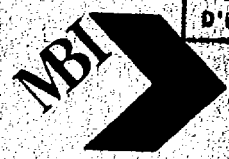


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No. OF EMPLOYEES	98		
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LABOUR AGREEMENT

Between



MacMILLAN BATHURST, INC.
GUELPH PLANT

AND



CANADIAN PAPERWORKERS UNION
LOCAL 1199

July 1, 1985 - June 30, 1988

FP-9 110

0772201

This is your Union Agreement. In **it** are the things your Company and your Union have agreed on concerning you and your Job. **It is** important to you for at least three reasons:

1. **It** tells you what your rights, are.
2. **It** explains what your responsibilities are.
3. **It** shows you the **feeling** of confidence your Company and **Union** have in each other.

Because **it is** important to you, you will want to read **it**. We hope the meaning of this Agreement **is** clear, but **if** there should be a difference of opinion as to what any part of **it** means, both the Company and the Union expect their confidence **in** each other and their true intention to smooth the way to a quick understanding.

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COLLECTIVE AGREEMENT

AGREEMENT made this 1st day of July, 1985, between MacMillan Bathurst Inc, Guelph Plant (hereinafter called the "Company") and the Canadian Paperworkers Union C.L.C. and its Affiliated Local No. 1199 (hereinafter called the "Union") having members employed by MacMillan Bathurst Inc. at its Guelph Plant, Ontario.

WHEREAS, the Union represents more than a majority of the employees coming under the jurisdiction of the Union in the Guelph Plant of MacMillan Bathurst Inc. and to the knowledge of the parties, no other individual or Labour Organization represents, or claims to represent, any of the employees within the jurisdiction of the Union in the foregoing plant of the Company for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment.

NOW, THEREFORE, for and in consideration of the premises the parties hereto agree as follows:

PREAMBLE

PURPOSE AND INTENT

It is the purpose and intent of the Parties hereto that this Agreement will promote and improve industrial and Economic relationships between the employees and the Company and to set forth herein the basic Agreement covering rates of pay, hours of work, and conditions of employment to be observed between the parties hereto.

ARTICLE 1 - RECOGNITION AND MEMBERSHIP

The Company agrees to recognize the Union as the exclusive bargaining agent for all those employees at its Guelph Plant save and except Production supervisors, persons above the rank of Production supervisor, Clerical and Sales Staff, Field representatives and Design Department.

ARTICLE 2 - WORK BY EXCLUDED PERSONS

Persons whose regular jobs are not in the Bargaining Unit will not work on any jobs for which rates are established by this Agreement except for the purpose of instruction, experimenting, or in emergencies when regular employees are not available.

ARTICLE 3 - NO DISCRIMINATION

The Company and the Union agree that there will be no discrimination against any employees because of Race, Creed, Colour, Sex, National Origin, Union Membership or Union Activity. The use of the masculine gender in this Agreement shall be considered also to include the feminine gender.

ARTICLE 4 - CESSATION OF WORK

During the continuance of this Agreement, there shall be no strikes of any kind, stoppages of work, slowdown or any kind of Interference with or interruption of the Company's business by the Union or by the employees and there shall be no lockouts by the Company.

ARTICLE 5 - UNION SECURITY

Section 1 - Present Members

All employees in the Bargaining Unit who are members of the Union on the effective date of this Agreement must, as a condition of employment, maintain their membership in the Union for the life of this Agreement.

Section 2 - New Members

Any employee who is hired on or after the effective date of this Agreement must, as a condition of employment, join the Union after thirty (30) days of work.

Section 3 - Checkoff

All present and all future probationary and permanent employees within the Bargaining Unit shall, as a condition of continued employment, sign an Authorization Form authorizing the company to deduct the amount of dues and initiation fee which the Union levies upon its members.

Subject to the requirements of any applicable provincial or federal law, the Company shall deduct from the date of employment from all employees within the Union's jurisdiction once weekly from wages owing, membership dues of such employees and shall remit the same monthly to the duly designated official of the said Local Union.

The Local Union shall advise the Company in writing of the amount of weekly deduction to apply to each employee within its jurisdiction. If there should be any change in the amount of such deduction, the Company shall be advised in writing of such change by the Union two weeks prior to its effective date. With the monthly remittance of Union dues, the Company shall furnish the Union with a duplicate statement showing monthly the amount deducted and the names of all employees for whom deductions were made. The Company shall collect any past or future arrears in Union dues when such arrears were the Company's responsibility to collect, providing wages owing and payable to the employee are sufficient to cover the deduction.

ARTICLE 6 - MANAGEMENT RESPONSIBILITIES

Subject to the provisions of this Agreement, the Company shall manage the plant, direct the working forces, plan, direct and control the plant operations, hire, promote and demote, transfer, discipline, suspend or discharge for just cause, relieve employees from duty because of lack of work and for other legitimate reasons, introduce new and improved production methods or facilities, or change existing production methods or facilities, improve quality, reduce costs and establish and attain reasonable work and production standards.

This clause will not be used for the purpose of discrimination or to nullify other clauses in this Agreement.

ARTICLE 7 - CLASSIFICATION OF EMPLOYEES

The minimum rate to be paid probationary employees shall be one job level less than the minimum standard rate of the employee's assigned function for the first thirty (30) days worked.

During this period, their status is "probationary employee". Proving themselves satisfactory, at the termination of this period, their rate will be automatically increased to the minimum standard rate applicable to the assigned function, and their status becomes "permanent employee". If at any time during the first 30 days worked, any "probationary employee" fails to prove satisfactory, such employee will be discharged without recourse to the grievance procedure.

Students who are hired temporarily to fill in for vacation or other work of a seasonal part-time nature shall have a status of "temporary employee". They shall be required to comply with Sections 2 and 3 of Article 5 of this Agreement. Temporary employees will not, however, be permitted to bid for jobs, they shall not be entitled to receive any fringe benefits with the exception of Vacation and Holiday Pay.

Temporary employees will accrue no seniority while they retain their temporary status. If a temporary employee is subsequently accepted by the Company as a permanent employee, his seniority shall commence from the time his status becomes permanent. In the application of this clause, the Company shall terminate temporary employees and rehire them on the date they are accepted as permanent by the Company. They shall receive such vacation pay as they have earned by virtue of their temporary employment. The probationary period, as provided in this Article, shall be waived for these employees.

ARTICLE 8 - HOURS OF WORK

Section 1 - Definition of Day and Work Day

A day is the 24 hour period beginning with the start of the employee's shift. The "Basic Work Day" is 8 consecutive hours of work in the 24 hour period.

Section 2 - Definition of Work Week

The "Basic Work Week" is made up of 5 days, Monday through Friday. For the purposes of this Agreement, Monday shall be regarded as commencing at 11:00 p.m. on Sunday night.

Section 3 - Hours of Work

The normal hours of work per week for all employees covered by this Agreement shall be forty, as follows:

One Shift Operation

7:00 a.m. to 3:00 p.m. Monday-Friday, inclusive
5 Shifts

Two Shift Operation

7:00 a.m. to 3:00 p.m. Monday-Friday, inclusive
5 Shifts

3:00 p.m. to 11:00 p.m. Monday-Friday, inclusive
5 Shifts

Three Shift Operation

7:00 a.m. to 3:00 p.m. Monday-Friday, inclusive
5 Shifts

3:00 p.m. to 11:00 p.m. Monday-Friday, inclusive
5 Shifts

11:00 p.m. to 7:00 a.m. Sunday-Thursday,
inclusive
5 Shifts

unless mutually agreed to between the Company and the Union.

Shift work shall be divided as evenly as possible among the employees in the department affected.

Section 4 - Corrugator Department

The corrugator crews agree to be responsible for staying up to one hour after the end of the shift in the event that the reliefman is not able to work; during this one hour period, the Company shall try to fill the position. Lunch and smoke areas will be available to members of the Corrugator Crew.

In view of the continuous flow process of the operation, corrugator crews will be given the opportunity to have their lunch some time in the one and one-half (1½) hour period following the first 4 hours of their shift.

The Corrugator Operator and the Double Backer Operator are to report to work one-half (½) hour prior to the regular starting time of the first shift of the day when required.

Section 5 - Shipping Department

Part crew will work 8:30 a.m. to 4:30 p.m. The remainder of the Department personnel will follow the normal plant hours.

Section 6 - Lunch Periods

- (a) A 30 minute paid lunch period will be provided on each shift,
- (b) The scheduling of lunch periods shall be designated by the Company.

ARTICLE 9 - OVERTIME

Section 1 - Definition of Regular Straight Time Hourly Rate

The regular straight time hourly rate means an employee's straight time hourly base rate and does not include any shift premium.

Section 2 - Overtime Premium Pay

- (a) Any time worked other than the scheduled hours shown in Article 8 with the exception of Sunday work shall be paid at the rate of time and one-half.

(b) Two times the straight time hourly rate shall be paid for all hours worked in excess of eleven (11) hours continuous work in one (1) shift.

(c) Two times the straight time hourly rate shall be paid after 5 hours worked on a Saturday, and between the hours of 11:00 p.m. Saturday and 11:00 p.m. Sunday.

Section 3 - No Duplication of Overtime Pay

Payment of overtime rates shall not be duplicated for the same hours worked.

Section 4- Relief Periods

More than one hour overtime--one fifteen minute relief period to be taken at the regular change of shift. All employees on overtime will be allowed the regular relief periods.

Section 5 - Overtime Distribution

The Local Management will divide overtime work as impartially as is practicable among the permanent employees willing to work. In doing this, it is recognized that Local Management will take into consideration the qualifications of the employees for the job to be done and the efficient operation.

The Union will cooperate to the fullest extent possible with the Local Management in fulfilling reasonable overtime man hours to meet overtime schedules. A Memorandum of Agreement incorporating existing guidelines for the equitable distribution of overtime will be prepared and signed by both parties and form part of this Agreement.

ARTICLE 10 - WAGES

Section 1 - Job Evaluation

The present job evaluation system as applied to these Ontario Corrugated Plants is accepted as the basis for the classification of jobs and the corresponding wage structure at the Guelph Plant.

Section 2 - Rates of Pay

The attached schedules of standard rates Exhibit "A" which is attached to, and forms part of, this

Agreement, indicates the approved and accepted job classifications, job levels and rates of pay.

In case of new or changed jobs, a Job Description will be prepared, evaluated and installed.

In the event that the classification is not mutually satisfactory, the issue will be resolved by the Industrial Engineering facilities of the Union and the Company.

Section 3 - Rates for Lead Hands

Lead hands will receive the rate for two job levels, higher than the highest job level assigned under his or her jurisdiction, or two job levels, higher than his or her standard functional rate, whichever is the higher during the period in which he or she is acting as a Lead Hand.

Section 4 - Rates for Job Instructors

Employees who are assigned to act as Job Instructors shall be paid two job levels, higher than the rate for the job on which the formal training is being given or two job levels higher than the employees current permanent rate whichever is higher for the actual hours that he or she is assigned as a Job Instructor. An employee acting as a Job Instructor shall receive a minimum of eight hours times the applicable premium.

Section 5 - Rates for Employees Undergoing Training

Employees who are assigned to a Job Instructor for the purposes of receiving formal training shall be paid at the rate of one job level lower than the rate for the job on which they are being trained for the actual hours that they are under a Job Instructor. In the event of a lateral transfer there shall, however, be no loss of pay during training.

Section 6 - Shift Premiums

Employees working on the afternoon shift shall be paid a shift premium of thirty five cents (~~35¢~~) per hour for all hours so worked, and employees working on the night shift shall be paid a shift premium of fifty cents (~~50¢~~) per hour for all hours so worked, but such premiums shall not be taken into account in calculating overtime pay.

The shift differential shall not apply to employees on the 7:00 a.m. to 3:00 p.m. shift on overtime work.

Section 7 - Call-In Time

Any employee, who, after punching out, is especially called and required to go on duty for repair or other work shall receive not less than 5 hours straight time pay between the hours of 3:00 p.m. and 7:00 a.m. providing the employee shall not be required to do work other than that which necessitated the call-in. Call-in time ceases two hours prior to the starting time of the employee's regular shift.

Section 8 - Reporting Time

Any employee reporting for work on his scheduled shift, unless otherwise instructed, before the end of his or her preceding shift, shall receive no less than eight (8) hours pay at the rate of his recorded function, provided that the employee shall perform a minimum of eight (8) hours work if required. If the work for which the employee was scheduled would have been paid for at overtime rates, he or she shall receive pay for the scheduled hours at the applicable overtime rate. If, however, the employee is informed the preceding day by the Supervisor or the individual in charge that there will be no work available at his or her recorded function on the next day, but that other work is available at another function, the employee accepts the work with the understanding that he will be paid the rate for the function performed the following day.

The Company will not be held responsible for giving notification to employees who are not at work and who fail to leave specific instructions as to how they are to be reached, or who cannot be reached after such instructions have been followed,

The foregoing will not be implemented if the reason for failing to provide work is something clearly outside the Company's control, such as fire, flood, storm, failure of utilities, or a labour dispute. Every reasonable effort will be made to notify employees in advance of reporting to work.

Section 9 - Temporary Transfers

As required, a Supervisor may transfer an employee to another job. However, such transfer will be done in a method consistent with the Memorandum of Agreement

dealing with temporary transfers. It is understood that the transfer is to be temporary and that the employee cannot refuse such a transfer, providing he is capable of performing the work to which he is transferred.

Any employee transferred to a higher rated function on a temporary basis, shall be paid the higher rate or his regular rate, whichever is the higher, for all hours worked that day. Any employee transferred to a lower rated function on a temporary basis will be paid his regular rate for all hours worked that day.

This will not apply when such transfers result from employee convenience, relief or lunch breaks, or such things as visits to the washroom, etc. (see also Memorandum of Agreement, page 54.)

Section 10 - Notice In the Event of Shift Change

In the event that it becomes necessary for Management to change an employee's shift, the Management will, wherever possible, endeavour to give the employee thirty-six (36) hours notice prior to the starting time of the shift to which he is being changed. In the event that it is not possible to give that thirty-six (36) hours notice, the employee shall be entitled to receive pay at the rate of time and one-half for the first shift worked following the change. The foregoing thirty-six (36) hour notice shall not apply in the event that the change results from employee convenience, or lay-off.

ARTICLE 11 - HOLIDAYS

Section 1 - Recognized Holidays

The following holidays shall be granted with pay as provided in this Section and shall be paid for irrespective of the day on which the holiday falls. If the holiday falls on a Saturday, or a Sunday, the preceding Friday or the following Monday shall be considered a holiday at the discretion of the Company. The following schedule shall be applicable:

1. New Year's Day
2. Third Friday, in February
3. Good Friday
4. Victoria Day
5. Canada Day
6. Civic Holiday

7. Labour Day
8. Thanksgiving Day
9. Christmas Day
10. Boxing Day

11/12 Two additional days to be scheduled between the last working day preceding Christmas Day and the first working day following New Year's Day, at the Company's discretion.

Section 2 - Pay for **Unworked** Holidays

On each of these holidays, employees shall be paid an allowance for a regular work day's normally scheduled working hours but not exceeding eight hours, subject to the following conditions.

Section 3 - Holidays During Vacation

If the holiday occurs during the employee's vacation, the holiday allowance payable shall be paid in addition to the employee's **vacation** pay. An employee will, however, be allowed an extra day's vacation with pay instead of the extra day's pay when arranged for with Local Management in advance.

Section 4 - Pay for Holiday not **Worked**

Payment for holiday not worked will be made if the holiday occurs when the employee is absent due to certified sickness, absent due to an approved leave of absence, or absent due to a layoff. He or she will be paid an amount equivalent to holiday pay on return to active employment, provided he or she has worked some time during the **90** calendar days preceding the plant holiday, provided the employee has worked a full day, both the employee's work day preceding, and the employee's work day following such a holiday, unless the employee **is** absent from work with the authorization of Plant Management.

No holiday allowance shall be paid to any employee for a **holiday** following the effective date of a quit or discharge.

Section 5- Pay for **Holidays Worked**

If the Company requires an employee to work on a holiday covered by this **section**, such employee shall be paid at the rate of one and one half times his straight time hourly rate for the first five hours worked, and double time thereafter, in addition to the

holiday allowance. If any such employee agrees to work on such a holiday, and fails to report for work on such holiday, the employee shall forfeit the holiday pay unless he produces a good and sufficient cause for not reporting.

ARTICLE 12 - VACATIONS

Section 1(a) - Vacation Entitlement

Employees shall receive an annual vacation with pay in accordance with the following schedule for years of service as of May 1:

1-3 years of service completed at May 1st--2 weeks vacation at normal pay or 4% of earnings up to May 1st, whichever is the greater;

4-8 years of service completed at May 1st--3 weeks vacation at normal pay or 6% of earnings up to May 1st, whichever is the greater;

9-19 years of service completed at May 1st--4 weeks vacation at normal pay or 8% of earnings up to May 1st, whichever is the greater:

20-26 years of service completed at May 1st--5 weeks vacation at normal pay or 10% of earnings up to May 1st, which is the greater;

27 or more years of service completed at May 1st--6 weeks vacation at normal pay or 12% of earnings up to May 1st, whichever is the greater.

The vacation year is understood to be from May 1st in any year to April 30th in the following year. The eligibility date for vacation purposes will be May 1st. Employees who complete their 1st, 4th, 9th, 20th and 27th year in any one vacation year will qualify for their additional week or weeks of vacation on the anniversary date of hire.

Section 1(b) - Vacation Entitlement Supplemental Vacation Plan

An employee who is eligible to receive vacation with pay and who does not leave the service of the Company for any reason, will receive, beginning in the vacation year in which he completes twenty-five or more years of continuous service with the Company and he has reached:

60 years of age - 1 week supplemental vacation
61 years of age - 2 weeks supplemental vacation
62 years of age - 3 weeks supplemental vacation
63 years of age - 4 weeks supplemental vacation
64 years of age - 5 weeks supplemental vacation

in addition to the employee's regular vacation entitlement. The basis for payment of the supplemental vacation plan shall be similar to the regular vacation plan, that is 2% of gross earnings or forty hours pay, whichever is the greater for each week of supplemental vacation entitlement.

Section 2 - Termination of Employment

On termination of employment, the employee shall be entitled to receive 4%, 6%, 8%, 10% or 12% of gross earnings (less taxable benefits) as vacation pay in accordance with the years of service and date of terminations. Gross earnings are wages earned from the previous May 1st to the date of termination.

Section 3 - Length of Service

For the purpose of establishing vacation pay, years of service shall include all the time worked without interruption of continuous service with the Company or its predecessors. Length of Service shall not be broken by any absence covered by an approved leave of absence or by temporary layoff up to a maximum of twelve (12) consecutive months. In the case of employees with ten (10) or more years of continuous service, length of service shall not be broken by a temporary lay-off of up to a maximum of twenty-four (24) consecutive months.

If an employee is absent for a period exceeding 6 months due to a certified sickness or accident (with the exception of a compensable accident) or an approved Leave of Absence in any vacation year, the employee will receive 4%, 6%, 8%, 10% or 12% of his or her earnings whichever is applicable in the vacation year. In order to qualify for vacation and vacation pay, the employee must have actively been employed at some time during the vacation year.

Section 4 - Definition of Normal Weeks' Pay

A normal week's pay shall be computed on a basis of 40 hours at the regular hourly rate of the employee's permanent classified function. Any deductions normally taken from the employee's regular pay will

also be deducted from the **vacation** pay.

Section 5 - **Vacation** Administration

The Company shall have the final determination as to when each employee shall take such vacations but will cooperate in an endeavour to arrange a mutually satisfactory **time**.

Section 6 - **Vacation** Scheduling

The Company will prepare the **Vacation** Schedule to the convenience of the employees wherever possible and practical in accordance with the letter of Agreement. Employees entitled to two, three, four, five and six weeks **vacation** shall be entitled to take two weeks of **their** vacation **consecutively**, the **3rd, 4th, 5th** and **6th** weeks vacation must be taken as work requirements permit and at the **discretion** of Management.

Vacations must be taken in the vacation year applicable and cannot be accumulated. Employee: entitled to two, three, four, five or **six** weeks vacation shall be **entitled** to take two weeks' **vacation** during the period June 1st through September 15th. (See also Memorandum of Agreement page 51.)

ARTICLE 13 - SENIORITY

Section 1 - Purpose

The purpose of the seniority provisions of this Article is to provide the maximum job security and promotional **opportunity** for all employees based on length of service while giving full consideration to employees' skill and **ability** and to **efficient** plant **operations**.

Section 2 - Computation

The plant seniority of an employee shall be determined by his length of continuous service, which shall be computed from the most recent date at which he shall have been employed by the Company at the Plant.

The department seniority of an employee shall be determined by his date of entry into a department on a permanent basis. The job **classification** seniority of an employee shall be determined by his date of entry into a job classification on a permanent basis. See Memorandum of Agreement on lines of progression on

page 56 of the collective agreement.

Section 3 - Causes for Loss of Seniority and Continuous Service

An employee will lose all seniority and continuous service if such service is interrupted for any of the following reasons:

- (a) He quits his employment
- (b) He is discharged
- (c) He is absent for three (3) consecutive working days (excluding Saturdays, Sundays and Holidays) unless excused for reasonable cause.
- (d) He does not return to work within three (3) consecutive days (excluding Saturdays, Sundays and holidays) after being recalled by the Company by registered mail or telegram addressed to him at his address last known to the Company, unless excused for reasonable cause.
- (e) He has been laid off by the Company for a period equal to his current period of continuous service with the Company, but not to exceed twelve (12) months or twenty-four (24) months in the case of an employee with ten (10) or more years of continuous service with the Company.
- (f) If he does not report for work upon expiration of an authorized leave-of-absence unless excused for reasonable cause.

Section 4 - Seniority Lists

The Local Management will prepare accurate Seniority Lists and copies will be distributed to the Local Union as required. Employees' names will appear on the seniority list in order of their seniority date. Where two or more employees have the same seniority date, their names will be placed on the list in order of processing by the Industrial Relations Department on the day of hiring.

Section 5 - Transfers Outside the Bargaining Unit

Employees transferred by the Company to a position outside the Bargaining unit (Supervision) shall maintain their seniority for a period of up to six (6) months, for the purpose of transferring back into the

the Bargaining Unit, if the employee so desires. An employee transferred by the Company to a position outside the Bargaining Unit (Clerical Staff) shall maintain his seniority for a period of up to three (3) months for the purpose of transferring back into the Bargaining Unit, if the employee so desires.

If such employee remains on the job outside the Bargaining Unit (Supervision) for more than six (6) months, he or she will lose all length of continuous service in the Bargaining Unit.

If such employee remains on the job outside the Bargaining Unit (Clerical Staff) for more than three (3) months, he or she will lose all length of continuous service in the Bargaining Unit.

Employees formally transferred outside the Bargaining Unit must pay all delinquent Union Dues if they are transferred back to the Bargaining Unit within the six month period and the three month period.

Section 6 - Layoff and Recall Procedure

In the event that it is necessary to lay employees off, plant wide seniority shall apply, on recall, the reverse procedure will apply. However, the company reserves the right to maintain at all times crews capable of performing the jobs required.

Section 7 - Notice of Layoff

Employees who are to be laid off and the Union, (Vice President or in his absence the Local President) shall be notified by the Company as far in advance of the layoff as is practicable, but in any event no later than the end of the shift preceding the employees last work day. However, should the Company fail to notify the affected employee prior to the end of the shift preceding his last work day, he will be paid for eight (8) hours at his classified rate in lieu of such notice.

Section 8 - Job Posting

When a vacancy occurs in a Department, the Company shall post on bulletin boards throughout the plant, a notice concerning the Bottom Job in the Department affected. The notice shall indicate the Department affected. The notice shall indicate the qualifications essential to promotion within that Department. Such posting shall be for a period of

five (5) working days and the Company shall have the right to make a temporary appointment without penalty. Such temporary appointment shall not count as experience in the consideration of a selection. In selecting the employee for permanent appointment, the Company shall take into consideration seniority and fitness to perform the required task.

The names of employees who are absent with reasonable cause at the time of the posting will be added to the Job Posting List.

ARTICLE 14 - GRIEVANCE PROCEDURE

Section 1 - Purpose

The purpose of this Article is to provide an opportunity for discussion of any request or complaint and to establish a procedure for the processing and settling of grievances as defined in Section 2 of this Article.

Section 2 - Definition

A grievance is defined as any difference between the Local Management and the Union or employees as to the interpretation or application of or compliance with this Agreement. Any dispute over whether a complaint is subject to those procedures shall be handled as a grievance in accordance with the procedures described herein.

Section 3 - Grievance Committee

The Local Management will recognize a grievance committee consisting of the Local President, the Vice President, the Department Steward directly involved, and one other member of the Bargaining Unit. The purpose of the Committee is to settle with the Company any grievance appealed to Step 2.

Section 4 - Departmental Stewards

There will be not more than one Steward on each shift in each recognized department. The Union agrees to give the Local Management in writing the names of the grievance committee members and of Stewards, if any, and the Departments they represent. The Union will keep the list up to date. It is agreed that all committee men and Stewards shall be permanent employees in the Bargaining Unit.

Section 5 - Time Off for Grievance Work

The grievance committee or department Steward will have reasonable time off from their regular work to handle grievances within their own departments. They will not lose any pay for this time off. Grievance Committee members will also have time off from their regular work to attend grievance committee meetings with Management, investigating grievances, or do anything else the Local Management may ask them to in connection with the settlement of grievances. They will not lose any pay for this time off.

When a committee man or Steward has to leave his place of work to handle grievances in his own or another department, he must get permission from the Department Supervisor. When he goes into another department, he must obtain permission of the Supervisor of the Department before talking with any employees at their work.

Section 6 - Procedure

At all steps in the grievance procedure, the grievant and/or the Union Representative should disclose to the Company representatives as full and detailed statement as possible of the facts relied upon, the remedy sought, and the provisions of the agreement relied upon. In the same manner, Company representatives should disclose all pertinent facts relied upon by the Company. If any grievance arises, every effort will be made to settle the matter quickly under the procedure outlined below. Extensions of time limits requested by either party, at any step in the Grievance Procedure, must be in writing.

Step Number One:

Within ten (10) calendar days after wrong complained of was supposed to have happened or started to exist (but if the employee did not find out about the wrong immediately he will be allowed ten (10) calendar days after the grievance became apparent) the employee and/or Steward, talks over the grievance with his immediate Supervisor in a sincere effort to settle the problem.

This does not preclude the handling of group grievances. The immediate Supervisor must then give his oral answer to the grievance before the end of the second workday after the discussion.

If the immediate Supervisor and the grievance representative, after full discussion, feel the need for aid in arriving at a solution, they may by agreement invite additional Company and/or Union representatives from the Plant as may be necessary to participate in further discussion, but such additional participants shall not relieve the immediate Supervisor and grievance representative from responsibility for solving the problem. However, if additional assistance is requested and agreed to, such meeting shall be held within three (3) working days unless the Step One representative agrees to an extension of time. The foregoing procedure, if followed in good faith by both parties, should lead to a fair and speedy solution of most of the complaints arising out of the day-to-day operation of the plant. However, if the grievance has not been satisfactorily resolved in Step One it can be presented in writing and processed in Step Two.

A grievance to be considered beyond Step One must be filed in writing with the immediate Supervisor before the end of the third work day after receiving the Supervisor's oral answer. It shall be dated and signed by the grievance representative and or employee (or other employee affected) and shall include such information and facts as may be of aid to the Company and the Union in arriving at a fair, prompt, and informed decision. The immediate Supervisor should write on the Grievance Form:

"The grievance representative and/or employee and I have fully discussed this grievance and I have determined as follows: _____, indicate the date he received the grievance form, sign it, and deliver it to the Plant Manager with a copy to the Grievance Representative. The Immediate Supervisor will answer the grievance in writing within three (3) work days after receipt of the grievance in writing.

Step Number Two:

Within five (5) work days after the grievance representative has received the Supervisor's written answer, the Vice-president and President present the grievance to the Plant Manager who meets with the Committee at an agreed-on time within seven (7) work days following presentation to him. At this step, the representatives may by agreement invite to participate

in the discussion such additional representatives from the Plant as may be available for aid. The attendance of such persons will be limited to the time required for **their** testimony. Such additional participants shall not relieve the Vice-president and the Plant Manager or his designated representative from responsibility for solving the problem. To facilitate the discussion, such Step Two representatives may extend the time **limits** herein. In any event, however, the Plant Manager gives his answer **in writing** setting forth the reasons for the Company's position within **five (5)** work days after these discussions are **finally** completed. If the answer to Step Number Two is not **satisfactory**, then:

Step Number Three:

Within ten (10) work days after the Grievance Committee has received the Plant Manager's answer the Recording Secretary of the Union Local will advise the Company's Division Industrial Relations Office by letter (with a copy to the plant Manager and the Staff Representative of the Union) of **his** desire to appeal.

Discussion of the appealed grievance shall take place at the earliest date of mutual **convenience following** receipt of the notice of appeal but not later than ten (10) days thereafter unless either party shall request in writing with reasons therefore that the meeting take place at a later date and the other party agrees. The Staff Representative of the Union and the Grievance Committee will meet with the Company's Division Industrial **Relations** Representative and Plant Manager. The Company's Division **Industrial** Relations Representative will give his answer in writing no later than seven (7) **working** days after the hearing.

Step Number Four:

Within thirty (30) days after **receiving** the written decision of the Company's Industrial Relations **Representative**, the Recording Secretary of the Union Local will advise the Company's Division Industrial Relations Office by letter (**with** copies to the Plant Manager and the Staff Representative of the Union) of the desire to **submit** the matter to **arbitration** at the same **time naming** a representative to the Board of Arbitration.

Within ten (10) working days after **receipt** of the letter from the Recording Secretary of the Union Local, the Company's Division **Industrial Relations**

Representative will reply naming its representative to the Board of Arbitration. The two nominated representatives shall attempt to select a Chairman of the Board. In the event of Failure to do so, they shall request the Provincial Minister of Labour to appoint an **impartial** Chairman of the Board. The Arbitration Board **will** proceed to its duties as soon as possible. Its authority shall be limited to matters relating to the interpretation or alleged violation of **this** Agreement. Except, however, **in** determining any grievance arising out of discharge or other discipline, the Board may dispose of the claim by affirming the Company's action and **dismissing** the grievance or by setting aside the disciplinary action involved and restoring the **grievor** to his former position with or without compensation or in such other manner as may **in** the opinion of the Board be justified. Such decisions shall be final and binding on both parties to this agreement.

The Chairman of the Board of Arbitration shall report its decision **in** writing within thirty (30) days after the hearing **is** completed. The expenses and remuneration of the Chairman and the cost of the Meeting Room shall be shared by the Parties.

ARTICLE 15 - DISCHARGE AND DISCIPLINARY PROCEDURE

Local Management will not take disciplinary action without first warning the employee, unless the facts warrant an immediate suspension or discharge. In taking such action, Local Management shall not consider any disciplinary action involving the employee after a 12 month **period** has elapsed from the date of the infraction, provided a disciplinary notice for a **like** infraction has not been given to the employee within the 12 month period. If an employee has been discharged or given a disciplinary lay-off, and he or she believes that he or she has been unjustly dealt with, he or she may file a **grievance** in accordance with the grievance procedure contained herein.

When an employee is called into the office for the purpose of receiving formal discipline, he or she will be accompanied by the appropriate Union Steward. A written record of the action to be taken will be prepared by the Supervisor and **copies will** be given to the individual affected and the Union.

ARTICLE 16 - LEAVE OF ABSENCE

Section 1 - Leave for Union Business

Leave of absence without pay, up to three months may be granted to credited representatives of the Local Union, chosen by the union to attend Union activities requiring time off if such time off, in the opinion of the Management, does not interfere with the efficient operation of the Plant. It is understood that not more than two employees shall be given long term leave of absence at any one time. All requests for time off for Union activities must be submitted to Management in writing by the Union Local at least one week in advance of the date when the requested leave of absence is to commence. Further periods of three (3) months leave of absence up to a maximum of not more than two (2) years accumulated leave may be granted upon review by the Management. In the event that a prolonged leave is requested and where the circumstances warrant this special consideration, no seniority or other benefits shall be allowed to accumulate during this period.

Section 2 - Leave for Personal Reasons

Leave of absence without pay for legitimate personal reasons may, at the discretion of Management, be granted up to three (3) months without loss of seniority.

Section 3 - Bereavement Leave

The purpose of this Bereavement Leave is to reimburse active, permanent employees for wage loss in the event of death in the immediate family. The employee will be granted a paid leave of absence of up to three (3) days (up to five (5) days when death occurs to an employee's spouse, child, adopted child, or step child) at the employee's regular straight time rate for a period not to exceed eight (8) hours per day and limited to absences occurring when the employee would otherwise have worked. Bereavement Leave must be taken within seven days of the death or funeral.

Immediate family is defined as: wife, husband, daughter, son, adopted child, step child, mother, father, sister, brother, father-in-law, mother-in-law, grandparents, grandparents-in-law, sister-in-law, brother-in-law, son-in-law, daughter-in-law, adoptive parents, stepmother, stepfather, foster parents, step brother, step sister and grandchild.

It is understood that an employee must attend the funeral. In the event that distance prevents the employee from attending the funeral of a member of the employee's immediate family, he or she will be given one day off with pay. In the event the employee requires days off after the date of the funeral, he or she must give a satisfactory explanation for requesting the time off.

The provisions of this Article will apply to stillborn or premature birth, involving the employee's spouse or daughter, provided attendance at a funeral service is involved.

Section 4 - Leave for Jury or Subpoenaed Witness Duty

The Company shall grant leave of Absence without loss of seniority to an employee who serves as a Juror or Subpoenaed Witness in any Court. In any matter to which the Company has no detrimental interest, the company shall pay such employee the difference between his normal earnings and the payment he received for jury service or subpoenaed witness service, excluding payment for travelling, meals or other expenses. The employee will present proof of service and attendance and the amount of pay and expenses received.

Section 5 - Public Office

Leave of absence without pay, up to a maximum of three (3) months, may be granted at the discretion of Management for the following reasons:

- 1) Candidacy for public office at the Federal, Provincial or Municipal level. Such leave may be extended until seven (7) days have elapsed following the date of the election.

Any leave of absence granted for this purpose will not result in any loss of seniority.

- 2) Leave of absence without pay may be granted, at the discretion of Management, for service as an elected representative in the Federal or Provincial legislature, or full time Municipal Office. Such leave, if granted, shall normally expire thirty (30) days following conclusion of the period of elected office, but in no case shall it be in excess of five (5) years.

Any full time leave of absence granted for this purpose will not cause a break in continuity of

service, but the period of absence shall not be counted in **calculating** any service related benefits.

Section 6 - General Rules

- 1) Employees with less than two (2) years service who are granted a Leave of Absence in excess of one (1) month, will be required to prepay full premiums for Group Life Insurance and all other insurance coverages in accordance with provisions of the respective policies.

Employees with two (2) or more years **service** who are granted a Leave of Absence in excess of three (3) months, will be required to prepay full premiums for Group Life **Insurance** and all other **insurance** coverages in accordance of the respective policies.

- 2) All leave of absences must be applied for in writing.
- 3) The company may require an employee to exhaust his normal vacation **entitlement** before **commencing** a personal leave of absence.

ARTICLE 17 - SAFETY AND HEALTH

Section 1 - Safety Committees

The Union and the Company agree to cooperate to the fullest extent in promoting safety in the plant and the avoidance of accidents to the employees. The Company further agrees that there will be a Joint Safety Committee in the plant **comprised** of Plant Members appointed by the **Union** and members appointed by the Company. The size of the Plant Committee will be determined by mutual agreement. The Safety Committee will meet once a month, or more frequently, if mutually agreed upon.

Section 2- Protective Devices

The Local Management will furnish protective devices, safety apparel and equipment necessary to protect employees from industrial injury and industrial health hazards. Initial and replacement issuances will be made at no cost to the employees, when such replacements are necessary because of wear.

The Company will provide one pair of safety shoes for each permanent employee to a maximum of \$36.50 per pair per year effective July 1, 1985 and \$38.50 per pair per year effective July 1, 1986 and \$40.50 per pair per year effective July 1, 1987. The wearing of safety shoes within the Plant will be mandatory for all employees covered by this agreement. Company approved prescription safety glasses will be provided by the Company,

The Company will subsidize the cost of a new pair of prescription safety glasses up to a maximum of \$60.00 once per twenty-four month period. Such glasses must be required for the employees to perform their jobs and must be Industrial CSA approved frames and lenses.

The Company will supply overalls only when employees are engaged in abnormally dirty tasks, such as press clean-ups, etc. Other personal wearing apparel will not be paid for by the Company.

The Company agrees to absorb the \$1.25 cleaning bill for employees in Department 65 and 70, for coveralls.

Section 3 - Audiometric Testing

The Company agrees to implement a program of audiometric testing for all employees. Each employee shall be given a copy of the test results. It is understood that Company employees operating audiometric testing equipment are not qualified to give or make a medical diagnosis of an employee's hearing capabilities resulting from such tests. These operators are limited to advising the employee on their interpretation of the test results and recommending the employee consult a qualified medical practitioner when such tests indicate a hearing problem.

New employees will be given a pre-employment audiogram.

Section 4 - Noise Abatement

In the interest of noise abatement, the Company and the Union will cooperate in developing recommendations for improvements in noise levels that are above limits established through our own expertise or by legislation. In work areas where sound levels exceed 75 D.B.A. (Decibels), hearing protection must be worn. The Union will cooperate with management in enforcing this standard.

The Union shall have the right to take sound level readings in any area of the plant after making the necessary arrangements with management. All plant activity in this field will come under the scope of the plant Joint Safety and Occupational Health Committee.

ARTICLE 18 - BULLETIN BOARDS

The Company will furnish the Union with a bulletin board in the Plant with a locking device. The Union will use this space for posting Union notices and official papers. Notices will be posted only by officially authorized Union Representatives and will be in keeping with the spirit and intent of this agreement.

ARTICLE 19 - COPIES OF AGREEMENT

The Company, the Local Management, and the Union, want every employee to be familiar with the provisions of this Agreement and his or her rights and duties under it. For this reason, the Company will print the Agreement and the Local Management will give a copy to each employee, and make a reasonable number of copies available to the Union for their use. The agreement will be signed within forty-five (45) days of ratification, printed and distributed without undue delay.

ARTICLE 20 - NOH-EMPLOYEE UNION REPRESENTATIVES

If an authorized Union representative who is not employed by the Company wants to speak to the Local Union representative in the plant about a grievance or other official Union business, he should first get permission from the Plant Manager or the Industrial Relations Supervisor. Either of these men will then call the Local Union Representative to the Industrial Relations Office, where they may confer. These talks will be arranged so that they will not needlessly interfere with production.

ARTICLE 21 - GROUP INSURANCE

The Company agrees to modify the Group Insurance Plan in accordance with the improvements and effective dates as outlined in Appendix "B". The improvements will be incorporated in the Group Insurance Agreement to be signed by the parties.

ARTICLE 22 - LONG TERM DISABILITY PLAN

The Company will institute a non-occupational Long Term Disability Insurance Benefit Plan in accordance with the provisions outlined in Appendix "C".

ARTICLE 23 - PENSION PLAN

The Company agrees to modify the Pension Plan in accordance with the improvements and effective dates resulting from the 1985 negotiations as outlined in Appendix "D".

ARTICLE 24 - SEVERANCE ALLOWANCE

Should the Company decide to permanently close the plant and thereby terminate the service of employees, such employees who are terminated will be entitled to a severance allowance, subject to the provisions of this Article. An employee must have at least three (3) years of continuous service with the Company to be eligible for any severance allowance. The following table specifies the amount of severance pay an eligible employee will receive.

<u>Full Years of Continuous Company Service</u>	<u>Weeks of Severance Pay</u>
0 but under 3	None
3 or more	One week per year of continuous service to maximum of 26 weeks.

A week's severance allowance shall be determined by calculating the employee's average straight time hourly rates including shift premiums for the first four (4) of the last five (5) weeks worked prior to termination, and multiplying by forty (40). The above allowance of severance pay will be paid to the employee in a lump sum at the time of termination.

Acceptance of severance pay by the employee will terminate his status as an employee.

Should employees be eligible for Government legislated severance pay, they will receive either the Government legislated severance pay or the company severance pay, which is the greater. Should employees not be

eligible for Government legislated severance pay they will receive the Company severance pay.

ARTICLE 25 - TECHNOLOGICAL CHANGE

Section 1 - Objective

The Company and the Union recognize that technological change, while necessary to the industry, may have an impact on employees. It is the purpose of the following provisions to assist employees in adjusting to the effects of such change.

Section 2 - Definition

Technological change, which term shall include automation, mechanization, and process change, means the introduction of equipment or material of a different nature or kind than that previously utilized or a change in the operation that is directly related to the introduction of that equipment or material.

Section 3- Required Notice

The Company will advise the Union as soon as possible and in any case not less than ninety (90) days before the introduction thereof, of any technological changes which the Company has decided to introduce that will result in significant changes in the employment status of employees.

Section 4 - Rate Protection

An employee who is permanently set back to a lower paid job because of technological change will receive the rate for his permanent job at the time of the set back for a period of six (6) months, and for a further period of six (6) months he will be paid an adjusted rate which will be midway between the rate for his permanent job at the time of the set back and the rate for his new permanent job. At the end of this twelve (12) month period, the rate for his new permanent job will apply.

Section 5 - New or Changed Job Functions

When Section 3 is implemented, there will be a review of the rates and if a function has been substantially changed or a new function or new responsibility is added, a revised or new rate will be established in accordance with established practices.

Section 6 - Training

The Company agrees to discuss with the Union the effect of such technological changes on the employment status of employees and to consider practical ways and means of minimizing the adverse effect on employees displaced by such changes. Such measures as early retirement, retraining and transfer to other existing jobs will be considered where seniority and ability warrant such considerations.

ARTICLE 26 - CONTRACTING OUT

The Company will not contract out repair and maintenance work which is regularly performed by the repair and maintenance crews, for which the Plant is equipped, for which crews are available, and which employees are capable of doing.

ARTICLE 27 - PROVINCIAL OR FEDERAL LEGISLATION

The provisions of this Agreement shall be subject to any Provincial or Federal legislation which is now existing or which hereafter may be made.

ARTICLE 28 - PRECEDENTS

No past precedents or provisions, conditions, rules or agreements shall be recognized in any way to affect or modify this Agreement, and all precedents, provisions, conditions, rules and agreements are superseded by this Agreement. All letters of intent and local agreements signed by both parties on or after the effective date of this Agreement are by reference part of this Agreement and notation will be made in the body of the Agreement whenever a letter of intent or local agreement is also included in the Agreement.

ARTICLE 29 - EMPLOYEE'S CHANGE OF ADDRESS

An employee must give the Industrial Relations Department written notice of change in address, and a telephone number where they can be contacted.

ARTICLE 30 - DURATION OF AGREEMENT

All the terms set forth in this Agreement, unless otherwise stated shall be effective from July 1, 1985 to June 30, 1988 and from year-to year thereafter as set forth in the paragraph to follow.

If either party to this Agreement shall desire to amend or abrogate any or all of its provisions on June 30th (beginning June 30th 1988) in any year such party shall give the other party notice thereof together with its proposed changes in writing not later than the preceding April 30th. If either party shall so notify the other party in accordance with the preceding paragraph, this Agreement shall terminate on June 30th, 1988.

If neither party shall so notify the other party, or if the party who shall have so notified the other party shall fail so to furnish its proposed changes in this Agreement to the other party, all the provisions of this Agreement shall continue in force and effect for a period of one (1) year from the next succeeding June 30th and from year to year thereafter as provided in this thirtieth article.

ARTICLE 31 - LETTERS OF INTENT

All signed local letters of intent will form part of the collective Agreement provided both parties have agreed to the inclusion of each specific letter. Such letters will be placed after the signature page, in the Agreement, and will again be subject to mutual agreement for the inclusion in any subsequent agreements(s).

ARTICLE 32 - MEMORANDUM OF AGREEMENT

Unless otherwise specified,, the terms and condition; of the current renewing Memorandum of Agreement shall form and remain part of the new collective agreement, for the duration of that agreement only.

EXHIBIT "A"

WAGE SCHEDULE

<u>Level</u>	<u>Job Title</u>	<u>July 01/85</u>	<u>July 01/86</u>	<u>July 01/87</u>
11	Certified Electrician A Electrician	15.11 14.37	15.71 14.94	16.50 15.69
10	Chief Stationary Engineer (3rd Class)	14.15	14.72	15.46
9	Corrugator Operator Plate & Ink CoOrdinator Mechanic Certified Mechanic "A"	13.92 14.66	14.48 15.25	15.20 16.01
8	Flexographic Folder Gluer Operator Shipper-Receiver Knifeman Rotary Printer Die Cutter Operator Mechanic-Electrician "B" Stationary Engineer 4th Class	13.69	14.24	14.95
7	Slotterman Mechanic "B" Assistant Shipper-Receiver	13.47	14.01	14.71
6	Double Backer Assistant Rotary Printer D/C Plate Mounter "A" Quality Control Inspector	13.24	13.77	14.46
5	Set Up Man Slitter Operator Lift Truck Operator-Shipping Lift Truck Operator-Corrugator	13.02	13.54	14.22
4	Scrap Sorter Press Packer Press Feeder Palletizer Operator Cascade Waxer Operator Plate Mounter "B" Curtain Coater Oper. Semi-Auto Stitcher Oper.	12.79	13.30	13.97

<u>Level</u>	<u>Job Title</u>	<u>July 01/85</u>	<u>July 01/86</u>	<u>July 01/87</u>
3	Take-Off Man Trucker Slitter Helper Packer-Finishing Curtain Coater Feeder Semi-Auto Stitcher Feeder	12.57	13.07	13.72
2		12.34	12.83	13.47
1		12.12	12.60	13.23

Approved and signed at Guelph, Ontario, this 9th day
of July, 1986.

FOR:

MacMILLAN BATHURST INC.

"Allan J. Stapleton"

"Ian Barton"

"R.M. Gruber"

FOR:

CANADIAN PAPERWORKER'S
UNION AND ITS AFFILIATED
LOCAL 1199

"Jerry Heffernan"

"S. Fennell"

"A. Foucault"

APPENDIX "B"

MEDICAL & HOSPITAL INSURANCE
GROUP LIFE INSURANCE
WEEKLY INDEMNITY
EXTENDED HEALTH CARE PLAN
DENTAL PLAN

1. Medical & Hospital Insurance (O.H.I.P.)

The Company will pay the prevailing premium rates established by the Provincial Government for the duration of this Agreement.

2. Group Life Insurance

- (a) The Company will make available to employees a Group Life Insurance Plan that would provide for an employee's designated beneficiary to receive \$30,000.00 in the event of death.

The premium for Group Life Insurance will be paid by the Company.

- (b) The Company will make available to employees an Accidental Death & Dismemberment Insurance Plan in the amount of \$5,000.00, effective September 1, 1985.

This benefit schedule will increase as follows:

Effective July 1, 1986 - \$7,500
Effective July 1, 1987 - \$10,000

The premium for Accidental Death & Dismemberment insurance will be paid by the Company.

3. Weekly Indemnity

- (a) Effective September 1, 1985, the maximum weekly indemnity rate as specified in the Group Insurance agreement will be increased from \$245.00 per week to \$290.00 per week or the U.I.C. maximum, whichever is greater.

Effective July 1, 1986, the maximum weekly indemnity rate will be increased from \$290.00 per week to \$305.00 per week, or the U.I.C. maximum, whichever is greater.

Effective July 1, 1987, the maximum weekly indemnity rate will be increased from \$305.00 per week to \$315.00 per week, or the U.I.C. maximum, whichever is greater.

NOTE: No retroactivity will be paid to employees on disability at or prior to the date of ratification. Such employees will not become eligible for the increase in benefit until after their return to active employment.

- (b) Benefits shall be paid for periods commencing (1) in the case of disability due to an accident, on the first full day of disability or (2) in the case of disability due to sickness, on the earlier of the first day of hospital confinement or the 4th consecutive day of disability and shall continue to be paid for each week of disability up to a maximum of 52 weeks.
- (c) In order to be eligible for these benefits, an employee must be under the care of a licensed physician and furnish written proof of his disability satisfactory to the Insurance Company.

4. Extended Health Care Plan

The Company will provide an Extended Health Care Plan (which includes semi-private hospitalization coverage and prescription drugs) for employees with a yearly deductible amount of \$25.00. The employee will be paid 100% of the balance after the \$25.00 deductible. (Based on the calendar year January 1 - December 31).

The Company will pay the full cost of premiums for the existing health care plan during the full term of this agreement.

5. Dental Plan

- (a) The Company will provide a Dental Plan for employees. This Plan will be the equivalent of the Blue Cross type Plan No. 7 with riders Nos. 1 and 2.
- (b) Effective June 17, 1984 the Dental Care Plan will be extended to include Class III procedures in accordance with the following:

- 1) Orthodontics
- 2) No deductible
- 3) Percentage payable 50%
- 4) \$500 maximum lifetime benefit per insured family member

The monthly premium cost will be paid by the Company.

- (c) Effective July 1, 1986 the Dental Care Plan will be upgraded to provide coverage based on the 1985 Ontario Dental Association schedule of fees

Effective July 1, 1987 the Dental Care Plan will be upgraded to provide coverage based on the 1986 Ontario Dental Association schedule of fees.

Effective July 1, 1988 the Dental Care Plan will be upgraded to provide coverage based on the 1987 Ontario Dental Association schedule of fees.

6. Eligibility

All newly hired employees shall become covered under the Life Insurance, Weekly Indemnity, Major Medical Expense and Dental Plans on the first day worked in the calendar month following completion of the probationary period.

7. Group Insurance - Dependants: Definition of Spouse

An employee's "spouse" shall mean either:

- (a) A husband or wife, or
- (b) An individual of the opposite sex who immediately prior to applying for coverage has been residing with the insured employee for a period of not less than one (1) year, provided all prior spouses have been disqualified. Such an individual must also have been publicly represented as husband or wife of the insured employee but neither the employee nor the individual may be otherwise married.

NOTE: The preceding provides a summary of the highlights of the plans. Detailed provisions are contained in the Group Insurance Agreement.

APPENDIX "C"

LONG TERM DISABILITY BENEFIT PLAN

1. What is the purpose of the Plan

The purpose of this plan is to provide you with an income if you are totally disabled and unable to work for a long period of time. Under the current tax laws the benefits provided are subject to income tax.

Eligibility

All present and future, regular, full time employees under the jurisdiction of the Canadian Paperworkers Union, Local 1199 and who are covered by the Company disability benefit plan and who are under age 65.

Effective date of Individual Insurance

You will become insured on the day you become eligible.

If you are absent from work due to sickness or accident on the date you would otherwise become insured your insurance will become effective on the date you return to continuous active full time employment over a 30 calendar day period. If you are absent from work due to lay off when you would otherwise become insured, you will become insured upon recall on reporting to work. The insurance company reserves the right to request evidence of insurability from you upon return from such lay off in order to determine insurability.

Benefits

If you sustain accidental bodily injuries or contract a sickness which results in total disability and you remain continuously so disabled throughout the Elimination Period, the benefit will be payable for each month (one thirtieth of the Monthly Income Benefit for each day of any period not constituting a full month) during continuance of such total disability beyond the Elimination Period, but not beyond the Benefit Expiration Date specified in the Plan of Insurance. The Monthly Income Benefit shall not commence during a period of layoff or strike,

until the termination of such lay off or strike.

If you are receiving benefits as provided in the preceding paragraph on the date your policy is discontinued, such benefits shall continue to be payable only while disability remains continuous and uninterrupted.

2. Monthly Income Benefit

50% of the protected person's regular hourly wage multiplied by 2080 and divided by 12 but in no event may the monthly income benefit exceed \$1000. Effective September 1, 1985, the monthly income benefit may not exceed \$1200. Effective July 1, 1986 the monthly income benefit may not exceed \$1300.

The regular weekly wage of an employee shall be the wage used to determine weekly indemnity benefits.

While receiving benefits under this Plan, an employee will continue to accrue pension benefits at no cost to him.

Coordination of Benefits

The monthly income benefit shall be reduced by any payment made on behalf of you under any government disability plan (except increases in such amounts occurring twelve (12) months or more after disablement), Workers' Compensation or any other non-private disability income plan, including the MacMillan Bathurst Inc. retirement income plan.

Elimination Period

52 weeks, or until the end of your protection under the Weekly Disability Benefit Plan, whichever is the greater.

Duration of Benefits

Benefits will be paid for one month for each completed month of service prior to the onset of disability, while the employee is disabled but cease upon the earliest of the following:

- (a) Recover
- (b) Attainment of age 65
- (c) Retirement

Definition of Disability

Disability shall mean an insured employee who has received fifty two (52) weeks of benefit under the Weekly Indemnity Plan and who for up to the next ensuing twelve (12) months is unable because of disease or injury to work at his regular occupation, and thereafter is unable to perform any and every duty of every occupation in the mill for which he is reasonably fitted by education, training or experience. You must be under the regular care of a legally qualified physician at all times.

3. Exclusions

The Insurance provided under this policy does not cover:

(a) Any disability covered by a Workers' Compensation Act or similar legislation; or any injury arising out of or sustained by doing any act or thing pertaining to any occupation or employment for remuneration of profit;

(b) Alcoholism or drug addiction, unless the employee is undergoing a recognized course of treatment by a specialist in the care and treatment of alcoholism and drug addiction or the employee is undergoing regular rehabilitative treatment approved by the insurer and licensed physician.

(c) Disability or loss (1) while you are on or could be placed on Pregnancy/Maternity Leave, or (2) if you fail to qualify for Pregnancy/Maternity Leave because of failure to meet the length of service requirements, during the period of Pregnancy/Maternity Leave that you could be on if you qualified for such leave, in accordance with the Employment Standards Act 1974, Ontario or any other relevant provincial statutes.

(d) Any act of war whether declared or undeclared or from participation in a riot or civil commotion.

(e) Intentionally self-inflicted injuries while sane or insane.

Termination of Coverage

Your insurance shall terminate at 12.01 a.m. Standard Time on whichever of the following dates occurs first:

- (a) The date you cease to be within the class of persons eligible for the insurance under the master policy;
- (b) The first day of the policy month following the date you attain an age which, when increased by the Elimination Period, would equal 65;
- (c) The date the policy is discontinued, or;
- (d) The date you enter an armed service on full time active duty.

Premiums

The premium cost will be borne by the Company.

4. Rehabilitation

If you are receiving benefits, you may be asked to undergo reasonable rehabilitative measures. Such rehabilitation will not be introduced without prior consultation with your doctor and will be without cost to you. If you refuse to undertake rehabilitation measures, you may be declared ineligible for benefits.

APPENDIX "D"

PENSION PLAN

The terms and conditions of the pension plan applicable to employees represented by the Canadian Paperworkers Union - Local 1199, are described in Text F of the Pension Plan for Unionized Employees of MacMillan Bathurst Inc. (hereinafter referred to as the "Plan") which is a pension plan registered with the appropriate federal and provincial government authorities.

For the period from July 1, 1985 to December 31, 1985, the terms and conditions of Text F of the Plan shall remain as in effect immediately prior to July 1, 1985. However, effective January 1, 1986, such Text F of the plan shall be amended, so as to reflect the terms and conditions described hereinbelow, subject to the approval of such amendments by the government authorities responsible for the supervision of the Plan.

The main provisions of Text F of the Plan, as amended as at January 1, 1986, shall be as follows:

1. Eligibility and Participation In the Plan

- a) The participation in the Plan shall be compulsory as of January 1, 1986 for all employees who had then attained the age of 21 and completed at least one year of service.
- b) Employees who do not meet the above eligibility requirements on January 1, 1986 and employees hired after January 1, 1986 shall join the Plan on the first day of the month following attainment of age 21 and completion of one year of service.

2. Employee Contributions

Each member shall contribute to the Plan an amount equal to 2.2% of his earnings up to the Maximum Pensionable Earnings (MPE), as defined under the Canada Pension Plan, plus 4.0% of the portion of his earnings in excess of the MPE.

For purposes of this paragraph, earnings shall mean basic earnings, excluding overtime, taxable benefits, special payments or indemnities and reimbursement of expenses.

3. Normal Retirement Date

The normal retirement date of a member shall be the first day of the month immediately following his attainment of age 65.

4. Pension at Normal Retirement Date

a) The annual pension payable to a member who retires on his normal retirement date shall be equal to the sum of:

(f) \$156.00 multiplied by his number of years of continuous service prior to December 31, 1985, and

(ff) 50% of the contributions made to the Plan by the member after January 1, 1986.

b) Notwithstanding the above, the annual pension payable to a member who retires during the period from January 1, 1986 to June 30, 1988, shall be at least equal to:

(f) 1.65% of the member's Final Average Earnings times his years of Pensionable Service prior to retirement, less

(ff) 1/35 of the C/QPP Pension times his years of Pensionable Service between January 1, 1966 and his date of retirement.

For purposes of this paragraph (b), the terms "Final Average Earnings", "Pensionable Service", and "C/QPP Pension" shall have the following meaning:

"Final Average Earnings"

The average of the member's earnings during the five years of continuous service preceding his retirement, during which such earnings were the highest; for purposes of this definition, the term "Earnings" shall be as defined in paragraph 2 above.

In the case of an employee who was absent from work for one or more months during one of the years considered when calculating Final Average Earnings, the earnings shall be annualized; this provision shall apply only if the employee has worked at least three months during the year under consideration.

"Pensionable Service"

The sum of the following periods of service, measured in years, with proportional allowance for completed months:

1) The period of continuous service after January 1, 1986, if any, during which the member has made the required contributions to the Plan:

2) The period of continuous service prior to January 1, 1986, if any, during which the member has made the required contributions to a prior plan of the Company or of a predecessor company, provided such employee contributions have not been subsequently refunded to the member:

3) One-half (1/2) of the period of continuous service prior to January 1, 1986 during which the member has not made contributions to a pension plan of the Company or of a predecessor company, but excluding any month of absence for a reason other than disability, during which the member has not received any earnings from the Company.

(NOTE: In any case where an employee terminated his employment at another division of the Company and was subsequently re-employed at the Guelph Division, service at the former division prior to the termination of employment shall not be recognized as Pensionable Service).

"C/QPP Pension"

The maximum pension payable under the Canada Pension Plan, in the year of the member's retirement.

5. Early Retirement

- a) A member may elect early retirement on the first day of any month after his attainment of age 55. The annual early retirement pension then payable shall be equal to a percentage of the pension calculated in accordance with the formulas described in paragraph 4 above, such percentage being determined from the following table:

Age at Early Retirement	Percentage Applicable If the Member has completed:	
	At least 20 years Continuous Service	Less than 20 years Continuous Service
64	100%	94%
63	100%	88%
62	100%	82%
61	100%	76%
60	92%	70%
59	84%	64%
58	76%	58%
57	68%	52%
56	60%	46%
55	55%	40%

- b) A member who elects early retirement after having attained at least age 61 and completed at least 20 years of continuous service, shall receive a bridging supplement equal to \$18.00 per month times his years of continuous service in the Plan, up to a maximum of 30 years of continuous service. The bridging supplement shall commence on the member's early retirement date and terminate with the payment on the first of the month in which he becomes eligible to receive benefits under the Canada/Quebec Pension Plan or the Old Age Security Act, or with his death, whichever is the earlier.

6. Form of Pension

- a) Normal form of pension: Under the normal form, the pension is payable monthly for as long as the member lives after retirement, with the guarantee that should he die before he has received 60 monthly payments, the payments shall be continued to his designated beneficiary until 60 monthly payments in all shall have been made.
- b) Optional forms of pension: In lieu of the normal form of pension described above, a member may elect to receive his pension under one of the following optional forms of pension:

i) a life pension without any guaranteed period;

ii) a life pension with a guaranteed period of 5, 10 or 15 years;

iii) a life pension continuing at the rate of 50%, $66 \frac{2}{3}\%$, 75% or 100% to his designated joint annuitant;

iv) a life pension integrated with the Old Age Security pension.

The amount of the pension payable to a member who elects one of the optional forms of pension described above shall be adjusted to represent the actuarial equivalent value of the pension payable under the normal form. The election of an optional form of pension must be in writing, on the form prescribed by the Company and must be filed with the Company at least two years before the commencement of the pension payments.

7. Termination of Employment

A member who terminates his employment prior to retirement shall be entitled to the following benefits:

- a) If the member has completed less than 5 years of continuous service as at the date of his termination of employment, he shall receive a refund of his accumulated contributions with interest to the date of his termination.
- b) If the member has completed at least 5 years of continuous service as at the date of his termination of employment, he shall be entitled to a deferred pension commencing on his normal retirement date, equal to a percentage of his pension accrued as at the date of his termination as determined in accordance with the formulas described in paragraph 4 a) hereinabove; the percentage shall be determined in accordance with the following table:

<u>Completed years of continuous service</u>	<u>Percentage applied to the accrued pension</u>
5	50%
6	60%
7	70%
8	80%
9	90%
10 or more	100%

8. Death Benefits

- a) If a member dies before the commencement of his pension, his accumulated contributions with interest to the date of his death, shall be refunded to his designated beneficiary, or, if no beneficiary has been designated, to his estate. No further benefits shall be payable from the Plan.
- b) If a member dies after the commencement of his pension, the benefits payable, if any, shall be determined in accordance with the form of pension elected by the member prior to his retirement.

9. Disability Pension

A member who has completed at least 15 years of continuous service and who becomes through some unavoidable cause totally and permanently incapacitated, shall be entitled to receive a disability pension under the Plan, provided he has not attained the age of 65 and is not in receipt of benefits under any Company sponsored long term disability plan. Such disability pension shall be equal to the member's accrued pension calculated in accordance with paragraph 4a) above.

It is understood that this Appendix is only a summary of the main provisions of the Plan and that the actual administration of the benefits payable shall, at all times, be governed by the official text of the Plan.

Mr. J. Heffernan, President Local 1199
Canadian Paperworkers Union

Dear Mr. Heffernan:

RE: REST PERIODS

During the previous negotiations of the Labour Agreement, it was established there would be no formal rest periods.

The parties recognize that every employee will have at least one rest period and that production not be halted during each half shift. Therefore, believing that both aims can be attained, we propose no formal rest periods. We rely on the integrity of all the employees to see that the efficiency of the department is not affected by too many rest periods. Also, that the employees will cooperate in supplying relief when requested. We rely on the good judgement of the Supervisory Staff to see that rest periods take place, and if conditions permit, more than one rest period in each half shift will be attainable as long as production is not adversely affected. Properly designated smoke areas will be available to all plant personnel.

Yours very truly,

"Allan J. Stapleton"

Plant Manager

CONFIRMED

"A. Foucault"

DATE: August 5, 1986

Mr. J. Heffernan, President Local 1199
Canadian Paperworkers Union

Dear Mr. Heffernan:

RE: WASH UP PERIOD

During the previous negotiations of the Labour Agreement, it was established there would be no formal wash up period.

The parties recognize that it is desirable that every employee leave at the end of his shift with an opportunity to remove dirt and grime accumulated on the job.

Depending upon the work performed on a particular day, the time will vary from nothing to several minutes. We rely upon the integrity of the employees to see that the time taken is the proper amount and upon the good judgement of the Supervisory Staff to make the necessary time available.

.Yours very truly,

"Allan J. Stapleton"

Plant Manager

CONFIRMED

"A. Foucault"

DATE: August 5, 1986

Dear Mr. Heffernan:

RE: TEMPORARY JOB POSTING

Management agrees to select employees required as temporary replacements in the Shipping Department and Plate Room during vacations, certified sickness, and approved leaves of absence, in excess of one week, by the job posting process.

Selection will be based upon seniority and an employee's ability to perform the job after a reasonable training period. Employees selected for the temporary vacancy will hold the posting for one year, after which period said employee may relinquish the temporary position. If said employee relinquishes his posting, he may not re-post for the relinquished posting until a twelve month period has elapsed. The employee will maintain his seniority in his permanent lines of progression when the back up posting is intermittent. However, he will relinquish such seniority when the backup posting becomes permanent. Should a permanent position become available during this period, the temporary appointee will assume the vacant position on a permanent basis.

Employees selected as temporary replacements will select their vacations in the Department to which they have transferred, by departmental seniority.

Conditions for Posting

1. Any employee holding a temporary posting on the date a temporary job is posted will not be eligible to post for that position.
2. Any employee frozen in the lines of progression who posts for a temporary backup position must relinquish his frozen rights at such time as:
 - a) twelve months have elapsed from accepting the backup position, or

b) he assumes a permanent job in the department.

Yours very truly,

"Allan J. Stapleton"

Plant Manager

CONFIRMED

"A. Foucault"

DATE: August 5, 1986

Mr. J. Heffernan, President Local 1199
Canadian Paperworkers Union

MEMORANDUM OF AGREEMENT - VACATION SCHEDULES

1. Vacation schedules must be posted March 1st and removed May 1st.
2. Vacations will be selected by order of plant seniority in the agreed groupings. Management will review the agreed groupings with the Union prior to the March 1st postings.
3. The three most senior employees in the agreed groupings must select their vacation by April 7th, the next three by April 14th, the next three by April 21st and the balance by April 30th.
4. Employees who do not select their vacation in the allotted time will select their vacation after May 1st from remaining open weeks. Two employees in each grouping will be entitled to take vacation at the same time.
5. Employees with three or more weeks vacation must select these additional weeks at the same time they select their first two weeks or select these additional weeks after May 1st from the remaining open weeks.

AGREED AND SIGNED AT GUELPH, ONTARIO
THIS 9th DAY OF July 1986.

For MacMILLAN BATHURST INC.
GUELPH PLANT

For The CANADIAN
PAPERWORKERS UNION
- LOCAL 1199

"Allan J. Stapleton"

"Jerry Heffernan"

"Ian Barton"

"S. Fennell"

A. Foucault"

MEMORANDUM OF AGREEMENT - OVERTIME

1. The local management will divide overtime work as impartially as is practicable among the permanent employees in the Department by job classification. If the employees in the job classification refuse, the qualified employee in the department with the lowest overtime hours will be asked.
2. Employees will be credited with all overtime hours worked or refused. Effective January 1, 1981 - employees who cannot be contacted verbally when overtime is being arranged will only be charged for hours refused when a Supervisor telephones the employee in the presence of a Union representative.
3. Departmental overtime lists indicating all overtime hours worked or refused will be posted on a weekly basis.
4. The Company will not contact an employee who has worked the 11:00 p.m. to 7:00 a.m. shift before 11:00 a.m. following the shift without first contacting the Union.
5. Employees should be informed if possible of what job they will be requested to perform on overtime.
6. Employees with the lowest overtime hours in a Department will be given the first opportunity to work any overtime required outside their Department providing they are capable of performing the work.
7. New employees who have completed their probationary period will assume the average overtime hours in their classification.
- a. Commencing January 1st of each year, the employee with the lowest recorded overtime hours in a classification will have those hours reverted to 0. Employees with recorded overtime hours in excess of the lowest recorded overtime hours in a classification will carry the difference in those hours over to the next calendar year.

9. Students who have completed their 30 *day* probationary period will be permitted to work overtime during the basic work week after all permanent employees **on** shift have been requested to work.
10. A **copy of** the overtime list will be made available for the Union Vice-president each week.
11. Anyone on vacation will not be charged for overtime in their absence. Anyone on sick leave or authorized leave of absence for more than one month will assume the month's classification average **overtime to be** added to his total. Less than one month, they will not be charged.

For MacMILLAN BATHURST INC.
GUELPH PLANT

For The CANADIAN
PAPERWORKERS UNION
- LOCAL 1199

"Allan I. Stapleton"

Jerry Heffernan

"Ian Barton"

"J. Fennell"

"Art Foucault"

DATE: July 9, 1986

MEMORANDUM OF AGREEMENT

In the application of the Company's right to transfer employees in accordance with Article 10, Section 9, the following shall apply:

Shipping Department

The Shipping Department will serve the palletizer take-off line on any shift when the automatic palletizer is in operation and more than two production machines are feeding this unit.

#81 - Old Ward

The Company will not operate the Hard Die Press with less than a 3 man crew. with the understanding that the 3rd man will be required to perform only duties associated with the Ward Die Press during a two man operation.

Corrugator Department

The Company has proposed the following guidelines covering the type of work to be assigned to a set-up man and corrugator take-off during long runs:

- a) They will not be required to leave the corrugator area.
- b) They will be assigned duties in accordance with their job descriptions.
- c) They will provide adequate relief to crew members as necessary.

d) In the case of the take-off position, where it appears an employee cannot be fully utilized for a considerable period of time, the employee may also be requested to perform some additional duties within the corrugator area such as strapping, tying or additional trucking duties. However, it must be clearly understood that when requested to perform such duties, adequate rest periods will be maintained.

AGREED AND SIGNED AT GUELPH, ONTARIO
THIS DAY OF , 1986.

For MacMILLAN BATHURST INC.
GUELPH PLANT

For The CANADIAN
PAPERWORKERS UNION
- LOCAL 1199

MEMORANDUM OF AGREEMENT

Mr. J. Heffernan, President Local 1199
Canadian Paperworkers Union

During the recent Local Negotiations between the Union and the Management, it was mutually agreed to adopt the following rules to govern the lines of progression.

It was also agreed that both parties could amend or abrogate these rules upon mutual agreement.

RULES GOVERNING LINES OF PROGRESSION

Job progression is based on the principle that all PERMANENT employees can progress systematically from the bottom job in a department to the more senior positions according to their seniority within each classification.

PROMOTION

When a permanent vacancy occurs in a department, employees will move up the lines of progression according to their seniority until the position is filled. The permanent vacancy remaining for the bottom job in the department will be filled through plant wide JOB POSTING.

SENIORITY

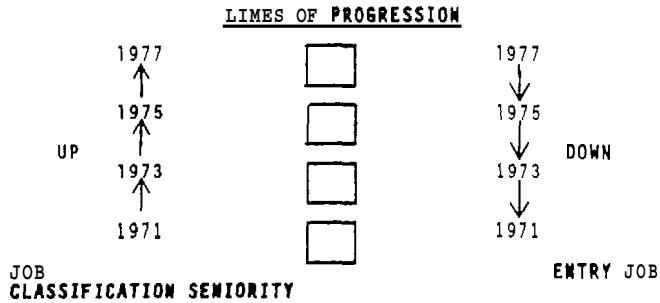
For the purpose of seniority in the lines of progression, there will be two types of seniority:

- a) Departmental Seniority
- b) Job Classification Seniority

Department seniority shall commence from the employee's entry date into the department on a permanent basis.

Job Classification seniority shall accumulate from each employee's permanent entry date into a job classification within the lines of progression. An employee will not be considered to be moved into a job classification on a permanent basis if such move is required for relief covering vacations, sickness, approved leave of absence and filling temporary job vacancies, etc.

An employee skipping over a job classification due to an employee freezing in that classification shall have the same seniority date in the classification he skipped over as the classification to which he was promoted.



FREEZING ON THE JOB

Employees who wish to remain in a specific job classification must submit to management a written request explaining the reason they wish to freeze on the job. Such requests will be reviewed by a Union and Management Committee to determine if the request should be granted.

Employees may request management in writing for a resumption of their seniority rights within the lines of progression, such request will be reviewed by a Union and Management Committee to determine if the request should be granted.

Employees who freeze in a job classification shall be protected from being bumped only to the extent that their entry seniority in that classification permits.

REDUCTION IN WORK FORCE

In the event it becomes necessary to reduce the work Force in a job classification, the employee with the least seniority in that job classification will assume the next lower classified job in accordance with his entry date seniority in that job classification.

DEMOTION

Employees who fail to qualify for a higher job classification (after a reasonable training period) will be demoted to their previous job classification for a period of three months. All employees promoted over them during that period will retain their seniority in the higher job classification only. At the end of the three month period, the demoted employee will be given the first opportunity to train for a job that becomes available in a higher classification.

If they once again fail to qualify for the position, they will be demoted to their previous job. A further opportunity for promotion will only be given at management's discretion.

An employee who qualifies for a position in a higher job classification and is demoted at a later date will assume the next lower classified job in accordance with his entry date seniority in that job classification.

DEPARTMENTAL TRANSFERS

Employees can only transfer from one department to another by answering a Plant Wide Job Posting for the bottom job in a department. Employees who transfer from one department to another on a voluntary basis, relinquish their seniority in the department they left, and assume the bottom job classification in the department they enter, after completion of their training period. Employees who are transferred to another department due to a reduction in a work force return to their previous job classification when required.

Employees who are transferred to another department due to a cutback in the workforce shall assume seniority in the new (temporary) department as if they were transferred one at a time i.e. the junior employee will be transferred out of his permanent department first, and assume seniority in the temporary department, then the next employee, etc. Temporary employees n a

department who are absent due to vacation, sick leave, layoff or approved leave of absence will assume the temporary position held prior to the aforementioned absence.

TEMPORARY TRANSFERS

When a temporary vacancy occurs in a Department during the week, the temporary transfer clause will apply, management will endeavour, however, to fill the vacant position by moving employees up the lines of progression by individual machine.

When a temporary vacancy occurs in a Department in excess of one basic work week, Management will follow the lines of progression, provided the employees involved are capable of performing the work.

TRAINING

Upon the successful completion of an employee's training in a higher job classification, management will prepare a change notice indicating instruction received and completion date of training.

Employees who are trained to perform jobs in a higher classification must accept promotion to that classification when it becomes available, unless by mutual agreement.

AGREED AND SIGNED AT GUELPH, ONTARIO
THIS 9th DAY OF July, 1986.

For MacMILLAN BATHURST INC.
GUELPH PLANT

For The CANADIAN
PAPERWORKERS UNION
- LOCAL 1199

"Allan J. Stapleton"

"Jerry Heffernan"

"Ian Barton"

"S. Fennell"

"A. Foucault"

1985

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DECEMBER						
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