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COLLECTIVE BARGAINING AGREEMENT
 BETWEEN
 ROGERS FOODS LTD.
 AND
 UNITED FOOD & COMMERCIAL WORKERS UNION, LOCAL 1518

BY AND BETWEEN

ROGERS FOODS LTD.
 4420 Larkin Cross Road
 Armstrong, British Columbia
 Canada V0E 1B0

(hereinafter referred to as the "Company")

AND

UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 1518, chartered
 by the United Food and Commercial Workers International Union, A.F.L., C.I.O.,
 C.L.C.

(hereinafter referred to as the "Union")

This agreement is made and entered into this 16th day of July, 1998.

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Preamble

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

It is also the purpose of this Agreement to provide a satisfactory means of settling any differences or grievances that may arise and to establish rates of pay, hours of work and conditions of employment for all employees who are subject to the provisions of this Agreement.

Except where specifically stated to the contrary, or where the sense requires the contrary, use of masculine gender in this agreement shall be considered also to include the feminine.

Now therefore: the Company and the Union mutually agree as follows:

Article 1 - Scope and Coverage

- 1.01** This Agreement applies to all employees of Rogers Foods Ltd., employed in Armstrong and Surrey, British Columbia, except: managerial and supervisory personnel, professional employees, persons employed in a confidential capacity, owner operators and their drivers, sales department personnel and casual employees.
- 1.02** For purpose of definition, the Company and Union agree that an employee is:
- a. a permanent employee, who has successfully completed a probationary period of a minimum of three (3) consecutive months, on a regularly scheduled basis, and is paid on an hourly or salaried base; or
 - b. a probationary employee, who has not completed a probationary period of a minimum of three (3), consecutive months.
- 1.03** The parties agree that the discharge or layoff of a probationary employee shall be at the discretion of the Company.
- 1.04** For purpose of definition, the Company and the Union agree a casual employee is an employee engaged to work on an irregular basis.
- 1.05** For purpose of definition, the Company and Union agree an owner operator means the owner purchaser or lessee of a vehicle and their drivers or employees, under contract to the Company, used for hauling merchandise or other materials for the Company.

Article 2 - Union Security

Union Recognition/Bargaining Unit Description

- 2.01** The Company will not bargain collectively during the term of this agreement with any other labour organization affecting these employees.
- 2.02** The Company acknowledges the Union alone is authorized to bargain collectively on behalf of all employees of Rogers Foods Ltd. as defined under paragraph 1.01 of this Agreement; furthermore, the ratification of this Agreement on behalf of all employees so defined shall be the sole and exclusive right of the Union and its members.

Union Shop

- 2.03** The Company agrees all permanent employees who have joined or may join the Union must maintain their membership in the Union as a condition of employment.
- 2.04** The Company agrees that it is a condition of employment for all new employees to become members and maintain membership in the Union upon completion of their probation, except as this Agreement and the Canada Labour Code permits exemption to any employee on religious grounds. The Company will have new employees sign the Check-Off Authorization and Union Membership Application on their first working day following their date of hire and forward them to the Union. The Company agrees to automatically deduct Union dues from the wages of all new employees. The Company will deduct initiation fees from the employees after completion of probation and after notification from the Union.

Deduction of Union Dues

- 2.05** Where the Union is satisfied that a permanent employee, because of his religious beliefs, objects to joining the Union, such employee may elect, by way of deduction from his wages, to:
- a. pay dues and/or special assessments to the Union, or
 - b. pay an amount equal to the dues and/or special assessments to a registered charity mutually agreed on by the employee and the Union.
- 2.06** The Company agrees to deduct from the wages of each employee covered by this Agreement, whether or not the employee is a member of the Union, dues, initiation and/or special assessments and to remit said amount to the Union in the manner outlined below except as this Agreement and the Canada Labour Code permits exemption to any employee on religious grounds.
- 2.07** Upon receipt of written authorization from the employee, the Company agrees to deduct from the pay of each such employee:

Union dues:

- a. The Company shall deduct from each such employee's pay on a biweekly basis, Union dues fines and assessments or sums in lieu proportionally, as are authorized by regular and proper vote of the membership of the Union and will remit the total amounts so deducted to the Union on or before the fifteenth (15) day of the following month and;
- b. Provide a written statement of the name and social insurance number for whom the deductions were made and the amount of the deduction.
- c. 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.
- d. Initiation and/or special assessments shall be made from the employee's pay commencing on the first pay day next following the date on which notice of such authorization is received from the Union.
- e. The Union agrees to inform the Company in writing seven (7) days in advance of any change in its dues, initiation and/or special assessments.

Article 3 - Union Representation

Union Stewards

- 3.01** The Company agrees to recognize **6** stewards to deal with matters affecting employees in departments or groups of departments in the plant. A list of these stewards and officers shall be supplied to the Company. The Company shall be advised immediately by the Union in writing of any change in this list.

Union Representatives

- 3.02** The Company agrees that access to its premises shall be allowed to any representative of the Union for the purpose of business connected with the Union providing that:
- twenty-four (24) hours notice has been given;
 - they check-in with Human Resources; and,
 - they are accompanied by a company supervisor or designate.

Access by the Company shall not be unreasonably denied.

Access to Personnel Records

- 3.03** An employee shall, with reasonable notice, be allowed to inspect their personnel file and may be accompanied by a representative of the Union if they so desire.
- 3.04** A copy of any document placed on an employee's official personnel file, which might at any time be the basis of disciplinary action, shall be supplied concurrently to the employee who shall acknowledge having received same document by signing the file copy.

Bulletin Boards

- 3.05** The Company agrees to allow the Union to post items such as meeting notices and contract information on all Company bulletin boards. All such posted items must be signed by the Union, Chief Steward or designate. Any other material must have the approval of the Company before being posted.

Right to Union Representation

- 3.06** An employee shall have the right to have their steward present where a supervisor intends to interview an employee for disciplinary purposes, the supervisor shall make every effort to notify the employee in advance of the purpose of the interview in order that the employee may contact their steward, providing that this does not result in an undue delay of the appropriate action being taken. This clause shall not apply to those discussions that are of an operational nature.
- 3.07** Where a Supervisor intends to interview a shop steward for disciplinary purposes, the steward shall have the right to consult with a staff representative of the Union and to have a local Union representative present at any discussion with supervisory personnel.

Equality Rights

- 3.08** Both the Company and the Union endorse the principles of the Canadian Human Rights Code. As stipulated in the Code, the workplace shall be without discrimination based on race, national or ethnic origin, colour, religion, sex, sexual orientation, age, marital status, family status, disability, or a conviction for an offence for which a pardon has been granted.

Sexual Harassment

- 3.09 Every employee is entitled to employment free of sexual harassment. The Company shall make every reasonable effort to ensure that no employee is subjected to sexual harassment in accordance with Division XV.1 of the Canada Labour Code, Part III.
- 3.10 The Company shall issue a policy statement concerning sexual harassment, which shall be available in the workplace.

Article 4 - Management Rights

- 4.01 The Union recognizes that the Company has full and sole authority to:
- a. manage the enterprise, including the determination of work to be performed, methods of performance, scheduling of work and work breaks, the control of materials, the installation of equipment and operating methods;
 - b. maintain order, discipline and efficiency, and to make, alter and amend policies and procedures for employees, provided that such rules are consistent with the spirit, intention and terms of this Agreement and are administered in a fair and reasonable manner;
 - c. hire, direct, transfer, promote, demote, lay off, suspend and discharge and to increase or decrease the working force of the Company, to reorganize, close, disband any Department or section thereof from time to time as circumstances and necessity may require, provided that such actions are consistent with the terms of this Agreement;

Management and Bargaining Unit Work

- 4.02 The Company does not intend to deprive Bargaining Unit members of any work they would normally perform through the use of supervisors to do such work. However, supervisors or other company personnel may perform any type or amount of work at any time.

Article 5 - Employee Grievance Procedure

- 5.01 The Company and Union agree that it is most desirable to resolve misunderstandings and disputes through discussions between the employee and the employee's supervisor (supervisor can mean, foreman, manager or vice president).
- 5.02 A "Grievance" shall mean any difference or dispute concerning the interpretation, application, administration or alleged violation of the Agreement and shall be handled in the following manner:
- 5.03 Both the Company and the Union shall encourage employees to discuss their complaints with their supervisors so as to resolve differences quickly and directly without necessarily having to resort to any formal process as this will benefit all concerned. When this fails to resolve the difference, the formal grievance process will begin at "Step 1".

Step 1 The aggrieved party shall, within (7) days, of the alleged grievance occurring, discuss his/her complaint with a Shop Steward and their immediate Supervisor, who shall meet to endeavor to settle the alleged grievance.

Step 2 If the alleged grievance is not settled within (7) days from the date of the meeting at Step 1, it shall be reduced to writing and referred to the Manager responsible, or his designate, for that part of the business.

The Manager or his designate shall then convene a meeting including the aggrieved party, the Steward and the Union Chief Steward to discuss the matter. The Managers shall render his decision in writing within (7) days after such meeting.

Step 3 If the alleged grievance is not settled within (7) days from the date of the meeting at Step 2, it shall be referred to the Union's Business Representative and the Vice President of the Company, or his designate, responsible for that part of the business. The parties shall communicate within a reasonable period of time, which will not exceed thirty (30) days, to resolve the grievance.

Step 4. In the event the alleged grievance is not settled within (30) days after meeting with a Vice President of the Company, or his designate, the alleged grievance may be submitted to Arbitration as hereinafter provided.

Step 5. An alleged grievance referred to Arbitration by either party must be in writing to the other, confirming their intention to request Arbitration. Such written notice shall be given within the thirty (30) days outlined in Step 4 of the last meeting between the parties.

Time Limitations

- 5.04** Time limitations may be extended by mutual agreement in writing between the parties.
- 5.05** Any grievance which is not raised within the time specified in this Agreement or which is not processed through the next Step of the grievance procedure or carried through to Arbitration within the time specified in the Agreement, shall be deemed to have been abandoned by the party initiating the grievance.

Union or Company Grievances

- 5.06** Any difference between the parties arising out of the interpretation and/or application of this Agreement may be submitted by one party to the other, at Step 3 of the Grievance Procedure.

Article 6 - Arbitration Procedure

Referral to Arbitration

- 6.01** Within the fourteen (14) days of receipt of such notice that arbitration is to be invoked, as detailed in Step 5, both parties will attempt to come to agreement on selecting a sole arbitrator.
- 6.02** In the event the parties are unable to agree on a sole arbitrator, the Minister of Labour of the Government of Canada shall be asked to appoint an arbitrator.
- 6.03** The arbitrator shall meet as soon as possible with both parties to hear evidence and receive representations.
- 6.04** The Sole Arbitrator shall not have the authority to alter or change any of the provisions of this Agreement, or to insert any new provisions, or to give any decision contrary with the terms or provisions of this Agreement.
- 6.05** No person shall be appointed as Sole Arbitrator who has been involved in an attempt to negotiate or settle the grievance.
- 6.06** The decision of the Sole Arbitrator shall be final and binding upon the parties hereto and upon any employee or employees concerned.
- 6.07** Each party shall pay its own costs and expenses in connection with the Arbitration and the expenses and/or fees of the Sole Arbitrator shall be shared on a fifty/fifty (50/50) basis between the Company and the Union.

Article 7- No Strike or Lockout

- 7.01 During the term of this Agreement, or while negotiations for a further Agreement are being held:
- a. the Union and its members will not permit or encourage any strike, slow down, or any stoppage of work or otherwise restrict or interfere with the Company's operation through its members, and
 - b. the Company will not engage in any lockout of its employees.

Article 8 - Seniority

Length of Service

- 8.01 The Company and the Union agree, that for purposes of definition, seniority for employees is defined as the length of continuous service with the Company, calculated as the elapsed time from the date he was last, permanently employed. Seniority to be applied departmentally or bargaining unit wide, as specified in this Agreement.

Seniority List

- 8.02 The Company agrees, upon written request from the Union, to provide the Union with an up-to-date seniority/length of service list consisting of the name, date of hire, job classification as per Schedule "A", and the department in which they work for each permanent and probationary employee on January 1 and on July 1 of each year. Such list to be posted on the Bulletin Boards.

Article 9 - Probationary Employees

- 9.01 A probationary employee as defined under **paragraph 1.02 of Article 1 - Scope and Coverage** shall not accrue seniority until the successful completion of his probationary period, at which time he shall be credited with seniority from his date of hire.
- 9.02 After being accepted for initial employment, all new employees shall be required to serve a probationary period of three consecutive months.
- 9.03 The Company and Union agree that a probationary employee will become a permanent employee (**see Article 1 — Scope and Coverage paragraph 7.02**) after he has successfully completed his probationary employment.
- 9.04 Probationary employees may be terminated by the Company for any reason - without notice, wages in lieu thereof or severance pay, at any time within three consecutive months of the start of continuous employment without **Article 5 — Employee Grievance Procedure** of this Agreement being initiated.

Notice or Wages in Lieu of Notice

- 9.05 Employees terminated or laid off, by the Company shall fall under the provisions of the **Canada Labour Code, Part III, Division X**. The Union will be notified when this has occurred.
- 9.06 In the event an employee covered under this Agreement is terminated or permanently laid off and he believes that he has been unjustly dealt with, such termination or permanent lay-off may constitute a grievance and will be dealt with under **Article 5 — Employee Grievance Procedure** of this Agreement.

Continuity of Seniority

- 9.07** The accrual of seniority is interrupted for the following reasons:
- a. Special leave, unpaid leave not covered by **Divisions VII and XIII** of the **Canada Labour Code**, and suspensions in excess of thirty (30) days,

Termination of Seniority

- 9.08** The Company and the Union agree that an employee's seniority shall be lost upon the occurrence of one or more of the following events:
- a. Where an employee voluntarily leaves his employment with the Company;
 - b. Where an employee is laid-off for a period in excess of six (6) months. Effective July 1, 1999, in excess of twelve (12) months;
 - c. Where an employee is discharged by the Company for just cause;
 - d. Where an employee is recalled to work after lay-off and fails to report within seven (7) days when recalled by the Company after a lay-off unless the company believes the employee has a bona fide reason; notice to return to work shall be in writing and shall be deemed to be sufficient if sent by registered mail, fax or telegram to the employee's last known address on file with the Company.
 - e. The provisions of the **Canada Labour Code Division XIII** shall apply with respect to sick leave and **Division XIII.1** with respect to work-related illness and injury.
 - f. If an employee is absent from work for three (3) or more consecutive days without notifying the Company unless the employee has a bona fide reason acceptable to the Company.
 - g. If an unauthorized leave of absence is extended by the employee more than three (3) days beyond its agreed termination date and the employee has not communicated with the Manager or his Department and made arrangements with him for an extension of leave, unless he has a bona fide reason acceptable to the Company.

Promotions to Positions outside of the Collective Bargaining Agreement

- 9.09** Employees who transfer from a bargaining unit position to a non-bargaining position shall have the ability to return to the Bargaining Unit within two (2) years of assuming a non-bargaining unit position without loss of bargaining unit seniority. Seniority shall not accrue while in a non-bargaining unit position.

Accommodation of the Disabled

- 9.10** The Company and the Union may mutually agree to waive the Seniority Provisions of this Agreement to place a permanently disabled employee who is unable to return to or retain their normal job as the result of a work-related injury or illness.

Article 10 - Posting of Job Vacancies/Vacancies/Transfers

New Classifications to be Established

- 10.01** Where a new job is established, new positions are created, within the bargaining unit, or where existing job duties are changed such that an employee is incorrectly classified, the appropriate classification shall be negotiated, unless the position(s) comes under the exclusions agreed to in **Article 1 — Scope and Coverage** of this Agreement, and the

applicable conditions of this agreement shall apply and the Union will be notified. If a wage increase results, the same shall be retroactive to the date that the job duties were changed, or the new job created.

- 10.02** A successful applicant of a job posting shall be given a trial period of not less than one (1) month, or more than three (3) months with training, if required, to become able to perform the required duties to Company standards. During the trial period, the Company will conduct an evaluation with the employee. Such trial periods may be extended by mutual agreement. If the Company or the employee finds he or she is unable to perform the duties of the position within the trial period, the employee shall revert to their former or equivalent classification, position and wage scale.
- 10.03** Where an applicant does not receive the position applied for, they shall, upon request to the Human Resources Department, be notified in writing within (1) week, and given reasons why their application was refused.
- 10.04** The Company agrees to notify the Union of any filling of bargaining unit job vacancies, transfer, or lay-off.
- 10.05** The Company agrees, with the exception of transfers, temporary assignments or when hiring casual employees, to post all job vacancies including newly created positions contained in the bargaining unit, where the Company determines it necessary to fill such vacancies and positions.

Job Posting Procedure

- 10.06** The job posting procedure will be as follows:
- a. All vacancies, including newly created positions within the Union's bargaining unit, which the Company determines are necessary to be filled will be posted and held open exclusively within the Company for seven (7) working days. The Union acknowledges that following the exclusive seven (7) working days the Company may elect to solicit applications from outside.
 - b. The Company undertakes, for all employees who apply in writing for a posted vacancy within the exclusive seven (7) working days, that they will be interviewed.
 - c. Job postings may be closed by the Company after the exclusive seven (7) working days.
 - d. When selecting a candidate, the selection will be, in the opinion of management, based on seniority, qualifications, experience and ability to perform the work properly, in a safe, efficient and productive manner.
- 10.07** The application of the seniority provisions of this Agreement must be governed by whether the employee is qualified to perform the job required. Terms referring to "qualified" or "qualifications" when used in this Agreement mean qualified to competently perform the job, without further training, in a safe, efficient and productive manner. If the employee is not so qualified, the applicable seniority provisions shall not apply. The Company may employ testing procedures to determine potential qualifications for entry into any department.
- 10.08** To attract certified, qualified and experienced people, the Company reserves the right, after the successful completion of the new hire probationary period, to place these individuals on the wage scale, on the following basis:

Placement on the wage scale cannot exceed the level of pay of the highest paid individual in that job category.

Posting of Job Vacancies/Transfers

- 10.09 The Company agrees, prior to transferring an employee to a lower rated job, to consult with the Union.
- 10.10 When an employee is transferred to a lower rated job, he shall be paid the wage rate of the job to which he is transferred. This does not include temporary reassignments. The Company reserves the right to pay higher than the rate of the job to which he is transferred.
- 10.11 When an employee is temporarily reassigned for a minimum of one full shift to a higher rated job for which he is qualified, he shall be paid the Base Rate of the job to which he has been temporarily reassigned.
- 10.12 When an employee voluntarily requests a transfer to a lower rated job, he shall be paid the wage rate of the job to which he is transferred.
- 10.13 Permanent employees, on being promoted, or employees who are transferred at their own request to a different position, will be required to serve a trial period of up to ninety (90) days.
- 10.14 Permanent employees, on being promoted or transferred by the Company to a different position, will maintain their current wage rate until they have successfully completed the trial period before receiving the base wage for their new position.
- 10.15 Permanent employees who fail to qualify on promotion during the trial period, and employees who are transferred at their request who fail to qualify during the trial period shall revert to their former or equivalent position and wage scale.

Pay for Work in Another Classification

- 10.16 Employees temporarily transferred to a lower rated classification shall receive the wage rate of their regular classification. Employees temporarily transferred to a higher rated classification (as detailed in 10.11) shall receive the wage rate of the higher classification.

Article 11 - Job Security

Bumping

- 11.01 At the request of an employee who has received notice of layoff, the Company will transfer such employee to another position, provided the employee has, in the opinion of management, the qualifications and ability to perform the work required after a brief familiarization period and has more seniority than the employee to be replaced. The employee will then be placed within the appropriate classification and wage rate of the displaced employee.
- 11.02 To facilitate the retention of senior employees, the Company may elect to transfer additional employees, which may result in the displacement of the least senior employee(s) in the bargaining unit.

Rights of Employees on Layoff

- 11.03 Employees who are under notice of layoff or laid off shall be recalled to vacant positions in their own or former classifications before such positions are filled by new employees.
- 11.04 Laid-off bargaining unit employees who wish to be considered for vacancies in other than their own classification must so advise the Human Resources Department.

- 11.05 Employees referred to in 11.03 above, based on seniority, will be recalled if they have, in the opinion of management, sufficient qualifications and ability to fill the job requirements and were members in good standing of the Union when laid off.
- 11.06 Employees shall have the right to six months of recall from the date they last worked and effective July 1, 1999, twelve months of recall from the date they last worked.

Notice of Layoff

- 11.07 The Company shall give the employees who are to be laid-off as much advance notice as possible. The Union and Chief Steward shall be notified of the names of the employees to be laid off concurrent with the issuance of any layoff notice. It is the responsibility of the laid off employee to keep the Company informed at all times of their current address and telephone number.

Article 12 - Technological Change

- 12.01 The Union and the Company agree to the **Technological Change** language as it is written in the **Canada Labour Code, Part I**.

Article 13 - Severance Pay

- 13.01 When the Company terminates the employment of an employee who has completed 12 consecutive months of continuous employment with the Company, the Company shall, except where the termination is by way of dismissal for just cause, pay severance pay to the employee.
- 13.02 Employees, who qualify for severance pay in accordance with the provisions of the **Canada Labour Code** and **Canada Labour Standards Regulations**, will be paid the amount of severance pay specified in the **Canada Labour Code** and **Regulations**.

Article 14 - Job Descriptions and Classifications

- 14.01 Attached to this Agreement is the **Wage Scale and Job Classification, Appendix A**, which shall be an integral part of this Agreement, covering all employees, except for those excluded in **Article 1 — Scope and Coverage, paragraph 1.01**.

Productivity Incentive Program

- 14.02 The **Productivity Incentive Program, Appendix B** will form part of the wage schedule

Article 15 - Hours of Work, Overtime, Shift Provisions and Premiums

- 15.01 This Article is intended to define the regular hours of work and to provide a basis for computing overtime and premium pay. This Article is not to be construed as a guarantee or limitation of the number of hours to be worked per day, or per week, nor shall anything in this Agreement be so interpreted as to permit the pyramiding or duplicating of overtime or premium payments.
- 15.02 The workweek begins at 07:00 Sunday and ends at 06:59 Sunday. The workday and workweek may be different for certain areas of the company's operations or for individual

employees. The Company may vary or change the number of hours scheduled, the number of shifts scheduled, the manpower requirements of the various shifts and the scheduling of workdays and hours for business reasons or efficient operations.

Office Employees

- 15.03 The regular hours of work for office employees shall be thirty-eight (38) hours of work in a week, which shall consist of four (4) days at eight (8) hours per day and one (1) day at six (6) hours.
- 15.04 Where an office employee is requested to work more than eight (8) hours in a day, he or she shall receive one and a half (1½) times his or her straight time pay for all hours worked in excess of eight (8) hours in a day except he or she shall receive straight time pay for the thirty-ninth (39th) and fortieth (40th) hour (or part thereof) of the thirty-ninth (39th) and fortieth (40th) hour (or part thereof) worked in excess of the six (6) hour day of the week referred to in paragraph 15.03 above.

Plant Employees

- 15.05 The regular hours of work for plant employees shall be forty (40) hours of work in a week, which shall consist of either four (4) days at eight and one-half (8 1/2) hours of work per day and one (1) day at six (6) hours; or five (5) days at eight (8) hours per day.

Shift Provisions

- 15.06 All employees shall have a minimum of ten (10) hour time between normal shifts. If an employee is required to start a new shift or is called back to work before a minimum ten (10) hour time off has elapsed since the end of their last regular shift, the employee has the right to decline commencing work, unless an emergency circumstance exists. If the employee commences work he or she will be paid one and one-half (1½) times the straight time pay for all time worked, until ten (10) hours between shifts have elapsed.

Emergency Circumstances

- 15.07 An employee will be required to work mandatory overtime in emergency circumstances where necessary to prevent serious interference with the ordinary operation of the plant in cases of:
- a. accident to machinery, equipment, plant or persons,
 - b. urgent and essential work to be done to machinery, equipment or plant, or
 - c. other unforeseen or unpreventable circumstances.

Shift Workers

- 15.08 When the Plant is in production on a twenty-four (24) hours-per-day, seven (7) days-per-week basis, the employees may be assigned to a rotating shift schedule.
- 15.09 When the Plant is in production less than twenty-four (24) hours-per-day, seven (7) days-per-week basis, employees may be assigned to rotating shifts which may vary from the shift schedule when the plant is in production on a twenty-four (24) hours-per-day, seven (7) days-per-week basis.
- 15.10 The starting time for day shift, as well as for other shifts, will be communicated to an employee or specific groups of employees by that employee's or groups of employees' immediate supervisor or manager.
- 15.11 Prior to implementing a new shift schedule, the company will notify the union of the change.

Compressed Work Week Schedule

- 15.12** The hours of work for a compressed work week schedule will be in accordance with the Averaging of *Hours* provisions under the *Canada Labour Code, Part III*.
- 15.13** A compressed work week schedule shall be any compressed work week schedule agreed to by a majority of employees in that department.

Premium and Overtime Pay

- 15.14** When an employee is required or permitted to work in excess of the regular hours of work, he shall be paid for the overtime at a rate of wages not less than one and one-half times his regular rate of wages.

Distribution of Overtime

- 15.15** a. first consideration for overtime will be offered to employees on a seniority basis then working on the job at that time for which overtime is required
- b. If an insufficient number of employees on the job volunteer, the overtime will then be offered to other senior qualified employees within the department who are then available and, if an insufficient number of volunteers are obtained in this fashion, overtime will be assigned on a reverse seniority basis.

Time Off in Lieu of Overtime Pay/Accumulated Time Off (ATO)

- 15.16** The Company agrees to grant Accumulated Time Off (ATO) in lieu of cash payment for overtime, as follows:
- a. An employee in lieu of cash payment for overtime at the rate of one and one-half hour's (1-1/2) ATO for every one hour of overtime worked by the employee may bank ATO.
- b. Except by mutual agreement, ATO hours paid can never be used to generate overtime hours for the employee or any other employee.
- c. The maximum ATO an employee may accumulate is 40 hours
- d. ATO will be paid out at the employee's current base rate at the time of payment.
- e. The use of ATO may be approved by an employee's supervisor for the following reasons:
- i) Jury duty
 - ii) Fumigation shut-down
 - iii) Holiday shut-down (i.e., Christmas time)
 - iv) Lack of work
 - v) Union-related functions
 - vi) Approved leave of absence
 - vii) Accommodation for religious holidays
- f. The Company reserves the right to pay out the ATO.
- g. No vacation pay will be accrued on ATO until it is paid out.
- h. Vacation Time takes precedence over ATO. ATO cannot bump a person who has booked Vacation Time.
- i. ATO cannot be used for cash advances.

Shift Premium

- 15.17 The Company will pay a Shift Premium in addition to an employee's regular rate of wages for work shift scheduled, for all hourly paid employees, for other than Day Shift and for other than employees working a compressed work schedule/week. For purposes of definition, normal Day Shift, Afternoon Shift, and Night Shift are defined as follows:
- a. Day Shift - a shift starting at or after 06:00 but before 12:30,
 - b. Afternoon Shift - a shift starting at or after 12:30 but before 19:30, and
 - c. Night Shift - a shift starting at or after 19:30 but before 06:00.

15.18 The Shift Premium is as follows:

- a. Afternoon Shift - \$ 0.55 per hour
- b. Night Shift - \$ 0.85 per hour

Compressed Work Week Premium

15.19 The Company will pay a Shift Premium in addition to an employee's regular rate of wages for work shifts scheduled, for all employees working a compressed work schedule/week for other than Day Shift. For purposes of definition, regular Day Shift, Afternoon/Night Shift are defined as follows:

- a. Day Shift - a shift starting at or after 06:00; and
- b. Afternoon/Night Shift - a shift starting at or after 18:00.

15.20 The Shift Premium is as follows:

- a. Afternoon/Night Shift - \$0.85 per hour

15.21 Where an employee is required to work part of a shift, leave the place of employment for more than two (2) hours, then return to work on a different shift to complete his regular hours of work, the employee will receive the shift premium at the greater of the shift where he started work or the shift during which he ended work for his total hours work that day. Actual times worked must be noted on the employee's time card and be approved by the employee's supervisor or manager.

Article 16 - Wages and Monetary Allowances

- 16.01 All employees covered by this Agreement will keep an accurate record of their attendance and hours of work as required by the Company.
- 16.02 The Company will pay to an employee any wages to which his time records confirm and the Company has approved he is entitled, biweekly.

Wages

- 16.03 Attached to this Agreement is the **Wage Scale and Job Classification, Appendix A**, which shall be an integral part of this Agreement, covering all employees, except for those excluded in **Article 1 — Scope and Coverage, paragraph 1.01.**

Retroactive Payment

- 16.04** All employees covered by this Agreement will receive a **3.0%** retroactive payment based on their **1997 T-4** Gross Income (less statutory deductions), within twenty-one days of the ratification of this Agreement.

Cash Payments

- 16.05** All employees then covered by this Agreement shall receive a **0.75%** cash payment (less statutory deductions) based upon their annualized wages, for the previous calendar year (excluding overtime and shift premiums), on July **1, 2001** and July **1, 2002**.

Reporting Pay

- 16.06** Employees reporting for work when cancellation for work has not been made shall be given sufficient work to enable them to **earn** not less than three (3) hours pay at their straight time rate, or, not being given that much work, shall receive three (3) hours pay at their hourly rate. If work is not available, the employees shall receive a minimum of three (3) hours reporting pay at their hourly rate. Notice of cancellation shall be given at least two (2) hours prior to the time the employee is scheduled to report. Provisions of this paragraph shall not apply when an employee has been absent from **his/her** regular work period and has failed, before reporting for work, to notify his supervisor of his intention to return.

Clean Footwear

- 16.07** The Company agrees to supply clean shoes for employees of Plant 2.

Protective Footwear

- 16.08** Employees working in all areas of the plant, with the exception of the **Office** and Distribution Office who have successfully completed their three month probationary period, are eligible to participate in the Company's Protective Footwear Reimbursement Program. Where an employee is required to wear protective footwear due to a potential hazard of foot injury, electric shock or slipping, the Company will reimburse the employee to the maximum of **\$75.00** toward the purchase of protective footwear meeting or exceeding **CSA** Standards. Any full-time employee, who is **or** believes they are required to wear protective footwear, should check with their immediate supervisor prior to purchasing footwear, as the Company will only reimburse those full-time employees who require and purchase new protective footwear meeting or exceeding **CSA** Standards.
- 16.09** The cost of new protective footwear, meeting or exceeding **CSA** Standards, to the maximum of **\$75.00**, will only be reimbursed upon presentation of a paid invoice or charge receipt which has been initialled by an employee's immediate supervisor or manager.

Supply of Uniforms/Coveralls

- 16.10** Those employees required to have and wear coveralls, lab coats or smocks, will have these supplied and cleaned at the Company's expense. Employees required to have this type of uniform will be advised by their immediate supervisor or manager and such uniforms will be provided to them.
- 16.11** Employees required to wear or to have available Company supplied clothing/uniforms will be held responsible for, and will be required to pay for, the loss of or willful damage to any clothing supplied to them. Employees will not be held responsible or charged for normal wear and tear.

Tools

- 16.12 In the event an employee breaks or wears out a tool on the job, the Company agrees to replace such tool at no cost to the employee. These will **be** replaced with tools of similar value and quality.

Attendance at Meetings

- 16.12 Attendance at meetings arranged by the Company shall **be** paid at the employee's regular rate of pay.

Article 17 - Meal Periods, Rest Periods, Wash-up Periods, Lunch Periods

Coffee Breaks

- 17.01 Office employees are entitled to two (2) paid, fifteen (15) minute production (coffee) breaks, and one (1) unpaid thirty (30) minute meal break per shift.

- 17.02 Plant Employees working:

- a. straight eight (8) hour shifts are entitled to three (3) paid, ten (10) minute production (coffee) breaks per shift, or
- b. eight and one half (8 1/2) hour, Day Shift, are entitled to two (2) paid, fifteen (15) minute production (coffee) breaks, and one (1) unpaid thirty (30) minute meal break per shift.
- c. a compressed work schedule/week are entitled to a ten (10) minute production (coffee) break every two (2) hours.

Article 18 - Call-In Pay

- 18.01 For the continued and efficient operation of the Company, it may be necessary to call an employee in to work on his/her regular day off or when he/she has completed his/her normal shift of work for that day. Where an employee is scheduled to work less than forty (40) hours in that work week and is given twenty-four (24) hours notice of the call in, straight time pay will apply up to forty (40) hours unless the employee is working a compressed work schedule.

- 18.02 When an employee is called in to work on his/her regular day off or when he/she is called back to work after he/she has completed his/her normal shift of work for that day or called in prior to their scheduled shift:
- a. the rate of pay will be one and a half (1 1/2) times the employee's normal daytime rate for the job,
 - b. an employee will be paid for actual hours worked for each call in/call back with a minimum payment of two hours when the call in/call back requires less than two hours of work,
 - c. no allowance will be made for travel time, and
 - d. no meal allowance will be paid unless approved by the supervisor.

Article 19 - Holidays and Holiday Pay

Statutory (Paid) Holidays

19.01 Every employee is entitled to and shall be granted a holiday with pay on each of the Statutory Holidays falling within any period of his/her employment.

| | |
|-----------------------|------------------|
| New Year's Day | Labour Day |
| Good Friday | Thanksgiving Day |
| Easter Monday | Remembrance Day |
| Victoria Day | Christmas Day |
| Dominion (Canada) Day | Boxing Day |
| BC Day | |

Accommodation for Religious Minorities

19.02 Members of religious minority groups may request to absent themselves from working on their religious holidays as long as this does not affect the company's operations. A vacation, ATO or day without pay may be used for these purposes. Such requests shall not be unreasonably denied provided their requests are made at least two (2) weeks prior to the holiday(s) occurring.

Holiday Pay

19.03 Payment for paid holidays will be made at an employee's basic pay, except if an employee has been working in a higher paid position than their regular position for a majority of the sixty (60) days preceding their holiday, in which case they shall receive the higher rate.

Pay for Work on a Statutory Holiday

19.04 Employees will be paid their normal day's pay for Statutory Holidays and effective July 1, 2000, eight hours at their regular wage rate for Statutory Holidays, or as provided under the *Canada Labour Code* and its *Regulations*.

Statutory Holiday Falling on Day Off

19.05 When a Statutory Holiday falls on a day that is a non-working day for an employee, the employee is entitled to and shall be granted a holiday with pay at some other time, which may be by way of addition to his/her annual vacation or granted as a holiday with pay at a time convenient to him/her and the Company.

Alternative Day for Holiday Falling on Non-Working Saturday or Sunday

19.06 When New Year's Day, Dominion (Canada) Day, Remembrance Day, Christmas Day or Boxing Day fall on a Sunday or Saturday that is a non-working day, the employee is entitled to and shall be granted a holiday with pay on the working day immediately preceding or following the General (Statutory) Holiday.

Holidays Occurring During Vacation or Leave of Absence

19.07 Where one or more "General (Statutory) Holidays" occur during a vacation granted to an employee, the vacation to which the employee is entitled may be extended by one day for each such holiday, and the Company shall pay to the employee, in addition to the Vacation Pay, the wages to which the employee is entitled for those General (Statutory) Holidays.

Holiday Work During Continuous Operations

- 19.08 When an employee employed during a period of continuous operation is required to work on a day on which he/she is entitled to a Statutory Holiday with pay, he:
- a. shall be paid, in addition to his regular rate of wages for that day, at a rate at least equal to one and one-half (1-1/2) times his/her regular rate of wages for the time worked by him/her on that day; or
 - b. shall be given a holiday and pay at some other time, which may be by way of addition to his/her annual vacation or granted as a holiday with pay at a time convenient to him/her and the Company.

Exceptions

- 19.09 No employee is entitled to be paid for a Statutory Holiday on which he/she does not work when he/she is not entitled to wages for at least 15 days during the 30 calendar days immediately preceding the Statutory Holiday.
- 19.10 During periods of continuous operation, no employee who is employed is entitled to be paid for a Statutory Holiday:
- a. on which he/she did not report for work after having been called to work on that day, or
 - b. in respect of which he/she makes him/herself unavailable to work without a bona fide reason acceptable to the Company.

Article 20 - Vacations and Vacation Pay

- 20.01 The Company agrees, subject to the provisions set forth within the following sections to grant vacations with pay to employees covered by this Agreement.
- 20.02 For the purpose of definition, "Vacation Pay" shall for all purposes be deemed to be wages.
- 20.03 For the purpose of definition, "Vacation Pay" means four percent (4%) or, after five (5) consecutive years of employment, six percent (6%) of the wages or, after ten (10) years of employment eight percent (8%) of the wages of an employee during the Year of Employment in respect of which the employee is entitled to the vacation.
- 20.04 For the purpose of definition with regard to Vacations, "Year of Employment" means continuous employment of an employee by the Company for a year beginning May 1, concluding April 30.
- 20.05 For the purpose of definition, "Vacation Entitlement" means the amount of vacation weeks for which an employee is entitled based upon the amount of continuous employment completed from their own individual anniversary date within a Year of Employment.
- 20.06 Vacation entitlement will be granted to employees on the following basis:

| <u>Cumulative Years of Service</u> | <u>Vacation Entitlement</u> |
|------------------------------------|-----------------------------|
| 1 year or more | 2 weeks |
| 5 years or more | 3 weeks |
| 10 years or more | 4 weeks |

Vacation Scheduling

- 20.07 While the Company will do everything it can to accommodate an employee's vacation request, the Union agrees that vacations will be given to suit the requirements of the Company's operation and may be given in one consecutive period, except for the limitations under **paragraph 19.08**.

- 20.08** The Company and the Union agree that stabilization of continuous production is a goal to be attained. To this end, the Union recognizes that the Company has the right to plan and schedule vacations and that it may be necessary to restrict the number of employees on vacation at any one time.
- 20.09** Employees in each department shall be given seniority preference as to the choice of their vacation period, subject to the demands of the business. The Company shall complete the vacation scheduling by April 15. Any employee who does not notify the Company of a preference by April 1 shall lose seniority right for that year. Notwithstanding the above, in the months of July and August, seniority vacation preferences shall be limited to a maximum of two weeks. The finalized vacation schedule shall not be changed except by mutual agreement between the Company and employee, unless an emergency exists.
- 20.10** Every employee will take their current year's Vacation Entitlement and Vacation Pay by April 30 of the following year in which they become entitled to it. Vacation Entitlement and Vacation Pay may not be carried over to the next year or taken as Vacation Pay without the written authorization of the Company.
- 20.11** If an employee is absent due to lay off, illness or on compensation, any Vacation Entitlement owing may be carried over to the next year or taken as Vacation Pay at the discretion of the Company.
- 20.12** In the event of an employee illness, bereavement or disability occurring prior to commencing their annual vacation, an employee shall have the right to have the vacation period rescheduled by mutual agreement with the Company.

Pay for Lost Time Due to Injury

- 20.13** If an employee is injured at work, the Company will maintain such employee's earnings, at his regular rate, for the day on which the injury occurs.

Article 21 - Health and Welfare Benefits

- 21.01** The Company shall be responsible for the provision of benefits.
- 21.02** Only a permanent employee, who works at least twenty-five (25) hours each week, on a regularly scheduled basis, is eligible to participate in the Company's Benefit Program.
- 21.03** Attached to this Agreement is a copy of the **Aetna Group Benefit Plan** booklet, Schedule "C", which shall be an integral part of this Agreement, covering all eligible permanent employees, except for those excluded in Article f — **Scope and Coverage, paragraph 1.01**.

Changes in Plan Subject to Negotiation

- 21.04** It is agreed and understood by the parties signatory to this Agreement that the Aetna Canada Group Benefit Plan forms part of the Collective Agreement, and may only be altered or amended by mutual agreement of both parties.

Drug Card and Health Care Deductible

- 21.05** It is agreed and understood by the parties signatory to this Agreement that following ratification of this Agreement the Company will apply to Aetna Canada to amend the Group Benefit Plan by having the annual Extended Health Care deductible reduced to zero plus the introduction of the Drug Card for all employees.

Information Respecting Health and Welfare Plans

- 21.06 A copy of the master contracts with the Health and Welfare Benefit Plan carriers shall be sent to the President of the Union.

Article 22 - Pension Plan

- 22.01 The Retail Clerks Industry Pension Plans shall be in effect and all bargaining unit employees shall be enrolled into it. Each participating employee is required to match the employer contribution.

| Age of Employee | 2001-2003 | |
|-----------------|----------------|----------------|
| | Employer Cont. | Employee Cont. |
| 17 - 29 | 0.0% | 0.0% |
| 30 - 39 | 0.0% | 0.0% |
| 40 - 65 | 1.0% | 1.0% |

Article 23 — Various Leaves of Absence

Medical Appointment Time Off

- 23.01 Employees who are unable to schedule medical/dental appointments outside the standard hours of work (*see Article 14 — Hours of Work, Overtime, Shift Provisions and Premiums*) and are, therefore, required to take time off from work for such medical/dental appointments, may request the time off from their immediate supervisor or manager with such time off being deducted from any sick leave accumulation or entitlement they may have, if any is due to them. Sick leave used for this purpose cannot be used to generate overtime.

Sick Leave Accumulation

- 23.02 Each employee will accrue sick leave, which will be used when needed, to guarantee uninterrupted wages during sick leave. Sick leave cannot be used for wages or absence of any other kind other than for illness. Sick leave will accrue to each employee according to the following schedule:
- After the employee has completed three consecutive months of continuous employment (sometimes referred to as the probationary period), the employee will have accrued four hours of sick leave;
 - For each succeeding 40 regular hours of work, the employee will accrue one hour of additional sick leave;
 - No sick leave will accrue on overtime hours or be used to generate overtime;
 - Maximum sick leave accrual is 255 hours, equating to thirty, eight and a half hours days;
 - Sick days accrued will not be cancelled during periods of layoff of less than 12 weeks;
 - Sick leave does not represent a payroll liability to the Company except for payment of wages when an employee is legitimately sick.

Maternity and Parental Leaves

- 23.03 The *Maternity and Parental Leave* provisions of the *Canada Labour Code, Part III* will apply for eligible employees with child care responsibilities requesting leave of absence without

pay. The Company shall provide information on current provisions to employees upon request.

Bereavement Leave

- 23.04** The ***Bereavement Leave*** provisions of the ***Canada Labour Code, Part 111*** will apply for eligible employees requesting bereavement leave.

Jury Duty

- 23.05** Employees who have completed three (3) consecutive years of service and who are required to serve on jury duty will be paid an amount not exceeding eight (8) hours straight time pay per day to a maximum of forty (40) straight time hours.
- 23.06** Employees are required to report back to work immediately upon conclusion of, or during recesses in such duty, and will be allowed to make up time lost wherever possible. An employee's wages will be reduced by the amount paid to him/her for jury duty.

Personal Leave

- 23.07** The Company may grant a leave of absence, without pay, for good and sufficient reason upon written application, to any employee who has completed three (3) years continuous employment. "Good and sufficient reason" as referred to herein shall be the subject of mutual agreement between the Company and the eligible employee.
- 23.08** The Company will do everything possible to keep the employee's position open for him if granted a leave of absence.

Union Leave

- 23.09** Time off without pay shall be granted to elected or appointed members of the Union to attend conventions, conferences, negotiations and workshops of the Union, and for such other purposes as may be agreed to by the Company. The Union shall notify the Company at least three (3) weeks in advance of the commencement of such time off. The maximum time off shall be (7) consecutive days per request and the maximum number of employees for such time off shall be one (1). The exception to this is that three (3) members shall be allowed to attend negotiations.
- 23.10** The Company will bill the Union and the Union will reimburse the Company for wages and benefits paid to the employee during such time off.

Article 24 - Work-related Illness and Injury

- 24.01** The ***Work-related Illness and Injury*** provisions of the ***Canada Labour Code, Part III, Division XIII.1*** will apply for eligible employees

Article 25 - Medical Certificates

- 25.01** An employee may be required to produce a certificate from a medical practitioner for any illness, certifying that he was unable to carry out his duties due to illness.

Article **26** - Health and Safety

- 26.01** The Company and the employees represented by the Union acknowledge their responsibilities and duties under the **Canada Labour Code, Part IV**.
- 26.02** The Company shall make reasonable provisions for the safety and health of all employees during the hours of their employment.
- 26.03** The Company agrees to continue to make provisions for a Health and Safety Committee and to recognize Union representatives on said committee.
- 26.04** Copies of minutes of all Safety and Health Committee meetings will be forwarded to the Union via one of their representatives sitting on said committee.

Joint Health and Safety Committee

- 26.05** The parties agree that a Joint Health and Safety Committee shall function as prescribed in the **Canada Labour Code Part II**.

Article **27** — Union Education Fund

- 27.01** The Company agrees to contribute **1** cents per hour for every hour worked by members of the bargaining unit, to the United Food and Commercial Workers, Local **1518** Education Fund.

Article **28** — Training and Funds

- 28.01** Rogers Foods Ltd. believes that employees should be encouraged to expand their education, or knowledge and skills, related to their present jobs and to the next job(s) in any line of progression. To this end, the Company actively supports training and educational assistance for employees, as may be determined and approved from time to time by the Company.

Article **29** - Employee Assistance Program

- 29.01** The Company and the Union have a strong interest in encouraging help with personal problems that affect an employee's family life, work life, or general well being. The Employee Assistance Program, or **EAP**, is a voluntary, short-term counseling, advisory and information service for you and your eligible family members. The Company and the Union confirm that the Employee Assistance Program is an independent service and all information is kept confidential from the Company and the Union.

The **EAP** provides professional assistance for a wide range of personal issues including but not limited to the following:

- Couple and marital relationships
- Work-related and career issues
- Depression
- Childcare concerns
- Misuse of alcohol and drugs
- Trauma/critical incident
- Family matters
- Stress and anxiety
- Aging family members
- Financial and legal concerns
- Bereavement

If in doubt whether an issue is covered, or to seek help, just call the **EAP** at **1-800-268-5211** and ask. Brochure information is available from bulletin boards or Human Resources.

Article 30 - Extension of Collective Agreement Until Strike/Lockout

30.01 The present Collective Bargaining Agreement shall remain in full force and effect until the signing of a new Collective Bargaining Agreement or until the requirements of *Section 89(1)* of the *Canada Labour Code* have been met.

Article 31 - Joint Labour-Management Committee

31.01 The parties to this agreement are committed to a process of Labour and Management working together with the common goals of anticipating and resolving mutual problems and improving their day to day working relationship. The Company and the Union shall each appoint an equal number of representatives to a Joint Labour-Management Committee who shall then meet to put together an implementation program.

Article 32 - Duration

32.01 This Agreement shall be in full force and effect from the **sixteenth day of July, 1998 until the fifteenth day of July, 2003** and from year to year thereafter unless either party gives notice in writing to the other of termination or amendment not more than ninety (90) days and not less than thirty (30) days prior to the date of expiration.

32.02 This Agreement shall become effective on the date of ratification and remain in effect for a period of five (5) years and thereafter from year to year unless either Party gives notice in writing to the other Party that amendments are required, or that the Party intends to terminate the Agreement.

Notice

32.03 Notice that amendments are required or that either Party intends to terminate the Agreement must be given in writing at least thirty (30) days prior to the expiration of the Agreement or of any annual period, thereafter. During the period of negotiation this Agreement shall remain in force and effect.

Article 33 — General

33.01 It is intended that the provisions contained in the *Canada Labour Code* and its *Regulations*, presently in effect and amended from time to time, are minimum standards only.

33.02 The *Canada Labour Code* and its *Regulations* apply notwithstanding any other law or any custom, contract or arrangement, but nothing in the *Code* shall be construed as affecting any rights or benefits of an employee under this Agreement that are more favourable to the employee than his rights or benefits under the *Canada Labour Code*.

33.03 In the event this Agreement does not contain a provision which is contained in the *Code*, such provision shall be deemed to be incorporated in the Agreement as part of its terms.

33.04 In the event that this Agreement contains a provision which is a lesser requirement than a similar or related provision contained in the *Code*, then the provision contained in the *Code* shall prevail, and shall be deemed to be incorporated in the Agreement as part of its terms.

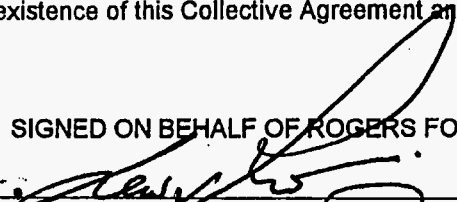
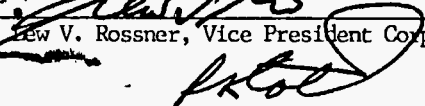
Change in Collective Agreement

33.05 It is agreed and understood by the parties signatory to this Agreement that any changes deemed necessary in this Collective Agreement may be made in writing by mutual agreement

between the parties at any time during the existence of this Collective Agreement and shall form part of this Collective Agreement.

SIGNED ON BEHALF OF UNITED FOOD & COMMERCIAL WORKERS, LOCAL 1518

SIGNED ON BEHALF OF ROGERS FOODS LTD.

Lew V. Rossner, Vice President Corp. Dev./Export/Corp. Planning

Brooke Sundin
President & Chief Executive Officer

Robert Catlin, Vice President Finance

August 6, 1998

August 19, 1998

Date

Date

Appendix A

WAGE SCALE AND JOB CLASSIFICATION

| Wage Scale(\$) | Minimum (Base) Rate | Maximum Rate |
|---|---------------------|--------------|
| Group I | | |
| A Journeyman Operations Coordinator Shift Miller | \$ 16.00 | \$ 18.00 |
| B Grain Procurement Product Technologist Transportation Coordinator | \$ 15.00 | \$ 17.00 |
| Group II | | |
| A Flour Packer Flour Packer/Expediter I Miller's Assistant Mix Operator Product Technician I Warehouseman I | \$ 14.00 | \$ 16.00 |
| B Accounting Clerk I Cereal Production Mix Warehouseman/Packer Sanitation Coordinator Senior Secretary Warehouseman II | \$ 12.00 | \$ 14.00 |
| C Cereal Packer Grain Receiver/Sanitation Merchandiser Miscellaneous Packer Product Technician II | \$ 11.00 | \$ 13.00 |
| Group III | | |
| A General Labourer Messenger/Sanitation Office Janitor Sales Clerk | \$ 8.00 | \$ 9.50 |

- Permanent and probationary employees, defined by this Agreement will, upon ratification of this Agreement either:
 - a. move immediately to the Minimum (Base) Rate for their Classification, or
 - b. if they are at or above the Minimum Rate, but not above the Maximum Rate for their Classification, move toward the Maximum Rate in maximum increments of \$1.25 each July 1, until they reach the Maximum Rate for their Classification.
- Bargaining unit employees, hired by the Company after the ratification of this Agreement, and following completion of their probation, will be placed on the Minimum (Base) Rate for their position. These new employees will then move toward the Maximum Rate for their Classification in increments of \$0.50 each July 1, until they reach the Maximum Rate for their Classification.

Appendix B

PRODUCTIVITY INCENTIVE PROGRAM

Both parties to this Agreement agree to actively work together, under the auspices of the Joint Labour-Management Committee, to achieve the objectives of the Productivity Incentive Program (PIP) as outlined below.

Notwithstanding the best and honest efforts of both parties, if the PIP is not in place by December 31, 1999, it is agreed the Company will pay to employees an additional 0.5% cash payment (less statutory deductions) based on their annualized wages, for the previous calendar year (excluding overtime and shift premiums) on July 1, 2001 and July 1, 2002.

The objectives of the Productivity Incentive Program (PIP) are to:

- a. Provide for an increase in compensation in line with the growth of the Company.
- b. Generate an increase in production.
- c. Maintain a close relationship between ~~cost~~ expenses and Company performance.
- d. Enhance morale. Encourage and reward pride in quality work and productivity.
- e. Encourage and reward improved attendance.
- f. Enhance individual commitment to Company productivity and teamwork.
- g. Encourage all employees to feel part of the process.

Proposed Program Guidelines

- a. To be determined by the Joint Labour-Management Committee.

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