AGREEMENT

BETWEEN

SOFINA FOODS INC. 8385 Fraser Street, Vancouver, BC V5X 3X8

AND

UNITED FOOD AND COMMERCIAL WORKERS, INTERNATIONAL UNION, C.L.C. LOCAL 1518

April 1, 2011 to March 31, 2015

Ratified by Member Vote September 18, 2011

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AGREEMENT

THIS AGREEMENT made and concluded at Vancouver, British Columbia this **<u>18th</u>** day of **<u>September</u>**, **<u>2011</u>**.

BETWEEN: SOFINA FOODS INC.

8385 Fraser Street, Vancouver, BC (hereinafter referred to as the "Company")

OF THE FIRST PART

AND: UNITED FOOD AND COMMERCIAL WORKERS, INTERNATIONAL UNION, C.L.C. LOCAL 1518 (hereinafter referred to as the "Union")

OF THE SECOND PART

WITNESSETH:

ARTICLE 1 - GENERAL

RELATIONSHIPS

1.01 One of the main purposes of this Agreement is to maintain, in full force and effect, a harmonious relationship between the Management and the Employees. No business can progress or prosper unless a mutual feeling of respect and confidence exists between the Management and the Union.

JUSTICE AND DIGNITY

1.02 The Company, the Union and the Employees agree that they will at all times operate within the spirit of mutual respect for each other as parties and as individuals. Any inappropriate behaviour such as vulgarity, bullying, cursing, profanity, name calling, swearing, yelling, or the humiliation of employees will not be tolerated. Repeat offenders will be subject to discipline up to and including termination of employment.

The Company, the Employees and the Union shall not discriminate against employees with respect to terms and conditions of employment because of the race, colour, ancestry, place of origin, political belief, religion, marital status, family status, physical or mental disability, sex, sexual orientation or age of that person or because the person has been convicted of a criminal or summary conviction offence that is unrelated to the employment or to the intended employment of that person, in accordance with the provisions of the *Human Rights Code*. Disputes under the *Human Rights Code* will be processed through the grievance procedure under this Agreement.

ARTICLE 2 - BARGAINING AGENCY

- 2.01 The Company or anyone authorized to act for it recognizes the Union as the sole collective bargaining agency as certified by the Labour Relations Board for the Province of British Columbia, for its employees covered by this Agreement and hereby consents and agrees to negotiate with the Union, or any Committee thereof in any and all matters affecting the relationship between the said employer and employees set forth in this Agreement, who are represented by the United Food and Commercial Workers Local 1518, which is chartered by the United Food and Commercial Workers, International Union, C.L.C., Local 1518, looking towards a peaceful and amicable settlement of any differences that may arise between the Company and the Union.
- 2.02 (a) The Company agrees to retain in its employ, within the bargaining unit as outlined in Article 2.01, of this Agreement, only members in good standing. The Company shall be free to hire new employees who are not members of the union, provided said non-members, whether part time or full time employees, shall be eligible for membership in the Union after attaining seniority.
 - (b) Within one (1) week of the date that a new employee attains seniority, the Company will allow fifteen (15) minutes at the end of the shift, at straight time, so the employee can meet with a designated Union steward. For the afternoon shift the company will allow fifteen (15) minutes at straight time at the beginning of the shift.

- (c) The Company agrees to provide the Union in writing with the name, address, and date of hire, of each employee. The Company will provide the Chief Steward once per month a list of all employees who terminated employment during the previous month.
- 2.03 (a) The Company agrees to deduct from the wages of each employee upon proper authorization from the employee affected, such fines, assessments and initiation fees as are authorized by regular and proper vote of the membership of the Union. The monthly dues shall be deducted bi-weekly for the twenty-four (24) pay periods of each year.
 - (b) The Company will procure from each new and probationary employee the necessary membership applications and membership in the Union will be granted after attaining seniority.
 - (c) Monies deducted during any month shall be forwarded by the Company to the Secretary-Treasurer of the Union not later than the fifteenth (15th) day of the month for which dues are deducted and accompanied by a printed statement of the names of the employees for whom the deductions were made and a list of names for whom no deduction was made.

ARTICLE 3 - MANAGEMENT

The management of the plant and direction of the working forces including the right to hire, suspend or discharge for just cause, and the methods, processes and means of production or handling are vested exclusively in the Company, provided that this will not be used for the purpose of discrimination against any employee or the Union, or to avoid any of the provisions of this Agreement.

ARTICLE 4 - WAGES

- 4.01 Attached to this Agreement shall be a wage schedule covering all employees in the bargaining unit.
- 4.02 When a qualified employee is required temporarily to fill a higher rated job, the employee shall receive the higher rate while doing so, but if required temporarily to fill a lower rated job the employee shall receive their higher rate. A qualified employee working fifty percent (50%) or more of their time on the highest rated job shall be paid that rate for the full shift.
- 4.03 (a) Employees shall receive the applicable job rates provided for in the wage schedule for the job or jobs they perform when they become qualified.
 - (b) The word 'qualified' as used in this Agreement shall be interpreted to mean ability to regularly perform the job without instruction or assistance. Except by agreement with the Union, the period of qualifying shall not exceed eight (8) weeks, after which the rate shall be paid.
- 4.04 (a) If, due to lack of work, an employee is transferred for a period of less than twelve (12) weeks to work where the job rate is lower, the employee shall retain their regular job rate while so doing. At the expiration of twelve (12) weeks the lower job rate shall prevail.

- (b) If an employee is transferred to a lower rated job on a job posting or at the employee's request, then the lower rate of pay shall apply immediately.
- 4.05 (a) An off shift premium of fifty cents (\$.50) per hour will be paid for all hours worked between 6:00 p.m. and 6:00 a.m..
 - (b) An employee whose schedule calls for work to commence at any time other than between 6:00 a.m. and 10:00 a.m. inclusive, shall receive an off shift premium of fifty cents (\$.50) per hour for all hours worked between 4:00 p.m. and 8:00 a.m. and for hours in excess of their scheduled hours occurring immediately after 8:00 a.m.
- 4.06 The Company shall show on the pay **stub** of each employee the hours worked regularly, those at time and one-half and those at double time, the employee's rate and total monies earned for each pay period along with a complete list of all deductions made by the Company. Wages shall be paid by direct deposit on a bi-weekly basis.
- 4.07 An employee injured while working in the plant shall suffer no loss of earnings for the balance of hours in the scheduled shift in which the accident occurs if, as a result of such injury the employee is sent to the hospital or for medical attention on instructions from first aid attendant; but, if such is not possible, then by a Company representative. The Company agrees to provide transportation for medical treatment to employees as a result of a serious accident. The Company agrees that the intent of this clause would mean a ride to and from the hospital. In the event the employee is instructed to go directly home by the attending physician from the hospital, the Company agrees to reimburse, upon presentation of a valid receipt, an amount up to the cost of transporting the employee.
- 4.08 Employees working in the plant performing a job that requires them to work for more than one (1) continuous hour in temperatures below two (2) degrees Celsius shall receive a premium of thirty-five cents (\$0.35) per hour for all hours so worked.

ARTICLE 5 - THIRTY-SEVEN HOUR GUARANTEE

- 5.01 The Company agrees to guarantee, for all employees with seniority, a minimum of thirtyseven (37) hours per week or pay in lieu of work exclusive of overtime and night shift premium, except as herein provided.
- 5.02 An employee who is absent for personal reasons shall have their guarantee for the week reduced by the number of hours missed due to that absence.
- 5.03 An employee who starts after the first of the payroll week shall be guaranteed for such starting week, that fraction of the guarantee which the number of hours remaining of the payroll week is of forty (40) hours.
- 5.04 Employees with seniority on lay-off notice shall be entitled to their guaranteed payment for the week in which notice is given. Should notice extend into the subsequent week, then the employees shall be entitled to their guaranteed hours of pay for each day of their notice period.

- 5.05 When it is apparent that the employee is going to work less than the guaranteed hours in any one week, it is permissible to use the employee on other work in order to avoid the guaranteed time penalty, reasonable consideration being given to change in working conditions, ability and seniority.
- 5.06 The guarantee shall be the same in the holiday weeks as all others. Pay received for any public holidays or, in the case of off shift, days in lieu of, shall be considered as earnings for the purpose of calculating the guarantee, unless such pay is for hours which fall outside an employee's schedule.
- 5.07 In order to meet the demands of the business the Company may hire part-time workers excluded from the provisions of this Article for work of twenty-four (24) hours or less for Saturday and Sunday work only, provided the Union is notified when the employees are hired. Such part-time workers will be the first employees subject to layoff in the event of a layoff occurring in the plant.

ARTICLE 6 - HOURS OF WORK AND OVERTIME

- 6.01 The normal work week shall be eight (8) hours per day, forty (40) hours per week, Monday through Friday. The schedule of hours is to be posted on the bulletin board and agreed to by both parties.
- 6.02 The schedule of hours referred to in Article 6.01 shall be regular schedules providing for regular steady shifts, not swing shifts. Swing shifts shall apply only by a mutual agreement with the Union Committee and the Management.
- 6.03 In compliance with Article 6.02 it is understood and agreed by both parties to this Agreement that the creation of steady shifts will not interfere with the efficiency of department or plant operations.
- 6.04 (a) The Union agrees to co-operate with Management to get the necessary overtime work done. The working of overtime shall be a voluntary decision of the individual employee. Employees who decline the overtime offer shall continue to receive equal consideration on the basis of Article 6.04 (b).
 - (b) When overtime is necessary, the Union Steward of the department concerned shall be notified. The employee posted or working on the job for which overtime is required shall have the first option of working the overtime. In the event this employee does not wish to work the overtime, the supervisor will then canvass the other employees within the department as to their individual wishes. This canvass is to be conducted in the order of senior qualified person, to junior qualified person.

If any qualified person is inadvertently missed in this rotation, the employee shall be offered an opportunity to work an amount of overtime equal to the overtime that was missed. Such overtime assignment shall be arranged by mutual agreement between the Company and the Union within thirty (30) calendar days.

In the event that the necessary number of employees is not obtained within the department, the Company may draw employees from other departments in the plant on the basis of senior qualified employee available at the time overtime is requested.

Where overtime on off shifts is required, the Company shall discuss the matter with the available Shop Steward and make the call-ins.

- 6.05 (a) Overtime rates of one and one-half (1.5X) times the regular hourly rates shall be paid for any time worked before or after the scheduled hours as agreed to in this Article, up to three (3) hours in any one (1) day and double (2X) time thereafter.
 - (b) Double the regular hourly rates shall be paid to all employees for work performed on Sunday, except where the work regularly falls on Sunday, in which latter case the employee shall be paid double the regular hourly rate if the employee works on their day off in lieu of Sunday.
 - (c) For work performed on Saturday, Sunday or a statutory holiday, the full time employee shall receive the guaranteed four hours pay at the applicable overtime rate. One and one half times the regular rate shall be paid for the first four hours of work performed on a Saturday and double time thereafter.
 - (d) Notwithstanding the above, employees whose regular schedule calls for work on calendar Saturdays, Sundays, or statutory holidays mentioned in this Agreement, shall be paid at straight time for such scheduled hours.

ALTERNATE WORK WEEK

- 6.06 (a) Notwithstanding the other provisions of this agreement, the Company may post work weeks consisting of five (5) consecutive eight (8) hour shifts, commencing on a day other than a Monday, which shall be paid at straight time. This provision shall only apply to employees hired after November 1, 1997 and to existing employees who apply for such postings.
 - (b) The parties agree that the other provisions of this agreement dealing with overtime and statutory holidays shall apply to the 6th and 7th days of these work weeks in the same manner as those provisions would apply in respect of Saturdays and Sundays for employees working a Monday to Friday work week.

MINIMUM PAY

- 6.07 (a) Employees when called for work shall be guaranteed four (4) hours pay for that day at their regular job rate. Under this provision, workers shall not leave of their own accord when work is available.
 - (b) Any hourly rated employee who, after leaving the Company's premises, is specially called in at any time outside their normal working hours, shall be through when the emergency is over, but shall nevertheless be paid a minimum of four (4) hours at the applicable overtime rates.

- 6.08 (a) <u>Meal Period</u>: Employees shall not be required, except in cases of emergency, to work more than five (5) hours without the first meal period (which shall be without pay) and five (5) hours without a second break as outlined in (b) below.
 - (b) <u>Overtime Breaks</u>: If an employee is expected to work more than one-half (1/2) hour beyond the end of the shift a paid fifteen (15) minute rest period shall be provided. In addition, if the employee works overtime such that the employee is working more than five (5) hours since the meal period referred to in (a) above, then a further fifteen (15) minute paid rest break shall be provided; and the Company will either provide a meal, or pay the employee a seven dollar (\$7.00) meal allowance, which shall be added to their gross earnings for that week.
- 6.09 Employees required to work more than five (5) hours without a meal period shall be compensated at one and one-half (1.5X) times the regular hourly rate for all time worked in excess of five (5) hours until a meal period is granted. Employees engaged in continuous shift operations (engineers and first aid attendants) shall be exempt from this clause, but shall be entitled to a lunch period of thirty (30) minutes on Company time. In the event of an earlier than normal start the Company shall have the right to change the time of the meal period in order to avoid the double penalty.
- 6.10 (a) Continuous shift employees shall be given forty-eight (48) hours notice of change of shifts except in an emergency. Employees who because of an emergency are required to change shifts shall be paid the applicable overtime rate until the expiration of the forty-eight (48) hour notice.
 - (b) Single shift employees shall be given twenty-four (24) hours notice of change of shift except in an emergency. Employees who because of an emergency are required to change shifts shall be paid the applicable overtime rates until the expiration of the twenty-four (24) hours.
- 6.11 (a) The Company will allow the employees reasonable time for the sharpening of tools, knives, etc. This time is to be scheduled and handled by the Supervisor of the department, the same as any other work assignment. A qualified operator shall be available as needed to sharpen knives of those desiring this service. It is understood and agreed that there shall be a full-time employee available to sharpen knives for those who do not sharpen their own and that this will be a modified duty job for an employee with a disability.
 - (b) The Company shall furnish all knives, scabbards, steels, whetstones, triers and hooks necessary for the performance of the work by the employees and shall establish regulations in respect thereto. The Company agrees to maintain its present practice of furnishing heavy tools. All tools furnished shall remain Company property.
- 6.12 A fifteen (15) minute rest period will be given twice each shift, midway before lunch and midway after lunch provided that each work period is of not more than two and one-half (2-1/2) hours. It is agreed that except in cases of personal necessity, employees shall not ask for additional time off during the day. It is mutually agreed that rest periods shall not be abused.

- 6.13 The Company and the Union agree that in the event of a work shortage, ways and means will be discussed in an attempt to shorten the working hours of the week, in preference to laying off of employees.
- 6.14 When other than emergency overtime is to be worked, every reasonable effort will be made to rehire employees who may be on layoff status in the department where overtime is to be worked.

ARTICLE 7 - STATUTORY HOLIDAYS

7.01 The following statutory holidays shall be recognized: New Year's Day Labour Day Good Friday Thanksgiving Day Victoria Day Remembrance Day Canada Day Christmas Day B.C. Day Boxing Day

and any other holiday declared by either the federal or B.C. government.

- 7.02 If a statutory holiday falls on a Sunday, the Monday immediately following the Sunday shall be observed as the holiday; if a statutory holiday falls on a Saturday, the Friday immediate preceding the Saturday shall be observed as the holiday.
- 7.03 If the day on which a statutory holidays falls under 7.02 is the 6th or 7th day for employees who work an alternate work week, then those employees shall be given a day off in lieu of the statutory holiday. The lieu day shall be taken immediately before or after the 6th or 7th day in the same fashion as holidays falling on Saturdays or Sundays are declared for employees working a Monday to Friday schedule.
- 7.04 New employees are not eligible for statutory holiday pay during their first thirty (30) calendar days of employment. After thirty (30) calendar days of employment, a full-time employee who has worked or earned wages for at least fifteen (15) of the thirty (30) calendar days before the statutory holiday shall receive eight (8) hours pay at their job rate for the holiday. Otherwise, the employee shall be paid for statutory holidays in accordance with the Employment Standards Act.
- 7.05 Employees absent on the regularly scheduled work days next preceding or following any statutory holiday shall not be entitled to pay for such holiday unless the absentee received permission from the Company to be absent or was absent because of sickness or for other good cause arising from circumstances beyond their control. The Company will advise the Union in writing of such deductions.
- 7.06 The rate of pay for employees who work on a statutory holiday, or on the day in lieu thereof, shall be double their regular rate, except for employees covered by Articles 6.05 (d), who shall be paid at straight time. The parties will discuss the designation of statutory holidays and lieu days for employees on the alternate work week and shall agree on an appropriate arrangement for each calendar year prior to January 1 of that year.

In designating holidays, it is understood the plant will be closed on Christmas Day, Boxing Day, and New Year's Day.

- 7.07 If any of the paid holidays referred to in this Article occur while an employee is on leave of absence to attend Union functions the employee shall be paid eight (8) hours pay at their regular rate.
- 7.08 An additional floating statutory holiday shall be granted to all employees with seniority. This statutory holiday is to be scheduled by mutual agreement between the employee and the Company, however a sincere effort will be made to grant the time requested by the employee. It is understood that the months June through September are the most likely months in which no employee would be accommodated should they request their entitlement.

It is also further understood that the preferable days of Monday or Friday will be granted upon request, but again subject to mutual agreement.

If the employee has not scheduled their floating statutory holiday by October 1st then the Company will schedule the floating statutory holiday to occur before the end of the calendar year. There is to be no carry-over from one calendar year to the next and thus all entitlements must be taken prior to December 31st of each year. However, if an employee is prevented from taking the floating statutory holiday prior to December 31st because of a compensable accident, sickness or an approved leave of absence, then the holiday will be carried forward past December 31st and must be taken in the next calendar year.

New employees will not be entitled to a floating statutory holiday in their first calendar year of employment if they are hired on or after July 1st in that year.

7.09 An employee who is absent from work and receiving benefits for reason of sickness, compensable or non-compensable accident, during the period in which a recognized paid statutory holiday occurs, shall receive the difference between their compensation or Weekly Indemnity pay and their regular rate of pay.

When a recognized paid statutory holiday falls during the three (3) day waiting period for Weekly Indemnity benefits, an employee eligible for these benefits shall be paid eight (8) hours pay at their regular rate of pay for each such statutory holiday.

Any employee who is no longer eligible for Weekly Indemnity benefits and is still disabled shall receive eight (8) hours pay at their regular rate for any statutory holiday following within three (3) calendar months from the onset of such disability.

ARTICLE 8 - SENIORITY

8.01 Seniority shall be defined as the length of an employee's service within the bargaining unit, calculated as the elapsed time from the day the employee was first employed, unless their seniority was broken, in which event such calculation shall be from the date the employee returned to work following the last break in their seniority.

- 8.02 New employees shall be on probation and shall not acquire any seniority rights until they have accumulated sixty (60) days worked, provided these days have been accumulated within six (6) consecutive calendar months.
- 8.03 During the probationary period, an employee may be dismissed on grounds of unsuitability. The suitability of a probationary employee shall be determined by the Company; however, the Company shall not act in a manner which is arbitrary, discriminatory or in bad faith.
- 8.04 Upon satisfactory completion of the probationary period, the employee's seniority shall be calculated from the original day of employment.
- 8.05 Seniority lists shall be revised and brought up-to-date on a quarterly basis and the Company shall supply sufficient copies to the Union.
- 8.06 (a) In the bargaining unit the filling of vacancies shall be based on ability and seniority. Ability being sufficient after a reasonable trial to do the job, seniority shall prevail. A reasonable trial shall not exceed eight (8) weeks.
 - (b) All vacancies within the bargaining unit shall be posted for five (5) working days to give employees with seniority ample time to apply. In the case that no application is received for any posting, the vacancy shall be filled by the junior qualified employee available until the junior employee on the shift is trained for the job. If as a result of filling a posted position a further vacancy or vacancies arise, the Company shall post a maximum of two (2) successive postings unless special exemption is granted by Management; the subsequent vacancy will be filled by the junior qualified employee available until the junior employee on the shift is trained for the job.

Transfers to jobs will be made within ten (10) working days from the date the posting was awarded with the provision that wherever this proves impossible, suitable arrangements will be arrived at after consultation with the Union. An employee who is absent when a vacancy is posted shall receive equal consideration provided the department steward notifies the Company in writing that an employee in their department wishes to apply for the vacancy. The name of the successful applicant will be posted. **Copies of the posted notice shall be provided to the Chief Shop Steward**.

Employees working in their trial period shall not be required to work outside their position if there is work available in their posted position.

There shall be no more than two (2) job postings per employee per year unless special exemption is granted by Management. In the event an employee fails to qualify for a job posting he shall be returned to his previous position.

(c) Vacancies: When a posted position becomes vacant due to such things as a resignation, dismissal, retirement or a posting into another classification and it is determined that that position is still required, that position will be posted.

Notwithstanding the above, a vacancy exists when a job is performed for an average of thirty (30) hours per week for six (6) consecutive weeks.

(d) Temporary Vacancies: In the case of temporary vacancies of less than four (4) consecutive work days or less, the Company may fill the position by transferring the junior qualified employee in the department or, if unavailable, in the plant.

For the purpose of this clause and 8.06(e), a temporary vacancy exists where a posted position, normally held and worked by a full time employee, is vacated due to vacation, compensable and non-compensable illness or injury, or leave of absence.

(e) Temporary vacancies of four (4) consecutive weeks or more will be posted in accordance with 8.06(b) except in the case where there are no qualified applicants, the Company may schedule the work according to 8.06(d) above.

If as a result of this procedure a further vacancy or vacancies arise, the Company will endeavor to fill them by offering the vacancy to the senior qualified employee, provided this does not interfere with the efficient operation of the plant.

- (f) Employees who apply for temporary transfer to a lower rated job shall be paid the lower rate.
- (g) For the purpose of job posting, departments shall be defined as the following:
 - Pork Cut
 - Kitchen
 - Bacon
 - Pickle Cellar
 - Wiener Line
 - Packaging (includes Cryovac, Delpak, and Sliced Meats)
 - Smokehouse
 - Sanitation
 - Maintenance
 - Shipping/Receiving (includes Warehouse, Freezer, Shipping, and Back Dock)

Changes to the departments listed above may be changed by mutual agreement.

- 8.07 Seniority service records shall be considered broken, all rights forfeited, and there shall be no obligation to rehire when an employee:
 - (a) Voluntarily leaves the service of the bargaining unit, the Company, or is discharged for just cause.
 - (b) After being laid off by the Company, fails to report for work when recalled or cannot be located after reasonable effort on the part of the Company. The present method of contact, by telephone, and registered letter or courier to the employee at the last known address shall constitute a reasonable effort on the part of the Company, and if within two (2) working days after receipt of such notice, the employee fails to report for duty, or advise the Company that they will report within five (5) working days, the Company shall be entitled to assume that the said employee left the Company service voluntarily.
 - (c) Has been laid off for a period longer than the time allowed in the following schedule:

Length of Seniority	Length of Allowable
at Date of Separation	Time Off Payroll
Less than one (1) year	One (1) Year
One (1) year and over	Two (2) years maximum

- (d) Is absent without leave for more than five (5) working days, unless a reasonable explanation for the absence is provided.
- 8.08 Absence from work because of sickness, compensable or non-compensable accident or leave of absence, shall not break continuity of seniority rights and an employee shall return to the position held prior to the absence. This is provided the employee is able to perform the work that is available within the customary trial period of not more than eight (8) weeks.
- 8.09 In the case of reduction in the working force the order of layoff shall be as follows:
 - (a) Probationary employees, i.e., those with less than sixty (60) days worked.
 - (b) Those with plant seniority.

In the latter case, seniority shall be the determining factor provided the senior operator, after a reasonable time to qualify, is capable of doing the work performed by an employee with less seniority except where immediate essential qualifications are necessary for the efficient operation of the plant. In such cases the Company will discuss the matter with the Union.

- (c) It is agreed that if no employees with seniority have the immediate essential qualifications necessary for the efficient operation of the plant, then the Company may retain a probationary certified trades, first aid, or smokehouse operator who has those skills, out of order of lay off.
- (d) The Company reserves the right to protect from any lay off, employees working on an approved apprenticeship program. The number of employees in this category is limited to three (3).
- 8.10 (a) In cases of increases in the working forces, rehiring shall be in the reverse order to that of layoffs. The Company shall advise the Union when a layoff is about to take place and shall give the Union a list of employees to be laid off or rehired. In cases where it is necessary to secure workers in less time than the required notice, the Company, if unable to make contact with the senior eligible employee, may recall the next senior employee and so on down the list until the vacancies are filled. However, should the senior employee subsequently report within the required time, the employee shall be given the work for which the next senior employee was recalled.
 - (b) In case of layoff, other than in the event of emergencies herein referred to, employees shall be given one (1) working day's notice for every completed six (6) months seniority, with a minimum notice of two (2) working days. In the case of an emergency due to causes beyond the Company's control which results in the closing of a part or whole of the plant, employees shall be given one (1) calendar day's notice for every completed six (6) months' seniority with a maximum notice of five (5) working days' notice and with a

minimum notice of two (2) working days, but such two (2) days shall be exclusive of Saturday and Sunday. If the Company determines that additional work, not to exceed three (3) days is available at the time any layoff is to become effective, then the notice shall be deemed to be extended for the period represented by such additional days of work.

- (c) Employees with seniority may be temporarily recalled for ten (10) working days or less, as casual help with no layoff notice given, provided that this shall not be used as discrimination to any employee, and provided that the employees and the Union are informed that such work is of a temporary nature.
- 8.11 When it is necessary to permanently or temporarily transfer employees because of a shortage of work, the employees with the lowest plant seniority within the classification will be required to take the transfer. Where the temporary transfer is for less than a full shift this article will not apply.
- 8.12 In cases of reduction or increases in available work, an employee may elect to take a layoff or continue to be laid off if it is mutually agreed that the work which is available could prove detrimental to the health of the employee.
- 8.13 Employees shall notify the Company at once of all changes of address and telephone numbers, temporary or permanent. Failure of the employee to do so will relieve the Company of any responsibilities they may have under this Agreement to notify the employee.
- 8.14 Upon an employee accepting promotion outside the bargaining unit, the Company will inform the Chief Steward of the Union by letter as to the date of acceptance. Said employee shall be allowed six (6) months in which to prove their capability of filling the position concerned. If said employee does not qualify within such time, the employee shall report to the help qualified pool without prejudice and loss of seniority.
- 8.15 <u>Duty to Accommodate</u>: Where the duty of the Company and the Union to accommodate an employee under human rights legislation conflicts with the Collective Agreement, the Company and the Union may modify the Collective Agreement to reasonably accommodate the employee, provided this does not result in undue hardship to the parties to the Agreement.

ARTICLE 9 - VACATIONS

- 9.01 Vacation eligibility requirements are based upon credited service. The period January 1st through December 31st shall be considered the vacation year.
- 9.02 <u>First vacation</u> An employee becomes eligible for vacation for the first time after (1) year when the employment records show the following:
 - (a) They have attained seniority within six (6) months from date of hire; and
 - (b) Have not been off the payroll for more than sixty (60) consecutive days.

Payment for this first vacation entitlement will be calculated at four percent (4%) of the gross earnings in the calendar year.

In the event the employee is off the payroll for longer than sixty (60) consecutive days, the vacation date for the purposes of this section becomes the date of re-hire.

- 9.03 <u>Subsequent vacations</u> An employee who has received their first vacation, is thereafter eligible to receive subsequent annual vacations, any time on or after January 1 in the succeeding vacation year. This is providing the employee is currently on the active payroll, and since receiving their last vacation, the employee has at all times been on the active or benefit payroll.
- 9.04 <u>Length of Vacations</u> Effective date of ratification, vacations with pay to employees shall be granted as follows:

Length of Service	Length of Vacation
After one (1) year	Two (2) weeks
After four (4) years	Three (3) weeks
After ten (10) years	Four (4) weeks
After eighteen (18) years	Five (5) weeks
After twenty-four (24) years	Six (6) weeks
After thirty (30) years	Seven (7) weeks

9.05 Method of Calculating Vacation Pay: <u>lst Year</u> - Calculated at four percent (4%) of earnings between date of hiring and December 31st of the same year, but not payable until reaching first anniversary date.

<u>Subsequent Entitlements</u> - Pay for each week of holiday entitlement shall be on the basis of forty (40) hours pay at the employee's regular hourly rate or two percent (2%) of gross earnings for each week of holidays, whichever is the greater. The calculation of the percentage amount is based on the gross earnings in the previous calendar year.

- 9.06 Completion of required service after January 1st: Employees who, after January 1st and prior to the end of the calendar year, reach the service required to entitle them to an additional week of vacation, in accordance with the vacation scale set out in Article 9.04 above, will become eligible for such additional week of vacation on completion of the required years of service.
- 9.07 (a) Employees absent for reasons of sickness, compensable or non-compensable accident, who return to work following these phases within one (1) year, shall nevertheless be entitled to annual vacations as set out in Article 9.04, and pay for such vacation shall be provided for in Article 9.07 (b).
 - (b) In case of sickness, compensable and non-compensable accident certified by a practicing physician, an employee, upon their return to the service of the Company, shall receive service credit for each week of such absence, not to exceed twenty-six (26) weeks, as if earnings had been received. The above credits shall be confined to one year's vacation rights on the basis of forty (40) hours per week for the twenty-six (26) week period at the employee's regular rate of pay.

- (c) An employee cannot be in receipt of vacation pay while receiving payment due to a compensable illness or injury (i.e. WI, WCB, or Employment Insurance).
- 9.08 Employees whose service with the Company terminates before the end of any vacation year, shall receive vacation pay in accordance with the applicable percentages set out in Article 9.05.

VACATION SCHEDULING

- 9.09 (a) Vacation periods shall be arranged subject to the demands of the business, but a sincere effort will be made to arrange vacations at a time convenient to all in accordance with the seniority of the employees respectively.
 - (b) Vacation taken subsequent to March 1st in each year shall be allocated as follows:

The Company shall post a notice in the first week of December, advising employees of the vacation selection process, so that employees will be ready to exercise their choices in January.

Commencing January 1st, employees shall select their vacation periods in order of seniority, however, only one (1) vacation period shall be selected by seniority until all employees in each vacation group have selected one (1) period. Employees who choose to split their vacation within this time frame shall then select the balance of their vacation in order of seniority. Senior employees must exercise their choice within two (2) working days in order not to hold up the decisions of the next most senior employees.

The selection of vacation periods taken in the months of January and February shall be as per Article 9.09 (a) above.

Vacation selection is to be completed not later than March 1st for that vacation year. After the employee has selected their full vacation entitlement, and by no later than April 30th, the employee shall be given a receipt signed by their supervisor confirming the employee's selection.

Vacation selection schedules shall be posted, and shall remain posted so that all employees in the vacation group may see them.

Employees who have not booked vacation dates by March 1st in accordance with this selection process shall lose seniority preference in selection of vacation periods.

If the employee has not scheduled their vacations by **September 1st** then the Company will schedule the Vacation to occur before the end of the calendar year.

- (c) The Company and the Union agree to a formula of twenty percent (20%) of the employees per vacation group off on vacation at any one time. A greater number may be permitted by the Company if it will not adversely affect production.
- (d) The vacation groups referred to above shall consist of a minimum of five (5) employees and shall be posted on notice boards. Vacation groups shall be subject to change by

mutual agreement between the Company and the Union. Failing agreement, the vacation groups shall be referred to a single arbitrator for binding resolution.

- (e) Notice of cancelled vacation bookings will be posted for a period of five (5) days, in order to permit other employees to apply for such vacation periods. Should no application be made within the five (5) days, the vacated vacation period will be assigned on the basis of first come first serve.
- 9.10 If a paid statutory holiday falls within the employee's vacation period, the Company will allow the employee concerned a compensatory day's holiday with pay. The extra day will be granted, wherever possible, on one of the days adjacent to the employee's vacation, or as otherwise agreed between the Company and the employee.
- 9.11 An employee eligible for vacation who is laid off because of a reduction in the work force shall be allowed pay for the vacation for which the employee has qualified. An employee who has not become eligible for their first vacation and who is laid off shall be allowed pay in lieu of vacation in accordance with the applicable vacation laws. Such employees may leave their vacation pay with the company for a period not exceeding six (6) months or until the end of the then current vacation year, whichever first occurs.
- 9.12 Vacation pay will be paid by direct deposit on the regular pay dates which occur during an employee's scheduled vacation. At the option of the employee, vacation pay may be paid via direct deposit on the pay date immediately preceding the scheduled vacation where the request is made a minimum of three (3) weeks prior to the scheduled vacation.

ARTICLE 10 - GRIEVANCE PROCEDURE

- 10.01 Should differences arise between the Union or its employee members and the Company as to the manner and application of the provisions of this Agreement, the Union will not authorize, promote, direct, condone or encourage any strike, stoppage or suspension of work, any slowdown or other restriction of production, or interference with work in or about the Company's plant or premises, nor will employees take part in any such action.
- 10.02 The Company agrees not to lock out employees during the term of this Agreement.
- 10.03 A Union Committee consisting of four (4) regular employees shall be elected in a manner determined by the Union. The Union will keep the Company advised at all times of the names of the Union committee and all shop stewards.
- 10.04 When an employee is suspended, dismissed, or given written discipline, a Union committee member or shop steward shall be present at the time of such action. The Union representative shall be one chosen by the employee and who is on shift.
- 10.05 An earnest effort will be made to settle all grievances or potential grievances promptly in the following manner. Grievances shall be taken up on Company time during regular working hours. Time limits may only be changed by mutual agreement between the Union and the Company.

Shop stewards may initiate discussions with supervisors on any potential grievances within their departments. If this action does not solve the matter, a Union committee member will be allowed to investigate. In the event that a Union steward or a Union committee member must leave their job in connection with the matter, they shall first notify the supervisor as to what department they are going to and give an explanation why they are going. Permission to leave the department will be granted as promptly as possible but shall in no case exceed one (1) hour. They must report to the supervisor in charge of the department they wish to enter before contacting any employee in that department; where the supervisor is not available they may report to the Lead Hand.

<u>Step One</u>: The employee shall first discuss the matter with the department steward together with the department supervisor.

<u>Step Two</u>: If the grievance is not resolved at Step One, it shall be put in writing and delivered to the Plant Manager or designated management representative. Following receipt of the written grievance the grievance shall be discussed, within five (5) working days, between the Chief Steward and the department steward (with the grievor) and the Plant Manager or designated management representative.

<u>Step Three</u>: If the grievance is not resolved at Step Two, a meeting shall be scheduled between the Union committee and the Company, within two working days of the Step Two meeting, or such longer period as may be mutually agreed. The Union business representative and/or the grievor may attend. The Company shall respond in writing within ten (10) working days following the Step Three meeting.

10.06 If an employee is dismissed and feels that the dismissal is unjust, the employee shall, within three working days from receipt of notice of dismissal, notify the Union committee. The Union committee will in turn notify the Company on the same day they receive such notice from the employee.

The dismissal shall then constitute a grievance and shall be dealt with beginning at Step Three.

- 10.07 A settlement reached at any step of the grievance procedure shall be final and binding and signed by both parties.
- 10.08 If the grievance is not resolved at Step Three, either party may, within thirty (30) working days of the Step Three meeting, refer the matter to arbitration, by writing to the other party. If agreement on a chairperson cannot be reached within thirty (30) days of the date the grievance was referred to arbitration, either party may request the Minister of Labour to appoint the chairperson.
- 10.09 The arbitrator shall arrange and conduct a hearing, and publish a written decision as soon as possible. The decision shall be final and binding upon the parties.
- 10.10 Each party shall be responsible for one-half of the fees and expenses of the arbitrator.
- 10.11 A grievance concerning the dismissal of an employee shall proceed before a single arbitrator within thirty (30) days of the date the grievance was referred to arbitration, or such longer

period as may be agreed. The arbitrator is to be agreed upon within one (1) week of the date the grievance was referred to arbitration, or failing agreement, either party may request the Minister of Labour to appoint the arbitrator. Articles 10.09 and 10.10 shall apply.

10.12 If it is decided that an employee was dismissed without just and reasonable cause, the employee shall be reinstated to their former position and shall be compensated for lost benefits or wages, or granted such lesser compensation as is deemed fair in the circumstances, as determined by the arbitrator.

ARTICLE 11 - SAFETY AND HEALTH

- 11.01 The Company and the Union recognize the benefits to be derived from a safe and healthy place of employment. It is agreed that the Company, the employees and the Union will co-operate fully to promote safe work practices and health conditions. First aid shall be available for employees as per the Federal and Provincial regulations.
- 11.02 Protective devices and all other equipment deemed necessary to properly protect employees from occupational illness and injury shall be provided by the Company and wherever provided shall be used by the employees.
- 11.03 There shall be a joint Company-Union safety inspection committee composed of four (4) representatives from the Company and four (4) representatives from the Union who shall meet and carry out inspections once a month. The Company-Union safety inspection committee may recommend to the Plant Manager, improvements in safety conditions and shall be informed of the disposition made of their recommendations. The committee shall also investigate causes of accidents which occur and shall make recommendations designed to prevent recurrence of such accidents, to the Plant Manager or designated management representative. One (1) Company representative, and one (1) member of the Union safety inspection committee (or designated alternate) shall be involved in accident investigations.

The Safety Committee may recommend to the Plant Manager improvements in safety conditions. The Plant Manager shall advise the committee in writing prior to the next safety meeting of the disposition made regarding the Committee's recommendation.

- 11.04 It is the responsibility of the Company to give new employees instruction on how to perform the duties expected of them. Instruction may be given by a supervisor or by an employee designated by the Company. No employee shall be required to work in any job or operate a piece of equipment until the employee has received proper instruction.
- 11.05 By mutual agreement, members of the health and safety committee shall be entitled to time off from work with no loss of seniority or regular pay to attend seminars for instruction and upgrading on health and safety.

ARTICLE 12 - SEPARATION ALLOWANCE

12.01 Should it become necessary to close the plant or a department of the plant and it is not expected that those affected will be re-employed, a separation allowance will be paid to employees subject to the following:

- (a) They have one (1) or more years seniority.
- (b) They are actively employed with the Company and accumulating seniority or have been laid off within the ninety (90) days period preceding the date of notice of closing. Employees on leave of absence up to one (1) year, and employees receiving Workers' Compensation, or off because of sickness or non-compensable accident will be eligible, provided they have not been off work in excess of the time limits corresponding to seniority as set out in Article 8.07 (c).
- (c) The closing is not brought about by war, strike, walkout, work stoppage, slowdown or other cessation of work, fire, government action or Act of God.
- (d) In order to qualify for separation allowance employees will continue to work in a satisfactory manner as long as required.
- (e) Separation allowances shall be computed on the basis of the following schedule which is to be used in computing the number of weeks' pay according to the years of credited service. Payments are to be computed on the basis of forty (40) hours per week or the employee's basic work week if different at their regular rate of pay.

Years of Credited Service	Weeks of Pay
1	1
I	1
2	1-1/2
3	2
4	2-1/2
5	3
6	3-1/2
7	4-1/2
8	5-1/2
9	6-1/2
10	7-1/2
11 and over - add	1&1/2 weeks' pay for each year of credited service above

ten (10) years.

Example:

Twelve (12) years of credited service:	
First ten (10) years of credited service:	7-1/2 weeks' pay
Service over ten (10) years (12/10 or 2 x 1-1/2):	<u>3 weeks' pay</u>
Total Separation Allowance:	10-1/2 weeks' pay

To the separation allowance computed as per example add vacation pay for the current calendar year if the employee has qualified for but not taken such vacation.

(f) The company shall give notice of its intention to close the plant or a substantial department of the plant referred to in this agreement, at least ninety (90) calendar days prior to such closing. Effective on the date of such notice being issued all employees with seniority will be eligible to receive separation payments whether they are working or laid off.

- 12.02 Employees who accept separation pay under the provisions of this clause shall on doing so terminate their seniority and employment relationship with the Company and shall have no further rights under this Agreement or under any other Agreement between the signing parties.
- 12.03 In the event that part of the plant remains open, employees eligible to receive separation allowance may elect to remain on the seniority list for possible recall. The Company will hold the separation allowance for such employees as long as they are eligible for recall, during which time the employee may request payment subject to the provisions of the above section. Those re-employed on this basis will receive seniority credits up to the time of their layoff but shall not accumulate additional seniority during the period of layoff.
- 12.04 In respect of those employees who are eligible for separation allowance under this Article, the Company will continue to contribute to the Group Life Insurance, MSP, Extended Health, and dental plans. Such contributions shall continue for a period of up to three (3) months following the month in which the plant is closed and will be made on the basis existing at the time of closing.

ARTICLE 13 - WORK METHODS

CHANGE IN WORKING METHODS

- 13.01 (a) When the introduction of new equipment makes a material change which is expected to result in the closing of a department or a substantial reduction in the number of employees in a department, the Company will inform the Chief Steward of the Union of such change at least ninety (90) days in advance of the contemplated change and the parties will discuss what is expected to take place and how the matter may best be handled. Employees who are eligible for placement in the plant will be entitled to the provisions set out in Article 4.04 (a). Employees with one (1) or more years of seniority who are affected by such change and who are not eligible for placement in the plant will be entitled to the provisions set out in Article 12. Where an employee is transferred to work where the job rate is lower, as a direct result of the introduction of new equipment, or where an employee remains on a job reduced in value following a technological change, their rate shall not be reduced for a period of three (3) years, including layoff, provided that the employee accepts all opportunities to post to work where the job rate is higher, unless it is unreasonable to expect such employees to apply due to such things as age, health, working conditions, and the employee's ability to learn on the job. Where an employee after a sincere effort is unable to qualify their rate protection shall not be affected. In the application of or adjustment of bracket values, such an employee will not be paid a rate greater than the rate paid at the time of the above mentioned posting, except for reasons of a general wage increase after the date of transfer. At the expiring of the three (3) year period set out above, the amount of rate reduction shall be limited to two (2) brackets, at twelve (12) month intervals thereafter, further reductions of a maximum of two (2) brackets shall take place until the lower rate prevails.
 - (b) Establishing rates for new jobs: For the purpose of this clause a new job is defined as one which is not presently being performed in the bargaining unit. Additions or changes to the present wage schedule shall be the subject of collective bargaining between the Company and the Union. Any new job rates agreed to shall be retroactive to the date on which the new job or jobs began.

ARTICLE 14 - CONTRACTING OUT

- 14.01 The Company prefers to have work done by its employees although at times it is necessary to have work performed by outside contractors. The relevant factors which the Company will consider before contracting out such work include, adverse effect on employees, availability of required skills, duration and frequency of the job, urgency of the job, cost of equipment in relation to its use and relative cost comparison.
- 14.02 When work performed on the premises by outside contractors represents a material change in practice and has adverse effect on present employees of a group affected by such change of practice, the matter may be the subject of a grievance and may be taken to arbitration.
- 14.03 Should an Arbitrator be called on to review the Company's action, it may consider the relevant factors referred to above, in order to determine the reasonableness of the Company's action with regard to all circumstances. Should the Arbitrator find that the Company's action was not reasonable, the Arbitrator will direct that the Company choose between having the work performed by its employees or ceasing such operation, and that the Company shall have a reasonable time to effect the decision.
- 14.04 This provision does not apply to installation and construction work.
- 14.05 The Company may at times experiment to determine if work can be performed effectively and economically by its own employees. When this is done for a trial period, it shall not be considered a change of practice should the Company elect to contract out, after the trial period.

ARTICLE 15 - PART TIME EMPLOYEES

- 15.01 Part-time and casual employees will not be used where it is practical to employ full-time employees, and, except as otherwise agreed with the Chief Steward, part-time employees will not be employed for the purpose of reducing overtime unless that part-time work is required on a regular basis. Where the work performed by part-time or casual employees can be satisfactorily combined to permit the employment of a full-time employee, this will be done provided the employee can satisfactorily perform the work. Part-time employees shall work less than twenty-four (24) hours per week.
- 15.02 The Union may submit and the Company will consider, alternative means of doing the required work rather than employ part-time or casual employees and such matters may be subject to the grievance and arbitration procedure.
- 15.03 The Company agrees to maintain a separate seniority list for part-time employees.

ARTICLE 16 - LEAVES OF ABSENCE

16.01 Employees, not to exceed two (2), who are appointed to or elected to do business for the Union shall be granted leave of absence without pay to attend to such business. Such employees shall continue to accumulate seniority for the period covered by this Agreement,

and upon giving the Company one week's notice in writing of their intention to return to work, shall be reinstated in the job held prior to the leave of absence provided they are capable of doing the job within the usual qualifying period. Company agrees to invoice the union monthly where an employee is on union leave.

- 16.02 Leave of absence for the purpose of attending Union schools, conventions, conferences, or negotiations of this Agreement shall be granted by the Company on a written request from the Local Union subject to the following conditions. Employees chosen by the Union shall be granted leave of absence not to exceed thirty (30) days, providing that the absence of such employee shall not unreasonably affect the operations of the Company. The Union shall give the Company written notice of not less than fourteen (14) days before the requested leave is to commence. A request for an extension of a leave of absence must be made prior to the expiration of the leave already granted, and will be considered in relation to existing conditions. The Company agrees to allow two percent (2%) of the bargaining unit to be away at any given time. However, under no circumstances is it permissible to have more than two people absent from one department per shift.
- 16.03 At the option of the Company, when an employee's personal affairs make it desirable for them to be relieved of Company duties, leave of absence without pay beyond the regular vacation period to which an employee is entitled may be granted for good and sufficient reason. This is providing that such leave of absence does not interfere with the requirements of the business. It is agreed that leave of absence shall not interfere with other employees' vacation choices.
- 16.04 Leave of absence will not be granted for the purpose of allowing any employee to take another position temporarily, try out new work, or venture into business for themselves.
- 16.05 Leave of absence, before being granted, must be requested in writing and approved by the Company in writing. A copy of the request, whether approved or not approved, is to be given to the Chief Steward.
- 16.06 An employee may be granted maternity leave of up to seventeen (17) weeks in accordance with the terms and conditions of the Employment Standards Act, or such further leave as may be allowed under that Act.
- 16.07 An employee with seniority who applies for leave, in writing, at least four (4) weeks prior to the date the employee intends to take leave supported by appropriate documentation shall be granted an unpaid parental leave :
 - (a) (i) of up to thirty-five (35) consecutive weeks if, in the case of a female employee, she becomes the natural mother of a child; or
 - (ii) of up to thirty-seven (37) consecutive weeks if, in the case of a male employee, he becomes the natural father of a child or assumes actual care and custody of his newborn child; or
 - (iii) of up to thirty-seven (37) consecutive weeks if the employee adopts a child under the law of the province.

- (b) Parental leave must commence no later than the first anniversary of the birth or adoption of the child or of the date on which the child comes into the actual care and custody of the employee.
- (c) Employees who wish to take parental leave upon completion of a maternity leave must take both leaves continuously, without break, unless otherwise mutually agreed to by the employee and the Company.
- 16.08 An employee who holds a posting will be reinstated at the expiry of the leave to their posted job. Seniority shall accumulate through such periods of leave.

ARTICLE 17 - GENERAL

- 17.01 The Company shall supply bulletin boards for the use of the Union, for the posting of notices of official union business, such notices to be approved by the Management.
- 17.02 Laundry services for outer work clothing shall be maintained at no cost to the employee. Launderable outer work clothing, oilskin aprons, belts, and oilskin sleeves, specified by the Company as required for work in the plant, will be supplied to employees. Such clothing remains the property of the Company and shall not be removed from the Company's premises except in the regular performance of duty, and must be returned for new issue or upon separation of the employee. Clothing not returned when worn out or upon separation will be paid for by the employee. The Company agrees to continue its current practice of providing clothing and equipment, as required, which currently includes the following:
 - Coveralls
 - Smocks
 - Hardhats
 - Gloves cotton
 - Rain Suits (cleanup)
 - Belly Guards
 - Arm Guards
 - Mesh Gloves
 - Oilskin or disposable sleeves
 - Gloves sanitary, throw-away
 - Gloves rubberized
 - Welder's Gloves
 - Rubber Boots
 - Aprons neoprene
 - Aprons boning
 - Belts
 - Freezer Coats
 - Lined Freezer Gloves
 - Hairnets
 - Earplugs
- 17.03 The Company will allow employees adequate relief as well as necessary time for changing clothing or equipment necessitated by a change in working conditions.

- 17.04 The Company and the Union agree to supply a copy of this Agreement to each employee of the Company affected thereby.
- 17.05 The Company agrees to provide a full day's pay to any employee suffering injury or emergency sickness which requires absence during such day for medical or hospital attention. To be eligible for this pay, the employee must report to their supervisor or to the first aid attendant before leaving the plant.
- 17.06 The Company agrees that any employee of the Company summoned to appear for Jury Duty, or who serves on Jury Duty, or is a Subpoenaed Witness, shall be paid wages amounting to the difference between the amount paid them for jury service and the amount they would have earned had they worked on such days, provided the employee has completed the probation period.
- 17.07 Any working conditions now in effect and not specifically covered by this Agreement shall remain in effect unless changed by collective bargaining.
- 17.08 When an employee who has completed the probation period attends the funeral or memorial service of an immediate relative, the employee shall receive eight (8) hours pay at their regular rate for the day of the funeral or memorial service and two (2) other days either immediately before or after the funeral or memorial service, provided such payments are made only in respect to absence from work on their regular work days. For the purpose of this clause, an immediate relative shall be one of the following: Wife, Husband, Daughter, Son, Mother, Father, Sister, Brother, Mother-in-Law, Father-in-Law, Stepmother, Stepfather, Brother-in-Law, Sister-in-Law, Grandparents, Grandchildren, and Step-children.

In the case of grandparents-in-law, son-in-law, daughter-in-law, the employee is entitled to the day of the funeral or memorial service only.

- 17.09 (a) Effective date of ratification, the Company agrees to grant a footwear allowance of eighty dollars (\$80.00) per year effective date of ratification, eighty-five dollars (\$85.00) per year effective April 1, 2008, and ninety dollars (\$90.00) per year effective April 1, 2010. Sunday after Ratification of this Collective Agreement, the footwear allowance will increase to ninety-five dollars. On April 1, 2013 the amount will increase to one hundred dollars (\$100.00).
 - (b) The Company will supply safety-toe rubber footwear to employees with seniority. Employees without seniority may purchase this footwear from the Company. Worn-out boots will be replaced for employees with seniority on an exchange basis. Employees who are supplied footwear under this clause are not entitled to the footwear allowance under Article 17.09 (a) above.
- 17.10 <u>Tools</u> Mechanical Tradesmen of the Mechanical Department with seniority, shall receive a tool allowance of one hundred and seventy-five dollars (\$175.00) per contract year per employee. This allowance will be paid out as a lump sum payment on the first pay period in April of each year.
- 17.11 The Chief Shop Steward shall be notified by Management regarding the rate of pay and place of employment of each new employee.

- 17.12 The Company agrees to allow employees where required, five (5) minutes cleanup time prior to their regular quitting time.
- 17.13 The Company shall reimburse the employees for the renewal of necessary licenses required in the performance of their duties, including reimbursement of lost wages incurred as a result of writing exams to obtain such licenses.
- 17.14 Management personnel shall not perform production (bargaining unit) work nor shall management personnel displace Union personnel except in extreme absenteeism and where management personnel are involved in training unqualified employees, or in product development.

Extreme absenteeism shall mean that there are insufficient qualified employees available to start up operations at the beginning of a shift.

All exceptions noted above shall be discussed with the appropriate shop steward or an alternate designated by the Union.

- 17.15 All new employees will be provided with the appropriate orientation, safety, and hygiene training. Procedure for Newly Hired Personnel. When hired, a new employee reports to the first aid attendant or personnel supervisor who ensures the following documents are given to the employee:
 - (a) Set of Safety Rules
 - (b) Set of Sanitary Rules
 - (c) Set of Security Rules

The first aid attendant or personnel supervisor outlines hours of work, when lunch and coffee breaks occur and how to identify when they occur. Also, the employee is given their time card and shown where and how to clock in. The first aid attendant or personnel supervisor also outlines the location of washrooms, locker rooms and lunchrooms.

In addition, the first aid attendant or personnel supervisor ensures the new employee is introduced to the department supervisor who then takes the employee to the department, shows the employee the equipment, pointing out any potential hazards.

17.16 The Union committee will be given a copy of any disciplinary note which is placed in an employee's file, including any written record of a verbal warning. Upon the expiration of one (1) year from the date of the occurrence upon which a disciplinary entry or adverse reference to an employee's conduct was entered in the employee's personal file, the Company will be precluded from using such entry or reference in any disciplinary action provided the employee has not received further progressive discipline during the one (1) year period. If an employee has not been actually at work for at least sixteen hundred (1600) hours during the one year period under this clause, the disciplinary entry or reference will remain on the record until the employee has actually worked sixteen hundred (1600) hours.

ARTICLE 18 - BENEFITS

18.01 Weekly Indemnity

- (a) Weekly indemnity benefits will be paid in accordance with the terms and conditions of the plan as detailed in the "Group Benefits" booklet prepared by the insurance company, a copy of which shall be provided to the Union and employees.
- (b) Benefit payments shall be based on sixty percent (60%) of claimant's regular weekly earnings (forty (40) hours at regular rate), exclusive of overtime, premiums, etc., immediately preceding the claim.
- (c) Weekly indemnity benefits shall be paid for up to thirty-seven (37) weeks for employees who have completed ninety (90) working days of employment.
- (d) The Company will pay the first thirty dollars (\$30.00) of the required premium per employee, with the balance of the cost shared equally between the Company and the employee.
- (e) The waiting period shall be three (3) working days, except when an employee is hospitalized during the waiting period due to an illness or accident. Benefits shall be paid on the basis of working days, not calendar days.
- (f) Claims must be submitted no later than fifteen (15) working days from the first day of absence, unless there is a reasonable explanation given.
- (g) In the event an employee has a claim refused by the Workers' Compensation Board for reasons of "non-compensable claim", the employee shall become eligible for benefits under the Weekly Indemnity plan. This is provided the terms and conditions of the plan are met. In addition, the employee must sign a statement to the effect that if benefits are subsequently received from the Workers' Compensation Board, for the claim, benefits received under the Weekly Indemnity plan must be repaid to the insurer.
- (h) Where there has been a delay in the payment of Worker's Compensation Benefits, employees will be advanced payment under the terms of the Weekly Indemnity Plan, subject to the following:
 - i) The employee has completed all the necessary forms.
 - ii) There has been a delay of two (2) weeks or more since the benefits became payable.
 - iii) The employee will authorize, in writing, repayment by the Worker's Compensation Board directly to the Weekly Indemnity Plan, when Worker's Compensation Benefits become available.
 - iv) In the event that the Worker's Compensation claim has been denied, and the terms and conditions of the Weekly Indemnity Plan have not been met, the employee will repay all amounts previously advanced.

- v) It is not intended that an employee receive wage loss payment from more than one source for the same period which exceeds one hundred percent (100%) of normal wages. It is understood that in those situations, the insurance carrier may recover amounts in excess of one hundred percent (100%) in accordance with the subrogation provisions of the plan.
- (i) All eligible employees will be covered with group life and AD&D insurance for forty thousand dollars (\$40,000). New employees have a ninety (90) working day period before becoming eligible to join the plan. The full cost of this coverage is to be paid for by the Company.
- (j) M.S.P. (Medical Services Plan of British Columbia) coverage is provided for all eligible employees. New employees have a ninety (90) working day waiting period before becoming eligible for this benefit.
- (k) The Company shall continue to pay its portion of the premiums for M.S.P., Extended Health, dental, life insurance and other insured benefits for eligible employees on extended disability, W.C.B. or sick leave for a maximum of three (3) years from the date the absence from work commenced. Each employee shall be required to provide adequate evidence of such disability or sickness.
- <u>Extended Health Plan</u>: The Company will pay the premiums to provide an extended health plan, details of which have been provided to the Union. The plan shall include hearing aid coverage to a maximum of **five hundred fifty dollars** (\$550.00) per lifetime and vision care one hundred percent (100%) coverage after deductible, maximum as follows:

Sunday after Ratification	a 2011one hundred seventy-five dollars (\$175.00)
April 1, 2012	one hundred eighty dollars (\$180.00)
April 1, 2013	one hundred eighty-five dollars (\$185.00)
April 1, 2014	one hundred ninety dollars (\$190.00)

A Prepaid Prescription Card will be effective within ninety (90) days of ratification.

- 18.02 <u>Modified Duty</u>: The Company shall endeavour to provide modified duty to employees recovering from injury or illness, and employees shall endeavour to return to work as soon as they are able where modified duty is available. The assignment of an employee to modified duty shall be the subject of mutual agreement between the Company and the Union. The W.C.B. policy on modified duty work shall be used as terms of reference, subject to the provisions of this collective agreement.
- 18.03 <u>Abuse of Benefits</u>: Misrepresentation in connection with weekly indemnity claims shall be grounds for discipline, including dismissal.
- 18.04 Effective <u>March 1, 2010</u>, the Company will contribute <u>thirty-seven cents (\$0.37</u>) per hour for each straight time hour worked by all employees in the bargaining unit. Paid vacation and statutory holiday pay shall be considered as time worked for the purposes of this clause. Such contributions shall not exceed <u>fourteen dollars and eighty cents (\$14.80</u>) per employee per week.

If it is determined by actuarial advice that different contributions are required to maintain benefits under the plan, then the contributions shall be changed in amounts and on dates determined by such actuarial advice. Contributions by the company shall not exceed <u>thirty-seven cents (\$.37)</u>. If actuarial advice requires more than <u>thirty-seven cents (\$.37</u>), then any additional amounts shall be paid by employees by payroll deduction.

The terms and conditions of the plan shall govern coverage for employees of the Company.

18.05 <u>Pension Plan:</u> The Company agrees to make contributions to the Canadian Commercial Workers Industry Pension Plan, or such other plan as may be designated in writing by the union, for each hour paid by the Company to full time employees for all hours paid after completing at least ninety (90) days worked.

"Hours paid" will include all hours for which compensation is paid, including vacation, statutory holidays, bereavement leave, paid and unpaid leave for Union business, and jury duty (and up to thirty (30) days per occasion of weekly indemnity, Workers Compensation or authorized leaves of absence, however a recurrence of a claim for the same injury or illness will not constitute a separate occasion under this clause) to a maximum of forty (40) hours per week per employee.

Contributions shall be as follows:

Effective Date:	Contribution
April 1, 2006	Sixty-four cents (\$0.64) per hour
April 1, 2007	Sixty-nine cents (\$0.69) per hour
April 1, 2008	Seventy-four cents (\$0.74) per hour
April 1, 2009	Seventy-nine cents (\$0.79) per hour
April 1, 2010	Eighty-four cents (\$0.84) per hour

Effective Date:	Contribution
SAR 2011	Eighty-nine cents (\$0.89) per hour
April 1, 2012	Ninety-four cents (\$0.94) per hour
April 1, 2013	Ninety-nine cents (\$0.99) per hour
April 1, 2014	One dollar and four cents (\$1.04 per hour)

The Union acknowledges that the Company is not responsible for the nature or level of benefits provided to employees by the pension plan, and is in no way liable for any potential deficit in the pension fund. The Union further acknowledges that the Company's only obligations with respect to the pension plan are contributions which the Company agrees with the Union to pay into the plan.

If the pension plan permits voluntary contributions by employees, the Company will administer payroll deductions for that purpose.

18.06 The parties agree to establish a joint benefits committee consisting of two (2) members appointed by the Company and four (4) members appointed by the Union. The committee will regularly review the terms and conditions of the benefits provided under the Collective Agreement, including the claims experience data, administrative procedures, and costs and

may make recommendations to the Company, the Union, the benefits consultant, or the carriers.

The committee shall not have the power to amend the Collective Agreement or to make changes which result in cost increases, except where the changes are agreed to by the parties to the Collective Agreement.

ARTICLE 19 - DURATION OF AGREEMENT

19.01 This agreement shall take effect <u>April 1, 2011</u> and shall remain in effect until <u>March 31, 2015</u> and from year to year thereafter, provided that either party may give written notice of termination within four months prior to <u>March 31, 2015</u>.

This agreement shall remain in force during any period of negotiations, until:

- (a) the union commences a lawful strike;
- (b) the company imposes a lawful lockout; or
- (c) the parties ratify a new collective agreement.

SIGNED ON BEHALF OF THE COMPANY Sofina Foods Inc. 8385 Fraser Street Vancouver, BC SIGNED ON BEHALF OF THE UNION United Food and Commercial Workers International Union, Local 1518, CLC

Ivan Limpright, President

<u>APPENDIX A – Classifications and Schedule of Wages</u>

Classification:	Bracket:
Help Qualified	1
Janitor	1
Bacon Press Operator	2
Bacon Slicer Operator	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
Slicer Operator	2
Bacon Grader and Scaler	2
Feed Sliced Meat	2
Feed Wiener Packaging	2
Cry-o-Vac Machine Operator	2
Mechanical Skinner Operator	2
Comb Hang and Select Bellies	2
Curing Room Person	2
Membrane Skinner Operator	2
Wiener Skinner/Peeler	2
Stuffer	3
Whizard Knife Operator	3
Sanitation (no contract)	3
Pickle Injector Operator	4
Scaler	4
Frank-O-Matic Operator	4
Fork Lift Driver/Plant Services	4
Power Dolly Scaler	4
Export Loader	4
Meat Grinder	5
Maintenance Helper	7
Shippers	7
Receiver	7
Freezer Headperson	7
Sanitation (one year contract)	7
Stock Controller	8
Pork Utility Person	11
Maintenance	11
Truck Drivers - Semi-Trailers	14
Silent Cutter Operator	16
Smokehouse Operator	16
Non Certified Maintenance	26
Carpenter/General Utility	30
Certified Welder	33
4th Class Engineer/Maintenance	33
3rd Class Engineer/Maintenance	38
Journeyman Millwright	38
Journeyman Electrician	40

(Applies to those hired prior to August 19, 2000)

Note: A person posting to a job with a one (1) year contract is:

- (a) exempted from any layoff during the one (1) year period and
- (b) excluded from bidding onto another job during the one (1) year period.

The one-year contract is effective from the date of the awarding of the posting and is subject to the eight (8) week qualifying period. At the end of each one (1) year contract, the employee may elect to revert to the no-contract position (Bracket 3) or to take another one (1) year contract provided that a more senior employee on layoff may exercise their right to fill this position upon the anniversary date of the contract.

START RATE:

Any employees hired under the Tier One (1) wage schedule will be paid the greater of 80% of the applicable wage rate or Minimum Wage + \$1.00. After completion of 1000 hours they will increase to the greater of 90% of the applicable wage rate or Minimum Wage + \$1.50. After the completion of 2000 hours worked they will receive the applicable wage rate in the attached schedule of wages.

Classification	Bracket	Current \$	1-Apr-11	1-Apr-12	1-Apr-13	1-Apr-14
	Incre	ase per hour	\$0.30	\$0.35	\$0.35	\$0.40
Help Qualified	1	\$18.70	\$19.00	\$19.35	\$19.70	\$20.10
Janitor	1	\$18.70	\$19.00	\$19.35	\$19.70	\$20.10
Bacon Press Operator	2	\$18.78	\$19.08	\$19.43	\$19.78	\$20.18
Bacon Slicer Operator	2	\$18.78	\$19.08	\$19.43	\$19.78	\$20.18
Slicer Operator	2	\$18.78	\$19.08	\$19.43	\$19.78	\$20.18
Bacon Grader and Scaler	2	\$18.78	\$19.08	\$19.43	\$19.78	\$20.18
Feed Sliced Meats	2	\$18.78	\$19.08	\$19.43	\$19.78	\$20.18
Feed Wiener Packaging Machine	2	\$18.78	\$19.08	\$19.43	\$19.78	\$20.18
Cry-o-Vac Machine Operator	2	\$18.78	\$19.08	\$19.43	\$19.78	\$20.18
Mechanical Skinner Operator	2	\$18.78	\$19.08	\$19.43	\$19.78	\$20.18
Membrane Skinner Operator	2	\$18.78	\$19.08	\$19.43	\$19.78	\$20.18
Wiener Skinner/Peeler	2	\$18.78	\$19.08	\$19.43	\$19.78	\$20.18
Comb Hang and Select Bellies	2	\$18.78	\$19.08	\$19.43	\$19.78	\$20.18
Curing Room Person	2	\$18.78	\$19.08	\$19.43	\$19.78	\$20.18
Stuffer	3	\$18.86	\$19.16	\$19.51	\$19.86	\$20.26
Whizard Knife Operator	3	\$18.86	\$19.16	\$19.51	\$19.86	\$20.26
Sanitation (no contract)	3	\$18.86	\$19.16	\$19.51	\$19.86	\$20.26
Pickle Injector Operator	4	\$18.94	\$19.24	\$19.59	\$19.94	\$20.34
Scaler	4	\$18.94	\$19.24	\$19.59	\$19.94	\$20.34
Frank-O-Matic Operator	4	\$18.94	\$19.24	\$19.59	\$19.94	\$20.34
Fork Lift Operator	4	\$18.94	\$19.24	\$19.59	\$19.94	\$20.34
Power Dolly Scaler	4	\$18.94	\$19.24	\$19.59	\$19.94	\$20.34
Export Loader	4	\$18.94	\$19.24	\$19.59	\$19.94	\$20.34
Meat Grinder	5	\$19.02	\$19.32	\$19.67	\$20.02	\$20.42
Maintenance Helper	7	\$19.18	\$19.48	\$19.83	\$20.18	\$20.58
Shippers	7	\$19.18	\$19.48	\$19.83	\$20.18	\$20.58

Classification	Bracket	Current \$	1-Apr-11	1-Apr-12	1-Apr-13	1-Apr-14
	Incre	ase per hour	\$0.30	\$0.35	\$0.35	\$0.40
Receiver	7	\$19.18	\$19.48	\$19.83	\$20.18	\$20.58
Freezer Headperson	7	\$19.18	\$19.48	\$19.83	\$20.18	\$20.58
Sanitation (one year contract)	7	\$19.18	\$19.48	\$19.83	\$20.18	\$20.58
Stock Controller	8	\$19.26	\$19.56	\$19.91	\$20.26	\$20.66
Pork Utility Person	11	\$19.50	\$19.80	\$20.15	\$20.50	\$20.90
Maintenance	11	\$19.50	\$19.80	\$20.15	\$20.50	\$20.90
Truck Drivers – Semi-Trailers	14	\$19.74	\$20.04	\$20.39	\$20.74	\$21.14
Silent Cutter Operator	16	\$19.90	\$20.20	\$20.55	\$20.90	\$21.30
Smokehouse Operator	16	\$19.90	\$20.20	\$20.55	\$20.90	\$21.30
Non Certified Maintenance	26	\$22.45	\$22.75	\$23.10	\$23.45	\$23.85

<u>First Aid Attendants</u>: The Company will determine the number of first aid attendants required, and will post any vacancies, specifying the shift required. The posting will be filled by the senior qualified applicant, who shall agree to perform first aid duties for at least one (1) year.

The Company will reimburse employees for course fees and renewal fees upon successful completion. First aid attendants will be allowed up to forty-eight (48) hours with pay when necessarily absent to take first aid courses, including exams written during their regular working hours.

First Aid Premiums:

Level 2 Forty-five cents (\$0.45)

Any employee who, at the time of ratification, is being paid above the applicable rate shall be red circled.

APPENDIX B - Tier Two Job Classifications and Rates

Pay Level	Bracket Equivalent	Classification	01-Apr-10	01-Apr-11	01-Apr-12	01-Apr-13	01-Apr-14
		Incre	ase Per Hour	\$0.30	\$0.35	\$0.35	\$0.40
Start Rate	0	First 2000 Hours Worked	\$11.70	\$12.00	\$12.35	\$12.70	\$13.10
1	1	Help Qualified (Base Rate)	\$12.95	\$13.25	\$13.60	\$13.95	\$14.35
2	(2 – 10)	Machine Operator Shipper/Receiver	\$13.45	\$13.75	\$14.10	\$14.45	\$14.85
3	11	Meat Cutter	\$15.45	\$15.75	\$16.10	16.45	\$16.85
4	(12 – 16)	Smokehouse Operator Silent Cutter	\$15.45	\$15.75	\$16.10	\$16.45	\$16.85
		Operator					
5	26	Maintenance 1	\$20.20	\$20.50	\$20.85	\$21.20	\$21.60

In addition, Tier 2 employees shall receive a premium as follows:

- a) \$0.15 per hour for the first 2000 straight time paid hours;
- b) \$0.30 per hour for hours worked between 2001 to 4000 straight time paid hours;
- c) \$0.45 per hour for hours worked between 4001 to 6000 straight time paid hours;
- d) \$0.60 per hour for hours worked between 6001 to 8000 straight time paid hours;
- e) \$0.75 per hour for hours worked between 8001 to 10,000 straight time paid hours.

This premium shall commence on April 1, 2006 and hours shall be counted commencing from April 1, 2006 into the future. Hours counted shall be consistent with "hours paid" in Article 18.05.

Classification	Bracket	Current	1-Apr-11	1-Apr-12	1-Apr-13	1-Apr-14
	Incre	ease Per Hour	\$0.30	\$0.35	\$0.35	\$0.40
Carpenter/General Utility	30	\$23.70	\$24.00	\$24.35	\$24.70	\$25.10
Certified Welder	33	\$23.70	\$24.00	\$24.35	\$24.70	\$25.10
4th Class Engineer/Maintenance	33	\$23.76	\$24.06	\$24.41	\$24.76	\$25.16
3rd Class Engineer/Maintenance	38	\$25.20	\$25.50	\$25.85	\$26.20	\$26.60
Journeyman Millwright	38	\$25.45	\$25.75	\$26.10	\$26.45	\$26.85
Journeyman Electrician	40	\$25.45	\$25.75	\$26.10	\$26.45	\$26.85

APPENDIX C - Skilled Trades Rates

Notwithstanding Letter of Understanding #2 (Lead Hands) sub-section 7, lead hands in the maintenance department shall be paid one dollar (\$1.00) per hour above the highest regular hourly

rate in their department with the exception of the Chief Engineer who shall be paid one-dollar and twenty-five cents (\$1.25) per hour.

November 26, 1991 - LETTER OF UNDERSTANDING #1

Rest Periods - Wiener Line

Because of the unique circumstances, the parties agree to continue the past practice regarding the second rest period for employees on the wiener line when wieners are being run continuously, on a without prejudice basis.

Employees will take the second rest period at the end of the shift and may punch out early. Time cards will be adjusted to reflect time worked to the end of the shift. This is not under any circumstances to constitute a precedent.

February 16, 1992 - LETTER OF UNDERSTANDING #2

Lead Hands

Renewed as Amended May 3, 2006

- 1. The Plant Manager may appoint one or more employees in a department to act as a lead hand.
- 2. The positions of Lead Hand shall be posted for five (5) days in order to give interested applicants an opportunity to apply. The position will be awarded on the basis of merit and ability.
- 3. The Company will advise the Union Plant Committee of all appointments.
- 4. The lead hand shall coordinate the work and assist in training, familiarization and safety.
- 5. In no circumstances shall a lead hand hire, lay off, suspend, discharge, exercise other discipline, transfer employees to other departments, or reduce hours.
- 6. The lead hand designation may be terminated by the Company for just cause or relinquished voluntarily by the incumbent at any time, in which case the person shall resume their previous position or an equivalent one.
- 7. Lead Hands shall be paid thirty cents (\$0.30) per hour effective from the date of ratification above the highest regular hourly rate in their department. This premium will increase to thirty-five cents (\$0.35) per hour effective April 1, 2008 and to forty cents (\$0.40) per hour effective April 1, 2010.

February 16, 1992 - LETTER OF UNDERSTANDING #3

Banking of Overtime

Renewed as Amended May 3, 2006

Effective June 1, 1992 full time employees may elect to bank hours of overtime on the following basis:

- 1. Employees must advise the Company in writing prior to January 1st and July 1st if they elect to bank overtime instead of being paid for it; such election to be binding for the next six (6) month period and thereafter unless changed prior to the next election date.
- 2. Overtime hours shall be banked in dollars at the rate the employee was receiving at the time the overtime was worked.
- 3. The maximum amount which can be banked at any one time shall be eighty (80) times the employee's regular rate of pay.
- 4. An employee desiring to take time off under this provision shall give the Company two weeks written notice. A sincere effort will be made to grant the time off when requested by the employee; provided that such request does not interfere with the requirements of the business or with other employees' vacation choices.
- 5. Banked time may be taken off only in increments of four (4) hours.
- 6. Pay for time off shall be included in the employee's regular payroll cheque at the employee's current regular rate of pay and the amount paid shall be deducted from their overtime bank.
- 7. Upon two (2) weeks' notice, the employee may request to be paid out all money in their overtime bank, to be included in their next payroll cheque. Employees who make this request are not eligible to bank hours until the next election date (January 1st or July 1st).

February 16, 1992 - LETTER OF UNDERSTANDING #4

PART-TIME WORK - WEEKENDS

Renewed as Amended May 3, 2006

The company may employ part-time workers for work performed on Saturdays and Sundays under the following conditions:

- 1. Full time employees with seniority who are on layoff status shall be called in order of seniority and given the option of working or not at the part-time rate as detailed in (5) below, provided they are qualified to perform the work to be done.
- 2. The Company will not use part time workers to perform jobs on weekends that are normally performed during the week unless those jobs are being performed to capacity throughout the week or unless it is impossible to perform these jobs during the week.

- 3. The company shall notify the Union prior to any work performed on a calendar Saturday or Sunday by part-time workers, and notify the Union in writing for the reasons therefore.
- 4. The Company will not increase the number of weekend part time workers beyond fifteen (15) without first having a joint meeting with the Union to reasonably justify and explain the reasons for the part time work.
- 5. The rate of pay for part-time workers who perform work on a calendar Saturday or Sunday shall be ten dollars (\$10) per hour, except in the case of part-time skilled trades employees who shall be paid in accordance with the skilled trades wage schedule.
- 6. It is also further understood that full-time employees, not on layoff, and provided the weekly guarantee for them has been met, have no seniority rights in respect to working any Saturday or Sunday hours.

February 16, 1992 - LETTER OF UNDERSTANDING #5

Apprenticeship Program

Renewed as Amended May 3, 2006

Where the Company has determined there is a need for an apprentice the following will apply:

1. The Parties agree to the principle of providing the necessary training for bargaining unit employees that will enable these employees to graduate into the trades positions available within the location.

Through the implementation of apprenticeship training programs, current and future bargaining unit employees, who have a background as to the plant operations, will be able to add to that knowledge, specific expertise in the trade categories. Members of the bargaining unit, provided they meet the necessary qualifications for the program, have the right to apply for the program and will be given preference over new hires.

Apprenticeship Program Application

- 2. The Parties will work with the apprenticeship branch of the Provincial Government in order to establish an ongoing apprenticeship training program.
- 3. The Company agrees to pay the cost of all course materials and fees related specifically to the requirements of the aforementioned program upon successful completion of each level of the program. The Company further agrees that all necessary training will be made available to the apprentice in order that they will be able to meet the requirements of the program as stipulated by the apprenticeship branch.
- 4. Should an employee, who is participating in the program, not meet the program requirements there will be no obligation on the part of the employer to retain this employee within the maintenance department.
- 5. Rates of pay and progression for apprenticeship training will be as follows:

	<u>TIER 1</u>	TIER 2
Year 1	Bracket 7	65% of Pay Level for TQ
Year 2	Bracket 11	75% of Pay Level for TQ
Year 3	Bracket 16	85% of Pay Level for TQ
Year 4	Bracket 26	90% of Pay Level for TQ
Year 5	Bracket 33	95% of Pay Level for TQ

Upon successful completion of the program, the bracket specified in the relevant Wage Appendix shall apply.

LETTER OF UNDERSTANDING #6

Re: Transfer of Benefit Plans

Renewed May 3, 2006

1. The parties agree to establish a committee with equal representation from the Union and the Company, with a mandate to agree on the terms by which the administration of the extended health, life insurance, AD&D, LTD and weekly indemnity benefit plans will be transferred to the Union.

2. The transfer of the plans to the Union shall occur no later than March 31, 1998 unless otherwise agreed by the parties.

3. The Company shall not arbitrarily withhold transfer if it is shown to be economically justifiable for the Company to make such transfer.

LETTER OF UNDERSTANDING #7

Re: Weekly Indemnity Surplus

Dated May 3, 2006

The parties agree that the use of the Weekly Indemnity surplus in the approximate amount of \$80,000.00 shall be applied to dental costs. More specifically, there is a surplus in the approximate amount of \$80,000.00 that was recovered from the previous owners of the Company that will be matched by the Company for a total of \$160,000.00 to be applied to the employee portion of dental premiums.

Further savings on dental premiums may be achieved by changing carriers and retaining the same level of coverage. This will be addressed by the Joint Benefits Committee as established under Article 18.07.

LETTER OF INTENT

Re: Elimination of Two Tier Wage System

Dated May 3, 2006

Quality Meat Group Ltd., as the new owner of the Company, is committed to eliminating the two tier wage system. The Company embraces its responsibility to treat all employees fairly and equitably. The Company recognizes that there exists a significant disparity in the wage structure.

With the first Collective Agreement together, the first steps have been taken towards reversing this disparity. The Company must balance these steps with the responsibility to all employees to remain cost competitive. Remaining cost competitive is a vital part of ensuring the future security of employment of all employees.

LETTER OF UNDERSTANDING #8

MOVEMENT OF EMPLOYEES TO TIER ONE

Dated May 3, 2006

The Company agrees to move Tier Two employees to Tier One, in order of seniority, in accordance with the following schedule:

- Effective date of ratification25 employees
- April 1, 200725 employees
- April 1, 200825 employees
- April 1, 201025 employees

LETTER OF UNDERSTANDING #9

Dated February 16, 2010

Dental Plan

Whereas Sofina Foods Inc. (the "Company") and United Food and Commercial Workers Union, Local 1518 (the "Union") have met and agreed that the Dental Plan, currently sponsored by the Company, will be transferred to the UFCW Union Local 1518 Dental Plan (the "Plan"), the following terms and conditions will apply:

- 1. This Letter of Agreement is a binding amendment to the current Collective Agreement.
- 2. The current Dental Plan deficit must be fully funded by March 31, 2010, such funding to be achieved through the continued employee contribution methods, currently in place, as required to meet said funding requirements.
- 3. The Company must be compensated for its increased ASO costs arising from the transfer of the Plan, such costs not to exceed the equivalent of one thousand dollars (\$1,000.00) per month.

February 16, 2010 MEMORANDUM OF AGREEMENT

Dental Plan

Whereas Sofina Foods Inc. (the "Company") and United Food and Commercial Workers Union, Local 1518 (the "Union") have met and agreed that the Dental Plan, currently sponsored by the Company, will be transferred to the UFCW Union Local 1518 Dental Plan (the "Plan"), the following terms and conditions will apply:

- 1. This Agreement is a binding amendment to the current Collective Agreement.
- 2. The Parties agree to cooperate fully to ensure an orderly and timely transfer.
- 3. The Company agrees to be a participating employer in the Plan for a minimum of three (3) years of the date of the signing of this Agreement, subject to the current funding arrangement.
- 4. Article 18.04 of the Collective Agreement to be amended as follows:

<u>Dental Plan</u>: Effective <u>March 1, 2010</u>, the Company agrees to participate in the UFCW Local 1518 Dental Plan on the following basis. Effective <u>March 1, 2010</u>, the Company will contribute thirty-seven cents (\$0.37) per hour for each straight time hour worked by all employees in the bargaining unit. Paid vacation and statutory holiday pay shall be considered as time worked for the purposes of this clause. Such contributions shall not exceed <u>fourteen dollars and eighty cents</u> (\$14.80) per employee per week.

If it is determined by actuarial advice that different contributions are required to maintain benefits under the plan, then the contributions shall be changed in amounts and on dates determined by such actuarial advice. Contributions by the company shall not exceed <u>thirty-seven cents (\$.37)</u>. If actuarial advice requires more than <u>thirty-seven cents (\$.37</u>), then any additional amounts shall be paid by employees by payroll deduction.

The terms and conditions of the plan shall govern coverage for employees of the Company.

LETTER OF UNDERSTANDING #10

Dated September 13, 2011

Pension Plan

Should it be determined by secret ballot vote of the bargaining unit members that they wish to cease participation in the Canadian Commercial Workers Pension Plan (CCWIPP), and commence participation in the UFCW Pension Plan, then the parties shall meet within sixty (60) days to discuss the implementation of such a change.

The Employer agrees to implement the change as soon as reasonably possible after the above discussion has taken place. The Employer further agrees to redirect the contributions described in Article 18.05 in accordance with the decision of the bargaining unit.

It is understood and agreed that entry in the UFCW Pension Plan would be subject to the approval of the trustees of the UFCW Pension Plan.

It is understood that the Company will have no further obligation for contribution to CCWIPP or any other liability toward it once contributions are redirected in accordance with this Article.

LETTER OF UNDERSTANDING #11

Dated September 13, 2011

Transfer to New Facility

If the Company opens a new plant within the BC Lower Mainland and moves the current operation or a portion of the current operation to that new facility, the Company agrees to recognize the Union as the bargaining agent at the new plant and the terms of this Collective Agreement shall apply there.

Bargaining unit employees, including those on layoff, will have the right to transfer to the new facility, and will maintain their classification, subject to available positions at the new plant. New bargaining unit employees will not be hired at the new plant until the postings have been offered to all existing qualified bargaining unit members.

In the event that the new plant is located east of 248th Street, employees who are eligible for transfer to the new plant shall have the option of declining the transfer and accepting their separation allowance under Article 12.01(e) of the Collective Agreement provided that their commute to the new plant is greater than their commute to the Fraser Street plant.

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