

COLLECTIVE AGREEMENT

BETWEEN:

SUNWEST FOOD PROCESSORS LTD.

31100 Wheel Avenue, Abbotsford, BC

AND:

**UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL
UNION, LOCAL 1518 INDUSTRIAL SECTOR**

Duration of Agreement: August 1, 2010 – July 31, 2014

Ratified June 26, 2011

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THIS AGREEMENT made and concluded at Abbotsford B.C. this 26th day of June, 2011.

BETWEEN: SUNWEST FOOD PROCESSORS LTD.
31100 Wheel Avenue, Abbotsford, BC
(hereinafter referred to as the "Employer")

OF THE FIRST PART

**AND: UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL
UNION, LOCAL 1518 INDUSTRIAL SECTOR**
4021 Kingsway, Burnaby, BC
(hereinafter referred to as the "Union")

OF THE SECOND PART

WITNESSETH:

Article 1 - GENERAL

WHEREAS it is the desire of both parties to this Agreement;

- (i) To maintain and improve the harmonious relations and conditions of employment between the Company and the Union;
- (ii) To recognize the mutual value of joint discussions in all matters pertaining to working conditions;
- (iii) To encourage efficiency in operation;
- (iv) To promote the morale, well-being and security of all employees;
- (v) Justice and Dignity: Management/ Supervisory/ Lead Hands/ Bargaining Unit Employees Concerted actions which contravene any of the Collective Bargaining Agreement, the use of vulgarity, profanity, name-calling, swearing, yelling at and/or cursing individuals or the humiliation of individuals will not be tolerated. Offenders who persist in this type of conduct will be subject to discipline, up to and including suspension and/or termination. Lead Hands shall not hire, fire, promote, demote, layoff, assign duties, transfer Employees, exercise any discipline over other Employees, or exercise any of the rights of Management

NOW THEREFORE, this Agreement witnesseth that the parties hereto in consideration of the mutual agreement and covenants hereinafter contained, agree with the other as follows:

Article 2 - BARGAINING AGENCY

2.01 Recognition of Union

The Company recognizes the Union as the sole collective bargaining agency for all employees save and except foreman, persons above the rank of foreman, quality control personnel, sales and office staffs.

2.02 Conditions of Continued Employment

The Company agrees that all employees now members of the Union and all employees who become members of the Union shall remain members in good standing of the Union while employed by the Company during the life of this Agreement as a condition of employment. The Union agrees to indemnify the Company for any expense or loss in which the Company may be involved in any case where an employee discharged by the Company at the Union's written request under the terms of this Agreement, seeks redress by process of law.

2.03 Recognition - Union Shop

(a) The Company agrees to retain in its employ, within the Bargaining Unit as outlined in Article 2, Section 2.01 of this Agreement only members of the Union in good standing.

(b) The Company shall be free to hire new employees who are not members of the Union, provided said non-members shall be eligible for membership in the Union and shall make application within ten (10) working days after employment and become members within forty-five (45) days worked.

(c) The Company agrees to provide each new employee upon completion of ten (10) working days with a form letter outlining to the new employee his or her responsibility in regard to Union membership, and to provide the Union in writing with the name and address of each new employee to whom they have presented the form letter along with the employee's date of hire. The Union shall bear the expense of printing the letter, the contents of the letter to be such that it is acceptable to the Company. The Company further agrees to provide the Union once a month with a list containing names of all employees who have terminated their employment during the previous month. Every employee shall keep the Company and Union informed of his/her home address, postal code and phone number. Employees shall notify the Company immediately of any of these changes, irrespective of whether the change is permanent or temporary in nature. Failure of the Employee to do so will relieve the Company of any responsibilities it may have under this Agreement.

The Company shall advise the Union quarterly of any change in employee addresses.

2.04 Deduction of Dues

(a) The Company agrees to deduct from the wages of each employee, upon proper authorization from the employee affected, such initiation fees, union dues, fines and assessments as are authorized by regular and proper vote of the membership of the Union. The Company agrees to honor a written assignment for initiation fees and union dues on behalf of any employee who is or becomes a member of the Union.

(b) Monies deducted during any month shall be forwarded by the Company to the Secretary-Treasurer of the Union on or about the thirtieth (30) day of the month following for which dues are deducted and accompanied by a written statement of the names for whom the

deductions were made and the amount of each deduction, along with a list of names of the employees for whom no deduction was made and the reasons therefore. The amount of Union dues paid by an employee during a taxation year shall be shown on the employee's statement of remuneration paid form, T-4, supplementary, or such other similar form furnished by the Federal Income Tax Authorities.

2.05 Union Representative Visits

(a) A full time Union Representative, known to the management as the Business Agent, will be entitled to visit the unit for the purpose of observing working conditions, interviewing members, and to insure that the terms of the Collective Agreement are being implemented.

(b) Under no circumstances will a Union Representative interrupt, disrupt or stop any employee while engaged in the performance of their duties. If the Union Representative wishes to speak to any employee, he/she shall first obtain permission from the **General Manager, or in his/her absence, the Plant Manager or the Human Resources Manager**, who shall not unreasonably deny this request.

(c) Prior to entering the plant and before visiting the plant, the Union Representative shall contact the management representative and advise that he/she intends to visit the plant. The Company shall then allow the Chief Steward or his/her designated representative to accompany the Union Representative during such visits. In cases where such visits result in the Chief Steward or his/her designee being away from their work for a period of greater than one-half (1/2) hour, then such additional time will be without pay by the Employer.

(d) When in the plant, the Union Representative will follow and observe all policies governing plant operation.

Article 3 - MANAGEMENT

3.01 Management Rights

(a) The Union agrees that the management of the Company, including the right to plan direct and control its operations, the direction of the working force and the termination, suspension, or discipline of employees for just and sufficient cause are vested exclusively in the Company, subject to the terms of this Agreement.

(b) The Union recognizes that the Company has the right to make, and alter from time to time, rules and regulations to be observed by employees, subject to the grievance process.

(c) The Company agrees that it will act in a manner that is fair, reasonable and consistent with the terms of this Agreement.

(d) The Employer therefore retains all rights not otherwise specifically covered in this Agreement.

Article 4 - WAGES

4.01 Wage Schedule to Cover All Employees

Attached to this Agreement shall be a Wage Schedule covering all employees. This shall not apply to employees excluded in Article 2, Section 2.01. No employee shall hold more than one (1) classified position.

4.02 Additions or Deletions to Wage Schedule

Classification and rates of pay for such classifications shall be in accordance with the "wage schedule" which shall form part of this Agreement. Any additions to the present classifications shall be established by the Company subject to review by the Union. Rates of pay for new classifications shall be established by collective bargaining and subject to the grievance procedure. Any new job rates agreed to shall be retroactive to such date the new job was instigated.

4.03 Substitutions and Transfers to Jobs

If an employee substitutes in any classification during the temporary absence of another employee, because of sickness, holiday leave or other similar cause he or she shall receive where such job pays less, his or her former rate of pay and where such job pays more, the rate applicable to the temporary job. In the case of temporary transfers, the basis of transfer shall be the junior qualified employee in the plant provided, however, no senior qualified employee makes a request for such temporary vacancy/transfer. The word "temporary" as used in this Agreement shall be defined as a result of mutual agreement, arrived at after consultation between the Union and the Company, based upon the merits of each individual case. The Company agrees to notify the Chief Shop Steward **once per week** in writing of the names of employees that are temporarily transferred for any period of time exceeding two (2) shifts.

4.04 Inequalities in Rates

Where inequalities in individual rates are alleged to exist, they shall be dealt with as provided for in Article 13 - Grievance Procedure.

4.05 Job Reduction

If due to job reduction an employee is transferred for a period of less than seven (7) weeks to work where the job rate is lower, he or she shall retain his/her regular job rate. At the expiration of seven (7) consecutive weeks the lower job rate shall prevail and the employee shall cease to have any right to return to his/her prior posted job unless on a new posting. 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. When the transfer is the result of inability to perform the job, health, or request, the lower rate shall apply immediately.

4.06 Injury / Wage Protection / Transportation

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 he or she is sent to the hospital or for medical attention on instructions from the first-aid department, but if such is not possible, then by a Company representative. In the event that no Company representative is present to report to, the Company will provide a telephone number to the employees where a report of their accident may be received. Costs incurred as a result of

transportation to and from the Practitioner and/or hospital, at the **discretion of the first aid attendant**, shall be borne by the Company.

4.07 Off-shift Premium

Effective August 1, 2011, each Employee shall receive an off-shift premium of **fifty cents (\$0.50)** per hour for all hours worked on shifts commencing at 1:00 p.m. to **6:59 p.m.**, and **seventy-five cents (\$0.75)** per hour for all hours worked on shifts that commence after **7:00 p.m.** to 3:00 a.m.

Article 5 - SENIORITY

5.01 Seniority Application

Seniority shall operate on a total plant basis except where otherwise provided in this Agreement. Employees may not use their seniority during a short work day to displace a more junior employee if that displacement would result in the payment of overtime that would otherwise not be payable.

5.02 Probationary Period

After an employee has an accumulative period of service of forty-five (45) days worked with the Company, he or she shall be granted seniority, which shall date retroactively to the date he or she entered the employ of the Company.

5.03 Filling of Vacancies

(a) In the Bargaining Unit, the filling of permanent 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 be less than fifteen (15) working days, however, if mutually agreed **between the Employer, the Union and the employee** this period may be extended a maximum of **thirty (30)** working days. Employees shall receive the applicable job rates provided for in the Wage Rate Schedule for the job or jobs they have been posted or appointed to when they become qualified. The Chief Shop Steward shall be notified in writing no later than two (2) working days after the expiry date of the job posting as to which applicant has been chosen to fill the vacancy. All vacancies shall be posted within five (5) working days from the time they became vacant. A vacancy exists when it is performed for fifty (50%) percent or more of the regular work week for six (6) consecutive weeks. If it is obvious that a person cannot qualify or is causing serious loss or damage to product or equipment, he or she may be removed at any time and returned to his/her prior position.

(b) The word "qualified" as used in this Agreement shall be interpreted to mean regularly perform the job without instruction or assistance.

(c) 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 appointment, and the appointee automatically given posted status. Posted employees are not subject to being appointed unless they voluntarily relinquish their posted position. Transfer to jobs will be made within twenty (20) working days from the date the posting was awarded. Employees who lose their seniority under this provision and are subsequently re-hired shall have their prior Service Credits recognized for the purposes of advancement through the Progression Grid Increases outlined in the Wage Schedule of this Agreement. Vacancies being posted as a result of the provisions of this clause, shall also

include the specific shift and such shift shall subsequently form a part of the posting. Furthermore the posting shall clearly identify the opening and closing dates for applications, the title of the vacant position, applicable rate of pay for such vacant position. When a posted employee is laid off, he shall return to his prior positing upon recall, provided that the period of layoff does not exceed two (2) months. Temporary vacancies such as sickness, compensation and holidays etc. need not be posted. The word 'temporary' as used in this Agreement shall be defined as a result of mutual agreement between the local grievance committee and the Company based upon the circumstances of each individual case.

(d) Only the original vacancy and the one (1) successive vacancy thus produced will be posted, the subsequent vacancy being filled by appointment, with the appointee automatically given posted status. In any case, there shall not be more than one (1) posting per **three (3)** consecutive months per employee. This **three (3)** month period shall commence from the date that the applicant or appointee was awarded the posting. An appointment to a job shall not constitute one of the postings that employees are entitled to secure per each six (6) month period.

(e) A standard application form shall be designed by the Company. All employees applying for vacancies shall be required to file their application in duplicate - one with the Union and one with the Company. All Employees applying for vacancies shall be required to file their application with the Company.

(f) Employees without 'posted status' or who lose their posted position as a result of the provisions of this Agreement will become a 'Floater' (i.e.: a person without a regular job posting).

(g) In the event of a posted vacancy that reasonably requires a certified pallet jack operator or a certified fork lift operator, the Employer shall, on behalf of the employee arrange for the appropriate licensed instruction and upon successful certification, and the successful completion of the trial period per section 5.03(a) and 5.03(b), will reimburse the costs of certification, including lost wages.

If a certified pallet jack operator or certified fork lift operator terminates his/her employment or position, prior to expiry of one (1) year after receiving the certification he/she incurred in the successful certification process, he/she shall be required to refund the payment he/she received for the cost of the certification process, including reimbursed wages.

Such reimbursement shall be made on a prorated basis, and the reimbursable amount shall be calculated as follows:

Total cost multiplied by (12 minus the number of completed months since certification) divided by 12.

5.04 Rehabilitation Program

(a) Employees shall, in the case of long-term ill health or injury, be given an opportunity of being rehabilitated on specific jobs within the plant, should an opening occur at the time they are released to return to the work force, or within ten (10) days following the time they are able to return to the work force. If for medical reasons they are unable to return to work, and there are no job openings available, they will be laid off until a recall or vacancy occurs.

(b) Employees covered under the provisions of this clause must present a Doctor's certificate authorizing their return to the work force. The Company shall bear the full cost of any medical information requested by the Company.

(c) If the employee lacks sufficient seniority over other employees for a posted job vacancy, the Company may, subject to mutual agreement, assign the returning employee to that vacancy for rehabilitation and so inform the Local Union.

(d) Employees being assigned under the provisions of this clause shall be eligible to receive the customary trial period in order to qualify for such postings as outlined in Section 5.03 of this Article.

(e) An employee absent for three (3) days or longer is required to furnish a Doctor's note to verify his or her reasons for absence or to authorize his/her return to work after illness or injury. For W.C.B. claims of any duration, an employee may be required to furnish a Doctor's note to authorize his or her return to work after such disability or injury. The Company will be responsible for the full costs of any medical information requested by the Company.

5.05 Seniority Records

Seniority records will be made available to the Union once per month on the final working day of the month.

5.06 Loss of Seniority

Seniority service records shall not be considered broken and there shall be no interruption in an employee's continuity of seniority rights except as specifically provided here:

(a) When an employee voluntarily leaves the service of the Company.

(b) When an employee has been discharged for just cause and such termination has not been reversed by the grievance procedure.

(c) When an employee has been let out of employment by the Company for a period longer than the time allowed in the following schedule:

<i>Length of Seniority at date of Separation</i>	<i>Length of Allowable Time Off Payroll</i>
Over 45 working days to 9 months	Time equivalent to one-half (1/2) their length of service
Over 9 months	Time equivalent to length of service up to eighteen (18) months

5.07 Seniority in Lay-offs and Recall

(a) On reducing and increasing forces, seniority shall govern, provided the senior operator is qualified to handle the work performed by the operator of lesser seniority. In cases of dispute, it shall be subject to the grievance procedure. It is understood that the order of layoff regardless of duration or recall shall be in accordance with the seniority records list referred to in Section 5.05 of this Article.

(b) Notice of Lay-off to Chief Steward

A list of employees to be laid off or recalled shall be given to the Chief Steward of the plant or his/her designee, at least two (2) days in advance of such lay-off or recall.

(c) Seniority in Recall

When forces are increased, recalled employees will be re-employed in order of seniority and paid the rate of the job to which they are assigned. Employees who have been laid off and are re-hired shall not lose the credit for their previous experience in computing their pay rates and shall not have their pay rates reduced if the employee is re-hired in the same department that he or she worked in at the time the employee was laid off.

5.08 Recall to Work After Lay-off

Any laid-off employee who has been notified by registered letter at his or her last known address to return to work and within seven (7) working days has failed to do so, or failed to contract the office, shall be considered to have quit his or her employment voluntarily and his/her existing seniority rights shall thereupon be terminated. When any such notice is sent to an employee by registered letter, copy thereof shall be sent concurrently to the Union grievance committee.

5.09 No Interruption of Seniority

If an employee is absent from work because of sickness, approved leave of absence or accident he or she shall not lose seniority rights and shall also return to the position held prior to his or her absence or in the event that the job has been eliminated to one of equal rating, providing he or she is capable of performing former duties. In the case of sickness and accident, it shall be the duty of each employee so absent to notify the Company weekly of the reasons for absence and how long they expect their absence will last. Under the provisions of this clause, employees shall continue to accumulate seniority during such absences. It is agreed that employees give notice, where possible, of not less than three (3) days prior to their return to work after being absent for a period in excess of four (4) weeks.

5.10 Seniority Defined

Seniority shall be defined as the length of service with the Bargaining Unit. Service with the present Company and, for existing employees, its predecessors shall be used for the purposes of exercising seniority rights under this Agreement. Should seniority be broken, seniority shall then be calculated from the date he or she returned to work following the last break in his/her seniority.

5.11 Notice of Lay-off

In the case of layoff of more than one (1) day, all employees shall receive notice in accordance with the following scale or receive pay in lieu of notice.

After one (1) year senioritytwo (2) working days

5.12 Lay-off Option

In the event that there is a reduction in the workforce for a period longer than two (2) days, it is understood and agreed that Employees may use their seniority, in order of seniority, for the purposes of electing to be laid off, for that specific reduction period, rather than to remain on the payroll. The employee shall make application to his or her supervisor in writing to be laid off for the short work week(s) on a form to be provided by the Company.

5.13 Automation and Technological Change

(a) The Company will provide the Union with three (3) months notice in writing of intention to introduce automation equipment or technological changes which will result in displacement or reduction of personnel. Such notice shall contain the following information when it becomes known or available to the Company:

1. Estimated number of Employees facing job loss.
2. Estimated number of Employees to be displaced/ transferred..
3. Estimated duration of job loss, transfer/ displacement.
4. The kind of automated equipment and/or specifics of the technological change being contemplated and the departmental areas affected.

(b) Employees becoming redundant due to technological change, new equipment or procedures shall be eligible for retraining to equip them for the operation of such new equipment or procedures, or to qualify for new positions. Such retraining will be provided by the Company without loss of pay to the affected Employee(s).

(c) In cases where the retraining of Employees is not practical, or where other positions with the Company are not available, the Employee(s) shall elect for termination of employment or shall elect to be placed on the recall list. An Employee on recall under this Section, shall receive all the benefits the Employee had accrued during employment at the end of the recall period or at such earlier time as the Employee may elect to terminate. Employees on recall under the provisions of this clause shall report to work within the stipulated period of time as outlined in Article 5.08.

(d) A specified extension of the recall period where recall is applied under subsection (c) above may be mutually agreed by the Employee and the Company, subject to written approval by the Union.

(e) Employees whose services are terminated because of automation or technological change, shall receive a separation allowance in accordance with the scale outlined in Article 23 of the Agreement.

Article 6 - SAFETY AND HEALTH

6.01 Provisions / Equipment / Responsibility

The Company shall make reasonable provisions for the safety and health of employees of the plant during the hours of their employment. Protective devices and other equipment necessary to properly protect the employees from injury shall be provided by the Company with no cost to the employee, unless lost or misused by the employees.

6.02 Safety Committee Function

There shall be a Union-Company safety committee which shall be set up as follows: The Company may appoint one (1) or more representatives from the Management staff (not to exceed two [2]) and the Union may appoint up to two (2) representatives from their membership covered by this Agreement. Both parties in making their appointments shall be motivated by the need for selecting people who will best be capable of promoting safety throughout the plant. The safety committee shall alternate chairman for each meeting. Minutes shall be kept by one mutually agreed secretary, who may be a member of the committee. Regular meetings of the

Safety Committee shall be held monthly, with all members of the Safety Committee being present. The Company shall be responsible for the calling of and holding of the safety meetings referred to herein. It is understood that these meetings shall be held on "Company Time" exclusive of overtime.

6.03 Safety Tests

All safety tests, safety inspections and safety tours, shall be conducted in the presence of the Union co-chairman of the safety committee, or in his or her absence, a Union member of the safety committee.

6.04 First-Aid Ticket

The Company shall reimburse the First-Aid Attendant for all costs incurred in the maintenance and successful course completion of First-Aid tickets required in the performance of their duties. Such reimbursement shall be paid no later than two (2) weeks after receipt of proof of incurred costs including lost time as follows:

- (a) Level 1: Up to 8 hours, to include the course and exam
- (b) Level 2: Up to 40 hours for the course and up to 8 hours for the exam.

The senior First-Aid Attendant shall have a minimum of one-half (1/2) hour each week on company time to attend the needs of the First-Aid Room.

If a First Aid Attendant terminates his/her employment or position, prior to expiry of one (1) year after completion or maintenance of the first aid ticket, he/she shall be required to refund the payment he/she received for the cost of the First Aid Course and up to forty (40) hours for the course and eight (8) hours for the exam.

Such reimbursement shall be made on a prorated basis, and the reimbursable amount shall be calculated as follows:

Total cost multiplied by (12 minus the number of completed months since certification) divided by 12.

6.05 First-Aid Premium

The Company will determine the number of first-aid attendants required, and will post any vacancies, specifying shift required. The posting will be filled by the senior qualified applicant.

First Aid Attendant shall be paid the following:

- Level 1: \$.50/hour
- Level 2: **\$1.00/hour (Effective August 1, 2011)**

Article 7 - DURATION OF AGREEMENT

7.01 Duration

Except where specifically stated to the contrary, the terms of this Agreement shall be in full force and effect from **August 1, 2010** up to and including **July 31, 2014**, and thereafter from year to year unless either party gives notice in writing of termination or amendment of not more than

one hundred and twenty (120) days and not less than thirty (30) days prior to the date of expiration.

7.02 Continuation

During the period of negotiations resulting from any of the provisions above, this Agreement shall remain in full force and effect.

Article 8 - HOURS OF WORK AND OVERTIME

8.01 Negotiated Schedule and Premiums

(a) For the purpose of calculating if overtime is payable, the Company shall set an Hours of Work Schedule and negotiate with the Union. The Union recognizes the needs of the business in negotiating changes in the hours of work schedule. Cases of disagreement may be dealt with under the grievance procedure beginning at the Second Step. The schedule of hours may vary from department to department but shall not total more than forty (40) for any one payroll week and must not exceed more than eight (8) hours per day, Monday through Friday, or ten (10) hours per day Monday to Thursday, or twelve (12) hours per day, Friday to Sunday. In no case will the twelve (12) hour schedule be implemented if hours are reduced from either of the 5 x 8 or 4 x10 hour schedules. Employees hired prior to **April 13, 2003** shall not be assigned to the Friday to Sunday twelve (12) hour schedule of hours except by application.

The negotiated Schedule of Hours shall be as follows:

	8-Hour Shift	10-Hour Shift	12-Hour Shift
Day Shift – Start Time	6:00 am – 11:00 am	5:00 am – 10:00am	5:00 am – 10:00 am
Afternoon Shift – Start Time	2:00 pm – 7:00 p.m.	3:00 pm – 8:00 pm	5:00 pm – 10:00 pm
Night Shift – Start Time	10:00 pm – 3:00 am	9:00 pm – 2:00 am	

Effective the date of ratification, Employees scheduled for the Friday, Saturday and Sunday twelve (12) hour shifts, who have not voluntarily reduced their hours on these shifts, shall receive a four (4) hour straight-time top-up.

(b) Employees may elect to bank hours of overtime, up to a maximum of **one hundred and twenty (120)** straight-time hours per calendar year. This decision must be communicated to the Company in writing, with the appropriate forms provided by the Company, prior to November 1st. Banked hours are earned during the calendar year beginning January 1 to December 31. Banked hours will be paid at the rate the Employee was receiving at the time he earned the banked hours. Under this provision, Employees will be restricted to a maximum eighty (80) hours in time off with the remainder paid out by December 31st of each year (no carry-over). Employees intending to take time off under this provision shall schedule their time off in accordance with the vacation scheduling provisions of Articles 10.05 and 10.06 but will not be permitted to schedule banked overtime off during the months of June, July, August and September. A sincere effort shall be made to grant time off as required by the Employee. Portions of banked time may be taken off on a daily or weekly basis. Upon three (3) weeks' notice to the Company, hours banked, but not taken, shall be paid upon request. Accumulated hours will be recorded and such recap shall be made available to Employees upon request.

8.02 Four-hour Guarantee

(a) Any employee who reports for work and who, by reason of some breakdown in the plant, is dismissed for the day, shall receive four (4) hours pay at least.

(b) An employee reporting to work late on his or her regular scheduled shift shall not be entitled to overtime rates of pay until completion of their regular scheduled shift. An employee reporting to work late on his regularly scheduled shift shall be obligated to complete his shift if required by the Company.

8.03 Schedules

A schedule will be posted on Thursdays by 3:00 p.m., identifying the anticipated production schedule for the following week, and the expected hours of work.

The Company agrees that, except by mutual consent, no individual's schedule shall be changed without twenty-four (24) hours' notice. It is understood and agreed that shift preference shall be by seniority.

Note: Actual shifts within a schedule may vary due to product availability. Sunwest Processors will take reasonable measures to reduce inconveniences that may be caused from these unexpected changes.

8.04 Overtime

(a) When it is necessary to work overtime, a company representative shall canvass the employees. The personnel selected shall be the senior qualified employees in the plant provided their schedule coincides with the shift requiring the overtime work. In the case of overtime on Saturdays, Sundays or Statutory Holidays, the basis of selection shall be the senior qualified employees in the plant. If any senior qualified Employee has been inadvertently missed for overtime, he shall be paid the applicable amount of overtime he has missed.

(b) All time worked before or after the above schedule of hours shall be paid at one and one-half (1-1/2) times the employee's regular rate of pay. If the employee works in excess of ten (10) continuous hours, the employee shall be paid double time for such additional hours. For work performed on Sunday, double-time shall apply. If the Employee who is scheduled five (5) eight- (8-) hour shifts or four (4) ten- (10-) hour shifts reduces their weekly hours below forty (40) in the week preceding an overtime shift, such Employee will not be eligible for the overtime rate for that overtime shift until they have completed forty (40) straight-time hours worked.

(c) The Company will limit overtime hours of work as far as reasonably possible. The Company will first discuss the matter with the Union, if crew overtime is involved, or if overtime is involved for individuals. If overtime is necessary, the Union will encourage employees to work. In the event that the Company requires overtime, all employees involved in the overtime shall be provided with notice to this effect when the Company is first aware of the overtime requirement or two (2) hours' notification on the day overtime is required unless otherwise mutually agreed. Such notice shall specify the expected duration of the overtime requirement.

(d) When overtime is required two (2) hours beyond the regular quitting time, a paid rest period of fifteen (15) minutes shall be granted before, during or after the overtime work. The provisions of this clause shall be administered by mutual agreement between the Union and the Company.

(e) It is agreed that all overtime work shall be voluntary and that no employee shall be compelled to work overtime, nor shall he or she be discriminated against for refusal to work

overtime. If an employee agrees to work overtime, such employee shall be obligated to complete the overtime shift.

(f) Employees who work in excess of three (3) hours beyond their normal quitting time shall be allowed a thirty (30) minute meal period at the applicable overtime rate.

(g) Effective the date of ratification, Employees required to work more than one-half (1/2) hour past the mid-point of their scheduled shift, unless otherwise mutually agreed, without a first meal period, shall be compensated at one and one-half (1-1/2) their hourly rate for all time worked in excess of the mid-point of their shift plus one-half (1/2) hour until a meal period is granted. When Engineering and Maintenance Employees are required to be engaged in continuous shift operations, they shall be exempt from this clause, but shall be entitled to a lunch period of thirty (30) minutes on Company time.

8.05 Recall Guarantee

Any hourly rated employee who, after leaving the Company's premises, is called in at any time outside his normal working hours shall be through when the job is over but shall nevertheless be paid a minimum of four (4) hours at the regular rate or for hours he or she actually worked at the applicable overtime rate, whichever is the greater.

8.06 Rest/ Meal Periods

Every employee shall be entitled to a fifteen (15) minute rest period without deduction of pay, to commence between two (2) to three (3) hours after the commencement of both of his or her half shifts. The unpaid lunch period of one-half (1/2) hour duration shall commence as near to the mid-point of the schedule as possible. Employees scheduled to work a twelve (12) hour shift shall be entitled to a first rest period of twenty (20) minutes and a second rest period of twenty-five (25) minutes on Company time, at the midway point of their first six (6) hours and midway point of their second six (6) hours.

8.07 No Management Work

Except in emergency situations, management personnel shall not be allowed to do production work, nor shall management personnel displace Union personnel. In cases where management is involved in the training of unqualified employees, such training shall not be considered a violation of this clause.

8.08 12 Hours Rest Between Shifts

All employees shall be entitled to twelve (12) hours of rest between shifts. Employees may be required to work with less than twelve (12) hours' rest because of an emergency.

Article 9 - STATUTORY HOLIDAYS

9.01 List

(a) The Company agrees to pay all employees at their regular rates of pay for the normal hours of work as set forth in the Hours of Work Schedule on each of the following Statutory Holidays whether they work or not:

New Year's Day
Good Friday
Victoria Day
Canada Day (July 1)
B.C. Day (First Monday in August)

Labour Day
Thanksgiving Day
Remembrance Day
Christmas Day
Boxing Day

and any other holiday that may be declared by either the Federal or Provincial Governments.

Effective date of ratification, all Employees with one (1) year's seniority and over will be credited with a statutory holiday, which will be recorded upon the Employee's individual anniversary date on their pay stub and taken as a floater. The selection regarding the exercising of their floating statutory holiday shall be on the basis of seniority and shall in addition be selected by mutual agreement between the Employee and Company. Employees shall provide the Company with a minimum two (2) weeks' notice of their selection.

(b) If an employee is required to work on any of the statutory holidays mentioned herein, he shall receive in addition, pay for hours actually worked on the statutory holiday at two (2) times his regular job rate.

Employees working on any of the statutory holidays referred to herein may designate a day off to be taken in lieu of the statutory holiday worked. Such designation shall be on the basis of mutual agreement.

(c) In the event that a statutory holiday falls on either a Saturday or Sunday, the Company shall designate either the Friday before or the Monday after the holiday and provide the employees with two (2) weeks' notice of the designated day.

(d) If an employee is absent on the day before or after a Statutory Holiday, they must present documentation to show just cause for their absence, or payment for the holiday may be withheld, subject to the Grievance Procedure. The Company shall bear the full cost of any medical information requested by them.

9.02 Lay-off or Recall in Holiday Weeks

Employees on lay-off or who are recalled in the pay weeks in which the public holidays fall, shall receive eight (8) hours' pay at regular rates for such holiday, provided he or she receives pay for hours worked in the month preceding or succeeding the statutory holiday. To qualify for this holiday pay, employees must work out their lay-off notice or report to work on recall when required as the case may be.

Article 10 - VACATION POLICY

10.01 Vacation Entitlement

The Company agrees, subject to the provisions set forth within the following sections to grant the following vacations with pay to employees covered by this Agreement:

After one (1) year two (2) weeks
After four (4) years..... three (3) weeks
After nine (9) years four (4) weeks
After **fifteen (15)** years five (5) weeks

After **twenty-four (24)** years six (6) weeks

10.02 Calculation of Holiday Pay

Accumulated vacation credits shall be itemized and shown each pay period. All employees shall receive pay on the basis of:

(a) Two percent (2%) of his or her total earnings for the previous year per each week of vacation entitlement.

(b) For employees who are absent for reasons of sickness and/or accident, who return to work following these phases, shall nevertheless be entitled to annual vacations as set out in Article 10, Section 10.01 and pay for such vacations shall be provided for in clause 2(c), and these days of absence shall be considered as days worked for the purposes of this Agreement Employees shall, upon their return to service with the Company, receive service credit for each week of such absence, not to exceed twenty-six (26) weeks, as if earnings had been received, on the basis of forty (40) hours per week, at his or her regular rate of pay. The provisions of this clause shall be restricted to a total maximum accumulation of twenty-six (26) weeks in each calendar year.

(c) In case of compensable accident, employees shall upon their return to service with the Company receive service credit for each week of such absence as if earnings have been received on the basis of forty (40) hours per week at his regular rate of pay, in accordance with the following scale and to a maximum of fifty-two (52) weeks on any claim.

<u>Service Factor</u>	<u>Service Credit</u>
3 months - 4 years.....	10 weeks
4 - 10 years	26 weeks
10 years and up.....	52 weeks

The provisions of this clause shall be restricted to a maximum accumulation of fifty-two (52) weeks on any claims.

(d) In case of sickness or non-compensable accident employees shall upon their return to service with the Company receive service credit for each week of such absence not to exceed twenty-six (26) weeks as if earnings had been received, on the bases of forty (40) hours per week at his or her regular rate of pay. The provisions of this clause shall be restricted to a total maximum accumulation of twenty-six (26) weeks in each calendar year.

It is understood and agreed that in the case of compensable accidents (WCB), and/or accidents where the employee is receiving benefits from ICBC and is receiving holiday pay as part of those benefits, they are not entitled to credit towards their vacation year with this Employer as well.

(e) Definition of Regular Rate: It is also understood that the 'regular rate' shall be defined as the rate being paid at the time vacation is taken or at the time vacation pay is requested. It is further understood and agreed that the `regular rate' shall be the rate paid in accordance with the wage schedule, for the job or classification to which an employee is assigned. It is understood that such assignment shall be for a period of not less than four (4) weeks.

10.03 Payout of Vacation Earned

Earned vacation privileges not exercised shall be paid if and when an employee quits or is discharged for just cause from service at a rate equal to the amount of vacation earned. Except as otherwise provided herein, vacation pay will be paid at the commencement of the employee's scheduled vacation. Employees shall receive their vacation pay in the period prior to commencing their scheduled vacation.

10.04 Eligibility / Common Anniversary

An employee who has received his or her first vacation is thereafter eligible to receive subsequent annual vacations any time on or after January 1st in the succeeding vacation year in accordance with the provisions of 10.05. If, due to the provisions of this clause, employee(s) are entitled to an amount of vacation providing for service of less than one (1) year, such employee(s) shall have their calculation of vacation pay determined as outlined under the provisions of 10.02 of this Agreement.

The Company and the Union agree to recognize 'personal' anniversary dates for the purposes of vacation eligibility and calculations. 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 10.01 above shall become eligible for such additional week of vacation on completion of the required years of service.

10.05 Selection of Vacation Periods

The selection of vacation periods shall be on the basis of seniority in each department with the senior employee being given first preference. Vacation may be granted at any time, subject to the demands of the business, but the Company will make a sincere effort to grant vacations at the time requested by the employees. The Company and the Union agree to the following schedule off on vacation in each department per shift at any one time:

Maintenance.....	two (2) away at a time
Sanitation	two (2) away at a time
Shipping	one (1) away at a time
Production – Day Shift, Side One	two (2) away at a time
Production – Day Shift, Side Two	two (2) away at a time
Production – Day Shift, Side Three.....	two (2) away at a time
Production – Afternoon Shift, Side One	two (2) away at a time
Production – Afternoon Shift, Side Two	two (2) away at a time
Production – Afternoon Shift, Side Three.....	two (2) away at a time
Production – Night Shift, Side One	two (2) away at a time
Production – Night Shift, Side Two	two (2) away at a time
Production – Night Shift, Side Three.....	two (2) away at a time

10.06 Vacation Schedule

The Company, in full cooperation with the Union Steward, will post a "Vacation Schedule", beginning the first Monday in November on the Union bulletin board in order to determine the Employees' desired vacation times. The selection of vacation will be completed within the following schedule:

- (a) Employees with four (4) weeks' vacation Three (3) weeks from date of vacation posting

- (b) Employees with three (3) weeks' vacation Three (3) weeks after completion of four-week Employees
- (c) Employees with two (2) weeks' vacation Three (3) weeks after completion of three-week Employees

At the end of the vacation selection period, Employees who failed to book their vacation within their allotted time schedule will have their vacations assigned by the Company, based on the demands of the business. Such assignment by the Company will be completed by the second Monday in January.

10.07 Statutory Holiday During Vacation

If a paid holiday falls within the employee's vacation period, the Company will allow the employee concerned a compensatory day's holiday with pay. This compensatory day's holiday will be taken on a day selected by mutual agreement between the Employee and the Company.

10.08 Vacation Pay During Lay-off Or Short Work Weeks

An employee eligible for vacation that is laid off because of reduction in his or her crew shall be allowed pay for the vacation for which he/she has qualified.

10.09 Separate Cheque

Vacation pay shall be paid to the employee by **payroll deposit on the regular payday as part of the normal payroll cycle.**

Article 11 - GRIEVANCE PROCEDURE

11.01 Grievance Committee Structure

(a) A Grievance Committee, the number not to exceed two (2) (one member and one alternate), who shall be regular employees of the Company, shall be elected by the Union in a manner determined by them, and the Company shall be kept informed of the personnel of this committee.

(b) Shop Stewards, the number to be decided by the Union, shall be elected by the Union in a manner determined by them and the Company shall be kept informed of the personnel of the Shop Steward.

(c) All grievances shall be taken up on Company time during working hours and shall be paid at straight time rates.

(d) If a Steward or Chief Shop Steward or Grievance Committee Member has to leave his or her job or department in connection with a grievance he/she shall first secure permission from the foreman before leaving the job or department. Such permission shall be granted as promptly as possible but shall in no case exceed one (1) hour unless otherwise mutually agreed between the Steward and the Company.

(e) It is agreed that the purpose of the grievance procedure will be to settle all grievances promptly, and that consultation at any step on the following procedure will take place quietly and speedily so that friction or animosity will be reduced to a minimum.

(f) The Company recognizes the right of the Grievance Committee to process any grievance that is brought to their attention as outlined under the provisions of (c) above.

11.02 Grievance Procedure

(a) The following procedure shall be applicable progressively to the adjustment of disputes or grievances.

First Step: Between the Union Steward, or Chief Steward, with the employee and an equal number of representatives designated by the Company. A decision must be rendered within two (2) working days, unless mutually agreed otherwise. Failing settlement at this step, the matter shall then be referred to:

Second Step: By the Grievance Committee of the Union who shall take the matter up with the Committee designated by the Company. In case of an emergency a meeting can be called by either party. Outside representatives of the Union and the Company may be called in if so desired. A decision to be rendered within three (3) working days unless mutually agreed otherwise. All grievances and decisions at this stage are to be in writing. Should either party intend to proceed to the "Third Step" they must advise the other party in writing within five (5) working days from the date the decision was rendered under Step 2 of the Grievance procedure. Both parties will then proceed as outlined in the "third step."

Third Step: (a) Any disagreement, grievance or dispute arising under this Agreement which is not settled to the satisfaction of either the Union or the Company under the provisions of this Agreement shall upon written notice of either party be submitted to an Arbitration Board, which shall be bound by the rules of this Agreement. The Board shall consist of a single member named by the parties. In the event of failure to agree to within one week he or she shall be appointed by the Minister of Labour for the Province of British Columbia. Any expense incurred as a result of the appointment of the third party shall be borne in equal shares by the Company and the Union. The decision of the Board shall be rendered within two (2) weeks. The time limits referred to herein may be extended by mutual agreement.

(b) In areas where there is no Steward, the grievance shall be taken up as outlined in this Article by the Chief Shop Steward, or his or her designated representative.

(c) Saturdays, Sundays and Statutory Holidays shall not be considered as "working days" wherever this phrase occurs in this Agreement.

(d) Notwithstanding the provisions of Section 1 (a) above, the aggrieved employee may be present, in addition to the Grievance Committee, if required by either party.

(e) The Company or the Union may at any time refer one or more grievances under the collective agreement to a single mediator/ arbitrator for the purpose of resolving the grievance in an expeditious and informal manner.

The mediator/ arbitrator must begin proceedings within twenty-one (21) days after being appointed.

The mediator/ arbitrator must give a succinct decision within fourteen (14) days after completing proceedings on the grievance submitted to arbitration.

11.03 Error in Earnings

When a grievance, which involves an error in the proper earnings of an employee, is subsequently settled and as a result of such settlement the wage of an employee is increased, such increase shall be made retroactive to the date on which the error in the earnings was made. If the date cannot be established, then the increase shall be effective the date the grievance was laid or such other date as may be agreed upon.

11.04 Steward's Presence During Discipline & Procedure

(a) When the Company deems it necessary to discipline an employee they shall have the Union Steward present. The Union Steward shall be the one who is chosen by the employee and is present in the plant. The Grievor will be entitled to a co-worker of their choice as a witness during the absence of a Shop Steward. If the employee or employees concerned feel they have been unjustly dealt with, they shall grieve within two (2) working days. In the case of suspension or dismissal the Union Steward and Chief Steward or his/her designated representative shall be present. In the case of dismissal, the procedure shall be as in Section 11.04 (b).

(b) If an employee is dismissed for any reason whatsoever and feels he or she has been unjustly dealt with he/she shall within two (2) working days from receipt of notice of dismissal, notify the Grievance Committee who shall within one (1) working day notify the Company in writing. The dismissal shall then constitute a grievance and shall be dealt according to the Grievance Procedure beginning with the "Second Step." If subsequently it is decided that the employee was unjustly dismissed, he or she shall be reinstated in his/her former position and shall be paid for this period during which he/she has not worked as if he/she had not been dismissed, or granted such lesser compensation as seems fair under the circumstances.

11.05 Notification of Suspension or Discharge

The Company must give the Chief Shop Steward and/or members of the Grievance Committee notice in writing of the suspension or discharge of any employee and the reasons within twenty-four (24) hours such action is taken.

11.06 Settlement Final and Binding

When settlement is reached at any stage of these proceedings, such decision shall be final and binding. It is understood that no decision will be made unless representatives of the Union are present.

11.07 Warnings

Warnings issued by the Company or Union as a result of offenses committed by employees shall be void after twelve (12) months, provided there is not an additional warning issued for any offense within the next twelve (12) months. All disciplinary actions taken by the Company shall be void after twenty-four (24) months, provided there is not further discipline awarded during their twenty-four (24) month period. When any such notice is sent to any employee, copy thereof shall be sent to the Local Grievance Committee. The above is subject to the right of the Union to grieve.

Article 12 - LEAVE OF ABSENCE

12.01 Leaves of Absence

(a) When an employee's personal affairs make it desirable for him or her to be relieved temporarily of Company duties, leave of absence without pay beyond the regular vacation to which an employee is entitled may be granted for good and sufficient reason. "Good and sufficient reason" as referred to herein shall be the subject of mutual discussion and shall not be established arbitrarily. Leaves will not be considered between Victoria Day and Labour Day.

(b) Leave of absence in excess of one (1) week before being granted must be requested in writing and approved by the Company.

(c) For leaves of absence in excess of thirty (30) consecutive calendar days, the employee will be required to pay in advance of such leave, all premiums relating to B.C. Medical, dental, life insurance and extended health benefits for the duration of the absence, with part months being prorated on the basis of a thirty (30) calendar day month.

12.02 Restrictions on Leaves of Absence

Except where otherwise provided for in this Agreement 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 him/herself.

12.03 Union Leaves of Absence

(a) One (1) employee who may be elected or appointed to a full time position with the Union, upon proper notice to be agreed upon by the parties of this Agreement, shall be granted a leave of absence, without pay, not to exceed the life of this Agreement. Upon one (1) week's notice of his or her desire to again return to work for the Company, he or she shall be placed upon his/her job previously held, or in the event that the job has been eliminated one of equal pay, without loss of seniority, provided he or she is physically fit and capable of performing the work. Leave of absence under this clause will be given in writing by the Company.

(b) Leave of absence shall be granted upon request by an employee who has been elected or appointed to attend any function on behalf of the Union providing that the absence shall not unreasonably affect the operation of the Company. Such employees shall continue to accumulate seniority for the period covered by this Agreement and upon their return to work shall be reinstated in the job held prior to the leave or of equal rating. Employees on leave under the provisions of this clause shall receive eight (8) hours' pay at their regular rate for Statutory Holidays which occur during such leave of absence. Under the provisions of this clause the Company will be provided with two (2) working days' notice wherever possible.

12.04 Leave of Absence in Writing

Permission for leave of absence must be received in writing and in no case exceed a two (2) month period, provided, however, that it may be extended upon agreement by the parties hereto.

12.05 Leave of Absence for Pregnancy

Requests for leave of absence because of pregnancy will be granted upon application in writing, and supported by a Doctor's certificate a minimum of thirty (30) days prior to commencing the leave. Upon the expiration of the leave of absence the employee may signify that she wishes to

return to work, and in such case she will be reinstated within one (1) week provided she has the necessary seniority and is able to perform the required work. Upon return to work the employee will return to the position previously held or in the event that the job has been eliminated one of equal rating. Under the provisions of this clause employees shall continue to accumulate seniority.

Article 13 - PAY PERIODS

13.01 Deductions

All employees shall receive their pay (including vacation pay) on Company time. Total deductions and earnings which are variable shall be shown on the cheque stub.

13.02 Payday Defined

Payday shall be by 12:00 noon, every second Friday.

13.03 Payroll Deposit

The Company commits to the implementation of a Direct Deposit pay system no later than one (1) pay period following receipt of banking information from all Employees. It is understood that the Employees may select the banking institution of their choice and may change that designation by giving the Company thirty (30) days' notice.

Article 14 - CLOTHING SUPPLY AND FOOTWEAR

14.01 Clothing Changes and Relief

The Company will allow employees adequate relief as well as necessary time for changing clothing or equipment necessitated by a change in working conditions.

14.02 Laundry Service

The Company shall maintain laundry service. All employees shall be supplied with clean laundry when required by the Company. Smocks or coveralls in good repair shall be supplied as required. Steel mesh gloves shall be supplied to employees as required by the Company.

14.03 Clothing Supply and Footwear

The Company agrees to supply cotton gloves, rubber gloves, rubber pants, raincoats and aprons to all employees who require them free of charge, as required by the Company. Employees shall be responsible for any such apparel they may lose. Employees must purchase rubber boots, for which the Company will grant an allowance of one hundred dollars (\$100.00) annually, upon receipt of purchase. Payment to be made within two (2) weeks of presentation of receipt.

Article 15 - HEALTH AND WELFARE BENEFITS

15.01 Health Benefits

(a) M.S.P. of B. C. (Medical Services Plan of British Columbia)

Eligibility: After three (3) months of service for full-time employees and after four thousand, one hundred sixty (4,160) hours for part-time.

The Company shall pay the full premium cost of the coverage for all Bargaining Unit Employees and their dependents.

(b) Insurance

Eligibility: Effective date of ratification (May 1, 2007), after twelve (12) months for full-time and after four thousand, one hundred sixty (4,160) hours for part-time.

All employees and their dependents will qualify. The premiums for these benefits will be paid by the Company for eligible employees and their dependents.

(i) **Life Insurance: Effective Date of Ratification 2011 - \$32,500.** This amount will be paid to the beneficiary in the event of death from any cause. 100% Company paid.

(ii) **Accidental Death and Dismemberment Insurance:** Amount of insurance - Principal amount is - **\$32,500 Effective Date of Ratification 2011.** This amount will be paid to the beneficiary if death results from an accident. 100% Company paid.

(c) Dental Plan

Eligibility: After six (6) months of service for full-time Employees. For part-time Employees after four thousand, one hundred sixty (4,160) hours.

All full-time employees and their dependents will qualify. The premiums for these benefits will be paid by the Company for eligible employees and their dependents.

The Company shall maintain the current plan coverage at no cost to the employee, which shall provide for the following benefit coverage:

PLAN A – 100% of current B.C. College of Dental Surgeons Fee Schedule

PLAN B – 70% of current B.C. College of Dental Surgeons Fee Schedule

PLAN C – 50% of current B.C. College of Dental Surgeons Fee Schedule”

Note: Employees who had the above coverage inadvertently reduced during the period of the preceding Agreement, shall be reimbursed for their Dental Expenses incurred by reason of the reduced coverage, effective with the first payday following ratification of this proposed Offer of Settlement.

(d) Extended Health

Eligibility: After twelve (12) months of service for full-time Employees. For part-time Employees after four thousand, one hundred sixty (4,160) hours.

All full-time employees and their dependents will qualify. The premiums for these benefits will be paid by the Company for eligible employees and their dependents.

The Company shall maintain current extended health coverage as currently in effect at no cost to the employee, which shall provide for the following coverage percentage: 100% of eligible charges for expenses while out of Canada, 50% of eligible charges for orthopedic shoes, 80% of all other eligible charges ... Coverages are subject to deductibles and eligible charges are as disclosed in the Group Benefit Plan Manual (Booklet).

The Employer agrees to have a Prescription Drug Card in place as soon as possible and in no case later than ninety (90) days after Ratification 2011.

(e) Vision Care

Eligibility: After twelve (12) months of service for full-time Employees. For part-time Employees after four thousand, one hundred sixty (4,160) hours.

All full-time employees and their dependents will qualify. The premiums for these benefits will be paid by the Company for eligible employees and their dependents.

The plan will reimburse vision care expenses including the cost of prescription eyeglasses, frames, and contact lenses up **two hundred and twenty-five dollars (\$225.00)** every twenty-four (24) months.

(f) Pension

The Employer agrees to continue to participate in the United Food and Commercial Workers Pension Plan, and to make contributions to the Plan on the following basis.

Effective August 1, 2011: ninety cents (\$0.90) per hour for all hours worked based on Employer contribution of forty-five cents (\$0.45) per hour and Employee contributions of forty-five cents (\$0.45) per hour.

15.02 Benefits and Existing Conditions

The Company will provide drinking water, coffee, sugar and milk powder.

15.03 Insurance Carrier

The Company shall be free to change the insurance carrier provided that such change provides benefits equal to or better than those contained in this Agreement.

15.04 The Company shall continue payment of contributions/ premiums for each of the Health and Welfare Benefit Plans referred to in this Section during periods of layoff that last three (3) months or less, during periods of illness of eight (8) months duration or less, and during any period where an Employee is disabled as a result of a compensable disability of twenty-four (24) months or less. The Company shall continue to pay premiums for life insurance for an Employee who is off work due to illness or disability for eighteen (18) months. However, where an Employee is unable to return to work because of a work-caused disability, payment of the full premiums herein shall be made by the Company on behalf of the Employee until the Employee reaches age sixty-five (65). Where an Employee cannot return to work for the Company, but is re-employed by another employer who provides the benefits of this Section, the benefits covered under this Section will be discontinued.

15.05 Part-Time Employees

There will be no part-time workers employed except by mutual agreement between the Company and the Union, as follows:

(a) Where the Company schedules part-time work, they shall be free to work a maximum number of part-time Employees equal to up to twenty percent (20%) of existing full-time workers at the time for not more than thirty-two (32) hours per week.

(b) There will be no working of part-time Employees when any regular full-time Employee has had their hours reduced by the Company below forty (40) in the week preceding any anticipated scheduling of part-time work/hours. If due to circumstances beyond the Company's control, any regular full-time Employee has their hours reduced to less than forty (40) hours in the preceding week, then this clause shall not apply.

(c) Part-time Employees shall be excluded from the provisions of Article 15, Sections 15.01 (a), (b), (c), (d), (e) and (f) until they complete four thousand, one hundred sixty (4,160) hours worked.

(d) A separate seniority list shall be maintained for part-time Employees. For the purpose of completing their probationary period and accumulating seniority, each eight (8) hours worked shall be considered one (1) day, each five (5) days worked shall be considered one (1) week. In the event of layoffs, the order of layoff for all Employees shall be:

- Probationary Employees;
- Part-time Employees in order of seniority;
- Regular, full-time Employees in order of seniority.

(e) In the event of hiring full-time Employees, first preference will be given to those Employees in order of seniority, on the part-time seniority list.

(f) Part-time Employees shall be paid vacation pay each year at a rate equal to four percent (4%) of the part-time Employee's total wages for the year.

(g) The Union may submit and the Company will consider alternative means of doing the required work, rather than employ part-time Employees and such matters may be subject to the Grievance and Arbitration procedures.

Article 16 - NON-DISCRIMINATION

It shall be the policy of the Company and the Union not to discriminate because of race, sex, creed, colour, age, religion, national origin, ancestry or Union activities. Furthermore, the Company and the Union recognize the right of employees to work in an environment free from sexual, physical or verbal harassment and agree that sexual harassment will not be tolerated in the workplace.

Article 17 - BEREAVEMENT LEAVE

When an employee is absent on up to three (3) of his scheduled days due to the bereavement of an immediate relative, he or she shall receive eight (8) hours pay at his/her regular rate for each such day. A fourth (4th) day will be granted with pay in the event of the death of a direct relative (wife, husband, son, daughter, sister, brother, mother, father). For the purpose of this clause an immediate relative shall be one of the following: Wife, husband, son, daughter, sister, brother, mother, father, mother-in-law, father-in-law, stepmother, stepfather, grandparents, grandchildren, brother and sister-in-law, and any relative residing permanently with the employee. An additional two (2) days may be applied for and granted without pay. Two (2) days leave without pay may be requested and will be granted for the bereavement of aunts

and/or uncles. The Company may require the employee to furnish documentation before making payment under this Section.

Article 18 - NO CONTRACTING OUT

There shall be no contracting out of work presently being performed by members of the Bargaining Unit that would result in a layoff of members of the Bargaining Unit.

Article 19 - APPEARANCE IN COURT

An employee summoned to appear or required to serve jury duty or one who has been served with a subpoena to appear as a witness shall be paid the difference between what he or she would have earned for his/her scheduled hours at his/her paid rate and the court fee received. Employees should notify their foreman as soon as possible after receipt of notice of selection for jury duty or after receipt of the subpoena to appear as a witness. The Company will require the employee to furnish a certificate of service from an officer of the court before making any payment under this section. Leaves under the provisions of this clause shall be recognized and granted on a full day basis.

Article 20 - BULLETIN BOARD

The Company shall allow the Union to install a bulletin board for the exclusive use of the Union. The bulletin board shall be located in an appropriate place in the employees' lunch room and the Union shall have the right to post notices relating to matters of interest to its members.

Article 21 - SANITATION

21.01 Condition of Plant

The Company agrees to keep the plant clean, healthful, sufficiently ventilated and in a well lighted condition at all times, and agrees to pay particular attention to the question of sanitation and health wherever help is to be provided for, and further agrees that where the present conditions are not satisfactory, to adjust the matter as far as that reasonably may be possible.

21.02 Employee Cooperation

The Union agrees that employees will adhere to all Company procedures and policies and other Government regulatory provisions as required.

Article 22 - LABOUR MANAGEMENT MEETINGS

In the event either party finds it necessary to enter into a Labour Management Meeting, they shall submit an agenda and the Labour Management Meeting shall be held within a reasonable time period. Such meetings shall be held on Company time during regular working hours.

Article 23 – SEPARATION ALLOWANCE

23.01 Separation Allowance

Should it become necessary to close the plant or a portion 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. Employees on leave of absence up to one (1) year, and employees receiving Workers' Compensation or off sick will be eligible.
- (c) They have not been granted retirement pension.
- (d) 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.

In order to qualify for separation allowance, employees will continue to work in a satisfactory manner as long as required.

Effective the date of ratification the separation allowance will be as follows:

One (1) to eight (8) years seniority	One (1) week's pay per year of seniority
Nine (9) years' seniority plus	One (1) week's pay per year for each of the first eight (8) years and one-half (1/2) week's pay per year thereafter.

23.02 Employees Accepting Severance Pay

(a) Employees who accept separation pay under the provisions of this clause shall on doing so terminate their seniority and employment relation to the company and shall have no further rights under this Agreement or under any other Agreement between the signing parties.

(b) Notwithstanding 2(a) above, should the Plant re-open the re-hired employee(s) who have received separation pay shall be accredited with full seniority rights accrued during their employment upon returning such separation pay within a period not to exceed thirty (30) working days.

23.03 Employees Accepting Severance Pay

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 employee so 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 shall continue to accumulate seniority during the period of layoff.

23.04 Benefit Contribution Continuation

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, medical, surgical, Major Medical, Dental and Hospitalization Plans. Such contributions shall continue for a period equal

to one (1) week per year of seniority for each Employee, following the month in which the Plant is closed, and will be made on the basis existing at the time of closing.

Article 24 – TOOL ALLOWANCE

Upon presentation of the required tools broken on the job, **and the receipt**, the Company shall **reimburse employees for the purchase of** replacement tools of equal value. Such **reimbursement** shall not exceed **two hundred and twenty dollars (\$220) per year and shall be paid by the following pay period.**

Article 25 – ERROR IN EARNINGS

Any errors in payroll earnings at no fault of the employee, **equal to one (1) day's pay or more** for that employee, shall be corrected within three (3) business days or less. Payroll errors less than those amounts shall be corrected on the next payroll.

Article 26 – GUEST WORKER

At the present time, Sunwest does not have a need for guest workers. If, prior the expiry of this Agreement, the need should arise for the Company to bring in guest workers, the Company agrees to negotiate the terms thereof with the Union.

Signed this _____ day of _____, _____ .

**FOR THE UNION
UNITED FOOD & COMMERCIAL
WORKERS UNION, LOCAL 1518**

**FOR THE EMPLOYER
SUNWEST FOOD PROCESSORS**

Ivan Limpright, President

Scott Cummings, Chief Financial Officer

James Raposo, Director

Doug Mitchell, Chief Operating Officer

Aron Miles, Committee Member

Jennifer Noonan, General Manager

Glenn Cox, Committee Member

Brett Franklin, Committee Member

WAGE RATES

DEPARTMENT/JOB TITLE	Current	<u>August 1, 2010</u> 2.6% increase to Job Rate	<u>August 1 2011</u> 2.6% increase to Job Rate	<u>August 1 2012</u> 2.6% increase to Job Rate	<u>August 1 2013</u> 2.6% increase to Job Rate
PLANT PRODUCTION					
Start Rate	\$ 12.60	\$ 12.60	\$ 12.60	\$ 12.60	\$ 12.60
Job Rate	\$ 17.15	\$17.60	\$18.06	\$18.53	\$19.01
<p><i>Employees receive automatic increases of one-sixth (1/6) of the difference between the Start Rate and the Job Rate upon completion of each six (6) months of service. After thirty-six (36) months, the Job Rate shall apply.</i></p>					
SANITATION					
Start Rate	\$ 12.60	\$ 12.60	\$ 12.60	\$ 12.60	\$ 12.60
Job Rate	\$ 17.15	\$17.60	\$18.26*	\$18.73	\$19.22
<p><i>Employees receive automatic increases of one-sixth (1/6) of the difference between the Start Rate and the Job Rate upon completion of each six (6) months of service. After thirty-six (36) months, the Job Rate shall apply.</i></p>					
<p>*Special one-time adjustment increase of \$0.20 applied to Sanitation job rate August 1, 2011.</p>					
INJECTION/MARINATION					
Start Rate	\$ 13.10	\$ 13.10	\$ 13.10	\$ 13.10	\$ 13.10
Job Rate	\$ 17.65	\$18.11	\$18.58	\$19.06	\$19.56
<p><i>Employees receive automatic increases of one-sixth (1/6) of the difference between the Start Rate and the Job Rate upon completion of each six (6) months of service. After thirty-six (36) months, the Job Rate shall apply.</i></p>					
LEAD HAND					
<p>Lead Hands will receive \$1.00/hour more than the applicable rate in each department.</p>					
SHIPPING RECEIVING					
Start Rate	\$ 15.65	\$ 15.65	\$ 15.65	\$ 15.65	\$ 15.65
Job Rate	\$ 18.65	\$19.13	\$19.63	\$20.14	\$20.66
Head Shipper	\$ 20.15	\$20.67	\$21.21	\$21.76	\$22.33
<p><i>Employees receive automatic increases of 1/6 of the difference between the start rate and the job rate upon the completion of each 6 months of service. After 36 months, the job rate shall apply.</i></p>					

DEPARTMENT/JOB TITLE	Current	<u>August 1, 2010</u> 2.6% increase to Job Rate	<u>August 1 2011</u> 2.6% increase to Job Rate	<u>August 1 2012</u> 2.6% increase to Job Rate	<u>August 1 2013</u> 2.6% increase to Job Rate
MAINTENANCE*					
Chief Engineer	\$1.00 higher than highest paid ticket. Job rate only.				
Millwright with or without 4 th class steam ticket					
4 th Class Engineer					
Start Rate	\$ 22.45	\$ 22.45	\$ 22.45	\$ 22.45	\$ 22.45
Job Rate	\$ 25.45	\$26.11	\$26.79	\$27.49	\$28.20
General Mechanic Attendant					
Start Rate	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Job Rate	\$ 21.60	22.16	22.74	23.33	23.94
<i>Employees, excluding the Chief Engineer, receive automatic increases of 1/6 of the difference between the start rate and the job rate upon the completion of each 6 months of service. After 36 months, the job rate shall apply.</i>					

A lead hand premium of one dollar (\$1.00) per hour shall be paid for the following departments: Oven and Injection, **and** Packaging when it is determined that supervision is required. (There is no intent to change the status quo in the use of appointment lead hands.)

Incumbent employees posting into higher rates of pay shall be paid the Job Rate when qualified and will be credited for months of service in their prior position(s).

It is agreed that the seniority date for Kirandeep Dhillon is May 10, 1997.

Roy Hamilton's position is to be considered Present Incumbent Only (PIO) and as such his rate of pay will be continued and he will receive the negotiated wage increases.

APPENDIX A

Supplemental Wage Schedule

BETWEEN:
SUNWEST FOOD PROCESSORS LTD. (The “Employer”)
-AND-
UNITED FOOD & COMMERCIAL WORKERS, LOCAL 1518 (The “Union”)

1. As of the date of ratification, the wage entitlement of full-time employees will be based on *service* from date of hire, and the wage entitlement of part-time employees will be based on *service equivalent* from date of hire.
2. The parties will recalculate the wage progression of employees based on service or service equivalent (as applicable) from the date of ratification.
3. There will be no retroactive wage adjustments, either upwards or downwards.
4. The Employer will pay wages based on the recalculated service or service equivalent effective May 17, 2001.
5. No employee’s wage rate will be reduced as a result of the recalculation.

AGREED TO THIS 4th day of MAY, 2001.

RENEWED THIS 26TH DAY OF JUNE, 2011.

FOR THE UNION
UNITED FOOD & COMMERCIAL
WORKERS UNION, LOCAL 1518

FOR THE EMPLOYER
SUNWEST FOOD PROCESSORS

James Raposo, Director

Scott Cummings, Chief Financial Officer

Aron Miles

Doug Mitchell, Chief Operating Officer

Glenn Cox

Jennifer Noonan, General Manager

Brett Franklin

APPENDIX B
Turkey Schedule

Setup:

Pre-op: 6:30 a.m.

Injection: 6:00 a.m.
2:30 p.m.

Oven Loading:

Oven 7:00 a.m.

Packaging

Setup: 11:15 a.m.

Packaging 11:45 a.m.
2:30 p.m.
3:30 p.m.

Sanitation

8:00 a.m.