

LABOUR AGREEMENT

SEPTEMBER 1, 2004 - AUGUST 31, 2007

Between

Smurfit-MBI

CALGARY PLANT

and

COMMUNICATIONS, ENERGY and

PAPERWORKERS UNION OF CANADA

LOCAL 539

INDEX

Section	Page
Section 1. General Purpose of Agreement.....	1
Section 2. Recognition	2
Section 3. Definitions.....	3
Section 4. Terms of Agreement and Changes in Agreement	4
Section 5. Interruption of Work.....	5
Section 6. Seniority	5
Section 7. Hours of Work	6
Section 8. Wages	9
Section 9. Overtime	9
Section 10. Shift Differential.....	15
Section 11. Allowance for Failure to Provide Work	16
Section 12. Minimum Call for Employees	16
Section 13. Starting and Stopping of Work	17
Section 14. Rules	19
Section 15. Adjustment of Complaints.....	19
Section 16. Discipline	22
Section 17. Holidays.....	24
Section 18. Vacations and Floating Holidays	27
Section 19. Supplementary Vacations.....	31
Section 20. Bereavement Leave	32
Section 21. Jury Duty	33
Section 22. Leave of Absence.....	34
Section 23. Bulletin Board	35
Section 24. Safety	35
Section 25. Temporary Lay-Offs	36
Section 26. Time Cards and Machine Reports.....	38
Section 27. Mutual Responsibilities.....	38
Section 28. Apprenticeship Training Program.....	38
Section 29. Welfare Plan.....	39
Section 30. Pension	39
Section 31. Technological Change	39
Section 32. Establishment of New Jobs	41
Section 33. Union Label	41

INDEX

Section

Section 34. Permanent Plant Closure	41
Section 35 - Students	42
Section 36 - Seven Day Continuous Run Operation	42
STATEMENT OF POLICY	46
EXHIBIT "A"	47
SCHEDULE 1 - WELFARE PLAN	50
EXHIBIT "B" WAGE SCHEDULE.....	65
EXHIBIT " C " APPRENTICESHIP TRAINING PROGRAM	69
EXHIBIT " D " PENSION PLAN SUMMARY	73
Letter of Understanding – Boiler Issue in Calgary.....	80
Letter of Understanding – Modified Duties.....	81
Letter of Understanding – Apprenticeship Training	82

AGREEMENT

Section 1. General Purpose of Agreement

- (a) The general purpose of this Agreement is, in the mutual interest of the Company, the Union and the employee, to provide for the operation of the Plant hereinafter mentioned under methods which will further, to the fullest extent possible, the safety and physical welfare of the employees, economy of operation, quality and quantity of output, cleanliness of Plant, and protection of property. It is recognized by this Agreement to be the duty of the Company, the Union and the employee to cooperate fully, individually and collectively, for the advancement of said conditions.

- (b) It is agreed that every employee covered by this Agreement will perform his work to the best of his ability, to the end that the highest possible productivity of the Plant be accomplished, that the profitable operation of the Plant be continued, and full-time employment of all personnel employed by the Company be maintained.

- (c) The employer undertakes to comply with all the terms contained in the human rights, citizenship and multi-culturalism Act of the Province of Alberta. Smurfit-MBI shall not refuse to continue to employ or discriminate against a person in regards to any terms or condition of employment because of race, religious beliefs, colour, gender, physical disability, mental disability, marital status, age, ancestry, place of origin, or family status. Additionally, Smurfit-MBI will establish and enforce a policy dealing with sexual and racial harassment in the work place. Sexual harassment will be defined as any unwanted attention of sexual nature, however minor. Racial harassment will be defined as any unwanted comment, racial slur, jokes, racist graffiti and or literature.

Section 2. Recognition

- (a) The Company recognizes the Communications, Energy and Paperworkers Union of Canada, Local 539, as the sole agency representing all employees, as defined in this Agreement, for the purpose of collective bargaining.
- (b) As a condition of continued employment, every employee shall become a member of the union within 30 days of the commencement of his or her employment. Any employee not now a member of the union shall, as a condition of continued employment, become a member of the union within 30 days of the date upon which this collective agreement is executed. Every employee who is now or who becomes a member of the union shall, as a condition of continued employment, remain a member of the union. Upon seven days notice in writing given to the employer by the union, the employer shall terminate the employment of any employee who does not become a member of the union as required by this Section 2 (b).
- (c) No employee shall be subject to any penalties against his application for membership or reinstatement, except as may be provided for in the Constitution and By-Laws of the Communications, Energy and Paperworkers Union of Canada.
- (d) Upon seven days notice in writing given to the employer by the union, the employer shall terminate the employment of any employee suspended or expelled from the union by reason of his or her failure to pay union dues and assessments in accordance with the National Constitution of the union.
- (e) Check-off

The Company shall remit to the Union not less often than once each calendar month, amounts deducted from the

employees' wages in respect of initiation fees, and regular monthly dues, together with an itemized statement, pursuant to an assignment executed by individual employees on the following form:

"To (Company)

I hereby apply for and will accept membership in the Communications, Energy and Paperworkers' Union of Canada Local 539, and I agree to abide by the Constitution of the Communications, Energy and Paperworkers Union of Canada and the By-laws of this local.

I authorize and select the Local Union to represent me as my exclusive Bargaining Agent and I revoke any prior contrary selections.

I authorize the Local Union to make application to be certified as a bargaining agent on my behalf with respect to my employer at an appropriate time.

have paid the amount of \$ _____ as an initiation fee, and of \$ _____ as one month's dues".

Employee's Signature

Section 3. Definitions

Wherever used in this Agreement, including exhibits:

- (a) The word "EMPLOYEE(S)" means all persons on the payroll of the Company except those in Administration - in actual

Supervision - in Sales - Engineering - Technical and Research -
Sample Makers - Accounting - Clerical - Stenographic - Artists -
Other Office Workers and Security Guards.

- (b) The word "DAY" means a period of twenty-four hours beginning at 7:00 a.m. or at the regular hour of changing shifts nearest to 7:00 a.m. in the Plant.
- (c) The word "WEEK" means a period of seven calendar days beginning at 7:00 a.m. Monday, or at the regular hour of changing shifts nearest to 7:00 a.m. Monday.
- (d) Sunday, for the purpose of this Agreement, is a twenty-four hour period commencing at 7:00 a.m. Sunday and ending at 7:00 a.m. Monday, or at the regular hour of changing shifts nearest to 7:00 a.m. The hours of commencing and ending specified above, may be varied by mutual agreement of the Management and the Union Standing Committee, and the specified hour of commencing or ending will be adjusted to coincide with the regular hours of changing shifts.

Section 4. Terms of Agreement and Changes in Agreement

- (a) This Agreement shall be in effect from September 1, 2004 to August 31, 2007 and shall continue in effect from year to year except as provided in subsections (b), (c) and (d) of this Section 4.
- (b) All notices given under the provisions of this section on behalf of the Signatory Union shall be given by the President of the Local Union (or his representative), and similarly notices on behalf of the Signatory Company shall be given by the President of the Signatory Company (or his representative).
- (c) This Agreement may be opened for collective bargaining as to changes as follows: Either party desiring any changes shall mail to the other party, notice in writing by registered mail, not more than one hundred and twenty (120) days or not less than sixty (60) days before the expiry date of the Agreement. If no such

notice is given within the period noted in this subsection (c) the earliest time that such notice can be given is the corresponding dates in the following year.

- (d) If notice of desire for changes has been given in accordance with subsection (b) above, the parties shall, as soon as agreeable to the parties following such date of notice, meet for collective bargaining, the Signatory Company being represented in such negotiations by a Bargaining Committee appointed by the Company, and the Signatory Union being represented by a Bargaining Committee selected by said Union. Any agreement on changes arrived at and approved in such negotiations shall be binding upon the parties to this Agreement.

Section 5. Interruption of Work

It is agreed there shall be no strikes, walkouts, or other interruption of work during the period of this Agreement. It is agreed there shall be no strikes, walkouts, or other interruption or work upon its expiration except with the express and specific sanction of the National Union signatory to this Agreement. It is agreed that there shall be no lockouts by the Company during the period of this Agreement.

Section 6. Seniority

- (a) With the exception of those employees who have less than thirty (30) worked days or two hundred and forty (240) worked hours of service in promotions, lay-offs and in the re-employment of seasonal employees, other things being equal, the principles of seniority will govern.

This probationary period may be extended with the mutual consent of the Company and the Union. In the event it is agreed to extend the probationary period, such extension shall be for a maximum of twenty (20) working days, one hundred and sixty (160) hours. Should the probationary employee be successful and become a regular employee, all fringe benefit coverage and wage rate adjustment will be retroactive to the date of the expiry

of the original probationary period.

- (b) When the Management promotes, lays off or re-employs and does not follow the principles of seniority, the Standing Committee of the Signatory Union may take exception to the Management's actions in this regard and shall be privileged to present recommendations which will be considered by the Management prior to final action by the Management. In cases where time does not permit prior consultation, the Management shall, wherever practical, take temporary action only until the recommendations of the Standing Committee can be obtained. In case of disagreement, procedure as outlined in Section 15, "ADJUSTMENT OF COMPLAINTS", may apply.
- (c) Any employee promoted to a supervisory or staff position which removes him from the bargaining unit shall retain his company and department seniority within the bargaining unit for a period of thirty (30) worked days or two hundred and forty (240) worked hours, during which time he shall maintain his union membership.
- (d) Any extension of the above shall be by mutual agreement and limited to one (1) month intervals during which all conditions above shall apply. In any case where any employee has been promoted by the Company to a supervisory or staff position and at a later date ceases to be a supervisor or staff employee and the Company desires to retain his services, it is hereby agreed that reinstatement can be made within the Bargaining Unit and his plant seniority will apply in establishing the employee in a base rate job only.

Section 7. Hours of Work

- (a) The regular hours of work for all workers shall be eight (8) hours per day Monday through Friday.
- (b) 1. Shift schedule shall be:

Day Shift 7:00 a.m. to 11:00 a.m.

11:30 noon to 3:30 p.m.

Afternoon Shift 3:30 p.m. to 7:30 p.m.
7:50 p.m. to 11:30 p.m.

Night Shift 11:00 p.m. to 2:30 a.m.
2:50 a.m. to 7:00 a.m.

2. Shift schedules for continuous operations:

Day Shift 7:00 a.m. to 3:00 p.m.
Afternoon Shift 3:00 p.m. to 11:00 p.m.

Night Shift 11:00 p.m. to 7:00 a.m.

3. Shift schedule for Stationary Engineers shall be:

Coiled Tube Boiler - 7:00 a.m. - 3:00 p.m.
Day Shift
- 3:00 p.m. - 1:00 a.m.
Afternoon Shift

Fire Tube Boiler - 7:00 a.m. - 3:00 p.m.
Day Shift
- 3:00 p.m. - 1:00 a.m.
Afternoon Shift

4. Shift schedule for Print Plate room shall be:

Day Shift - 7:00 a.m. - 3:30 p.m.
Monday to Friday

Afternoon Shift - 12:00 p.m. - 10:00 p.m.
Monday to Thursday

This does not preclude Management from exercising its Management rights to schedule two (2) shifts in conformity

with the disposition of Article 7b Subsection 4.

5. Shift Schedule for Utility Forklift Operator:

Day Shift - 11:00 a.m. - 7:00 p.m.

6. Shift Schedule Shipping Coordinator

Day Shift - 9:00 a.m. - 5:00 p.m.

7. The parties agree - that subject to approval by the Department of Labour - the following shift schedule will be applicable to the afternoon shift:

3:30 p.m. to 1:30 a.m.
Monday to Thursday

The above schedule will be applicable only when the afternoon shift is scheduled for a full week, but qualified to exclude Shipping and Maintenance Departments. Part weeks will be scheduled on an eight hour shift basis. In any event, this revised schedule will not result in any additional cost to the Company and can be discontinued by either party.

- (c) Eight (8) hours pay will be paid for the above-noted shifts in (b) 1 and (b) 2. The hours of commencing and ending shifts may be changed by agreement between the Company and the Union.
- (d) The regular hours of employment as defined in this Section 7, shall not be changed except in case of breakdown or where notice was given during the first four (4) hours of the shift preceding the work involved. There shall be only one change which advances an employee's shift during the work week; otherwise, two (2) hours penalty at straight time shall be paid.

- (e) All employees shall be entitled to two (2) ten (10) minute rest periods in each eight (8) hour shift at times designated by the Company.
- (f) Employees who work in excess of four (4) hours on any Saturday will be granted a paid lunch break.
- (g) The foregoing provisions of this section shall not be construed as guaranteeing to employees any number of hours per day or hours per week.
- (h) Provided sufficient notice is given and with the Approval of the immediate Supervisor, employees may exchange shifts if there is no increase in cost to the Company.
- (i) Shift schedule for the following week will be posted by 3:00 pm Wednesday.

Section 8. Wages

- (a) The wage scale for the term of this Agreement is attached as Exhibit "B" of this Agreement.
- (b) Any error in excess of \$50.00 will be paid no later than three (3) days after the employee has notified his/her Supervisor.

Section 9. Overtime

- (a) Overtime at the rate of one and one half (1½) time shall be paid only on the following bases:
 1. For all authorized hours worked in excess of eight (8) hours in any one day; or
 2. For all authorized hours worked in excess of forty (40) hours in any one week; or
 3. For all authorized hours worked in any Saturday; or

4. For all hours worked by an employee on his designated day off.
- (b) Time and one-half (1½) shall be paid only once on any hour actually worked, and the one basis which results in payment of the largest amount of overtime shall be used.
 - (c) An exception to the foregoing rules in this Section 9 is that no premium for hours in excess of eight (8) in any one day or forty (40) in any one week shall be paid when one worker accommodates another, with the approval of the Management, by working all or part of any fellow worker's shift.
 - (d) All overtime will be voluntary with the exception of (e) and (f) as below and Section 13(c).
 - (e) An exception to the above, with respect to work on Sundays is as follows:
 1. Any work necessary in the protection of life or property may be done.
 2. Any major maintenance or repair work, which is necessary in order to prevent material subsequent curtailment of employment of a substantial number of employees, may be done, provided that no machine or equipment involved in production shall be operated for production purposes during the Sunday shut-down period, except as provided in sub-paragraph (3) below.
 3. Sunday production work may be done provided that such work will be on a voluntary basis.
 - (f) The Union recognizes that although Maintenance Workers are scheduled Monday to Friday, there are occasions when maintenance must be done on a Saturday. This includes any

major planned maintenance or repair work which is necessary to prevent curtailment of employment during the following week. The maintenance employees will be expected to provide this service.

(g) Double time will be paid for:

1. All authorized hours worked in the excess of twelve (12) hours in any one day.
2. All authorized hours worked in any Sunday or holiday as specified in Section 17 of this Agreement.

(h) Deferred Overtime Plan

The purpose of the Deferred Overtime Plan is to enable employees to elect to receive additional Compensating Time Off from work with pay in lieu of the additional one-half time rate payment for work performed at the rate of time and one-half (1½) or full time rate payment for work performed at the rate of double time as provided in Section 9.

- i) An employee who elects to participate in the Plan shall notify the Personnel Department and sign a form authorizing his participation in the Plan.

The authorization shall be revocable at any time but once the employee withdraws from the Plan, he would not be eligible to rejoin the Plan until the following September 1.

An employee who withdraws from the Plan shall receive normal overtime payment from the date of withdrawal. Hours accumulated shall be taken in accordance with paragraphs iv and v.

- ii) Deferred overtime hours shall be calculated on the following basis:

- a) One-half ($\frac{1}{2}$) for each overtime hour paid at time and one-half rate as provided in Section 9.
- b) One (1) hour for each overtime hour paid at double time rate as provided in Section 9.
- iii) Deferred overtime hours shall be accumulated during the period from September 1 to August 31 and thereafter for each twelve (12) month period commencing September 1.

An employee cannot accumulate more than eighty (80) hours during each of these twelve (12) month periods.

- iv) Compensating Time Off shall be accumulated in units of eight (8) hours.
 - a) Upon accumulation of eight (8) hours, the employee may request compensating time off prior to the end of the accumulating period. Compensating time off must be taken in units of eight (8) hours.
 - b) If at the end of the accumulating period the employee has accumulated over eight (8) hours, compensating time off shall be taken in units of eight (8) hours. For those hours less than eight (8), the employee shall receive normal overtime payment.
 - c) Employees on ten (10) hour shifts may request compensating time off in units of two (2) hours.
- vi) Compensating time off not taken or arranged for by September 1 shall be scheduled by the Company.
 - a) The granting of compensating time shall be subject to the staffing requirements as determined

by the Company and at such time as quality and quantity of production will not be impaired.

- b) Allocation of regular and supplementary vacation will receive priority.
 - c) The employee shall request compensating time off at least seven (7) days in advance of the week in which the compensating time off is desired.
 - d) Any overtime banked during July and August must be scheduled and taken by November 30th of the year in which the overtime was banked.
- vii) Calculation of payment for compensating time off:
- a) Total earnings, including overtime pay, will be calculated for each participant each pay period.
 - b) Deductions from these earnings will not include income tax for the deferred overtime earnings.
 - c) The amount of deferred overtime pay will be deducted from the gross earnings and credited to the employee in the same manner as a Canada Savings Bond Payment.

Calculation of the amount will be as follows:

- i) For time and one-half ($1\frac{1}{2}$) overtime, an amount equal to one-third ($\frac{1}{3}$) of the time and one-half overtime earnings.
- ii) For double time, an amount equal to one-half ($\frac{1}{2}$) of the double time overtime earnings.
- iii) If requested, an employee shall receive his Deferred Overtime Payment immediately prior

to taking the compensating time off. Income Tax on the deferred overtime will be deducted at the time of payment.

(i) Overtime Allocation Policy

1. Where a piece of equipment or job is to be operated or performed past the scheduled hours in the case of overtime, the crew on that particular machine or job will be given the first opportunity to work. If more employees are required, the senior employee in the line of progression on shift will be asked. If more employees are required, the senior Plant employee on shift will be asked.
2. When a machine or job is slated for Saturday/Sunday overtime, the day shift crew on that particular machine or job will have first opportunity to work. If a full crew is not available from the day shift then the senior employee from the afternoon or midnight shift crews on that particular machine or job will be asked next. (ie. If the slotterman on a press on day shift declines to work overtime, the senior operator from the afternoon shift or midnight shift on that particular machine will be asked, then the other operator from the afternoon or midnight shift, then the senior slotterman and so on).

It is understood that this obligation will have been met if an attempt to contact the employee by telephone is unsuccessful. If more employees are required, the senior employee in the line of progression will be asked. If more employees are required, the senior plant employee will be asked next.

3. The day shift crews will maintain their positions for the weekend overtime. Employees from the afternoon or midnight shift will fill the open position by seniority.

- (j) It is further understood by the Company and the Union that in the event an employee is not given the overtime preference in accordance with the above procedure, the employee will be given the opportunity to work the equivalent overtime, provided that the plant is working a normal schedule and that this made-up overtime is requested by the employee and worked within two months of the original erroneous assignment.

The following work will be assigned for "make-up" overtime hours:

- AIB paperwork.
- WHMIS paperwork.
- ISO paperwork.
- Painting not done on a normal basis.
- Any other work mutually agreed upon between the Company and the Union. Failure of the parties to reach mutual agreement will not affect the rights of the employee as laid out in the following paragraph:

"If employee requests 'Make-up' overtime and Company initiates two "make-up overtime jobs from the time of the request over a two month period and employee refuses the jobs, then the Company is not liable for payment of overtime owed. If the Company fails to initiate "make-up overtime over a two month period, then the employee will be compensated for the time lost.

If it is agreed that make-up overtime is required, the employee and his or her supervisor shall sign a form containing the date and the amount of the missed overtime."

Section 10. Shift Differential

- (a) A shift differential of fifty cents (50¢) per hour will be paid to afternoon shift employees for all hours actually worked between 3:00 p.m. and 11:00 p.m. or the corresponding

regular hours designated for the afternoon shift.

- (b) A shift differential of seventy cents (70¢) per hour will be paid to night shift employees for all hours actually worked between 11:00 p.m. and 7:00 a.m. or the corresponding regular hours designated for the night shift.
- (c) Differentials as set out in (a) and (b) above shall be paid on hours designated when such hours are worked as a result of a change in the hours of starting and stopping a regular shift. This will not apply when the change is the result of an employee's request.
- (d) Shift differential shall be paid in addition to an employee's regular rate of compensation. It will be added to the wage rates for calculating overtime for the afternoon and night shift workers when working into the next shift on overtime.

Section 11. Allowance for Failure to Provide Work

- (a) In case any employee reports for his regular scheduled shift having been ordered to report for such work and then no work is provided, he shall nevertheless receive two hours pay for so reporting.
- (b) In any case where an employee has commenced his regular scheduled shift he shall receive a minimum of four (4) hours pay, except where an employee requests and is granted leave from work, in which event the employee would be paid only for time worked.
- (c) In any case where an employee has worked four (4) hours at a higher rate, he will receive the higher rate for the balance of the shift.

Section 12. Minimum Call for Employees

- (a) An employee shall receive two (2) hours Call Time at the straight time day rate in addition to pay for time actually

worked under the following conditions:

1. When requiring to report for work after completing his designated shift, unless so notified during his last designated shift before punching out, and the interval between the shift and the time of return to work does not exceed two (2) hours.
 2. When required to work on his designated day off unless so notified during the first two (2) hours of the shift preceding the work involved.
 3. When required to report for work before the end of a designated day off, or a holiday, as specified in Section 17, unless notification was given at least thirty-six (36) hours before the start of such work and the period of work does not exceed two (2) hours.
 4. When any employee is required to report for duty in advance of his regular scheduled shift unless notified of the change in starting time during the first two (2) hours of the shift preceding the work involved and the change in starting time does not exceed one hour in advance of the regular scheduled shift.
 5. Call in rated employee on following shift by position then by seniority.
- (b) In the payment of Call Time on the basis provided in this Section, a minimum of four (4) hours pay will be paid for each call when work has actually commenced; it being understood that such payment will include the payment for Call Time and payment for the time worked whether at straight time or at an overtime rate.
- (c) In the payment of Call Time on the basis provided in this Section, not more than one basis shall be used to cover the same period of work, nor will Call Time be added to or paid in lieu of allowances payable under Section 11 hereof.

Section 13. Starting and Stopping of Work

- (a) It is the duty of a worker to report for his regular shift unless he has already arranged with his supervisor for a leave of absence. If unavoidably prevented from reporting, he must give notice to his supervisor, or at the supervisor's office, if reasonably possible, at least four hours before his shift goes on duty.
- (b) Employees shall be at their respective posts ready to begin at the time their pay starts and shall not quit work in advance of the time their pay stops.
- (c) If a worker does not report for his/her regular shift, the supervisor shall make a reasonable effort to secure a substitute. The employee shall remain at his post until a substitute is secured and if necessary, he shall work an extra two (2) hours.
- (d) Employees absent in excess of one (1) day are expected to keep the Company informed of their status to facilitate crew schedulings. Work will be refused to an employee under the following circumstance: When an employee reports for work after an absence in excess of one day and has not notified the company of his/her intention to return.
- (e) Those employees who miss a single shift and do not notify the company at all will be refused work when they return.

Meal Allowance

When an employee works an additional two (2) hours after completing his regular shift he shall be provided with a meal allowance to the value of ten dollars (\$10.00) and an additional meal allowance will be provided following an additional four (4) hours of overtime worked during the shift. The meal shall be eaten on Company time for a period not to exceed twenty (20) minutes. Meal allowance is \$10.00 effective on date of ratification. (Revenue Canada rules stipulates that

overtime worked in excess of three (3) hours is not a taxable benefit.)

Section 14. Rules

Company rules will be posted in a conspicuous place where they may be read by all employees and a copy of such rules will be made available to all employees. Anticipated rule changes shall be discussed with the plant committee prior to posting and shall not be inconsistent with this Agreement. Any dispute arising out of this section may be processed as a grievance under the provisions of Section 15.

Section 15. Adjustment of Complaints

- (a) Standing Committees shall be maintained in the Plant in the following manner:
1. The local Manager shall appoint a Company Standing Committee of three individuals which shall represent the Company.
 2. The Local Union shall select from its membership a Union Standing Committee of three which shall represent the Union for the purposes stated in this Agreement.
- (b) The Company and the Union mutually agree that, when a grievance, complaint or dispute arises in the plant coming under the terms of this Agreement, it shall be taken up in the manner set out below. The parties agree the complaints and grievances should be initiated and processed promptly. Grievances as a result of a discharge or suspensions shall be initiated at Step 2. Policy grievances and grievances as a result of a discharge or suspension shall be started at the second (2) step of the procedure.
1. The grievance shall first be taken up within twenty (20) working days, excluding days on vacation, by the

employee with his immediate supervisor; the employee will be accompanied by a shop steward. If during that meeting no satisfactory settlement is reached, then the grievance may be written up immediately. The supervisor will submit a written reply within three (3) working days. Grievances other than those involving individual employees may be initiated at Step Two by either party.

2. The Union and Company Standing Committees, on notification in writing of the grievance from one to the

other of the existence of a grievance, shall, within three (3) days, agree on a mutually satisfactory date for a meeting thereon, but in no case longer than five (5) days from the date such notice has been given. An officer of Local 539 may be present at this meeting. Subjects not listed on the written notice shall nevertheless be dealt with. If the two Standing Committees are unable to arrive at a settlement within five (5) days of their first meeting, the question may be dealt with as set out in No. 3 below.

3. The grievance may, upon written request by either party, within thirty (30) days (a copy of which request shall be delivered to the other party), be referred to the President of the Communications, Energy and Paperworkers Union of Canada (or his representative) and Director of Human Resources who shall meet within thirty (30) days. It is agreed that the Standing Committees and Plant Manager may take part in this meeting.

Either party will submit a written reply within twenty-one (21) days of the grievance meeting.

4. If no agreement is reached at this stage, the matter may be referred to Arbitration, within thirty (30) days, as set out in No. 5 below.
5. The Company and Union will endeavour to agree upon

the single Arbitrator. In the event the Company and Union cannot agree upon the selection of the Arbitrator, they will apply, within a thirty (30) day period to have the Arbitrator appointed under the provisions of the Alberta Labour Relations Code.

After the Arbitrator has been chosen by the foregoing procedure, this Arbitrator shall meet and hear evidence of both sides and render a decision within fifteen (15) days after they have concluded their hearings, said decision to be final and binding upon all parties to this Agreement. In the case of discharge or suspension which the Arbitrator has determined to have been unjust, the Arbitrator shall order the reinstatement of the employee and shall award his back pay. In the case of back pay, should there be any doubt in the opinion of the board, the Arbitrator may order all or part of back pay as it deems fit.

6. (a) The parties shall bear in equal portions the fees and expenses of the Arbitrator.
- (b) The Arbitrator shall be restricted to interpreting and applying the provisions of this Agreement and shall have no authority to alter, modify, subtract from, or supplement them in any way.
- (c) The procedure as set forth in this Section shall not be applicable to any employee in the case of discharge until he has completed thirty (30) days worked or two hundred and forty (240) hours worked.
- (d) Any grievance not processed in conformity with this Section shall be deemed to be abandoned, and all rights of recourse to the grievance procedure shall be at an end. The time limits between steps may be extended by mutual consent.

7. It is understood that if the Union so requests, the grievor shall attend any stage of the grievance procedure.

Section 16. Discipline

The Company shall have the right to discipline or discharge for just cause. Discipline shall be initiated and processed promptly.

Where, in the opinion of the Company, discharge is not appropriate, corrective action will be applied. In the application of the corrective action process, the circumstances of each situation will determine the degree of disciplinary action to be taken.

The Company shall have the right to discipline or discharge for just cause. Discipline shall be initiated and processed within twenty (20) working days from the date where the reason for discipline came to attention of management. Should this not be possible, the employer will inform the union in writing of a time and date where discipline could be imposed.

1. Verbal Warning

When Management decides to issue a verbal warning to an employee, a shop steward or if none is available, a member of the Union Standing Committee will be present and the discussion will be recorded and initialled by the shop steward and the supervisor.

- (1) A copy of the record of discussion will be forwarded to the Chairman of the Union Standing Committee.

2. Written Warning

When Management decides to issue a written warning to an employee, a shop steward will be present and the discussion will be recorded and initiated by the shop steward and the supervisor.

- (1) A copy of the record of discussion will be forwarded to the Chairman of the Union Standing Committee.

3. Suspension

- (a) Before Management issues a suspension to an employee, Management will discuss the situation with the available members of the Union Standing Committee.

- (1) The supervisor may suspend the employee immediately on a temporary basis while awaiting the discussion.

- (b) Following the discussion, if Management decides to issue a disciplinary suspension to the employee, a letter explaining the reason(s) and the duration of the suspension will be given to the employee.

- (1) A copy of the letter will be forwarded to the Chairman of the Union Standing Committee.

- (c) Upon the employee's return to work, the Superintendent and a member of the Union Standing

Committee will meet with the employee and review the situation.

4. Discharge

- (a) Before Management makes a decision to discharge an employee who has completed the probationary period, the Superintendent will discuss the situation with available members of the Union Standing Committee and employee.

- (1) The supervisor may suspend the employee immediately on a temporary basis while awaiting the discussion.

- (b) Following the discussion, if Management decides to

discharge the employee, a letter explaining the reason(s) for the discharge will be given to the employee.

(1) A copy of the letter will be forwarded to the Union Standing Committee and the employee as soon as possible.

5. When an employee has received no corrective discipline for a period of two thousand and eighty (2,080) worked hours, all warnings or suspensions will be removed from his record and such warnings or suspensions will not be considered in any further disciplinary action.
6. Nothing contained herein supersedes Section 16 - Discipline or Section 15 - Adjustment of Complaints.

Section 17. Holidays

(a) 1. The following shall be the recognized paid Holidays:

New Year's	- 40 hrs.	3:00 p.m. Dec. 31 to 7:00 a.m. Jan. 2
Family Day	- 24 hrs.	7:00 a.m. Monday 7:00 a.m. Tuesday
Good Friday	- 24 hrs.	7:00 a.m. Friday to 7:00 a.m. Saturday
Victoria Day	- 24 hrs.	7:00 a.m. Monday to 7:00 a.m. Tuesday
Canada Day	- 24 hrs.	7:00 a.m. July 1 to 7:00 a.m. July 2
Civic Day	- 24 hrs.	7:00 a.m. Monday to 7:00 a.m. Tuesday

Labour Day	- 24 hrs.	7:00 a.m. Monday to 7:00 a.m. Tuesday
Thanksgiving Day	- 24 hrs.	7:00 a.m. Monday to 7:00 a.m. Tuesday
Christmas Day	- 40 hrs.	3:00 p.m. Dec. 24 to 7:00 a.m. Dec. 26
Boxing Day	- 24 hrs.	7:00 a.m. Dec. 26 to 7:00 a.m. Dec. 27

2. The hours of commencing and ending, specified above, may be varied by mutual agreement of Management and the Union Standing Committee.
3. In the event that any of the above holidays falls on a Saturday or a Sunday, the following Monday will be observed and the specified hours correspondingly changed.
4. On such holidays no work shall be done except as follows:
 - i) Any work necessary in the protection of life and property.
 - ii) Any major maintenance, repair work or production work agreed to by the Management and the Union, provided that such work be on a voluntary basis.
5. Overtime shall be paid for all work performed during the above holidays at the rates hereinafter specified.

(b) In addition to any other compensation earned, any employee who is on the payroll of the Signatory Company on New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, Civic Day, Labour Day, Thanksgiving Day, Christmas Day and Boxing Day will be granted eight (8)

hours pay at the straight time rate of the employee's regular job, subject to compliance with all of the conditions 1 and 2 set forth below:

1. The employee must have worked for not less than thirty (30) days during the preceding twelve (12) months.
2. Every employee must have worked his scheduled work day before, and his scheduled work day after such holidays, unless failure to work his scheduled work day before and after the holiday was due to any of the following events:
 - i) When the employee is on his regular authorized paid vacation.
 - ii) When the employee is unable to work by reason of an industrial accident as recognized by the Workers' Compensation Board; or, his absence was due to bona fide sickness or accident or leave of absence.
 - iii) When the operation in which the employee is engaged, is curtailed, or discontinued by the decision of Management and which curtailment or discontinuance changes or eliminates the employee's scheduled work day before, or his scheduled work day after such holiday. However, an employee shall not be granted payment for a holiday or holidays unless he has actually worked at least (1) day during the thirty (30) days immediately following such holiday and he has actually worked at least one (1) day during the thirty (30) days just preceding the holiday.
 - iv) When a trade in shifts agreed upon between employees and approved in advance by Management, results in a temporary change of the scheduled work day before, or the scheduled work

day after the holiday, provided the employee works the shift agreed upon.

Section 18. Vacations and Floating Holidays

- a) All employees as defined in this Agreement shall be granted a vacation with pay subject to the following regulations:
 1. The vacation period shall commence with the employee's starting date and thereafter will coincide with his anniversary date.
 2. Each employee must work a minimum of fourteen hundred (1400) hours during the twelve (12) months immediately preceding his anniversary date in order to qualify for full vacation allowances, which are as follows:
 - (a) After one year of employment, an employee shall be granted two (2) weeks of vacation and the pay shall be based upon four and one-half percent (4½%) of his gross earnings during the applicable vacation year or eighty (80) hours at his regular pay, whichever is greater.
 - (b) After an employee has qualified for two (2) weeks vacation, the employee shall be granted three (3) weeks vacation and the pay shall be based upon six and one-half percent (6½%) of his gross earnings during the applicable vacation year or one hundred and twenty (120) hours at his regular pay, whichever is greater.
 - (c) After an employee has qualified for seven (7) full vacations, the employee shall be granted four (4) weeks of vacation and the pay shall be based upon eight and one-half percent (8½%) of his gross earnings during the applicable vacation year or, one hundred and sixty (160) hours at his regular pay, whichever is greater.

- (d) After an employee has qualified for fifteen (15) full vacations, the employee shall be granted five (5) weeks of vacation and the pay shall be based upon ten and one-half percent (10½%) of his gross earnings during the applicable vacation year, or two hundred (200) hours at his regular pay whichever is the greater.
- (e) After an employee has qualified for twenty-three (23) full vacations, the employee shall be granted six (6) weeks of vacation and the pay shall be based upon twelve and one-half percent (12½%) of his gross earnings during the applicable vacation year, or two hundred and forty (240) hours at his regular pay, whichever is the greater.
- (f) After an employee who has qualified for thirty (30) full vacations, the employee shall be granted seven (7) weeks of vacation and the pay shall be based upon fourteen and one-half percent (14½%) of his gross earnings during the applicable vacation year or two hundred and eighty (280) hours at his regular pay whichever is greater.

A 10 hour vacation pay bonus at the regular rate will be paid when an employee takes the first week of vacation after fully qualifying for full vacation. This vacation bonus shall be paid in the form of a separate cheque.

- 3. In the event that an employee does not work sufficient hours to qualify for a full vacation in accordance with either 2(a), (b), (d), (e) or (f) above, he shall be granted his vacations on the basis of the following schedule:
 - (a) New employees who have been employed for one (1) year and those who have previously qualified for two (2) weeks vacation shall be granted two (2) hours vacation for each week worked.
 - (b) Those who have previously qualified for three (3) weeks vacation shall be granted three (3) hours vacation for

each week worked.

- (c) Those who have previously qualified for four (4) weeks vacation shall be granted four (4) hours vacation for each week worked.
- (d) Those who have previously qualified for five (5) weeks vacation shall be granted five (5) hours vacation for each week worked.
- (e) Those who have previously qualified for six (6) weeks vacation shall be granted six (6) hours vacation for each week worked.
- (f) Those who have previously qualified for seven (7) weeks vacation shall be granted seven (7) hours vacation for each week worked.

Vacations shall be calculated to the nearest whole day.

- 4. The following shall be considered as days actually worked for the purpose of determining vacations with pay when an employee is on a leave of absence:
 - (a) Time lost up to one (1) year, as the result of an accident suffered during the course of employment and recognized by the Workers' Compensation Board,
 - (b) Absence due to illness or non-occupational accident up to a period of one (1) year, provided that the employee has been on the payroll for one (1) year and that he returns to his employment. The employer shall have the right to require a certificate from a qualified medical practitioner.
- 5. In the event that an employee's service with the Company is terminated, he shall be paid vacation pay of the appropriate percentage (as outlined in 2a, b, c, d, or e) of wages earned during the period of entitlement.

6. A vacation week shall include seven (7) days away from the plant (i.e. 5 days with pay and 2 days without pay).
7. All earned vacations must be taken.
8. Vacations are not cumulative and must be taken within the vacation period.
9. Allotment of vacation time is to be decided by the Management who will post a vacation list by May 1 of each year. The employer and the employees will cooperate to the fullest toward adhering to the posted schedule. Any vacations requested for the months of July, August, September or at Christmas shall be requested by April 15 of each year.
10. Three Floating Holidays with pay, shall be granted annually to regularly full time employees. These holidays are to be arranged at times suitable to the employee and the company, during the contract year, so that there will be no loss of production. The following conditions shall apply:
 - i) Pay for these holidays will be 8 hours pay at the straight time rate of the employee's regular job.
 - ii) A new employee must have been on the payroll for not less than ninety (90) days to qualify for his first holiday and on the payroll for one hundred and eighty (180) days to qualify for his second and third holidays.
 - iii) Employees will not qualify for these holidays if on leave of absence of more than nine (9) months in the contract year except in the case of sickness or injury.
 - iv) Outstanding floaters maximum three (3) will be paid out to an employee upon termination of employment.

Section 19. Supplementary Vacations

(a) Eligibility

- i) After completing five (5) or more years of continuous service with the Company, an employee shall, in addition to the regular vacation to which he is entitled, become eligible to receive a Supplementary Vacation with pay each five (5) years as set forth below:

<u>Years of Completed Continuous Service</u>	<u>Weeks of Supplementary Vacation</u>
After Five (5)	One (1)
After Ten (10).....	Two (2)
After Fifteen (15)	Two (2)
After Twenty (20)	Three (3)
After Twenty-Five (25)	Three (3)
After Thirty (30).....	Four (4)
After Thirty-Five (35).....	Four (4)
After Forty (40).....	Five (5)

- ii) For the purpose of determining eligibility for Supplementary Vacation, an employee's service shall be calculated from the date of his joining the Company.

(b) General Provisions

- i) The Supplementary Vacation may be taken in conjunction with the regular vacation to which the employee is entitled, provided such regular vacation is not scheduled to be taken during the months of July or August, in which event the Supplementary Vacation shall be taken at a time to be agreed upon by the Company and the employee.
- ii) The Supplementary Vacation must be taken prior to the employee becoming eligible for his next earned period of Supplementary Vacation as provided for in Section (a) (i)

above.

- iii) One (1) week's Supplementary Vacation pay shall be equal to forty hours at the straight time hourly rate of the employee's regular job.

Section 20. Bereavement Leave

- (a) When death occurs to a member of a regular full-time employee's immediate family, the employee will be granted an appropriate leave of absence and shall be compensated at his regular straight time hourly rate for hours lost from his regular schedule for a maximum of three (3) days, twenty-four (24) hours, or in the case of a spouse, child or parent, five (5) days, forty (40) hours.
- (b) If the day or days of leave noted above fall on his regularly schedule work days, then the employee will be paid eight (8) hours pay at his regular straight time rate for the leave.
- (c) Hours paid under the terms of this section will be counted as hours worked for the purpose of qualifying for vacations and for recognized paid holidays, but will not be counted as hours worked for the purpose of computing overtime.
- (d) Members of the employee's immediate family are defined as the employee's spouse, common-law spouse (legal), mother, father, brothers, sisters, sons, daughters, mother-in-law, father- in-law, daughter-in-law, son-in-law, step-parents, step-children, grandparents and grandchildren.
- (e) If the death of an immediate family member occurs while an employee is on vacation, he/she will receive compensating time off at the end of his/her vacation.

- (f) In the event of the death of a plant employee, the Company will give due consideration to a Union request for representation with pay at the employee's funeral.

Section 21. Jury Duty

- (a) Paid leave shall be granted to any regular full time employee required to be a witness or juror by any body in Canada that has the power of subpoena on a day which they would have worked. It is understood that such reimbursement shall not be for hours in excess of eight (8) per day or forty (40) per week, less pay received for jury or proof of jury or Crown witness service and jury duty or Crown witness pay received.
- (b) Hours paid for jury or Crown witness or coroner's inquest duty will be counted as hours worked for the purpose of qualifying for vacations and for recognized paid holidays, but will not be counted as hours worked for the purpose of computing overtime.
- (c) Any employee called for Jury Duty who is not selected to the panel and is temporarily excused from attending at court, will be paid for time loss provided:
 - 1. He reports within a reasonable time of discharge,
 - 2. He furnishes the proof required in (a) above, and
 - 3. He accepts a transfer to day work during the period of Jury Duty. Management may require another employee to exchange shifts.

Section 22. Leave of Absence

- (a) The Company agrees that it is proper to grant leave of absence to employees who have been elected or appointed to an office or position in their Union, or who have been

nominated or elected to Federal, Provincial or Municipal Office. However, it is not the intention of the Company to grant lifetime leaves of absence.

- (b) In the case of an employee being appointed or elected to a full time office or position in his Union, leave of absence up to two (2) years will be granted. Further leave may be granted by mutual consent.
- (c) Employees elected to Federal, Provincial or Municipal office shall be granted as much leave as is necessary during the term of such office.
- (d) Seniority shall accumulate during the period of an employee's leave of absence.
- (e) An employee with one year's service or more will be granted, upon request, a leave of absence equivalent to one semester for the purpose of furthering his education.

At the sole discretion of the Company, additional leave(s) of absence may be granted upon request of an employee to enable the employee to complete the educational requirements referred to in the previous sentence.

- (f) The Company will provide maternity, parental and adoption leaves in compliance with the provisions of the Employment Standards Code of Alberta and any regulations hereto. An additional six (6) weeks without pay shall be granted to female employees where there is a valid and documented medical reason applicable to the health or well being of the mother and/or child.

Personal Leave

The Plant Management, upon being shown good and sufficient reason, may grant an employee a personal temporary leave of absence without loss of seniority, not to exceed six (6) months.

Leaves must be requested in writing and Company replies will be given in writing. Under no circumstances will personal leaves be granted for the purpose of seeking alternate employment.

Section 23. Bulletin Board

The Company shall supply adequately enclosed official bulletin boards for the use of the Signatory Union in posting of officially signed bulletins. Notices posted on such bulletin boards shall be only those concerning the business and affairs of the Signatory Union.

Section 24. Safety

- (a) The Signatory Union and the Company undertake to promote safety education among all employees in an effort to overcome accidents.
- (b) There shall be a plant safety committee which shall deal with all matters of safety. The existing plant safety rules shall be adopted by this committee which shall be posted in the plant on all safety bulletin boards.

Normally the Company will chair the safety committee, however, the Union will alternately chair the safety committee every other 6 months if it so desires.

The committee will make an inspection tour of the plant prior to the monthly meeting. The committee will investigate all serious accidents and incidents.

- (c) Each of the parties will choose their members of the Safety Committee and the chosen members shall serve for a period of at least six months.
- (d) Employees are not expected to operate with unsafe equipment or under unsafe working conditions. Employees are expected to report immediately any unsafe equipment or conditions.

- (e) A Union Member and Management Member of the Safety Committee will accompany the Occupational Health and Safety Inspector on plant visits.
- (f) Safety shoes will be worn by all employees as a condition of employment, individuals with documented medical reasons will be exempted.

Safety boots (full ankle needs to be covered) shoes will be subsidized by the Company to a maximum of \$95.00 per year or \$180.00 per two (2) years \$265.00 per three (3) years for each employee. The annual subsidy may include insoles and shoe repair costs.

- (g) It is agreed the Company and the Union will work together to promote safety training for the safety committee and employees, utilizing outside facilities where necessary. Any such training must be mutually agreed to by the parties.

Section 25. Temporary Lay-Offs

The following rules apply to employees who are laid off due to a shortage of work:

- (a) If an employee has less than thirty (30) worked days or two hundred and forty (240) worked hours of service, he shall be terminated. However, for the purposes of establishing recall rights, these thirty (30) worked days or two hundred and forty (240) worked hours may be accumulated within a one (1) year period.
- (b) If an employee, not terminated, is recalled within one (1) year of the date of his last lay-off, then:
 1. His previous period of employment will be included for purposes of seniority.

2. He will be eligible for the next holiday as listed in Section 17 of the Agreement provided he qualifies under sub-section (b)(3) of Section 17 of this Agreement;
 3. The starting date of his previous period of employment will be used for determining vacation eligibility, provided he has worked two-thirds (2/3) of the hours available during the period of his actual employment;
 4. Benefit plans in existence will be reinstated upon his return to work. Group term life insurance, accidental death and dismemberment insurance and medical surgical insurance for an employee laid off with two (2) or more years of service shall be continued at the employee's option for three (3) months from the end of the period, for which the deductions have already been paid on a cost sharing basis, as provided in "Exhibit A" Costs, if the employee pays his portion in advance.
- (c) Laid-off personnel must keep the Company advised of their up-to-date address and telephone number. If requested to report back to work, they must do so within one week, otherwise they will be terminated. In the event that an employee is recalled, the Company will notify such persons by Registered Mail, if unable to reach them by telephone.
- (d) Seniority in lay-offs will be in accordance with agreements negotiated at the plant level.
- (e) The Company will notify the Union of all layoffs and recalls as soon as possible.
- (f) Any employee with six months seniority or more will receive a minimum of five (5) working days on notice of the temporary lay-off.

Section 26. Time Cards and Machine Reports

- (a) Each employee shall punch his card "IN" each time he reports for duty and shall punch his card "OUT" at the completion of each shift.
- (b) Each employee shall punch his own card only.
- (c) Employees going home for lunch, or leaving the Plant at any time, shall punch their cards "OUT" and "IN" when they return to work.
- (d) When a card is punched "IN" after the exact hour of the regular starting time, the pay time shall be calculated to the nearest six minutes following the recorded time.
- (e) When a card is punched "OUT" before the exact hour of regular stopping time, the pay time shall be calculated to the nearest six minutes previous to the recorded time.
- (f) The employees shall cooperate in the preparation of all machine reports, etc., as requested by the Management.

Section 27. Mutual Responsibilities

It is recognized by this Agreement to be the duty of the Signatory Company to explain fully the terms of this Agreement to all of its officers, supervisors and others engaged in supervisory capacity; and, it is recognized to be the duty of the Signatory Union to explain fully to its members, its and their responsibilities and obligations under this Agreement.

Section 28. Apprenticeship Training Program

The representatives of the joint Union/Management Apprenticeship Committee will meet periodically to identify the provisions of Exhibit C of the current collective agreement that need to be reactivated. It is understood that this committee will limit its activities to the following trades: Millwright, electrician, and machinist. Where practical and

where operational conditions permit and solely at the discretion of Management, the employer will offer apprenticeships first to regular employees that will meet all required Provincial standards prior to hiring Journeymen or apprentices from outside the plant facilities.

Section 29. Welfare Plan

The Company shall make available to its employees a welfare plan, pursuant to the terms and conditions of Exhibit "A", which is attached hereto and forms part of this Agreement. The Company agrees to furnish the Signatory Union with statistical reports designed to maintain compliance with Exhibit "A".

Section 30. Pension

- (a) Effective January 1, 1981, the Company will make available to its employees a Pension Plan, pursuant to the terms and conditions of Exhibit "D", which is attached hereto and forms part of this agreement.
- (b) Company to provide to the Union a yearly financial statement of the plan.

Section 31. Technological Change

- (a) The Company will advise the Union as soon as possible, and in any case not less than sixty (60) days before the introduction thereof, of any technological change or automation which the Company has decided to introduce, that will result in significant changes in the employment status of employees.
- (b) The Company and the Union Standing Committee will constitute a joint committee on automation. It shall be the function of this committee to study the effects of automation on employment in the plant generated by introduction of new machinery and/or modification of old machinery to ensure that the interests of the Company and employees are mutually protected.

- (c) The joint committee will discuss as follows any significant changes in the employment status of permanent employees if such changes are due to the introduction of automation:
1. In the event termination is necessary, crews will be reduced in accordance with the Seniority Section of this Agreement including those who have recall rights.
 2. An employee who is set back to a lower paid job because of automation, will receive the rate of his regular job at time of the setback for a period of six (6) months and for a further period of six (6) months, will be paid an adjusted rate which will be midway between the rate of his regular job at the time of the setback and the base rate. At the end of this twelve (12) month period, the regular rate of his new job or jobs will apply. However, such employee will have the option of terminating his employment and accepting severance pay as outlined in following sub-section 3 below, provided he exercises this option within the above referred to twelve (12) months period.
 3. An employee with two or more years of continuous service, for whom no job is available because of automation will, upon termination, receive severance allowance of one week's pay for each year of employment during his last period of continuous service, computed on the basis of forty (40) straight time hours at the employee's regular rate. The maximum severance allowance payable is twenty-six (26) weeks pay. (Such employees for whom no employment is available will be given at least thirty (30) days notice of separation.)

Section 32. Establishment of New Jobs

If a new job is established or if there is a substantial change in the duties of an existing job during the term of this Agreement, it is understood that the Union Standing Committee shall meet with the Company prior to, if possible, the establishment of the rate, to negotiate a rate for such new job or for the job which has been

substantially changed, on the basis of present job classification and rates mentioned in Exhibit "B" of this Agreement. In the event that the Company cannot meet with the Committee prior to the establishment of the rate or, if due to conditions it is not possible to establish a final rate, the Company shall establish what the interim rate will be and will meet with the Committee as soon as possible to finalize the rate. The parties shall meet within thirty (30) days of the request by either party to attempt to resolve the issue.

If the Union and the Company cannot agree on a final rate, the interim rate will continue in effect, and the matter may be referred to the grievance procedure as outlined in Section 15 of this Agreement commencing at Step 3 within twenty-one (21) days of the meeting referred to above. If the matter is not resolved satisfactorily, the grievance may then be referred to a single arbitrator as per Section 15 of the Collective Agreement.

All other provisions of Section 15, paragraphs 6 and 7, shall apply with the exception of references to discharged or suspended employees.

Section 33. Union Label

The Communications, Energy and Paperworkers Union of Canada Logo will be included where requested by or acceptable to the customer.

Dies will be supplied by the Union.

Section 34. Permanent Plant Closure

- (a) An employee terminated as a result of a permanent planned closure of the plant, shall be given a minimum of sixty (60) days notice of closure.
- (b) Such employees shall be entitled to a severance allowance of one and one-half (1½) weeks pay for each of his/her first fifteen (15) years of employment and one (1) week per year thereafter during his/her last period of continuous service,

computed on the basis of forty (40) straight time hours at the employee's regular rate.

Section 35 - Students

During the summer relief period, April 15th to September 15th, each year, students hired to provide vacation relief will not accumulate seniority under any provision of the Labour Agreement relative to other hourly employees. The summer students will have seniority rights relative to other summer students for the purpose of the assignment of work and lay-off based on their qualifications. Students will only be offered weekend overtime if insufficient employees volunteer to work. Full rights continue to apply during weekdays.

Summer students must be terminated from their employment by September 15th of each year.

The Union will be notified of the students who are hired as a summer student under this Agreement.

Section 36 - Seven Day Continuous Run Operation

1. The Company may operate the plant or a portion of the plant on a seven (7) day basis once they have exhausted the normal hours available in a five (5) day operation (Monday to Friday - 24 hours per day) on the equipment being scheduled for seven (7) days.
2. Employees affected will receive a minimum of two (2) weeks notice of the implementation of continuous run. Once implemented, an operation on continuous run will operate on this basis for a minimum of ninety (90) days. This period may be changed by mutual agreement between the Company and the Union. One (1) week's notice of cancellation will be given.
3. The parties are agreeable to a 12 hour shift schedule, 4-4, or 3-2-2-3-2-2 or any other shift schedule mutually agreed to,

with the decision as to which schedule will go into effect to be decided by each respective local.

4. All scheduled hours will be paid at straight time rates with the exception of hours worked in excess of twelve (12) hours in a shift, or a Sunday or a holiday, or forty (40) hours per week on an eight (8) week average basis which will be paid at the rate of time and one-half (1½). All employees who voluntarily works on a Saturday or a Sunday as a result of a replacement call-in, will be paid overtime at the rates prescribed by the Collective Agreement (i.e. time and one-half (1½) for Saturday and double time for Sunday). Under normal circumstances the Company would not operate the plant on paid holidays. Employees working on the seven (7) day operation basis will be paid for twelve (12) hours at straight time rate for the holiday. Any work performed on a paid holiday would be voluntary and paid at the rate of time and one half (1½).
5. Employees working on a seven (7) day basis would not have a cap on the amount of deferred overtime they could bank during this time. Overtime in excess of forty (40) hours per week on the eight (8) week averaging basis cannot be banked.
6. Shift premiums will be as follows:
 - 3:00 p.m. to 7:00 p.m. - 45¢ per hour
 - 7:00 p.m. to 11:00 p.m. - 45¢ per hour
 - 11:00 p.m. to 7:00 a.m. - 65¢ per hour
7. Prior to leaving the workplace, the employee must inform his/her Supervisor if their mate relief has not arrived.
8. Any unused vacation entitlement less than a full hour will be carried over to the following year. Vacations will be converted to hours and scheduling of vacations is subject to discussions between the Company and the Union.

9. For bereavement leave purposes, the employee will be allowed the same number of days off as per the Collective Agreement. The pay will be for twelve (12) hours a day for those days that the employee was scheduled to work.
10. For Jury Duty purposes, employees will be paid for twelve (12) hours per day, less any payment received from the courts (as per current agreement).
11. Extra rated positions will be established as required to operate on a continuous run basis. All extra rated positions (production, shipping or trades) will be posted and trained as per previous practice.
12. Employees on continuous run will receive four (4) ten (10) minute rest periods and one (1) twenty (20) minute paid lunch period.
13. Floaters (3) will be paid on the basis of eight (8) hours at the employee's straight time basic rate. Employees may draw up to four (4) hours of deferred overtime for a total of twelve (12) hours pay for Floater days.
14. In the event of a valid weekly indemnity claim, the employee shall not incur any loss relative to the waiting period before benefits commence because of the continuous run schedule. Details are to be worked out between the Company and the Union.
15. All Statutory Holidays will be taken on the day on which they fall.

IN WITNESS WHEREOF, we, the undersigned, have as the accredited representatives of the respective parties to this Agreement, hereunto set our signature this _____ day of _____, 2005

Smurfit-MBI

**COMMUNICATIONS, ENERGY
and PAPERWORKERS UNION
OF CANADA - LOCAL 539**

D. Konarski
Production Manager

Rick Klimchuk
National C.E.P. Representative

Riendeau
Director,
Human Resources

_____ G.
Jim Deacon

C. Reimer
Human Resources Supervisor

Doug Sherman

Brian Ouellette

STATEMENT OF POLICY

Clarification of Work Performed by Supervisor

Both parties recognize that supervisors are excluded from the provisions of the Labour Agreement, and accordingly, it is improper for supervision to do the kind of work which is done by those defined as employees in the contract.

Those persons excluded from the term of this Agreement shall not be permitted to perform work on any hourly-rated job, except in the following types of situations:

1. In an emergency, when qualified employees are not available.
2. In the instructional or training of employees, including demonstrating the proper method to accomplish a task assigned.
Where the needs of the production clearly require the immediate attention of the supervisor.
3. Such occasions must be temporary in nature and must not result in the displacement or exclusion of employees under the contract.

EXHIBIT "A"

This Exhibit "A", including Schedule 1 attached hereto and forming part hereof, sets forth the respective rights and obligations of the Company and its employees under the Welfare Plan which the Company has established effective June 24, 1970, pursuant to Section 29 of the Labour Agreement between Smurfit-MBI, Corrugated Container Division, Calgary, Alberta and the Communications, Energy and Paperworkers Union of Canada, Local No. 539.

1. Compliance

- (a) It is agreed that as of June 24, 1970, the Company will comply with the terms and conditions as set forth in this Exhibit "A".
- (b) The Company will use its best efforts to provide coverage in accordance with its obligations set forth in Section 29 and Exhibit "A" of this Agreement. The Company's obligation and the Welfare Plan shall be subject to all limitations found in the contracts of the selected carrier or carriers, including, among others, the requirement of participation by a minimum percentage of those eligible, and conditions under which coverages and benefits may be subject to increased cost or to termination.

2. Waiting Period and Enrollment

All full time employees who are actively working and have completed thirty (30) worked days or two hundred and forty (240) worked hours of service shall be enrolled in the Welfare Plan set forth in Schedule 1 of this Exhibit. An employee who enrolls in the Welfare Plan must participate in all coverages thereunder, with the exception of Blue Cross coverage, which is an optional supplement to the mandatory Alberta Health Care Insurance Plan.

3. Changes in Classification

The regular wage rate of the employee in effect on September 1st each year, will determine his level of coverage under Group Life, as outlined in Schedule 1 contained in this Exhibit "A". Where an employee's regular duties consist of more than one job, his regular rate shall be deemed to be the average of the rates applicable to such jobs.

4. Costs

Net costs of the coverage and benefits made available to participating employees under the Welfare Plan will be shared between the Company and the said employees in accordance with the following:

- i) Group Term Life Insurance, Accidental Death and Dismemberment Insurance and Medical Surgical coverage premium costs will be 100% paid by the Company.
- ii) Dental Plan premium costs will be 100% paid by the Company.
- iii) Non-Occupational Sickness and Accident Weekly Insurance premium costs will be paid 70% by the Company and 30% by the employee.

5. Reports

The Company agrees to furnish the Signatory Union with statistical reports designed to maintain compliance with Exhibit "A".

6. Reporting Period

The initial reporting period will be June 24, 1970 to November 30, 1971. Each year thereafter the report shall cover the twelve (12) month period ending September 30th and shall be submitted to the Signatory Union by not later than the following April 1st

7. Changes in Premiums and Employee Contribution

It is understood that any change in respect of either the premium rate charged by the carrier or the basis of the employer-employee sharing thereof, may only be made effective as of September 1st in any year.

8. Distribution of Surplus

It is understood that surplus accumulations, if any, will be used only for the purpose of reducing premium costs. Surplus accumulations must be disposed of within reasonable time limits.

9. Disputes

No dispute arising out of the operation, administration or interpretation of any coverage contract between the Company and the carrier shall be subject to the Adjustment of Complaints procedure of the Labour Agreement between Smurfit-MBI, Corrugated Container Division, Calgary, Alberta, and the Communications, Energy and Paperworkers Union of Canada, Local No. 539. Any such dispute shall be adjudicated under the terms of such coverage contract.

SCHEDULE 1 - WELFARE PLAN

Attached to and part of Exhibit "A".

This Schedule 1 sets forth the benefits and levels of coverage of the Welfare Plan, which are as follows:

GROUP TERM LIFE INSURANCE

Coverage in accordance with the following Table (1). Benefits will be payable as a result of death from any cause, on a twenty-four (24) hour coverage basis.

ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

Coverage in accordance with the following Table (1). Benefits will be payable as a result of accidental death or dismemberment. Dismemberment insurance benefits of the Welfare Plan will be in accordance with the schedules offered by the particular carrier involved, such coverage to be on twenty-four (24) hour basis.

NON-OCCUPATIONAL SICKNESS AND ACCIDENT WEEKLY INSURANCE

Benefits will be payable beginning with the first day of disability caused by non-occupational accident and beginning with the fourth day of disability caused by non-occupational sickness. Benefits will be payable for a maximum of fifty-two (52) weeks during any one period of disability.

In the event an employee files a Workers' Compensation Claim which is contested by the Company or the WCB, arrangements will be made for the employee to receive weekly indemnity benefits for the period in question. To receive weekly indemnity payments, the employee must sign a waiver form and in the event the claim is accepted by the Workers' Compensation Board, the employee will reimburse the weekly indemnity insurance carrier within five (5) days of receipt of the Workers' Compensation benefits for the full amount due them. Where

the weekly indemnity is used in this manner, the payment shall not exceed the payments the employee would have normally received from the Workers' Compensation Board.

MEDICAL SURGICAL COVERAGE

The Welfare Plan will include Medical Surgical coverage as contained in the Alberta Health Care Insurance Plan. \$25 per visit to a maximum of \$200 per family per year. The Great-West Life Assurance Company Medical Supplement Plan, which also forms part of this Agreement, will include Vision Care coverage for employees and eligible dependants. The Vision Care coverage is subject to the Plan and 80%/20% co-insurance provisions.

Payment, other than covered dependent children under 14 years of age, is made up to a maximum of two hundred and seventy-five dollars (\$275.00) per person in any twenty-four (24) consecutive month period for charges incurred relative to the purchase of lenses and frames or contact lenses when prescribed by a person legally qualified to make such prescription.

INSURANCE

Group Life Insurance and Accidental Death and Dismemberment Insurance for each qualified employee will be per Table (1).

NON-OCCUPATIONAL SICKNESS AND ACCIDENT WEEKLY INDEMNITY

Benefits will be sixty-six and two-thirds percent (66 2/3%) of the employee's regular job rate, exclusive of overtime and shift differential premiums. Payment will continue to a maximum of fifty-two (52) weeks and will be subject to the conditions that exist in the contract between the Company and the Great-West Life Assurance Company. Coverage will be immediate in the event of admission to hospital excluding out-patient care. The automatic change dates will be amended to September 1st of each year. Income Tax will be deducted at source.

If the insurance carrier requires a medical form, Company will

reimburse a maximum of \$150.00 per calendar year.

LONG TERM DISABILITY PLAN SUMMARY

The Welfare Plan will include a Long Term Disability Plan effective September 1, 1980, which will provide benefits of fifty percent (50%) of regular weekly earnings calculated at forty (40) times the disabled employee's hourly straight time job rate at date of onset of disability with Long Term Disability Benefits, payable for a maximum period of sixty (60) months, but not beyond the attainment of age sixty-five (65). Cost sharing of the Plan will be:

Company	70%
Employee	30%

Any U.I.C. rebate is for the exclusive use of the Company.

1. Eligibility

- (a) Hourly employees who are working full-time for full pay. Minimum hours worked no less than 30/week.
- (b) Coverage to commence after thirty (30) worked days of service.
- (c) Enrollment in the Plan to be compulsory.
- (d) Must be actively at work full-time and for full pay on date the "Five-Year Plan" commences.
- (e) Employees who are in receipt of either Weekly Indemnity or Long-Term Disability Benefits from the former L.T.D. Plan, will have their coverage commence on the date they return to active full-time employment.

2. Level of Benefit

Fifty percent (50%) of regular weekly earnings calculated at forty (40) times the disabled employee's hourly straight time job rate at date of onset of disability, plus any negotiated increases to that

hourly straight time job rate which would take place during the elimination period.

3. Elimination Period

Benefits commence after the employee has been totally and continuously disabled for 52 weeks.

4. A) Maximum Duration of L.T.D. Benefit Payments

- Benefits will be paid for a maximum period of sixty (60) months or until attainment of age 65 or until recovery, whichever is the shorter period.

B) LTD benefits will be extended to age 60 providing that the Following conditions are met:

- Have completed 25 years of service
- That the current LTD benefits have not yet expired
- That they have attained the age of 55

5. Definition of Total Disability

(a) The disabled employee's inability to perform the duties of his own occupation for the first year of L.T.D. disability payments and thereafter his inability to perform the duties of any occupation for which he is qualified by education, training or experience.

(b) During a period of disability, the disabled employee must be under the regular care and attention of a medical doctor, or in cases of disability arising from a mental or nervous condition, a psychiatrist.

6. Integration with Other Disability Income

(a) The benefit from this Plan combined with all other disability income to which the disabled employee is entitled, will not exceed 70% of the employee's basic wage at date of disability.

All other disability income will include: C.P.P./Q.P.P. primary disability pension benefits, Workers' Compensation, disability

income from a group plan, disability income arising out of any law or legislation or any benefits payable from the pension plan. Private or individual disability plan benefits of the disabled employee will not reduce the benefit from this Plan.

- (b) Increases in C.P.P./Q.P.P. disability pensions or increases in the Workers' Compensation disability pensions that result from increases in the Canadian Consumer Price Index and which occur after the date disability payments from this Plan commence, will not further reduce the benefits from this Plan.

7. Rehabilitative Employment

- (a) During a period of total disability under this Plan, a disabled employee may engage in rehabilitative employment, in which case the benefit from this Plan will be reduced by 50% of the employee's rehabilitative employment income that exceeds \$50.00 per month. The benefit from this Plan will be further reduced by the amount that remuneration from rehabilitative employment plus the benefit from the L.T.D. Plan, exceeds 75% of the employee's basic wage at date of disability.
- (b) Rehabilitative employment shall mean any occupation or employment for wage or profit or any course or training that entitles the disabled employee to an allowance, provided such rehabilitative employment has the approval of the employee, and his doctor in consultation with the underwriter of the L.T.D. Plan.
- (c) Rehabilitative employment will be deemed to continue until such time as the employees' earnings from rehabilitative employment exceed 75% of his straight time earnings at date of disability, but in no event for more than twenty-four (24) months from the date rehabilitative employment commences.

8. Exclusions

Disabilities resulting from the following are not covered:

- (a) War, insurrection, rebellion or service in the armed forces of any country.
- (b) Participation in a riot or civil commotion.
- (c) Intentionally self-inflicted injuries.

9. Pre-Existing Conditions

To be applicable to employees hired after the effective date of the Plan. A disability that results from an accident, illness, mental or nervous disorder for which the employee received treatment or medical supplies within the ninety (90) day period prior to joining the Plan, will not be covered unless the employee has completed 12 consecutive months of employment during which he was not absent from work from the aforementioned accident, sickness or mental disorder.

10. Successive Disabilities

- (a) A subsequent disability that is related to a previous disability and occurs within six (6) months of an employee's return to work, will be considered a continuation of the previous L.T.D. disability and the employee will not be eligible for W.I. benefits. The employee under these circumstances will be eligible to receive benefits without the necessity of completing another elimination period.
- (b) Subsequent disabilities resulting from a different cause or, if from the same cause as a previous disability but which occur more than six (6) months after a return to work, will be treated as a new disability and be subject to the completion of another elimination period. The W.I. Plan will be amended accordingly.

11. Terminations

Coverage will cease:

- (a) On termination of employment.

- (b) On the date leave of absence commences except as provided for in the Collective Agreement.

12. Contributions

- (a) Cost to be shared 70% by employer and 30% by employees.
- (b) Contributions are to be waived when an employee is in receipt of L.T.D. payments.

13. Conditions for Implementing the Plan

- (a) The Long-Term Disability Plan is payment, in kind of the employee's share of the reduction in the Unemployment Insurance premium resulting from the qualification of the Weekly Indemnity Plan under the Unemployment Insurance Regulations. The full U.I.C. premium reduction including the employees' five-twelfth's (5/12^{th's}) share will be retained by the employer.
- (b) When an employee becomes totally disabled under this Plan, he or she will be paid any outstanding entitlement with respect to vacations, supplementary vacations, statutory holidays, floating holidays and any banked overtime.

Upon commencement of L.T.D. benefits, all terms and conditions of the Collective Agreement will become inoperative except where provided for in Article 13 (c) ii, (c) iii and (c) iv of this Plan Summary.

- (c) The following will also pertain:
 - i) Negotiated wage increases or subsequent increases in Plan benefits will not affect employees in receipt of L.T.D. benefits.
 - ii) Employees in receipt of L.T.D. benefits from this Plan

will continue to accrue credit under the pension Plan.

- iii) Employees in receipt of disability payments from this Plan will continue to be covered under the Company's medical, extended health and dental plans. Coverage under the group life and A.D. & D. Plans will continue in accordance with the conditions of those Plans.
 - iv) An employee returning to work from an L.T.D. claim will return to a job that his seniority, qualifications and ability to perform the work properly entitle him to.
- (d) The disability benefit under the group life insurance plan will have the cash payment provision eliminated. In its place, a disability waiver provision will be established to maintain in force this volume of life insurance coverage.

DENTAL CARE PLAN

The Welfare Plan will include a Dental Care Plan, which will reimburse members for expenses incurred in respect to the coverages as summarized below.

- i) The Plan will be compulsory for all eligible employees.
- ii) The Plan will not duplicate benefits provided now or which may be provided in the future by any government program.
- iii) Ten percent (10%) employee premium cost sharing to be in effect January 1, 2006.

Termination of Coverage

Coverage will terminate at the end of the month for which a contribution has been made. The Plan identity card then becomes invalid.

Dependents Covered Under the Plan

1. Husbands or wives of eligible employees.
2. Dependent children to their 21st birthday, or until they marry or become wage earners, whichever occurs first.

NOTE: You may be required to prove that persons whom you claim as dependent children are actually dependent upon you.

How to use the Plan

You will be issued with an Identity Card. Visit the dentist of your choice and show him this card. Discuss with him the service he proposes to render and the amount of his fee and the amount, if any, you are required to pay.

To avoid unnecessary delay in the payment of claims, you should not incur dental expenses until after an Identity card has been issued.

Your dentist is not required to obtain prior approval from Great-West Life before rendering services. However, where the cost of service is other than a nominal charge, it is recommended that your dentist makes an eligibility check. He can make this eligibility check by forwarding to Great-West Life a form showing the treatment planned. This avoids any embarrassment between you and your dentist should you not be eligible for the proposed benefits. He can find out by making this eligibility check:

- (a) Whether or not you or your dependents are covered:
- (b) Whether or not the proposed services are a benefit under your Plan;
- (c) Whether or not financial or other limitations have been reached.

You should not only follow the above described procedures, but in addition, you should:

1. Obtain a claim form from your division office to be completed by your dentist.
2. Pay the dentist for the service he renders (unless the dentist wishes to bill Great-West Life directly for covered expenses).
3. Present your claim to Great-West Life and your dentist's itemized invoice.

The Union and the Company agree that the carrier's practice of reimbursing employees on a reasonable and customary basis, based on charges by an Alberta dentist will be continued.

In all cases, when desiring services from your dentist under the Plan, advise him that you are a member of the Plan and discuss with him the charges that he will make for the services and what you will be required to pay as your portion of the cost.

What Are the Benefits?

Section "A"

The benefits under this section are those services that are required to maintain teeth in good order and normal restoration services to restore them to good order.

(a) Diagnostic Services

All the necessary procedures to assist the dentist in evaluating the existing conditions to determine the required dental treatment. This includes examinations, consultations, pathological reports and other diagnostic aids as may be deemed necessary. The Plan will cover one standard oral examination each year and one

recall examination. The Plan will cover a complete, full examination only if the Plan has not paid for an examination during the past three years. The Plan will cover full mouth X-rays every 36 month period, bitewings (X-rays of the crown of the teeth) once yearly, individual apical X-rays (root portion of the teeth), when and if required, and other radiographic services if your dentist deems it necessary.

(b) Preventive Services

All necessary procedures to prevent the occurrence of oral diseases including:

- i) Prophylaxis and scaling of the teeth - twice in one year:
- ii) Topical fluoride application - twice in one year. When a fee is charged for fluoride application, only the combined fee will be paid for prophylaxis and fluoride application, not a fee for each item;
- iii) Space maintainers.

(c) Surgical Procedures

All necessary procedures for extractions and other surgical procedures normally performed by a dentist.

(d) Endodontic Services

Treatment of disease of the pulp chamber and pulp canal.

(e) Periodontic Services

Procedures necessary for the treatment of diseases of the soft tissue (gums) and the bones surrounding and supporting the teeth.

(f) Restorative Services

All necessary procedures for filling teeth with amalgam silicate (synthetic porcelain), acrylic (plastic), and composite resin restorations for restoring of tooth surfaces which have been broken down as a result of decay process, including stainless steel crowns.

(g) Major Restorative Services

Inlays, onlays and gold foils will be covered only when other materials cannot be used satisfactorily.

(h) Prosthetic Repair Services and Relines

All necessary procedures required to repair or reline fixed or removable appliances. Repairs or relines to dentures may be obtained from a dentist or a duly licensed dental mechanic. Both new dentures and repairs will not be paid for unless a reasonable amount of time elapses between requiring these services.

Section "B"

The benefits under this section are those services required for major reconstruction of teeth that have deteriorated and for replacement of teeth that are missing.

(a) Crowns

For rebuilding natural teeth where other restorative material cannot be used satisfactorily.

(b) Prosthetics

i) Removable Prosthetics - Full upper and lower dentures or

partial dentures. These will not be provided more often than every five years, and may be provided by a dentist or a duly licensed dental mechanic.

- ii) Crowns and Bridges - To artificially replace missing teeth with a fixed prosthesis. Where a crown and bridge has been paid for under a Plan, a replacement of such crown and bridge will not be paid for except when approved by Great-West Life because of special circumstances.

Section "C"

Orthodontia

For orthodontic services performed by an Orthodontist or Dentist, payment will be made to the extent of 50% of the cost. The Union and the Company agree that the current practice of reimbursing employees on a reasonable and customary basis, based on charges by an Alberta dentist will be continued. Effective September 1, 2001, the lifetime maximum payment by Great-West Life will be \$2,000.00.

Members will become eligible for orthodontic services after twelve months of participation in the Plan. Appliances lost or stolen will not be replaced.

What Portion of the Dental Expenses will be Paid for by the Plan?

The Plan will pay 100% of the cost of services provided under Section "A". The Union and the Company agree that the carrier's practice of reimbursing employees on a reasonable and customary basis, based on charges by an Alberta dentist will be continued. For benefits provided under Section "B" the amount that will be paid is 60% of the fee as described above effective September 1, 2001.

What Services are Not Covered?

The Great-West Life dental benefits do not cover payment for:

- (a) Cosmetic dentistry;

- (b) Treatment covered by Workmens' Compensation Board or publicly supported Plans;
- (c) Services required as a result of an accident for which a third party is liable;
- (d) Charges for services commencing prior to date of coverage;
- (e) Charges for completing forms.

With respect to dental expenses recoverable under any other Plan, payment from this Plan will be co-ordinated so that total payment received will not exceed the expenses actually incurred.

Emergency Treatment

Emergency dental care will be provided anywhere in the world. If, while you are travelling or on vacation you require dental care as a result of an emergency, you are entitled to services of a duly qualified dentist in the event of such emergency. The Union and the Company agree that the carrier's practice of reimbursing employees on a reasonable and customary basis, based on charges by an Alberta dentist will be continued.

Change of Dentist

You may not change your dentist during the course of treatment without the prior approval of Great-West Life. This does not prevent you from going to the dentist of your choice. If you find it necessary to change your dentist after a course of treatment has commenced, the proper procedure is to tell both dentists concerned and notify Great-West Life that you propose to change dentist. Provided there is no duplication of service, Great-West Life will approve the change. If you fail to carry out this procedure and fail to advise both dentists, it will be necessary to refuse payment to other than the first dentist.

TABLE (1)

Group Term Life

All employees: Effective September 1, 2001 - twice annual
salary

Accidental Death & Dismemberment

All employees: Effective September 1, 2001 - twice annual
salary

EXHIBIT "B"

WAGE SCHEDULE

	<u>Sept 1/04</u>	<u>Sept 1/05</u>	<u>Sept 1/06</u>
	3.00%	3.00%	3.00%
<u>CORRUGATOR.</u>			
Operator	23.87	24.58	25.32
Knife	23.41	24.11	24.84
Clamp	22.43	23.11	23.80
Double Backer	22.42	23.10	23.79
Downstacker	21.57	22.22	22.88
Utility Load Mover	21.30	21.94	22.60
Manual Take Off	21.30	21.94	22.60
Warehouseman	22.43	23.11	23.80
<u>PRESS DEPT.</u>			
S&S Flexo Operator #68	23.56	24.26	24.99
S&S Flexo Operator #60 & 62	23.37	24.07	24.79
Slotterman	21.79	22.45	23.12
Stacker	21.30	21.94	22.60
Ward/Koppers Operator #80,81,82, 83	23.18	23.87	24.59
1st Helper #80, 81, 82, 83	22.05	22.71	23.40
2nd Helper - #81	21.79	22.45	23.12
Bundler Operator	21.49	22.13	22.79
Press Servicer	21.49	22.13	22.79
Rubber Die Mounter	22.38	23.05	23.74
Rubber Die Helper	21.36	22.00	22.66
Steel Die Mounter	23.18	23.87	24.59
Shrink Tunnel	21.49	22.13	22.79
<u>GENERAL HELP</u>			
Under 30 days	18.69	19.26	19.83
Over 30 days	20.41	21.03	21.66
Students	16.01	16.49	16.98
<u>ENGINEER/ADHESIVE</u>			
Chief Eng. 3 rd Class	27.87	28.71	29.57
Stn. Eng. 3 rd Class	27.46	28.28	29.13
Chief Eng. 4 th Class	25.24	25.99	26.77
Stn. Eng. 4 th Class	24.86	25.61	26.38

Fireman/Adhesive Maker

21.56

22.20

22.87

EXHIBIT "B"

WAGE SCHEDULE

	<u>Sept 1/04</u> 3.00%	<u>Sept 1/05</u> 3.00%	<u>Sept 1/06</u> 3.00%
<u>MAINTENANCE</u>			
Journeyman Electrician	28.35	29.20	30.07
J. Millwright	27.87	28.71	29.57
Heavy Duty Mechanic	27.87	28.71	29.57
4 th Year Apprentice	25.54	26.31	27.10
3 rd Year Apprentice	23.55	24.25	24.98
2 nd Year Apprentice	22.74	23.42	24.13
1 st Year Apprentice	21.61	22.26	22.93
Apprentice – 2 Mths.	Base	Base	Base
Oiler/Greaser	21.79	22.44	23.11
<u>FINISHING DEPT.</u>			
Flexotizer Operator #91	22.03	22.69	23.37
Semi Auto Bundler #90	21.49	22.13	22.79
Slitter Operator	21.61	22.26	22.93
Helper	Base	Base	Base
<u>SHIPPING DEPT.</u>			
Shipping Coordinator	22.35	23.02	23.72
Asst. Shipper	22.09	22.76	23.44
Lift Truck – Shipping	22.64	23.32	
Lift Truck Operator	21.90	22.55	23.23
Warehouseman	20.95	21.58	22.23
Helper	Base	Base	Base
Pallet Repair	21.13	21.76	22.41
Baler Operator	21.60	22.25	22.91
<u>UTILITY DIE PERSON</u>			
1st Year	21.61	22.26	22.93
2nd Year	21.88	22.53	23.21
3rd Year	22.09	22.76	23.44
General Utility Person	21.21	21.84	22.50

OVERTIME

Double after 12 and all authorized Sunday work. Time and one-half for all hours worked on designated day off.

SHIFT DIFFERENTIAL

- Afternoon - 50¢
- Night - 70¢

MEAL ALLOWANCE

- \$10.00
- Paid after 2 hours and 6 hours.

PREMIUMS

FIRST AID ATTENDANT

The employee designated by Management to provide First Aid coverage will receive a premium of seventy five cents (75¢) per hour.

ACTING SCHEDULER & CO-ORDINATOR

An employee designated responsibility for temporary scheduling and co-ordinating shall be paid an additional twenty-five cents (25¢) per hour over his classification or highest rate for hours worked in the department.

ADHESIVE MAKING

Employees not regularly required to make adhesive, will be paid when making adhesive, his regular rate or the Fireman Adhesive Maker's rate, whichever is the greater.

COVERALLS

Coveralls will be supplied as follows:

- (a) one set at each press
- (b) for mechanics
- (c) for employees assigned to "dirty work" by supervisors.

EXHIBIT " C "

APPRENTICESHIP TRAINING PROGRAM

1. The purpose of the Program is to provide tradesmen of the highest calibre.
2. The Apprenticeship Training Program will cover designated trades where applicable.
3. The minimum period of apprenticeship training shall conform to the terms of the Apprenticeship Act including both the prescribed technical and practical training.
4. All provisions of the labour agreement shall be applicable to apprentices in the Program.
5. Apprentices hired with previous training may be placed into the Training Program at a level determined by the Joint Apprenticeship Committee, with advice from the Apprenticeship Branch.
6. Under the Program, Apprentices will receive rates as per Exhibit "B" of the Collective Agreement.

Progression through the schedule of rates is subject to successful completion of prescribed theoretical training, practical training and tests. The schedule of rates applies on date of qualification or as otherwise provided for in Item 10.

7. A joint Union-Management Apprenticeship Committee will be comprised of two Union and two Management representatives.

The purpose of the Committee will be to develop and supervise the procedures required to carry out the intent of the Program as agreed to. The Committee will also carry out the following duties:

- (a) The Company to establish in-plant training programs to support the training syllabus as developed by the Apprenticeship Branch of the Department of Labour for each trade involved. Supervision of the established program shall be the responsibility of the Joint Committee.
 - (b) Set standards for entry into the Apprenticeship Program that are consistent with the standards recommended by the Apprenticeship Branch.
 - (c) Carry out periodic reviews of training programs.
 - (d) See that the required practical tests are carried out in cooperation with the Apprenticeship Branch.
 - (e) Determine the tool requirements by years of training.
 - (f) Joint Committee to review any case of lost time from the Program because of sickness, accident, etc., and to determine the amount of additional time necessary before an employee meets his requirements of time served.
8. Entrance into the Program without any previous training of any kind will in all cases be subject to the applicant meeting the standards required for acceptance, established by the Company and the Apprenticeship Branch.
9. Upon completion of each period of training in an approved Vocational School, an Apprentice will be required to pass examinations set by the Apprenticeship Branch. Practical examinations shall be confined to the area of training received. In the event of failure to pass examinations, the Apprentice shall be required to undergo a period of retraining on subject material specified by the Apprenticeship Branch authorities and will be required to be re-examined within twelve months. Failure to pass the second examination will result in his removal from the Program. Employees who are removed from the Program will be offered an entry job in keeping with their plant seniority.

10. Schedule of Training for Apprentices

- (a) Successful applicants will be assigned to a specific trade as a probationer for a three-month period. During the probationary period he shall be paid the base rate.
- (b) On successful completion of the probationary period, the probationer shall be reclassified and paid the first year Apprentice rate (paragraph 6 herein) for the following nine months.
- (c) During each year of apprenticeship, he shall work at the trade and attend Vocational School as required by the regulations pursuant to the Apprenticeship Act.
- (d) Upon the successful completion of his term of Apprenticeship and receipt of his Certificate of Apprenticeship issued by the Provincial Apprenticeship Committee, the Apprentice shall be designated as a certified Journeyman at the regular hourly rate.
- (e) If any of the work periods are exceeded due to the unavailability of Vocational School facilities, such extra time will be credited to the Apprentice in succeeding training requirements. Also, the Apprentice's rate shall be adjusted retroactively to the commencement of the scheduled year providing he successfully passes the examinations. Retroactivity will not apply where retesting is necessary.

11. While attending an approved Vocational School, the Apprentice will receive from the Apprenticeship Branch allowances and school expenses, in accordance with the Government's schedule of grants pertaining to Apprenticeship Training. In addition, the employee shall receive from his employer an allowance comprised of the difference between his regular straight time rate, based on a forty (40) hour week, and the weekly living allowance granted by the appropriate government authorities. Allowances provided by the employer shall not apply to any periods of retraining as specified in Item 9.

General

- (a) The Company agrees to develop and provide a program of on-the-job training for each trade, which shall include doing jobs of gradually increasing skills consistent with the Apprentice's training and ability.

- (b) Apprentices will be required to acquire and build a kit of tools progressively throughout the Program, as specified by the Apprenticeship Branch and the Joint Union-Management Apprenticeship Committee.

EXHIBIT " D "

PENSION PLAN SUMMARY

1. Eligibility

An employee will be eligible to become a member of the Plan after one year of continuous service provided he/she is then working for the Company and a member of CEP Local 539.

2. Enrollment

An employee will be automatically enrolled at the completion of the eligibility requirements.

3. Contributions

(a) There are no employee contributions required. The Company will contribute the amounts necessary to provide the benefits of the Plan.

(b) A participant may make voluntary contributions up to the limits of contributions deductible under the Income Tax Act in determining taxable income. Voluntary contributions will not affect the Company's contribution in any way.

Any benefit provided by the participant's voluntary contributions will be in addition to the benefits described below.

4. Normal Retirement Date

The normal retirement date under this Plan is the first day of the month following the participant's 65th birthday, except that the normal retirement date of a participant born on the first day of a month is his/her 65th birthday.

5. Early Retirement Date

A participant may elect to retire early on the first day of any month between age 55 and 65. The Pension Committee must be notified in writing at least 90 days before the early retirement date.

In the case of total disability, provided the Pension Committee approves, a participant may retire on the first day of any month before his/her normal retirement date.

6. Normal Retirement Benefit

The normal retirement benefits is payable monthly for as long as the pensioner lives after retirement, but with the guarantee that should he/she die before receiving 60 payments, the balance of the 60 payments will be paid to his/her designated beneficiary.

The amount of the normal monthly pension will be equal to the sum of the past service benefit and future service benefit.

(1) Effective September 1, 2003 for retirement on or after that date, the past service benefit for employees who were participating in the plan or who were eligible to enroll on January 1, 1981 equals \$51.00 per month for each year of service prior to January 1, 1981.

(2) The future service benefit will be equal to one-twelfth (1/12) of the total amounts of annuity credited after December 31, 1980 as follows:

1% of that part of the participant's earnings, which in each calendar year does not exceed the maximum pensionable, earnings then in effect under Canada Pension Plan; and

2% of any such earnings over that maximum.

Effective September 1, 2003, the pension accrued under the current formula from January 1, 1981 to December 31, 2002, would at least be equal to \$51.00 per month per year of service during this period; such minimum would apply to the aggregate pension accrued and not to the pension accrued each year during this period.

Effective September 1, 2002, the pension accrued under the current formula from January 1, 1981 to December 31, 2001, would at least be equal to \$49.00 per month per year of service during this period; such minimum would apply to the aggregate pension accrued and not to the pension accrued each year during this period.

With effect from September 1, 2004 to August 31, 2007, the pension accrued under the current formula from January 1, 1981 to December 31 of the year preceding the date on which a member's pension is determined would at least be equal to \$51.00 per month per year of service during this period; such minimum would apply to the aggregate pension accrued and not to the pension accrued each year during this period.

7. Early Retirement Benefit

The early retirement benefit will be calculated in the same manner as outlined for normal retirement, except that it will be reduced as follows:

- Age 55 - 82% of accrued benefit
- Age 56 - 86% of accrued benefit
- Age 57 - 90% of accrued benefit
- Age 58 - 94% of accrued benefit
- Age 59 - 97% of accrued benefit
- Age 60 - 100% of accrued benefit

8. Optional Types of Retirement Benefit

In place of the standard form, a participant may choose to have his/her retirement benefit paid in one of the following optional forms:

Life Annuity

This optional form provides an increased retirement benefit payable monthly for so long as the pensioner lives after retirement with no continuation of payments after death.

Life Annuity Guaranteed 10 Years

This optional form provides a decreased retirement benefit payable monthly for so long as the pensioner lives after retirement but with the guarantee that should he/she die before receiving 120 payments, the balance of the 120 payments will be paid to the designated beneficiary.

Joint & Last Survivor Annuity

This optional form provides a decreased retirement benefit payable monthly for so long as the pensioner lives after retirement with either the full amount of the payment, two-thirds (?) of the amount or half of the amount, whichever he/she elects, continuing to the person named by the pensioner as his/her

contingent annuitant for so long as that person lives after the pensioner's death.

In order to elect one of the foregoing optional forms of retirement benefit, or any other optional form which may from time to time be authorized by the Pension Committee, a participant must do so on the prescribed forms.

Such election must be made before the retirement date whether normal or early.

9. Termination of Employment

On termination of employment from the Company, the employee's contributions, if any, will be returned with interest to the date of termination.*

However, if on termination from the Company other than by retirement or death, a participant has completed at least 2 years of plan membership, he/she will become entitled to a deferred pension payable at age 65, equal to the participant's pension accrued or granted on and after January 1, 2000.

If on termination from the Company other than by retirement or death, a participant has completed at least 5 years of continuous service, he/she will become entitled to a deferred pension payable at age 65, equal to the participant's accrued pension with respect to credited service accrued prior to January 1, 2000.

* Vesting: After two years to reflect Alberta Legislation.

10. Re-Employment

If an employee terminates from the Company and is later re-employed, he/she will be considered a new employee for all purposes of the Plan.

11. Death Benefit

a) Death Prior to Retirement

If a participant dies before his/her normal retirement date, his/her contributions, if any, will be refunded with interest to the date of death to the designated beneficiary or estate.

However, if a participant had completed at least 5 years of continuous service at his/her date of death, the participant's spouse will become entitled to 60% of the commuted value of the participant's deferred pension payable at age 65, accrued or granted on and after January 1, 1987 but prior to January 1, 2000. This benefit is not payable if the participant's designated beneficiary is not his/her spouse.

If the participant had completed at least 2 years of plan membership at his/her date of death, the participant's designated beneficiary or estate will become entitled to 100% of the commuted value of the participant's deferred pension payable at age 65, accrued or granted on and after January 1, 2000.

b) Death After Retirement

If a participant dies after payment of pension has begun, any further payments will be made in accordance with the type of retirement benefit he/she had elected.

12. Bridging

An employee who retires on or after his fifty-fifth (55th) birthday And during the period from September 1, 2004 to August 31, 2007 will receive a pension bridge of twenty-five dollars (\$25.00) per month, per year of service (up to maximum of 40 years) upon reaching his sixtieth (60th) birthday. The bridge will be payable until the employee attains age 65.

Payments under this bridging provision will cease at the end of the month immediately preceding the month in which the employee, who selects to retire early under this provision, attains age 65 or dies, whichever occurs first.

The above is meant to be a summary of the important features of the Plan, however, the actual detailed administration will be governed by the official text of the Plan.

October 1, 2001

Letter of Understanding

Re: Boiler Issue in Calgary

The company will pay (3rd) class rate to steam engineers with permanent third (3rd) class ticket when operating boilers.

B.H. Anderson
Production Manager

October 1, 2001

Letter of Understanding

Modified Duties – Calgary & Edmonton

- A. Administration of the program will be under the control of the Human Resources Representative of the Employer.
- B. Where medical restrictions prevent an employee from performing production work on his regular shift, then the modified duties assigned will be on day shift and schedules of work (hours) will be those of the areas where modified duties have been assigned, i.e. shipping 7AM to 3PM etc.
- C. Human Resources will advise the authorized representative of the Union Standing Committee, if available, and the appropriate supervision, prior to the commencement of the light duties program as well as the restrictions involved.

Should no representative of the Standing Committee be available, Human Resources will inform any authorized member of the Union Committee.

March 10, 2005

Letter of Understanding

Apprenticeship Training Program

Calgary to post and fill one Apprentice Trade person in the plant within one year of ratification.