

AGREEMENT

This Agreement is made and entered into by and between Cargill Limited, Cargill Foods Division, High River, Alberta, hereinafter referred to as the "Company," and the United Food and Commercial Workers International Union, Local No. 1118, hereinafter referred to as the "Union."

ARTICLE 1 SCOPE OF AGREEMENT

1. The purpose of this Agreement is to set forth the wages, benefits, terms, and conditions of employment for each employee covered by this Agreement.
2. This Agreement applies only to the Company's beef processing plant located at 472 Avenue and Highway 2A North in High River, Alberta.
3. The Company recognizes the Union as the exclusive collective bargaining agent for all employees at the High River plant except office, clerical, training, nursing, laboratory, sales, and purchasing personnel as set forth in Certificate Number 1683-91 dated November 5, 1991, issued by the Alberta Labour Relations Board, a copy of which is attached hereto as Exhibit A.

ARTICLE 2 NON-DISCRIMINATION / HARRASMENT

1. Neither the Company nor the Union will discriminate against any employee or applicant for employment because of race, colour, sex, physical disability, age, religious beliefs, ancestry, place of origin, or marital status.
2. **Harassment of any employee due to that employee's race, colour, sex, physical disability, age, religious beliefs, ancestry, place of origin, or marital status is prohibited by this Agreement. Harassment consists of unwelcome conduct whether verbal or physical that is based upon a person's race, colour, sex physical disability, age religious beliefs, ancestry, place of origin, or marital status.**
3. **The Company will not tolerate harassing conduct that interferes unreasonably with an individual's work performance, or that creates an intimidating, hostile or offensive working environment.**
4. **The Union and the Company agree that paragraph 2.2 and 2.3 can be read independently.**

ARTICLE 3 MANAGEMENT RIGHTS

1. The right to manage its business, direct its working forces, and to establish and maintain reasonable rules and regulations governing its operations and its employees' conduct is vested exclusively in the Company subject to the grievance procedure. The sole and exclusive rights of management shall include, but are not limited to, the right to hire and to determine the ability of employees including selecting the qualifications and number of employees required; the right for just cause to suspend, dismiss or otherwise discipline employees and to take such other measures as management may determine to be necessary for the orderly and efficient operation of the business; the right to transfer, promote or demote employees, and to layoff or relieve or terminate employees from duty for lack of work or other reasons; the right to establish, continue, change, or abolish policies, practices, rules, procedures, and regulations for the conduct of the business and for the conduct of employees including, but not limited to, safety rules, drug and alcohol policies, work rules, and attendance regulations; the right to establish, maintain, and change standards of quality and efficiency; the right to determine the products to be purchased, handled,

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manufactured or sold including, but not limited to, the means, methods, processes, procedures and schedules thereof; the right to introduce new or different methods, equipment, materials, or facilities including automation and other technology to be used; the right to determine the number, location, or relocation of its plants and operations and the combining or splitting up of operations and equipment in whole or in part; the right to extend, limit, curtail, transfer, reduce, or discontinue its operations in whole or in part; and all other prerogatives and responsibilities normally inherent in management except those which are clearly relinquished by the specific terms of this Agreement. **The Company and the Union agree to act reasonably in the interpretation and the application of the collective agreement as a whole.**

2. Management personnel may perform any duties that are necessary in the conduct of the business and do not take the place of a full time bargaining unit employee.

3. The Company reserves the right to contract out, transfer, or assign, in whole or in part, any of the operations, procedures, or services performed by employees to any person or firm. Both parties agree, however, to minimize the effects of subcontracting generally on the job security of employees and will work to that end. The Company will notify the Union when it decides to subcontract bargaining unit work. If the Union requests, the parties will meet to discuss the effects of the Company's decision on the job security of employees.

ARTICLE 4 UNION MEMBERSHIP AND DUES CHECKOFF

1. The Company agrees that a condition of employment shall be that any employee who was a member of the Union in good standing on the date of the signing of his Agreement shall maintain such membership.

2. All employees shall, as a condition of employment, become members of the Union within ten (10) days following the date of their employment shall thereafter maintain membership in the Union in good standing. The Company will procure from all such employees the necessary membership applications and membership in the Union shall be granted within the above-mentioned ten (10) day period.

3. Under this Agreement, employees who either are or become members will maintain their membership in the Union in good standing if they pay the regularly prescribed initiation fee, regular Union dues, and periodic assessments uniformly required of all members of the Union in accordance with the provisions of this Agreement.

4. An employee will, in writing on a form provided by the Union, authorize the Company to deduct from wages due to him/her an amount payable by that employee to the Union for:

A. Union dues, and

B. Initiation fees and uniform assessments.

5. The Company shall make the deductions authorized by the employee, and the authorization is effective only for the amount or the percentage of the wages as indicated in writing by the Secretary-Treasurer of the Union.

6. The Company shall by the tenth (10th) day of each month remit to the Union the dues deducted for the preceding month, and a written statement of the names of the employees for whom the deductions were made and of the amount or percentage of the employee's wages of each deduction.

7. The Union will notify the Company at least thirty (30) days in advance by certified letter of any changes in the amount of dues, uniform assessments, and initiation fees and the effective date thereof.

8. The Union shall indemnify and save the Company harmless against any and all claims, demands, suits, or other forms of liability which shall arise out of or by reason of action taken or not taken by the Company

in reliance on such authorization cards furnished to the Company by the Union or any employee or for complying with any provision of this Article.

9. The Company will record the amount of union dues deducted during the calendar year on the individual employee's T4.

ARTICLE 5 HOURS OF WORK AND REST PERIODS

1. The Company intends to operate a standard workday of eight (8) hours and a standard workweek of forty (40) hours, but this will not be a guarantee of hours per day or per week. For payroll purposes the work week shall start at 12:01 a.m. on Sunday and end at midnight Saturday evening. Special rules for Maintenance are found in Exhibit E.

2. The Company will schedule hours of work in accordance with production requirements and may determine the number of hours per day or week operations or services shall be carried on. The Company has the right to establish and change work schedules but will give employees the following notices of schedule changes in writing when such changes are due to circumstances within the Company's control:

- A. Twenty-four (24) hours of notice prior to a change in shift starting time;
- B. Notice of Saturday work by the preceding Wednesday; and,
- C. Notice of shift change one week prior to the effective day of the change.
- D. **Notice of start times for first and second shift slaughter and fabrication.**

3. The Company will provide each employee the following rest periods on his/her shift each day:

- A. A rest period twenty-five (25) minutes long [twenty (20) minutes paid rest plus five (5) minutes unpaid personal time] prior to lunch beginning between two (2) to three and one-half (3 1/2) hours after the start of his/her work; the time lines for first break remain as per the current collective agreement, with no exceptions,
- B. An unpaid lunch period forty (40) minutes long between four and one-half (4 1/2) to six (6) hours after the start of his/her work; the lunch break can be moved forward no earlier than 4 hours from the start of their shift in cases of emergency break downs and employees will be given a 15 minute paid break midway between the end of the lunch break and end of shift. The company will advise stewards of the department when the time of the breaks are changed.
- C. A second paid rest period after lunch fifteen (15) minutes long when the employee is required to work more than nine (9) hours except that, for work after eight (8) hours and seven (7) minutes **up** to nine (9) hours, the Company will provide pay in lieu of a break unless there was an emergency earlier in the day which caused breaks to move forward; and,
- D. A meal allowance of five dollars fifty cents (\$5.50) when the employee is required to work after ten (10) hours and seven (7) minutes.
- E. **Employees working double shifts will be paid for the thirty (30) minutes between shifts at the appropriate rate providing that they work over ten (10) hours and seven (7) minutes and will take their breaks at the same time as the regularly scheduled shift break.**

4. Regarding Saturday work, if the Company has double shifts and if business allows the use of only one shift on Saturday the Company will attempt to alternate day and afternoon work groups.

5. It is understood that the current break times will continue to be taken with the first one-half hour being available for breakdowns and other emergencies. Stewards will be notified of those breakdowns and emergencies whenever possible to tell the employees the reasons why the breaks are being changed. Separately, the current practice regarding overtime breaks (every two (2) hours) will continue.

ARTICLE 6 GUARANTEE

1. Unless notified of a layoff on or before Saturday of the prior week, all regular full-time employees will receive a weekly guarantee in the amount of thirty-six (36) hours pay at their straight time rate, provided, however, the company may change the weekly guarantee to thirty-two (32) hours in a maximum of five (5) consecutive days (Monday through Friday or Tuesday through Saturday); not more than ten (10) times per contract year, provided the Company gives notice of intent to reduce the guarantee by Friday of the preceding week.

The guarantee shall be reduced by time absent for any reason for six (6) hours each full day in which the plant is unable to operate because of fire, explosion, power failure, storm, strike or boycott by a labor union or other similar group. Holiday pay will be considered part of the thirty-six (36) or the thirty-two (32) hours guaranteed pay, whichever is applicable.

2. The guaranteed work week shall apply only to regular full-time employees who commence work on the first scheduled day of the work week. Employees displaced because of operations of the seniority provisions shall receive pay for only those hours worked in the week hired or displaced.

3. The Company will provide employees reporting to work as scheduled either four (4) hours of work or four (4) hours of pay at their straight time rate. In the event of an emergency, breakdown, fire, flood, snowstorm, strike, power failure, Act of God, or other causes beyond the Company's control, the Company shall not be required to notify employees to not report, and employees reporting and finding no work as a result of such causes beyond the Company's control will not receive reporting pay.

4. The Company will provide employees who are called at home by an authorized manager to work at a time which is outside their regular work schedule and does not merge with their regular shift either four (4) hours of work or four (4) hours of pay at their straight time rate whichever is greater.

ARTICLE 7 OVERTIME

1. The Company reserves the right to assign work including overtime work to employees in accordance with requirements determined by management in accordance with the provisions of this Agreement.

2. The Company will pay one and one-half (1 1/2x) the employee's regular hourly rate of pay for all work performed in excess of eight (8) hours per day or forty (40) hours per week. The Company will pay two times (2x) the employee's regular hourly rate of pay for all work performed on Sunday or the day designated as the employee's Sunday.

3. Overtime work in a department shall be offered by seniority to senior qualified employees. The Company will follow the policy of "senior employee may, junior employee must." If no junior qualified employee(s) is available to perform the work, the senior qualified employee(s) will be required to perform the work.

4. Daily and weekly overtime will not be duplicated; only the highest single rate will apply.

5. For purposes of Saturday work up to a maximum of eight (8) hours per day granted off by the Company from Monday through Friday for vacations, **bereavement leave**, jury leave, verified hospitalization, appearing in court as a subpoenaed witness, and union leave, will count toward the weekly overtime calculation. Paid time off for an unworked holiday will count towards weekly overtime. Employees who work the hours as directed during the first five work days shall be paid time and one-half (1 1/2) for all hours worked on the sixth (6th) work day. Unscheduled work days do not count as a day worked for the purpose of computing overtime.

6. For employees working an eight (8) hour shift, work beyond twelve (12) hours per day is voluntary except in emergencies.

**ARTICLE 8
WAGES**

1. Effective the 1st Monday after ratification, an employee's starting rate will not be less than **\$13.75** per hour and will be increased to the base rate the 1st Monday after six (6) months of employment. When a new employee is accepted as fully qualified by his supervisor, the new employee shall be paid the rate of the job they are performing.

The hourly rate listed above will be increased during the term of this Agreement as follows:

Pay Progression Scale

	Starting No Less Than	After 6 mos.
Production	\$13.75	\$15.45
Maintenance	\$14.75	\$16.35

*Also commonly referred to as either the "base" or "apprentice" rate.

The hourly rates listed above will be increased during the term of this Agreement as follows:

Effective January 2, 2006, by twenty-five cents (\$.25);

Effective January 1, 2007, by twenty-five cents (\$.25);

Effective July 2, 2007, by twenty-five cents (\$.25);

Effective January 7, 2008, by twenty five cents (\$.25);

Effective July 7, 2008, by twenty five cents (\$.25); and

A wage schedule reflecting the hourly rates of pay during the term of this Agreement is included at the end of Exhibit B.

Cargill Foods will recognize 100% of experience towards the pay progression for all Cargill rehires. Cargill Foods will recognize 50% of the experience towards the pay progression for all employees from a different facility. The recognition for experience and the rate of pay will be completed prior to hiring. The company will notify the union in writing of all employees being paid the experienced rate on an ongoing basis. The recognition of experience will only be observed for the pay progression.

2. All jobs covered by this Agreement are placed in pay levels listed in Exhibit B. Full-time employees may become qualified and perform jobs which pay a premium above their applicable rate on the pay

progression scale. An employee is considered qualified when he/she can perform the job without instruction or assistance. A qualified full-time employee performing a job level higher than apprentice is paid as follows:

	Job Level	Production	Maintenance
1	Pay Scale Plus . . .	\$.45	\$1.00
2	Pay Scale Plus . . .	\$.85	\$1.75
3	Pay Scale Plus . . .	\$1.35	\$4.50
4	Pay Scale Plus . . .	\$1.60	\$6.00
5	Pay Scale Plus . . .	\$2.25	\$9.00
6.	Pay Scale Plus . . .	\$0.00	\$10.00

The production lead person rate shall be fifty cents (\$.50) per hour above the highest rate in the department providing the lead person is qualified on the highest rated job in the department or Level 4, whichever is higher. For example, if the highest rate in the department is a Level 3, the lead person would receive Level 3 plus \$.50 per hour. If the highest rate in the department is a Level 2, the lead person would receive a level 4.

3. Employees who work between the hours of 6:00 p.m. and 6:00 a.m. will be paid thirty-five cents (\$.35) per hour over their regular rate.

4. Hourly pay for temporary and Dart-time employees who are performing bargaining work not covered by the wage schedule shall be determined in accordance with Article 8, Section 5.

5. If the Company creates a new job classification, or combines existing job classifications, or substantially changes the duties of existing job classifications, the Company will establish a wage for such new or changed job classification and notify the **Union** within thirty (30) days. The Union has seven (7) calendar days thereafter to object to the rate set, and the matter will then be subject to negotiations between the Company and the Union. If negotiations do not successfully resolve the matter, the matter will be subject to the Grievance Procedure as outlined in Article 20.

6. When an employee is temporarily assigned to a higher rated job which that employee is qualified to perform without instruction or assistance, he/she will be paid the higher rate for all time worked on that higher rated job.

7. When an employee is temporarily assigned to a lower rated job, he/she will be paid his/her regular rate for all time worked on that lower rated job except when the assignment results from the employee's request or a change in accordance with seniority. Employees being accommodated due to a work-related injury or illness shall receive their regular rate until it is medically determined that the employee can no longer perform their regular job on a permanent basis or the employee bids to another job. When it is medically determined that the employee can no longer perform his/her regular job, he/she will receive the rate of the job he/she is performing with notice to the union.

8. Employees who bid to a job with a lower level than they are currently qualified for will have their pay decreased to the lower level on the day they are moved into the lower rated job. Employees who bid to a higher rated job will have their pay increased only when they are qualified to perform the higher rated job.

ARTICLE 9 GENERAL HOLIDAYS

1. The Company recognizes the following general holidays:

New Year's Day	Canada Day	Thanksgiving Day
Good Friday	First Monday in August	Christmas Day

Victoria Day

Labour Day

Boxing Day

Prior to January 1 of each calendar year, the Company will designate a tenth holiday to be taken during the calendar year.

Christmas Day 2005 observed Family Day 2006

Boxing Day 2006 observed Family Day 2007

2. The Company will pay employees eight (8) hours of straight time pay at their regular hourly wage rate for the general holidays provided that:

A., The employee has worked at least thirty (30) working days in the preceding twelve (12) months; and,

B. The employee works the hours scheduled on the working day before and the working day after the holiday; and,

C. The employee has not failed to work when scheduled to work on the holiday; and,

D. The employee is not absent without the Company's consent.

3. For all work performed on a general holiday the Company will pay an employee two times (2x) the employee's regular hourly wage rate in addition to the eight (8) hours of holiday pay provided in Section 2 above.

4. If a general holiday occurs during an employee's vacation period, the employee may elect either to receive holiday pay as provided in Section 2 above or a paid holiday on another day mutually convenient between the Company and employee. In the latter case, work performed on the alternate holiday will be paid for as provided in Section 3 above.

5. Sunday holidays will be observed on the following Monday. Any statutory holiday can be observed on a different day by mutual agreement.

ARTICLE 10 VACATIONS

1. Employees earn paid vacation by working during the twelve (12) consecutive months following their employment anniversary date.

2. The amount of vacation employees earn depends on their length of continuous service with the Company:

A. After one (1) year of continuous service and for each subsequent year, employees earn two weeks paid vacation.

B. After five (5) years of continuous service and for each subsequent year, employees earn three (3) weeks paid vacation.

C. After ten (10) years of continuous service and for each subsequent year, employees earn four (4) weeks of paid vacation.

D. After twenty (20) years of continuous service and for each subsequent year, employees earn (5) five weeks of paid vacation.

A vacation week is the same as the payroll week.

3. The amount of pay employees receive for vacation is equal to their gross earnings in the preceding year multiplied by four percent (4%) for two (2) weeks vacation, six percent (6%) for three (3) weeks vacation, eight percent (8%) for four (4) weeks vacation and (10%) for five (5) weeks.

4. The company determines when plant operations permit vacation. Prior to January 15 of each year the company will identify the number of employees per department to be off on vacation at one time and provide a copy of such to the union. The company will schedule vacations by each individual department considering the requirements of plant, seniority and the individual wishes of the employees. The vacation scheduling period will be from February 1 to March 31 of each year. The Union may review copies of the department vacation planners during such period of vacation scheduling period. Notice will be given to employees each year on January 15 of the Company's intention to begin vacation scheduling on February 1 each year. Employees may schedule vacations between April 1 and March 31. Beginning on February 1, the Company will commence scheduling of vacation, calling the most senior employee in the individual department first. Employees will be required to indicate their preference within two (2) working days of their turn. Once approved, the employee will receive written confirmation of the approved vacation. A copy of Management approval will also be provided to Human Resources in order to ensure that vacation pay is provided on the employee's paycheck immediately prior to the vacation period.

After April 1, vacations will be scheduled on a first come, first served basis. In the event that an employee bids or transfers from one department to another after the vacation schedule has been set such employee will not be guaranteed entitlement to the vacation period approved in their previous department in his/her new department. Such employee will have vacation preference subject to availability based on the new department's existing schedule for that particular vacation year, and only after the employee becomes "qualified" in the new department.

After April 1, any request by an employee to change his/her approved vacation schedule will be subject to considerations for plant operations and will not be considered if it affects another employee's approved vacation even if the employee requesting the change is a senior employee. Vacation scheduling takes priority over Leave of Absence requests.

5. Vacations cannot be accumulated from year to year, but must be taken within twelve (12) months after the last employment anniversary date. Employees cannot waive their vacation and draw pay in lieu of vacation.

6. A vacation schedule shall be prepared and available for review by employees in Human Resources by April 15 of each year for purposes of selecting vacation weeks on a first come, first served basis. **Such department vacation schedules will be listed by seniority.** The Company sees no foreseeable change in how summer vacations are scheduled.

ARTICLE 11 LEAVES OF ABSENCE

1. The purpose of a leave of absence is not to provide extended vacations. The purpose of a leave of absence is to provide an excused absence from work for circumstances which are uncommon, unforeseen, or unusual and which usually cannot be planned in advance. Regular full-time employees with one (1) year or more of continuous service may request a leave of absence without pay for a period not to exceed fourteen (14) days which may be extended another fourteen (14) days for special cause. The leave must be requested in writing in advance. Company approval will depend on the reason for the leave, its duration, the effect on operations, the employee's length of service and general performance. No more than one percent (1%) of the bargaining unit employees will be granted leave at any one time. Employees must exhaust all vacation before commencing an unpaid leave of absence exceeding three (3) days. Subject to the conditions above, employees requesting a leave of absence to travel overseas for special circumstances will not be granted a leave of absence more than once every three (3) years. An employee may request a leave of absence to not work a scheduled overtime shift on Saturday or their designated Saturday, and once the original leave is approved it will not be revoked at a later date. The Company may, however, ask the employee to change it for the Company's convenience.

2. Upon proper notice the Company will work with the Union to grant unpaid leaves of absence at the earliest convenient time to employees who are elected or appointed to a full-time position with the Union. No more than two (2) employees may be on leave of absence for this purpose at any time, and such leaves shall not exceed either the term of this agreement or the term of office whichever is less. Within one (1) month's notice of the employee's desire to return to work for the Company, the employee shall be placed on his/her previous job or another job at an equal rate of pay subject to seniority and satisfactory performance of the required work. If the employee would not otherwise have retained his/her previous job and is not placed on a job carrying an equal rate of pay he/she shall, subject to seniority, be placed on a job which he/she can satisfactorily perform. An employee on such leave of absence will accumulate seniority while on such leave.

3. Upon request from the Union the Company will grant employees unpaid leaves of absence for the purpose of **Union business**. No more than seven (7) employees per shift from the plant including one (1) employee from any one (1) department **except for Union Executive Board meetings in which event there can be two (2)** chosen by the Union will be on leave of absence for these purposes at any time, and such leaves shall not exceed thirty (30) days. Similarly, the Company will grant leaves to no more than seven (7) employees from the plant to attend the monthly steward's meeting provided that such meetings shall not be scheduled on Mondays. The Union shall give the Company at least fifteen (15) working days notice before the requested leave is to commence when more than seven (7) employees are needed for negotiations, attending union schools, conventions or conferences and five (5) working days notice for monthly stewards' meetings or short-term leaves of absence. A request for an extension of a leave must be made at least five (5) working days prior to the expiration of the leave already granted and will be considered in relation to existing conditions. Employees on leave of absence as provided herein shall accumulate seniority.

4. Upon request the Company will grant employees unpaid leaves of absence to serve as elected members of the Provincial Legislature or the Parliament of Canada for a period not to exceed either the term of this agreement or term of office whichever is less. Within one month's notice of the employee's desire to return to work for the Company, the employee shall be placed on his/her previous job or another job at an equal rate of pay subject to seniority and satisfactory performance of the required work. If the employee would not otherwise have retained his/her previous job and is not placed on a job carrying an equal rate of pay he/she shall, subject to seniority, be placed on a job which he/she can satisfactorily perform.

ARTICLE 12 JURY LEAVE

The Company will pay employees who are legally summoned to appear for jury duty or who serve on jury duty up to eight (8) hours at the employee's regular hourly rate of pay less the amount of jury pay which was received for the same period. Paid jury leave is limited to thirty (30) days in a one (1) year period. To be eligible for paid jury leave, employees must notify their immediate supervisor immediately after receipt of the jury summons, must furnish evidence as to the amount of pay received for such jury service, and must report to work if released in time to report for the remainder of their shift.

ARTICLE 13 BEREAVEMENT LEAVE

The Company will grant regular full-time employees scheduled for work paid leaves of absence to make arrangements for and attend the funeral or memorial service of immediate family members **or bereavement upon proof of the death of an immediate family member as defined in this article**. The Company will pay up to a maximum of twenty-four (24) hours at the employee's regular hourly rate for time lost on regularly scheduled consecutive work days which fall on three (3) consecutive days, one of which must be the day of the funeral or memorial service for a spouse, child, step-child, parents, step-parent, brother, sister, mother-in-law, or father-in-law. **Regular full time employees will be eligible for bereavement leave only in the instances of the death of an employee's spouse, child, parent, brother**

or sister. The Company will pay up to a maximum of eight (8) hours at the employee's regular hourly rate for time lost on a regularly scheduled workday which falls on the day of the funeral of either the employee's or the employee's spouse's natural grandparents. To receive a paid leave of absence under this provision, regular full-time employees must notify the Company about the need for the leave no later than the start of their shift on the first day of absence; they must attend the funeral or memorial service; and, if additional unpaid leave is necessary, they must request additional time off prior to the funeral leave. If the Company requests, the employees must furnish satisfactory proof for the **bereavement** leave request. Subject to the conditions above, the Company may grant employees on probation unpaid leaves of absence.

ARTICLE 14 MATERNITY / PARENTAL LEAVE

1. The Company will grant pregnant employees leaves of absence without pay under the following conditions:
 - A. The pregnant employee must have worked for the Company at least six (6) consecutive months when the leave begins; and,
 - B. Under normal circumstances the leave period can begin no sooner than twelve (12) weeks immediately preceding the estimated date of delivery; and,
 - C. The leave must include at least six (6) weeks immediately following the actual date of delivery; and,
 - D. The leave period cannot exceed eighteen (18) weeks plus any additional time between the estimated and actual dates of delivery as defined by the Alberta Employment Standards Code plus up to an additional three (3) weeks following delivery if the employee furnishes a medical certificate certifying the employee's inability to return to work.
2. The Company reserves the right to require a medical certificate stating that the employee is pregnant and estimating the date of delivery.
3. The Company reserves the right to require a pregnant employee to begin maternity leave during the twelve (12) weeks immediately before the estimated date of delivery rather than allowing the employee to work up to the date of delivery by giving written notice of the Company's determination that the pregnancy interferes with the employee's work performance.
4. The employee should give the Company at least two (2) weeks written notice of the day the employee plans to begin maternity leave. The employee must give the Company at least two (2) weeks written notice of the day the employee plans to resume work.
5. The employee will be reinstated without loss of seniority to their previous job or a comparable job at the same rate of pay if they resume work.

PARENTAL/ADOPTION LEAVE

- 1. Employees are entitled to a total of 37 weeks for the purpose of Parental Leave combined between both parents.**
- 2. New mothers that wish to take Maternity and Parental Leave must take the leaves consecutively.**
- 3. New fathers are entitled to Parental Leave: this leave must be taken within 12 months of their child's birth.**

4. This leave can be split between parents. Total weeks combined by both parents cannot exceed 37 weeks.

5. The employee shall give the company at least six (6) weeks written notice of the day the employee plans to begin parental leave. The employee shall give the company at least two (2) weeks written notice of the day the employee plans to resume work.

6. The employee will be reinstated without loss of seniority to their previous job or a comparable job at the same rate of pay if they resume work, following parental leave.

7. Adoptive parents are entitled to parental leave regardless of the age of the adopted child.

ARTICLE 15 SENIORITY

1. All employees shall be on probation for sixty (60) days worked from the date of last hire; however, the probationary period shall be extended to ninety (90) days worked if the Company gives written notice to the Union during the first sixty (60) days worked stating the reason for the extension and the probationary period will be extended by time spent on modified duty. During the probationary period the Company may terminate an employee for any reason at its discretion which shall not be subject to a grievance under the grievance procedure however the Company shall not act in a manner that is arbitrary, discriminatory or in bad faith. During probation, employees have no seniority rights other than those rights specifically set forth in this agreement. Any employee rehired after termination of seniority as provided in Section 15 below shall be considered a new employee for purposes of this Section.

2. After sixty (60) days worked, regularly scheduled full-time employees shall establish seniority rights. Seniority is defined as length of continuous service dating from the employee's most recent date of hire and will be applied in the following order:

- A. First - within the division
- B. Second - within the plant

3. Seniority within the plant will operate within each of the following divisions for purposes of job movements:

- A. Slaughter division
Yards, Skinning, Viscera, Trim/Offal Ship, Specialty Offal/Heads, Coolers/Transfer, Paunch, Fresh Offal, and Hides
- B. Fabrication division
Breaking, Ribs and Rounds, Loins, Chucks/Arm Boning, Loosemeats, Packaging, Wizzard, Trim and Grind, Hamburger and Box Loadout/Storage Departments
- C. Maintenance Division - Maintenance, Warehouse, Utility and Rendering Departments
- D. Quality Assurance Division

4. In all cases of job assignments, promotions, transfers, reductions in force, and recalls to work the Company will give full consideration to ability and qualifications. If ability and qualifications are sufficient among competing employees, seniority will prevail. The company agrees that they will utilize

the senior employee when filling temporary job assignments. In unanticipated situations, the union recognizes the company may be required to utilize a junior employee but will utilize the senior employee in a timely fashion. It is further understood that a senior employee is not required to fill a temporary job vacancy long term but will be given the option to perform the temporary job vacancy. The intent of the foregoing language is to reinforce the concept of "senior may, junior must" for employee movement.

5. The Company will post production job vacancies which require permanent placement of full-time production employees except the following jobs are posted for informational purposes only and are not subject to the bidding procedure: scalers, maintenance positions, leadhands, trainers and quality assurance positions. The posting will last for seventy-two (72) hours excluding Saturday and Sunday with the exception of maintenance division postings which will be for five (5) working days, and will state the job title, level and department.

The Company will first attempt to award the vacant job to a qualified bidder within the division; if none, the Company will then attempt to award the vacant job to a qualified bidder within the plant; if none, the Company can assign the job. However, for employees with two (2) years of service, the Company will first attempt to award the vacant job to a qualified bidder within the plant; if none, the Company can assign the job. Each employee has two (2) bids per calendar year. The successful bidder will be notified by Human Resources and from time of notification will have seventy-two (72) hours to report to Human Resources to accept or decline the job. **The successful bidder may not voluntarily give it up except by bidding another job and** this immediately counts as one of the two (2) bids and begin the transfer timing process. **If the job posting is not filled within in six (6) months, it will be reposted.** If the successful bidder declines the job, this will not count as one of their bids and the next person on the list will be notified. The successful bidder will have their name removed from all other job postings. If an employee is disqualified by the Company, he/she will have that bid returned to them. Successful bidders who are not moved within twenty-one (21) calendar days will be paid the rate of such job until moved. Successful lateral or downward bidders, who are not moved to such job within twenty-one (21) days of the successful bid, will be compensated \$.25 per hour above the rate of the job they are performing. Such payment will not be made unless and until the employee qualifies for the job. If the employee does not qualify for the job, no payment will be made. Employees will be moved within **ninety (90)** days of the date of the job bid award. If, in the Company's judgment, the successful bidder cannot satisfactorily perform the job after a reasonable trial period of up to four (4) weeks depending on the job as determined by the Company, the employee will return to his/her former job. Employees will not be disqualified from a job bid merely for the purpose of avoiding penalty pay as set forth in this section. The Company will post the name of the eventual job holder on the bulletin board. The Company will furnish the Union a copy of each job posting.

6. Full-time production employees may bid upward, laterally, or downward for permanent vacancies. Successful lateral or downward bidders may not bid for another job for six (6) months; employees who cross from one division to another may not cross back for one (1) year.

7. The chief Steward or designee and a Human Resources Department designee will meet weekly or at other mutually agreed times to review the job posting list.

8. When an employee successfully bids or transfers into another department or division, the employee will establish seniority in the new department or division when he/she qualifies for the job, and shall lose all seniority in his/her previous department or division. The seniority date for the new department or division will be the same as his/her plant seniority date.

9. When the Company operates more than one shift, employees within a department may exercise their seniority rights for shift preference.

10. The parties will mutually agree to twelve (12) hour rotating shifts.

11. Subject to the provisions of Section 4 above, the Company will normally reduce jobs in the following order, by division, and by plant seniority except that probationary employees will be the first employees

laid off or transferred in a reduction of the workforce. Employees so affected can displace the least senior employee in the next higher order of seniority if they are qualified to perform the least senior employee's work. **The Union will be provided with layoff lists in a timely manner as they are developed. The Company and Union will meet as soon as possible after the layoff has been implemented in an effort to resolve qualification questions where senior employee(s) have been actually laid off and junior employees have not.** A senior employee may decide against exercising displacement rights and be laid off but, in doing so, must remain laid off until recalled.

12. For temporary layoffs [less than sixty (60) days] the Company will give at least two (2) working days notice to affected employees except in circumstances beyond the Company's control. The Company will also attempt to place the affected employees in other positions whenever possible until normal operations resume.

13. Subject to the provisions of Section 4 above, the Company will normally recall employees in the reverse order of layoff according to plant seniority. The Company will **provide recall notice first by telephone and then by registered mail to the employees last known postal address on record as furnished by the employee.** Notice will be considered received five (5) working days after the date of mailing.

14. The Company will provide the Chief Steward with a list of the names of employees who will be recalled or laid off within one (1) working day after notice to the affected employees.

15. An employee shall lose seniority if and when:

- A. The employee quits;
- B. The employee is terminated for just cause;
- C. The employee is absent from scheduled work more than three (3) consecutive days without notice to his/her immediate supervisor unless the employee's failure to notify is due to good and sufficient reason approved by plant management;
- D. Absence from work for any reason in excess of two (2) years.
- E. The employee fails to report to work within five (5) days after receipt of notice of recall from layoff unless the employee's failure to report is due to a good and sufficient reason approved by plant management. **An additional five (5) days will be granted if requested by the employee within the first five (5) days.**
- F. The employee is granted a leave of absence and does not return on the first working day after the expiry of the leave unless the employee's failure to return is due to a good and sufficient reason approved by plant management.

16. The Company will provide the Union an address list and telephone numbers of all bargaining unit employees, a current list of job levels, job titles, and a current seniority list every three (3) months. The Company will also post an updated seniority list in the plant every six (6) months.

17. Any employee promoted to a Company position outside of the bargaining unit covered by this Agreement shall retain all of his seniority (both departmental and plant) for a period of sixty (60) days following the date of his promotion. If an employee who was promoted to a supervisory position returns to the bargaining unit within the sixty (60) day period, he/she shall return to his previous department. If there are no open positions in his/her previous department, he/she shall return to his previous division.

18. Senior employees who show an interest in learning how to perform inventory control will be trained.

ARTICLE 16
BENEFITS

1. The Company agrees that during the life of this agreement it will continue to provide its health, dental, disability, life insurance benefits and Company pension plan. The benefit levels will be subject to the Grievance and Arbitration procedure. Information concerning these benefits is outlined in a separate benefits handbook which is incorporated herein by reference. All matters of administration shall not be subject to the Grievance or Arbitration provisions of this agreement. The Company will furnish a copy of the STD summary plan document to the Union.

- A, The Company will pay Alberta Health Care and Blue Cross premiums for regular full-time employees on the first of the month following completion of six (6) months of employment.
- B. The Company and the Union agree that the pension benefit - buy back for employees over ten (10) years service at \$18.00 level back to January 1, 1999. When employees reach ten (10) years of service the Company will buy back past years of service at \$18.00 back to January 1, 1999. Future service as of January 8, 2008 will be - twenty-two (\$22.00) per month per year of continuous service.
- C. Accident and sickness benefits are sixty percent (60%) up to a maximum of \$400/week production, \$500/week maintenance.
- D. Dental Plan fee schedule to current Blue Cross Dental fee schedule and update fee schedule as new schedules are published.
- E. Vision Care Plan \$150.00 maximum payment per employee's spouse and children every two years.
- F. Dispensing fees for prescription drug – a prescription is comprised of both the ingredient cost and the pharmacist's dispensing fee (dispensing fees vary). The dispensing fee that Blue Cross will pay out is limited to \$6.00 per prescription. Cargill Foods will sign a preferred provider agreement and inform the members of the unit accordingly.
- G. STD - If the company makes the determination not to accommodate an employee who has a non work related injury or illness, the employee will receive his/her Short Term Disability Benefit.

ARTICLE 17
CLOTHING, TOOLS AND EQUIPMENT

1. All probationary employees will purchase their rubber boots, rubber aprons, and rubber gloves through payroll deduction. Following the end of probation, the Company will furnish rubber boots, rubber aprons, and rubber gloves except that:

- A. Following the end of probation through the first employment anniversary date, the Company's obligation to furnish boots is limited to either up to two (2) pairs of rubber boots or a forty (\$40) cash allowance for leather safety shoes; and,
- B. Following the employee's first anniversary date and in each successive anniversary thereafter, the Company's obligation to furnish boots is limited to either up to three (3) pair of rubber boots or a sixty dollar (\$60) cash allowance for leather safety shoes.

- C. Shipping employees will be issued up to two (2) cooler jackets per contract year. If an employee terminates his/her employment and does not return the cooler jacket to the company, such employee will be required to pay for the issued cooler jacket.
2. The Company will furnish all employees with all other clothes, tools, and equipment necessary to perform their jobs safely including mechanics' hand tools.
 3. Employees will be responsible for the maintenance and good condition of all clothing, tools, and equipment purchased from or furnished by the Company. The Company will replace furnished items when they wear out or break through ordinary wear and tear upon surrender of the worn or broken item.
 4. Employees will be required to replace items which are determined to be lost, damaged, or broken through their misuse or negligence.
 5. Upon termination of employment, employees must return all clothes, tools, and equipment furnished or replaced by the Company.
 6. The Company will reimburse employees to renew necessary licenses required to perform their job.
 7. The Company will provide an employee to sharpen knives.

ARTICLE 18 SAFETY

1. The Company and the Union agree that safety in the workplace and the protection of all employees are of primary importance. Safety is a shared responsibility and the input of all employees to improve safety practices and conditions is encouraged and expected. Plant safety programs and efforts will be coordinated through the involvement of people from all levels of the organization.
2. The Company will give all employees a safety handbook which details Company policy, rules, guidelines, and safety information. The handbook will be reviewed and updated as needed.
3. The Company and the Union will establish a safety committee to insure and promote safety at and away from work. Details of the safety committee are provided in Exhibit C.
4. The Company and the Union will establish an ergonomics team to work with the Company's safety committee in identifying potential ergonomic problem areas and potential solutions. Details of the ergonomic team are provided in Exhibit D.
5. The Company and the Union agree to cooperate in making the safety programs work. If the Union is concerned about the Company's commitment to provide a safe workplace, the Union's Business Agent will resolve those concerns with the Plant Manager.
6. The union will be entitled to review copies of the company's budgeted crewing standards. Such requests will be made to the plant general manager or his designee in accordance with potential disputes that may arise.

ARTICLE 19 NO STRIKE - NO LOCKOUT

1. The Union and its members, individually and collectively, shall not authorize, cause, ratify, promote, condone, assist, encourage, or take part in any strike, picketing, sympathy work stoppage, sitdown, stay in, slowdown, boycott, or other curtailment or restriction of production or interference with either the Company's work on or about the Company's plants or premises or the Company's business during the term

of this Agreement, or during the course of negotiations for a renewal or extension of this Agreement unless an attempt has been made in good faith to settle differences by conciliation or some other form of mediation. The Company has the right to immediately dismiss or otherwise discipline any employee who violates this provision, and the only issue subject to the grievance procedure is the question of fact whether or not the employee engaged in or participated in any such violation; finding a violation, the arbitrator cannot change the penalty.

2. The Company agrees not to engage in a lockout during the term of this Agreement, or during the course of negotiations for a renewal or extension of this Agreement unless an attempt has been made in good faith to settle any differences by conciliation or some other form of mediation.

ARTICLE 20 GRIEVANCE PROCEDURE

1. A grievance is defined as a difference between the Company and an employee or the Union as to the interpretation, application, operation, or alleged violation of any provision of this Agreement. The Company and the Union agree that grievances should be resolved promptly; however, the right to present and investigate grievances during working hours will be exercised only at reasonable and mutually convenient times and shall not interfere with production. The Company will allow an employee the right to a steward's presence at all discipline. If such steward is readily available, the company will have a union designated steward or a union designated alternative steward present during the discipline. Before an employee is disciplined, the parties will jointly investigate the incident that gives rise to the potential discipline. When an employee is being suspended or terminated, the steward will interview the employee before the employee leaves the premises. The interview will take place in an appropriate area designated by the Company. If a steward needs to interview witnesses in relation to the incident, the Company will allow such an interview as soon as possible, except there is no guarantee that witness interviews will always be held on Company time and the steward must accept responsibility for using their own time if necessary to conduct the investigation. An employee has the right to choose an interpreter of their choice from a list of interpreters mutually agreed upon by the Company and the Union at any discipline or step of the grievance procedure. Employees will not stop working on account of their grievances. When a grievance is satisfactorily resolved at any step, such settlement will be reduced to writing and is final and binding. Time limits are mandatory but may be extended by mutual agreement. Grievances may be filed by the Union, or the Company. Copies of all discipline will be forwarded to the union.

There will be a two (2) year trial period relating to the language in Article 20 (grievance Procedure) [Before an employee is disciplined, the parties will jointly investigate the incident that gives rise to the potential suspension or discipline] and Article 24 (General) [The company will use a four-step progressive disciplinary procedure for misconduct which is less than serious as defined by the Company excluding attendance and safety violations. The four-step procedure includes a disciplinary notice, a written warning, and a final written warning in lieu of a suspension before termination. The grievance procedure still applies.] Either party may give notice to the other prior to or on January 2, 2007 that it wishes to end the trial period. In such event the language of Article 20 will read "Before an employee is suspended or terminated, the parties will jointly investigate the incident that gives rise to the potential suspension or discipline" and Article 24.6 will read "The four-step procedure includes written warning, and two suspensions before termination.

2. The employee who has a difference will discuss it with his/her department supervisor within three (3) working days after the employee should have known about the occurrence of the event out of which the difference arises or the matter will be considered closed. The employee may request the presence of a department steward at this step. The Company's answer will be given within five (5) working days of the close of the investigation.

Grievances will be resolved progressively in the following manner; all grievances will be heard by the appropriate Company representative who has the authority to settle the grievance.

First: The steward with or without the employee, will meet the appropriate management person to resolve the issue within three working days of the event which gave rise to the issue. The Company's answer will given within five (5) working days of the first step meeting.

Second: Second step - If the difference is not satisfactorily resolved in Step 1, the difference becomes a grievance. The employee and his/her department steward has five (5) working days following the Step 1 meeting to reduce the grievance to writing, sign it, and deliver it to the Human Resources Department or the matter will be considered closed. The written grievance must state the problem, the date of the event out of which the grievance arises, the employee's name, the applicable provisions of the Agreement which the employee relies on for support, and the requested remedy.

The next week, preferably on Wednesday or another day mutually agreed upon, the Division Manager or his designated representative will discuss the grievance with the union grievance committee of not more than three (3) members and the employee if he/she chooses. If the grievance is not satisfactorily resolved in Step 2, the union has five (5) working days after receipt of the Division Manager's answer to submit the grievance to the Third Step or the matter will be considered closed. The Company's answer will be given within five (5) working days of the 2nd step meeting.

Third step: If the grievance is not satisfactorily resolved in Step 2, the General Manager or his designee and the Human Resource Manager and the union grievance committee of not more than five (5) members will meet to resolve the grievance if possible. The Company's answer will be given within ten working (10) days of the 3rd step meeting. If it is not satisfactorily resolved, it may then be submitted to arbitration upon written request of either party to the other within ten (10) working days of the Company's third step meeting answer or the matter will be considered closed.

3. Any employee who feels he/she has been unjustly dismissed has three (3) working days following receipt of notice of dismissal to file a written grievance with the Human Resources Department and the Union. Thereafter, the grievance will be dealt with beginning at Step 2.
4. The party requesting arbitration shall request in writing the Director of Mediation Services of the Province of Alberta to appoint a single arbitrator.
5. The arbitrator's award is final and binding on the parties and on every employee affected by it. The Company and the Union shall each pay its own expenses in arbitration. The Company and the Union shall equally share compensation of the neutral arbitrator for services and the expenses for the hearing room.
6. Arbitration shall be limited to one issue at any one time. The arbitrator shall have no power to alter, amend, change, add to or subtract from the wages, terms, or conditions of the collective agreement or any agreement made supplementary hereto. **An Arbitrator shall be expressly forbidden from making inference whether positive or negative against either party as the results of the addition of the last sentence of article 3 (Management rights) section 1 to the collective bargaining agreement.**
7. The Union agrees that the foregoing grievance and arbitration procedure provides the exclusive forum for a bargaining unit employee to remedy a claim of unjust dismissal or suspension for any and all causes. Furthermore, the Union agrees that the exclusive remedy for unjust dismissal for any and all causes is reinstatement either with or without full or partial backpay and full or partial seniority in the judgment of the arbitrator.
8. The duly authorized representatives of the Union shall have the right to visit the workplace to inspect working conditions and to generally carry out the terms of this agreement, provided they report to the Human Resources Manager and provided that this right shall be exercised only at reasonable and mutually convenient times and shall not interfere with production.

9. The parties agree that they will jointly conduct and participate in labour relations training seminars on a quarterly basis or such other time as they may mutually agree. The cost of such training will be split equally among the parties.

ARTICLE 21
VALID AGREEMENT

If any provision of this Agreement is declared invalid by any court or administrative agency of competent jurisdiction, a decision shall not invalidate the entire Agreement. The parties intend that all other provisions remain in full force and effect. The parties further agree to amend this agreement to fully comply with requirements of applicable law.

ARTICLE 22
WAIVER

1. The Company and the Union acknowledge and agree that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter included by law within the area of collective bargaining and that all the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement.
2. For the life of this Agreement, the Union and the Company voluntarily and unqualifiedly waive their right to require further collective bargaining, and agree that they shall not be obligated to bargain collectively with respect to any matter or subject not specifically referred to or covered in this Agreement, whether or not such matters or subjects have been discussed, even though such matters or subjects may not have been within the knowledge or contemplation of either or both parties when they negotiated or signed this Agreement. This Agreement contains the entire contract, understanding, undertaking and agreement of the parties hereto and finally determines and settles all matters of collective bargaining for and during its term, except as may be otherwise specifically provided herein.

ARTICLE 23
PURPOSE of the AGREEMENT

1. It is the intent and purpose of the parties hereto that this Agreement shall promote and insure harmonious relations, cooperation and understanding between the Company and its employees, set forth rates of pay and other conditions of employment to be observed between the parties hereto.
2. It is recognized by both parties that they have a mutual interest and obligation in maintaining friendly cooperation between the Company and the Union which will permit safe, economical and efficient operation of the plant.
3. In recognition of the mutuality of interest and desiring to provide maximum opportunity and job security for its members in this plant, the Union pledges its cooperation in promoting customer and consumer acceptance of the Company's product.

ARTICLE 24
GENERAL

1. The Company is not opposed to production employees becoming maintenance employees and, to that end, agrees to post information including necessary skills on available maintenance jobs which becomes open. Interested production employees can submit their qualifications and make their interest in the maintenance job known to the Human Resources Department. If the skills required are less than journey man trade skills, successful candidates must pass the appropriate apprentice entrance exam. If their qualifications are equal and they meet Company requirements, the entry level maintenance positions will be filled by seniority and may be indentured into the apprenticeship program as set forth in Exhibit F subject to Company needs. If no successful candidates are found within the bargaining unit, the Company may hire externally. The Union is entitled to review successful candidate qualifications if it is determined that a less senior employee has more qualifications.
2. Employees who are subpoenaed to be witnesses will be granted time off without pay. Such time off will be excused on his/her attendance record.
3. In enforcing its attendance regulations and work rules, the Company will not base individual disciplinary decisions on attendance violations occurring more than one (1) year and on work rule violations occurring more than two (2) years before the date of the current incident.
4. The Company and the Union recognize that temporary and part time employees may be needed. Their use, however, will be limited normally to situations outside day-to-day operations and is not intended to reduce work opportunities of regular full-time employees in their daily jobs.
5. The Company will provide new employees the following Union-supplied information during orientation:
 - A. A copy of the collective bargaining agreement;
 - B. A list of officers, stewards, and safety representatives in the respective departments; and
 - C. A union pamphlet approved by management.
6. The Company will use a four-step progressive disciplinary procedure for misconduct which is less than serious as defined by the Company excluding attendance and safety violations. The four-step procedure includes a disciplinary notice, written warning, final written warning in lieu of suspension and before termination. The grievance procedure still applies.
7. The Company will grant a Business Agent 15 minutes to meet new employees during the new hire orientation.
8. The Company will provide one bulletin board for the Union's use. Union officers may post notices of union meetings or other matters of interest to Union members on the bulletin board provided all notices are first approved by the Plant Manager. The Union will not distribute any other notices or publications upon the Company's premises.
9. The Company will pay for half of the cost to produce the collective agreements.
10. The Company will continue a payroll administered group registered retirement savings plan.
11. The Company will do a better job communicating the weekly business outlook to employees.
12. As soon as possible following ratification, the Company will explore the feasibility of establishing an overtime banking process for employees.
13. The Company will provide space for the Union filing cabinets in the mezzanine.

14. Weekly contributions by employees eligible for major health benefits - three dollars (\$3.00).
15. The Company agrees to post leadhand and trainer job openings for informational purposes only. Interested persons may apply for such openings and the job will be awarded by mutual agreement between the Company and a Union official. The Company and Union will meet to review the qualifications for leadhand and trainer positions. The Company maintains the rights to determine qualifications, physical fitness, ability, and seniority so long as this is not used in a discriminatory manner. However, if the parties cannot mutually agree within 72 hours after the Union has been informed of an individual's selection for a leadhand or trainer position, the Company will retain the right to place its selection into the leadhand or trainer position.
16. The Company's policy will be to issue a manual cheque for **any** company caused paycheck error or backpay amount greater than \$50.00
17. Plug-ins - provided at no cost to employees.
18. The Company will continue to follow the grievance settlement that provides a steward upon request by the employee for a modified job placement.
19. All levels currently being paid will continue to be paid until the employee successfully bids off the job. This does not apply to the chief engineer.
20. The Company and the Union agree on committee(s) to discuss alternate clothing in fabrication, job posting, job ownership, access to employee information and maintenance testing.
21. The Company agrees that deferred vacation will be used up by the end of March 2006.

TERM OF AGREEMENT

This Agreement shall become effective January 1, 2005 and remain in full force and effect through December 31, 2008. This Agreement shall be automatically renewed from year to year thereafter unless either party gives written notice to the other by registered or certified mail of its desire to terminate or amend not less than sixty (60) days and not more than one hundred twenty (120) days preceding the expiry of the term.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives and officers this 9th day of February, 2005.

**CARGILL LIMITED
CARGILL FOODS DIVISION**

**UNITED FOOD AND COMMERCIAL
WORKERS INTERNATIONAL UNION
LOCAL NO. 1118**

EXHIBIT A - CERTIFICATE

**UNITED FOOD AND COMMERCIAL
WORKERS INTERNATIONAL UNION, LOCAL NO. 1118**

is certified as the bargaining agent for a unit of employees

Cargill Limited

described as

"All employees of Cargill Foods Division at the High River Plant except office, clerical training, nursing, laboratory, sales, and purchasing personnel."

**Chair
Alberta Labour Relations Board**

File Number GE-00821

Certificate Number: 1683-91
BR-04145 November 5, 1991

EXHIBIT B

JOB PAY LEVELS AND WAGE SCHEDULE

SLAUGHTER DIVISION

Title	Grade
FEATHERBONEPOPPER	A
COLLECT OVARIES	A
COLLECT AORTA	A
OFFAL DATA COLLECTION	A
TAIL PULLER/RIPPER	A
SHAVEHIND LEGS AND BLOW OFF	A
ROUND TURNER	A
FLUSH & WASH CAPS -CASINGS	A
REMOVE BLOOD BAGS & STICKING KNIFE	A
VACUUM OPERATOR	A
CLEANUP	A
SORT AND CUT LARGE INTESTINES	A
FLUSH/SEPERATE AND PACK INTESTINES	A
TROLLEY TRANSFER	A
TRIM TRIPE	A
TRIM PECK	A
REMOVE MEMBRANE	A
PACKAGER	A
DUMP PAUNCH	A
BAG / BOX PRODUCT	A
HANG PAUNCH	A
FLUSH HEAD/ CLIP TONGUE BONE	A
TRIM LIVER & HANG OFFAL	A
COLLECT PET FOOD	A
PALLETIZE BOXES	A
HANG OFF	A
WASH & BAG PRODUCT	A
TRIM & PACK ABOMASUM	A
WIZZARD KNIFE HEADS	A
<u>SCANNER OPERATOR</u>	<u>A</u>
<u>HOCK SUCKER</u>	<u>A</u>
<u>REMOVE SHACKLE/BUNG STUFFER</u>	<u>A</u>
<u>LOAD HOT BOX</u>	<u>1</u>
<u>UNLOAD HOT BOX</u>	<u>1</u>
<u>REMOVE SWITCH & SHACKLE</u>	<u>1</u>
SKIN / DEVEIN / SLICE LIVER	1

COLLECT TENDONS	1
TRIM TRACHEA	1
CONTAMINATON TRIMMER	1
BELLY RIPPER	1
MARK TENDONS	1
PULL INTESTINES	1
DROP INSIDE SKIRTS	1
LOAD OUT OFFAL	1
DEHORNER	1
YARD PERSON	1
SHACKLER	1
CUT FRONT LEGS/OPEN HIDE ON BRISKET	1
STRIP WEASANDS	1
KNOCKER	1
DOUBLE CUT SHANKS	1
TRIM HEADS	1
HANG HEADS	1
MARK AND SAW BRISKET	1
LOBE LUNGS	1
INCISE CHEEKS	1
CLEAR WEASAND	1
OPEN/DEBONE HEARTS	1
TRIM EARS & SNOUTS	1
SEPARATE PECK AND PAUNCH	1
PULL FAT/PANCREAS	1
ABOMASUM WASHER OPERATOR	1
BACK CLEARER OPERATOR	1
SICEPULLER OPERATOR	1
CRYOVAC OPERATOR	1
SPLIT LIPS/ GLANDS /GULLETS	1
FACIAL TISSUES	1
REMOVE HONEYCOMB/TRIM PAUNCH	1
REMOVE / TRIM TAIL	1
TRIM HANGING TENDERS	1
SAW OPERATOR – OMASUM	1
SPS OPERATOR	1
CAP TRIMMER	1
TRIM NECKS	1
<u>INTESTINE STRIPPER</u>	1
FETAL BLOOD EXTRACTOR	1
STICK WITH HOLLOW KNIFE	1
<u>REMOVE SPINAL CORD</u>	<u>1</u>
<u>SPINAL CORD ROUTER</u>	<u>1</u>
<u>TRIMMING BACKS</u>	<u>1</u>

<u>HOT TRIM</u>	1
ROD & TIE WEASAND	2
STICKER	2
PREGUTTER	2
SCALER	2
DOWNPULLER OPERATOR	2
DISJOINT HEADS	2
RUMPER	2
CLEAR BACKS	2
RIMOVER	2
CLEAR NECK	2
BRISKET TRIM	2
DEFAT/REMOVE TENDER	2
FREEZER FORKLIFT	2
FORKLIFT OPERATOR (PET FOOD)	2
FLANKER	2
OPERATE TRIPE MACHINE	2
OMASUM WASHER OPERATOR	2
DROP / TIE BUNG	2
HELD RAIL	2
DROP & HANG TONGUE	2
CAP AND ROUND PULLER	2
LOW TRIM	2
HIGH TRIM	2
SCALE OPERATOR (YARDS)	2
<u>SCALE OPERATOR (HOT SCALE)</u>	3
LEG SKINNER	3
BUTT SKINNER	3
QUALITY ASSURANCE	3
QUALITY ASSURANCE ZONE CHECKER	3
SPLIT SAW OPERATOR	4
TRAINER	4
LEADHAND	4
<u>GUTTER</u>	5

Hides Department

Grade

HANG HIDES	A
<u>TRIM TAILS END TEATS</u>	1
RACEWAY PULLER	1
FLUME OPERATOR	2

FORESHANK TRIMMER	2
FORKLIFT OPERATOR (HIDES)	2
GRADE / PALLETIZE HIDES	2
FLESHER	2

Carcass Transfer/Loadout Department

Grade

BAG CCS	A
CLEAN UP/HOT BOX WASHER	A
PUSH BEEF	A
CONTAMINATION TRIMMER (CCS TRANSFER, LOADOUT)	1
<u>GRADE STAMPER</u>	<u>1</u>
LOADOUT CCS	<u>1</u>
ROLLER PERSON	1
<u>VISION CAMERA OPERATOR</u>	<u>1</u>
SAW AND RIB	2
OPERATE BOBCAT (CCS)	2
CONSOLE OPERATOR	2
<u>SNIP SAW</u>	<u>2</u>
<u>SCALE OPERATOR - GRADING / CARCASS</u>	<u>3</u>

FABRICATION DIVISION

Title

Grade

OPERATE STEW MEAT MACHINE	A
MARK RIBS	A
METAL DETECTOR MONITOR	A
SKINNER OPERATOR	A
DUMP TRIM (GRIND, REWORK, FRB)	A
SORT/PULL TRIM, FAT, BONE	A
TROLLEY HANGER	A
WIZZARD KNIFE	A
MIX CATTLE	A
NO2 INJECTOR	A
STAGERS/STUFFERS/BAGGERS	A
BOXER	A
TRIM BOXER	A
STRAP/ STACK BOXES	A
PALLET JACK OPERATOR	A

PULLER OPERATOR	A
LAND CHUCKS	A
CLEANUP	A
<u>KNUCKLE PULLER OPERATOR</u>	<u>A</u>
<u>ROUND HANGER</u>	<u>1</u>
<u>GROUND BEEF BOXER</u>	<u>1</u>
<u>CHUCK STUFFER</u>	<u>1</u>
<u>ROUND STUFFER</u>	<u>1</u>
TRI TIP PULLER	1
WIZZARD KNIFE (Loin Table)	1
TRIM EXPORT PRODUCTS	1
BACK STRAP PULLERS	1
PULL PASTRAMI EYE	1
PULL ROSEMEAT	1
UPGRADE TRIM	1
TRIM CONTAMINATION	1
ROPE MEAT PULLER	1
SCALER/SCANNER OPERATOR (TRIM COMBO)	1
BONE TESTER	1
PULL CHUCK TENDER	1
CAP PULLER	1
TRIM FLANK STEAK	1
BRISKET BONER	1
KNUCKLE BONER	1
DROP WINGS	1
PULL CHUCK CAP	1
PEEL SHANK / REMOVE PIN BONES	1
TRIM CHUCKS, CHUCK FLATS, REMOVE NECKMEAT	1
MDM/POSS OPERATOR	1
TRIM ROUND PRODUCTS; PULL HEEL & DIGITAL	1
MARK PADDLE	1
TRIM TOP BUTTS	1
CYROVAC OPERATOR	1
TENDER TRIM	1
TRIM FLAPMEAT	1
FOREQUARTER MARKER	1
TRIM SHORTRIBS	1
BRISKET PULLER	1
TRIM BRISKET	1
SKIRT TRIMMER	1
MARROW BONE SAW	1
BLADEMEAT TRIMMER	1
BOTTOM BUTT TRIMMER	1
TRIM STRIP/SHORTLOIN	1

REMOVE/TRIM PECTORAL	1
DROP FLANK	1
CLOD TRIMMER	1
<u>TRIM BACKSTRAP</u>	<u>1</u>
<u>KNUCKLE CUTDOWN</u>	<u>1</u>
<u>TRIM MONITOR</u>	<u>1</u>
<u>RIB SHORT RIB TRIMMER</u>	<u>1</u>
<u>CHUCK SWING UP</u>	<u>2</u>
<u>CHUCK CUT DOWN</u>	<u>2</u>
<u>SPLIT LOINTAIL & FLAPMEAT</u>	<u>2</u>
SAW NAVEL/SHORTRIB	2
CYROVAC OPERATOR (Chucks & Rounds)	2
BONE/TRIM SHORTRIBS	2
TRIM LOINTAILS	2
SKIRT PULLER	2
EYE PULLER	2
NAVEL BONER	2
TRAYFORMER	2
STRIP BONER	2
SHORT RIB SAW	2
BUTT BONER	2
BONE HIND SHANKS	2
SHOULDER BONER	2
CASESEALER OPERATOR	2
LEANTESTER	2
DROP GOOSENECKS (OUTSIDES)	2
PRODUCT CHECKER	2
SPC	2
TRIM PASTRAMI	2
MAKE SHIFT RUNNER	2
FORKLIFT OPERATOR	2
<u>NUBBIN SAW</u>	<u>2</u>
<u>NECK SAW</u>	<u>2</u>
<u>SCALER (FAB INBOUND)</u>	<u>3</u>
<u>SAW FOREQUARTER (JARVIS SAW)</u>	<u>3</u>
RIB SAW	3
LOIN CHINE SAW	3
HIND QUARTER SAW	3
WING SAW	3
AITCH BONER	3
BONE FRONT SHANKS	3
EXPORT PRODUCT TECHNICIANS	3
CHUCK BONER	3
BLENDER OPERATOR	3

KNUCKLE DROPPER (Should rename to Knuckle Marker)	3
RIB BONER	3
K-PAC OPERATOR	3
DROP INSIDES	3
<u>CHUCK SAW</u>	<u>4</u>
TRAINER	4
LEADHAND	4
CLOD PULLER	5
PULL TENDERS	5

Shipping Departments

	Grade
<u>STACK IN TRAILER</u>	1
<u>BOX STORAGE</u>	1
ORDER COORDINATOR	2
PLANT ATTENDANT	2
FORKLIFT OPERATOR	2
INVENTORY CONTROL	2

MAINTENANCE DIVISION

Title	Grade
Maintenance Trainee	App.
Environmental Technician	App. or 1 ***
Brine Operator	App. or 1 ***
Mechanic I	1
Maximo Operator	1
Knife Room Mechanic	1
*** Must meet experience and testing requirements to achieve the higher level	
Mechanic 2	2
<u>RBM MECHANIC**</u>	
3rd Class Steam Engineer	3
Senior Mechanic	3
Electronic Technician	4
<u>Heavy Duty mechanic</u>	<u>5</u>
Welder	5
2nd Class Steam Engineer	5
Plumber	5

Certified Electronic Technician	5
<u>H Vac Technician</u>	<u>6</u>
<u>Millwright</u>	<u>6</u>
<u>Instrumentation Technician</u>	<u>6</u>
<u>1st Class Steam Engineer</u>	<u>6</u>
<u>Electrician</u>	<u>6</u>
<u>Piperfitter</u>	<u>6</u>
<u>Computer engineering Technician</u>	<u>6</u>
<u>Electronic engineering Technician</u>	<u>6</u>
<u>Mechatronic Technician</u>	<u>6</u>
<u>Journeyman Refrigeration Mechanic</u>	<u>6</u>
<u>Chief Engineer</u>	<u>6</u>
Leadhand	Level + \$.50/hr.

****** Must meet experience and testing Requirements to achieve the higher level**
**** Level paid according to classification in this Schedule (i.e. 3rd Year Millwright Apprentice paid the appropriate rate under apprenticeship)**

Rendering Department

Grade

Cooker Operator	M. App.
DAF/Scrubber/Tallow Operator	M. App.
Loadout	M. App.
Gel-Bone/Grind Operator	M. App.
Process Operator	M. App.
Leadhand	M. App. + \$.50/hr.

Plant General

Grade

Warehouse	P1
Utility Person	P1
Ergonomics Monitor	P4

70

QUALITY ASSURANCE DIVISION

Title	Grade
QUALITY ASSURANCE TECHNICIAN	3
QUALITY ASSURANCE ZONE CHECKER	3

All employees who have their level rates decreased will have their level rates red circled until they bid off their present job.

WAGE SCHEDULE

Production Pay Progression

Effective Date	Starting No Less Than	After 6 months
1st Monday After Ratification	\$13.75	\$15.45
January 2, 2006	\$14.00	\$15.70
January 1, 2007	\$14.25	\$15.95
July 2, 2007	\$14.50	\$16.20
January 7, 2008	\$14.75	\$16.45
July 7, 2008	\$15.00	\$16.70

Maintenance Pay Progression

Effective Date	Starting No Less Than	After 6 months
1st Monday After Ratification	\$14.75	\$16.35
January 2, 2006	\$15.00	\$16.60
January 1, 2007	\$15.25	\$16.85
July 2, 2007	\$15.50	\$17.10
January 7, 2008	\$15.75	\$17.35
July 7, 2008	\$16.00	\$17.60

The Maintenance Pay Progression is subject to the Maintenance Apprenticeship Program found in Exhibit F.

EXHIBIT C - SAFETY COMMITTEE

1. A safety committee of eight (8) employee members will be appointed by the Union. In addition, the Company may appoint additional non-bargaining unit personnel to the committee. The Company's Safety Manager will act as the committee's facilitator. Employee members shall be appointed from the following areas:
 - A. Slaughter (2 members, 1 member from days, 1 member from nights);
 - B. Fabrication (4 members, 2 members from days, 2 members from nights); and,
 - C. Maintenance (2 members)
2. The Safety Committee shall meet monthly, on company time, not to exceed two (2) hours and discuss their findings with the General Manager or his designee. The committee will determine at the time of their meetings the inspections to be made. In the event that special circumstances require a meeting in excess of two (2) hours, the **Committee** shall request additional time from the General Manager or his designee. In addition to the monthly meeting of the Safety Committee, one member of the Safety Committee designated by the Union will be allowed time off with pay at least one day per month to tour the plant on a safety inspection. A Safety Committee member designated by the Union from fabrication, slaughter and maintenance will be allowed time off with pay to assist in the safety inspection tour in their respective division.
3. The responsibilities of the committee shall include, but not limited to, plant inspections and/or the investigation of accidents and causes of work related illnesses, for the purpose of insuring and promoting a safe work environment. The Committee's recommendations shall be investigated by Management and the Committee will be advised of the Company action on **them** within one (1) week. A union steward who is designated by the Union as a member of the Safety Committee will be part of any investigation of an on the job accident that is a lost time injury.
4. The meetings of the Committee will be scheduled by the General Manger or his designee.

EXHIBIT D - ERGONOMICS

1. The Company and the Union recognize that cumulative trauma disorders (CTD'S) are a complex issue. The purpose of the ergonomics team is to work with the Company's safety committee in identifying potential ergonomic problem areas and recommending potential solutions. The Company recognizes that worker involvement is crucial to the success of any ergonomics program.
2. The Company and the Union will form a plantwide ergonomics team comprised of the Safety Manager or his designate and two (2) hourly employees designated by the safety committee. Additionally, the committee shall include a full-time ergonomic monitor jointly selected by the Company and the Union.
3. The team will act as a subcommittee of the Safety Committee.
4. The team will hold monthly meetings or as other wise determined by the ergonomics committee to review the Company's ergonomics program.
5. The team is responsible for submitting recommendations to the Safety Committee the general manager or his designate.
6. The Safety Manager will provide the team necessary training.

EXHIBIT E - TWELVE HOUR SHIFTS FOR MAINTENANCE

1. Maintenance employees who work rotating shifts of four days on, four days off, four nights on, and four days off, Each shift will be twelve (12) hours long. If the parties mutually agree to rotating shifts for other departments or divisions, the provisions of Exhibit E will apply.

2. Department leadhands will work either (8) or twelve (12) hour shifts depending on the maintenance requirements. When they cover a shift for another maintenance employee who is working a twelve (12) hour shift, the twelve (12) hour shift rules apply.

3. The Company will provide each Maintenance Employee the following rest periods on his/her shift each day:
 - A. A rest period of twenty (20) minutes long paid rest prior to lunch beginning between two (2) to three and one half (3 & ½) hours after the start of work.

 - B. A rest period of thirty (30) minutes long paid lunch beginning between five (5) to seven (7) hours after the start of work.

 - C. A rest period of fifteen (15) minutes long paid rest beginning between nine and one half (9 & 1/2) to eleven (11) hours after the start of work.

 - D. These breaks may be changed during an emergency in which case the employee would be entitled to complete the break upon completion of the task.

 - E. A fourth paid rest period after regular shift of fifteen (15) minutes long when the employee is required to work more than thirteen (13) hours except that, for work after twelve (12) hours and seven (7) minutes up to thirteen (13) hours, the Company will provide pay in lieu of a break.

 - F. A meal allowance of five dollars fifty cents (\$5.50) when the employee is required to work after twelve (12) hours and seven (7) minutes.

4. Special rules applying to twelve-hour shifts:
 - A. Shift starting times are between 5:30 o'clock a.m. and 6:30 o'clock a.m. and 5:30 o'clock p.m. and 6:30 o'clock p.m. as established by the Company. Shift starting times outside of these times may be established by mutual agreement between the parties for sound business reasons.

 - B. Time and one-half (1 1/2x) is paid after working twelve (12) hours per day or forty (40) hours per week.

 - C. Double time (2x) is paid for all work performed on a holiday in addition to twelve (12) hours of holiday pay at the straight time rate subject to the eligibility requirements listed in the collective agreement. Double time (2x) is also paid for all work performed on an employee's 2nd scheduled day off with the exception being any Maintenance Employee who is on a schedule whereby they may have more than one 2nd scheduled day off in a given week. In this case, only the first of the 2nd scheduled days off is applicable. If the holiday falls on their day off, 8 hours of holiday pay will be paid. If an unworked holiday falls on an employee's schedule workday, twelve (12) hours of holiday pay will be paid. General Holidays will be recognized as the actual day of the holiday and will not be designated as another day.

 - D. A vacation week is equal to four (4) shifts.

- E. Jury Leave and Funeral Leave compensation is based on a twelve-hour day at straight time.
- F. Probation will be four hundred and eighty (480) hours worked from the date of last hire; however the probationary period shall be extended to seven hundred and twenty (720) hours worked if the Company gives written notice to the Union during the first four hundred and eighty (480) hours worked stating the reason for the extension.
- G. Probationary employees on twelve (12) hour shifts will qualify for general holiday pay after working two hundred and forty (240) hours or twenty (20) days.
5. **All** other provisions of the collective agreement including vacation accrual and pay apply as written.
6. If the Company requests rendering employees will follow exhibit E.

EXHIBIT F - MAINTENANCE APPRENTICESHIP PROGRAM

1. Employees who have signed contracts under the Alberta Career Development and Employment Apprenticeship and Trade Certification program are eligible to participate in this program.
2. This program applies only to the following trades: millwright, electrician, welder, refrigeration, and others which management decides are needed.
3. Employees participating in this program will not be required to work while attending training school.
4. Up to **twenty (20)** employees staggered in time and areas from the plant may participate in the program at any one time. Only one (1) from each trade as enumerated in maintenance level 5/6 can be off work at any one (1) time with the exception of millwrights, which can be four (4) but no more than one (1) per department.

Two (2) positions will be reserved for a first year student; maintenance seniority will be the determining factor for first year students.

5. Attendance for training will be scheduled on a first come, first served basis taking into consideration the number of years the student has attended apprenticeship training. For example, a fourth year student has preference for scheduling over all other students, a third year student has preference for scheduling over second and first year students, and a second year student has preference over a first year student.
6. An individual participant's failure to successfully complete a particular section of this program may result in a one-year wait before continuing this program.
7. After successfully completing each year's requirements of the four-year program, the individual employee will receive an hourly wage increase equal to twenty-five percent (25%) of the difference between their current level of pay and the top level of maintenance pay.
8. Participating employees agree to follow the requirements and rules of the Alberta Career Development and Employment Apprenticeship and Trade Certification program.
9. Excused leave must be requested in writing in advance and will be granted for the full duration of the training.
10. A fulltime union employee and a management person will meet periodically to deal with the apprenticeship program.

EXHIBIT G - MEMORANDUM OF AGREEMENT FEBRUARY 09, 2005

Ratification bonus: (Service dates as of the date of ratification)

15 years of service - \$1500
14 years of service - \$1400
13 years of service - \$1300
12 years of service - \$1200
11 years of service - \$1100
10 years of service - \$1000
9 years of service - \$900
8 years of service - \$800
7 years of service - \$700
6 years of service - \$600
5 years of service - \$500
4 years of service - \$400
3 years of service - \$300
2 years of service - \$200
1 year of service - \$150
90 days – 1 year service - \$100

Retroactivity: beginning January 3 – maximum 40 hours per week, general increases only, does not apply to grade increases.

Wages increase	1 st Monday after ratification	- \$.75/hr
	January 2, 2006	- \$.25/hr
	January 1, 2007	- \$.25/hr
	July 2, 2007	- \$.25/hr
	January 7, 2008	- \$.25/hr
	July 7, 2008	- \$.25/hr

Agreement is hereby reached this day of February 9, 2005 between Cargill Foods, High River division and United Food and Commercial Workers Locall 1118 for a new agreement expiring midnight December 31, 2008. All provisions of the current agreement remain in effect with the exception of the following changes.

For the Union

For the Company

38