

AGREEMENT

IKO INDUSTRIES LIMITED
(hereinafter called the "Company")



and

**COMMUNICATIONS, ENERGY
AND PAPERWORKERS
UNION OF CANADA
LOCAL 773**

(hereinafter called the "Union")

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DEC 16 2003



2003 - 2007

11575(03)

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ARTICLE 1 -PURPOSE OF AGREEMENT

1.01 The general purpose of this Agreement entered into by collective bargaining is to maintain a sound and satisfactory relationship between the Company and its Employees, preventing strikes and lock-outs, and to facilitate the peaceful adjustment of grievances and disputes, to prevent waste and unnecessary and avoidable delays and expense. Its purpose is also to encourage stable working conditions in the Company by keeping the Company's costs as low as possible consistent with equitable wages and working conditions and to establish the necessary procedures and provisions to assist both the Company and the Union in accomplishing these objectives.

Now this Agreement witnesseth:

ARTICLE II - RECOGNITION

2.01 The Company recognizes the Union as the collective bargaining agent for a union of Employees of IKO Industries Ltd., Calgary, Alberta, comprising:

"All full time and seasonal Employees directly engaged in the manufacture of the Company's product and at its Roofing Mill Plant, Board Mill Plant, Felt Mill Plant and Saturating Line, all at 1600 - 42nd Avenue S.E., Calgary, Alberta, excluding Sales, Office Staff, Technical and Research, Quality Control, Supervisory with the authority to hire and/or discharge, and Employees engaged in a confidential capacity in matters relating to labour relations".

ARTICLE III -MANAGEMENT'S RIGHTS

3.01 The Union agrees that it is the exclusive right of the Company to manage the affairs of the business, and to direct its working forces subject only to its observance of the terms and conditions of this Agreement. Without limiting the generality of the foregoing, such Company rights shall include the right to:

- (a) Maintain order, discipline and efficiency.
- (b) Select or alter the materials to be processed or manufactured and determine the schedules of production, the locations of production, and methods and sequences of manufacture.
- (c) Determine the qualifications of any Employee to perform any work, taking into full consideration such factors as seniority, ability and performance.
- (d) Designate the work to be performed by the Employee.
- (e) Designate the time, or times, an Employee is to work.
- (f) Hire, discharge for just cause, transfer, promote, demote, or discipline Employees and to require Employees to observe Company rules and regulations not inconsistent with the terms of this Agreement.

ARTICLE IV - DISCRIMINATION

4.01 The Company and Union agree that there will be no discrimination against any Employee covered by this Agreement because of the Employee's Union membership or non-membership, participation or non-participation in the Union's affairs, except where such participation contravenes the provision of this Agreement.

ARTICLE V - DEDUCTION OF DUES

5.01 All Employees shall, as a condition of employment, join the Union and maintain a membership in good standing in the Union, giving written authorization to the Company for deduction of monthly dues as set by the Union. All new Employees shall join the Union within Thirty (30) days of starting and maintain membership in good standing as a condition of employment. For Employees starting on or before the 25th of any given month, Union dues shall be deducted from the first pay period ending in the immediate following

month. For Employees starting after the 25th of any month, Union dues shall be deducted from the first pay period ending the second following month. Initiation fees for Union membership shall be deducted from the first pay period ending after the completion of probationary period by the Employee when the Employee commences to earn seniority as defined in Article 12.01. All dues authorized to be submitted to the Local Union shall be forwarded by the Company to the Financial Secretary of the Local Union within two (2) weeks of the making of the deduction or earlier if possible.

ARTICLE VI - HOURS OF WORK AND OVERTIME

6.01 This article, where it defines the hours of work, shall not be construed as a guarantee of hours of work per day or per week, but merely provides a basis for the calculation of overtime. Neither shall it serve as a restriction on the scheduling of a longer or shorter day or work week, whenever, in the opinion of the Company, it is necessary to meet business requirements.

6.02 The normal hours of work for any Employee shall be forty (40) hours within a seven (7) day period:

- (a) Five (5) days per week with a normal work day of eight (8) hours or;
- (b) Four (4) days per week with a normal work day of ten (10) hours;

The normal hours of work for any twelve (12) hour shift Employee shall be eighty (80) hours within a fourteen (14) day period consisting of:

- (c) One (1) week of four (4) days per week with three (3) normal work days of twelve (12) hours and one (1) normal work day of eight (8) hours plus one (1) week of three (3) days per week with a normal work day of twelve (12) hours.

The following 12 hour shift schedule will result in an average of

forty (40) hours per week based on a 28 days cycle as outlined in d, e & f below:

(d)	C1 schedule-	Day
	Week1 -	3
	Week2 -	4
	Week3 -	3
	Week4 -	4

(e)	C2 schedule-	Day
	Week1 -	5
	Week2 -	3
	Week3 -	2
	Week4 -	4

(f)	C4 schedule-	Day
	Week1 -	3
	Week2 -	4
	Week3 -	3
	Week4 -	4

(g) Or any other schedule mutually agreed to by the Union and the Company.

If the four (4) shift continuous operation which the Company intends to implement will be a twelve (12) hour shift rotation, the Union agrees that the Company may implement the eight (8) hour schedule for a maximum of one (1) twenty-eight (28) day cycle for the purpose of employee training, or an extension to the above by mutual agreement.

Schedules of work will be posted in advance by the Company. Except in isolated instances which may arise from time to time, the Company agrees not to make changes to the normal scheduled hours without prior consultation with the Union.

Production schedules as per Appendix B.

6.03 The work day shall be from 11:30 p.m. on one day to 11:30 p.m. on the ensuing day. The work week shall be from 11:30 p.m. on Sunday through to 11:30 p.m. on the ensuing Sunday. In the event that the definition of the work day or work week requires to be changed by the Company, the Company will give the Union five (5) calendar days' notice of such change, in writing.

6.04 Hours worked in excess of the normal hours per day as defined in 6.02 shall be paid for at overtime rates of time and one-half the regular rate for the first two (2) hours in excess of normal hours and double the regular rate of pay for hours thereafter.

Hours worked in excess of the normal hours per week as defined in 6.02 shall be paid for at overtime rates of time and one-half the regular rate for the first ten (10) hours in excess of normal hours and double the regular rate of pay for hours thereafter which have not been paid at double time.

Overtime will be first offered to the person operating the position in which the overtime occurs.

6.05 When an Employee is required to work on such Employee's first scheduled day of rest within the work week, the Employee shall be paid time and one-half the regular rate of pay for all hours so worked. Should an Employee be required to work on such Employee's second and subsequent days of rest, within the work week, the Employee shall be paid double the regular rate of pay for all hours so worked.

6.06 Wherever practical, for all non-shift Employees, the Company undertakes to observe a forty (40) hour week, Monday through Friday, with Saturday and Sunday being the first and second days of rest respectively. However, the Company reserves the right to change this arrangement where it is necessary, in its opinion, to ensure efficient and economic continuity of production, it being understood that either Saturday or Sunday will be one of the scheduled days of rest.

6.07 Under no circumstances shall there be any pyramiding of any premium payments referred to in this Agreement

6.08 When an Employee's regular scheduled working hours are changed by the Company: that is both starting and finishing time change, the Employee will be paid at double that Employee's base rate for the Employee's first scheduled shift, except in the event that the Company has given three (3) days notice of said change. Of these three (3) days, only one day, either Saturday or Sunday, will be used as a day. A day will be from 12:01 AM to 12:00 PM. This clause shall not take precedence over any other overtime provisions contained elsewhere in this Agreement.

ARTICLE VII - RATES OF PAY

7.01 The rates of pay which shall be effective during the life of this Agreement shall be the rates set forth in Schedule "A" to this Agreement.

7.02 The Company agrees to discuss with the Union any new or changed classification and the rate of pay for this new or changed classification prior to implementation of such. Should the duties and responsibilities of any of the classifications listed in Appendix "A" be changed resulting in a lesser rate of pay being assigned the classification, such rate may be appealed by way of the grievance procedure.

ARTICLE VIII - VACATIONS WITH PAY

8.01 Wherever practical, the scheduling of vacations will take into consideration the wishes and seniority of the Employees. Vacations must be taken by the end of the calendar year following the year in which the vacation days were earned. Employees wishing to take full entitlement of holidays at one time during the year may do so providing all Employees that are entitled to vacations have had the opportunity to book vacations and no one else requested that period of time.

Vacations can be cumulative and carried over to the vacation year immediately following. Such cumulative vacation must be by mutual agreement of the Employee and the Company, in writing. The Union will be furnished with a copy of such agreement when made. Employees shall be allowed one accumulation every five (5) years.

Management reserves the right to limit the number of Production Employees taking their vacations at any one time to two (2) per department. However, during peak vacation time, C-1 will be permitted three (3) at one time.

In the event the Company institutes a plant shutdown or reduction of operations for the purpose of vacation for any one or all departments, all Employees in their respective departments, unless otherwise notified, will be required to take their vacation at that time. The Company will give notice of a scheduled shutdown or a reduction of operations for the purposes of vacation no later than Feb. 10th of that year, and will endeavour to find employment during the shutdown for people who have taken their vacation prior to notification of plant shutdown. During the plant shutdowns, only one Employee per department will be allowed vacation for vacation entitlement exceeding the shutdown period. The Company encourages Employees to take excess vacation entitlement beyond the shutdown periods during the following peak periods:

C-1: May 1st to October 30th.

C-2/C-3/C-4: June 1st – September 30th.

The Maintenance Department will be allowed one (1) per mill to a total of three (3), at one time. No mill maintenance Employees will be allowed vacation during the shutdown of their mill. During Christmas shutdown, Maintenance Department Employees will be permitted to go on vacation, provided there is only one (1) Employee on vacation at any one time, inclusive of days off.

All requests for vacation must be entered before February 15th of the current year. There will be a two week adjustment period, then the

final vacation schedule will be posted. After this date, seniority will **only apply to any vacation request for periods of time not** previously booked.

Employees taking their vacation at times other than between June 1st and September 30th will receive a fifteen (15) percent premium on their vacation pay provided that any unused vacation taken outside of the above noted period does not fall during any scheduled shutdown for their department during the year.

8.02 For the purpose of calculating vacation pay, the period shall be January 1 through December 31 of the previous year.

To be eligible for the paid vacation as provided an Employee must have worked a minimum of 1,000 hours in the 12 month period preceding the Employee's qualifying employment anniversary. An Employee who works **less** than 1,000 hours in the previous calendar year will be eligible only for the applicable percentage of the Employee's **gross** earnings.

8.03 Length of vacation is established by the length of employment of the Employee as of July 1 of the current year and will be as follows:

LESS THAN ONE (1) YEAR - One (1) day for each full month's employment at the rate of four (4) percent of gross pay.

ONE (1) YEAR OR MORE OF CONTINUOUS EMPLOYMENT - Two (2) weeks at the rate of four (4) percent of gross pay or eighty (80) hours pay at the Employee's applicable rate immediately prior to going on vacation, whichever is greater.

THREE (3) YEARS OR MORE OF CONTINUOUS EMPLOYMENT - Three (3) weeks at the rate of six (6) percent of gross pay or one hundred and twenty (120) hours pay at the Employee's applicable rate immediately prior to going on vacation, whichever is greater.

TEN (10) YEARS OR MORE OF CONTINUOUS EMPLOYMENT

- Four (4) weeks at the rate of eight (8) percent of gross pay or one hundred and sixty (160) hours at the Employee's applicable rate immediately prior to going on vacation, whichever is greater.

Effective January 1, 2000 to December 31, 2004, an Employee who has been continuously employed by the Company for twenty-two (22) years or more shall receive a vacation bonus equal to the greater of:

- (1) Two (2) percent of gross pay of the previous year, or
- (2) Two (2) percent of an amount calculated at the hourly rate of pay paid to that Employee immediately prior to that Employee going on vacation times two thousand eighty (2,080) hours.

EFFECTIVE JANUARY 1, 2005, AN EMPLOYEE WITH TWENTY (20) YEARS OR MORE OF CONTINUOUS EMPLOYMENT-

Five (5) weeks at the rate of ten (10) percent of gross pay or two hundred (200) hours at the Employee's applicable rate immediately prior to going on vacation, whichever is greater.

ARTICLE IX - RECOGNIZED HOLIDAYS

9.01 Employees will receive eight (8) hours at regular pay for all Recognized Holidays listed below. In the event that a paid Recognized Holiday falls within an Employee's annual vacation period, such period shall be extended by one day for each of the Recognized Holidays so affected.

NEWYEAR'S DAY	LABOUR DAY
FAMILY DAY	THANKSGIVING
GOODFRIDAY	REMEMBRANCE DAY
VICTORY DAY	CHRISTMAS DAY
DOMINION DAY	BOXING DAY
CIVIC DAY (1st Mon. in Aug.)	

Plus one (1) floating day to be taken between Christmas and New Year's. Any Maintenance Employee not allowed their floater day

between Christmas and New Year's will be permitted to take their **float day at a time of their choosing in the immediate year** following.

9.02 Employees required to work on Recognized Holidays shall, in addition to the eight (8) hours pay granted in 9.01, be paid at the rate of double time for all hours worked.

9.03 An Employee shall not be eligible for payment for a Recognized Holiday listed above if:

- (a) The Employee has not worked such Employee's scheduled work shift immediately before and after such holiday.
- (b) The Employee refuses to work on a Recognized Holiday when scheduled with seven (7) days' notice to do so on the Employee's regular job position. No notice shall be required for emergency maintenance work.
- (c) The Employee has been employed by the Company for less than thirty (30) days immediately preceding the holiday.
- (d) The Employee is absent on leave of absence or lay off except where such lay off occurred the working day before or after a Recognized Holiday and only one (1) such Recognized Holiday will be paid during said lay off.

The only exclusions to these requirements will be where such requirements are specifically waived by the Company.

9.04 The Employee will be eligible for payment for a Recognized Holiday listed above if the Employee is absent on sick leave and not receiving benefits. Where an Employee is receiving benefits the Company agrees to make up the difference in pay between the benefits received and the amount normally received on a

Recognized Holiday. Sickness must be substantiated by a Doctor's certificate.

ARTICLE X - GRIEVANCE AND ARBITRATION

10.01 The Company and the Union both agree that any grievance arising out of the terms of this Agreement should, so far as is possible, be settled between the Company's representative and the Union's executive. A grievance is defined as a dispute involving the application, interpretation, or alleged violation of the collective agreement.

10.02 In the event that either the Company or the Union (on its own behalf or on the behalf of the Employee) wishes to process a grievance, such grievance shall be submitted by the one party to the other, in writing, and shall be submitted within ten (10) working days of the occurrence of the act causing the grievance. The party in receipt of the grievance must make known its decision in writing regarding the grievance to the other party within ten (10) working days of receipt. In the event that the grievance is not resolved at this time, either party may submit the grievance in writing, to Arbitration. Such submission shall be within thirty (30) calendar days of the rendering of the decision.

10.03 Any grievance arising out of the terms of this Agreement shall be handled in the following manner:

STEP1: Employee or Employees concerned, with or without a shop steward in attendance at the Employee's choice, shall first seek to settle the dispute in discussion with the immediate supervisor.

STEP2: If the dispute is not resolved satisfactorily in Step 1 it then becomes a grievance. The grievance shall then be reduced to writing and submitted in this form to the Plant Manager within seven (7) working days of the act causing the grievance. One (1) copy shall go to the Plant Manager and the other to the Union Executive. The Plant Manager shall make known his decision in writing within five (5) working days of the receipt of the grievance.

STEP 3: Should the decision of the Plant Manager be unsatisfactory to the Union, the Executive of the Union may submit the grievance to Arbitration within thirty (30) calendar days of receipt of the Plant Manager's decision.

10.04 On the application of either party, the matter may be submitted for final settlement to a single Arbitrator, or Board of Arbitration, provided that not more than thirty (30) calendar days have elapsed since the date of the Plant Manager's decision under the grievance procedure. It is agreed by both parties that the use of a single Arbitrator is the method of choice, but where either party wishes the matter in question to be heard before a Board of Arbitration, then that method will be used.

10.05 The party desiring to submit a matter to Arbitration shall notify the other party to this Agreement of its intention in writing and at the same time nominate at least five names of possible arbitrators. Within seven (7) calendar days thereafter the other party shall choose one of the suggested arbitrators or submit its list of five possible arbitrators. If agreement is not reached by the parties within an additional seven (7) calendar days either party may request the Honourable Minister of Industry and Labour of the Province of Alberta to appoint a qualified arbitrator.

10.06 Intention to proceed to Arbitration Board shall be submitted, in writing, addressed to the other party to this Agreement and shall contain nomination of an Arbitrator. Within seven (7) calendar days thereafter, the other party shall nominate its choice of Arbitrator. The two Arbitrators so nominated shall meet immediately and if within seven (7) calendar days of their first meeting they have failed to settle the grievance, they shall attempt to select by agreement a Chairman of the Arbitration Board. If they are unable to agree upon the choice of such a chairman within a further period of twenty-four (24) hours, they may then request the Honourable Minister of Industry and Labour of the Province of Alberta to appoint a chairman.

10.07 The Arbitration Board will not be authorized to make any

decision inconsistent with the provisions of this Agreement, nor to alter, modify or amend any part of this Agreement. Neither shall the Arbitrators have the authority to add to or delete from the provisions of this Agreement. However, the questions as to whether or not a dispute is arbitratable shall be submitted to the Arbitration Board for their decision.

10.08 Each of the parties to this Agreement shall bear the expense of its nominees to the Arbitration Board and the parties will jointly bear the expenses, if any, of the Chairman.

ARTICLE XI - GENERAL CONDITIONS

11.01 The Company agrees that it will not cause or direct any lockouts of its Employees during the life of this Agreement. In like manner, the Union agrees that no Employee shall cause or take part in any sit down, slow down, strike or stoppage of work during the life of this Agreement. It is further agreed that the Company may discharge any Employee causing, taking part in any sit down, slow down, strike or stoppage of work during the life of this Agreement.

11.02 (a) The Company agrees to recognize six (6) shop stewards on the basis of:

Roofing Plant - Two(2)
Felt Mill - One(1)
Board Mill - One(1)
Saturating Line - One(1)
Maintenance Department - One(1)

One of the shop stewards will be designated as the Chief Steward for the total Employee group. The Shop Stewards provided for and mentioned in this section shall have the power to act for the Union in connection with the right and obligations and matters provided for in this Agreement. Whenever Maintenance Personnel are unable to resolve any matters in their own department area and desire to contact their Maintenance Steward in another department they must first obtain approval from the department Supervisor prior to said contact.

All Union stewards and Union executive will first obtain approval from their department Supervisor before leaving their posts to attend to Union business. The Employee to be contacted must also get approval from such Employee's Supervisor.

C-4 will get approval from the C-3 Supervisor.

(b) A designated member of the Union Executives- ie. President, Vice President, Secretary Treasurer, Recording Secretary, or Chief Steward shall be allowed the equivalent of two (2) hours bi-weekly with pay to visit different areas of the plants for the purpose of Union business. Notice shall be given to the Plant Manager of the approximate time of the visit.

(c) A Union Committee composed of three (3) representatives shall meet with representatives of Management once each month for the purpose of discussing items of mutual concern. An Agenda of items for discussion will be exchanged between the parties two (2) days in advance of such meeting. Within five (5) days of the meeting the minutes of such meeting will be sent to the Union for approval and signature. When approved, such minutes will be posted on bulletin boards throughout the plants. There shall be no loss of pay by Employees attending the meetings.

(d) Employees attending any Company scheduled meeting will be paid at applicable rates of pay for such hours. Where Employees voluntarily return to work to attend these meetings, they will be paid at their regular rate of pay for such time.

(e) The Union will be given 30 minutes of paid time to conduct an Orientation program to new hires immediately after the Company Orientation is completed. Such program will be conducted by the Union President or designate.

11.03 The Union agrees to communicate to the Company the names of the Employees who have been elected to the Union Negotiating Committee. With the exception of the Unit Chairperson the four (4) members will be elected by the general membership in

accordance with the bylaws and constitution of the Communications, Energy and Paperworkers Union of Canada. Wherever possible, the Union will make every effort to have a representative from each of the four (4) mills – C1, C2, C3 and C4.

Employees of the Negotiating Committee attending negotiation meetings with the Company shall be paid their straight time rate of wages for negotiation hours which result in loss of regular scheduled working hours. Employees not directly losing hours but scheduled to work immediately following or preceding negotiations will be reimbursed for up to eight (8) hour maximum to be paid at straight time rate of wages. The Employee will advise the supervisor of any working hours the Employee will require to have off in order to attend such negotiation meetings.

11.04 Four (4) suitable notice boards will be provided by the Company for the exclusive posting of Union notices. It is understood that only notices signed by a Union official and authorized and approved by either Plant Manager or Operations Manager or designated representative, will be posted thereon.

However, notices of Union meetings and social events will not require the prior permission of the Company, but must be authorized by signature of an officer of the Union. Notice boards, covered and locked, will be provided in all mills with the keys in the possession of the mill superintendent.

11.05 If an Employee is required to work more than two (2) hours extra after such Employee's normal scheduled shift, or without two (2) hours' prior notice before such Employee's regular starting time, the Employee will be provided with a meal from a variety of frozen foods available on the premises, at the Employee's request. An additional meal will be provided to the Employee for every four (4) hours of overtime worked thereafter. All meals provided must be eaten at the plant. Employees will be allowed reasonable time to eat their meals.

11.06 Production Employees required to report earlier than their

regular shift or requested to remain after their regular shift, which will involve them travelling during a period when public transportation is not available, will be provided with cab transportation providing their normal means of transportation are not available.

11.07 Anyone called to work during their lunch period shall be paid for the full lunch period time of one-half (1/2) hour.

11.08 (a) If an Employee is requested to return to work after having left the premises, and before the commencement of that Employee's next shift, the Employee shall be paid for all hours worked which are outside of that Employee's shift at the rate of "doubletime" or a minimum of three (3) hours pay at that rate if the Employee works less than three (3) consecutive hours.

(b) However, if such Employee is called into work less than three (3) hours before the start of that Employee's next shift, such Employee shall receive double time only for such hours prior to the start of that Employee's next shift - there shall be no pyramiding of this premium with (a) above.

11.09 (a) Employees will be allowed a ten (10) minute rest period in the first and second half of each shift, provided that it does not interfere with continuous plant operation. For twelve (12) hour rotating shifts, two ten (10) minute rest periods will be provided in each half of each shift.

(b) Production Employees working on a continuous production line which cannot be efficiently shut down, as determined by the Company, will be granted a lunch period of twenty (20) minutes, with pay, as close as is reasonably practicable to mid-shift, provided that it does not interfere with the continuous plant operation. Production Employees receiving a twenty (20) minute paid lunch break will be expected to relieve each other for this twenty (20) minute lunch period. All other Employees will be granted a one-half (1/2) hour lunch period (non-paid) within their normal hours of work.

11.10 Job vacancies of a permanent nature will be filled from

promotion request sheets kept posted on bulletin boards in each mill. It is the Employee's responsibility to enter the Employee's name under the position wanted. If more than one (1) person applies for a position, the Company will fill the position in accordance with the seniority provisions of Article 12.03 of this Agreement. Employees requesting department transfers will be required to put their name on the mill promotion request sheet as well as submitting a written transfer request as per Article 11:11.

11.11 In the event an Employee wishes to transfer from one department to another, the Employee shall make application, in writing, to the Plant Manager. Due consideration will be given to all the circumstances involved in the request and if, in the opinion of the Company, the transfer is merited, the application will be approved. All written transfer memos will be answered in writing. An Employee transferring from one job classification to another shall be paid such Employee's existing rate prior to the transfer for a period of thirty (30) working days. All memos referenced above will automatically cancel on their anniversary date.

11.12 An Employee who suffers the death of a spouse or a child shall be allowed five (5) days bereavement leave with pay. An employee who suffers the death of a brother, sister, parent, stepparent, parent-in-law, grandparent, stepchild shall be allowed three (3) days bereavement leave with pay, providing that,

- (a) The last day of such leave is no later than the day following the funeral.
- (b) Such five (5) days or three (3) days as applicable would have otherwise been regular working days for the Employee.
- (c) The Employee attends the funeral.
- (d) An Employee unable to attend the services shall be granted one day (eight (8) hours) bereavement leave with pay.

To qualify ~~for~~ bereavement leave for the death of a spouse, a spouse's children, or relatives, that spouse's name must be registered with the Company.

Where extenuating circumstances arise the employer may upon request, grant further leave without pay or benefits.

11.13 Jury Selection, Jury Duty and Crown Witness Duty: An employee who receives a subpoena for jury selection, jury duty or crown witness duty will be granted leave of absence for that purpose provided that the Company is properly notified through the submission of a copy of the subpoena.

The Employee shall be paid that Employee's regular straight time rate of pay for the number of scheduled hours of work the Employee loses as a result of such duty provided that the Employee submits a copy of the subpoena and assigns all jury duty fees that the Employee may receive to the Company.

An Employee is expected to report for work during periods the Employee is excused from jury duty except in instances where this would be impractical.

11.14 An employee who is present at the birth of their child shall be allowed one day (eight (8) hours) leave with pay, providing that,

(a) Such one (1) day would have otherwise been a regular working day for the Employee.

(b) The Employee presents proof of birth.

ARTICLE XII - SENIORITY

12.01 An Employee shall acquire seniority after that Employee has completed a probationary period of 360 regular hours worked within a 10 week period from commencement of employment. For the purpose of payroll, rate change will begin on the first day of the

pay period after 360 regular hours have been completed. However, upon completion of this probationary period, the Employee's seniority shall be dated from the first day of hiring.

Any Employee hired after January 1, 1992, upon completion of that Employee's probationary period, shall carry departmental seniority for a period of three (3) years after which Employee will possess plant-wide seniority. Plant-wide seniority will entitle the Employee to apply for any vacancy in permanent year-round positions.

12.02 In the event of lay-off and recall occasioned by reductions in operations or shortage of work, this shall be carried out on the basis of plant wide seniority, subject to the ability of Employee to carry out the work required.

Notwithstanding the foregoing, in the event of lay-off occasioned by emergency shut-down of any operation within the plant, not exceeding seven (7) working days, the seniority provisions of this article shall be waived.

12.03 (a) Department seniority shall govern on all occasions where promotions are involved, providing that the Employee has the necessary qualifications, dependability and ability to perform the work properly, safely and efficiently.

(b) In the event that there are no Employees suitable to perform the work of any given classification, the Company reserves the right to fill the classification from other sources.

(c) In the particular case of an Employee who has been promoted to a higher classification and who fails to perform to the satisfaction of the Company, within thirty (30) calendar days of promotion, or any extension of this period mutually agreed to by the Company, Union and Employee, such an Employee shall be returned to the classification from which that Employee was promoted.

12.04 (a) An Employee shall lose seniority for the following reasons:

(1) If the Employee voluntarily leaves that Employee's employment;

(2) Discharge for just cause;

(3) Failure to return from lay-off within three (3) working days of deemed notice of recall. Notices of recall shall be given by prepaid registered letter sent to the last known address of the Employee. Notice shall be deemed to have been given on the third day following the mailing of such notice in the manner aforesaid in any post office in the Province of Alberta. It shall be the responsibility of the Employee to ensure that Employee's correct address is maintained on Company's records.

(4) After a period of lay-off equal to length of employment or six (6) months whichever is greater to a maximum of one (1) year.

(a) There shall be no **loss** of seniority for reason of Sickness, Accident, Leave of Absence or Workers' Compensation Leave.

12.05 An Employee who is promoted out of the Bargaining Unit and who is returned to the Unit within six (6) months of leaving, shall retain all seniority accumulated to the date of that Employee's promotion out of the Unit.

12.06 The Company may grant leave of absence, in writing, to any Employee for legitimate personal reasons for a reasonable period.

Leave of absence **will** be granted to the President of the Union Local and/or designated alternate for the purpose of attending to Union business for a period not to exceed one (1) year provided two (2) weeks notice is given and for no more than one (1) Employee.

Requests by the local Union to attend to local Union business for

periods not to exceed two (2) weeks duration, shall be submitted in writing at least one (1) week in advance. **All** requests for Union leave will be approved and signed by the local Union President or designate.

The Company recognizes that the Union may not always be able to provide the required notice of need for a leave of absence for Union business. Therefore, the Company agrees to make every reasonable effort to accommodate, on infrequent occasions, such requests on shorter notice.

Employees granted leaves of absence listed above shall not be considered to be laid off for purposes of seniority and shall continue to accumulate seniority during their absence.

All leaves of absence above will be without pay or other benefits.

12.07 Leave of absence may also be granted for purpose of attending **full** time Technical Training courses up to a maximum period of three (3) months and for no more than one (1) Employee per department at any one time.

The above leave is without pay, but benefits will continue to be covered during the courses (i.e. apprenticeship).

12.08 The Company agrees to post Seniority Lists showing rate of pay four times a year, the first week of March, June, September and December, and to furnish the Union with a copy.

12.09 Permanent, Seasonal and Temporary Employees: Permanent Employees will be those Employees in Mills C-1, C-2, C-3, C-4 and Maintenance Departments whose job continues on a year round basis.

Seasonal Employees will be additional Employees required for an increase in production of a particular department (i.e.) C-1, C-3, C-4 additional shifts.

Temporary Employees will be those Employees hired from a "Temp. Services Pool" (i.e.) **Manpower Temp. Services, hired to perform** work that will not displace or cause to be laid-off any Seasonal or Permanent Employee.

Temporary Employees will be considered Seasonal Employees if they are required to work 360 hours or more in a given period and complete 360 hours of work. Such Seasonal Employees will be required to join the Union and maintain a membership in good standing, giving written authorization to the Company for deduction of monthly dues as set by the Union.

Seasonal Employees and those Temporary Employees who become Seasonal shall join the Union within thirty (30) days of hiring or thirty (30) days after achieving Seasonal Employee status.

Seasonal Employees' seniority rights will be governed by Article 12.01 of the Collective Agreement.

The Company agrees that Seasonal and Temporary Employees are to be used only during "Peak Periods" and wherever possible such jobs will be incorporated into full time positions.

The Company agrees that, during the term of this Agreement, no Permanent Employee within the bargaining unit will be laid off for reasons of the Permanent Employee's duties being carried out by one or more Seasonal or Temporary Employees.

Seasonal Employees who have been laid off, then called back on a temporary basis, will not be placed into any production line job unless their rate of pay at the time of layoff has been re-instated. If the Seasonal Employee's position extends beyond fourteen (14) continuous calendar days, the employee benefits will be activated, provided the employee has worked all regular scheduled shifts during that period. Alberta Health Care premiums will be paid by the Company effective the first of the month following the activation date.

ARTICLE XIII - SAFETY AND HEALTH

13.00 The Company will make reasonable provisions for the safety and health of its Employees during the hours of their employment.

13.01 (a) A Joint Worksite Health and Safety Committee comprised of three (3) representatives of Management and three (3) representatives of Union shall meet once every month to discuss and review safety and health. There shall be no loss of pay by Employees attending the meetings.

(b) The Company will provide to the Joint Worksite Health and Safety Committee training sessions during each calendar year, a maximum of sixteen (16) classroom hours for each Union safety committee representative to a maximum of forty-eight (48) hours for three (3) representatives. All courses must be applicable to the Calgary Company worksite, offered in Calgary, recognized by the Occupational Health and Safety Department and approved by the Plant Manager. Employees attending such courses will be paid at their regular hourly rate of pay for such time. Any hours being paid under this Article will not result in any overtime being paid.

13.02 The Company shall provide and maintain proper lunch rooms, washrooms, locker room facilities for all Employees in each mill.

13.03 (a) Clothing Allowance
Effective the Sunday immediately following date of ratification, each Employee will be entitled to a boot allowance of up to one hundred & ten dollars (\$110.00) upon submitting receipts to the Company.

Effective January 1, 2005, each Employee will be entitled to a boot allowance of up to one hundred & fifteen dollars (\$115.00) upon submitting receipts to the Company.

Effective January 1, 2007, each Employee will be entitled to a **boot** allowance of **up** to one hundred & twenty **dollars** (\$120.00) upon submitting receipts to the Company.

Boot allowance commences on the Employee's anniversary date and is accumulative **up** to two (2) years. (Any boot allowance monetary residual from the previous year only can be combined with the boot allowance in the current year.)

(b) All articles purchased with Company subsidy under (a) shall be for plant use only and should the Employee cease to be employed by the Company, the Employee will be charged back on the Employee's termination pay cheque all allowances received by that Employee over the previous four **(4)** months.

Employees with three **(3)** years or more seniority will not be subject to this clause.

(c) The Company will provide and pay ninety percent (90%) of the cost of purchasing, cleaning and mending of coveralls for all Employees.

Five (5) pairs of coveralls will be provided for all employees.

(d) The Company shall provide wet suits, rubber boots (including liners), gloves, and other protective clothing wherever they are required and in accordance with Occupational Health requirements.

(e) The Company will supply a pair of rubber boots on a payroll deduction to the pulperman and lead-hand in C-2 and to the wet-end man in C-3 to a maximum of one (1) pair per year.

13.04 Personal Tool Replacement: An Employee who damages or wears out a personal tool while performing work for the Company shall have the tool replaced by the Company paying Fifty Percent (50%) of its value if the Employee has six **(6)** months' seniority or

less, and One Hundred Percent (100%) of its value if the Employee has more than six (6) months' seniority.

13.05 An Employee hurt in an industrial accident and who was sent home by the Supervisor, or as a result of outside medical advice, shall be paid for the time lost for the balance of that Employee's regular shift on which the Employee was injured at the regular hourly earnings. If, however, the Employee returned to work, the Employee shall be paid for such time lost. The Company will provide transportation for such Employee if required.

ARTICLE XIV - SEVERANCE PAY

14.01 Severance Pay:

1. Eligible Employee must have attained plant-wide seniority and be a permanent Employee at Calgary IKO operations who is laid off as a result of permanent and total closure of a plant.

2. Eligible Employees shall be entitled to:

Severance benefits equal to forty (40) hours pay at the Employee's base rate for each year of continuous seniority accumulated to a maximum of fifteen (15) years. Severance benefits for a partial year of seniority will be prorated accordingly.

Any severance paid will be included and become part of any Employment Standard laws that may be instituted in the future.

3. General Provisions:

a. An Employee as defined in 1 who is temporarily laid off prior to permanent closure and then recalled, but who does not return to work, will not be eligible for severance benefits.

b. Benefits under this package are not payable to an Employee who is terminated for just cause or who severs employment of the Employee's own volition.

c. Benefits under this package are not payable to an Employee who retires to pension within the fifteen (15) weeks covered by severance package.

d. Receipt of benefits by a Employee under this package cancels all recall rights the Employee may have. Such Employee shall be deemed to have no seniority with the Company for any prior service with IKO Industries up to the date of layoff.

ARTICLE XV - DURATION OF AGREEMENT

15.01 This Agreement shall become effective on the date of ratification, and shall remain in force until the thirty-first day of December 2007, and from year to year thereafter unless notification of termination be given in writing by either party, no less than sixty (60) days nor more than one hundred and twenty (120) days prior to the expiration date.

15.02 If amendments to this Agreement are desired by either party to become effective after the termination date of the Agreement, the party proposing such amendments shall give notice in writing thereof to the other party not less than sixty (60) days nor more than one hundred and twenty (120) days prior to the expiration date. On receipt of notification from the other party, the party notified must reply indicating its intention to commence bargaining within seven (7) working days of receipt of notification.


DATED THIS 30 DAY OF OCTOBER, 2003.

FOR THE COMPANY:

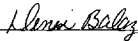
A. Amyotte



A. Holmes



D. Balaz




FOR THE UNION:

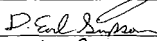
G. Todd



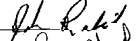
D. Carvery




D.E. Simpson



J. Rabishaw



J. Stark



APPENDIX "A" -NOTES

1. SHIFT PREMIUMS - Shift premiums to Employees based on scheduled shift for all hours worked.

(1) AFTERNOON SHIFT - Effective the Sunday immediately following date of ratification, an Employee working on the afternoon shift shall be paid seventy-five cents (\$0.75) per hour over that Employee's regular rate of pay.

Effective January 1, 2005, an Employee working on the afternoon shift shall be paid eighty cents (\$0.80) per hour over that Employee's regular rate of pay.

Effective January 1, 2006, an Employee working on the afternoon shift shall be paid eighty-five cents (\$0.85) per hour over that Employee's regular rate of pay.

Effective January 1, 2007, an Employee working on the afternoon shift shall be paid ninety cents (\$0.90) per hour over that Employee's regular rate of pay.

(2) NIGHT SHIFT - Effective the Sunday immediately following date of ratification, an Employee working on the night shift shall be paid ninety cents (\$0.90) per hour over that Employee's regular rate of pay.

Effective January 1, 2005, an Employee working on the night shift shall be paid ninety-five cents (\$0.95) per hour over that Employee's regular rate of pay.

Effective January 1, 2006, an Employee working on the night shift shall be paid one dollar (\$1.00) per hour over that Employee's regular rate of pay.

Effective January 1, 2007, an Employee working on the night shift shall be paid one dollar & five cents (\$1.05) per hour over that Employee's regular rate of pay.

(3) 12 HOUR SHIFT - Effective the Sunday immediately following date of ratification, an Employee working on a 12 hour rotating shift shall be paid fifty-five cents (\$0.55) per hour over that Employee's regular rate of pay. This premium is based on adding the night and afternoon premiums together and dividing the sum by 3.

Effective January 1, 2005, an Employee working on a 12 hour rotating shift shall be paid fifty-eight cents (\$0.58) per hour over that Employee's regular rate of pay.

Effective January 1, 2006, an Employee working on a 12 hour rotating shift shall be paid sixty-one cents (\$0.61) per hour over that Employee's regular rate of pay.

Effective January 1, 2007, an Employee working on a 12 hour rotating shift shall be paid sixty-five cents (\$0.65) per hour over that Employee's regular rate of pay.

2. CLEANING ASPHALT TANKS (Storage) AND/OR SATURATOR - The Company agrees to pay an Employee one dollar (\$1.00) per hour over this Employee's regular rate of pay when this Employee is engaged in cleaning asphalt storage tanks and/or saturator.

3. STUDENTS - Students will not be eligible for coverage under the welfare plans.

4. WELFARE -

On November 1, 1998 Option II of the Multi-Employer Benefit Trust Fund becomes effective at that time. This plan's benefits and rates are guaranteed for a period of 36 months from date of initiation at \$1.57 per hour based on 1760 hours per year, per employee. Monthly payment will be based on average of 145.8 hours worked per month. Renewal of the plan will be subject to employee

satisfaction and continued competitive rate of premiums. It is understood that the 1760 hour maximum will remain indefinitely in order for IKO's continued participation in the plan.

- (1) Alberta Health Care.
- (2) Major Medical- Blue Cross or plan with comparable coverage.
- (3) Life Insurance - The Company agrees to pay one hundred percent (100%) of premiums for Group Life Insurance for an amount of one and one half (1 ½) times the base hourly rate on two thousand and eighty (2,080) hours per year to the nearest one thousand dollars (\$1,000), adjusted annually January 1.
- (4) Accidental Death and Dismemberment- The same as in (3) above in the case of death. For dismemberment, the group policy will determine compensation.
- (5) Weekly Indemnity Costs - The Company agrees to pay one hundred percent (100%) of the cost of Weekly Indemnity on 1-8-26 Plan with a clause providing for return to four (4) day coverage after eight (8) days of sickness.
- (6) The Company agrees to pay one hundred percent (100%) of the cost of the premium on the Basic Dental Care Plan including Rider 1 of the plan. Effective July 1, 2003, the recall exam will occur at six (6) month intervals. The Company agrees to pay seventy-five percent (75%) of the additional cost of the premium on Rider 2. Benefit cap at two thousand dollars (\$2,000) per family member per year.
- (7) The Company agrees to pay one hundred percent (100%) of the cost of the premium on the Long Term Disability Plan.

The Company agrees to pay the premiums in respect of the above benefit plan for the month after the month in which the

Employee ceased to be actively employed.

Notwithstanding the above, if an Employee is not actively employed by the Company due to sickness or Workers' Compensation, the Company's contribution will continue for a maximum of six (6) months, plus one (1) month for each year of service.

5. GROUP R.R.S.P. PLAN - Effective the Sunday immediately following date of ratification, the Company agrees to contribute into the Group R.R.S.P. Plan seventy-five cents (\$0.75) per hour worked for each Employee registered in the Plan. Company contributions will begin after completion of one year of employment. Personal contributions can begin after probation period.

Any Employee who withdraws any portion of the Company contribution will not be eligible for any further Company contribution.

Effective January 1, 2004, the Company agrees to contribute into the Group R.R.S.P. Plan eighty cents (\$0.80) per hour worked for each Employee registered in the Plan.

Effective January 1, 2005, the Company agrees to contribute into the Group R.R.S.P. Plan eighty-five cents (\$0.85) per hour worked for each Employee registered in the Plan.

Effective January 1, 2006, the Company agrees to contribute into the Group R.R.S.P. Plan ninety cents (\$0.90) per hour worked for each Employee registered in the Plan.

Effective January 1, 2007, the Company agrees to contribute into the Group R.R.S.P. Plan ninety-five cents (\$0.95) per hour worked for each Employee registered in the Plan.

6. OPTICAL PLAN - The optical plan will cover the cost of safety lens reproduction from Employee prescriptions, installed in regular safety frames supplied by the Company for those Employees

working in areas where the Company makes it compulsory that safety glasses be worn at all times

7. (1) LEAD HAND – An Employee designated by the Company as a “Lead Hand” will be paid thirty-six dollars (\$36.00) per week

(2) Effective the Sunday immediately following date of ratification, an Employee designated by the Company as a “Lead Hand” will be paid at the current senior hourly rate.

(2) TEMPORARY SUPERVISOR - An Employee designated by the Company as a “Temporary Supervisor” will be paid fifty-one dollars (\$51.00) per week. When receiving the Temporary Supervisor premium, a Temporary Supervisor will not be paid the Lead Hand premium.

8. ROTATING SHIFT EMPLOYEES - All rotating shift Employees who are working a four (4) shift continuous operation schedule, or the 10 and 4 schedule, who have worked their full scheduled hours during the standard two (2) week pay period, shall have a bonus of twenty dollars (\$20.00) added to their two (2) week pay cheques. Any time lost during the two (2) week period shall disqualify the Employee from the bonus unless leave of absence has been granted at least forty-eight (48) hours in advance by the Supervisor, or the Employee is injured on the job.

APPENDIX 'A' RATES

The following minimum rates apply

		Maintenance	Roofing Mill Saturating Line	Felt Mill	Board Mill	Jan 1/2002	Jan 1/2003	Jan 1/2004	Jan 1/2005	Jan 1/2006	Jan 1/2007
Maintenance	AA	-----	-----	-----	-----	25.87	26.65	27.45	28.27	29.12	29.99
	A	1	-----	-----	-----	23.44	24.14	24.87	25.61	26.38	27.17
	B	2	-----	-----	-----	22.03	22.69	23.37	24.07	24.79	25.54
	C	3	-----	-----	-----	19.64	20.23	20.84	21.46	22.10	22.77
Boiler		-----		Boiler	-----	21.12	21.75	22.41	23.08	23.77	24.48
Senior Operator		-----	Coater Cutter	-----	Wet End	19.15	19.72	20.32	20.93	21.55	22.20
			Wrapper Oxidizer								
Machine Op	A	-----	Saturator Granule	Pulper	Wet End	18.89	19.46	20.04	20.64	21.26	21.90
Machine Op	B	-----	Dry Felt Fork Lift	Winder	Takeoff Laminator	18.63	19.19	19.76	20.36	20.97	21.60
			Asphalt, Catcher Palletizer	-----	Saw & Dryer Yard Man						
			Winder	-----							
General Labour						18.34	18.89	19.46	20.04	20.64	21.26
Hiring Rate						15.84	16.32	16.80	17.31	17.83	18.36

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- Note
- (1) Oiler promoted from production line shall work for one year at the labour rate and then shall return to previous classification job rate.
 - (2) Wrapper Helper to B Operator, conditional to the Operator having served one (1) year in the position and being able to operate all other positions in that area, except Fork Lift, Cutter Operator positions.

APPENDIX B

C-1

12 HOURS

1 = Shift 1

2 = Shift 2

3 = Shift 3

4 = Shift 4

	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
DAYS	1	1	3	3	1	1	1	3	3	1	1	3	3	3	2	2	4	4	2	2	2	4	4	2	2	4	4	4
NIGHTS	2	2	4	4	2	2	2	4	4	2	2	4	4	4	1	1	3	3	1	1	1	3	3	1	1	3	3	3
OFF	3	3	1	1	3	3	3	1	1	3	3	1	1	1	3	3	1	1	3	3	3	1	1	3	3	1	1	1
OFF	4	4	2	2	4	4	4	2	2	4	4	2	2	2	4	4	2	2	4	4	4	2	2	4	4	2	2	2

C-2

12 HOURS

1 = Shift 1

2 = Shift 2

3 = Shift 3

4 = Shift 4

	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
DAYS	2	2	1	1	3	3	3	4	4	2	2	1	1	1	3	3	4	4	2	2	2	1	1	3	3	4	4	4
NIGHTS	4	4	2	2	1	1	1	3	3	4	4	2	2	2	1	1	3	3	4	4	4	2	2	1	1	3	3	3
OFF	3	3	3	3	2	2	2	2	2	3	3	3	3	3	2	2	2	2	3	3	3	3	3	3	2	2	2	2
OFF	1	1	4	4	4	4	4	1	1	1	1	4	4	4	4	4	1	1	1	1	1	4	4	4	4	1	1	1

(continued)

APPENDIX B (continued)

C-3

CONTINENTAL SHIFT

1 = Shift 1

2 = Shift 2

3 = Shift 3

4 = Shift 4

	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
DAYS	2	2	2	2	2	3	3	3	3	3	3	3	4	4	4	4	4	4	4	1	1	1	1	1	1	2	2	
AFTERN	3	3	3	4	4	4	4	4	4	4	1	1	1	1	1	1	1	2	2	2	2	2	2	2	3	3	3	
NIGHTS	4	4	1	1	1	1	1	1	1	2	2	2	2	2	2	2	3	3	3	3	3	3	3	3	4	4	4	
OFF	1	1	4	3	3	2	2	2	2	1	4	4	3	3	3	3	2	1	1	4	4	4	4	3	2	2	1	1

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C-4

12 HOURS

1 = Shift 1

2 = Shift 2

3 = Shift 3

4 = Shift 4

	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
DAYS	1	1	3	3	1	1	1	3	3	1	1	3	3	3	2	2	4	4	2	2	2	4	4	2	2	4	4	
NIGHTS	2	2	4	4	2	2	2	4	4	2	2	4	4	4	1	1	3	3	1	1	1	3	3	1	1	3	3	
OFF	3	3	1	1	3	3	3	1	1	3	3	1	1	1	3	3	1	1	3	3	3	1	1	3	3	1	1	
OFF	4	4	2	2	4	4	4	2	2	4	4	2	2	2	4	4	2	2	4	4	4	2	2	4	4	2	2	

**LETTER OF UNDERSTANDING
TO MEMORANDUM OF AGREEMENT**

BETWEEN: IKO INDUSTRIES LTD.

**AND: LOCAL 773 OF THE COMMUNICATIONS, ENERGY
 AND PAPERWORKERS UNION**

**HEALTH, SAFETY AND INDUSTRIAL
RELATIONS TRAINING FUND**

As part of the Collective Agreement dated January 1, 2003 to December 31, 2007, the Company, **IKO INDUSTRIES LTD.**, agrees to contribute monies to the Union for training solely in the areas of Safety, Health and Industrial Relations. Such training will be supportive of the Company's initiative in these areas and will enhance Union/Management relations.

Contributions shall commence effective July 1, 1998 and shall be calculated on the basis of Sixty Dollars (\$60.00) per annum per Union Local 773 member and paid in quarterly instalments to the fund.

The Union agrees to provide a fund audit upon request.

Training carried out under this fund will be subject to the leave of absence provisions contained in the Collective Agreement.

This memorandum will be considered part of the **IKO INDUSTRIES LTD./ LOCAL 773 of the COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION** Collective Agreement for the life of this Agreement.

AGREED

DATE Oct 30, 2003

UNION

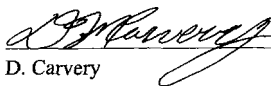
COMPANY




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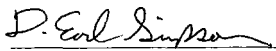
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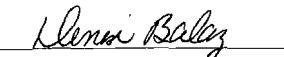
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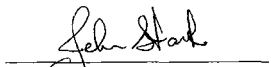
D.E. Simpson



D. Balaz



J. Rabishaw



J. Stark

**LETTER OF UNDERSTANDING
APPRENTICESHIP PROGRAM**

Intents:

This Program is to provide a means of training and developing qualified tradesmen of the highest calibre for the Company, and to provide the environment and incentive to allow Employees to achieve their maximum potential. To succeed, the Program requires the active participation of the Company, the Union, the Employee and various levels of Government.

Coverage:

The Program covers Millwrights, Welders and Machinists.

Number in Program:

The number of Apprentices required for each or any trade, and the number of Apprentices at any level within any trade shall be determined by the Company. An Apprentice accepted into the Program will be allowed to progress through the full Apprenticeship, subject to the provisions of the entire Apprenticeship Program.

General Conditions: Program shall be as per existing practice / policy; however, the successful candidate must be recognized as having the potential to successfully complete the Apprenticeship Program. The Apprenticeship Branch of the Alberta Department of Labour shall determine the level at which any Apprentice shall be placed in the Program, and the trade experience allowed.

Each applicant accepted into the Program shall, together with the Company, execute the Apprenticeship Agreement required by the Apprenticeship Branch of the Alberta Department of Labour.

The Company will reimburse tuition and books up to a maximum of five hundred dollars (\$500.00) per year of apprenticeship. Employee must achieve a pass mark allowing him/her to progress through the Apprenticeship Program.

APPRENTICESHIP PROGRAM (cont'd)

Probationary Period:

Applicants accepted into the Program shall be on probation for the first six (6) calendar months in the Program. An Apprentice may be removed from the Program and his/her Apprenticeship Agreement cancelled during such probationary period for just cause, or upon the request of the Employee. If the Apprentice ceases to be in the Program, he/she shall be returned to the job classification he/she left to join the Apprenticeship program and other employees who may be affected shall also return to their former jobs.

Time Period:

An apprenticeship period shall normally take four years, depending on the trade taken. Any Apprentice not passing the Journeyman exam will be allowed to work in the Maintenance Department until the next eligible sitting for the Journeyman exam. Failure at this sitting will mean removal from the Program.

Any Apprentice who fails to successfully complete any level of the Program as scheduled, on his first attempt (subject to the following exception), will be removed from the Program and returned to the job classification he was in at the time of his entry into the Program. However, the Apprentice will be allowed only once during the Program to rewrite a level final, without repeating a school year. The Employee must be consistent in ensuring that he/she takes every opportunity to complete the necessary prerequisites that the program demands in a timely fashion. Failure to follow this program will result in employee removal from the program.


It is understood that the Apprentice will be removed from the Program if the Apprenticeship Branch of the Department of Labour so requests it.

AGREED

DATE OCT 30, 2003

UNION

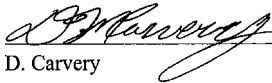
COMPANY



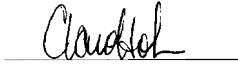
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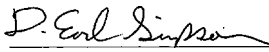
A. Amyotte



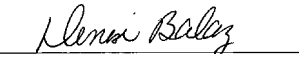
D. Carvery



A. Holmes



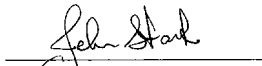
D.E. Simpson



D. Balaz



J. Rabishaw



J. Stark