

MEMORANDUM OF SETTLEMENT

BETWEEN

KRUGER PRODUCTS L.P.

(The "Employer")

AND

CANADIAN OFFICE AND PROFESSIONAL EMPLOYEES UNION, LOCAL 378

(The "Union")

Subject to ratification by their respective principals, the Parties hereby agree to renew their Collective Agreement on the following terms:

1. The term of the renewed Collective Agreement shall be for four (4) years from June 1, 2012 to May 31, 2016 inclusive.
2. Except as specifically amended below and by the attached, all terms and conditions of the Collective Agreement effective June 1, 2007 and including May 31, 2012, including all Memorandums or Letters of Understanding, shall remain in full force and effect for the life of the renewed Collective Agreement, unless subsequently amended by mutual agreement of the Parties.
3. The Parties agree to recommend ratification of this Memorandum of Settlement without reservation, to their respective principals.
4. Unless otherwise specified, all added or revised terms and conditions shall become effective on the date of ratification.
5. All items discussed by the Parties during the negotiations and not addressed herein shall be considered withdrawn on a without prejudice basis.

Agreed to this 5th day of April, 2012 in the Cities of New Westminister and Burnaby, British Columbia.

For COPE 378:



Karen Rockwell

For KRUGER PRODUCTS L.P.



Patrick Service

ARTICLE 7 – LEAVES OF ABSENCE

NEW – Section 1 – Annual Vacation Entitlements

Regular Full-Time Employees are entitled to vacation as follows:

Employees with less than one (1) year Service: One and a half (1 ½) days of vacation per completed months of service to a maximum of 15 working days.

One (1) year but less than five (5) years of Service:	3 weeks (15 working days)
Five (5) years but less than fifteen (15) years of service:	4 weeks (20 working days)
Fifteen (15) years but less than twenty three (23) years of service:	5 weeks (25 working days)
Twenty three (23) years but less than thirty (30) years of service:	6 weeks (30 working days)
Thirty (30) years or more of service:	7 weeks (35 working days)

Any employee who reaches 5, 15, 23 or 30 years of service after April 30th is entitled to the additional vacation week provided in the plan for the date of his/her continuous service anniversary in the current year.

Part Time Regular employees will have their annual vacation entitlement pro-rated based on time worked.

Full Time Temporary employees will be granted annual vacation as per the Employment Standards Act.

Vacation Pay Upon Termination

Upon termination, an employee shall be paid the balance of his/her vacation not taken during the current year, as established on April 30th of the preceding year, plus a percentage of his/her earnings for the current year as follows:

Years of Service	% of earnings on May 1 of the Current year up to termination date
Less than 5 years	6%
5 years but less than 15 years	8%
15 years but less than 23 years	10%
23 years but less than 30 years	12%
30 years or more	14%

Rehires

The vacation rights of any employee who is rehired within twelve (12) months of his/her discharge or layoff are reinstated to his/her preceding employment period less the period spent outside the company's service.

The vacation rights of any employee rehired within six (6) months after dismissal or resignation may, exceptionally, be reinstated.

Limitations

- A. An employee who for any reason is absent from work during a complete reference year shall lose all rights to paid vacation in the following year.
- B. An employee shall be entitled to full vacation credit in the year following the reference year if absence periods during the latter total six (6) months or less.
- C. If during the reference year, periods of absence (including absences for sickness even if salary is maintained) total more than six (6) months, credited vacation for the year following the reference year will be reduced by 50%.
- D. However, in the case of the preceding paragraph, employees with less than one (1) year of continuous service shall be entitled to vacation pay at the pro rata of the number of vacation days accumulated in the reference year.
- E. The vacation pay for an employee on parental leave that exceeds three (3) months in the reference year will be based on a percentage of earnings in the reference year.
- F. An employee on maternity leave only, maintains full vacation entitlement regardless of the duration of the maternity leave in the reference year. Any other absences (sickness, parental leave, etc) in the reference year will be taken into account in determining vacations owed for the year that follows the reference year in application of paragraphs B. and C. above.

Supplemental Vacation

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

After five (5) years	One (1) week
After ten (10) years	One (1) week
After fifteen (15) years	Two (2) weeks
After twenty (20) years	Two (2) weeks
After twenty-five (25) years	Two (2) weeks

The Supplementary Vacation must be taken during the period earned, that is, taken prior to becoming eligible for his/her next earned period of Supplementary Vacation.

One (1) week Supplementary Vacation shall be equal to thirty five (35) hours at straight time rates at the employee's regular job.

In determining eligibility for Supplementary Vacation, an employee's service shall be calculated from date of hire with the Company.

Employees may take Supplementary Vacation in one (1) week blocks or may separate them and take in daily allotments.

At retirement or upon termination from the Company, an employee who has completed five (5) or more years of service shall be entitled to that portion of Supplementary Vacation pay proportionate to the number of years of service completed subsequent to his/her last five-year entitlement period.

Any existing employee who is between entitlement years for supplemental vacation entitlement will have the appropriate supplement placed into their vacation entitlement at ratification.

New – Section 2 – STATUTORY HOLIDAYS

The Company will provide all regular full-time employee with thirteen (13) Statutory Holidays in each calendar year as follows:

1. New Year's Day
2. Family Day
3. Good Friday
4. Easter Monday
5. Victoria Day
6. Canada Day
7. BC Day
8. Labour Day
9. Thanksgiving Day
10. Remembrance Day
11. Christmas Eve
12. Christmas Day
13. Boxing Day

If a Statutory Holiday occurs during an employee's vacation period, the employee shall be eligible for an additional day off with pay. An employee on sick leave during a Statutory Holiday will not be eligible for a supplementary day off.

NEW – Section 3 – Maternity & Parental Leave

The maternity leave provisions apply to regular full-time and regular part-time employees. An employee is entitled to seventeen (17) continuous weeks of unpaid maternity leave.

The pregnancy leave may only be commenced from the sixteenth (16th) week before the expected date of delivery.

An employee who is entitled to the pregnancy leave is required to give the employer at least two (2) weeks notice in writing prior to the date the leave is to begin indicating the beginning and ending dates of the maternity leave, together with a medical certificate estimating the date of delivery. If the employee does not specify the date of the end of the pregnancy leave, it will be assumed that she wishes to take the maximum leave.

An employee who has given notice to begin a pregnancy leave may change this date by giving at least one (1) week written notice before the new date to be chosen.

If pregnancy-related complications force the employee to stop work before she gives notice of her pregnancy leave, she has two (2) weeks from that date to give the employer written notice with a medical certificate confirming the circumstances and the expected or actual date of birth.

If the employee has been on pregnancy leave for seventeen (17) weeks but the child was not born on the expected date, the employee has the right to extend the maternity leave for a period equivalent to the delay encountered.

The employee has the right to extend the maternity leave for a maximum period of six (6) weeks if she provides the employer, prior to the expiry date of her maternity leave, a notice together with a medical certificate stating that her health or that of her child requires such extension.

An employee who is entitled to take maternity leave will not be terminated or laid off, disciplined or suspended because she has applied for or taken such leave.

Seniority for all purposes continues to accrue during maternity leave and, following the leave, the employee must be reinstated to the same position with the same benefits if it still exists, or if it does not, all rights and privileges due the employee at the time the position disappeared will be granted. On return to work, the employee must be paid at the rate paid when the leave commenced, or if higher, at the rate the employee would be earning if she had worked through the leave.

While an employee is on pregnancy leave, the employer will continue to make employer contributions to pension, life insurance, accidental death, health and dental plans and other insurance unless the employee has advised the employer in writing, that she does not wish to continue to make the employee contributions to such plans.

Parental Leave

In addition to the seventeen (17) week pregnancy leave for mothers, an additional leave of forty-three (43) continuous weeks of unpaid parental leave for working parents to care for newborn or newly adopted children.

An employee who is a parent of a new-born or newly-adopted child is entitled to a maximum of forty-three (43) continuous weeks of unpaid parental leave starting on the day of birth or adoption (from the time the child comes into a parent's custody, care and control for the first time) and ending sixty (60) weeks after the birth or adoption.

The definition of a "parent" includes natural parents or a person with whom a child is placed for adoption and a person who is in a permanent relationship with the parent of the child and who intends to treat the child as his/her own.

An employee who is entitled to a parental leave is required to give the employer two (2) weeks written notice prior to the commencement of the leave, indicating the date of beginning and end of the leave. If the employee does not specify when the leave will end, it will be assumed that the employee wishes to take the maximum leave.

An employee who has given notice to begin a parental leave may change the notice to an earlier date by giving at least two (2) weeks notice before the earlier date, or to a later date by giving two (2) weeks notice before the leave was to begin.

If the employee stops work because the child has arrived earlier than expected, the employee has two (2) weeks from that date to give the employer written notice of the employee's intent to take the parental leave.

If an employee on parental leave wishes to change the date of return to work to an earlier date, the employee must give the employer three (3) weeks written notice specifying the date on which the employee intends to return.

If an employee wishes to change the date of return to work to a later date (but subject to the forty-three (43) week maximum period), the employee must give the employer four (4) weeks written notice before the date the leave was to end.

An employee who is entitled to take parental leave will not be terminated or laid off, disciplined or suspended because he/she has applied for or taken such leave.

Seniority for all purposes continues to accrue during parental leave, and, following the leave, the employee must be reinstated to the same position with the same benefits if it still exists, or if it does not, the employee will be assigned to a comparable position in the same establishment with the same salary, and equivalent pension and insurance plans. On return to work, the employee must be paid at the rate paid when the leave commenced, or if higher, at the rate the employee would be earning if she/he had worked through the leave.

While an employee is on parental leave, the employer will continue to make employer contributions to pension, life insurance, accidental death, health and dental plans, and other insurance unless the employee has advised the employer in writing that he or she does not wish to continue to make the employee contributions to such plans.

The parental leave provisions apply to regular full-time and regular part-time employees.

Supplemental Employment Insurance Benefit

During the first two (2) weeks of maternity leave, which corresponds to the employment insurance waiting period, the employer will pay 100% of the employee's salary. For the following four (4) weeks, the company will compensate the employee's employment insurance payment to provide for 100% of the employee's salary.

To be eligible for this benefit, the employee must be employed by the Company on a full or part-time basis, working a minimum of twenty-one (21) hours per week and have three (3) months continuous service prior to applying for maternity leave.

APPENDIX 'A' – SALARY SCHEDULES

Upon the date of ratification, a lump sum payment of \$2,500.00 for all active employees. The payment shall be made within 30 calendar days of the date of ratification.

Effective June 1, 2013 a lump sum payment of \$2,500.00 for all Full-Time Regular employees. Temporary employees leaving the employ of the Company shall have this payment pro-rated based on service from June 1, 2013 to their termination. The payment shall be made before June 30, 2013.

A general wage increase as follows:

Effective June 1, 2014	2%
Effective June 2, 2015	2.5%

NEW – Appendix 'F' – Pension Plan

The existing pension plan is to remain as is outside of the Collective Agreement with the commitment that there will be no changes during the term of the new contract.

NEW – ARTICLE – JOB SECURITY

No regular employee shall be laid off without prior discussion with the Union and alternative measures have been canvassed.

In the event an employee is laid off as a direct result of contracting out, a minimum of twenty four (24) weeks severance shall be paid.

ARTICLE 11 – GENERAL

Section 5 – Vacations, Statutory Holidays, Maternity and Parental Leaves

This section to be deleted from the collective agreement as new language exists in Article 7: Leaves of Absences.

Section 6 – “Harassment in the Workplace”

New paragraph to be added at the end the section as follows:

“All complaints of harassment shall be dealt with in accordance with the Employer’s Harassment Policy.”

ARTICLE 18 – DURATION

Amend article to reflect a four (4) year contract term.

ARTICLE 6 – HOURS OF WORK, OVERTIME AND SHIFT PREMIUMS

Section 13

This section regarding flexible work schedules to be deleted from the collective agreement.