

COLLECTIVE AGREEMENT

between

MASTERFEEDS LIMITED
Cavan, Ontario
(hereinafter called "the Company")

and

COMMUNICATIONS, ENERGY AND PAPER WORKERS
UNION OF CANADA CLC
and its Local 294b
(hereinafter called "the Union")

ARTICLE I - PURPOSE

- 1.01 The general purpose of this Agreement is to maintain the harmonious relationship between the Company and its employees and to provide an amicable method of settling any differences or grievances which may arise from time to time hereunder, and to further provide means of operating the Cavan Plant in a manner which will further in all possible ways the welfare and safety of the employees, and to co-operate in all matters to the mutual interest and advantage of the employees and the Company.

ARTICLE II - RECOGNITION AND COVERAGE

- 2.01 The company agrees to recognize the Union as the sole and exclusive bargaining agent of all employees of Masterfeeds Limited located at Cavan, Ontario, excluding foremen, persons above the rank of foreman and office and sales staff.
- 2.02 All employees shall, as a condition of employment, obtain and maintain membership in the Union and pay such initiation fees, regular union dues or special assessments as are uniformly levied.
- 2.03 Upon receipt of proper notification from the Union, the company will deduct the amounts as stipulated in Section 2.02 above from each employee who has income equal to five (5) or more days' pay in any month. The company further agrees to remit the amounts so deducted, together with a statement reflecting the deductions from each employee monthly to the Union.
- 2.04 Supervisory personnel will not under normal conditions, perform work customarily carried out by members of the bargaining unit, except in the training of employees, testing of equipment, developing of methods or standards, emergencies, assisting to overcome operating difficulties and in the performance of maintenance work.

ARTICLE III - NEGOTIATING COMMITTEE AND STEWARDS

- 3.01 The Company acknowledges the right of the Union to appoint or otherwise select a negotiating committee of not more than two (2) employees to deal with matters, which properly arise from time to time in connection with the renewal or modification of the Agreement.
- 3.02 The Company acknowledges the right of the Union to appoint or otherwise select three (3) Union Stewards to deal with grievances of employees. It is understood that a Steward will not leave his assigned duties for the purpose of servicing grievances or other Union activity without first obtaining permission from his foreman and, when resuming his regular duties, will report to his foreman. Such permission will not be unreasonably withheld. It is understood that such employees will not absent themselves from their duties unreasonably. On this express understanding, the Company agrees that stewards will not lose pay for time spent servicing grievances during their regular working hours.
- 3.03 The Union shall notify the Company in writing of the names of the Stewards and the Negotiating Committee members designated to transact Union business with the Company.

ARTICLE IV - RESERVATION OF MANAGEMENT FUNCTIONS

- 4.01 The Union acknowledges that it is the exclusive function of the Company to:
- (a) maintain order, discipline and efficiency;
 - (b) hire, retire, discharge, classify, transfer, assign, direct, promote, demote, layoff and suspend or otherwise discipline employees for just cause.
 - (c) generally to manage the industrial enterprise in which the Company is engaged, and without restricting the generality of the foregoing, the kinds and locations of equipment, machines and tools to be used, the products to be handled, processed or manufactured, the scheduling and method of production, the allocation and number of employees required by the Company from time to time.

4.02 All the functions, powers and authorities, which the Company has not specifically abridged, delegated or modified by the Agreement, will be recognized as being retained by the Company.

4.03 All the foregoing is subject to the provisions of this Agreement.

ARTICLE V - RELATIONSHIP

5.01 The Company agrees that there shall be no discrimination, interference, restraint or coercion exercised against any employee because of his membership in or connection with the Union.

5.02 The Union agrees that there will be no Union activity on the premises of the Company, except as permitted by this Agreement or with the permission of the Company.

ARTICLE VI - HOURS OF WORK AND OVERTIME REGULATIONS

6.01 The standard workweek shall be 40 hours, and the standard workday shall be 8 hours. The foregoing does not constitute a guarantee of either daily or weekly hours. The Company will pay for hours worked except where otherwise stated in the Agreement. Overtime regulations shall not be a limitation upon the number of hours per day or days per week that the Company may operate its plant or schedule its employees.

6.02 The normal hours of work shall be as posted. The Company will attempt to provide reasonable notice whenever possible, of a change to existing hours of work.

- (1) Process Equip. Operators, Process Operator (Bulk Shipping)
6:00 a.m. to 2:00 p.m. ; and
2:00 p.m. to 10:00 p.m.
10:00 p.m. to 6:00 a.m.

(2) (Process Operator), Maintenance
8:00 a.m. to 4:30 p.m. ; and
9:00 a.m. to 5:30 p.m.
1/2 hour unpaid lunch period.

- 6.03 Authorized work performed in excess of the standard work week or standard work day and work performed on the employee's first day of rest, shall be paid at the premium rate of time and one-half the employee's regular straight time rate of pay. The Company will give as much notice of such overtime work as possible.
- 6.04 Authorized work performed on the employee's second day of rest and time worked in excess of twelve consecutive hours, will be paid at double the straight time rate of pay.
- 6.05 It is understood that overtime will be distributed as equally as is reasonable amongst those employees who are qualified to perform the work. The Company shall approach such employees on a voluntary basis but, in the event that sufficient volunteers are not available, the Company shall detail the qualified junior employees to perform the required overtime work. An employee who declines overtime will be charged with the number of hours of work that were offered to him for purposes of overtime distribution. A list showing the overtime hours worked by employees will be posted monthly.
- 6.06 An employee who is required to work a minimum of two hours' overtime after the completion of his regular shift shall be paid a \$6.00 meal allowance. An additional meal allowance shall be paid for each additional four (4) hours of overtime.
- 6.07 The Company will schedule for each employee, a break period of ten minutes during the first half and a second break period of ten minutes during the second half of each regular shift. A ten-minute break period will also be provided at the end of the shift before commencing overtime, if the overtime period to be worked is estimated to exceed one hour.

- 6.08 An employee called in to perform emergency work not continuous with his regular work period nor previously scheduled by the Company, shall be paid a minimum of four hours' pay at the applicable overtime rate.
- 6.09 An employee who reports for work at the commencement of his assigned shift without previous notification not to do so, shall receive a minimum of four hours' work or four hours' pay at his regular straight time rate.

ARTICLE VII - PLANT HOLIDAYS

- 7.01 Employees shall be paid for:

1/2 Day before New Year's Day
New Year's Day
Good Friday
Victoria Day
Dominion Day
Civic Holiday
Labour Day
Thanksgiving Day
1/2 Day before Christmas
Christmas Day
Boxing Day
Personal Floaters (3) *

for the standard number of hours which would have normally been worked by them respectively at the employee's regular straight time rate of pay. An employee shall not be disqualified from receiving holiday pay, provided he works the shift before and the shift following the holiday, unless such employee is sick or on excused absence.

- * It is understood floating holidays will be scheduled in advance at a mutually convenient time and will not normally be taken consecutive with annual vacation.

- 7.02 When a plant holiday falls on a weekend, the holiday will be observed on the Friday preceding or the Monday following.
- 7.03 An employee required to work on any of the above designated plant holidays will receive time and one-half his regular straight time rate for work performed, in addition to any plant holiday pay to which he may be entitled under paragraph 7.01.
- 7.04 If an eligible employee who is required to work on a plant holiday fails to do so, he will not be paid for the holiday unless his absence is due to illness attested to by a doctor's certificate, if the Company considers such evidence to be necessary, or other reason acceptable to the Company.
- 7.05 When a plant holiday falls within an employee's vacation period, it may, by mutual agreement, be compensated for by an extra day's pay, or taken consecutive with the employee's vacation or at a later mutually convenient date. If mutual agreement cannot be reached on a compensatory day off, the employee shall receive payment for such day or days.

ARTICLE VIII - VACATIONS WITH PAY

- 8.01 The Union acknowledges that the Company has the right to schedule vacations at any time during the year, however, a sincere effort will be made to grant vacations at the time or times wanted by the employee, giving longer service employees preference. Vacations of more than 2 weeks during July and August will not necessarily be scheduled consecutively. Should the Company elect to close the plant for a one or two week vacation period, all eligible employees will take vacations at that time, provided their services are not required for particular work.

- 8.02 A notice will be posted on January 1st of the current calendar year requesting employees to state their choice of vacation dates. Such notice will be removed by the Company on February 1st and the vacation schedule prepared in accordance with the other provisions of this Article and posted within seven days. Requests to reschedule vacation periods after that date will be considered by the Company, provided the rescheduling does not interfere with the vacations of other employees or with the efficient operation of the plant.
- 8.03 An employee with six months or more but less than one year of service by July 1st of the current year shall be entitled to one week of vacation. Pay for such vacation shall be 4% of the employee's earnings for his period of employment up to June 30th of the current year.
- 8.04 An employee with one year or more but less than five years' service by July 1st of the current year shall be entitled to two weeks' vacation. Pay for such vacation shall be 4% of the employee's earnings for the twelve-month period ending June 30th of the current year.
- 8.05 An employee who has completed five years' service or more but less than ten years' service by July 1st of the current year shall be entitled to three weeks' vacation. Pay for such vacation shall be 6% of the employee's earnings for the twelve-month period ending June 30th of the current year.
- 8.06 An employee who has completed ten years' service or more but less than eighteen years' by July 1st of the current year shall be entitled to four weeks' vacation. Pay for such vacation shall be 8% of the employee's earnings for the twelve-month period ending June 30th of the current year.
- 8.07 An employee with eighteen years' service or more but less than twenty-six years' by July 1st of the current year shall be entitled to five weeks' vacation. Pay for such vacation shall be 10% of the employee's earnings for the twelve-month period ending June 30th of the current year.

- 8.08 An employee with twenty-six years' service or more by July 1st of the current year shall be entitled to six weeks. Pay for such vacation shall be 12% of the employee's earnings for the twelve-month period ending June 30th of the current year.
- 8.09 An employee with one or more years of service by July 1st of the current year will be entitled to vacation pay as described in paragraphs, 8.03, 8.04, 8.05, 8.06, 8.07 or 8.08 except that if the employee has worked 1,600 hours or more during the vacation year his vacation pay will not be less than forty hours' pay at his basic straight time rate for each week of vacation entitlement. In the case of an employee who works less than 1,600 hours during the vacation year, his vacation pay will be calculated at the ratio that his hours worked bear to 1,600.
- 8.10 Vacation pay will be paid when vacations are taken; however, vacation days will be taken and vacation pay will be paid in full day increments providing such days and monies are accrued. On the last vacation date, the balance of any vacation monies accrued will be paid out at that time.
- 8.11 An employee who voluntarily quits or leaves his employment for other reason will receive vacation pay in accordance with the provisions above.
- 8.12 An employee discharged for cause will receive vacation pay in accordance with the Canada Labour (Standards) Code.

ARTICLE IX - GRIEVANCE PROCEDURE

- 9.01 It is the mutual desire of the parties hereto that complaints of employees shall be adjusted as quickly as possible and it is generally understood that an employee has no grievance until he has first given to his supervisor an opportunity to adjust his complaint, and that such complaint shall be registered within fifteen working days of the alleged circumstances coming to the knowledge of the employee.

9.02 If such complaint is not settled to the satisfaction of the employee concerned, it may be taken up as a grievance within five working days, in the following manner and sequence:

Step No. 1 Between the aggrieved employee who shall be accompanied by the Union Steward and the supervisor, at which time a written record of the grievance shall be submitted and signed by the employee. The supervisor shall give his reply in writing not later than five (5) full working days following receipt of the grievance. Failing settlement, then:

Step No. 2 Within five (5) full working days of the written notice referring the grievance to Step No. 2, a meeting will be arranged between the aggrieved employee, an accredited representative of the Union, and the local Manager or another representative of the Company. The Company shall reply in writing within five (5) full working days of this grievance meeting. If the grievance is not satisfactorily resolved at Step No. 2 - including any question as to whether a matter is arbitrable, the grievance may be referred to arbitration provided in Article X by notice in writing to the Company within five (5) full working days after the Company's reply at Step No. 2. If no written request for arbitration is received within fourteen days after the decision in Step No. 2 is given, it shall be deemed to have been settled or abandoned. An extension of the time limits may be mutually agreed upon by the parties.

9.03 Saturdays, Sundays and plant holidays will not be counted in determining the time within which any action is to be taken or completed in each of the steps of the Grievance Procedure or under Article X. Any and all time limits fixed by this Article and Article X may at any time be extended by Agreement between the Company and the Union.

- 9.04 All decisions arrived at between the representatives of the Company and the Union shall be final and binding upon the Company, the Union and the employee or employees concerned.
- 9.05 When a complaint or grievance which affects the rate of pay of an employee is settled and as a result the employee receives an increase in his rate, such increase shall be paid retroactively to the date the error was made or such other date as may be agreed upon.
- 9.06 If an employee with seniority is dismissed or suspended for any reason and feels he has been unjustly dealt with, he may inform his Steward who shall, if a grievance is to be filed, file such written grievance with the company within eight working days of the suspension or dismissal. The dismissal or suspension shall then be dealt with under the grievance procedure herein, beginning with the Second Step. Notice of dismissal or suspension and the reason therefore shall be given in writing with a copy to the Union on the same date. If subsequently it is decided that the employee was unjustly dismissed or suspended, he shall be reinstated in his former job and compensated for such time lost as is determined by the grievance or arbitration procedure, or such other settlement as is deemed to be just and equitable.
- 9.07 The Union or the Employer may file a policy grievance in appropriate circumstances. A policy grievance is defined as a difference concerning the interpretation or application of this Agreement or the law that seeks to enforce an obligation to the Employer to the Union or the Union to the Employer. A policy grievance shall not be brought with respect to matters capable of being filed as individual grievances or in respect of remedies or relief that effect individual employees. A policy grievance shall be initiated in writing at Step No. 2 of the grievance procedure within five (5) full working days of notice of the act causing the grievance.
- 9.08 An employee who receives a written discipline notice from the Company shall have the discipline removed from his record after a period of two years, provided that during such period, he has not received other related disciplinary action.

ARTICLE X - ARBITRATION

- 10.01 Whenever either party to the Agreement submits any grievance to arbitration, written notice shall be given to the other party formally stating the subject of the grievance and the Agreement clause allegedly violated, and at the same time nominating an Arbitrator. If the recipient of the notice does not agree with the nomination, the parties will meet forthwith and attempt to select an alternative. If the parties fail to agree on the selection of an Arbitrator, the Federal Minister of Labour will be requested to make the appointment. As soon as the Arbitrator is appointed, he shall convene a meeting to hear the evidence and representations of the parties, and render a decision as soon as possible.
- 10.02 No person shall be selected as an Arbitrator who has been directly involved in attempts to negotiate or settle the grievance.
- 10.03 No grievance shall be considered by the Arbitrator unless it has been properly carried through all previous steps of the Grievance Procedure.
- 10.04 The Arbitrator shall not have jurisdiction to alter or change any of the provisions of this Agreement or to substitute any new provisions in lieu thereof, or to give any decision inconsistent with the terms and provisions of this Agreement, or to deal with any matters not covered by the Agreement.
- 10.05 The parties will jointly bear the expense of the Arbitrator.

ARTICLE XI - NON-INTERRUPTION OF WORK

- 11.01 The Company agrees that there will be no lockout during the term of this Agreement.
- 11.02 The Union agrees that during the term of this Agreement there will be no strike, slowdown or other stoppage of work or interference with production and will advise its members of this responsibility.

ARTICLE XII - SENIORITY

12.01 An employee's seniority date shall be his last date of employment by the Company since which there has been no quit or discharge to break his continuous service. An employee transferred out of the bargaining unit shall retain but not accumulate additional seniority while out of the bargaining unit.

12.02 A new employee will be on probation and will not acquire seniority until he has worked for ninety (90) days accumulated over a period of six consecutive months. On completion of this probationary period, his seniority shall be established as the date ninety (90) consecutive working days prior to the day on which he completed his probationary period. During the probationary period, an employee may be discharged for any reason and the discharge shall be deemed for just cause.

Students hired for Summer work will not accrue seniority. If retained beyond the Summer for permanent work, their seniority date will be calculated in accordance with this paragraph including their period of Summer employment.

12.03 A seniority list showing each employee's seniority date will be prepared by the Company and posted on the plant bulletin board and a copy will be provided to the Local Union. The list will be upgraded as changes occur. An employee who believes his seniority is incorrectly shown may take the matter up as a grievance.

12.04 An employee shall lose all seniority and his name shall be removed from the employment records of the Company when he:

- (a) quits,
- (b) is discharged for just cause,
- (c) fails to report from lay-off or is laid off for a period exceeding his recall rights as provided in paragraph 13.03
- (d) receives severance pay as provided herein.

ARTICLE XIII - LAYOFF AND RECALL

13.01 When it becomes necessary to reduce the working force of employees, seniority will prevail so long as it does not prevent the Company from maintaining a working force of employees who possess the skill, ability, experience and physical fitness to capably perform the work which is available and are willing to do such work at the scheduled rate for the job. In such cases where an employee with seniority accepts a lower rated job rather than be laid off, his regular rate will be protected for a maximum period of thirty days. Short time operations is not considered lay-off for purposes of this Article.

In the event of a lay-off, a senior person may request the lay-off. It is at the Company's sole discretion to grant such a request.

13.02 Laid off personnel will be recalled from layoff on the basis of seniority provided those recalled possess the skill, ability, experience and physical fitness to capably perform the work which is available. Employees will be allowed up to five (5) days to report from layoff if such a delay is requested at time of recall. Recall will be made by telephone and if this means is unsuccessful, the employee will be advised by telegram or registered letter at the last address he made known to the Company.

13.03 An employee with three or more years' seniority who is laid off for a period in excess of twenty-four months or an employee with less than three years' seniority who is laid off for twelve months, or an employee who fails to report from lay-off when recalled, will have his seniority standing cancelled and his name removed from the employment records of the Company.

13.04 It is the responsibility of the employee to keep the Company informed at all times as to his current address and nearest telephone number.

ARTICLE XIV - TEMPORARY TRANSFER, PROMOTION AND JOB POSTING

- 14.01 An employee temporarily assigned to a higher rated job shall be paid at the higher rate providing the assignment exceeds one hour's duration. An employee temporarily assigned to a lower rated job will continue to receive his regular rate, except in cases where such employee requests a lower rated job or is assigned to a lower rated job for disciplinary or health reasons. Temporary assignments should not be confused with regular transfers or promotions or with job changes caused by layoff.
- 14.02 Selection for job vacancies within the bargaining unit shall be the senior applicant who has sufficient skill, ability, and physical fitness to fulfill the job requirements.
- 14.03 When the Company elects to fill a permanent job vacancy that occurs within the complement of jobs, such vacancy shall be posted on the bulletin board for three working days. An employee may indicate his desire to be considered for the vacancy by adding his name to the job poster. Applicants will be considered by the Company in accordance with Article 14.02. The successful applicant shall receive the rate of the new job upon assuming the full duties.

ARTICLE XV - WAGE RATES

- 15.01 Wage rates shall be in accordance with the Schedule of Wage Rates and Job Classifications attached hereto as Schedule 1.
- 15.02 In addition to the wage rates in Schedule 1, a shift premium of 45 cents per hour shall be paid for work performed on a regularly scheduled afternoon shift and 55 cents per hour for work performed on a regularly scheduled night shift effective the date of ratification.
- 15.03 When an employee in maintenance is required to provide his own tools, the Company agrees to replace any such tool that is broken or worn out on the job. Replacement tools will be of equal value. It is understood that the Company is not responsible for replacement if the breakage is due to misuse or negligence or if it is not necessary to the normal performance of the job.

ARTICLE XVI - BULLETIN BOARDS

16.01 The Company shall provide reasonable space on bulletin boards in the plant for the posting of official Union notices. Such notices will be approved by Management before posting.

ARTICLE XVII - LEAVE OF ABSENCE

17.01 The Company may grant leave of absence to any employee for legitimate personal reasons and any person who is absent with written permission shall not lose his seniority.

17.02 In the case of leave to attend Union business, it is understood that normally, not more than two employees will be absent at any one time. The Union will give the company at least one week's notice of such leave.

17.03 In the event of the death of an immediate relative, leave of absence up to three consecutive days (five consecutive days for death of an employee's spouse) will be granted the bereaved employee for the purpose of attending and, where necessary, making arrangements for the funeral. Such employee shall be paid his straight time basic rate excluding shift or other premium for the scheduled hours he otherwise would have worked during such leave. "Immediate relative" shall mean an employee's mother, father, spouse, son, daughter, brother, sister, mother-in-law, father-in-law, brother-in-law or sister-in-law.

"Employee" shall mean a regular full time employee of the Company who has completed his probationary period.

In the event of the death of his grandparents, grandchildren, son-in-law, daughter-in-law, the "employee" will be granted one day's leave of absence with pay for the purpose of attending the funeral.

17.04 When an employee is called by the Crown for jury duty or as a subpoenaed witness and must, as a result, lose time from work, the Company agrees to pay such employee the difference between the fee received from the Crown and the employee's straight time basic rate, excluding shift or other premium for the scheduled hours he otherwise would have worked.

ARTICLE XVIII - WELFARE BENEFITS AND SAFETY

18.01 The Company agrees to pay the premium costs of the following insurance plans, subject to the conditions set forth in a Letter from the Company to the Union, appended to this Agreement, which shall be continued during the term of this Agreement.

- Accidental Death & Dismemberment
- Weekly Indemnity
- Employee Life
- Extended Health Care (Major Medical, Prescription Drug, Semi Private Hospital)
- Dental Insurance Plan
- Long Term Disability Insurance Plan

Pension

Employees who have completed the eligible period will, as a condition of employment, join the Company Pension Plan and pay the required contributions thereto.

18.02 The Company agrees to continue to make reasonable provisions for the safety and health of its employees at the plant during the hours of employment, and comply with all appropriate Legislation. The parties will set up a Health and Safety Committee, one from the company and two from the Union and will have regular monthly inspections of the plant and regular monthly meetings, with a copy of the minutes to be kept by both parties.

18.03 When an employee, while carrying out his assigned duties, is disabled as a result of an industrial accident, he shall be paid for the remainder of his scheduled shift (less any amount that the employee may receive from Worker's Compensation).

ARTICLE XIX - TERMINATION

19.01 This Agreement shall be in effect from April 2, 2002 to March 31, 2004 and continue automatically thereafter during annual periods of one year each, unless either party notifies the other in writing within 90 days prior to the annual expiration date that it desires to amend or terminate this Agreement.

19.02 If, pursuant to such negotiations, Agreement on the renewal or amendment of this Agreement is not reached prior to the expiration date, this Agreement shall be automatically extended until consummation of a new agreement or completion of the conciliation proceedings prescribed under the Canada Labour Code, whichever should first occur.

Signed at _____, Ontario, this

FOR THE UNION

FOR THE COMPANY

SCHEDULE 1

SCHEDULE OF WAGE RATES

	<u>Effective April 1/02</u>	<u>Effective April 1/03</u>
Process Equipment Operator	\$16.14	\$16.46
Maintenance	16.14	16.46 **
Bulk Shipping/Elevator	15.81	16.12
Process Operator	15.18	15.48
Casual Labour (* Eff. June 28/02)	11.22*	11.44

- 1) The probationary rate for employees hired to fill permanent positions is \$1.00 below the job rate. The Company, at its sole discretion, reserves the right to place the person at the job rate when it believes the employee is so qualified.
- 2) Lead Hand premium is 75 cents per hour. Such an appointment will be mutually agreed upon by the Company and the employee.
- 3) ** Effective June 28, 2002, the wage rate from the previous Collective Agreement shall be adjusted upwards by 20 cents per hour (i.e. to \$15.68) and a premium of \$2.00 per hour will be paid in addition to the new rate providing the incumbent has the appropriate trade papers as approved by the Company and is doing such work.

May 1, 2002

Negotiating Committee,
Local 294b,
Energy & Chemical Workers Union,
Masterfeeds,
Cavan, Ontario

Employee Group Insurance Benefits

Whereas Article 18.01 of the Collective Bargaining Agreement sets out the following:

The Company agrees to pay the premium costs of the following insurance plans, subject to the conditions set forth in a letter from the Company to the Union appended to this Agreement, which shall be continued during the term of this Agreement.

- ? Accidental Death and Dismemberment
- ? Weekly Indemnity
- ? Employee Life
- ? Extended Health Care (Major Medical, Prescription Drug, Semi-Private Hospital)
- ? Dental
- ? Long Term Disability

This document is the letter outlined in Article 18.01.

The Company will pay the premium cost of the Group Insurance Benefits adjudicated and underwritten (and/or administered) by the insurer of it's choice (presently the Great-West Life Assurance Company) for employees who have completed their probationary period and otherwise have fulfilled the eligibility requirements of the insurer. With respect to the probationary period, benefits will be effective on the first day of the month following 2 months of continuous full-time employment.

Weekly Indemnity Coverage

The weekly benefit to eligible employees will be sixty-six and two thirds percent (66 2/3%) of the employee's weekly earnings that are insurable under the Employment Insurance Act.

An insured employee if disabled, subject to adjudication by the insurer, will be eligible for benefits from the first day of absence due to a non-occupational accident, from the fourth day where the absence is due to a bona fide sickness, and from the first day for hospitalization. The benefit will be payable for a maximum of twenty-six weeks.

Employee Life & Accidental Death and Dismemberment Coverage

Effective April 1, 2001, the Company will pay the premium cost for Employee Life Coverage in the amount of \$29,000. The Company will pay the premium cost for the same amount of Accidental Death & Dismemberment coverage. Effective July 1, 2002, the Life and AD&D coverage amounts will be increased to \$30,000 for all active employees. Effective April 1, 2003, the Life and AD&D coverage amounts will be increased to \$31,000 for all active employees.

Extended Health Care Coverage

The Company will pay the premium cost of the Major Medical coverage with a deductible of \$25 per employee or family per calendar year.

Effective July 1, 2002, the Company will pay the premium cost of a Semi-Private Hospital plan with a maximum daily benefit of \$110.00.

Effective August 1, 2000, the vision care benefit (inclusive of safety glasses) will provide a \$100 benefit per covered person per 24-month period. The vision plan will include eyeglass frames and lenses, safety glasses, dispensing fees and contact lenses. Effective July 1, 2002, the vision care benefit will increase to \$120 per covered person per 24-month period. Effective April 1, 2003, the benefit will be increased to \$125 per covered person per 24-month period.

Dental Coverage

The Company will pay the premium cost of a Dental Coverage plan. Effective July 1, 2002, the 2001 Ontario Dental Association schedule of fees will apply for all active employees. Effective April 1, 2003, the ODA Schedule will be updated to 2002 for all active employees.

Long Term Disability Coverage

The Company will pay the premium cost of a Long Term Disability Insurance Plan with a disability benefit of fifty-five percent (55%) of basic earnings, excluding overtime or other premium to a maximum of \$1,400.00 per month. (Effective July 1, 2002, the \$1,400 per month maximum shall be increased to \$1,500 for all active employees; effective April 1, 2003, the \$1,500 per month maximum shall be increase to \$1,550 for active employees.) No benefits are payable for the first twenty-six weeks of disability. Canada Pension Plan, Workplace Safety and Insurance Act, and other legislated benefits shall be integrated with the long-term disability benefit.

It is understood that payment by the Company, is in lieu of any employee entitlement to a future premium reduction under the Employment Insurance Act.

It is further understood that payment by the Company of group Accidental Death and Dismemberment, Weekly Indemnity, Employee Life, Extended Health Care, Dental Care and Long Term Disability benefit premiums, as described above, is conditional upon the employee performing work for the Company during the month in which the premiums fall due. Subject to the agreement of the group insurance company, benefit premiums will be paid by the Company for three months after the month the eligible employee last worked if their absence is due to accident or illness. If the insurer will not allow the 3-month extension, the Company will pay premiums for the longest period of time allowable by the group insurer to a maximum of three months.

The Company may elect, at some future date, to transfer the underwriting and administration of one or more of these benefit plans to another insurance carrier, with the understanding that in this event, the benefits that will be provided by the new carrier will be substantially similar to those in effect at this date.

Would you please indicate the Union's concurrence with this understanding by countersigning the duplicate copy of this letter and return it to the Company.

Yours truly,

AGP, Inc. (Masterfeeds)

Countersigned for Local 1-0
COMMUNICATIONS, ENERGY AND
PAPERWORKERS UNION OF CANADA

July 26, 2002

Negotiating Committee,
Local 294b,
Energy & Chemical Workers Union,
Masterfeeds Limited,
Cavan, Ontario

Safety Footwear Allowance

This will confirm the agreement reached at our recently concluded negotiations that the Company will provide to non-casual employees, a safety shoe allowance of up to \$110 per pair as required, provided that the worn out employee's pair being replaced are turned in to the Company. Footwear must be worn and must meet or exceed C.S.A. Green Patch Rating and be acceptable to the Company. Effective April 1, 2003 the allowance will be increased to \$125.00.

Yours truly,

R. T. Bruce
Manager

July 26, 2002

MEMORANDUM

To: PLANT STAFF (Cavan)

Re: **CLOTHING/UNIFORM POLICY**

The company will pay the full cost of the following uniforms:

2 shirts per year
2 pants per year
2 coveralls per year (one may be insulated)
2 T-shirts

Once every two calendar years, the Company will pay 50% towards the purchase of a winter parka and a summer jacket.

Appropriate work gloves will be provided and replaced upon the condition that the worn-out pair is turned in.

July 26, 2002

EMPLOYEE SENIORITY LIST

CAVAN PLANT

<u>NAME</u>	<u>SENIORITY DATE</u>
Robert Jackett	June 2, 1971
Steve Gummer	June 2, 1976
Douglas Barker	October 5, 1978
Neil Fallis	May 26, 1980
Ivor Williams	March 9, 1981
Bruce Shea	August 8, 1983
Philip Loucks	September 16, 1996
Jason Berger	March 17, 2000
Stephen Jensen	May 29, 2000
Mark Carew	June 27, 2001
Blair Calder	April 5, 2002