

COLLECTIVE AGREEMENT
BETWEEN
ASSOCIATED BRANDS HOLDINGS LTD. PARTNERSHIP
AND
UNITED FOOD AND COMMERCIAL WORKERS
INTERNATIONAL UNION
LOCAL 1000A
AFL CIO CLC

JUNE 1, 2003 - MAY 31, 2006

12186 (03)

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MEMORANDUM OF AGREEMENT dated this 1st day of June, 2003.

BETWEEN

**ASSOCIATED BRANDS INC.
(herein called the "Company")**

AND

**UNITED FOOD AND COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL CIO CLC LOCAL 1000A
(hereinafter called the "Union")**

The parties recognize that the welfare of the Company and that of its employees depends upon the welfare of the Company's business as a whole;

The parties recognize that a relationship of good will and mutual respect between employers and employees can contribute greatly to the maintenance and increase of that welfare;

The parties agree as follows:

ARTICLE 1 - PURPOSE

- 1.01 The purpose of this Agreement is to promote and maintain mutual understanding and cooperation between the Company and its employees, to ensure the peaceful settlement of disputes, to prevent stoppage of work, to eliminate interference with, and to foster and promote the efficient operation of the Company's business, and to set forth an agreement covering all rates of pay, hours of work and other working conditions. Any reference made in this collective agreement to him or her etc. shall be acknowledged as gender neutral.
- 1.02 Where the obligation of the Employer and the Union to accommodate an employee via the Human Rights Code, may conflict the terms and provisions of the collective agreement, the Employer and the Union may, by mutual agreement, modify the collective agreement to meet the conditions of the accommodation of the employee.

ARTICLE 2 - RECOGNITION

2.01 The Company recognizes the Union as the sole and exclusive collective bargaining agent for all its employees in the City of Toronto as it is currently constituted and excluding where the Company acquires other facilities, with existing ongoing operations, save and except supervisors, persons above the rank of supervisor, sales, office and clerical staff, laboratory staff, persons regularly employed for not more than twenty-four (24) hours per week, and students employed during the school vacation period. If the Company transfers its operations outside the scope of this Agreement, it agrees to offer its current employees available jobs for which they are qualified.

2.02 The word "employees" when used in this Agreement refers only to employees within the aforesaid bargaining unit unless otherwise specifically stated, and it is understood and agreed that no other employees of the Company are covered by this Agreement.

ARTICLE 3 - MANAGEMENT RIGHTS

3.01 Except as limited by a provision of this Agreement, the Company shall continue to have the right to take action it deems appropriate in the management of its operations and the direction of the work force. All management functions and prerogatives which the Company has not expressly modified or restricted by a specific provision of this Agreement are retained and vested exclusively in the Company.

3.02 The rights, management functions and prerogatives referred to in Article 3.01 include, but are not limited to the following: the right to reprimand, suspend, discharge, or otherwise discipline employees for just cause, select and hire, direct, promote, retire at age sixty-five (65), demote, transfer, lay off and recall employees to work, determine starting and quitting times, and the number of hours and shifts to be worked; maintain the efficiency of employees, control and regulate the use of machinery, equipment and other property of the Company; determine the products to be manufactured, the schedules of production, the assignment of work, the size and composition of the work force; make or change rules, policy and practices not in conflict with the provisions of this Agreement; introduce new or improved research, development, production, maintenance, services and distribution methods, material, machinery and equipment; and otherwise generally manage the Company, direct the work force and establish terms and conditions of employment, except as expressly modified or restricted by a specific provision of this Agreement.

- 3.03 The Company's failure to exercise any function thereby reserved to it or the exercise of any function or right of the Company in a particular way shall not be deemed a waiver of its rights to exercise such functions or rights, nor preclude it from exercising the same in some other manner not in conflict with the express provisions of this Agreement.

ARTICLE 4 - DUES CHECK-OFF

- 4.01 All employees who are Union members as of the date of the signing of this Agreement and all new employees thereafter shall, as a condition of employment, remain or become Union members in good standing. "Membership in good standing" means that they must pay in accordance with the provisions of this agreement, the regularly prescribed initiation fee and regular monthly Union dues. All other employees shall be free to join the Union and shall not be discriminated against or coerced by the Union or the Company as a result of their membership or non-membership or activity or lack of activity in the Union.
- 4.02 The Company will deduct union dues and or initiation fees from the wages of all employees as of the date of hire. Such dues shall be deducted from the employees' pay on a weekly basis.
- 4.03 Such dues will be remitted to the Financial Secretary of the Union by the 15th day of the month following the month for which the dues were deducted. The Union will advise the Company of the amount of regular weekly union dues to be deducted.
- 4.04 The Union will indemnify and save the Company harmless from any and all claims which may be made against it by an employee or employees for amounts deducted from pay as provided for in this Article.
- 4.05 In cases where a deduction is made that duplicates a payment that an employee has already made to the Union, or where a deduction is not in conformity with the provisions of the Union Constitution and By-laws, refunds to the employee will be made by the Union.

ARTICLE 5 - UNION REPRESENTATION

- 5.01 The Union shall notify the Company in writing of the names of its representatives as follows: officers, bargaining committee members and stewards. The Grievance Committee shall be composed of the Local Plant Chairman, Chief Steward and the steward from the department

where the grievance arises. The Company shall not recognize any such

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representatives of the Union until their status, as such, has been confirmed in writing as set forth above.

- 5.02 Union stewards shall be entitled to leave their work stations for such activities as are specifically provided for in this Agreement provided that they obtain the prior permission of their supervisors and indicate the grievance or destination concerned. Such permission from their supervisors shall not be unreasonably withheld. Such stewards shall report back to their supervisor at the time they return to their work station. Subject to the provisions contained herein, stewards and the Union Plant Chairman will be paid their base hourly rate for any time spent performing these duties, lost from their regular working hours.
- 5.03 The Company agrees to provide bulletin board space for the posting of Union notices and official papers. Notices will only be posted by officers of the Union and shall be submitted to and approved by the Plant Manager or his designate prior to posting. Subject to the foregoing, all distribution of Union literature will be done off the Company's premises and not on Company time.
- 5.04 The Company will permit a full-time business representative of the Union to have access to the Company's premises in order to attend any meeting between the Company and the Union pertaining to this Collective Agreement, or to assist in a settlement of a grievance as provided for in Step #3 of the grievance procedure as set forth herein. Before coming to the Company's premises, the business representative shall obtain the permission to do so from the Company's Plant Manager, or his designate.
- 5.05 An employee will be entitled to have access to any documents in his personnel file which the Company intends to rely upon for disciplinary action, up to and including discharge, against him, and at his request, will be entitled to be provided with a copy of the same.
- 5.06 The Company agrees to advise new employees of the name of their Union steward in order that such employees may consult their steward regarding the terms of this Agreement.
- 5.07 The Company shall advise the Chief Steward or Chairperson of the following matters for employees within the bargaining unit on a current basis:

- a) Job postings, job awards, promotions, demotions and transfers;

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- b) Hiring, discharges, suspensions, written warnings, resignations, retirements and deaths;
- c) Job classifications; and
- d) Information relating to wages and fringe benefits including pension and welfare plans. Information on such plans will also be made available to all employees and a copy of such information will be supplied to the Union office on request. Any changes relating to such plans will be sent to the Union office. The Company will provide the Chief Steward or Chairperson with a copy of all matters in paragraphs a), b), c) and d) above.

5.08 The Company representative will meet the Union representative on one occasion every month to discuss any issues relating to the workplace. It is understood that this employee will be paid for all hours missed at his/her regular rate, and such meeting will take place during working hours. The Company will respond within three days to issues that may result in a grievance.

ARTICLE 6 - GRIEVANCE PROCEDURE

6.01 Any difference concerning the interpretation, application, administration or alleged violation of the provisions of this Agreement shall be dealt with in the following manner and, if settled, shall be final and binding upon both parties and the parties in discussing problems of mutual concern falling outside the scope of the Collective Agreement.

6.02 The term "grievance" as used in this Agreement shall mean a complaint by any employee against the Company alleging failure to comply with the provisions of this Agreement. Should differences arise between the Union and its members and the Company as to the interpretation, application, administration or alleged violation of this Agreement, including whether or not the difference is arbitrable, an earnest effort will be made to settle all matters promptly in the following manner:

Step #1

It is the mutual desire of the parties hereto that grievances of employees shall be adjusted as quickly as possible and it is understood that an employee shall not be considered to have a grievance until he has first given his immediate supervisor an opportunity to adjust his complaint within three (3) working days, failing settlement, then:

Step #2

Within three (3) working days after the supervisor's reply, the Union, if desired, may submit a grievance which must be in writing, to the Plant Manager or his designate, who in turn will deliver his decision in writing within three (3) working days thereafter. Failing settlement, then:

Step #3

Within three (3) working days following receipt of the Plant Manager's or his designate's written decision, the Union's grievance committee may

request in writing that the Plant Manager or his designate arrange, within four (4) working days, for a meeting with the employee, the Union's grievance committee, and full-time Union representative, and the Plant Manager or his designate.

The party responding to the grievance shall reply in writing within four (4) working days of the meeting. The parties shall attempt to resolve the grievance and no discussions relating to the settlement at the meeting or during the grievance procedure may be used against the other party at any subsequent arbitration hearing. Failing settlement, the grievance may then be submitted to arbitration within four (4) working days following the reply.

- 6.03 The Union may submit a written policy grievance at Step #3 regarding a dispute arising directly between the Company and the Union with respect to the interpretation, application or alleged violation of this Agreement. Such a grievance must be filed within ten (10) working days after the circumstances giving rise to the grievance have occurred.
- 6.04 The Company may submit a written grievance to the Union at Step #3 of the grievance procedure within (4) working days after the circumstances giving rise to the grievance have occurred.
- 6.05 If a grievance is not processed in accordance with the time limits set forth in this Article, it shall be considered to be abandoned. Should the party replying to a grievance fail to observe the time limits specified, the grievance shall be automatically advanced to the next step. The time limits set forth in this Article may be extended by mutual written agreement, provided that such extension for any one grievance shall not be a precedent or waiver of the time limits for any subsequent grievances. No claim for compensation shall be retroactive for more than fifteen (15)

days prior to the date of filing of the grievance, except in cases where a

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clerical error has been made by the Company in calculating rates of pay or payroll deductions.

- 6.06 An arbitration board shall not have any jurisdiction to extend these time limits and section 48 (16) ,of the Labour Relations Act 1995 shall not apply.
- 6.07 A grievance filed pursuant to this Article shall state the nature of the grievance, the act or acts complained of and when they occurred, the identity of the employee who claims to be grieved, the section or sections of this Agreement that the employee claims the Company has violated and the remedy he seeks. If such a grievance proceeds to arbitration, it shall be open to the parties to argue any and all relevant provisions of the Collective Agreement before the Board or single arbitrator.
- 6.08 Where the aggrieved employee is an off-shift employee, and the 3rd step meeting is held outside his regularly scheduled hours of work, the Company will pay the aggrieved employee at his/her applicable rate for time spent at that meeting with Management representatives. Where the aggrieved employee's Department Steward is also an off-shift employee, he/she will also be paid on the same basis.

ARTICLE 7 - DISCHARGE OR SUSPENSION

- 7.01 Any employee who believes that he has been discharged or suspended without just cause may submit a written grievance at Step #3 of the grievance procedure within five (5) working days of the discharge or suspension. An employee will have the right to see his Steward, Chief Steward or Chairperson before leaving the Plant.

ARTICLE 8 - ARBITRATION PROCEDURE

- 8.01 Where a difference arises between the parties relating to the interpretation, application or administration of this Agreement, including any question as to whether or not a matter is arbitrable, or where an allegations made that this Agreement has been violated, or that an employee has been unjustly disciplined, either of the parties may, after exhausting any grievance procedures established by this agreement:
- a) Notify the other party in writing of its desire to submit the difference or allegation to arbitration; the notice shall contain the name of the first part's appointee to an arbitration board.

- b) The recipient of the notice shall within the first ten (10) working days advise the other party of the name of its appointee to the arbitration board.
- c) The two appointees so selected shall, within twenty (20) working days of the appointment of the second of them or as agreed, appoint a third person who shall be the chairman.
- d) If the recipient of the notice fails to agree upon a chairperson within the time limits, then the Minister of Labour for the Province of Ontario may appoint a qualified person to be chairperson, upon the request of either party.
- e) Notwithstanding the foregoing, the parties may agree to submit the difference or allegation to a single arbitrator mutually agreed upon between them.

8.02 The arbitration board or single arbitrator shall not be authorized to make any decision inconsistent with the provisions of this agreement, nor to alter, modify, or amend any part of this Agreement, not to adjudicate any matter not specifically assigned to it by the written grievance as specified in it.

8.03 Each of the parties hereto will bear the expenses of the nominee appointed by it, and the parties shall jointly bear the expenses, if any, of the chairperson of the board of arbitration.

ARTICLE 9 - SENIORITY

9.01 An employee will be considered on probation and hold no seniority and, probationary employee(s) may be terminated for a lesser standard of just cause, until he has worked sixty (60) days in a job in the bargaining unit. Upon satisfactorily completing the probationary period, an employee will be placed on a seniority list and his seniority shall date from the date of hire.

9.02 Seniority shall consist of an employee's continuous service with the Company within the bargaining unit, since his last date of hire. Seniority shall only serve for such purposes as are expressly provided in this Agreement and for no other purpose. Where a probationary employee is terminated or laid off without notice by the Company before the employee has completed sixty (60) days in a job in the bargaining unit, is

subsequently rehired by the Company, then, if that employee completes

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sixty (60) days in a job within six months from the original hired date, that employee will be placed on the seniority list and the seniority under these circumstances shall date from sixty (60) days prior to completion.

- 9.03 (a) In cases of promotion or demotion, permanent transfer, lay-offs, and recalls, the Company shall be guided by the following factors:
- (i) Requirements of the job;
 - (ii) Skill, qualifications, ability and;
 - (iii) Seniority
- (b) Only where two (2) or more employees are judged to be equal on the basis of the factors set out in Article 9.03(a) (i) and (ii) shall seniority apply.

Layoffs

- 9.04(a) In all cases of layoff of one day or more because of lack of work, or where the Employer no longer requires a position to be filled in excess of thirty (30) working days, senior employees will be entitled to bump junior employees, provided that the senior employee has the required ability and qualification to satisfactorily perform the available work or can qualify within 1 week. The Company agrees that no casual, probationary or part-time employees will be used during layoffs.
- Employees who have exercised their bumping rights under this section and as a result bumped into a lower rate classification shall have their rate protected for (60) days.
- (b) The Company shall post a list of all employees to be laid off and provide the Chief Steward or Chairperson with a copy.
- (c) In the case of emergency the Company may lay off any employee for a temporary period not exceeding one (1) working day without regard to the seniority provisions of the Agreement provided that no individual employee shall be laid off by virtue of this section for any more than five (5) non-consecutive working days in any calendar year. If the emergency is one (1) hour before the shift and a layoff is required, the employee will be paid two (2) hours at their regular rate of pay. An employee who is laid off pursuant to this Article will continue to accumulate seniority.
- (d) For all layoffs of more than one working day or more, employees to be laid

off will be given a minimum of five (5) days notice (or pay in lieu of notice).

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A general notice place on the notice board and communicated to all employees shall be considered a notice for the purpose of this article.

- (e) The employee with the greatest seniority will be the first to be recalled, provided he/she has the ability or qualification to satisfactorily perform the available work or can qualify within 1 week.
- (f) Employees who are laid off and are unable to return on recall because of sickness or accident, certified by a physician, shall accumulate seniority, for such time they would have worked.

Temporary Assignments

9.05 Temporary assignments of employees of up to thirty (30) working days may be made to cover needs such as vacancies due to periods of disability, vacations, emergencies, sudden increases or decreases in volume and

similar absences or manpower needs without regard to the seniority provisions of this Agreement. Said employees will hold their regular wage rate unless the job they fill is of a higher rate, and in this case will get the higher rate of job they are performing. Where they are qualified to do so and where other regular employees are not required to replace them, senior employees shall be given the opportunity to fill temporary job openings as long as it does not interfere with the normal operation of the business.

Job Posting

9.06(a) If it becomes necessary for the Company to fill a permanent vacancy or newly created classification, then notice of such vacancy shall be posted on the bulletin board for three (3) full working days providing an opportunity for employees to apply for the vacant position, in writing, to the Company. The notice and application must be dated. Only the original and next vacancy shall be posted. Any subsequent vacancy resulting from the original posting shall be filled at the discretion of the Company in accordance with the requirements set forth in Article 9.03, but need not be posted. In the event there is no successful applicant for the posted vacancy, the Company has the option to hire from outside the bargaining group. The Company shall reply to the applicants within five (5) working days or a reasonable time following the end of the posting period. The Company shall notify the Union Representative as to any delays of notification of employees. Temporary assignments for the period of the

job posting referred to above, and until the successful

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candidate has commenced working in the position may be made by the Company without regard to the seniority provisions of this Agreement. Employees who are away from work may leave a list with the Company of positions for which they wish to be considered, should a posting occur while they are off work.

- (b) Where any internal employee successfully bids to fill a permanent vacancy or newly created classification, the successful applicant for such position shall be placed in the vacancy within 10 working days and receive his current rate of pay or the start rate of the new position under Schedule "B", whichever is greater, until the probation period of 60 calendar days have elapsed since being placed in the vacancy. Such probation period may be extended by mutual agreement between the Company and the Union.
- (c) No Successful applicant shall be permitted to bid on a job vacancy under this Article more than once in any twelve (12) consecutive months unless
 - (i) The job for which the employee intends to bid on is on a different shift than the same job he/she permanently holds or;
 - (ii) The position pays a higher wage rate AND
 - (iii) The training obtained for the current held position was less than 10 working days AND
 - (iv) Where the Company did not out source the training for the employee where a fee was paid to the trainer/instructor e.g. Forklift Training.

Any employee refusing to accept a position after bidding for the same shall lose his bidding rights for six (6) months thereafter.

- (d) Employees who are away from work for up to twelve (12) months on a Leave of Absence and return within the twelve (12) month period, shall be entitled to bump into their old classification and shift. In the event that an employee returns after twelve (12) months' absence, the employee shall be required to take whatever job classification and shift is available, subject to their ability to perform the work in question.
- (e) If an employee, who has successfully bid into a posted position is unable to fully perform the position within the allotted time frame, he may return to his previous position.

- 9.07 An employee transferred to a position outside of the bargaining unit after signing of this Agreement shall not, for a period of two (2) years following his transfer, lose seniority status, but shall accumulate seniority for that period and will retain his total seniority in the event that he is transferred back into the bargaining unit within that period.
- 9.08 An employee will lose his seniority and be deemed to have terminated his employment with the Company for any of the following reasons:
- a) if he/she resigns;
 - b) if he/she is discharged and such discharge is not reversed through the grievance procedure;
 - c) if he/she has been laid off and fails to return to work within five (5) working days after he has been notified by the Company to do so by registered mail addressed to the last address on record with the Company.

In the event the recall is for five (5) days or less, the employee will have the right to refuse, based on their seniority.

- d) if he/she overstays a leave of absence or vacation without cause acceptable to the Company;
 - e) if he/she absents himself from work without notifying the Company unless reason, satisfactory to the Company, is given for both the absence and the lack of notification;
 - f) if he/she is laid off for twelve (12) consecutive months;
 - g) if he/she is off work by reason of illness or injury, and there is no reasonable likelihood that such employee will return to work after twenty-four (24) consecutive months subject to accommodation under the Workplace Safety and Insurance Act or Human Rights Code.
- 9.09(a) An employee must advise the Company as soon as is reasonably possible of the employee's inability to attend at work as scheduled and must keep the Company advised as to the reason for any absence from work, and make arrangements with the Company for his return to work. The Company may request an employee to produce doctor's certificates while he is absent from work or prior to returning to work. If such a request is made by the Company with respect to an absence of 26 weeks or less, the Company is prepared to reimburse an employee up to \$20.00 for each

doctor's certificate that the employee is requested to obtain upon

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being provided with a receipt. In addition, the Company may require an employee to produce doctor's certificates from a doctor of the Company's choosing at the Company's expense.

- (b) Notwithstanding the absenteeism and lateness call-in policy, employees must notify their immediate supervisors by the time prescribed to allow the following week's schedule to be produced. Failing the above, the employee will be scheduled as soon as reasonably possible for the next possible shift.
- (c) Employees who are absent from work because of illness or accident, shall accumulate seniority while off work. In the event that such employee returns to work, the said employee shall return to the position held prior to his absence, subject to accommodation under the Workplace Safety and Insurance Act or the Human Rights Code.

9.10 It shall be the duty of employees to notify the Company of any change of their address. If an employee fails to do so, the Company shall not be responsible in the event that any Company notice fails to reach such employees.

9.11 Once each six (6) months the Company will furnish the Chief Steward or Chairperson with a duplicate up-to-date seniority list, showing employees' names, addresses and classifications and shall post the same on the Plant bulleting board. An error in the sneiority list may be subject to a grievance within two (2) weeks of the date the list is given to the Chief Steward or Chairperson. Notwithstanding other time limitations in the grievance arbitration provisions to the contrary. Notwithstanding the foregoing, an employee may not grieve such error if it appeared on a prior seniority list and was not grieved. If an employee is absent by reason of sickness, compensation, long term disability or leave of absence, and such employee has requested in writing that copies of the seniority list be forwarded, by way of ordinary mail to the employee's address as listed on the records of the Company, the Company will forward a copy of the posted seniority list to the employee.

ARTICLE 10 - NO STRIKE OR LOCK-OUTS

10.01 It is agreed that there shall be no strike by or lockout of employees by the Company during the life of this Agreement and until the parties the this Agreement are legally entitled to strike or lockout.

- 10.02 The Company agrees that it will not cause or direct, during the term of this Agreement, any lockout of its employees and the Union agrees that, during the term of this Agreement, there will be no strike or other collective action that will stop, curtail or interfere with work or the Company's operation.
- 10.03 The Union further agrees that it will not involve any employee of the Company, or the Company itself, in any dispute which may arise between any other employer and the employees of such other employer or between the Union and any other employer or between the Company and any other Union.

ARTICLE 11 - MANAGEMENT EMPLOYEES CLAUSE

- 11.01 Management employees will not regularly perform work that normally falls within the scope of the duties of members of the bargaining unit. However, such restriction shall not apply in the case of emergency, or in such situations where maintenance of regular production or training of bargaining unit employees requires such work.

ARTICLE 12 - LEAVE OF ABSENCE

- 12.01 The Company, in its sole discretion, may in writing, grant a leave of absence without pay or benefits to any employee having two (2) years or more continuous service with the Company.
- 12.02 A request for a leave of absence must be submitted to the Plant Manger or his designate in writing, at least one (1) month prior to the proposed commencement of such leave and shall state the reason for the proposed leave, the last day to be at work and the day of return to work.
- 12.03 Any such leave of absence will normally be taken in conjunction with an employee's vacation unless the Company otherwise agrees.
- 12.04 The Company will grant leave of absence of up to one (1) month in any given year, without pay or other benefits under this Collective Agreement to not more than two (2) employees at the same time to attend Union business with no loss of seniority.
- 12.05 During a leave of absence beyond thirty (30) days, or an extension thereof, an employee will maintain but not accumulate seniority. An employee will continue to accumulate seniority for the first thirty (30) days of a leave of absence.

- 12.06 An employee may maintain his benefit plan coverage for a leave of absence upon giving written notice to the Company and provided he pays to the Company the total cost of the benefit plan premiums for the period of such leave.
- 12.07 Pregnancy and Parental leave shall be granted to an employee according to the provisions of the Employment Standards Act of Ontario.

ARTICLE 13 - HOURS OF WORK, OVERTIME

- 13.01 This article only provides the basis for the calculation of time worked, overtime and shift premiums shall not be construed as a guarantee of the hours of work in a day or a week or a guarantee of days of work or otherwise, nor as a guarantee of working schedules.
- 13.02 Overtime work shall be distributed as equally as practicable among employees who normally perform the work with respect to which the overtime is required.
- (a) For daily overtime meaning early starts and/or extension of shift(s) overtime will be offered firstly to those employees who are either scheduled on that line or are working on the line for which overtime is required. If there are insufficient volunteers to perform the overtime work, then the remaining positions will be offered by seniority on a separate rotational basis. Employees working in a classification and not on a line shall have daily overtime offered on a rotational basis.
 - (b) Overtime schedule on a Saturday and/or Sunday will be offered by seniority by department on a separate rotational basis. If there are insufficient volunteers to perform the overtime work, then the remaining positions will be offered by seniority to qualified employees on a rotational basis.
 - (c) For the purposes of rotation employees will be offered the overtime by seniority, those employees who are asked to work overtime and decline, shall be considered for the purpose of rotation to have worked. This meaning they will not be asked again until all employees by seniority, have been asked to work overtime.
- 13.03 The normal work schedule will be eight (8) hours per day, Monday to Friday. The work pattern and hours and days of work may vary to meet

the operation needs of the Company. The Maintenance Department's normal work schedule will be eight (8) hours per day, commencing

Sunday, Monday or Tuesday. For all regular straight time hours worked, between 12:01 a.m. Saturday and 11:59 p.m. Sunday, a premium of \$2.00 per hour for hours worked on Saturday and a premium of \$3.00 per hour for hours worked on Sunday will be paid over and above the straight time rate. This does not apply to overtime hours worked, casual or part-time employees. A twenty (20) minute unpaid lunch period and two (2) paid breaks one of ten (10) minutes and one of twenty (20) minutes shall be provided during each shift. The paid break of twenty (20) minutes shall be foregone by employees in order that they may finish their shift twenty (20) minutes early.

13.04 To the extent practicable and consistent with efficient plant operation the times of shifts for all classifications with the exception of the blender classification shall be as follows:

Day Shift (Judson)	7:00 a.m. - 3:00 p.m.
Day Shift (Horner Distribution Centre)	7:00 a.m. - 3:00 p.m.
Afternoon (Judson)	3:00 p.m. - 11:00 p.m.
Afternoon (Horner Distribution Centre)	3:00 p.m. - 11:00 p.m.
Night Shift (Judson)	11:00 p.m. - 7:00 a.m.

With respect to the blender classification, the times of shifts to the extent practicable and consistent with efficient plant operation shall be as follows:

Day Shift	5:30 a.m. - 1:30 p.m.
	Or 6:00 a.m. - 2:00 p.m.
	Or 6:30 a.m. - 2:30 p.m.
	Or 7:00 a.m. - 3:00 p.m.
Afternoon Shift	3:00 p.m. - 11:00 p.m.

Individual starting times may be changed from day to day to meet customer demands and to ensure orderly production. The Company agrees to give advance notice of any change of shift or at least twenty-four (24) hours, except in an emergency where it is unable to do so.

13.05 For other than an employee's regular scheduled work, an overtime premium of time and one half an employee's regular straight time hourly base rate shall be paid for:

- (i) authorized time worked in excess of forty (40);
- (ii) authorized time worked on Saturdays unless the employee is regularly scheduled to work Saturdays (e.g. night shift starting on Friday and ending on Saturday morning).

An overtime premium of two times and employee's straight time hourly base rate shall be paid for:

- (i) authorized time worked on Sundays unless the employee is regularly scheduled to work on Sundays;
- (ii) authorized time worked on paid holidays.

13.06 Overtime work will first be requested on a voluntary basis. In the event that a sufficient number of qualified volunteers are not available, then employees may be scheduled and required to perform overtime work. In such a situation, qualified junior employees shall be required to perform overtime work first.

ARTICLE 14 - SHIFT PREMIUM

14.01 A premium of forty (40) cents per hour will be paid to all employees required to work on the afternoon shift and a premium of forty-five (45) cents per hour will be paid to all employees required to work on the night shift by the Company.

The Shift Premium is outlined as follows:

- Year 1 no increase
- Year 2 afternoon + .05=.45c and midnights + .05c=.50c
- Year 3 afternoon + .05=.50c and midnights + .05c=.55c

ARTICLE 15 - CLOTHING, SAFETY APPAREL AND TOOLS

15.01 The Company agrees to continue its present practice with reference to the provision of clothing, safety apparel and tools for its employees.

ARTICLE 16 - SAFETY SHOES ALLOWANCE

16.01 The Company shall provide in a lump sum payment on a separate cheque, in the 1st pay period following the employee's birthday for the purchase of safety footwear. Any employee who has received payment for safety footwear after May 31st as of the date of ratification shall receive additional payment to bring them to the total of \$80.00 to be provided on a separate cheque.

- Effective June 1st, 2003 \$80.00
- Effective June 1st, 2004 \$80.00

Effective June 1st, 2005 \$100.00

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ARTICLE 17 - OVERTIME MEAL ALLOWANCE

17.01 The Company agrees to provide employees with one twenty minute meal break paid at the overtime rate and the sum of FIVE (\$5.00) DOLLARS after the first two (2) hours of authorized overtime worked. Employees must have first worked their full eight (8) hours regular or overtime shift.

ARTICLE 18 - INJURY SHIFT GUARANTEE

18.01 If an employee is injured while working in the plant in the course of his employment, the Company agrees to pay his normal straight time hourly base rate for the regularly scheduled hours he would have worked on the shift when the accident occurred.

ARTICLE 19 - PAID HOLIDAYS

19.01 An employee who works the day before and the day after the holiday shall receive for each holiday eight (8) hours pay at the basic hourly rate for the following holidays:

New Year's Day	Thanksgiving Day
Good Friday	Christmas Day
Victoria Day	Boxing Day
Canada Day	Christmas Eve Day
Civic Holiday	New Year's Eve Day
Labour Day	

19.02 An employee who is scheduled to work the day before and after a holiday and is unable to do so without reasonable cause shall not be paid for the holiday.

19.03 Employees who are assigned to work on any of the above mentioned holidays shall receive two times their base hourly rate for all hours worked, in addition to holiday pay. However, if an employee who is assigned to work on such holiday fails to report for and perform such work without reasonable cause, shall not be paid for the holiday.

19.04 Where any holiday falls on a Saturday or Sunday, it will be observed on the preceding Friday or the following Monday at the discretion of the Company. Canada Day will be observed on a Friday or a Monday, at the discretion of the Company.

ARTICLE 20 - TOOL ALLOWANCE

20.01 The Company agrees to purchase and replace broken worn out tools for each mechanic employed in the bargaining unit up to the amount of ONE HUNDRED AND FIFTY DOLLARS (\$150.00) per annum. In order to qualify for such payment, the broken or worn out tool must be shown to the Plant Manager or his/her designate who shall decide, in his sole discretion, if it qualifies for replacement. In the event that a mechanic's tools fall short of the specified requirements, the employee will be expected to promptly purchase the tools as required and set out in the tool list. At the request of Management, the employee must purchase the required tools and have these tools at work within ten (10) calendar days.

ARTICLE 21 - VACATION AND VACATION SCHEDULE

21.01 Subject to the eligibility requirements described in this Article, employees shall receive vacation time off and pay according to the following:

- 1) Employees having less than one (1) year's service as of June 30th in any given year, and employees who quit without notice or who are terminated by the Company, shall receive vacation pay as prescribed under the Employment Standards Act of Ontario.
- 2) Employees having one (1) year of continuous service as of June 30th in any give year, but less than five (5) years will receive two (2) weeks vacation with pay at four (4%) percent of their previous year's earned income.
- 3) Employees having five (5) years continuous service as of June 30th in any given year, but less than ten (10) years, will receive three (3) weeks vacation with pay at six (6%) percent of their previous year's earned income.
- 4) Employees having ten (10) years continuous service as of June 30th in any given year, will receive 4 weeks vacation with pay at eight (8%) percent of their previous year's earned income.
- 5) Employees having twenty (20) years or more continuous service as of June 30th in any given year, will receive five (5) weeks vacation with pay at ten (10%) percent of their previous year's earned income.

- 6) Employees who after July 1st and prior to the end of the calendar year reach the service required to entitle them to an additional

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week, will become eligible for such additional week on completion of the required years of service based on two (2%) percent of the previous year's income.

21.02 Should a paid holiday occur during a vacation period the employee shall be expected to take the paid holiday in conjunction with his vacation unless mutually agreed upon between the Company and the employee.

21.03(a) The Company may schedule a plant shutdown. If the Company decides to schedule a plant shutdown such shutdown shall be scheduled for one (1) week during the School March Break period and one (1) week during the summer months between the period of July 1st and August 15th of each year. The Company shall post by February 1st of each year of the timing of such shutdown. If a shutdown is scheduled, employees are expected to take vacation at that time. Should an employee wish to take his/her vacation at sometime other than the scheduled plant shutdown, he/she shall make his/her request in writing of the time he/she wishes to take his/her vacation. It is understood that, where the employees remaining vacation weeks are fewer than the weeks of scheduled shutdown in a year, the employee shall be placed on layoff. The Company may schedule additional shutdowns during the period of September 1st to January 10th of each year. If the Company does schedule a shutdown during the period of September 1st to January 10th of each year, employees will not be expected to take his/her vacation during this time.

(b) For employees with three (3) weeks or more vacation entitlement, senior employees in each classification shall be given preference as to the choice of their vacation period. Vacation requests shall be made no later than April 1st of each year and the Company will reply not later the May 1st of the same year. Vacation requests for employees with three (3) weeks or more vacation entitlement, filed after April 1st of each year shall be granted on a first come first serve basis.

ARTICLE 22 - BEREAVEMENT LEAVE

22.01 Active employees who have completed their probationary period will be granted up to three (3) consecutive days off with pay at their normal base rate for the purpose of arranging for and/or attending the funeral of their father, mother, mother-in-law, sister, brother, spouse, son, daughter, step-son, step-daughter, grandchildren, father-in-law, sister-in-law, brother-in-law, son-in-law, daughter-in-law, grandfather, grandmother providing the

employee is not receiving pay for such days under the provisions of this Collective Agreement and that the funeral is attended. If an employee is

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unable to attend the funeral due to time and distance difficulties, one day's leave of absence with pay will be granted.

- 22.02 Active employees who have completed their probation period will be granted one (1) day leave with pay in order to attend the funeral of their niece or nephew.

ARTICLE 23 - JURY DUTY AND SUBPOENAED WITNESS

- 23.01 Active employees who have completed their probationary period and who are required by law to serve as a juror or subpoenaed as a Crown witness shall be paid the difference between the fee received for such service and the amount of straight time earnings lost by reason of such service, to a limit of their regularly scheduled shift per day and regularly scheduled hours of work per week, provided the employee is not receiving pay for such days under any other provision of this Collective Agreement. If the time required for such service on any one (1) day is four (4) hours or less, the employee will be required to report for work as soon as possible on that day.
- 23.02 The Company may require proof of such service and amount paid prior to any payment under this Article.

ARTICLE 24 - BENEFITS

- 24.01 The Company agrees to continue its current practice with reference to the provision of the following benefits, subject to the improvements listed below. Any improvements to the listed benefits made by the Company during the life of the Agreement for employees not covered by the Agreement, will also be applied to employees covered by the Agreement:

- 1) welfare plan/sick pay policy;
- 2) group life insurance;
- 3) accidental death/dismemberment;
- 4) extended health care;
- 5) pension plan;
- 6) long term disability insurance;
- 7) vision;
- 8) dental

The Company agrees to provide to all employees with a prescription drug

card at no cost to the employees. The card shall have a dispensing fee cap of \$7.00 per prescription.”

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Sick Pay Policy

To be eligible for sick pay benefits an employee must have six (6) months of service. The benefit level is the same regardless of seniority.

Sick pay coverage commences on either the 1st day of accident (inpatient hospitalization) or 1st day hospitalization (inpatient) or 4th day of illness. In the certain circumstances, the Company has the right to send an employee to a doctor of their choosing in order to pay sick pay benefits (e.g. excessive absenteeism).

The first two (2) weeks of sickness is covered by 70% of employees' gross earnings. Then the next fifteen (15) weeks Employment Insurance. (There will be an additional nine (9) weeks of sick pay at 70% if necessary). After twenty-six (26) weeks an employee applies for Long Term Disability Benefits.

In certain circumstances, to be eligible for sick pay benefits an employee must sign a medical release form.

The Company is prepared to advance Employment Insurance benefits against outstanding vacation pay provided the employee signs the appropriate authorization to repay the money necessary.

The Company agrees to provide the Union with a list of employees off work for sickness, workers' compensation or leave of absence on a bi-weekly basis.

ARTICLE 25 - WORKERS' COMPENSATION

25.01 The Company will provide the Union Chairperson with a copy of all Form 7(s) filed under the Workers' Compensation Act.

ARTICLE 26 - JOB CLASSIFICATIONS AND WAGE RATES

27.01 The parties agree that the job classification and wage rates set forth in Schedule "A" attached hereto are incorporated herein as part of this Collective Agreement. If the Company creates a new job classification(s) not covered by the Collective Agreement notice to the Union will be given prior to posting of such jobs. The Company agrees to discuss the rate of the new job or classification(s) with the Union. This discussion will compare the newly created job or classification(s) with the current jobs or

classification. Considering this discussion, the Company will decide the classification and rate of pay for the newly created job. The Union shall have the right to grieve such decision.

ARTICLE 27 - DURATION OF COLLECTIVE AGREEMENT

This Agreement shall become effective as of the 1st day of June, 2003, and shall continue in effect until May 31st, 2006 and shall continue to be in effect for one (1) year thereafter unless either party gives written notice to the other party of its intention to enter into negotiations for the purpose of amending, revising or terminating this Agreement. Such notice shall be given within a period of no more than ninety (90) days nor less than thirty (30) days prior to the date of termination and failing the same the Agreement continue for one (1) further year.

Dated at Toronto, Ontario, this 1st day of June, 2003

Associated Brands
Holdings Ltd. Partnership

United Food and Commercial Workers
International Union
AFL CIO CLC
Local 1000A

For the Company

For the Union

Schedule "A"

Effective June 1, 2003

Job Classification	Starting Hourly Rate	Rate/Range after 60 day's worked
Janitor	14.05	14.36
Sanitation	14.95	15.26
Palletizing/Utility	14.50	14.81
Packer	14.14	14.45
Machine Operator	14.71	15.02
Cocoa Packer/Utility	14.71	15.02
Dump Station Operator/Utility	14.67	14.98
Bulk Supply Operator	15.70	16.01
Cook/Blender/ Formula Set-up	15.83	16.14
Control Room Operator (Reimelt)	16.43	16.74
Blender/Reimelt Operator	16.43	16.74
Warehouse Operator	16.32	16.63
Millwright Mechanic	23.30	23.61
Electrician	23.30	23.61
Maintenance Mechanic	19.06-21.87	19.37-22.18

Maintenance Utility	15.40-16.33	15.71-16.64
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Schedule "A"

Effective June 1, 2004

Job Classification	Starting Hourly Rate	Rate/Range after 60 day's worked
Janitor	14.50	14.81
Sanitation	15.40	15.71
Palletizing/Utility	14.95	15.26
Packer	14.59	14.90
Machine Operator	15.16	15.47
Cocoa Packer/Utility	15.16	15.47
Dump Station Operator/Utility	15.12	15.43
Bulk Supply Operator	16.15	16.46
Cook/Blender/ Formula Set-up	16.28	16.59
Control Room Operator (Reimelt)	16.88	17.19
Blender/Reimelt Operator	16.88	17.19
Warehouse Operator	16.77	17.08
Millwright Mechanic	23.75	24.06
Electrician	23.75	24.06

Maintenance Mechanic	19.51-22.32	19.82-22.63
Maintenance Utility	15.85-16.78	16.16-17.09

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Schedule "A"

Effective June 1, 2005

Job Classification	Starting Hourly Rate	Rate/Range after 60 day's worked
Janitor	15.00	15.31
Sanitation	15.90	16.21
Palletizing/Utility	15.45	15.76
Packer	15.09	15.40
Machine Operator	15.66	15.97
Cocoa Packer/Utility	15.66	15.97
Dump Station Operator/Utility	15.62	15.93
Bulk Supply Operator	16.65	16.96
Cook/Blender/ Formula Set-up	16.78	17.09
Control Room Operator (Reimelt)	17.38	17.69
Blender/Reimelt Operator	17.38	17.69
Warehouse Operator	17.27	17.58

Millwright Mechanic	24.25	24.56
Electrician	24.25	24.56
Maintenance Mechanic	20.01-22.82	20.32-23.13
Maintenance Utility	16.35-17.28	16.66-17.59

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LETTER OF UNDERSTANDING

BETWEEN

ASSOCIATED BRANDS HOLDINGS LTD. PARTNERSHIP

AND

**UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION
LOCAL 1000A**

The Company undertakes to provide to the Chief Steward or Chairperson on a regular weekly basis, for the duration of the Collective Agreement which expires on May 31, 2006, the following information regarding its use of part-time workers or casual (agency) who perform work otherwise performed by bargaining unit members:

- (a) name of person who performed work;
- (b) department in which work was performed;
- (c) number of hours worked by each person in each week.

For the Union

For the Company

Date

Date

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LETTER OF UNDERSTANDING

BETWEEN

ASSOCIATED BRANDS HOLDINGS LTD. PARTNERSHIP

AND

**UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION
LOCAL 1000A**

Lead hand position will be assigned on an as required basis to cover shifts that are not supervised, or as vacation relief or in training situations. It is understood that the duties of a lead hand do not extend to the hiring, firing or discipline of bargaining unit employees.

For the Company

For the Union

_____ Date

_____ Date

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LETTER OF UNDERSTANDING

BETWEEN

ASSOCIATED BRANDS HOLDINGS LTD. PARTNERSHIP

AND

**UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION
LOCAL 1000A**

Notwithstanding Article 14.04 of the Collective Agreement, the Company is prepared to continue its existing practice of changing an individual's start time on an occasional basis.

For the Company

For the Union

Date

Date

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LETTER OF UNDERSTANDING

BETWEEN

ASSOCIATED BRANDS HOLDINGS LTD. PARTNERSHIP

AND

**UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION
LOCAL 1000A**

If the Company intends to provide initial training to employees of a classification as a result of the introduction of new equipment or the additions of new responsibilities, the Company at its discretion will provide such training to employees of the classification who have demonstrated consistent good performance and initiative within their job function as well as good attendance and disciplinary record.

For the Company

For the Union

Date

Date

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LETTER OF UNDERSTANDING

BETWEEN

ASSOCIATED BRANDS HOLDINGS LTD. PARTNERSHIP

AND

**UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION
LOCAL 1000A**

RE: SCHEDULING AND RATE OF SATURDAY CLEANING CREW

This letter will confirm the discussion between the Company and the Union during negotiations regarding the scheduling and rate of a "Saturday Cleaning Crew". As a result of the Company's need to maintain certification through the Hazardous Analysis Critical Control Point (HACCP) program, and to be able to pass different customer audits as required by their customers, both the Company and the Union agree to the following:

The term "Saturday Cleaning Crew" shall be those duties not otherwise normally performed within the Sanitation Classification. Both the Company and the Union agree that the terms of this Letter of Understanding has been established to deal with a "Saturday Cleaning Crew" for Saturday work only.

The schedule, rate and premium of the "Saturday Cleaning Crew" shall not be subject to the overtime provisions of the collective agreement and shall be as follows:

28. The scheduling of the cleaning crew shall be voluntary and shall be scheduled on a rotational basis in the same manner as outlined in Article 14 of the Collective Agreement. The Company shall post on a weekly basis a notice to canvass for volunteers to work the "Saturday Cleaning Crew".

- 29. The rate of the "Saturday Cleaning Crew" shall be that of Sanitation as per Schedule "A" plus a two (2) dollar per hour premium for all hours worked on a Saturday in the "Saturday Cleaning Crew" position for the first eight (8) hours.
- 30. Work performed beyond the eight (8) hours shall be voluntary and offered by seniority to those who are working in the "Saturday Cleaning Crew" that day. Any work performed in excess of eight (8) hours in duration will be paid at time and one half (1 ½) at the sanitation rate plus the two (2) dollar premium.
- 31. In the event that the Company requires employees to perform cleaning on a Sunday then such employees will be canvassed and paid in accordance with the

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provisions of the Collective Agreement and shall not be part of this Letter of Understanding.

- 32. Where the Company needs to schedule normal production on a Saturday along with cleaning, such production schedule shall be determined first in accordance with the provisions of the Collective Agreement and shall be paid in accordance with the provisions of the Collective Agreement. Once the production schedule has been established the Company will then schedule the "Saturday Cleaning Crew" in accordance with this Letter of Understanding.
- 33. In the event that the Company requires an employee who has been scheduled in the "Saturday Cleaning Crew" for production needs, such employee shall be canvassed by volunteer and seniority, and shall be paid their normal hourly rate and overtime premium as per the provisions of the Collective Agreement.

Signed at _____, this _____ day of _____ 2003

For the Company

For the Union

LETTER OF UNDERSTANDING
BETWEEN
ASSOCIATED BRANDS HOLDINGS LTD. PARTNERSHIP
AND
UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION
LOCAL 1000A
RE: TRAINING OF OPERATORS

This letter will confirm the discussion between the Company and the Union during negotiations that, all operators who so desire training should be offered training on all machines with respect to the production.

The Company agrees that as of the date of ratification, they will canvas for operator volunteers who wish to be trained on the various production lines. Those operators who wish to receive training on the various production lines shall be trained in accordance with their seniority. The Company further agrees that those employees wishing training will be fully trained on all machines and, will continue to provide training to those individuals who post into the Operator classification and who also wish to be trained.

Once training is complete the Company agrees to establish a committee comprised of a minimum of 3 bargaining unit employees appointed by the Union in order to establish a meaningful rotation between production lines. The Company further agrees to work with the committee on an ongoing basis in order to resolve any issues arising from such rotation.

In the event there is a specific problem with rotation, the Company reserves the right to implement a resolve for that problem. Such decision shall not be done in such a manner as to undermine the committee's desire to have meaningful rotation.

Signed at _____, this _____ day of _____ 2003

For the Company

For the Union

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LETTER OF UNDERSTANDING

BETWEEN

ASSOCIATED BRANDS HOLDINGS LTD. PARTNERSHIP

AND

**UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION
LOCAL 1000A**

RE: USE OF AGENCY WORKERS

This letter will confirm the discussions between the Company and the Union during negotiations regarding the use of Agency Workers. Both the Company and the Union agree that Agency Workers will only be used for the purpose of replacing full-time employees who are absent because of illness, accident or injury.

The Company further agrees they will not use Agency Workers for any other reason without first obtaining the consent of the Union office. In the event that the Union Local Representative is not available, the Employer may obtain consent from the Union Unit Chairperson of Associated Brands Holdings Ltd. Partnership.

Signed at _____, this _____ day of _____ 2003

For the Company

For the Union