COLLECTIVE AGREEMENT

Between

KRAFT CANADA INC.

(Primo Pasta Plant)
(hereinafter referred to as the "Company")

and

LOCAL 175 OF THE UNITED FOOD AND COMMERCIAL WORKERS' INTERNATIONAL UNION (hereinafter referred to as the "Union")

Expiry date: June 22, 2006

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ARTICLE 1 - PURPOSE

- 1.01 The general purpose of this Agreement is to establish mutually satisfactory relations between the Company and its employees; to establish and maintain satisfactory benefits, working conditions and rates of pay and to set forth the terms and conditions of employment of such employees.
- 1.02 It is understood that in the interpretation of this Agreement, unless the feminine pronoun is used, the masculine pronoun shall be deemed to include the feminine.

ARTICLE 2 - RECOGNITION AND SCOPE

- 2.01 (a) The Company recognizes the Union as the exclusive bargaining agent for all its employees at 56 Huxley Road save and except forepersons, persons above the rank of forepersons, office and clerical staff, sales staff and casual workers.
 - (b) It is understood and agreed that casual workers will be utilized by the Company only to perform work which is necessary to catch up on a backlog or production overload, and when full-time employees are not available during weekdays and/or weekends. It is also understood and agreed that first priority to work required overtime will be given to available, full-time employees before utilizing casual workers.

There will be no more than ten (10) casual workers in the Manufacturing Department.

Upon ratification, the rate of pay of the casual workers will be \$9.65 per hour plus any future adjustments made by the Ontario Government to the Provincial Minimum Wage.

Such casual workers shall be required to pay the Union, through payroll deductions, an amount equivalent to \$2.50 per day worked, which will be remitted by the Company to the Union on a monthly basis.

(c) In case of emergency beyond the control of the Company, where it is reasonably required to maintain the efficient operation of the plant, the Company will utilize more casual workers that those allowed in 2.01 (b).

The Company will meet with the Union and inform the Union of the situation prior to implementing the above.

It is understood that it is not the intention of the parties to provide a casual worker with any of the rights provided for in this Agreement.

On a monthly basis the Company will supply the Local Union and the Chief Steward with a list of the casual workers who have been utilized by the Company.

2.02 The Company shall endeavour to maintain job security for its employees and in that respect it shall not engage supervisory personnel to perform work on jobs traditionally performed by the employees defined in *Article 2.01* except in the case of an emergency, training, or in circumstances where it is reasonably required to maintain the efficient operation of the plant or a department. For the purpose of clarity, it is agreed that an emergency shall be defined as a sudden generally unexpected occurrence which demands immediate attention.

During an emergency, the Company shall use reasonable efforts to ensure that the bargaining unit work is performed by bargaining unit personnel.

ARTICLE 3 - RELATIONSHIP

- 3.01 There shall be no discrimination by the Company or the Union against any employee because of race, sex, creed, religion, colour, age, national origin, sexual orientation, marital status and handicap.
- 3.02 There shall be no discrimination or intimidation by forepersons, supervisors or other agents of the Company against any employee because of the employee's membership in the Union or by virtue of his holding office in the Union.
- 3.03 The Union agrees that neither its officers nor its members will discriminate against or intimate other employees nor will there be any Union activity on the premises of the Company except by agreement with the Company.
- 3.04 The Company acknowledges the right of the Union to appoint stewards as follows from each of the departments indicated:

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Maintenance - (1)
Macaroni -(3)
Mill - (1)
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The Union shall inform the Company of the name of its stewards and their department jurisdiction from time to time and the Company shall not be required to

recognize such steward(s) until written notification has been received from the Union.

3.05 Upon commencement of employment of a new employee, the Company shall introduce such employee to his departmental steward. It shall be the responsibility of the steward to familiarize such new employee with this Agreement.

ARTICLE 4 - MANAGEMENT RIGHTS

- 4.01 The Union acknowledges that it is the exclusive function of the Company to:
 - (a) maintain order, discipline and efficiency;
 - (b) operate and manage its business in all its respects in accordance with its obligations;
 - (c) to introduce new or improved methods and facilities;
 - (d) to make and enforce reasonable rules, regulations and policies, and;
 - (e) to hire, discharge, transfer, assign work, schedule, classify, demote, promote, suspend or otherwise discipline employees. The Company agrees during the life of this Agreement to implement decisions in a fair and even-handed manner consistent with the terms of the Collective Agreement.
- 4.02 The Company agrees to meet and discuss with the Union any new rules or regulations prior to their implementation. The Company further agrees to meet and discuss any major changes due to technological change prior to the implementation of such change. Technological change shall mean a major change in equipment, process or technology instituted in the Company's Toronto Plant operation which would result in a displacement of plant seniority personnel. Notwithstanding the provisions of this clause, the ultimate decision for major change rests with management.

ARTICLE 5 - UNION SECURITY

The Company shall deduct on a monthly or weekly basis from the pay of each employee such dues or assessments as may be authorized by the Union through its Treasurer from time to time. Provided, however, that it shall be the responsibility of the Treasurer of the Union to advise the Company, in writing, four (4) weeks in advance of any change in the amount of dues to be deducted.

- 5.02 The Company shall remit the amounts so deducted prior to the 15th of the month following such deduction by cheque payable to the Union and if requested to do so will deposit the said cheque in a bank account designated by the Union.
- 5.03 The Company agrees to provide the Union with an annual list of total dues deductions made for each employee prior to March 1st each year for the previous calendar year.
- 5.04 The Company agrees to show the amount of dues deducted annually on employee's T-4 form.
- 5.05 In addition to the monthly remittances described in paragraph 5.01 hereof, the Company shall forward to the Union on a monthly basis a complete alphabetical listing of all employees including their home address, the date of commencement of their employment, their department, and their social insurance number. Such list shall indicate the reasons why monthly dues have not been remitted, if applicable, on account of any employee on the said list.
- 5.06 The Company agrees that all work now performed by employees in the bargaining unit will remain as bargaining unit work subject always to the efficient operation of the plant and the Company agrees that it will not subcontract out any of the said work for the sole purpose of circumventing this Agreement.
- 5.07 The dues and initiation report will be provided in the form of e-mail (remit@ufcw175.com) or on a computer diskette as well as a hard copy of the dues report being attached to the remittance cheque.

ARTICLE 6 - REPRESENTATION

- 6.01 Subject to the provisions of *Article 3* hereof, the Company agrees to recognize a Chief Steward. It shall be the duty and responsibility of the Chief Steward to act in liaison with the department steward and to act as stand-by for any department steward who is absent.
- 6.02 The Company agrees to recognize and deal with a Grievance Committee comprised of not more than one (1) steward, the Chief Steward and the President of the Local and an International Representative. This Grievance Committee may, from time to time, visit departments throughout the plant for the purpose of investigation relating to alleged grievances and for the purposes of ensuring compliance with the terms of this Agreement.

- 6.03 Wherever legitimate Union business requires a steward to leave his department, the Steward shall first obtain permission from his foreman for such absence and such permission shall not be unreasonably withheld.
- 6.04 The Company agrees that the appropriate steward(s) and the President of the Local shall not suffer loss of regular pay for time reasonably and properly spent in matters respecting the administration of this Agreement. However, under no circumstances shall a steward absent himself from his job if such absence would detrimentally affect a production line or the efficient operation of the plant or create a work stoppage, whether or not the purpose of such absence is for the processing of a grievance. Where the absence of a departmental steward would detrimentally affect production or the efficient operation of the plant and the matter to be dealt with is of an urgent nature, a steward may be summoned from another department subject to the provisions of *Article 6.03*.

ARTICLE 7 - NEGOTIATING COMMITTEE

- 7.01 The Company agrees to recognize and deal with a Negotiating Committee of not more than three (3) employees, who shall be full-time, non-probationary employees of the Company. This committee shall be chaired by a Representative of the United Food and Commercial Workers' International Union.
- 7.02 The Negotiating Committee is a separate entity from any other Committee and shall deal only with such matters as are properly the subject matter of negotiations, including modifications to salaries, fringe benefits, working conditions and other monetary items.
- 7.03 The Company agrees to allow members of the Negotiating Committee time off work without loss of regular pay on each day the Committee meets with management for the purpose of negotiations up to and including conciliation and mediation. The Company shall not be required to pay for hours that an employee would not have otherwise worked on such days.

ARTICLE 8 - GRIEVANCE PROCEDURE AND ARBITRATION

8.01 Should any difference arise between the employer and any of the employees, or between the employer and the Union as to the interpretation, application, or alleged violation of any of the provisions of this Agreement, an earnest effort shall be made to settle complaints and grievances as quickly as possible.

The alleged grievance shall be dealt with in the following manner.

- 8.02 No grievances shall be considered where the circumstances giving rise to it occurred or originated longer than five (5) full working days prior to filing of the grievance.
- 8.03 <u>Step One:</u> The aggrieved employee shall present his complaints or grievances verbally to his immediate Supervisor. The employee shall state the grievance and the remedy sought.

The employee may have the department Steward present if he so wishes. If a settlement satisfactory to the employee concerned is not reached within five (5) full working days thereafter, the grievance shall proceed to *Step 2*.

- 8.04 <u>Step Two:</u> The aggrieved employee may present his grievance, in writing, within five (5) full working days of the reception of the verbal response in *Step One*, to the Plant Manager or his designated representative. A Representative of the Union may be in attendance. Should no settlement satisfactory to the employee be reached within five (5) full working days, the grievance may be referred to arbitration procedure as contained in this Agreement within ten (10) working days from receipt of the written response from the Plant Manager, but not thereafter.
- A policy grievance of general application, or a group grievance, or a management grievance shall be submitted, in writing, to the other party within ten (10) full working days after the incident giving rise to the grievance became known, or should have become known to the grieving party. Within five (5) full working days of receipt of such notice, a meeting will be held between the Company representative and the Grievance Committee. The party against whom the complaint has been made will give an answer in writing within ten (10) full working days of this meeting. If the matter is not thus settled to the mutual satisfaction of the parties, then it may proceed to the arbitration stage in accordance with the arbitration provisions of this Agreement within ten (10) working days from receipt of the written response referred to above, but not thereafter.
- 8.06 The Grievance Committee referred to above will include a Representative of the International Union, the President of the Local, and the Vice-President of the Local.
- 8.07 Any grievance not taken to arbitration within the time limits herein shall be deemed abandoned.
- 8.08 <u>Arbitration:</u> In any case in which an Arbitrator shall be required under this Agreement, the party giving Notice of Arbitration shall, at the same time, advise of their choice of Arbitrator. The party receiving notice shall notify the other, in

writing, of its acceptance of the Arbitrator or the name of an alternate Arbitrator, within seven (7) days from the date of Notice of Arbitration.

- 8.09 Should the parties fail to agree upon the appointment of an Arbitrator within twenty (20) days from first notice, the Minister of Labour shall make such appointment.
- 8.10 Subject to the agreement of the Company and the Union, an Arbitration Board may be chosen.

Under these circumstances, both parties agree to provide the other within seven (7) calendar days of receipt of notification by one party, their respective nominee appointed to the Arbitration Board.

The two (2) nominees shall proceed to select a Chairman for the Arbitration Board.

If the two (2) nominees fail to agree upon a Chairman within seven (7) days, either party may apply to the *Minister of Labour of the Province of Ontario*, which shall make such an appointment.

- 8.11 In any arbitration the written representation of the employee or employees made at *Step One*, or the decision of the Company at *Step Two*, or in the case of a difference directly between the Union and the Company, the written representation by the applicant for the arbitration and the reply thereto by the other party shall be presented to the Arbitrators and the award of the Arbitrators shall be confined to determining the issues therein set out.
- 8.12 The findings of the Arbitrator or Board of Arbitration as to the facts, the interpretation of the provisions of the Agreement, and as to whether or not it has been violated shall be final and binding upon all parties concerned and upon any employee, but, in no case, shall the Arbitrator or Board of Arbitration have any authority to alter, modify or amend any part of this Agreement, or substitute any new provision and give any decision contrary to the terms of this Agreement.
- 8.13 Subject to the provisions of *Article 9.01*, if an Arbitrator or an Arbitration Board determines that a discharge was without just and sufficient cause, the Board or an Arbitrator as the case may be, may reinstate the employee and may reimburse him for all time lost from the date of discharge, up to the date of reinstatement, less any amounts earned by the employee in the interval or make any other arrangements which is just and equitable.
- 8.14 The Arbitrator or Arbitration Board shall be requested to give their award within a period of thirty (30) days after the close of the hearing.

- 8.15 The costs of arbitration are to be borne equally by the parties, but witness fees and regular wage loss incurred shall be paid by the party calling the witness.
- 8.16 The time limits mentioned in this Article may be extended by mutual agreement between the parties, which shall be in writing.
- 8.17 Probationary employees shall have no rights to grievance and arbitration procedures in regard to terminations, promotions, or layoffs. Termination of a new probationary employee shall be deemed to be for just cause.

ARTICLE 9 - DISCHARGE AND DISCIPLINE

- 9.01 A claim by a non-probationary employee that he has been discharged or suspended without just cause shall be a proper subject for a grievance. The discharge, suspension or discipline of a probationary employee shall be deemed to have been for just cause under the provisions of this Agreement.
- 9.02 In the event that an employee is terminated without notice, he shall have the right to confer with a steward for a reasonable period of time before leaving the Company premises.
- 9.03 In the event that the Company wishes to impose any disciplinary measures upon an employee, the Company agrees that such discipline will be administered as discreetly as possible under the circumstances and in recognition of the exercise of such discretion, the Company agrees that in the normal course discipline shall be imposed in the privacy of an office.
- 9.04 When an employee receives a disciplinary warning and receives no further written warning for the same violation for a period of fifteen (15) months worked from the date of the warning, or the warning is withdrawn by the grievance procedure, such warning shall not be used in any subsequent disciplinary action or arbitration procedures.

ARTICLE 10 - STRIKES AND LOCKOUTS

The Company agrees that it will not cause or direct any lockout of employees and the Union agrees that it will not cause or direct any strike of its members.

ARTICLE 11 - SENIORITY

- An employee shall have no seniority status for any purpose and shall be considered a probationary employee until such employee has completed sixty (60) working days of employment at which time seniority shall date back to the date on which employment commenced. For the purpose of clarity, it is not the intention of the parties to provide a probationary employee with any of the rights provided for in this Agreement.
- It is recognized that job opportunity and seniority shall increase in proportion to length of continuous service subject to emphasis placed on departmental seniority by the parties. It is recognized that while the occupations and classifications originally established by the Company are representative, they may be changed, added to or eliminated by the Company. Where the Company intends to change or eliminate an existing classification it will first advise the Union in writing.
- 11.03 In all job postings, the following factors will apply:
 - (i) Length of continuous service;
 - (ii) Ability and qualifications to perform the work;

It is understood that where the ability and qualifications are relatively equal, the factors in (i) shall govern.

The Company will provide the employee who had been awarded the job a training and trial period. The Company reserves the right to determine the length of the trial period. Nothing in this Agreement shall be construed to guarantee an employee the right to a training period.

- 11.04 Each department shall be a basic seniority unit. All hiring, promotions and demotions shall be made within each department except as an employee may be transferred between departments under the provisions of *Article 11.06* and except as an employee laid-off from one department may nove to another department under the provisions of *Article 11.07*.
- When a permanent vacancy occurs, it shall be posted within the department in accordance with *Article 11.08*. All employees within the department shall be entitled to bid for this permanent vacancy. The vacancy shall be filled from among the non-probationary employees within the department who bid for the vacancy in accordance with *Article 11.08* unless no one from within the department made a formal bid or no one qualified. If the vacancy cannot be filled as herein provided,

the Company shall endeavour to fill such vacancy in accordance with the provisions of *Article 11.09* before hiring from outside.

- A "qualified" employee desiring to transfer to a department other than the one in which he is employed, if so transferred, or an employee transferred by the Company from one department to another in order to fill a permanent vacancy which cannot be filled from employees then working in the department where the vacancy occurs shall, in either case, retain his position in the department from which he is transferred for a period of three (3) weeks. During this period the employee shall be returned to his former department if (a) he requests to be returned, or (b) the foreman of the department concludes that he cannot do the work satisfactorily, in which case the stewards shall be advised prior to the employee being returned to the former department.
- When it becomes necessary to lay-off employees, then the most junior employee in the affected department has the opportunity to displace the most junior person in any department providing the employee has more seniority than the affected employee. During this process the employee must be qualified to perform the job of the person he is displacing.

Departmental seniority in a lay-off situation is deemed to be total plant seniority. In other words, when bumping the most junior person then the total plant seniority is recognized.

A lay-off for the purposes of this article is expected to last in excess of four (4) weeks.

A permanent vacancy shall be posted by the Company in the department where it occurs for a period of forty-eight (48) hours or two (2) working days. Such vacancy shall be filled in accordance with *Article 11.03* from employees within the department where the vacancy occurs who apply for such vacancy, within five (5) working days after the lapse of forty-eight (48) hours or two (2) working days, provided there is a qualified bidder. For the purpose of this Agreement "permanent vacancy" shall mean vacancy due to the previous occupant's continuity of service being terminated or the permanent promotion, demotion, or transfer of another employee, or the permanent establishment or a new job or an additional job opening.

In the event an employee is absent due to sickness, accident or vacation for a period of not more than thirty (30) days, then when a vacancy is posted the department steward may apply on his behalf.

- When the Company is unable to fill a permanent vacancy in the department in which such vacancy occurs in accordance with *Article 11.08*, it shall post a notice of such vacancy in all other departments in the same manner as provided for in *Article 11.05* and *Article 11.08*. All employees from such other departments shall be entitled to bid for such vacancy. The vacancy shall be filled in accordance with *Article 11.03* from among the non-probationary employees from such other departments who bid for the vacancy, unless no one makes a formal bid or no one is qualified.
- While a permanent vacancy is being posted in accordance with *Article 11.08* or *11.09*, the Company shall fill the vacancy temporarily with the most senior employee who, in the judgement of the Company, is capable of performing the work without trial or training provided the employee is willing to perform the work, the Company shall have the right to appoint any other employee. In the normal course, such other employee shall be the most junior qualified employee in the department where the work is to be performed.
- 11.11 The Company may temporarily assign any employee without regard to seniority to fill temporary vacancy arising due to the temporary absence of an employee from work or jobs of a temporary duration. A temporary vacancy includes a vacancy not to exceed thirty (30) days; or a vacancy caused by an employee on vacation, or leave of absence or a vacancy caused by the absence of an employee due to illness where it is known that the illness will not last longer than one (1) month.
- In the event that the Company has difficulty filling a temporary vacancy, no employee shall waive or otherwise refuse to fill such vacancy except for established bona fide medical reasons. In the event, however, that an employee who is otherwise qualified, does not wish to fill the temporary vacancy, the Company agrees that it will make every reasonable effort to fill the temporary vacancy with a more junior qualified employee before requiring the said employee to fill the vacancy.
- An employee temporarily assigned to fill a temporary vacancy shall retain all bidding rights on permanent vacancies.
- During emergency situations, including interference with Company operations beyond the reasonable control of the Company, the Company shall have the right to waive the provisions of *Article 11* for a period not in excess of three (3) working days. It is agreed that under such circumstances, wherever practicable, senior employees working in each classification shall be given the opportunity to perform the work that is available in that classification provided such employee is capable of performing the work.

- Where an employee accepts a position outside the bargaining unit his plant seniority shall cease effective on the date of transfer.
- The Company agrees to give as much advance notice of layoffs and recalls as is reasonably possible. It shall be the duty of each employee to keep the Company informed of his current address.

The Company shall abide by the *Employment Standards Act* when an employee has been laid off, or whose employment has been terminated.

- 11.17 The Company shall provide the Union with a current departmental seniority list on or about June 1st of each year and shall maintain a copy of the departmental seniority list on the plant bulletin board for employee inspection. The seniority list shall also show the date of hire for all employees. In case of date duplication, an alphabetical list shall be prepared in accordance with the surname, and those at the top of the list shall be deemed to be hired first.
- Seniority shall be considered broken and an employee deemed to be terminated if an employee:
 - (a) quits;
 - (b) is discharged, and such discharge is sustained by a settlement under the terms of the Grievance Procedure including the decision of an Arbitrator;
 - (c) fails to return to work within five (5) days of the mailing of notice of recall, which notice shall be sent by registered mail to the employee's address last record with the Employer; in which case the employee is deemed to have quit;
 - (d) is laid off for a period of:

6 months - Under 2 years of service

12 months - Over 2 years of service

18 months - Over 5 years of service

24 months - Over 10 years of service

- (e) fails to return to work after the completion of a leave of absence on the date mentioned in the signed leave of absence form unless a reasonable excuse is given, having regard to the intent and purpose of the leave of absence;
- (f) performs work for any other employer during a leave of absence;
- (g) if an employee is absent from work for more than three (3) consecutive days without satisfactory reasons.

- In the event that an employee is assigned to fill a vacant position, the employee shall be paid at the greater of his regular hourly rate or the rate applicable to the work performed in the vacant position. An employee assigned to perform a higher rated job for more than one (1) hour will be paid the higher rate for all time spent on such job.
- The elected officers of the Union are the President, Treasurer, Recorder, and Chief Steward. The union shall notify the Company in writing of any changes.
- Notice of all job postings and the name of the successful applicants filling such jobs in accordance with the procedures herein shall be given to the Union along with particulars of all persons who made application. The Company shall also post notice of the name of the successful bidder on the bulletin board.
- An employee who successfully bids for a posted position from outside the department shall not be entitled to bid for another posted position in any other department for at least six (6) months unless no person from within the plant bid for such newly posted job.

ARTICLE 12 - LEAVE OF ABSENCE

- 12.01 The Company may gant a leave of absence to any employee for any bona fide personal reason. A request for a leave of absence by an employee shall be in writing filed with the Plant Manager at least one (1) month in advance of the commencement of the leave. The Plant Manager shall provide his answer to the request within two (2) weeks of the said request. All leaves of absence actually granted shall be in writing and signed in triplicate by the employer and the employee. One copy shall be retained by the employer, one copy shall be given to the employee and one copy shall be forwarded to the Union. It is recognized that leaves of absence are the exception and are granted at the sole discretion of the Company, which will not be unreasonably withheld. Where a leave of absence is granted, it shall cause no loss or break in seniority except that seniority shall not accumulate following two (2) months of such leave of absence and unless otherwise specifically provided herein, employees shall be entitled to all benefits provided for in this Agreement during a leave of absence which does not exceed two (2) months. It is agreed and understood that if an employee fails to return to work upon the conclusion of an approved leave of absence, the employee shall be subject to discipline up to and including discharge.
- When an employee is required to take time off from work for valid personal reasons, they shall advise their immediate Supervisor, and receive authorization twenty-four (24) hours before, except in the case of an emergency or a situation beyond the employee's control.

- Employees will be entitled to unpaid maternity and parental leave without loss of seniority or benefits, as per the provisions of the *Employment Standards Act*.
- Upon request by the Union in writing, made a least two (2) weeks in advance, the Company shall grant a leave of absence without pay or loss of seniority to up to three (3) employees at any one time to attend bona fide Union functions, provided a competent replacement is available for such employees, and provided no such leave shall exceed fifteen (15) days total in a calendar year for the President of the Local and ten (10) days total in a calendar year for the other employees.

ARTICLE 13 - BULLETIN BOARD

13.01 The Company agrees to provide an appropriate number of bulletin boards throughout the plant for the purpose of posting Union notices. All notices to be posted by the Union shall first be approved by the Company, provided, however, that the Company shall not unreasonably refuse to allow the posting of such notices.

ARTICLE 14 - JURY DUTY AND BEREAVEMENT LEAVE

- An employee who has attained seniority shall be granted a leave of absence with pay at his regular hourly rate for the normally scheduled number of hours the employee would have otherwise worked up to a maximum of eight (8) hours per day for the purposes of serving jury duty or as a material witness subpoenaed to an appearance in which the employee has no personal involvement, provided that the employee shall reimburse the Company to the full amount of jury pay or witness fees received by him.
- 14.02 Up to three (3) days off with pay shall be granted to an employee for the purpose of attending the funeral or making necessary arrangements for the funeral of an immediate member of the family. An immediate member of the family means mother, father, sister, brother, daughter, son, husband, wife, mother-in-law, father-in-law, and grandparents. One day off with pay shall be granted to an employee for the purpose of attending the funeral or making necessary arrangements for the funeral of the employee's sister-in-law, brother-in-law, uncle, aunt and first cousin. The bereaved employee may, at management's discretion, be granted extra days off for acceptable reasons but such days shall be without pay. The Employer shall not be required to make payment for any days that the bereaved employee would not have otherwise worked.

14.03 For compassionate grounds, where the death of a member of the employee's immediate family, as defined in *Article 14.02*, is verified as having occurred outside Canada, the employee shall be granted two (2) days off with pay for bereavement, provided the employee does not attend or make necessary arrangements for the funeral.

ARTICLE 15 - HEALTH & SAFETY

- The Company shall ensure that a safe and healthy workplace is maintained for the welfare of its employees, and that an Occupational Health and Safety Committee shall be maintained in compliance with the *Occupational Health and SafetyAct*.
- Employees shall be provided with smocks, hairnets, earplugs and uniforms which will be maintained by the Company.
- 15.03 It is understood that the wearing of C.S.A. approved Safety footwear is mandatory on Company premises. An employee in breach of this provision may be subject to disciplinary action. Effective September 14, 2003 the Company shall pay to each non-probationary employee an annual safety shoe allowance up to one hundred and twenty dollars (\$120.00) provided a valid receipt is submitted to the Company within two (2) weeks following the purchase. This allowance will be paid within the reference year, which will be May 1st to April 30th. *Effective June 23*, 2004 one hundred and twenty-five dollars (\$125.00). Effective June 23, 2005 one hundred and thirty dollars (\$130.00)
- 15.04 If an employee sustains a work related injury, and is required to leave the plant for medical attention, he will be paid for the balance of his regular shift.

ARTICLE 16 - PLANT HOLIDAYS

16.01 The Company shall observe the following plant holidays:

New Year's Eve

New Year's Day

Good Friday

Victoria Day

Canada Day

Easter Monday

Civic Holiday

Labour Day

Thanksgiving Day

Christmas Eve

Christmas Day

Boxing Day

- Subject to the provisions of Article 16.03, eligible employees shall receive eight (8) hours pay for each plant holiday multiplied by the employee's regular rate of pay.
- To qualify for a plant holiday an employee must work on his regularly scheduled working day immediately preceding and following the holiday. An employee absent on a qualifying day due to illness may still qualify for holiday pay provided the employee provides the Company with a certificate from a fully qualified medical practitioner indicating that the employee was not physically fit to attend work on such qualifying day and provided that such certificate is filed with the Company within three (3) days of the employees' return to work and further provided the employee worked at least ten (10) days during the month in which the holiday occurred. Under no circumstances shall an employee qualify for holiday pay where such employee was absent on a qualifying day due to layoff, leave of absence or any unauthorized absence.
- When a plant holiday falls during an employee's scheduled vacation period, he shall receive holiday pay for such plant holiday and shall be granted an additional day off.

ARTICLE 17 - VACATIONS WITH PAY

- 17.01 (a) An employee who has completed one or more years of service with the Company shall be entitled to two (2) weeks vacation with pay based on four percent (4%) of the employee's gross earnings of the previous year.
 - (b) An employee who has completed five (5) or more years of service with the Company, shall be entitled to three (3) weeks vacation with pay based on six percent (6%) of the employee's gross earnings of the previous years.
 - (c) An employee who has completed twelve (12) or more years of service with the Company, shall be entitled to four (4) weeks vacation with pay based on eight percent (8%) of the employee's gross earnings of the previous year.
 - (d) An employee who has completed twenty (20) or more years of service with the Company, shall be entitled to five (5) weeks vacation with pay based on ten percent (10%) of the employee's gross earnings of the pervious year.
 - (e) An employee who has completed twenty-five (25) years or more of service with the Company, shall be entitled to six (6) weeks vacation with pay based

on twelve percent (12%) of the employee's gross earnings of the previous year.

- 17.02 *Years of service* are defined as the number of continuous years of service with the Company as at June 30th annually. The earnings on which vacation pay is calculated shall be total gross earnings from July 1st to June 30th annually.
- An employee who is terminated and not reinstated through the Grievance and Arbitration procedure shall upon termination be paid vacation pay pursuant to the provisions of the *Employment Standards Act*.
- 17.04 Vacation shall be scheduled as fairly as possible recognizing both the production requirements of the Employer and the seniority of the employee.
- Where an employee takes an approved vacation prior to June 30th in the vacation year, he shall receive an advance corresponding to the number of days being taken on vacation pay accrued to the date of the approved vacation and the balance of the vacation pay earned in the vacation year shall be paid to the employee during the first full pay period in July in accordance with the practice of the Company.
- 17.06 Upon the death of an employee, vacation allowance shall be paid to the employee's estate or beneficiary forthwith.

ARTICLE 18 - WAGES AND CLASSIFICATION

18.01 Classifications shall be recognized and wages shall be paid in accordance with *Schedules "A" and "B"* attached hereto and which forms part of this Agreement.

ARTICLE 19 - HOURS OF WORK AND OVERTIME

19.01 Hours of work and overtime shall be paid in accordance with *Schedule "B"* attached hereto and which forms part of this Agreement.

ARTICLE 20 - INSURANCE AND WELFARE COVERAGE

20.01 The Employer shall pay the full premiums on behalf of each employee for the following benefits outlined in the Employee Group Benefits Booklet which booklet shall be distributed to each employee.

- (a) Life Insurance in the amount of thirty-seven thousand dollars (\$37,000); *Effective June* 22, 2001 thirty-nine thousand dollars (\$39,000). *Effective June* 22, 2002 forty-one thousand dollars (\$41,000)
- (b) Accidental Death and Dismemberment Benefit of thirty-seven thousand dollars (\$37,000). Effective June 22, 2001 thirty-nine thousand dollars (\$39,000). Effective June 22, 2002 forty-one thousand dollars (\$41,000):
- (c) Effective January 1, 1994, Weekly Indemnity Coverage of seventy-five percent (75%) of the employee's insurable earnings up to the U.I.C. maximum. The length of such benefit shall not exceed twenty-six (26) weeks. Such benefits shall trigger on the first day of accident, the first day of hospitalization, the first day of recognized day surgery procedures, or the fourth day of sickness;
- (d) Major Medical Benefits with deductible of ten dollars (\$10.00) per single coverage and twenty dollars (\$20.00) per family coverage;
- (e) Effective October 21, 2000, there shall be a Vision Care provision to a maximum of two hundred dollars (\$200.00) every twenty-four (24) months. In accordance to the safety glasses procedure dated April 10, 2002, the Company will pay up to \$100 every 24 months toward employee's prescription safety glasses.
- (f) Dental benefits to include the purchase of new dentures will be allowed every five (5) years, with an annual coverage up to a five hundred dollar (\$500.00) maximum, co-insured 50% by the employee and 50% by the company. This coverage is available to each eligible member of the employee's family. This benefit will not be subject to the annual dental deductible. Annual maximum for Basic Dental coverage of one thousand five hundred dollars (\$1,500.00) for each employee and eligible dependent.
- (g) Effective January 1, 1994, the Dental Benefits according to the 1993 O.D.A. fee schedule, and to be maintained one (1) year behind current fee.
- 20.02 In consideration of the Insurance and Welfare coverage by this Collective Agreement and in particular the Weekly Indemnity program, the Union agrees on its own behalf and on behalf of all employees covered by this Agreement, that any rebate(s) of premiums payable to employees under the Employment Insurance Act shall be waived now and hereafter to the Company which shall be entitled to such rebate(s).

ARTICLE 21 - PENSION PLAN

- 21.01 The Company agrees to participate in and contribute to the *Canadian Commercial Workers Industry Pension Plan (C.C.W.I.P.P.)*.
- 21.02 Effective September 15, 2003, the Employer agrees to contribute to the *Canadian Commercial Workers Industry Pension Plan*, sixty five cents (65ϕ) per hour worked up to a maximum of one thousand and four hundred (\$1400.00) dollars per annum, on behalf of all those full-time non-probationary employees that at the date of ratification are active. *Effective June 22*, 2004 (70ϕ) *Maximum* \$1500.00. *Effective June 22*, 2005 (75ϕ) *Maximum* \$1600.00.
- 21.03 It is agreed, that the Employer's participation and contributions to the *Canadian Commercial Workers Industry Pension Plan*, is for future service only, for its full-time, non-probationary employees covered by this Agreement.
- Contributions, along with a list of eligible employees, indicating the contributed amount and hours worked according to items 21.02 above, shall be forwarded to the Trustees of the Fund within fifteen (15) days, following the close of the Employer's four (4) or five (5) week accounting periods.

ARTICLE 22 - GENERAL

- The Company agrees that all work performed by members of this bargaining unit shall not be performed by a person or persons who are not a part of this Collective Bargaining Agreement, except for new products, specialty products, and excessive production which we are not capable of producing at Huxley. If the Company intends to expand or invest in new technology it may be necessary to produce product outside of Huxley during this transition period, however the Company agrees to make every effort to avoid laying-off affected employees. Contracting out will not result in a lay-off of members of the bargaining unit other than the exception of new products and specialty products.
- An employee who is absent for medical reasons shall keep the Company informed of the status of his condition on a weekly basis, and shall provide the Company with a doctor's certificate when reasonably required.
 - If the Company requests any medical certificate, the employee will be reimbursed by the Company for the incurred cost.
- 22.03 The Company agrees to contribute one (1) cent per hour per member to the *UFCW Local 175 Training and Education Fund* as of date of ratification. The money is to be forwarded monthly to the Union office.

ARTICLE 23 - SEVERANCE PAY

- Any full-time employee with six (6) months of service or more, whose employment is terminated by the Company as a direct result of the closing or partial closing of the plant shall receive severance pay in the amount of one (1) weeks regular pay per year of service with no maximum on years of service.
- 23.02 In the event of a plant closure, consideration will be given to an employee's application to a vacant position at another location of the Company for which the employee is qualified.

ARTICLE 24 - DURATION OF AGREEMENT

This Agreement shall become effective on the 23rd day of June 2003 and shall remain in full force and effect until June 22, 2006 and from year to year thereafter, unless written notice of intention to terminate or amend this Agreement is given by either party to the other not more than sixty (60) days and not less than thirty (30) days before June 22, 2006.

Signed this day of 2003 in Toronto, Ontario

Primo Foods Limited Division of Nabisco Ltd	United Food and Commercial Workers' International Union

SCHEDULE "A"

HOURS OF WORK AND OVERTIME

- 1. Hours of work for employees covered by this Agreement shall be paid in accordance with the established practice of the Employer. Nothing in this Agreement shall be construed as a guarantee of hours of work in the day or in the week.
- 2. All non-probationary employees shall be entitled to one and one-half (1½) times their regular rate for hours worked in excess of eight (8) hours in the day.
- 3. Work performed on Saturday and Sunday shall be paid at one and one-half $(1\frac{1}{2})$ times the employee's regular rate.
- 4. Work performed on Plant Holidays shall be paid at twice (2) the employee's regular rate.
- 5. There shall be no pyramiding of overtime premium pay with any other premium. Shift premium shall not be included for the purpose of calculating overtime.
- 6. A shift premium of thirty-five cents (35¢) per hour shall be paid during the afternoon and a shift premium of forty-five cents (45¢) per hour shall be paid on the night shift. Effective January 1, 1998 Afternoon Shift forty cents (40¢) and Night Shift fifty cents (50¢).
- 7. Overtime shall be voluntary and shall be distributed equitably in each department by department seniority with respect to those employees who signify the desire to work overtime.

Overtime shall be solicited on an opportunity basis and employee(s) will be charged the appropriate number of hours whether worked or refused. Employees absent due to illness, vacation or otherwise not available for solicitation will not be charged for opportunities missed.

For weekday overtime, the Company shall ask employee(s) four (4) hours before the end of their scheduled shift.

For weekend overtime, the Company shall ask employee(s) at least one (1) week prior to the planned overtime and shall confirm the planned overtime at least twenty-four (24) hours before the planned overtime work.

Overtime which develops as a result of circumstances not controlled by the Company (i.e. illness, equipment break-downs, etc.) shall not be subject to the terms as outlined

above.

In the event the Company is unable to get the required number of employees to work overtime, the terms of Article 2,01(b) shall apply, with the exception of the Maintenance department where it is agreed that casual workers may be utilized in the event no regular employee in the department is available or otherwise desires to work overtime.

The Company shall submit a copy of the overtime list, which will include employees' names and number of overtime hours worked to the Union on a weekly basis.

The Company agrees to post a list of all employees that have signed up for weekend overtime each Thursday at 3:00PM in each department. A copy of such list is to be given to the Steward or Chief Steward on a weekly basis.

- 8. Although there is no guarantee, whenever it is reasonably practical to do so, the Company shall endeavour to schedule overtime in accordance with its requirements by written notice posted on the bulletin board in order to afford the employees a reasonable opportunity of making themselves available for the performance of such overtime work. Full-time employees shall be given preference for overtime assignments over casual workers.
- 9. The work week at 56 Huxley shall commence Monday at 7:00 a.m. for all departments. For the purpose of clarity the shifts are as follows:

1st shift / day 7:00 a.m. - 3:30 p.m. 2nd shift / afternoon 3:00 p.m. - 11:30 p.m.

3rd shift / night 11:00 p.m. - 7:30 a.m.

- 10. The Company shall provide a fifteen (15) minute paid break following each eight (8) hour shift prior to the commencement of overtime following that shift, in the event that the overtime is expected to be for two (2) hours or longer.
- 11. There shall be a fifteen (15) minute paid break following the completion of each three (3) hours of overtime work performed in a work day.
- 12. There will be two (2) fifteen (15) minute paid break periods during each shift. One (1) in the first half, and the second to be taken the last fifteen (15) minutes of their shift. The employees will punch out at the start of their second break and will leave the Company premises.

Company shall provide for a minimum of one-half (½) hour unpaid lunch break. Breaks and lunch periods will be scheduled by the Company.

13. An employee who is called in to work outside his regular schedule of hours, will receive not less than four (4) hours pay at one and one-half (1½) times his regular rate, but shall be required to be on hand and available for work at least two (2) hours. This will not apply to assigned overtime.

SCHEDULE "B"

WAGE CLASSIFICATIONS

MILL

	June 23/03	June 22/04	June 22/05				
Material Handler A	17.73	18.18	18.68				
Mill Operator/Lead Hand	17.79	18.24	18.74				
Mill General Labourer	17.29	17.74	18.24				
MISCELLANEOUS PACKAGING DEPARTMENT							
Machine Operator/Cheese	16.69	17.14	17.64				
Packer	16.33	16.78	17.28				
MACARONI DEPARTMENT							
San./Jan. A	17.08	17.53	18.03				
San./Jan.	16.69	17.14	17.64				
Press Operator Lead Hand	17.98	18.43	18.93				
Press Operator	17.73	18.18	18.68				
General Labour/Pr.	16.86	17.31	17.81				
General Labour	16.69	17.14	17.64				
Mach. Oper./Mai. Lead Hand	17.71	18.16	18.66				
Mach. Oper./Mai.	17.46	17.91	18.41				
Machine Operator	16.86	17.31	17.81				
Packer A	17.08	17.53	18.03				
Packer	16.33	16.78	17.28				
Pack (Modified Light Duties)	14.35	14.80	15.30				

SCHEDULE "B" (cont'd)

WAREHOUSE

	June 23/03	June 22/04	June 22/05				
Lead Hand	18.34	18.79	19.29				
Forklift operator/warehouse	17.73	18.18	18.68				
MAINTENANCE DEPARTMENT							
Packaging Technician	24.25	24.70	25.20				
Industrial Millwright	23.65	24.10	24.60				
Electrician/Technician	22.40	22.85	23.35				
Electrician	21.10	21.55	22.05				
Mec. Level I Specialist	21.85	22.30	22.80				
Mec. Level I	20.85	21.30	21.80				
Mec. Level II	20.45	20.90	21.40				
Stat. Engineer/Maint. Support	19.10	19.55	20.05				
Stat. Eng 3rd Class	19.60	20.05	20.55				
Stat. Eng. 4th Class	18.60	19.05	19.55				

- 1. Probationary employees will be paid seventy-five (75%) percent of their classification rate while serving their probationary period.
- 2. Effective June 22, 1997, employees other than those currently classified as Stationary Engineers shall receive a premium of \$0.45 per hour for all hours worked on top of their regular hourly rate on obtaining their license/certification as a Stationary Engineer. The Company reserves the right to increase or decrease the number of employees eligible for the adjustment.
- 3. Mat. Hand "A" and "B" classifications will be eliminated and replaced by a new classification to be called operator/warehouse. The rate of the new classification will be the actual Mat. Hand "A" rate.
- 4. All actual Mec. Level II will become Mec. Level I. Mec. Level II classification will be maintained and will be used for mechanics hired with no license.

5. Maintenance "A" classification is eliminated.

SCHEDULE "C"

The parties agree to form a *Labour/Management Committee* for the purpose of discussing problems or issues arising during the life of this Collective Agreement on the clear understanding that such Committee will be structured as a discussion forum only and not for the purpose of negotiating terms and conditions of employment or formal grievances.

This Committee will meet every three (3) months.

SCHEDULE "D"

ALTERNATE WORK WEEK

Employment Standards Act allows employee to work maximum 48 hours per week plus and additional 100 hours/year.

For this alternate work week, the following conditions apply:

- Aternate work week and/or casual employees will be offered work during the regular work
 week to cover for absent employees. However, alternate work week or casual employees
 will not be offered overtime until all employees covered under Schedule "B" have been
 offered the overtime first.
- Positions shall be posted as per the collective agreement.
- The work week shall be defined as twelve (12) hours on Saturday and twelve (12) hours on Sunday
- Employees working both these days shall be paid thirty-two (32) hours of pay, at their classification rate
- Based on current production demands we see additional employees being added to the following classifications.

Mill Department - 1 Mill Operator Lead-Hand

Production 2 General Labour/Processing front

2 Lead Hand Press Operators (1 Pavan, 1 Bassano)

2 Press Operators

3 Machine Operators

1 Machine Operator Maintenance Lead-Hand

Shipping 1 Forklift operator/warehouse

Maintenance 1 Stationary Engineer – 4th class

- These positions are full-time classified positions and are covered under all provisions of this agreement unless otherwise specified in this appendix.
- Statutory Holidays shall be paid at 8 hours providing they worked their normal schedule of hours for that week.

- Employees who work this shift may have their hours adjusted in weeks in which paid statutory holidays fall.
- Overtime shall be paid after (40) hours in a week.
- The Company agrees to allow all successful applicants the opportunity to train on the agreed classification as per the terms of the collective agreement.

Maintenance Department

- The work week shall be defined as eight (8) hours on Friday, twelve (12) hours on Saturday and twelve (12) hours on Sunday
- Employees working these days shall be paid forty (40) hours of pay, at their classification rate
- During a weekend shutdown, the work week will be changed to eight (8) hours on Monday, twelve (12) hours on Tuesday, and twelve (12) hours on Wednesday, but Monday will not be worked as it would be taken as a statutory holiday.
- The alternate work week will consist of:
 - 1 Mechanical position
 - 1 Electrical position