

Collective Agreement

between

**Country Ribbon Inc.
Feeds Division**

and

**Canadian Auto Workers
Local 597**

**Effective
April 1, 2004 to March 31, 2007**

Table of Contents

	<i>Page</i>
ARTICLE 1 – PURPOSE	2
ARTICLE 2 – RECOGNITION	2
ARTICLE 3 – RELATIONSHIPS	2
ARTICLE 4 – UNION SECURITY AND CHECK-OFF	3
ARTICLE 5 – MANAGEMENT RIGHTS	4
ARTICLE 6 – STRIKES AND LOCKOUTS	5
ARTICLE 7 – GRIEVANCE PROCEDURE	5
ARTICLE 8 – ARBITRATION	6
ARTICLE 9 – SENIORITY	7
ARTICLE 10 – HOURS OF WORK AND OVERTIME	8
ARTICLE 11 – PROMOTION, LAY-OFF AND RECALL	10
ARTICLE 12 – VACATION	10
ARTICLE 13 – GENERAL HOLIDAYS	11
ARTICLE 14 – BEREAVEMENT LEAVE	12
ARTICLE 15 – JURY PAY	12
ARTICLE 16 – GROUP INSURANCE	13
ARTICLE 17 – WAGES	14
ARTICLE 18 – TECHNOLOGICAL CHANGES	17
ARTICLE 19 – GENERAL	18
ARTICLE 20 – DURATION OF AGREEMENT	20
LETTER OF UNDERSTANDING	21
LETTER OF UNDERSTANDING – re Pension Plan	22

Witness that the parties hereto agree as follows:

ARTICLE 1 – PURPOSE

- 1.01 It is the intention of the Agreement to maintain a harmonious relationship between the Company, its employees and the Union, and to provide an amicable means of settling any differences that might possibly arise, as well as set forth working conditions and responsibilities of employment to be observed by the parties hereto.
- 1.02 In addition, the purpose of the Agreement is to encourage economy and efficiency of operations, maintenance of high standards of products, quality, cleanliness of the plant, elimination of waste and protection of property.
- 1.03 It is recognized by this Agreement that it is the duty of the Company and of the employees to cooperate fully, both individually and collectively, in all the ways stated for the purpose of mutual benefit.

ARTICLE 2 – RECOGNITION

- 2.01 The use in this Agreement of the word “employee” or “employees” shall mean any person or persons who are regular full-time, non-probationary employees.
- 2.02 The Company recognizes the Canadian Auto Workers, Local 597, as the exclusive collective bargaining agent for the employees of Country Ribbon Inc., Feeds Division, located at Mount Pearl, Newfoundland, save and except the office employees, the stationary engineers, the managers and assistant managers, foremen, supervisors and their assistants, sales personnel, security guards and all those automatically excluded by law.
- 2.03 Employees of the Company excluded from the bargaining unit shall not ordinarily perform the work of employees within the unit.

ARTICLE 3 – RELATIONSHIPS

- 3.01 The Company agrees that there will be no discrimination, interference, restraint or coercion exercised or practiced by the Company or by any of its representatives with respect to any employee because of his membership in, or connection with, the Union and that membership in the Union by employees who are eligible to join will not be discouraged, nor shall membership be denied for reasons of race, nationality, age, color, marital status, religious, political affiliation or sexual orientation.

- 3.02 The Company acknowledges the right of the Union to appoint or otherwise select a negotiating committee and to deal with matters, which properly arise from time to time in connection with the renewal or modification of the Agreement. Two (2) employees only shall be compensated at their respective straight time rates of pay for time spent during hours they otherwise would have worked, negotiating with the Company. A full time staff representative of the Union will attend such meetings if requested by either party.
- 3.03 It is clearly understood and agreed that there will be no Union activities within the confines of the Company's property during working hours, except as provided in this Agreement, or where prior permission has been granted by the Company.
- 3.04 The Union shall notify the Company, in writing, the name of the stewards and of the negotiating committee that have been designated to transact the Union business with the Company.
- 3.05 It is the responsibility of each employee to ensure that the Company has his correct address, telephone number or some other means of communication.
- 3.06 The Company agrees to recognize two (2) employees of the bargaining unit who will be known as "Plant Stewards", whose duties shall be to help settle all grievances. The Plant Stewards shall also serve as the Grievance Committee. It is agreed by the Company that employees attending such meeting will suffer no loss of pay.

ARTICLE 4 – UNION SECURITY AND CHECK-OFF

- 4.01 It shall be a condition of employment that any employee who is a member of the Union in good standing at the date of this Agreement, or who becomes a member after that date, shall maintain such membership.
- 4.02 The Company shall not be forced to dismiss an employee who has been expelled or suspended as a member of the Union for a reason other than the non-payment of Union dues.
- 4.03 It shall be a condition of employment that any eligible employee at the date of this Agreement, whether a member of the Union or not, shall be required to pay Union initiation fees and normal Union dues.

- 4.04 It shall also be a condition of employment that any new employee, from the date of his hiring, pay the regular Union initiation fees and normal Union dues, such dues to be deducted on the first pay following the date of his hiring.
- 4.05 The Company agrees to deduct Union dues upon written authorization from employees and shall remit such dues by cheque to the Treasurer of the Union not later than the 15th of each month for the preceding month.
- 4.06 When no wages are due an employee who has authorized the deduction of dues on the date scheduled for the deduction, such deduction will be cancelled for that week.
- 4.07 The Union agrees to save the Company harmless from any action growing out of the agreed deductions and commenced by employees against the Company and assumes full responsibility for the disposition of the funds so deducted once they have been turned over to the Treasurer of the Union.
- 4.08 The Company agrees to have Union dues deductions written on T4 slips.

ARTICLE 5 – MANAGEMENT RIGHTS

- 5.01 The Union acknowledges that it is the exclusive function of the Company to:
- A. Maintain order, discipline and efficiency;
 - B. Hire, suspend, discharge or discipline for just cause, transfer, promote, demote, lay-off because of lack of work or for other legitimate reasons;
 - C. Generally, manage the enterprise, determine the methods of operation, kinds, and locations of tools and machines to be used, scheduling of operations, operating processes and procedures and determine and establish efficient and reasonable standards of performance for all work performed.
- 5.02 The foregoing shall not be deemed to exclude other prerogatives not listed and all of the rights, powers and authority of the Company are retained by the Company. The exercise of management rights shall not come into conflict or dispute with those contractual rights contained within the provisions of this Agreement.

- 5.03 The Union recognizes that all employees shall be subject to and be governed by the reasonable rules and regulations from time to time established by the Company and agrees that the employees shall carry out all special orders posted on the notice boards in the plant of the Company or verbally conveyed to employees, unless such rules, regulations or special orders are contrary to Law or the provisions of this Agreement.

ARTICLE 6 – STRIKES AND LOCKOUTS

- 6.01 In view of the orderly procedures established by this Agreement for the expeditious handling and settling of grievances, the Union agrees that there shall be no illegal strikes, sit-ins, slowdowns, curtailment of work, restriction of Company's operation, interference with its operation, picketing or other collective action that will stop or interfere with the operation of the plant on the part of the Union or the employees which it represents for any reason whatsoever.
- 6.02 The Company agrees that it will not cause or direct any illegal lockout of its employees.
- 6.03 Employees engaged in any of the activities as outlined in Clause 6.01 may be disciplined or discharged at the Company's option.
- 6.04 The Union recognizes that in order to provide maximum opportunities for continuing employment the Company must operate efficiently in order to be in a strong market position.

ARTICLE 7 – GRIEVANCE PROCEDURE

- 7.01 It is the mutual desire of the parties hereto that complaints of employees shall be adjusted as quickly as possible and it is generally understood that an employee has no grievance until he has first given to his supervisor an opportunity to adjust his complaint, and that such complaint shall be registered within two working days of the alleged circumstances coming to the knowledge of the employee.
- 7.02 If such complaint is not settled to the satisfaction of the employee concerned within two (2) working days, it may be taken up as a grievance in the following manner and sequence:

Step No. 1

A meeting shall be held between the aggrieved employee, the Plant Steward, and the Plant Manager or his delegate at which time a written record of the grievance shall be submitted and signed by the employee. Failing a settlement within not more than two (2) working days, then;

Step No. 2

Within five (5) working days following the decision of Step No. 1, between the aggrieved employee, the Plant Steward and the Plant Manager or other authorized representative of the Company. A full-time staff representative of the Union will attend if requested by either party.

Step No. 3

Failing settlement under Step No. 2, and within ten (10) days following the decision under Step No. 2, of any difference between the parties arising from the interpretation, application, administration or alleged violation of the Agreement, including any question as to whether a matter is arbitrable, such difference or question may be taken to arbitration, provided in Article 8. If no written request for arbitration is received within ten (10) days after the decision in Step No. 2 is given, it shall be deemed to have been settled or abandoned.

7.03 Saturdays, Sundays, and plant holidays will not be counted in determining the time within which any action is to be taken or completed in each of the steps of the Grievance Procedure or under Article 8. Any and all time limits fixed by this Article and Article 8 may at any time be extended by agreement between the Company and the Union.

7.04 All decisions arrived at between the representatives of the Company and the Union shall be final and binding upon the Company, the Union and the employee or employees concerned.

ARTICLE 8 – ARBITRATION

8.01 Whenever either party to the Agreement submits a grievance to arbitration, written notice shall be given to the other party formally stating the subject of the grievance and the Agreement clause allegedly violated. It is mutually agreed that one of the following people will be used as a single Arbitrator: John Scott, or Patricia Kelsey. If the parties fail to agree upon one of these Arbitrators within the time limit, the Minister of Labour will be requested to appoint an Arbitrator. As soon as the Arbitrator has been selected

he/she shall meet and hear the evidence and representations of both parties, and shall render a decision as soon as possible.

- 8.02 No person shall be selected as an Arbitrator who has been directly involved in attempts to negotiate or settle the grievance.
- 8.03 No grievance shall be considered by the Arbitrator unless it has been properly carried through all previous steps of the grievance procedure.
- 8.04 The Arbitrator shall not have jurisdiction to alter or change any of the provisions of this Agreement, or to substitute any new provisions in lieu thereof, or to give any decisions inconsistent with the terms and provisions of this Agreement, or to deal with any matters not covered by the Agreement.
- 8.05 In the case of a successful grievance involving the suspension or discharge of an employee, the Arbitrator shall be empowered to award full or partial reimbursement, or other adjustment that may be deemed fair and reasonable under the circumstances.
- 8.06 Each of the parties hereto will jointly bear the expenses of the Arbitrator, if any.

ARTICLE 9 – SENIORITY

- 9.01 Employees shall attain seniority upon the completion of forty (40) working days within a six (6) month period. On completion of this period the employee shall be granted seniority retroactively to the first day of his last continuous period of employment.
- 9.02 During this probationary period, the employee may be discharged, for just cause, without any obligation on the part of the Company to rehire him.
- 9.03 An employee shall lose seniority rights when:
 - A. While on lay-off he refuses or neglects to report back to work within five (5) days, excluding Saturday and Sunday, from the date the Company recalls him to work; unless absent for a reason satisfactory to the Company;
 - B. He voluntarily quits the employ of the Company;

- C. He is discharged for just cause and not reinstated through the grievance or arbitration procedure;
- D. He is laid-off for a period up to a maximum of eighteen (18) months;
- E. He is retired under the provisions of the Company's retirement plan.

9.04 A seniority list shall be posted on the bulletin board within thirty (30) days after the signing of this Agreement, and a copy will be forwarded to the Union.

ARTICLE 10 – HOURS OF WORK AND OVERTIME

10.01 The normal workweek for all employees will consist of forty (40) hours constituted of five (5) days of eight (8) hours each which shall be scheduled Monday to Friday. The reference herein to normal working hours indicates straight time working hours only, and not minimum working hours.

10.02 The Company shall pay at the rate of time and one-half for all work performed outside normal working hours, except as otherwise provided in this Agreement.

10.03 The Company shall pay at the rate of time and one-half for all work performed on Saturday or on a Statutory Holiday and at the rate of double time for all work performed on Sunday.

10.04 It is understood that overtime will be distributed, on a monthly basis, as equally as is reasonable amongst those employees who are qualified to perform the work. Whenever possible, the Company will give advance notice to employees requested to work overtime. The Company will approach such employees on a voluntary basis but in the event that sufficient volunteers are not available, the Company shall consign the qualified employees who have recorded the least number of overtime hours to perform the required work.

10.05 Two (2) ten (10) minute rest periods shall be allowed at times designated by the Company.

10.06 An employee who reports for work at the commencement of his assigned shift without previous notification not to do so, shall receive a minimum of four (4) hours of work or pay in lieu thereof of

his regular straight time rate. In the event of a forced shutdown or curtailment of operations for reasons beyond the control of the Company, or in cases where an employee fails to notify the Company of his intention to return to work following a period of absence, this provision shall not apply.

10.07 Regular shift finishing time will be the following shifts starting time. Shift employees will therefore carry on their normal duties until the relief shift has reported for work. However, the employee shall not be required to work more than two (2) hours beyond a scheduled shift of twelve (12) hours.

10.08 Work schedules shall be posted not later than Thursday of each week for the following calendar week. Where such schedules remain the same from one week to the next, reposting will not be required.

Delivery Drivers shall be scheduled to begin work at 7:30 am. Work schedules for Truck Drivers shall be posted not later than 4:00 pm of each day for the following day.

The Company shall have the right to schedule two drivers, when necessary, to do the required work on the evening shift. These employees shall begin at 4:00 pm and end at 12:00 midnight, unless overtime is requested.

10.09 An employee who is called out to work at any time outside of his normal working hours shall receive a minimum of four (4) hours of pay at the applicable rate of pay.

10.10 In the event of a shortage of work in any classification, which does not result in a lay-off, employees shall be provided work to maintain their regular workweek of forty (40) hours.

10.11 In the event a regular shift is postponed to a different starting time, affected employees will be advised of their revised starting time at the time of postponement.

10.12 In the event of a lay-off, the Company will give five (5) working days notice except in the case of a forced shut down of the plant or equipment failure.

ARTICLE 11 – PROMOTION, LAY-OFF AND RECALL

- 11.01 In cases of new jobs, permanent vacancies and promotions, the Company will post a written notice of the vacant job during five (5) working days. In selecting a candidate for the job, the Company shall take into account the qualifications and seniority of employees.
- 11.02 When it becomes necessary to reduce the working force of employees, seniority will be the guiding factor so long as it does not prevent the Company from maintaining a working force of employees who possess the qualifications and seniority to capably perform the work which is available and are willing to do such work at the scheduled rate for the job.
- 11.03 The Company will recall laid-off employees in the reverse order of their lay-off, subject to the limitations of 9.03 and 11.02 above.

ARTICLE 12 – VACATION

- 12.01 The Company agrees to give vacations as follows:
- A. Employees who have been in the Company for a period of less than one (1) year as of May 1st will be allowed a vacation credit of one (1) day for each completed calendar month so worked, up to a maximum of ten (10) days.
 - B. Employees who have been in the active service of the Company for a period of one (1) or more years as of May 1st will be allowed a vacation credit of two (2) weeks with pay in each vacation year thereafter.
 - C. Employees who have been in the active service of the Company for a period of five (5) or more years as of May 1st will be allowed a vacation credit of three (3) weeks with pay in each vacation year thereafter.
 - D. Employees who have been in the active service of the Company for a period of ten (10) or more years as of May 1st will be allowed a vacation credit of four (4) weeks with pay in each vacation year thereafter.
 - E. Employees who have been in the active service of the Company for a period of eighteen (18) years as of May 1st will be allowed a vacation credit of five (5) weeks.

- 12.02 Employees receiving two (2) weeks vacation shall be entitled to 4% of his earnings.
- Employees receiving three (3) weeks vacation shall be entitled to 6% of his earnings.
- Employees receiving four (4) weeks vacation shall be entitled to 8% of his earnings.
- Employees receiving five (5) weeks vacation shall be entitled to 10% of his earnings.
- 12.03 Vacation periods shall be determined from time to time by the Company. Each employee will be authorized to schedule the first two (2) weeks of this vacation entitlement between June 1st and September 30th of each year. The Company shall, in so far as is possible, meet the wishes of the employees, with particular regard to plant-wide seniority within a given Department.
- 12.04 Vacation schedules shall be posted not later than March 15th of each current vacation year.
- 12.05 After vacation schedules are posted, the schedule shall not be changed as long as there is no interference with the efficient operation of the plant. Employees who have not scheduled their vacation before April 15 in each year, will not be able to force the rescheduling of junior employees who have scheduled their vacation prior to April 15.

ARTICLE 13 – GENERAL HOLIDAYS

- 13.01 The following general holidays shall be recognized:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day (Empire)	Armistice Day (Remembrance Day)
Memorial Day (Dominion)	Christmas Day
Regatta Day	Boxing Day

2 Personal Floaters	1 Company Floater
---------------------	-------------------

Regatta Day to be held on the closest Monday before the scheduled holiday.

Floaters to be taken in contract year.

- 13.02 In order to be eligible for statutory holiday pay, an employee must have worked at least fifteen (15) days during the thirty (30) calendar days immediately preceding the general holiday. Days off for the following reasons; death in the employee's immediate family, jury duty, validated sickness, accident or authorized leave of absence shall count as part of the fifteen (15) day service requirement.
- 13.03 Employees who qualify under the eligibility rules shall be paid for the above named holidays on the basis of eight (8) hours at their straight time rate, exclusive of shift premium.
- 13.04 When a general holiday falls within an employee's vacation period, the Company will schedule an additional day off with pay provided the employee meets the requirements of this Article 13.

ARTICLE 14 – BEREAVEMENT LEAVE

- 14.01 An employee who loses working time on scheduled workdays to attend or make arrangements for the funeral of a member of his immediate family will be paid for time so lost up to a maximum of five (5) days at his normal hourly rate.
- Where the spousal relationship is common-law, the leave provided in 14.01 and 14.02 will be awarded. For the purpose of this Article, common-law spouse is that defined by Revenue Canada.
- An employee's immediate family shall include his mother, father, brothers, sisters, spouse, children, mother-in-law, and father-in-law.
- 14.02 An employee will be granted one (1) day off, with pay, for the purpose of attending a funeral of a brother-in-law, sister-in-law, grandparents or aunt and uncle.
- 14.03 Only consecutively scheduled workdays will be counted as such Funeral Leave. The employee will be paid his straight time basic rate, exclusive of shift or other premiums, for such hours as he normally would have been required to work during such Leave.

ARTICLE 15 – JURY PAY

- 15.01 An employee who is required to be absent from work because of a call for jury service or subpoenaed as a crown witness, shall receive his normal straight time pay, exclusive of shift premiums for

hours lost provided the employee is not compensated for jury duty or as a subpoenaed crown witness from any other source.

- 15.02 To be eligible for jury pay, the employee must notify his Supervisor at the time of his call to jury duty and furnish evidence of the amount of pay received from jury service.

ARTICLE 16 – GROUP INSURANCE

- 16.01 To be eligible for coverage under the Group Insurance Plan as outlined below, an employee must be a regular full-time, non-probationary employee.
- 16.02 For the duration of this Agreement the Company will provide to its employees the existing Company Group Health Insurance Program at no cost to employees.
- 16.03 The weekly Indemnity Insurance Plan for employees covered by this Agreement will be provided as specified under Contract of Insurance between the Company and the Carrier. The existing Contract of Insurance as mentioned above shall provide coverage for an amount of 66 2/3% of the employee's basic weekly earnings up to \$450.00 maximum a week.

Regular wages for the first three (3) days of sick leave will be payable in full by the Company. In order to discourage abusive absenteeism, the Company may, where it is deemed necessary, request a statement by a medical doctor justifying an employee's absence. No payment in compensation for such absence will be made until such time as a requested medical certificate has been submitted to the Company.

Where employees are not absent for more than three (3) consecutive working days to qualify for the three (3) days mentioned above, employees will be permitted three (3) sick days per calendar year. If not used, these days will not be carried over into the next year.

- 16.04 The Life Insurance Plan for employees covered by this Agreement shall be provided as specified under the Contract of Insurance between the Company and the Carrier. The existing Contract of life insurance of \$35,000. to be moved to \$50,000. following the month of ratification.

- 16.05 The Company's hourly Union Long Term Disability Insurance Program will be made available to eligible employees under this Collective Agreement. Payment under this plan will be sixty (60) percent of an employee's normal base pay. The previous cost-sharing arrangements will be maintained.
- 16.06 The benefits mentioned shall be subject in every respect to conditions and limitations contained in the Company's Group Insurance Policies with the carrier as specified above where such policies are in effect which alone constitutes the agreement under which payments are to be made.
- 16.07 Dental Plan: The Company will move the Dental Plan up to 100% basic. Eligible expenses will be based on the current Newfoundland and Labrador Dental Fee Guide in force.
- 16.08 An employee's Health and Welfare Benefits shall continue while he is on Worker's Compensation.

ARTICLE 17 – WAGES

17.01 CLASSIFICATIONS, DESCRIPTIONS AND RATES OF PAY

Lead Operator

While accepting responsibility for the second shift and while filling in for Mill Supervisor during the day shift while he is on annual vacation or absent for some reason for an extended period.

\$0.50 per hour extra

Operator

It is extremely important to have a flexible Crew, so each operator must be fully trained in several, and for some operators, all operations including the procedures pertinent to those operations.

Effective June 17, 2005 – Range is \$15.08 - \$16.09 per hour (\$0.35 per hour increase)

Effective April 1, 2006 – Range is \$15.48 - \$16.49 per hour (\$0.40 per hour increase)

Rates of pay should recognize:

- A. The degree of training;
- B. The job on which he spends the greater part of his time.

Starting on the lower limit of the operator rate, pay increases should be given as follows:

	<i>When Training Completed in Area indicated</i>	<i>When Working mainly in this area</i>
AREA 1 Warehousing, Housekeeping Shipping, Receiving (Shipper)	17¢/hour	17¢/hour
AREA 2 Packing, Dairy Line, Grain	17¢/hour	---
AREA 3 Binning, Bulk Load Out to Truck, And Truck Scaling ---		17¢/hour
AREA 4 Pelleting Operation, Fat	22¢/hour	28¢/hour

FOR EXAMPLE:

- A. If a man is trained through Areas 1 and 2 and works primarily in the Warehouse, his rate would be:
\$15.42 per hour (Basic Rate Effective June 17, 2005)
\$15.82 per hour (Basic Rate Effective April 1, 2006)
- B. If a man is trained through Areas 1, 2 and 3, and works primarily as a packer, his rate would be:
\$15.59 per hour (Basic Rate Effective June 17, 2005)
\$15.99 per hour (Basic Rate Effective April 1, 2006)
- C. If a man is trained through Areas 2, 3 and 4, and works primarily in Area 4, his rate would be:
\$16.09 per hour (Basic Rate Effective June 17, 2005)
\$16.49 per hour (Basic Rate Effective April 1, 2006)

17.01 CLASSIFICATIONS, DESCRIPTIONS AND RATES OF PAY

Maintenance

Must be fully trained in the mechanical operation of all plant equipment and have a good knowledge of procedures. Must own a complete set of hand tools. Must be a qualified First Class Millwright, must have practical experience in plumbing, mechanics, welding and a working knowledge of electrical systems and apparatus, and heating equipment.

Effective June 17, 2005 – Range is \$15.90 - \$16.87 per hour (\$0.35 per hour increase)

Effective April 1, 2006 – Range is \$16.30 - \$17.27 per hour (\$0.40 per hour increase)

The pay rate within this range should recognize his degree of training and when fully trained he should get the top rate.

Truck Driver

Must be well trained in operation and care of his truck and must be fully trained in procedures and policies regarding delivery service to customers.

In cases where a truck driver is also trained as an operator and performs an operation during a slack trucking period or during vacation, he should receive the same premiums over his standard rate for this period as an operator would when doing these jobs . (In the case of pelleting, he would get \$0.28 per hour over his standard rate for the weeks he fills in on this job.)

Effective June 17, 2005 – Range is \$15.37 - \$15.97 per hour (\$0.35 per hour increase)

Effective April 1, 2006 – Range is \$15.77 - \$16.37 per hour (\$0.40 per hour increase)

Part-Time and Casual Rates

\$8.40 eff. April 1/98

Paid by cheque each Thursday at the end of shift.

All employees working on shifts 4:00 pm to 12:00 will receive shift premium of 45¢ per hour. All employees working shifts 12:00 midnight to 8:00 am will receive shift premiums of 50¢ per hour. These shift premiums will not be included when calculating overtime.

Employees relieving for one (1) full day in a job classification carrying a wage rate which is higher than his own will be paid the higher rate for all hours of that day. Employees relieving in a job classification carrying a wage rate which is lower than his own will be paid at his own rate of pay.

ARTICLE 18 – TECHNOLOGICAL CHANGES

18.01 In the event of a substantial reduction in the work force as a direct result of technological or economic change, including the elimination of a complete department as a direct result of technological or economic change, the Company agrees to give a three (3) month notice to the Union. The Company further agrees to discuss with the Union the future status of employees whose employment is permanently terminated with a view to taking advantage of relevant Federal and/or Provincial government services for the retraining of such employees.

The Union undertakes to give its full co-operation to the Company concerning its request for assistance from the various government services concerned.

18.02 (A) In the event of a substantial reduction in the work force as a direct result of technological or economic change, including the elimination of a complete department as a direct result of technological or economic change, severance pay for eligible hourly employees will be granted as follows:

1. Employees having less than one (1) year of continuous service shall not be entitled to any severance pay.
- or
2. Employees having one (1) or more years of continuous service shall be paid one weeks pay for each completed year of service at their regular hourly rate of pay.

18.02 (B) In the event of a total plant closure employees having one (1) or more years of continuous service shall be paid two (2) weeks pay for each completed year of service at their regular hourly rate of pay.

18.02 (C) Severance will not be paid for:

1. Discharge for just cause (dishonesty, insubordination, etc.);

2. Resignation (except for ill health or prior Company approval);
3. Retirement or death (prior to actual shutdown of plant or major department);
4. Employees who have been on lay-off status for more than three (3) months at the time notice of shutdown of plant or major department is announced;
5. If an employee is offered and accepts employment elsewhere with Country Ribbon Inc. or affiliated companies.

18.02 (D)

1. Severance pay, where warranted, shall be paid in addition to accrued vacation due, pension and profit sharing equity payments made to an employee at termination.
2. Payment shall be made in one (1) lump sum or as requested by the employee, provided that the payment shall not be made beyond a twelve (12) month period.
3. To allow employees necessary time to make conversions to a private or other plan, the Company will pay the full premium for a period of one (1) month after the date of termination for group life insurance and medical plans to which the Company is contributing.

ARTICLE 19 – GENERAL

19.01 CLOTHING

The Company will contribute to the cost of each employees clothing to a maximum of \$225. per contract year. Employees must provide receipts.

19.02 LEAVE OF ABSENCE

The Company may grant leave of absence to any employee for legitimate reasons and any person who is absent with written permission shall not lose his seniority. In the case of leave to attend Union business, it is understood that not more than one (1) employee will be absent at any one time.

19.03 BULLETIN BOARD

The Company shall provide reasonable space on the Bulletin Board for the posting of official Union notices. All such notices shall be submitted to the Plant Manager for approval prior to posting.

19.04 SAFETY

A Joint Health and Safety Committee shall be established which is composed of a minimum of two union members chosen by the Union. At no time shall the number of Company members be allowed to outnumber the amount of Union members.

Two co-chairpersons shall be elected by and from the members of the Committee. One co-chair shall be a Union member, the other shall be a Company member.

Without limiting the generality of the foregoing, the Committee shall:

- (i) Hold meetings at least nine (9) times per year for the review of:
 - Reports of current accidents and occupational diseases, their causes and means of prevention
 - Remedial action taken or required by the reports of investigations or inspections
 - Any other matters pertaining to health and safety
- (ii) Record the minutes of the meetings which shall be signed by the co-chairs, distributed to the Committee members, posted on the bulletin boards and sent to the local Union.
- (iii) Time spent by members of the Committee in the course of their duties shall be considered as time worked and shall be paid in accordance with the terms of this Agreement.

Right to Accompany Inspectors

The Union co-chairperson or designate shall be allowed to accompany a government inspector on an inspection tour.

Protective Clothing and Equipment

The Company shall provide all employees whose work requires them to wear protective devices with the necessary tools,

equipment, non-prescription safety glasses and protective clothing (other than clothing covered by Article 19.01) chosen by the Committee. These shall be maintained and replaced, where necessary, at the Company's expense. It is recognized that such protective equipment and clothing are temporary measures. The conditions necessitating their use shall be subjected to further corrective measures through engineering changes or the elimination of the hazard.

Injured Workers Provision

An employee who is injured during working hours and who is required to leave for treatment or is sent home as a result of such injury shall receive payment for the rest of the shift at his/her regular rate of pay.

ARTICLE 20 – DURATION OF AGREEMENT

- 20.01 This Agreement which constitutes the entire Agreement between the parties shall be considered effective April 01, 2004 and continue in full force and effect for thirty-six (36) months from this date. Except where specified, no clause of this Agreement will be retroactive before the date of signing.

- 20.02 Either party to this Agreement wishing to amend or modify or terminate this Agreement shall notify the other party in writing of its intention within sixty (60) to thirty (30) days before expiration thereof. In this event, the present Agreement shall remain in force until a new contract has been satisfactorily negotiated.

IN WITNESS THEREOF, the parties hereto have signed this Agreement this _____ day of _____;2004.

COUNTRY RIBBON INC.

CANADIAN AUTO WORKERS
LOCAL 597

Donna Nugent

Frank Taylor

Randy Harris

James Howlett

Milton Carlson

LETTER OF UNDERSTANDING

Re: Employee Ownership –Preferred Shares

In recognition of the employee contribution to the successful operation of the Company by past services and the acknowledgment of the current financial situation, the Company agrees to establish an Employee Equity Investment Plan under which all active employees agree to acquire preferred shares in Country Ribbon Inc.

The applicable terms and conditions are as follows:

1. The Company will record an equity contribution for past services on behalf of each active employee equal to two (2) percent of the employee's regular earnings for the period April 1, 2004 up to and including June 16, 2005.
2. Each employee shall receive a statement of the number of Preferred Shares held in his or her name as at February 26, 2005 and as at June 16, 2005.
3. The Preferred Shares held in each employee's name shall be a non-voting, non-participating and non-dividend issue by Country Ribbon Inc.
4. The redemption of Preferred Shares by the Company will not be permitted until after June 15, 2008.
5. In the event of the death of an employee, the value of the Preferred Shares up to the time of the death shall remain invested with the company and will not be paid to the designated beneficiary of the Employee or his/her estate until after June 15, 2008.
6. In the event of the termination of employment of an employee, or the resignation of an employee, the employee's investment shall remain invested with the Company until after June 15, 2008.
7. On June 15, 2008 the Company, depending on the results of its best efforts, shall redeem at a redemption price equal to the equity contribution out of funds available for the redemption of Shares, the Preferred Shares held by each employee, deceased employee or former employee and shall issue a payment upon redemption of the Preferred Shares less any applicable statutory deductions.
8. In the event that any questions arise concerning the application or administration of this Plan it shall be referred to a Labour-Management Committee for response or resolution as the case may be.

Canadian Auto Workers

Country Ribbon Inc.

Date

Date

LETTER OF UNDERSTANDING – re Pension Plan

September 27, 2004

Frank Taylor
National Representative
CAW
P.O. Box 922
St. John's, NL
A1C 5L7

Dear Mr. Taylor:

Re: Pension Plan

This is to confirm the understanding that was reached during negotiations that the Company will, for the duration of this Agreement which expires March 31, 2007, maintain the Defined Contribution Pension Plan provided to the employees of the Feed Mill.

It is also agreed that shift premiums will be included in the calculation of pensionable earnings.

Donna Nugent
Director Human Resources