



Human Resources

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Gentlemen:

This will confirm discussions held during collective bargaining in 2004/2005 regarding the Company's approach to discipline.

To resolve the issue of discipline, for the life of the collective agreement(s) or until otherwise mutually agreed, the Company will utilize the Brown discipline system and standards in accordance with past practices and jurisprudence.

The Company and the Union agree that in the application of the Brown system of discipline, the Company may continue to issue discipline in the form of deferred suspensions (subject to Union appeal).

Grievances resulting from the issuance of deferred suspensions will be initiated at Step II of the Grievance procedure.

Yours truly,

Kim Madigan
Vice-President, Labour Relations
North America