For the purpose of calculating the amount of pension Credited Service as determined under Article V will be adjusted to the nearest one-twelfth (1/12) of a year.

Section 3. Guaranteed ~~si~~ Payments

In the event of a death of a Retiree retired under Article II, Section 1, Normal Retirement, or under Article U, Subsection 2. Early Retirement, who has retired after the effective date of this Agreement, before he has received a total of sixty (60) monthly payments of the basic pension for which he is eligible in accordance with the provisions of Section 1 of **Article III**, the balance of such sixty (60) payments as remain unpaid shall be paid to the beneficiary, if any, of such retiree. In the event that there is no designated beneficiary of such retiree: a lump sum settlement equal to the commuted value of such remaining payment shall be made to the estate, such commuted value to be determined on the basis of interest at such rate as may be determined by the Company on the advice of the Actuary. For each year of membership in the plan, after April 1, 1997, a retiree will receive a pension at normal retirement date equal to \$100.00 per annum, after April 1, 1998, a retiree will receive a pension at normal retirement date equal to \$105.00 per annum, after April 1, 1999, a retiree will receive a pension at normal retirement date equal to \$110.00 per annum and after April 1, 2000, a retiree will receive a pension at normal retirement date equal to \$175.00 per annum.

Section 4.

Optional Forms of Payment

a)

Term Certain Option

An Employee has the right by notice in writing on a form provided by the Company and submitted to the company to elect that, if and when he becomes eligible for a Normal Retirement Pension it shall be converted into a Pension of equal actuarial value, as determined by the Company, payable for 10 or 15 year term certain as specified in said notice of election and for the Employee's remaining lifetime, if any.

An Employee who has made an election pursuant to this provision may, at any time prior to age 65, revoke the election by submitting written notice of such revocation to the Company but may not thereafter make an election under this provision,

An election made by an Employee pursuant to this provision shall be inoperative and ineffective in the event of the death of the Employee prior to Normal Retirement.

When an election pursuant to this Provision comes into effect and the retiree dies prior to the month of expiry of the Term Certain elected, payments of the actuarially equivalent pension will be made to the retiree's beneficiary, if any, from and including the month following the retiree's death, to and including the month of expiry of the Term Certain elected. In the event that the estate of the retiree or of a beneficiary is entitled to receive any payments pursuant to this provision, in lieu of remaining payments to the estate, a lump sum settlement shall be made to the estate equal to the commuted value of such remaining payment. Such commuted value to be determined on the basis of interest at such rate as may be determined by the Company on the advise of the Actuary.

Subject to the provisions of this section, an Employee or Retiree who has elected ~~the~~ optional form of Pension under this Plan may designate a beneficiary or new beneficiary to receive the payments, if any, to be made under this Plan after his death. An Employee or Retiree who has designated a beneficiary or new beneficiary pursuant to this Section may revoke any such designation, but such revocation shall not revoke his election of the optional form of Pension.

The right to designate or to revoke a designation of a beneficiary pursuant to this Section is to be exercised by the execution by the Employee or Retiree, and by delivery to the Company, of an instrument in writing which expressly provides that designation or revocation, whichever is the case, is made with reference to this Plan.

b) Joint and Survivor Option

Notwithstanding any of the provisions of the Pension Agreement an Employee who has a spouse as defined in Article 1 of this Agreement shall elect a pension payable in accordance with the provisions of this Section 4 (b) of this **Article III**. **An** Employee who shall have attained age 55 and is accumulating service and has, a spouse (as defined in Article I of this Agreement), must elect thereafter and prior to the Employee's retirement, elect that the Employee's pension is payable as follows:

provided the Employee's Joint and Survivor Option election is in effect at his Normal Early Retirement, the basic monthly pension amount determined pursuant to Article II, Section 1, Section 1 (1) shall be converted into a reduced pension of equal actuarial value as determined by the Company and shall be payable each month thereafter **during** the Employee's lifetime. Commencing with the month following the month of death of the Retiree, a survivor's pension equal to sixty (**60**) percent of such actuarially reduced basic monthly pension shall be payable to the said spouse, provided such spouse is then living and each month thereafter, during the lifetime of such spouse.

An Employee's Joint and Survivor Option election under (b) above shall be made by application in writing on a form supplied by the Company and submitted to the Company with proof of age. Such election may be revoked prior to retirement. In addition, the death of said spouse or dissolution of their marriage prior to the date on which the first pension payment is due to the Employee shall also nullify the Joint Survivor Option election.

An Employee's Joint and Survivor Option election shall be effective upon submissions of the Employee's application; provided, however, that no Joint Survivor Option election may become effective after the Employee's Retirement date.

In order to waive the Survivor Option, the spouse as defined in Article I must sign a waiver.

ARTICLE IV

EMPLOYEE CONTRIBUTIONS

In accordance with the Agreement, an Employee is required to contribute \$4.00 per week.

ARTICLE V

CREDITED SERVICE

The following rules shall govern the determination of services to be credited to an Employee as continuous service:

Subject to the provision contained in the following paragraphs of this Article V, an Employee's Credited Service shall date from his original date of joining the Plan and shall terminate as of his Normal Retirement Date or on the date on which he ceases to be employed if prior thereto, provided he is otherwise eligible for participation under this Agreement. Service rendered by an Employee after his Normal Retirement Date shall not be included in computing a Pension under the Agreement.

Effect of Lay-Off or Leave of Absence on Credited Service

- a) **An** Employee shall continue to accumulate credited service provided such Employee makes payment of his required contribution to the Plan.
- b) The records of the Company shall be presumed to be conclusive of the facts concerning the credited service of an Employee in accordance with this Article, unless shown beyond a reasonable doubt to be incorrect.

ARTICLE VI

ADMINISTRATION

- a) The Company shall have the sole responsibility and authority consistent with the provision of this Agreement for the operation and administration of the Agreement, and the policies of administration shall be determined by the Company.
- b) Retirement Pensions shall be paid as monthly income to the Retiree on the first day of each calendar month following the effective date of eligibility during the lifetime of Retiree
- c) In the case of a Retiree's death, payment of the Pension up to and including the last day of the calendar month in which death occurs will be paid to the Retiree's legal representative or, at the option of the Company, to such member or members of his immediate family as the Company may determine except as may otherwise be provided under the optional form of payment in Article III.

ARTICLE VII

GENERAL PROVISIONS

- a) Neither this Agreement nor any action taken by the Company or its representatives shall be construed as giving any employee any right to be retained in the employment of the Company, and all employees shall remain subject to discipline, discharge or lay-off to the same extent as if this Agreement had not become effective, without liability on the **part** of the Company for a Pension or other allowance other than wages due and unpaid, and Deferred Vested Pension to which an Employee may be entitled under this Agreement.
- b) The Union shall be furnished with such pertinent information as it may reasonably request, from time to time, concerning the operation of this Agreement insofar as it affects Retiree's there under whom it has represented.
- c) The pension benefits and allowances provided under this Plan and the Deferred Vested Pension are not capable of assignment of alienation and do not confer upon any eligible Employee, personal representative or dependent, or any other person, any right or interest in the pension benefits, allowances, or the Deferred Vested Pension capable of being assigned or otherwise alienated.

- d) Pensions or allowances payable under this **Plan** shall not be assigned, charged, anticipated, or given as security, and are exempt from execution, seizure or attachment, and any transactions purporting to assign, charge, anticipate or give as security such pensions or allowances is void.

ARTICLE VIII

FINANCING

Section 1.

The Company shall establish a Pension Fund which shall consist of a trust fund or funds and/or an Insurance Company, or Government Annuities Branch contract or contracts for the purpose **of** providing the Benefits under this Agreement.

The Company shall pay currently into the Pension Fund, such amounts as the actuary, retained by the Company, shall certify to be necessary to provide the current service costs and for amortization within the period prescribed by law of any unfunded liability or experience: deficiency **after** taking into consideration the assets of the Pension Fund and such other factors as may be deemed relevant. The Company at its option, may from time to time, pay into the Pension Fund additional amounts.

Section 2. Disbursements from Pension Fund

The Pension Fund shall be used, on proper authorization of the Company in accordance with the Agreement, to **pay** such pensions or awards as are payable under the Agreement.

Section 3.

The pensions or awards which shall be payable in accordance with the provisions of the Agreement shall be paid solely from the Pension fund and each employee or Pensioner or other person who shall claim the right to any payment under the Agreement shall be entitled to look only to the Pension Fund for such payment, and no liability for the payment of pensions or awards under the Agreement shall be imposed upon the Company, or the officers, directors, or stockholders of the Company save to the extent to which the Company shall fail to carry out the provisions of Section 1, of this Article VIII

ARTICLE IX - UNDERTAKINGS

- a) The Company agrees that during the term of this Agreement or an extension thereof the undertakings contained herein shall continue in effect without modification or change insofar as they may be applicable to Employees represented by the Union, except as provided in paragraph (c) below. b) The Union agrees that during the term of this Agreement or any extension thereof neither the Union nor any of its representatives shall;
- b) The Union agrees that during the term of this Agreement or any extension thereof neither the Union nor any of its representatives shall;
- 1) Make any demands that this Agreement be changed in any respect or terminated or that a new retirement plan or additional severance awards be established for the employees represented by the Union or that the company contribute or pay any greater amount for such Employees than it is required to pay under the provisions of this Agreement.
 - 2) Engage in or continue to engage in or in any manner, encourage or sanction any strike or other action which will interfere with work or production in the Company's plant for the purpose of securing any such change, increase or termination; and except during the last ninety (90) days of the term of this Agreement or any renewal thereof the company shall not have any obligation to negotiate or bargain with the Union with respect to any of the matters contained in this Agreement, except as provided in paragraph (c) below.
- c) The only exception to the above paragraphs will be that if at any time legislation of the Federal, Provincial, or Municipal Government changes, or modifies, or supplements the Old Age Security Act, 1951, the Company shall have the option to amend this Agreement where necessary to integrate the regulations contained in this Agreement with such legislation, providing it does not reduce the aggregate are lessened thereby, the Union shall have the right to re-open for renegotiations, with respect only to the affected benefit, 60 days after the official proclamation of such change, modification, or supplementation, and commence within 15 days, and if negotiations are not completed before termination of the notice period, this Agreement shall continue in full force and effect, thereafter, subject to termination upon thirty (30) days' written notice. Such notice shall be given only on such date as will allow for termination of this Agreement to coincide with the termination of the Collective Labour Agreement then in effect. In the event of such termination, the provisions of this Agreement shall continue to operate in the manner as provided in the Labour Relations Act of Ontario.

ARTICLE XEFFECTIVE DATE, DURATION AND TERMINATION

This Agreement shall become effective on March 1, 2006 and shall remain in full force and effect until midnight February 28, 2009 and shall continue in effect thereafter from year to year for further periods of one year each unless either party shall have given written notice of termination or written notice of proposals for amendment to the other party prior to, but no more than ninety (90) days prior to the expiration date or any yearly period thereafter. In the event of written notice of termination or proposals for amendment having been given by either party herein provided, negotiations shall be proceeded ~~with~~ during the notice period with a view to completing a new Agreement. Should such negotiations extend beyond the expiration date, this Agreement shall not expire, but shall continue in full force and effect in accordance with The Labour Relations Act of Ontario, until a new agreement is entered into by the parties, whichever date shall occur first.

Termination of this Agreement shall not have the effect of automatically discontinuing the Pension Plan insofar as it affects the pensions of those retiring before the termination date, and no pension granted prior to such termination shall be reduced, suspended, or discontinued except as specifically provided in the Pension Plan.

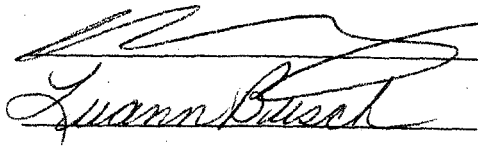
It is understood that amendment of the Pension Agreement, in accordance with this Agreement, is subject to the approval of the Board of Directors and the Shareholders of the Company, subject to obtaining and retaining such acceptance of the Pension Agreement by such Pension authorities and commissions and other supervisory bodies as the Company may deem necessary and subject to obtaining ~~and~~ retaining such acceptance of this Agreement by the relevant tax authorities as the Company is entitled to deduct the amount of its contributions to the Pension Funds ~~an~~ expense before taxes under the provisions of the Income Tax Act, or any other applicable tax laws, as now in effect or as hereafter amended or adopted, the company agrees with the Union that the Company will provide the pensions provided for herein which are awarded to those who become eligible therefore during the term of this Agreement or any renewal hereof.


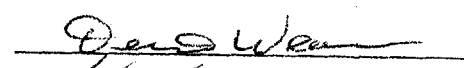
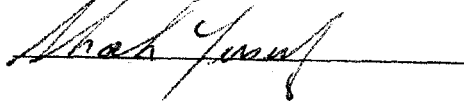
IN WITNESS WHEREOF each of the parties hereto have caused this agreement to be signed by its duly authorized representatives as of the effective date of the Collective Labour Agreement.

DATE SIGNED: March 7, 2006

CANADA CORDAGE INC.

UNITED STEELWORKERS


Luann Busch


Jim Stanley

Denis Wain

Mark Young

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