

COLLECTIVE AGREEMENT



**COMMUNICATION, ENERGY
&
PAPERWORKERS UNION
LOCAL 33-X**

AND

nitrochem
NITROCHEM CORP.

**EFFECTIVE JUNE 21, 2001
MAITLAND WORKS**

Witnessed & Signed

AGREEMENT
BETWEEN
COMMUNICATION, ENERGY &
PAPERWORKERS UNION
LOCAL 33-X
&
NITROCHEM CORP.
EFFECTIVE JUNE 21, 2001
MAITLAND WORKS

CONTENTS

<u>ARTICLE</u>		<u>PAGE</u>
1	SCOPE.....	1
2	RECOGNITION.....	2
3	UNION SECURITY.....	3
4	COOPERATION.....	3
5	SAFETY AND HEALTH.....	5
6	REPRESENTATION.....	6
7	HOURS OF WORK.....	8
8	OVERTIME AND OTHER ALLOWANCES.....	10
9	WAGE CLASSIFICATION.....	17
10	SENIORITY.....	20
11	GRIEVANCE PROCEDURE.....	25
12	ARBITRATION.....	28
13	VACATIONS.....	29
14	GENERAL.....	33
15	SHIFT AND SUNDAY PREMIUMS.....	35
16	DURATION.....	36

SCHEDULE "1"	PROCEDURE FOR ARBITRATION PROCEEDINGS.....	38
SCHEDULE " 2"	SCHEDULE OF JOB CLASSIFICATIONS FOR WAGE EARNERS.....	39
SCHEDULE "3"	TWELVE HOUR ROTATING SHIFT SCHEDULE - PRODUCTION AND LABORATORY.....	42
SCHEDULE " 4"	TWELVE HOUR ROTATING SHIFT SCHEDULE - MAINTENANCE.....	49
SCHEDULE "5"	OVERTIME DISTRIBUTION PROCEDURE – LABORATORY AND PRODUCTION.....	50
SCHEDULE " 6"	MISCELLANEOUS NOTES.....	53
SCHEDULE "7"	TEMPORARY JOBS.....	56
SCHEDULE "8"	LETTER OF UNDERSTANDING SAFETY.....	61
	TERMS & CONDITIONS FOR LABORATORY PERSONNEL.....	62
	PENSION PLAN.....	63
SCHEDULE "9"	MAITLAND'S HIGHEST PAID CHEMICAL INDUSTRY.....	64
INDEX.....		66

NITROCHEM CORP.

AGREEMENT

BETWEEN

**COMMUNICATION, ENERGY, &
PAPERWORKERS' UNION, LOCAL**

33-X, Maitland, Ontario, hereinafter called the "Union".

AND

NITROCHEM CORP.

hereinafter called the "Company", a corporation having an office at Maitland, Ontario,

WHEREAS the Company operates a manufacturing plant, located in the Township of Augusta, County of Grenville, Ontario, known as its "Maitland Works", and hereinafter referred to as the said "Works".

WITNESSETH THAT the parties hereto have agreed as follows:

ARTICLE 1 - SCOPE

This Agreement covers all employees of the Company herein defined.

The expression "employee" used throughout this Agreement, shall be deemed to mean all employees of the said Works save and except supervisors, persons above the rank of supervisor, office staff, security

guards and employees engaged in temporary construction.

For the purpose of clarity, office staff includes engineering, medical and technical personnel and laboratory technicians.

ARTICLE 2- RECOGNITION

- (a) The Company recognizes the Union during the term of this Agreement as the exclusive bargaining agent of the employees of the said Works, as defined in Article 1, for the purpose of collective bargaining in respect of wages, hours of work, seniority, grievance procedure and such other working conditions as are included in this Agreement.
- (b) The Union recognizes the right of the Company to manage the said Works, and to direct the working forces, including the right to hire, promote, transfer, or retire any employee on the attainment of age sixty-five (65), and to demote, discipline, suspend, or terminate the employment of any employee for any just cause.
- (c) The Union agrees that the Company may, at any time, change hours of work, determine or change work assignments, or methods, and select the materials to be handled, processed or manufactured.
- (d) The Union further recognizes the right of the Company to make and alter rules and procedures, not inconsistent with this Agreement, to be observed by the employees. Manuals of Company rules and procedures will be placed in various locations for the convenience of the employees. New rules and procedures governing the conduct

of employees in the plant will be posted on the bulletin boards for seven (7) days before taking effect.

ARTICLE 3 - UNION SECURITY

- (a) All employees, who at the effective date of this Agreement are members of the Union and all employees who are subsequently admitted to membership in the Union, shall remain members of the Union for the duration of this Agreement.
- (b)
 1. During the term of this Agreement, the Company will deduct Union Dues from the wages of all employees covered by this Agreement.
 2. The Company will remit to the Financial Secretary of the Union the total of all amounts so deducted during the month in which deductions were made.
 3. The Company will, at the same time, forward to the Financial Secretary of the Union a list of new employees, together with a list of those employees who have terminated their employment.

ARTICLE 4 - COOPERATION

- (a) The Union agrees that it will not cause, authorize, or sanction, or permit its members to cause, or take part in any sit-down, stay-in, or slowdown in any department, or any strike, or stoppage of any of the Company's operations, or any curtailment of work, or restriction of, or interference with production, or any picketing of the Company's premises during the term of this Agreement.

- (b) The Company agrees that it will not cause, or sanction a lockout during the term of this Agreement.
- (c) The Company agrees that the Union may post in the said **Works**, on notice boards supplied by the Company for such purposes, notices pertaining to meetings of the Union, elections of officers, social and recreational events. A copy of all such notices will be provided to the Company at time of posting.
- (d) No one shall conduct Union activities during working hours, except as specifically permitted in this Agreement. There shall be no discrimination, or intimidation by or on behalf of the Company, or by or on behalf of the Union, its members or its agents, with respect to any employee because of membership, or non-membership in the said Union.
- (e)
 1. The Company agrees to notify the Union by registered mail of the reason for the discharge of any employee. Any discharge may be discussed as a grievance, provided the grievance is submitted in writing within seven **(7)** days after receipt by the Union of the written notice of the reason for the discharge. In the event that any employee is discharged and, after subsequent investigations is exonerated and reinstated, the employee shall be reimbursed for the time lost by reason of such discharge on the basis of their normal daily hours of **work**, less earnings received from other employers in respect of the period for which the employee is to be reimbursed.
 2. In the event that an employee is discharged and is not exonerated by subsequent investi-

gation, a lesser penalty may be substituted where, in the opinion of an arbitration board, the penalty of discharge is considered to be inappropriate.

3. The Company also agrees to notify the Chief Steward, by letter, of the reason for disciplinary action taken against any employee. No suspension without pay will be enforced until a full investigation has been conducted.
4. The Company shall meet with the union B&G Committee within 5 days of the suspension or termination. The parties may mutually agree to a date beyond the 5 days.
5. Records of employee disciplinary action imposed by the Company will not be kept beyond a two (2) year period.
6. An employee who, by disciplinary action, is summarily required to leave the Works, may interview their steward at the gatehouse. The employee's supervisor will advise the steward accordingly.

ARTICLE 5 - SAFETY & HEALTH

- a) The Company will continue to make reasonable provision for the safety and health of its employees. The Company agrees that such protective devices as the Company requires to be worn and other equipment which, in the opinion of the Company is necessary to protect the employee from injury, shall be provided by the Company.
- b) Safety manuals shall be made available in each Area's Control Room and in each department.

Changes to the safety manuals shall be posted separately for seven (7) days.

- c) The Company recognizes the legal status of the Joint Health and Safety Committee. This Committee shall have a maximum of eight (8) employees, four (4) of whom shall be worker members selected by the Union. There are no alternates. Employees from the layoff list, while in a temporary job, cannot hold membership on the Joint Health & Safety Committee. This Committee shall meet monthly on Company time, without loss of wages. The four (4) members selected by the Union may, in addition, meet for one (1) hour on the day of the Joint Health and Safety Committee meeting, just prior to this meeting, in order to prepare for the meeting without loss of wages.
- d) An employee responsible for an operating production area will not be required to leave their area for more than forty-five (45) minutes to work in another area, unless properly relieved, except for an emergency condition concerning safety.

ARTICLE 6 - REPRESENTATION

- (a) 1. The Company agrees to recognize up to ten (10) stewards, one of whom shall be Chief Steward, to represent groups of employees as follows:
 - one (1) each from the Laboratory and Warehouse; and
 - two (2) each from the Nitrogen Products Ammonia and Chemical Areas and the Maintenance Department.
- 2. The Union shall notify the Company, in writing, of the names of the stewards and of the

Chief Steward. It is understood that a group steward or, in their absence, a member of the Bargaining & Grievance Committee may, with the permission of their supervisor, and without loss of time or pay, leave their regular duties for a reasonable length of time, in order to investigate grievances in their group.

3. On return from any such absence from their work place, the steward or the member of the Bargaining & Grievance Committee, shall again report to their supervisor, who will record the total elapsed time.
- (b) The Company agrees to recognize a Union Bargaining & Grievance Committee of not more than five (5) employees.
 - (c)
 1. The Union Bargaining & Grievance Committee shall have the right of meeting the appointed representative, or representatives of the Company, at least once every month. Both Company and Union will make every attempt to supply an agenda of items for discussion with the other party at least forty-eight (48) hours prior to the time of the meeting. Members who happen to be on duty shall be paid at straight time for that part of their regularly scheduled working hours devoted to attendance at such meetings held on Company property.
 2. It is understood that a representative of the Communication, Energy & Paperworkers Union may be present at such meetings.
 - (d)
 1. The Company agrees to provide an annual Union leave-of-absence of up to four hundred and fifty (450) hours without pay. The Com-

pany shall invoice the Union for the gross amount paid for the first three hundred (300) hours of leave. The Company shall invoice the Union for the direct cost of replacing employees on union leave for the final one hundred and fifty (150) hours of leave.

2. Union leave to attend Arbitration and safety training shall be without pay but will not be included in the aforementioned four hundred and fifty (450) hours of leave.

ARTICLE 7 - HOURS OF WORK

- (a) The normal number of daily hours of work shall be eight for five days, Monday to Friday, for day and eight (8) hour shift workers. The terms and conditions for 12 hour shift workers are set out in Schedules 3 and 4 to this agreement.
- (b) The normal number of daily hours of work is stated solely for the purpose of calculating overtime and shall not be construed as a guarantee of any minimum, or as a restriction on any maximum number of hours to be worked.
- (c) An employee will not be required to work more than twelve (12) continuous hours in any twenty-four (24) hour period.
- (d) An employee shall be at their work place and ready to assume their duties at the commencement of their scheduled working day.
- (e) An employee, assigned to operations on a shift, which is scheduled to be followed immediately by another shift without lapse of time, shall not leave their work place until relieved by the employee assigned to the same operations on the succeeding

shift, unless by special permission of their supervisor.

- (f) The Company agrees that normal rotation changes between shift and day work will be made on the long weekend, as shown on shift schedules, and no loss of hours shall occur during one complete shift cycle.
- (g)
 1. The Company agrees to schedule, for employees not engaged in continuous operations, a rest period of ten (10) minutes' duration in each half of their working day. It is understood, and the Union agrees, that the nature of the work in continuous operations is such that it is impractical to schedule rest periods for employees engaged therein, but that, under normal conditions, reasonable opportunity for smoking and refreshment will exist in designated areas. Rest period outside these designated areas can only be taken with the permission of the supervisor in charge.
 2. Employees who have hours of work at other than 0800 to 1630 will be paid for their lunch period.
- (h) Day workers shall be granted up to a maximum of five (5) minutes wash-up period before their lunch period and a five (5) minute wash-up period before the end of their normal working day. Any employee who has been engaged in unusually dirty work will be allowed washing time at the discretion of their supervisor.

ARTICLE 8 - OVERTIME & OTHER ALLOWANCES

- (a) 1. An employee shall be paid at the rate of time and one-half for all work required to be performed at other than their regularly scheduled working hours, provided, however, that the employee shall be paid at the rate of double time for all hours worked in excess of twelve (12) hours in any one day, or in any continuous period, including the time interval in that period between the twelfth (12th) and sixteenth (16th) hour.
- 2. Where an employee has been called in to work eight (8) hours prior to their regularly scheduled shift, the employee shall be paid at overtime rates for all hours worked in their regular shift, provided that such hours form a continuous period.
- (b) An employee shall be paid at the rate of time and one-half for work required to be performed on their assigned extra days of rest. All hours worked in excess of twelve (12) will be paid at the rate of double time. The rate of double time will be paid for work required to be performed on an employee's assigned regular day of rest.
- (c) 1. If an employee is required by the Company to report for the performance of work at other than their regularly scheduled working hours, the employee shall be paid at the rate of time and one-half for all hours worked at other than their regularly scheduled working hours provided, however, that the employee shall be paid at the rate of double time instead of at the rate of time and one-half for all hours worked in excess of twelve (12) hours in that day, or in any continuous period including the

time interval in that period between the twelfth (12th) and sixteenth (16th) hour. In any event, the employee shall be paid at their straight time rate only for regularly scheduled hours worked. The employee shall be paid a minimum amount equivalent to pay for four (4) hours at their straight time rate if their pay for the performance of such work is less than this amount, except when such work forms a continuous period with their regularly scheduled working hours, in which case no minimum shall apply. If the employee is entitled to the payment provided in clause (f), this minimum amount shall be paid in addition thereto for the performance of such work on a holiday.

2. In addition, the Company shall either pay to an employee required to report for work on less than twenty-two (22) hours' notice, a travelling allowance equivalent to one (1) hour's pay at their straight time rate or, where necessary, provide transportation for him/her.
- (d)
1. Whenever an employee's regularly scheduled working hours are changed (i.e., a change from one shift to another) by the Company, the employee shall be paid at the rate of time and one-half for work performed during their first working day following such change, unless notice of such change has been given to him/her by the Company at least thirty (30) hours prior to such change.
 2. In the Maintenance Department and Warehouse, any company required change from day worker status to a shift worker status, or vice versa, not occurring over a weekend, the

hours worked on the first shift, or day, will be paid at overtime rates.

3. A combination of call-in before regularly scheduled working hours and holdover after regularly scheduled working hours does not constitute a change under this clause.
- (e) Notwithstanding the foregoing provisions of this Article 8, an employee shall not be paid at the rate of time and one-half for overtime work if such overtime work, with the permission of the supervisor, is performed by the employee at their own request, in exchange for their regularly scheduled hours by special arrangement with another, or other employees who may wish to change, or exchange, working hours.
- (f) 1. An employee shall, subject to provisions set out in the paragraphs below, be paid an amount equivalent to eight (8) hours' pay at their straight time hourly rate for the following holidays, whether or not the employee works on such holidays:

**NEW YEARS DAY, HERITAGE DAY,
GOOD FRIDAY, VICTORIA DAY,
DOMINION (CANADA) DAY, 3RD
MONDAY JULY, CIVIC HOLIDAY, 3RD
FRIDAY AUGUST, LABOUR DAY,
THANKSGIVING DAY, CHRISTMAS DAY,
BOXING DAY**

2. Heritage Day shall be observed on the third Monday of February until legislated. If the legislated day of this holiday is other than the third Monday of February, then the observance of this holiday shall be moved to that legislated date.

3. However, an employee shall not be entitled to be paid for any such holiday:
 - i) If the employee does not work on that holiday when the employee has been required, or scheduled to do so.
 - ii) If the employee is absent without good cause on their scheduled working day immediately preceding, or succeeding that holiday.
 - iii) If the employee is absent for any reason except on vacation, proven illness, or with Company approval on both their scheduled working days immediately preceding and succeeding the holiday.
 - iv) If that holiday occurs while the employee is on leave-of-absence.
 - v) If the employee has been in the employ of the Company for less than thirty (30) consecutive days.
4. Temporary Help, including students, shall not be eligible for Statutory Holidays until they have been employed for three (3) consecutive months. At that time, they shall be eligible for only those holidays identified in the Ontario Employment Standards' Act. These provisions would not apply to recalled employees with seniority, or to employees with seniority from the layoff list working in a temporary job.
5. The Company agrees to pay an employee who is receiving WSIB benefits, and who

otherwise qualified for holiday pay, the difference between eight(8) hours pay at their regular rate at the time of the compensable injury, and 1/5 of the WSIB weekly benefit.

- (g) An employee who works on any of the holidays mentioned in clause (f) shall:
 - 1. If entitled to the payment provided in clause (f) be paid, in addition thereto, at the rate of time and one-half for all hours so worked up to eight (8) hours. In the case of clause (c), the minimum payment and travelling allowance shall apply. Payment for hours worked in excess of eight (8) hours shall be at the rate of double time and one-half.
 - 2. If not entitled to the payment provided in clause (f), be paid at the rate of time and one-half for all hours so worked up to twelve (12). The rate of double time shall be paid for hours worked in excess of twelve (12).
- (h) If another day is substituted by statute or decree, or by mutual agreement between the parties for the observance of any of the holidays listed in clause (f), the day of observance so substituted shall be deemed to be the holiday for the purpose of this Article 8.
- (i) An employee shall not be entitled to be paid under more than one (1) clause of this Article, unless otherwise specifically provided and, in any event, the rate of payment, including holiday and other allowances, but excluding the minimum payment and travelling allowances provided in clause (c), shall not exceed three (3) times the straight time hourly rate.

- (j) For the purpose of establishing which shift crew employees, regularly scheduled to work on Sunday, shall receive Sunday premium and which shift crew employees shall receive premium pay for work performed on the holidays shown in clause (f) of this Article 8, the day shall extend from midnight to midnight. For all other purposes, any day shall be deemed to be a twenty-four (24) hour period, as shown in schedules established from time to time.
- (k) 1. An employee who is directed to work over, and such overtime is for a period of one (1) hour or more, will be provided with a meal allowance of **\$9.00 effective June 21, 2000** and an opportunity to eat the meal at the completion of their regular hours of work. The employee will also be given an additional meal allowance of **\$9.00 effective June 21, 2000** every succeeding 4½ hours, and a further 30 minute period to consume same (5 hours between meals).
2. An employee called in on emergency, with instructions to report for work immediately, will be provided with a meal allowance of **\$9.00 effective June 21, 2000** and given 30 minutes to eat the meal after 4½ hours, or as soon after the commencement of their scheduled hours of work as possible, whichever occurs first, and an additional meal allowance of **\$9.00 effective June 21, 2000** every succeeding 4-1/2 hours, and a further 30 minute period to consume same (5 hours between meals).
3. The Company will pay 2 meal allowances for employees called to come in to work during

the "on-call period and who are expected to report for work as soon as possible.

4. A day worker, who is required to work during any portion of their unpaid lunch period, will be compensated at the rate of time and one-half for the full lunch period and will be provided with a meal allowance of **\$9.00 effective June 21, 2000** and will be granted a one-half hour unpaid period, by this supervisor, in which to eat their meal.
 5. The Company reserves the right to provide the meal in lieu of the meal allowance.
- (I)
1. When considered necessary by the Company, employees shall be required to perform overtime work in excess of their regularly scheduled hours. The Company shall determine when overtime shall be worked and when an employee shall report for duty. The Company shall consider any legitimate reason why an employee does not wish to work overtime and shall endeavour to find a replacement for such an employee. Failing this, the employee shall be required to work overtime. Overtime work shall be distributed as evenly as possible among the employees normally performing such work.
 2. Records of all overtime worked shall be posted every week. Employees offered overtime and refusing same will be charged on the overtime records as having worked overtime. No employee shall be charged twice for the same period of time. Maintenance employees will have the average overtime worked in their classification added to

their total on the overtime lists when absent for two (2) weeks or more, excluding vacation.

3. Maintenance employees who work four (4) hours of overtime, after working their regular day, will not be charged for further overtime refused.
 4. In those departments where the practice is to have the employees off on their extra day of rest work the overtime, the obligation for the Company to distribute overtime as evenly as possible shall not apply on the day which an employee is called to work on their extra day of rest.
- (m) Transportation will be paid to an employee's nearest residence if the employee is requested to work over and has no transportation. It is understood that the Company has the right to select, under the above circumstances, an employee who has transportation.
- (n) Employees working overtime between midnight and 0500 shall be assured a period of rest of 8 hours from the time such overtime is completed without any loss of earnings. For greater certainty, the employee will report to work on their regular shift eight hours after the completion of the overtime period to finish at the regular, normal quitting time without any lost earnings.

ARTICLE 9 - WAGE CLASSIFICATION

- (a) The classification of the employees and the classification of new occupations shall be done by the Company.

- (b) Existing Job classifications shall not be eliminated without prior written notification to the Union. Should the union object to the elimination of the job classification, the matter may be referred to the Arbitration process as provided in Schedule 1.
- (c) The classification of existing occupations within the recognized Bargaining Unit and the wage rates applying thereto shall be shown in Schedule " 2 , which is made part of this Agreement and is signed for identification by the parties hereto. In the event that the job content of any occupation is substantially changed during the term of this Agreement, or that a new occupation is established, the occupation may be reclassified, or classified, as the case may be by the Company, but the Company agrees to discuss and review such changes, or new classifications, with the Union prior to implementation.
- (d) An employee shall be paid the rate for the occupational classification to which the employee is assigned, provided the assignment *is* for more than one (1) hour in any eight (8) hour continuous period, unless the assignment is to a lower rated classification for the convenience of the Company, in which case the employee shall be paid the rate of the higher classification.
- (e) While an employee may, at any time, discuss their classification with their supervisor, no request for a change in the classification of such employee need be entertained by the Company unless presented to the Company within thirty (30) working days following the date of classification, or change of classification, to which such employee objects. Insofar as is practicable, the Company agrees to inform the Union with regard to changes in classification.

- (f) An employee being transferred to a new job through job posting shall:
1. If being transferred from a Chemical or Senior Operator's position in one Production Department to a Chemical Operator's their position in another Production Department, be reclassified one group lower than previous classification for the retraining period. This period will be for a maximum of six months, or such shorter period as determined by the Company, after which a Chemical Operator will regain their classification and rate. The Senior Operator will continue to receive the lower rate unless promoted to their former classification of Senior Operator.
 2. If the employee is of another classification and being transferred from one department to another, be transferred to the appropriate job classification and rate. The employee must successfully write a test for their new position within the three months' evaluation period, or be returned to their former job classification and rate of pay.
 3. If transferring from the following classifications – Production Operators, Mechanics, Electricians, Laboratory Assistants, or Store Attendants - be considered by the Company to possess the required matriculation qualifications in recognition of their years of actual plant experience (see Schedule "6" - No. 7).
 4. Not be eligible to return to their former job for a period of twelve (12) months.
- (g) Temporary job experience may not be used in determining qualifications, ability, etc., in filling a

vacancy in a permanent occupation which has been posted.

- (h) In no event shall an employee who has achieved a rate of pay above that of Trainee, be paid at a rate of less than the rate immediately above Trainee of the new or other classification.

ARTICLE 10 - SENIORITY

- (a) 1. The purpose of seniority provisions herein is to provide a policy governing layoffs, reduction of employees in a department or job classification, rehiring and job postings. In the event of a reduction of the working force, the Company shall apply the principle of "last on, first off, provided the retained employees have the necessary qualifications and ability to perform the remaining work, consistent with the Company's obligation to maintain an efficient working force. Following a layoff, rehiring shall be executed conversely to the outlined layoff procedure, subject to the same conditions. This clause does not apply to those employees from the layoff list in a temporary job, because the acceptance, performance and completion of a temporary job is not a recall to permanent employment or subsequently a layoff.
- 2. Necessary qualifications and ability shall mean - in the case of qualifications, the minimum educational qualifications or equivalency, as per present hiring practice (see Schedule "6" - No. 7) and ability shall mean the employee has the ability, until proven otherwise, through the current training program within their department. When exercising seniority rights in another depart-

ment, ability shall mean the employee must have the ability to do the job within a thirty (30) day training period. Such training shall not be conducted by members of the Bargaining Unit.

3. An employee on layoff and having recall rights shall have the privilege of making application for all job openings which are posted. The Company shall notify the employees with seniority on the layoff list by registered mail, with a copy to the Union.
 4. An employee who wishes to be transferred, due to a reorganization which does not involve a layoff, shall the employee regress to the job classification level as determined by their seniority, provided has the necessary qualifications and ability to perform the job.
- (b) Seniority shall be recognized on a plant-wide basis for employees covered by this Agreement.
- (c) 1. An employee with seniority who is indefinitely laid off due to a shortage of work in accordance with Article 10(a)1. shall be given notice or termination pay in lieu of notice in accordance with the Employment Standards' Act of Ontario, except that employees with 5 (five) years or more but less than 6 (six) years of service shall receive 6 (six) weeks pay or notice and employees with 10 (ten) years of service or more shall receive 10 (ten) weeks pay or notice.
2. Employees given notice, and subsequently laid off prior to the specified notice date detailed in the Employment Standards' Act, shall receive the outstanding balance as ter-

mination pay. When an employee has received termination pay under this clause, and is later recalled within a time interval shorter than the number of weeks for which termination pay was granted, the amount of excess termination pay paid to the employee shall be considered as an advance in pay by the Company and shall be repayable by payroll deduction. An employee who has received benefits under this clause, and who is recalled and laid off again at a later date, shall receive such benefit in relation to their service since date of last recall, provided the initial period of layoff was for thirteen (13) weeks or longer.

3. An employee laid off for a temporary period of time less than thirteen (13) weeks shall be given one (1) week's notice in writing, but shall not be entitled to termination pay.
4. General notices posted on notice boards, listing employees to be laid off in the first instance, their seniority and job classifications and setting forth the effective date of layoff, shall be notice of layoff, as of the date of posting, to employees losing their employment due to the application of seniority. Once notified, each employee shall have forty-eight (48) hours to notify the Company, in writing, of their intent to exercise their seniority, under Article 10(a)1.
5. An employee having been given notice of their layoff, who elects to be laid off, rather than exercise their seniority rights to replace a junior employee, shall receive their own termination pay, according to their own seniority, if termination pay applies.

6. The Company may elect to pay severance and/or termination pay in weekly instalments, or in a lump sum.
- (d) A seniority list shall be prepared and posted by the Company once every six (6) months.
 - (e)
 1. An employee, other than an employee engaged in temporary work, shall be a probationary employee until the employee has completed ninety (90) consecutive calendar days of employment with the Company. If retained, the employee's name shall be placed on the seniority list, dated according to the date their present term of employment commenced. Notwithstanding any other provision of the Agreement, the Company shall have the exclusive right to discharge probationary employees within the first ninety (90) consecutive calendar days of their employment. Seniority shall accumulate during a permitted leave-of-absence from work on account of accident or sickness.
 2. An employee, classified as Temporary Help, who applies for, and is accepted for permanent work, shall be a probationary employee until the employee has completed ninety (90) consecutive calendar days of permanent employment with the Company. Upon completion of the probationary period, the seniority date shall revert to the last date of hire, or ninety (90) calendar days prior to the date the employee commenced the permanent job, whichever is lesser.
 - (f) Those promoted to supervisory positions, or those positions not subject to this Agreement, will retain

their seniority after promotion for a period of one (1) year and, if demoted, for any reason, or if they voluntarily request reinstatement in the Bargaining Unit within this twelve (12) month period, the time served in the supervisory position shall be included in their seniority rating. If this option is exercised, the employee will revert to First Class rate, or if no First Class rate, to Group One.

- (g) An employee's name shall be removed from the seniority records and their employment terminated for the following reasons:
1. If the employee voluntarily quits the employ.
 2. If the employee is discharged for any just cause and is not reinstated through the grievance and arbitration procedure.
 3. If the employee fails to report for duty after a layoff, unless the employee furnishes a satisfactory reason to the Company, or if one (1) year has elapsed from the date of their layoff or if two (2) years have elapsed from the date of their layoff if the employee has five (5) or more years of seniority at the time of layoff. When calling an employee back from layoff, the employee shall be notified by registered mail to the last address on record with the Company and shall be allowed four (4) days from the date of notice in which to notify the Company of their intentions and a further period of five (5) days to report for work.
 4. If the employee has been absent from work for three (3) years on a continuous L.T.D., or W.S.I.B. claim.
 5. If employee takes early, or normal retirement.

- (h) 1. When there is a vacancy in a job classification, other than that of Temporary Help, and the vacancy is expected to exceed thirty (30) days, the Company agrees to post a notice of such vacancy for five (5) days and will follow the Job Posting Procedure in the Company's Rules & Procedures in filling the vacancy. Seniority will be the determining factor in filling such vacancies, except those job classifications deemed to be a promotion, where seniority will *be* a determining factor, consistent with the Company's obligation to maintain an efficient working force. Those classifications deemed to be promotions are identified, for the purposes of this Article, as:
- SECTION LEADER
 - LEAD HAND
 - SENIOR OPERATOR
 - SHIFT ENGINEER
 - YARD OPERATOR
2. The Company agrees not to change the Job Posting Procedure, or the Standard Minimum Job Qualifications during the term of this Collective Agreement.
3. Successful job posting applicant: the employee must occupy the vacancy within 60 days of nomination.

ARTICLE 11- GRIEVANCE PROCEDURE

Any dispute involving the application, interpretation, administration or alleged violation of this collective agreement (hereinafter called "grievance"), which any employee, group of employees, or the Union or Employer, may wish to discuss shall be handled as follows:

STEP 1 (VERBAL)

The employee shall take up their grievance verbally, directly with their immediate supervisor or supervisor of their department, except when the employee believes that the employee cannot properly express, or explain, their difficulties to their supervisor, in which case the employee may be accompanied by their steward.

STEP 2 (WRITTEN)

If the grievance is not adjusted by supervision within forty-eight (48) hours after the grievance has been submitted to them, under the provisions of Step 1, the employee may report the matter to the steward elected to represent their group who, together with the employee, may take the matter up with the supervisor and shall, at the same time, present a written summary of the grievance.

STEP 3

If supervision does not settle the matter to the satisfaction of the employee within forty-eight (48) hours after the grievance has been submitted to them, under the provisions of Step 2 hereof, the employee and the steward may take up the matter directly with the Area's or Department's Head.

STEP 4

- (a) If a satisfactory settlement is not obtained within forty-eight (48) hours after the matter has been discussed with the Department Head, in accordance with Step 3 hereof, the steward may submit the grievance, in writing, to the Union Bargaining & Grievance Committee, with a copy to the Human Resources Manager. The Union Bargaining

& Grievance Committee may then discuss it with Management at a time to be agreed upon.

- (b) Grievances resulting from a suspension, or the termination of an employee, or grievances arising directly between the Union and the Company, known as Union or Policy grievances, will be submitted at Step 4 of the Grievance Procedure within thirty (30) days of the event causing the grievance.
- (c) All decisions arrived at, by agreement between the Plant Manager, or their appointee, and the Union Bargaining & Grievance Committee, with respect to any grievance, shall be made in writing and shall be final and binding upon the Company and the Union. In the event that no agreement is reached, the Company will confirm its decision, in writing, to the Chief Steward, by depositing it in the Union mail box provided.
- (d) Nothing in this Agreement shall be deemed to take away the right of an individual employee to present any personal grievance to the Company.
- (e) While the employee may discuss a grievance with their supervisor at any time, a request for retroactive adjustment need not be entertained by the Company, unless the grievance is presented, in writing, within thirty (30) days of the date of the incident which gave rise to the grievance, or if more than two (2) weeks have elapsed from the time the employee receives a decision in writing, at any step in the grievance procedure, to the time the grievance is carried to the next higher step.
- (f) Any grievance shall be deemed to have been withdrawn if, after an answer has been given at any step, more than two (2) weeks has elapsed before the grievance is carried to the next step.

- (g) The time limits specified in this Article 11 shall be deemed to be exclusive of Saturdays, Sundays, assigned regular and extra days of rest, and those holidays described in Article 8(f).

ARTICLE 12 - ARBITRATION

- (a) Within a period of thirty (30) days following the date of communication of the Company's written decision to the Union, any grievance, or other matter in dispute between the Company and the Union involving the interpretation, application, administration, or alleged violation of any Article in this Agreement may, in the event of failure to reach agreement thereon, be referred by either party to arbitration by an arbitration board, in accordance with the procedure contained in Schedule "1" of this Agreement. Either party may by-pass the provisions of this Article, and Schedule "1", by referring a grievance to the Ontario Ministry of Labour for expedited arbitration, under the appropriate section of the Labour Relations' Act.
- (b) The decision of the majority of the arbitration board on the matter at issue, or of the chairperson if there is no majority, shall be final and binding on both parties, but in no event shall the arbitration board have the power to add to, subtract from, alter, or amend this Agreement in any respect.
- (c) Each party shall pay its own costs, and the fees and expenses of witnesses called by it and its representative. The fees and expenses of the chairperson shall be shared equally between the parties.

ARTICLE 13 - VACATIONS

- a) Vacations with pay shall be granted to all regular employees of the Company, in accordance with the following provisions:
1. The vacation period shall be from May 1st of the current year to April 30th of the following year. The Company will approve the carrying over of a maximum of two (2) weeks of vacation for employees with four (4) weeks or more of vacation and one (1) week for employees with three (3) weeks of vacation at the rate they would have received for a period not to exceed one (1) year, provided the request is deemed reasonable and approved by the supervisor and authorized by area supervision, if business conditions and operations permit. Vacations may not be carried over for more than one (1) year, and payment for these weeks will be made at the rate the employee would have received during the qualifying period, by May 30th of each year.
 2. The Company agrees not to change the revised Rule & Procedure on Vacations during the term of this Collective Agreement.
 3. Vacations will be computed from May 1st of any year to April 30th of the following year. Employees with less than one (1) year's service on May 1st shall receive vacation pay at the rate of 4% of their earnings from their date of hire to April 30th. Employees with less than one (1) year's service prior to May 1st shall be granted time off at the rate of four (4) hours for every one hundred (100) hours of straight time service, up to a maximum of **two (2) weeks**. Employees

who have completed one (1) years' service with the Company on April 30th shall be granted two (2) weeks' vacation and paid either an amount equivalent to 80 hours at their straight time rate, or 4% of their gross earnings, whichever is the greater. Employees will be granted three (3) weeks' vacation, and paid an amount equivalent to 120 hours at their straight time rate, or 6% of their gross earnings, whichever is the greater, in the year in which they will have completed five (5) years' service, and for each year of service thereafter, up to and including nine (9) years' service. Employees will be granted four (4) weeks' vacation and paid an amount equivalent to 160 hours at their straight time rate, or 8% of their gross earnings, whichever is the greater, in the year in which they will have completed ten (10) years' service and for each year of service thereafter, up to and including nineteen (19) years' service. Employees will be granted five (5) weeks' vacation, and paid an amount equivalent to 200 hours at their straight time rate, or 10% of their gross earnings, whichever is the greater, in the year in which they will have completed twenty (20) years' service.

4. Employees will be granted six (6) weeks' vacation, and paid an amount equivalent to 240 hours at their straight time rate or 12% of their gross earnings, whichever is the greater, in the year in which they will have completed thirty (30) years' service, and in each subsequent year.
5. The foregoing 40 hour, 80 hours, 120 hours, 160 hours, 200 hours and 240 hours' pay

shall only be payable to those employees who have worked not less than forty (40) hours in the preceding six **(6)** months, **or** not less than eighty (80) hours in the preceding year, whichever is applicable. For an employee who has worked less than the hours specified, the employee shall be paid 4%, 6%, 8%, 10% or 12%, whichever is applicable, of their earnings from the Company in the applicable period.

6. Employees who are entitled to three (3) or more weeks of vacation will have the opportunity to request payment, in lieu of time off, for one **(1)** **or** more weeks in excess of **two** (2) weeks, provided they elect not to request vacation during the prime time months of June, July and August and Christmas-New Year's week, March break and the Fall hunting season (November). **The decision to approve this request for payment, with no time off, will rest exclusively with the Company.**
 7. This Article does not apply to employees from the layoff list, while in a temporary job. The vacation pay entitlement for these individuals is outlined in Schedule "7".
 8. The Company shall have the right to change, or schedule vacations, as may appear advisable in the best interest of the Company. Subject to the foregoing, choice of vacations will be by seniority. The Company shall honour off-season (November - March inclusive) vacation requests, provided qualified relief is available.
- b) An employee who permanently leaves the employ of the Company due to layoff, retirement, illness,

injury, or death, will be paid a severance allowance based on their earnings from May 1st prior to termination, in lieu of paid vacations as follows:

UP TO AND INCLUDING 4 YEARS' SERVICE	4% OF EMPLOYEE'S GROSS EARNINGS
5 YEARS UP TO AND INCLUDING 9 YEARS' SERVICE	6% OF EMPLOYEE'S GROSS EARNINGS
10 YEARS UP TO AND INCLUDING 19 YEARS' SERVICE	8% OF EMPLOYEE'S GROSS EARNINGS
20 YEAR'S SERVICE UP TO AND INCLUDING 29 YEARS'	10% OF EMPLOYEE'S SERVICE GROSS EARNINGS
30 YEARS' SERVICE AND OVER	12% OF EMPLOYEE'S GROSS EARNINGS

- c) Employees may book vacation in blocks of two shifts. For greater clarity, two vacation shifts may only be booked when an employee is scheduled to work two contiguous shifts i.e. two shifts in a row not interrupted by days off.
- d) Prime Time is defined as summer months of June, July, and August only.
- e) Vacation shall be booked by order of priority. 2nd or subsequent vacation choice by senior employees may not take precedence over first choice of less senior employees. First choice vacation blocks shall be limited to a maximum of 7 shifts.

- f) Vacation in one shift blocks may be approved by utilizing a mutual type system arranged by the employee. A mutual, for this purpose, shall not attract extra costs for the Company including, but not limited to, overtime. A mutual for this purpose may only be approved if the replacement is fully qualified.

ARTICLE 14 - GENERAL

JURY DUTY

The Company will grant the necessary permission to any employee called upon to serve as a juror, or as a subpoenaed Crown witness. For each working day that the employee is required to be in court the Company will pay the employee for each working day that he/she is required to be in court. The employee will remit all monies received from the court or the Crown to the Company.

EMPLOYEES WELFARE

For the life of this Collective Agreement, the Company will provide a benefit package to employees covered by this Collective Agreement equivalent to the benefit package provided to non union employees on July 1, 1998 including any modifications agreed to during negotiations.

PENSION PLAN

The 3% employer-employee contributory money purchase plan which became effective July 1, 1988, shall be continued by the Company. The Company will match employees additional voluntary contributions of up to 2%.

COMPASSIONATE LEAVE

- a) An employee who experiences the death of a husband, wife, parent, son, daughter, brother, sister, mother-in-law, or father-in-law, will be granted leave-of-absence with pay at their regular hourly rate up to a maximum of three (3) days, provided that the three (3) days next immediately after death are regularly scheduled work days for him/her. An employee who experiences the death of a grandparent, sister-in-law, brother-in-law, daughter-in-law, or son-in-law, will be granted one (1) day's leave-of-absence, with pay, at their regular rate on the day of the funeral, provided it occurs on one of their regularly scheduled work days.
- b) The Company will grant a one (1) day leave-of absence, without pay, if an employee attends a funeral over 300 miles.
- c) If a death in a family occurs when an employee is on vacation, the employee may immediately apply for compassionate leave and have the balance of their vacation rescheduled.
- d) The Company will grant a leave-of-absence to any employee who is absent from work because of the birth of their child. The employee will be paid at their regular hourly rate to a maximum of one (1) day, provided that such absence is on the first day, or the last day of confinement, and falls on a regularly scheduled working day.

MISCELLANEOUS

The Company agrees that staff employees will not perform work normally performed by employees of the

Bargaining Unit, unless it is for either of the following reasons:

1. Where instructing, or training employees;
2. When an emergency occurs and it is necessary for the staff employee to act for the safety of equipment, safety of personnel and the continuation, or prompt restoration of operations.

ARTICLE 15 - SHIFT AND SUNDAY PREMIUMS

- a) An employee who is regularly scheduled to work on Sunday shall be paid, in addition to any shift premium, a premium of **\$2.58 effective June 21, 2001 and \$2.66 effective June 21, 2002** for each hour worked on Sunday.
- b) For work performed on a regularly scheduled multiple, or fixed evening, or night shifts, a premium of **84 cents per hour effective June 21, 2001 and 86 cents per hour effective June 21, 2002** shall be paid for shifts commencing between the hours of 3:00 P.M. and 10:59 P.M. and **\$1.00 an hour effective June 21, 2001 and \$1.03 effective June 21, 2002** for shifts commencing between the hours of 11:00 P.M. and 2:59 A.M. Maintenance reassigned day workers shall be paid the above appropriate shifts premiums 84 cents and 86 cents. These premiums are to be added to the rates shown in Schedule "2" of this Agreement, but are, at all times, to be shown separately from these rates. The premium is to be added to the rate after, and not before calculating overtime.

ARTICLE 16 - DURATION

- (a) This agreement shall become effective as of June 21, 2001, and shall remain in force up to and including June 20, 2003.
- (b) Either party may, on fifteen (15) clear days' notice, in writing, require the other party to enter into negotiations for the renewal of the Agreement within the period of three (3) months prior to the expiry date, and both parties shall, thereupon, enter into such negotiations in good faith, and make every reasonable effort to secure such renewal.
- (c) Any proposals that either party may wish to address during negotiations will be exchanged, in writing, at the first scheduled meeting.

NOTE

All schedules and appendices to the Collective Agreement form an integral part of this agreement.

SIGNED THIS 4 DAY OF July 2001

**COMMUNICATION, ENERGY, &
PAPERWORKERS' UNION
LOCAL 33-X**

NITROCHEM CORP.


K. WRIGHT


P. CIFARELLI


B. MCINTOSH


J. CAVERS


P. JONES



B. WHITEHEAD


G. VAIL


D. GILL


R. WARD


R. HOMER


A THEOBALD
C.E.P.U.

SCHEDULE "1"

PROCEDURE FOR ARBITRATION PROCEEDINGS

1. The parties desiring to submit a matter to arbitration shall deliver to the other a notice of intention to arbitrate. This notice shall state the matter at issue and shall state in what respect the Agreement has been violated, or misinterpreted, by reference to the specific clause, or clauses relied upon. The notice shall also stipulate the nature of the relief, or remedy sought.
2. Within ten (10) days after the date of delivery of the foregoing notice, the party initiating arbitration shall at the next B&G meeting following the date of notification, the parties will select an arbitrator from the agreed list of three arbitrators. The selection will be made by random selection.
3. After the arbitrator has been appointed, he or she shall meet with the parties and hear evidence and render a decision.
4. The time limits specified herein shall be deemed to be exclusive of Saturdays, Sundays, and those holidays described in Article 8(f) of this Agreement and may be extended by mutual consent of the parties, or by the arbitration board.
5. List of three arbitrators to choose from:

William Kaplan
Brian Keller
Kevin Whitaker

SCHEDULE "2"

NITROCHEM CORP.
SCHEDULE OF JOB CLASSIFICATIONS
FOR WAGE EARNERS

<u>RATES EFFECTIVE:</u>	<u>June 21,</u>	<u>JUNE 21,</u>
	<u>2001</u>	<u>2002</u>
<u>LABORATORY DEPARTMENT</u>		
LABORATORY ASSISTANT – TRAINEE	14.00'	14.42'
LABORATORY ASSISTANT – III	17.78	18.32
LABORATORY ASSISTANT – II	21.56	22.22
LABORATORY ASSISTANT – I	25.35'	26.11'
<u>MAINTENANCE DEPARTMENT</u>		
EQUIPMENT OPERATOR – I	22.35'	23.02'
LABOURER	20.30'	20.91'
LABOURER – SECTION LEADER	21.37	21.98
STORES ATTENDANT – TRAINEE	20.44'	21.05'
STORES ATTENDANT	22.35'	23.02'
JANITOR	20.30'	20.91'
JANITOR – SECTION LEADER	20.80	21.41
FIRE EQUIPMENT MECHANIC – TRAINEE	14.00'	14.42'
FIRE EQUIPMENT MECHANIC – II	18.68	19.25
FIRE EQUIPMENT MECHANIC – I	23.37'	24.08'
ELECTRICIAN – TRAINEE	14.00'	14.42'
ELECTRICIAN – III	17.12	17.64
ELECTRICIAN – II	20.24	20.86
ELECTRICIAN – I	23.36	24.08
ELECTRICIAN – 1ST CLASS	26.49'	27.28'
ELECTRICIAN – LEAD HAND	26.99	27.78

SCHEDULE "2"

<u>RATES EFFECTIVE:</u>	<u>June 21,</u>	<u>JUNE 21,</u>
	<u>2001</u>	<u>2002</u>
MECHANIC – TRAINEE	14.00'	14.42'
MECHANIC – III	17.12	17.64
MECHANIC – II	20.24	20.86
MECHANIC – I	23.36	24.08
MECHANIC – 1ST CLASS	26.49'	27.28'
MECHANIC – LEAD HAND	26.99	27.78
HEAVY EQUIPMENT MECHANIC-1st CLASS	26.49'	27.28'
CARPENTER – I	23.37'	24.08'
PAINTER – I	23.37'	24.08'
LUBRICATOR - TRAINEE	14.00'	14.42'
LUBRICATOR – II	18.68	19.25
LUBRICATOR - I	23.37'	24.08'
INSULATOR – TRAINEE	14.00*	14.42'
INSULATOR – II	18.68	19.25
INSULATOR – I	23.37'	24.08'
INSULATOR – SECTION LEADER	24.22	24.93

PRODUCTION DEPARTMENT

CHEMICAL OPERATOR – TRAINEE	14.00'	14.42'
CHEMICAL OPERATOR – III	17.78	18.32
CHEMICAL OPERATOR – II	21.56	22.22
CHEMICAL OPERATOR – I	25.35'	26.11'
CHEMICAL SENIOR OPERATOR	25.85	26.61
NITRIC & BOILER OPERATOR-TRAINEE	14.00'	14.42'
NITRIC & BOILER OPERATOR – III	17.86	18.40
NITRIC & BOILER OPERATOR – II	21.72	22.38
NITRIC & BOILER OPERATOR – I	25.58'	26.35'
NITRIC & BOILER SHIFT ENGINEER	26.81'	27.61'

SCHEDULE "2"

RATES EFFECTIVE:

	<u>June 21,</u>	<u>JUNE 21,</u>
	<u>2001</u>	<u>2002</u>
WAREHOUSE- TRAINEE	14.00'	14.42'
WAREHOUSE- II	18.24	18.78
WAREHOUSE- I	22.48'	23.15'
WAREHOUSE- YARD OPERATOR	24.08'	24.80'
WAREHOUSE- SECTION LEADER	23.82'	24.54'
STUDENTS	11.14	11.48
TEMPORARY HELP	14.00'	14.42'

SCHEDULE "3"

In conjunction with this principal Collective Labour Agreement between Nitrochem Corp., Maitland Works, and Communication, Energy & Paperworkers' Union, Local 33-X, the parties hereto agree to the following terms and conditions as related to the twelve (12) hour rotating shift schedule as hereinafter defined:

1. The work schedule considered herein shall apply ~~to~~ employees working on continuous rotating shifts, except the Maintenance Department. It is understood that when continuous rotating shifts are ~~not~~ required, the Company may on seven (7) days notice change the employees to other schedules and hours of work.
2. The following clauses of the principal Collective Labour Agreement shall be amended, or deleted, as the case may be, as follows only insofar as they apply to all those employees under the twelve (12) hour rotating shift schedule:

ARTICLE 7(a)

The normal number of daily hours shall be twelve (12) for shift workers and shall vary from twelve (12) hours for three (3) days in a week to twelve (12) hours for four (4) days in a week, according to schedules established from time to time.

ARTICLE 7(c)

An employee will not be required to work more than sixteen (16) continuous hours in any twenty-four (24) hour period.

ARTICLE 8(a) (1ST AND 2ND CLAUSES)

An employee shall be paid at overtime rates for work required to be performed at other than their regularly scheduled working hours. Payment will be made as follows:

OVERTIME BEFORE A SCHEDULED DAY SHIFT WILL BE AT THE RATE OF DOUBLE TIME

OVERTIME FOLLOWING A SCHEDULED DAY SHIFT WILL BE AT THE RATE OF TIME AND ONE-HALF

OVERTIME BEFORE A SCHEDULED NIGHT SHIFT WILL BE AT THE RATE OF TIME AND ONE-HALF

OVERTIME FOLLOWING A SCHEDULED NIGHT SHIFT WILL BE AT THE RATE OF DOUBLE TIME

In any event, an employee shall be paid at the rate of double time for all hours worked in excess of sixteen (16) hours in that day, or in any continuous period.

ARTICLE 8(b)

An employee shall be paid at the rate of time and one-half for work required to be performed on their assigned extra days of rest. The rate of double time will be paid for work required to be performed on an employee's assigned regular day of rest, which has been designated as Saturday and Sunday during an employee's weekend period of three (3) consecutive days of rest.

ARTICLE 8(c) (1ST PARAGRAPH)

If an employee is required to report for the performance of any work at other than their regularly scheduled working hours, the employee shall be paid a minimum amount equivalent to pay for four (4) hours at their straight time rate if their pay for work performed is less than this amount, except when such unscheduled work forms a continuous period with the employee's regularly scheduled working hours, in which case, no minimum shall apply.

ARTICLE 8(f)

An employee may choose to bank the eight(8) hour statutory holiday time, to be utilized as additional time off with pay. The employee may only schedule this time off in minimum periods of one twelve(12) hour shift and at the Company's discretion.

Approval of time off must be obtained from his/her direct supervisor. Any unused hours as of December 31st of the year will be paid out in the last pay of that year.

ARTICLE 8(a)

An employee who works on any of the holidays mentioned in clause (f) shall:

1. If entitled to the payment provided in clause (f) be paid, in addition thereto, at the rate of time and one-half for hours so worked up to eight (8) hours and at the rate of double time for the remaining four (4) hours. In the case of clause (c), the minimum payment and travelling allowance shall apply. Payment for hours worked in excess of twelve (12) hours shall be as shown in clause (a) of this Article 8.

2. If not entitled to the payment provided in clause (f) be paid at the rate of time and one-half for all hours so worked up to twelve (12). Payment for hours worked in excess of twelve (12) hours shall be as shown in clause (a) of this Article 8.

ARTICLE 8(j)

For the purpose of establishing which shift crew employees regularly scheduled to work on Sunday, shall receive Sunday premium and which shift crew employees shall receive premium pay for work performed on the holidays shown in clause (f) of this Article 8, the day shall extend from 0800 hours to 0800 hours. For all other purposes, any day shall be deemed to be a twenty-four (24) hour period, as shown in schedules established from time to time.

ARTICLE 8(i)

When considered necessary by the Company, employees shall be required to perform work in excess of their regularly scheduled hours. The Company shall determine when overtime shall be worked and when an employee shall report for duty. The Company shall consider any legitimate reason why an employee does not wish to work overtime and shall endeavour to find a replacement for such an employee. Failing this, the employee shall be required to work overtime. The Company will establish an on-call schedule of employees who will, after the day shift, on their days of rest, be on call for one-half hour both before and after the commencement of both shifts for relief work on either the day, or night shifts. An on-call employee who is called for overtime work and is then excused from reporting for good reason, by their supervisor, will have the overtime recorded as if worked, as will also the employee who serves as their replacement.

An employee will not be disciplined should the Company be successful in getting a qualified employee from the on-call crew. Should no qualified employee from the on-call crew be available during the on-call periods, then the entire on-call crew shall be subject to discipline. On-call crew personnel will be able to make use of the mutual procedure.

In those departments where the practice is to have the employees off on their extra day of rest work the overtime, the obligation for the Company to distribute overtime as evenly as possible shall not apply on the day which an employee is called to work on their extra day of rest.

ARTICLE 11(f)

The time limits specified in this Article 11 shall be deemed to be exclusive of Saturdays, Sundays and those holidays described in Article 8(f).

ARTICLE 13 (2ND PARAGRAPH)

Vacations will be computed from May 1st of any year to April 30th of the following year. Employees with less than one (1) year's service on May 1st shall receive vacation pay at the rate of 4% of their earnings from their date of hire to April 30th. Employees with less than one (1) year's service prior to May 1st shall be granted time off at the rate of four (4) hours for every one hundred (100) hours of straight time service, up to a maximum of two (2) weeks. Employees who have completed one (1) year's service with the Company prior to April 30th shall be granted two (2) weeks' vacation of six (6) twelve (12) hour shifts or, at the employee's option, seven (7) twelve (12) hour shifts, and be paid an amount equivalent to either 80 hours at their straight time rate, or 4% of their gross earnings, whichever is the greater.

Employees will be granted three (3) weeks' vacation of ten (10) twelve (12) hour shifts and be paid the equivalent of 120 hours at their straight time rate, or 6% of their gross earnings, whichever is the greater, in the year in which they will complete five (5) years' service and for each year of service thereafter up to and including nine (9) years' service.

Employees will be granted four (4) weeks' vacation of thirteen (13) twelve (12) hour shifts and be paid the equivalent of 160 hours at their straight time rate, or 8% of their gross earnings, whichever is the greater, in the year in which they will complete ten (10) years' service and for each year of service thereafter up to and including nineteen (19) years' service.

Employees will be granted five (5) weeks' vacation of sixteen (16) twelve (12) hour shifts or, at the employees option, seventeen (17) twelve hour shifts, and be paid the equivalent of 200 hours at their straight time rate, or 10% of their gross earnings, whichever is the greater, in the year in which they will complete twenty (20) years' service. Employees will be granted six (6) weeks' vacation of twenty (20) twelve (12) hour shifts, and be paid the equivalent of 240 hours at their straight time rate, or 12% of their gross earnings, whichever is the greater, in the year in which they will complete thirty (30) years' service, and in each subsequent year.

Employees who are entitled to three (3) or more weeks of vacation will have the opportunity to request payment, in lieu of time off, for one (1) or more weeks in excess of two (2) weeks, provided they elect not to request vacation during the prime time months of June, July and August and Christmas-New Year's week, March break and the Fall hunting season (November). The decision to approve this request for payment, with no time off, will rest exclusively with the Company.

ARTICLE 15 (1ST PARAGRAPH)

An employee who is regularly scheduled to work on Sunday (as defined in clause (j), Article 8), shall be paid, in addition to any shift premium, a premium of **\$2.58 effective June 21, 2001 and \$2.66 effective June 21, 2002** per hour for each hour worked on Sunday.

ARTICLE 15 (2ND PARAGRAPH)

For work performed on the night shift, 2000 hours to 0800 hours, a premium of **\$1.29 effective June 21, 2001 and \$1.33 effective June 21, 2002 per hour** shall be paid. This premium is to be added to the rates shown in Schedule " 2 of the Labour Agreement, but is, at all times to be shown separately from these rates. The premium is to be added to the rate after and not before calculating overtime.

SCHEDULE "4"

In conjunction with the principal Collective Agreement, the parties hereto agree to the following terms and conditions for Maintenance Department employees assigned to a rotating shift schedule:

1. The twelve (12) hour work schedule shall be considered to be covered by Schedule "3", in lieu of the hours of work defined in Article 7, except for the on-call provisions, which shall not apply.
2. Upon converting from one shift schedule to another, no overtime premiums shall be paid to a Maintenance employee for the sole reason of transferring from one standard work week to another standard work week.
3. The Company may, on seven (7) days notice change the employees to other schedules and hours of work.
4. A Maintenance employee will not be required to work more than twelve (12) continuous hours in any twenty-four (24) hour period.
5. This Memorandum of Agreement shall not negate the Company's rights, as detailed in Article 2 of the principal Collective Agreement.

SCHEDULE "5"
MEMORANDUM OF AGREEMENT
BETWEEN
NITROCHEM CORP.
AND

COMMUNICATION, ENERGY & PAPERWORKERS
UNION- LOCAL 33-X

SUBJECT: OVERTIME DISTRIBUTION
PROCEDURE LABORATORY & PRODUCTION
DEPARTMENTS

The overtime distribution procedure in the Laboratory and Production Departments, for those employees whose hours of work and overtime allowances are detailed in Schedule "3" of our current Collective Agreement, shall be:

- | | |
|---|--|
| (a) Approved overtime that occurs in an Area between Monday and Thursday inclusive, for which a relief employee is not available on site and which is not a call-in, or a hold-over continuous with another employee's regular shift. | 1. Qualified employee off on their extra day of rest.
2. Qualified on-call Crew personnel.*
3. Qualified off call Crew personnel and day relief employee.* |
| (b) Approved overtime that occurs in an Area on Friday, Saturday, or Sunday, for which a relief employee is not available on site and which is not a call-in, or a hold-over continuous with another employee's regular shift. | 1. Qualified on-call crew personnel.*
2. Qualified off-call Crew personnel and day relief employee.* |

- * **ON-CALL PERSONNEL SHALL BE CALLED IN ORDER OF LOWEST EMPLOYEE ON THE POSTED OVERTIME RECORDS TO THE HIGHEST EMPLOYEE. SHOULD IT BE NECESSARY TO REQUIRE THE OFF-CALL CREW AND DAY RELIEF EMPLOYEE GROUP TO WORK OVERTIME, PERSONNEL SHALL BE CALLED IN THE SAME ORDER.**

An employee off on their extra day of rest and on-call crew personnel will be expected to be available when called and shall be held accountable if they are not available when called. An individual shall not be called if the overtime to be worked will result in their working two (2) twelve (12) hour shifts continuously.

An employee will not be disciplined should the Company be successful in getting a qualified employee from the on-call crew. Should no qualified employee from the on-call crew be available during the on-call periods, then the entire on-call crew shall be subject to discipline. On-call crew personnel will be able to make use of the mutual procedure.

Should errors occur in the distribution of overtime, the following remedy will be used:

- i) The employee will be offered to make up for lost overtime hours opportunity by offering the employee training time on their off call day and,
- ii) It is understood that the employee shall not lose any opportunity for overtime hours because of hours spent in such training and,

- iii) The employee shall not be asked to cover any position except if no employees are available, or the employee is properly called for an overtime opportunity. In such case, the employee so assigned on overtime will have the opportunity to complete their make up training time.

The parties desire to work together to eliminate overtime distribution errors and will work together to achieve this goal.

The Company shall not be obligated to distribute overtime as evenly as possible.

SCHEDULE "6"

MISCELLANEOUS NOTES

1. All employees are required to pass a proficiency test before being upgraded.
2. A premium of 50 cents per hour will be added to the rates of employees while engaged in:
 - (i) catalyst change in shift converters;
 - (ii) removing, or installing mineral wool in cold boxes;
 - (iii) cleaning ammonium nitrate bulk conveying systems, including the coating room and hopper penthouse and unloading clay cars;
 - (iv) cleaning activities on:
 - (a) all equipment contained in the south ammonium nitrate converted bagging area; and
 - (b) on the load-out equipment in the north ammonium nitrate warehouse.
 - (v) lines bagging in south warehouse

Payment of the premium will be discontinued if the cleanliness of the area is substantially improved through facility modifications, improvements and/or other efforts.

This premium will not be paid to any employee whose main job is cleaning.

3. A premium of 50 cents per hour will be added to the labourer's rate while engaged in cement finishing, operating air hammer for chipping concrete, laying bricks, or cement blocks.
4. For those Maintenance employees who are required to provide tools, the Company will replace all tools damaged, or worn out in the course of employment with tools of equivalent, or better quality. Lost tools will be replaced at the Company's discretion. The Company will assign one individual to administer this allowance, so that it may be consistently applied.
5. As a matter of policy, past service will not be restored for a previous period of permanent employment.
6. With Company approval, those employees required to write exams off site to qualify for, or to maintain qualifications for provincial certificates, will be reimbursed for time lost at regular straight time rates, tuition and certificate fees, if any, and actual costs there and back, if out of the area by car, train, or bus.
7. Employees with ten (10) years' seniority will be deemed to have the equivalent of Grade 12, subject to their successfully passing tests to demonstrate they have the basic skills required to do the job to which they are bidding, or bumping.
8. Any Chemical Operator, Nitric & Boiler Operator or Shift Engineer who possesses a 2nd Class Stationary Engineer certificate, shall be paid a premium of \$1.00 per hour effective June 21, 1999. This premium is to be added to the rate shown in Schedule 2 of this agreement, but is, at all times to be shown separate from the rate. This premium is

to be added to the rate after and not before calculated overtime.

9.
 - i) The Union recognizes the employers' responsibility to ensure that all employees are properly trained and competent to perform those duties as assigned.
 - ii) The Union recognizes the Company's production operator process training program. Employees will be subject to testing throughout the duration of this process training program. Once an employee reaches the top level of their classification, the employee shall not be subject to further testing within this training program in order to qualify or re-qualify in their own classification. The results of tests required of an individual at the top level of their classification, which relates to process training, will not jeopardize an individual's rate of pay or level of classification if that individual is currently at the top level of their classification.
 - iii) This does not apply to employees changing classification due to bumping, posting, re-assignment and transfer or training as a result of regulatory requirements.

SCHEDULE "7"

MEMORANDUM OF AGREEMENT

BETWEEN

NITROCHEM CORP.

AND

**COMMUNICATION, ENERGY & PAPERWORKERS'
UNION - LOCAL 33-X**

SUBJECT: TEMPORARY JOBS

In the event that a new employee occupies a temporary job, the employee shall be paid at the "Temporary Help" rate of pay.

Employees hired to fill a Temporary job shall not accumulate seniority and will be eligible for Extended Health benefits coverage commencing on their 121st day of employment. The Company shall advise the Union should the temporary job or jobs exceeds 30 days.

In the event temporary jobs become available, and there are employees on layoff with recall rights who are qualified and readily available to perform these jobs, the Company agrees to offer the temporary jobs to these individuals, according to seniority among those competent to perform. Employees from the layoff list who accept and report for temporary jobs will have their recall rights extended for one (1) year from their last day worked or for two (2) years if the employee has five (5) or more years of seniority at the time of layoff and will be entitled to benefits for the particular month. Upon ending a temporary job, the employee will receive vacation pay based on the applicable percentage of their gross earnings in the temporary job.

The duration of each temporary job will be reviewed every ten (10) working days to ensure the rule of seniority. Seniority shall apply only among those competent to perform.

An employee laid off, in the first instance, with qualifications and seniority, shall immediately displace a less senior employee filling a temporary job so long as the employee is immediately competent to perform.

These employees from the layoff list, while in a temporary job, will be considered to be covered under all terms and conditions of the Collective Agreement except where specifically excluded.

The Company will notify the Union, in writing, when this classification is used. Experience gained in a temporary job, or as "Temporary Help" will not be used in determining qualifications and ability to fill a posted vacancy. "Temporary Help" will not be engaged, or retained, if an employee from the layoff list wishes to perform the temporary job.

It is agreed that this Memorandum of Agreement will automatically be renewed from year to year, until such time as both parties meet and agree to its alteration, or discontinuance.

The Company will maintain a temporary job recall list. Employees from the lay off list who accept and report for temporary jobs will have their recall rights extended for one year from their last day worked. Employees will be permitted three refusals and then will have their name placed at the bottom of the temporary job recall list for a period of eleven months.

**SUBJECT: 4TH CLASS STATIONARY ENGINEERS
TICKET**

1. The Company shall endeavour to maintain at least two employees external to the Chemical Area holding a valid 4th Class Stationary Engineers ticket by offering training opportunities, by order of seniority, to qualified employees who express an interest.
2. A qualified employee is defined for these purposes only, as an employee who has successfully completed all 4th Class Stationary Engineer modules and has the marks registered with the Company.
3. One employee only shall be in this training at any time.
4. Employees to be trained will be temporarily re-assigned to the Chemical Area for three months qualifying experience for a 4th Class ticket. For the three month period, the individual shall be paid at one level lower than their regular rate. At the end of the temporary period, the employee will be returned to their regular position.

SUBJECT: CHEMICAL AREA VACANCIES

Vacancies in the Chemical Area except Shift Engineer shall be filled as follows:

1. Employees possessing a valid 3rd or 4th *Class Stationary Engineer ticket.
2. Employees with all 4th Class modules successfully completed and marks registered with the Company.

3. Any employee previously or currently classified as a Chemical Op. I.*

*These successful applicants shall be awarded the job at the Nitric and Boiler Operator II level and rate of pay until successful completion of the 4th Class Stationary Engineer's certificate, which must be applied for within one year of the appointment. On providing the Company written evidence of successful completion of all the required examinations and the Chief Operating Engineer's confirming that the prerequisite hours have been worked the employee will be paid the Nitric & Boiler Operator I rate of pay. In order to maintain this rate of pay and be appointed a Nitric & Boiler Operator I the employee must obtain a 3rd Class Stationary Engineer's certificate within 18 months of completing their 4th class certificate. The 12 and 18 months periods referred to above are exclusive of any time assigned out of the steam plants, but include examination re-write deferrals of sixty (60) days. Exams shall be scheduled and written in accordance with the regulations of the MCCR. They shall be booked within 10 days of eligibility and be scheduled to be taken at the next available test date. Failure to obtain the 4th Class and 3rd Class certificates within the periods identified above, or achieving a score of less than 45% on any exam shall result in the employee returning to their previous job classification and rate of pay.

4. The Company retains the right to hire from outside of the bargaining unit if a vacancy cannot be filled as above.

The minimum job standards as agreed between the parties remains in effect for new hires following job posting.

SUBJECT: STORES ATTENDANT VACANCIES

All vacancies in Stores will be posted as per the minimum job qualifications as agreed.

Vacancies shall be filled by the most senior applicant at the Stores Attendant level, if qualified, or at the Trainee level, if not qualified. While an employee is occupying a Stores Attendant Trainee classification, all other vacancies shall be filled by the most senior applicant who meets the minimum job standard for Stores Attendant.

SCHEDULE "8"

LETTER OF UNDERSTANDING

BETWEEN

NITROCHEM CORP.

AND

**COMMUNICATION, ENERGY & PAPERWORKERS'
UNION - LOCAL 33-X**

SUBJECT: SAFETY

It is apparent that every effort must be made to protect our employees from injury while on the Nitrochem Corp Plant Site. It is agreed that Local 33-X will bring to the Company's attention any safety hazards and unsafe practices on the Nitrochem Corp. Plant Site. There will be a follow-up to ensure that the situation is corrected. The following policy was also agreed upon:

When an employee has cause to believe that a machine, device, or job is likely to endanger themselves, or another worker, and is in contravention of the Occupational Health and Safety Act, or Company Safety Procedures, the employee shall report the matter to their supervisor. The employee shall not perform the job and the supervisor shall investigate the matter.

If the employee disputes the supervisor's decision, the supervisor shall investigate the circumstances in the presence of the worker, the Chairperson of the Local's representatives on the Joint Health & Safety Committee, or their delegate, and the Health, Safety, Security (H.S.S.) Manager, or delegate.

The employee may continue to refuse to work, if the employee has reasonable grounds to believe there is a contravention of the Occupational Health & Safety Act, or Company Safety Procedures.

At this point, an Inspector of the Ministry of Labour will be called in to investigate the matter by the Health, Safety, Security (H.S.S.) Manager, or their delegate.

The Company indicated that it welcomes recommendations for all areas of safety, such as safety planning, safety education, safety equipment, safety motivation and safety rules.

Both the local Union Executive and the Nitrochem Corp. Management hope a better safety awareness will develop, which will aid in preventing any injury to any employee on this plant site.

SUBJECT: THE TERMS AND CONDITIONS FOR LABORATORY PERSONNEL

1. Laboratory Assistants are responsible for the process control analysis, whereby tests are performed on a scheduled basis in the Laboratory to assure production standards are being met on materials being manufactured in normal continuous, or batch processes. This function is to assure a quality product being transferred from production to storage.
2. Laboratory Technicians are responsible for the auditing of the process control function and for quality control analysis, by which the standards of materials being sold, or purchased, are analyzed to assure they meet pre-established specifications.

3. Laboratory Assistants are responsible for special analysis related to process control where standards have been established, material identification, and analysis of shipments of anhydrous ammonia and urea liquor.

Laboratory Technicians, on the other hand, are responsible for special analysis related to process or product development, optimization on work of a special, or investigative nature, where standards have not been established, including the establishing of new analytical procedures for process control.

4. This Letter of Understanding is intended to clarify the division of responsibilities between the Laboratory Assistants and the Laboratory Technicians, and is not an all inclusive list of duties of either, and shall not negate the Company's rights, as detailed in Article 2 of the principal Collective Agreement.

PENSION PLAN

Should the Nitrochem Corp. Pension Plan provide for an increase to the matching Additional Voluntary Contribution amount of 2% during the term of this Collective Agreement, the Company shall provide an equal increase to the matching Additional Voluntary Contribution amount of 2% for the Hourly Pension Plan referred to in Article 14 of the Collective Agreement.

SCHEDULE "9"

MAITLANDS HIGHEST PAID CHEMICAL INDUSTRY

1. The parties agree to maintain the MHPCI comparator concept as the method to establish rates of pay.
2. Nitrochem Corp. rates identified by asterisk in Schedule 2 shall be adjusted by 3.1% effective June 21, 2001 and by 3.0% effective June 21, 2002 with the following exceptions:
 - Chemical Op. I* and Lab Assistant I* shall be adjusted to match 95.7% of the MHPCI Controller 5 rate effective June 21, 2001, and June 21, 2002.
 - Shift Engineer will be adjusted to match the MHPCI Shift Engineer rate effective June 21, 2001, and June 21, 2002.
3. MHPCI benchmark rate shall be maintained and adjusted throughout the term of this Collective Agreement effective June 21, 2001 and June 21, 2002.
4. Those occupying the classification of:
 - Section Leader
 - Lead Hand
 - Senior Operator

will receive a premium of \$0.50 per hour in addition to the asterisked rate of their classification, with the exception of Labourer- Section Leader will receive a premium of \$1.07 per hour and Insulator- Section Leader will receive a premium of \$0.85 per hour.

5. For rates other than those identified by asterisk, the following will apply:
 - i) the Trainee rate shall be the same as the Temporary Help rate.
6. For purposes of this Collective Agreement, progression rates are calculated on a linear basis, taking the differential between the Trainee rate and the top level of the classification, identified by asterisk in the Collective Agreement, equally divided by the number of progression steps in the classification.
7. The rate paid **to** the B trades, i.e. Fire Equipment Mechanic I, Insulator I, Carpenter I, Lubricator I, Painter I shall be equivalent to the Mechanic I rate.

The Warehouse-Yard Operator rate shall be established as 95% of the Chemical Operator I rate.

INDEX

<u>SUBJECT</u>	<u>ARTICLES)</u>
Arbitration.....	12, Schedule "1"
Bargaining agent.....	2(a)
Bargaining & grievance committee.....	
Birth leave.....	14
Break period.....	7(g)
Call-in pay.....	8(c)
Certificates.....	Schedule "6"
Classifications.....	9
Compassionate leave.....	14
Cooperation.....	4
Crown witness.....	14
Demotion.....	2(b), 9(e)4
Dirty work premium.....	Schedule "6"
Discharge.....	2(b), 4(e)
Discipline.....	2(b), 4(e)
Discrimination.....	4(d)
Employees, defined.....	1
Employees' welfare.....	14
Equivalency—Grade 12.....	Schedule " 6
Grievance procedure.....	11
Heavy work premium.....	Schedule " 6
Hours of work	7, Schedule " 3 & " 4
Job posting procedure.....	10(h)
Jury duty.....	14
Layoffs.....	10(a)
Long-term disability.....	14
Maitland's highest paid chemical industry.....	Schedule " 9
Management.....	2(b),(c),(d)
Meal allowance	8(k)
Membership in Union.....	3(a)
Mutuals.....	8(e), Schs "3"&"5"
Notices.....	4(c)

On call.....	Schedules " 3 & "5"
Overtime.....	8, Schedule "5"
Paid lunch period.....	7(g)
Past service.....	Schedule "6"
Pension plan.....	14
Proficiency test.....	Schedule "6"
Promotions	
- in bargaining unit.....	10(h)
- outside bargaining unit....	10(f)
Recall.....	10(g)3,10(a)l
Recognition.....	2
Representation.....	6(a),(b)
Rest period,all employees..	8(n)
Rules & procedures manual.	2(d)
Safety committee.....	5
Safety & health.....	5, Schedule "8"
Safety manual.....	5
Scope of agreement.....	1, Schedule "8"
Seniority.....	10
Seniority list.....	10(g)
Senoirity, loss of.....	10(g)
Severence pay.....	10(c)
Shift change.....	7(f),8(d)
Shift premiums.....	15,Schedule "3"
Shop stewards.....	6(a)
Standard minimum job	
qualifications.....	10(h)
Statutory holidays.....	8(f)
Sunday premium.....	15, Schedule "3"
Suspension.....	4(e)
Temporary help (jobs).....	10(e),Schedule "7"
Termination of agreement..	16
Tool replacement.....	Schedule "6"
Transfer by job posting.....	9(f)
Transfer by reorganization..	10(a)4
Transportation.....	8(c),(m)
Travelling allowance.....	8(c)
Twelve hour shift (details)...	Schedules "3" & "4"
Union dues.....	3(b)

71

Union leave-of-absence.....	6(d)
Union security.....	3
Vacancies.....	10(h)
Vacations.....	13
Wage rate schedule.....	Schedule "2"
Wash-up period.....	7(h)