

XL Beef

**Collective Agreement
Between
XL Foods Inc.
Calgary Beef Plant
And
United Food and Commercial Workers
Local 373A
Signed Agreement
June 23, 2005**

Agreement is hereby reached this day of June 6, 2005 between XL Foods Inc, XI Beef Division and Untied Food and Commercial Workers Local 373A for a new agreement expiring midnight March 31,2009.

Article 1

Purpose and Intent

1.01- The Parties hereto agree that it is mutually beneficial and desirable to promote cordial relations and set forth herein agreements concerning rates of pay, hours of work and conditions of employment to be observed insofar as they affect the Company's operations.

1.02- The parties hereto recognize that it is to their mutual interest to promote, as fully as possible, safe working conditions, efficiency of operations and the protection of property. It is understood and agreed that this can be best achieved and maintained by harmonious relations between the Company, the Employees and the Union and by the settlement of all differences in an amiable manner.

Article 2

Interpretation and Extent

2.01- In accordance with the 'Certification' granted to the United Food and Commercial Workers International Union Local 373A Affiliated AFL-CIO by the Labour Relations Board of Alberta under Certificate No: 14-90 dated January 9, 1990 the Company recognizes the Union as the exclusive representative for the purpose of collective bargaining of its plant employees in respect to the rate of pay, wages, hours of employment and other conditions of employment.

2.02- Whenever the male pronoun is used, it shall be deemed to include the female pronoun and vice versa, and whenever the singular is used, it shall be deemed to include the plural, and vice versa.

2.03- This Company and the Union will endeavour, by mutual agreement, to introduce a working liaison through committee structures to develop a team approach to promote safety, efficiency and harmonious relations.

Article 3

Joint Labour/Management Committee

3.01- The Employer and the Union agree to form a Joint Labour/Management Committee consisting of three (3) members (including a full-time representative of the Union) representing the Union and three (3) members representing XL Foods Inc.

The joint Labour/Management Committee shall meet not less than two (2) times per year or at such other times as are mutually agreed.

The members of the Committee shall discuss items of concern.

Either party shall inform the other of items on the Agenda, at least three (3) days in advance, of any scheduled meeting.

Article 4

Management Functions

4.01- a) Subject to the provisions of this Agreement, the Union acknowledges that the Company has and retains the sole, exclusive right and responsibility to manage its operations, plants and business as it sees fit, including but not limited to the following:

- i) To direct the working forces, including the right to decide on the number of Employees needed by the Company, or required for any tasks, to organize or assign work, to schedule shifts to maintain order, discipline and efficiency in all operations.
- ii) To make and to alter from time to time rules and regulations to be observed by all employees;
- iii) To discipline or discharge employees for proper cause.

b) The parties agree that the foregoing enumeration of Management's right shall not be deemed to exclude other recognized functions of Management not specifically controlled by this Agreement. The Company therefore retains all rights not otherwise specifically covered in this agreement.

4.02- a) The Company agrees that it is not the function of persons of, or above, the rank of Supervisor to perform work currently performed by Employees covered by this Agreement except when such performance:

- i) Is clerical in nature or is for the purpose of instructing, experimenting, investigating, demonstrating, replacing of any Employee who is absent from his job during the shift, sharpening knives, copy with and emergency.
- ii) Is for the purpose of overcoming production difficulties caused by the absence of an Employee. In such cases the Company will endeavour to obtain suitable replacements as soon as reasonably possible;
- iii) Is limited to occasional work, negligible in amount.

b) The Company shall advise the Union's Chief Steward, in advance where possible, of all changes made in the assignment of Plant/Operations Supervisors.

4.03- a) The Union acknowledges that the Company may assign salaried Employees, as part of their Management Training Program, to work alongside of various Employees covered by this agreement, so long as the number of such Employees does not exceed three (3) at any one time, and provided no Employees shall be demoted, laid off or discharged, nor shall promotion be adversely affected to create positions for Management Trainees.

Article 4.03 Continued

b) In assigning such salaried Employees referred to in Section 4.03, Sub-Section “a” above the Company shall be cognizant of any possible material risks to the safety of the Employee and may accordingly restrict the “Trainee’s” activities to that of observing certain production functions rather than performing such functions.

4.04- a) The company shall have the right to assign an Employee to the position of Temporary Supervisor, subject to the Employee’s acceptance, for the purposes of training and to provide relief for temporary increases in work loads, annual vacations and other such absences.

b) Employees assigned to the position of Temporary Supervisor shall continue to be governed by all the terms and conditions of the Agreement. During such assignments, the Temporary Supervisor shall not have the right to hire, fire or discipline, but shall be required to direct the activities of employees supervised.

c) The Company shall advise the Union in writing, in advance where possible, of all assignments to the position of Temporary Supervisor, including the shift or Department assignment and the expected duration, where applicable.

d) Any Employee that acts in the capacity of Temporary Supervisor shall be paid minimum of one dollar (\$1.00) per hour above the highest rated hourly wage that he is regularly supervising, in his capacity as a Temporary Supervisor, or over his regular hourly rate, whichever is greater.

Article 5

Union Recognition

5.01- The Company and/or its representatives recognize the Union as the sole and exclusive bargaining representative of all Plant employees, as referred to in the Certification issued by the Labour Relations Board of Alberta, as defined in Article 2, Section 2.01 of this Agreement.

5.02-a) Union representatives shall be permitted entry to the Company’s operations in order to carry out their required duties on receipt of permission from the Plant Superintendent or his designate.

b) Union representatives will not interfere with Employees during working hours unless permission is granted nor shall they unduly occupy the time of Employees during working hours.

5.03- Employees and/ or Union representatives shall not engage in any Union activity on Company property or during working hours, except as expressly provided for in this agreement.

Article 6

Union Representation

6.01- The Company shall recognize Employees appointed or elected as Officers of the Union's Bargaining Unit for the Plant, elected as Stewards and appointees to approve committees expressly provided for in this Agreement.

6.02-a) The Company shall not be required to recognize more than one (1) Steward in each of its designated Departments. The Company shall advise the Union, in writing, of designated Departments, amendments to these Departments or any new Departments created.

b) The position of Chief Steward or Chief Shop Steward shall be recognized in addition to the Stewards referred to in Section 6.02 a) above.

6.03- The Union shall advise the Company in writing, in advance, the names of all Stewards and the Department they represented and all committee members of the committees referred to in this Agreement, when appointed or replaced by the Union. The Company shall supply the Union with a corresponding list of Company representatives to committees referred to in this Agreement.

6.04- The Company shall pay Employees and/or Employee Union representatives referred to in this Article their regular straight time rate of pay for normal time spent in meetings with representatives of the Company required during their regular hours of work.

6.05- Union representatives shall not leave their work to process or deal with any matter without first advising and receiving approval from their immediate Supervisor. The Company shall exercise reasonableness in their handling of such requests.

6.06- The Company shall provide a Bulletin Board, for the exclusive use of the Union, to post official notices. The Union agrees that such notices shall require the approval of the Company before being posted.

Article 7

Union Security and Membership Dues

7.01- The parties agree that as a condition of employment, all Employees shall become and maintain such membership in the Union within thirty (30) days.

a) The Employer shall be free to hire new employees who are not members of the Union, PROVIDED said non-members, whether part time or full time employees, shall be eligible for membership in the Union shall make application on the first day of employment and become members within thirty (30) days.

b) It is understood and agreed that “shall be eligible for membership in the Union” means that such non-member shall have applied for membership in the Union.

7.02- For the purpose of this Agreement, Employees shall be deemed to maintain their status of a member in good standing of the Union provided that they have made proper application for membership in the Union, pay the necessary initiation fees, dues and assessments of the Union, and comply with the Constitution and/or By-Laws of the Union.

7.03- The Company agrees to ensure that all new Employees complete the required application card for Union membership prior to commencing employment and to forward the completed application to the Union office.

7.04- The Union shall provide the Company blank Application forms.

7.05- Employees shall be required to sign an irrevocable authorization for the deduction of Union dues, assessments and initiation fees levied in accordance with Union’s Constitution and/or By-Laws. Such authorization shall be on a form that:

a) Meets the standards prescribed by the laws and regulations of the Province of Alberta;

b) Is supplied by the Union.

7.06- a) The Company shall, during the term of this Agreement, deduct from each of those Employee’s wages on the second payday of each calendar month, the sum or sums referred to in Section 7.05.

b) All such deductions shall be remitted to the Secretary/Treasurer of the Union prior to the tenth (10th) day of the month following the month in which the deductions were made along with a list of the Employees from whom such sums were deducted, indicating the amount and purpose of each such deduction.

c) The above deductions shall commence, in the case of each Employee who is in the employment of the Company and who is a member of the Union, on the effective date of this Agreement. In the case of new Employees, hired and who became members of the Union subsequent to the signing of this Agreement, such deductions shall commence with the second (2nd) payday following the date of hire.

Article 8

Contracting Out

8.01- It is agreed that the Company may contract out work, normally performed by Employees covered by this Agreement.

8.02- The Company will consider the following relevant factors before contracting out such work:

- i)** Any adverse effect on Employees;
- ii)** Availability of required skills;
- iii)** Duration and frequency of the job;
- iv)** Urgency of the job;
- v)** Economics of the situation;
- vi)** Availability of required equipment.

8.03- The Company agrees to provide the opportunity for an Employee to submit a bid, on an open competition basis, for regular after normal hours of Plant operation sanitation related work and/or special cleaning/pre-inspection type projects that may be required from time to time, provided the Employee can establish and maintain himself as a valid independent contractor in accordance with any Federal, Provincial and/or Municipal Government Legislation and/or Regulations and provided the Employee can meet and satisfy the requirements of the Company's Bid specification(s) as may be set out by the Company from time to time. Any such bid for any such work will be awarded on a merit basis in accordance with the provisions of Section 8.02 of this Article.

Article 9

No Cessation of Work

9.01- The Union agrees that there shall be no strikes, slowdowns, and other curtailment or restriction of production or interference with work during the life Agreement.

9.02- It is agreed that the Company will not, during the term of this Agreement, lock out Employees.

Article 10

Non-Discrimination

10.01- The Company and the Union agree that there shall be no intimidation, coercion, restriction or discrimination exercised or practiced by either party to this Agreement in respects of any employee or group of employees for any reason.

This applicable sections of the Alberta Labour Relations Code (as amended) and The Alberta Human Rights, Citizenship and Multiculturalism Act are hereby recognized.

Article 11

Seniority

11.01- Seniority for the purpose of this Agreement shall be defined as Company Seniority and Departmental Seniority. Company Seniority shall apply to all Employees of the Company, and Departmental Seniority shall apply to Employees within their respective departments.

11.02- Company Seniority shall mean the length of an Employee's continuous employment with the Company and Department Seniority shall mean, the Company Seniority of the Employee's within a Department.

11.03- a) A new full time Employee shall be considered on probation and seniority shall not commence until such time as he has worked seventy-five (75) working days from his last date of hire. For the purposes of determining the probationary period, each part or full day of absence from work, for any reason, will be added as an additional full day that is required to be worked to the stipulated seventy-five (75) day probationary period.

b) On the completion of the probationary period, an Employee's seniority date shall revert to the last date of hire.

c) Probationary Employees shall have no seniority rights during the probationary period and may be terminated or discharged where the Company, in its discretion, determines that they are unsuitable or unsatisfactory.

d) The probationary period may be extended in extenuating circumstances, by mutual agreement of the Company and the Union, with the employee notified in writing prior to the expiry of the initial seventy-five (75) probationary period.

11.04- An Employee's seniority shall be lost and employment terminated for any of the following reasons:

a) Voluntary resignation or retirement;

b) Discharge without reinstatement pursuant to the terms of this Agreement;

c) Employees is absent without leave for two (2) consecutive days of scheduled work or two (2) separate scheduled days of work in sixty (60) calendar day time period.

d) Employee has been on layoff from the Company for a period of more that ninety (90) days;

Article 11.04 Continued

e) Failure to report to work within seven (7) days of double registered notice of recall;

f) Employment with another employer while on approved leave of absence or absence due to sickness or accident and is receiving either Workers' Compensation benefit or benefit payments under the Company's Health and Welfare Benefit Program, and the Company has not approved, in writing, such interim employment.

g) After absence due to sickness or accident of twenty-four (24) months. In the case of an Employee returning to work, from a prolonged absence, the Company shall require the Employee to provide a certificate from his Physician that he is fully capable of performing the work available. The Company may elect to have such Employee examined by the Company's Physician and in the case of where there is a difference of medical opinion as to whether or not the Employee is capable of performing to work available, the Employee agrees to be examined by a Physician mutually agreed to upon the make such final determination.

11.05- The Company shall prepare seniority lists on a bi-monthly basis indicating Company and Departmental Seniority and each Employee's classification. Copies of such lists shall be posted to all bulletin boards and a copy forwarded to the Union.

Article 12

Lay-Off

12.01- In the case of a reduction in the work force, the Company shall consider the following factors in determining which employee(s) is qualified to perform the available work.

i) The Company seniority of the Employee(s) within the affected Department providing the Employee(s) is qualified to perform the available work.

When in the judgment of the Company, I) above is to all intents and purposes equal between two (2) or more Employees, the Employee(s) having the least Company seniority within an affected Department shall be the first to be laid off.

12.02- In the case of a shutdown of the Company's operations or section thereof, resulting in the lay-off of Employees, the Company shall lay off Employees in accordance with their Company seniority within the Employee's Department and ability, commencing with the least senior Employee with the least ability.

12.03- a) in the event of an emergency shutdown of the Company's operations or section thereof that is three (3) working days or less, Employees directly affected may be temporarily laid off without regard to other provisions of this Agreement that apply to the layoff and recall.

Article 12.03 Continued

b) "Emergency" shall mean an extreme situation beyond the genuine control of the Company, rendering the facilities, or section thereof, physically inoperative or unsafe to operate.

12.04- a) In the event of a layoff, other than an emergency that's is less than sixty (60) days, the Company shall give the Union, and the Employee(s) affected the following notice:

- i) No notice shall be give to probationary Employees;
- ii) One (1) working say of notice for each six (6) months of continuous service up to a maximum of five (5) working days of notice, shall be given to all regular employees.

The Minimum notice provided o regular employees in ii) above shall be two (2) working days.

b) In the event of layoff in keeping with 12.04 a), the Company shall layoff a minimum one week period. The layoff provision must be used for full week periods only, (Monday to Friday), no partial weeks.

d) In case of recall of an Employee for work of ten (10) working days duration or less, the requirement in respect to the notice for a layoff referred to and provided under section 12.03, Sub-Section a) of this Article shall not apply.

12.05-Employees laid off will be recalled in the inverse order of layoff, in accordance with the provisions of Section 12.01.

12.06- It shall be responsibility of the Employee to notify the Company of his current mailing address and telephone number.

Article 13 Complaint Procedure

13.01- The parties agree it is desirable that any complaints be settled as quickly as possible.

13.02- If, during the term of this Agreement, there should arise any difference between the Company and employees and/or the Union regarding the interpretation, application, administration or alleged violation of the terms and conditions of this Collective Agreement, an earnest effort shall be made to settle the difference in the following manner.

The employee or employees concerned, with or without a shop steward in attendance, should first seek to settle the dispute in discussion with the immediate supervisor. Failing this or failing satisfactory settlement, then:

The Union representative(s) and the Company representative(s) or designate, shall meet and in good faith shall earnestly endeavor to settle the dispute. Failing this or failing satisfactory settlement, then:

Step 1

The grievance shall be presented in writing to the Plant Superintendent by a Union representative. The written grievance will set forth the following:

- a) The nature of the grievance,
- b) The remedy or correction required.

The Plant Superintendent shall make known his decision with a written response to the grievor(s) and Union within ten (10) calendar days of receipt of the grievance, unless both parties mutually agree to extend the ten (10) day period.

Step 2

Failing a satisfactory settlement of the grievance at Step 1, the employee(s) with a union representative may present the matter to the Plant Manager or designate providing this is done within ten (10) calendar days after receipt of the Plant Superintendent's response in the first step. The Administrator of Human Resources or designate shall make known his decision with a written response to the grievor(s) and the Union within ten (10) calendar days of receipt of the grievance.

13.03

- a) Any grievance which is not presented within thirty (30) calendar days after the occurrence of the event which gave rise to the grievance, or within fourteen(14) calendar days of the last day worked in the case of dismissal shall be forfeited and waived by the aggrieved party.

13.04

- b) "In the event a mutually satisfactory settlement has not been reached at a conclusion of Step 2 either party may, prior to advancing the dispute to Arbitration, elect to submit to review by the Joint Labour Management committee (JLM) or to use the Alberta Department of Human Resources and Employment, Mediation Services to attempt to mediate the dispute." The recommended settlement of the dispute in question shall not be binding on either party. This option must be undertaken within ten (10) calendar days from the date of the written response referred to in Step 2.

13.04

If a satisfactory settlement cannot be reached, or if the party on whom the grievance has been served, fails to meet the other party, either party may, be written notice served upon the other, require submission of the grievance to a Board of Arbitration provided said written notice is given within forty-five (45) calendar days of the last written response, or from the date parties failed to meet.

13.05

The Company and the Union shall make every reasonable effort to schedule meetings to discuss and resolve grievances during regular working hours. An employee(s) shall be paid the regular straight time rate of pay for attendance such meetings.

13.06

Any of the time limits set out in the Article may be extended by mutual agreement, in writing, of the parties hereto.

Article 14 Arbitration Procedure

14.01

Either party to this Agreement may, in accordance with the provisions of this Agreement, and upon completion of Step 2 of the grievance procedure, notify the other party, in writing, of its desire to submit to a Board of Arbitration an unsettled complaint relating to the interpretation, application, administration or alleged violation of this Agreement, including any question as to whether the matter is abatable.

14.02

- a) The Board of Arbitration referred to in Section 14.01 of this Article, shall be composed of three (3) members and shall be established in the following manner:
 1. Within seven (7) working days following receipt of such notice, the Company and the Union shall each select a representative to serve on the Board of Arbitration;
 2. No person shall serve on a Board of Arbitration who is involved or directly interested in the controversy under consideration;

3. The nominee of the Company and the nominee of the Union shall, within five (5) working days after they have each been selected, choose an additional member to act as Chairperson;
 4. In the event of failure of the nominees of the Company and the Union to agree upon a chairperson within five (5) days specified, the Minister of Labour shall be immediately requested to name a third (3) member who shall act as Chairperson of the Board of Arbitration;
 5. Within five (5) days of the appointment of the impartial Chairperson, the Board of Arbitration shall sit to consider the matter in dispute and shall render a decision within thirty (30) calendar days after its last session.
- b) It is understood and agreed that the time limits, as set out in Section 14.02 Sub-Section a) of this Article, may be altered by mutual agreement, in writing, between the Company and the Union.

14.03

Notwithstanding Section 14.01 and 14.02 of this Article, the parties may agree to the appointment of a single Arbitrator with the same powers as a Board of Arbitration. In such cases, within seven (7) working days of the notice referred to in Section 14.01, the Company and the Union shall select an Arbitrator that is mutually acceptable to both parties. If agreement cannot be reached on the appointment of a single Arbitrator within five (5) working days, a Board of Arbitration shall be appointed in accordance with the provisions of Section 14.02 of this Article.

14.04

A Board of Arbitration or Single Arbitration, appointed in accordance with this Agreement, shall not be authorized to make any decisions inconsistent with the provisions of this Agreement, or alter, modify or amend any part of the provisions, or deal with any matter not contained herein.

14.05

A decision of the Single Arbitrator or of majority of the Board of Arbitration shall be final and binding on all parties involved.

14.06

No matter may be submitted to arbitration that has not been processed through the complaint procedure. This provision may be waived upon the mutual agreement, in writing, between the two (2) parties.

14.07

The Company and the Union shall equally share the cost of the Single Arbitrator or the Chairperson of the Board of Arbitration and each of the parties shall bear the cost of their own representatives and witnesses.

14.08

An Arbitration Board or single Arbitrator, selected in accordance with this Agreement, shall render a written decision to the parties hereto within thirty (30) calendar days of the date of the conclusion of the Arbitration hearing. This time period may be altered with the consent of both of the parties to this Agreement.

Article 15

Discipline and Discharge

15.01

- a) No Employee shall be discharged without just cause and such discipline will be applied in a consistent manner.
- b) In the event that the Company deems it necessary to meet with an employee away from his/her workstation on a manner of discipline, the employee will be accompanied by a Steward.

Employees will be informed of the reason for their reprimand, suspension or termination in writing and a copy will be forwarded to the Union office by Human Resources.

- c) Disciplines issued prior to January 1st 1999 (previous employer) shall not be considered by this employer.

15.02

- a) If an employee believes he has been unjustly disciplined, suspended or discharged, he may request the matter be dealt with as a grievance, in accordance with Article 13, Grievance Procedure.

15.03

Termination of an employee who has not completed the probationary period as set out in Article 11.03 shall not be subject to challenge by the Union or the employee under the terms of this Collective Agreement.

Article 16

Hours of Work & Overtime

16.01

The provisions contained in this Article are established for payroll calculation purposes only, and shall not be construed as a representation or guarantee by the Company or guarantee to any Employee of any time period of work or employment except as is provided in Section 16.02, Sub-Section a) and b) of this Article.

16.02

- a) The normal straight time hours of work for Employees shall be based on eight (8) consecutive hours of work in any twenty-four (24) hour period commencing at the start of the Employee's first regularly scheduled shift for five (5) consecutive days in any calendar week.
- b) Notwithstanding Section 16.02, Sub-Section a) above the Union agrees that the Company may reduce without notice, at any time, the normal straight time hours of work of any Employee by up to one hundred and thirty-two (132) regularly scheduled hours in each calendar year provided that such reductions in the employee(s) normal straight time hours of work do not exceed eight (8) hours in any one (1) given week. It is understood that the provisions of this section (16.02 b) shall not be used in conjunction with the layoff provisions contained in this agreement (Article 12).

16.03

Employees shall be paid overtime as follows:

- i) Time and one-half (1.5X) for hours worked in excess of eight (8) hours in a scheduled work day;
- ii) Time and one-half (1.5X) for all hours worked on the Employee's first scheduled day of rest;
- iii) Double time (2X) for all hours worked on the Employee's second scheduled day of rest;
- iv) Employees shall be paid at their applicable Master File straight time rate, except as this rate may otherwise be adjusted as provided in this Agreement, for the first forty (40) hours worked in the Employee's regularly scheduled work week as referred to in section 16.02, Sub-Section a) of this Article and shall be paid overtime for any hours worked in excess of such forty (40) hours worked in any such work week at the rates specified in Section 16.03 (i),(ii) and (iii) above.

16.04

It is understood and agreed that where an Employee is required to work an overtime assignment, such assignment shall be considered scheduled work. Except in the case of an emergency, beyond the controls of Management, the Company shall advise the Employee(s) a minimum of five (5) hours before the end of the Employee(s) regularly scheduled shift after which the overtime was to be worked, if the overtime so scheduled is to be canceled.

16.05

An Employee's work schedule shall not be changed during any one (1) week or cycle for the purpose of avoiding the payment of overtime rates or premiums.

16.06

- a) The Company shall give an Employee forty-eight (48) hours notice of change in shift schedule. Where such notice is not given, the Employee(s) shall be paid time and one-half (1.5X) for the first four (4) hours of regular hours worked following the change. This provision shall not apply to a new Employee's initial assignment to a regular shift.
- b) The provisions of this section shall not apply to an Employee requesting a change in shifts for personal reasons. No Employee shall be allowed to change shifts under any circumstances without first receiving the written approval of his immediate Supervisor.
- c) The schedule of an Employee may be changed without notice in the event of the unscheduled absence of other Employees, or in the event of an emergency such as a fire, flood, breakdown of machinery or other major disruptions genuinely beyond the control of the Company.

16.07

- a) Daily hours of work shall be consecutive, with the exception of a fifteen (15) minute paid rest break in the first half of the work day, a thirty (30) minute unpaid meal period, and a fifteen (15) minute paid rest period in the second half of the day, for a work day of six (6) or more hours. In addition, one minute before each rest and meal period will be allowed for employees to put their tools, etc., in the designated area, and one minute after each rest break and meal period will be allowed for employees to wash their hands before production starts.
- b) The Company may vary the schedule of either the rest break(s) or the meal period for the purposes of overcoming production difficulties that are genuinely beyond the control of the Company, except that the rest break(s) shall not be added to the meal period.

16.08

If an Employee is required to work unscheduled overtime in excess of one (1) hour before and/or beyond his normal shift (or combination thereof which totals one (1) hour, such Employee shall be provided with an allowance of ten dollars (\$10.00) in lieu of the Company providing the Employee with a hot meal and the time for the overtime meal period. The meal allowance shall be included in the Employee's regular earnings.

16.09

It is understood and agreed that there shall be no pyramiding of overtime hours, rates or premiums contained in this Agreement.

16.10

The Company shall distribute overtime as equitably as practicable among the employees within their respective Department.

Overtime other than complete department overtime will be distributed as follows:

- a) Offered to the employee that normally does the job.
- b) Offered to other employees in the same department according to seniority providing they can do the job.
- c) Offered to employees in a different department according to seniority providing they can do the job.

16.11

An Employee who is called out to work unscheduled overtime shall be paid minimum of four (4) hours at the applicable overtime rate and will only be required to complete the work called out to perform. In the event the work exceeds four (4) hours, the applicable overtime rate shall apply for all hours worked.

16.12

- a) An employee injured at work unable to complete their shift, as determined by a Medical Physician, shall be paid for the balance of such shift at his regular rate of pay.

16.13

It is understood and agreed that none of the overtime provisions of this Article shall apply or be paid because of personal arrangements between Employees. Employees wishing to change shifts for personal reasons, must obtain prior written approval of the Plant Superintendent.

16.14

An Employee(s) shall report by telephone to his immediate Supervisor, or in a prescribed manner, at least one (1) hour prior to the start of his scheduled shift, sickness or inability to report for work. Failure to properly report shall constitute the Employee as being considered absent without leave and the Employee may be subjective to disciplinary action as determined, on the merits of the specific situation, by the Plant Superintendent.

Article 17 Premium Rates

17.01 Shift Premiums

Thirty-five cents (\$0.35) per hour for any shift this is started between 15:00 hours (3:00P.M.) and 03.59 hours (3:59 A.M.) provided that such shift that is completed as scheduled.

Thirty-five cents (\$0.35) per hour worked after 15:00 hours (3:00P.M.) for shifts starting between 10:00 hours (10:00A.M.) and 15:00 hours (3:00P.M.).

17.02 First Aid Certificate

- a) Twenty-five cents (\$0.25) per hour for every hour of scheduled work worked by regular employees holding a valid first aid attendant certificate in accordance with Alberta Regulations.

17.03

The premiums contained in this Article shall not be included in calculating overtime rates but shall be paid for all overtime hours worked in conjunction with such shift.

Article 18 Promotion and Advancement

18.01 Job Postings

When job vacancies occur with the expectation of Lead hand above the basic job classification in the plant [Pay Class V] and the Employer requires replacements, and when the Employer creates new jobs they shall be posted on the bulletin board for a period of three (3) working days during which time applications may be made by the employees. Copies of all such postings will be sent to the Union. Such applications made shall receive first consideration within the department concerned. The most senior applicant within the department, with the ability to perform the job, shall be given the position.

18.02

The Company and the Union agree that it is to the mutual benefit of both parties to train Employees for the purpose of promotion.

18.03

An employee may not request a transfer to another department until he has attained one (1) year of seniority.

Article 19

Pay Classes, Job Functions & Rates of Pay

19.01

The rates of pay for the typical functions in the established pay classes for Employees shall be set out in Appendix "A" attached hereto and forming part of this Agreement.

19.02

Where a new job function is established, or where the content of existing job functions are substantially changed, or an Employee is improperly classified, the pay classes, rate(s) of pay, and other related matters shall be established by the Company. In the event the Union disputes the Company's decision on the matter and fails to negotiate the difference, the matter may be a subject of complaint and may be referred to arbitration. The Arbitrator or Board of Arbitration shall have the power to determine appropriate pay classes, rates of pay, and other related matters in issue, effective the date the job functions were changed or new job functions were established. The Company shall, however, establish the rates of pay for new job functions until agreement, or the decision of an Arbitrator or Board of Arbitration has been given, at which time the rate of pay shall be retroactive for the hours worked in the new pay class.

19.03

- a) When a regular Employee works in a higher pay class the Employee shall be paid the higher rate of pay for all the hours worked in that pay class. In the case of an employee working more than four (4) hours in a higher pay class the employee shall be paid the higher rate for the entire shift, including maintenance employees.
- b) The provisions of Section 19.03 Sub-Section a) shall not apply to Employees in training, provided they are accompanied by the employee responsible for their training.

Article 20
Payment of Wages

20.01

All Employees shall be paid every second Friday using direct bank deposit system.

20.02

An Employee that voluntarily terminates employment shall be paid all accrued wages on or before the end of the next regular pay period. An Employee that is terminated by the Company shall be paid on or before the second regular business day following the date of the Employee's termination.

Article 21
General Paid Holiday

21.01

The following days shall be recognized as General Paid Holidays for the purposes of this Agreement:

New Years Day	First Monday in August
Family Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day [Floater]	Remembrance Day
Canada Day	Christmas Day
	Boxing Day

Family Day will be provided as long as it is Provincially approved for the current year.

21.02

- a) An Employee covered by this Agreement, subject to the conditions below, shall be entitled to straight time pay based on his normal hours of work for any of the General Paid Holidays covered by Section 21.01, Sub-Section a) and b), provided:
- i) That the Employee has been in the employment of the Company for thirty (30) days during the previous twelve (12) months;
 - ii) That the Employee worked his last full scheduled shift immediately preceding and succeeding the General Holiday and on the General Holiday if scheduled to work;

- iii) That if the employee is unable to report to work on the days identified in section 21.02 item (ii) because of bona fide illness, injury or authorized day off. He shall provide prior advice, where possible, of his inability to work and shall provide a physicians certificate where applicable.

Authorized leave as stated herein shall not include extended leaves of absence for the purpose of vacation.

- b) It is understood and agreed that when an Employee is laid off in accordance with the provisions of Article 12 of this Agreement effective on either the full scheduled shift immediately preceding or succeeding a General Holiday the Employee shall be paid for such General Holiday in accordance with Section 21.02 above, providing that, in the event he is laid off effective with the shift immediately following the General Holiday, the Employee has worked the last full scheduled shift immediately preceding such General Holiday.

21.03

If an appropriate Governmental authority proclaims an additional General Paid Holiday during the term of this Agreement Section 21.01, Sub-Section a) shall be amended to include such General Paid holiday so proclaimed.

21.04

Double the regular straight time hourly rate shall be paid to an Employee for the normal shift hours worked on a General Paid Holiday in addition to being paid for the General Holiday.

21.05

- a) Where a General Paid Holiday falls on an Employee's scheduled day off, the Employee may elect to be paid for the General Paid Holiday or receive an alternative day off at straight time pay, in conjunction with the Employee's annual vacation, or any other day, providing either is mutually agreed to, in advance, by the Company and the Employee.
- b) **Victoria Day Floater**

The Employee may elect to take the floating day in conjunction with the Employees Annual vacation, or any other day, providing either is mutually agreed to, in advance by the Company and the Employee. The Employee may elect to be paid for the Victoria Floater in lieu of taking a day off.

21.06

For the purpose of General Paid Holidays only, a working day shall be defined as the twenty-four (24) hour period commencing at 6:00 hours (6:00 A.M.) on the day of the General Holiday.

21.07

Where permitted under applicable labour legislation, if any of the General Paid Holidays fall on Saturday or Sunday, the Monday following will be observed as the Holiday.

**Article 22
Vacation Entitlement & Pay**

22.01

The purpose of annual vacations is to provide Employees with a period of rest and relaxation away from their work environment, therefore, all Employees shall be required to take their annual vacations during the year of vacation entitlement.

Employees shall be entitled to annual vacations with pay in accordance with the following schedule:

Completed Years Of Employment	Weeks of Vacation	Vacation Pay as a % of Regular Earnings
1	2	4%
5	3	6%
9	4	8%
14	5	10%

The sixth and seventh weeks of vacation are only in effect for those employees who qualified for them prior to July 1st, 1998

20	6	12%
25	7	14%

22.03

For the purpose of Vacation entitlement, a vacation year shall be from January 1st to December 31st and a calendar week shall be five (5) working days for an Employee working eight hour shift.

22.04

For the purpose of calculating vacation pay, the percentage (%) rates referred to in section 22.02 shall be applied to the Employee's total hours paid by the Company, to a maximum of 2,080 hours, excluding taxable benefits, for twelve (12) month period ending December 31st of the previous year.

For the purpose of the above calculations overtime hours will be calculated at straight time (one hour worked equals one hour paid).

The total hours will be multiplied by the employees current master file rate, or the master file rate at December 31 of the preceding year, whichever is the greater. Two percent (%) of this total shall be the employee's vacation pay for each week of entitlement.

22.05

An Employee's Vacation entitlement and Vacation pay shall be based on the Employee's completed years of service in the calendar year in which the Employee's anniversary of employment falls, in accordance with sections 22.02 and 22.04.

22.06

Employees shall be required to submit their preference for vacation periods to their immediate Supervisor, on a department basis, on or before January 1st in each year. The Company shall post approved vacation schedules, by department, on or before January 31st of that year.

22.07

- a) The scheduling of vacations shall be granted based on Company seniority within the department by the crew. Vacation requests received after January 1st shall be scheduled, based on the date the application is received, on a first received, first scheduled basis. Insofar as possible the Company shall grant vacations at times most desirable to Employees, but the final allotment of vacations is reserved by the Company in order to ensure and orderly operations.
- b) Consistent with the foregoing and the Employees vacation entitlement, Employees will have to opportunity to schedule up to three weeks vacation during the prime vacation time [May 1st to September 30th]. Following their initial selection, Employees shall in accordance with their seniority within their department and crew select any additional weeks to fill the vacancies available in prime or non-prime vacation periods.
- c) Employees entitled to four or more weeks of vacation may take such weeks consecutively in non prime time.

- d) In the event an employee transfers from one department to another at their own request 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 new department. Such employee will have vacation preference subject to availability based on the new department's existing schedule for that particular vacation year.

22.08

If a General Paid Holiday(s), as set out in Article 21, falls within an Employee's annual vacation period, such Employee shall be entitled to an additional day(s) of vacation with pay on what would have been the first day(s) of Employee would have worked after his annual vacation of any other day, providing either is mutually agreed to in advance, by the Company and the Employee.

22.09

An Employee shall receive his vacation pay with regular pay period immediately preceding the commencement of his vacation period unless the Employee instructs the Company in writing otherwise.

22.10

An Employee who quits or is discharged for cause shall receive the applicable percentage of his regular earnings as defined in section 22.02, based on service, to the date of the Employee's termination of employment.

22.11

- a) Notwithstanding anything contained in this Article the Company may schedule vacation shutdowns for periods not to exceed four (4) calendar weeks in any one (1) calendar year.
- b) The Company shall provide a minimum of thirty (30) calendar days notice of any such vacation shutdown referred to in Sub-Section a) above.
- c) Employees will have the option of scheduling their unused vacation entitlement and applicable vacation pay for the vacation year in which such shutdowns, as referred to in Sub-Section a) above, occur.

**Article 23
Health and Welfare**

23.01

a) During the term of this Agreement, the Company shall make available the following benefits to eligible Employees: Employees should make themselves aware of the terms and conditions of Company's benefit plan.

i) **Alberta Hospitals & Medical Care Health Care Insurance Plan**
Effective the first day of the month following completion of six(6) months continuous service.

ii) **Extend Health Care**
All eligible Employees and their dependents.

Co-Insurance *: 100%

Deductible: \$25 per calendar year per employee
(Including dependents)

Effective the first (1st) day of the month following completion of six (6) months continuous service.

❖ The amount of financial participation that the Insurance Carrier will pay to the medical Physician or practitioner towards the usual (reasonable and customary) charges for medically required services. The employee shall be responsible for charges that are assessed by a Medical Physician or practitioner that are in excess of the usual (reasonable and customary) charges for the medically required services and/or for any charges for any non-medically required service.

iii) **Dental Care**
All eligible employees and their dependents.

Dental Service	Co-Insurance	Limitation/Restrictions
Basic	100%	No Maximum Amount. "Annual" type check ups and "Annual" type X-Rays restricted to once every twelve (12) calendar months
Unlimited Major	50%	\$1,000.00 Maximum
Orthodontia	50%	Restricted to dependent children \$1,500.00 lifetime maximum

Effective the first (1st) day of the month following six (6) months continuous service

23.01a cont.

- ❖ The amount of financial participation that the Insurance Carrier will pay towards the standard Canadian Life and Health Insurance Association Fee Schedule for the dental service(s) performed. Any costs that are either over and above the Canadian Life and Health Insurance Association Fee Schedule, or in excess of a specified Co-Insurance level, shall be the responsibility of the employee.
- ❖ This does not include dental work classed as cosmetic and certain services may be restricted or classed as not covered under terms of the carrier's basic policy.

iv) Life Insurance

A flat maximum benefit of twenty-five thousand dollars and no cents (\$25,000.00).

Effective the first (1st) day of the month following six (6) months continuous service

v) Accidental Death and Dismemberment

In the event of a death a flat benefit of twenty-five thousand dollars and no cents (\$25,000.00).

In the event of a dismemberment the twenty-five thousand dollar and no cents (\$25,000.00) benefit shall be pro-rated in accordance with the carrier's schedule.

Effective the first (1st) day of the month following six (6) months continuous service.

vi) Weekly Indemnity

- 61% of regular straight time weekly earnings, rounded to the next multiple of \$1.00 of not already such multiple, to a maximum of \$730.
- Coverage effective: First day of accident
First day of hospitalized sickness or fourth day.
- Maximum benefit period: 17 weeks.
- No benefits are payable if entitled to Worker's Compensation.
- No benefits are payable during pregnancy leave and for ten (10) weeks either side.
- Benefits non taxable.

Effective the first (1st) day of the month following six (6) months continuous service.

vii) Vision Care

All Hourly employees and their eligible dependents

- Adult \$150/24 months
- Child \$150/12 months

23.01b

Without altering or otherwise mitigating the conditions, terms, and/or provisions of the policy of the Company's contract carrier for the weekly Indemnity benefit provided under Section 23.01, Sub-section a), item vi) above the company agrees to recognize the full attendance of its Employees through the implementation and administration of a Policy and Procedure on "attendance credits".

23.02

Notwithstanding Section 23.01 of this article, the company shall not be required to provide for the continuance of either the benefits or the payment of any of the respective benefit premium costs of the benefits listed in Section 23.01 after:

- i)** Termination of employment as set out in Article 11, Section 11.04
- ii)** Six (6) months following the permanent closure of the Plant or section thereof.

23.03

It is understood and agreed that all of the above benefits shall be subject to the individual policy conditions and that further details shall be set out in an Employee Benefit Booklet. The Company shall provide the Union with a copy of such booklet.

23.04

- a)** The company may change Insurance carriers from time to time, but any such change will not result in a decrease of the benefits referred to in this Article.
- b)** The union recognizes that the Company is not the Insurer and all benefits are payable by the Insurer and not the Company.

Pension

The Employer agrees to participate in and contribute to the Canadian Commercial Workers' Industry Pension Plan. Contributions, along with a list of employees for whom they have been made, the amount of weekly contribution for each employee, and the number of hours worked or paid, shall be forwarded by the Employer within the twenty-one (21) days after the close of the Employer's four (4) or five (5) week accounting

period. The Employer agrees to pay interest at the rate established by the Trustees on all contributions not remitted as stipulated above.

The Employer agrees to contribute to the Canadian Commercial Workers' Industry Pension Plan, for all hours paid by the Employer to members of the Bargaining Unit (hours paid shall include hours worked, Vacation, general holidays, sick days, (not including Weekly Indemnity), jury duty, bereavement leave, etc.) up to a maximum of forty (40) hours per week. The following will outline the contributions per hour for this contract.

	April 2005	April 2006	April 2007	April 2008	October 2008
Pension	\$0.25	\$0.25	\$0.35	\$0.45	\$0.50

ARTICLE 24 LEAVES OF ABSENCE

24.01 a) Bereavement Leave

- i)** In the event a death occurs in an Employee's immediate family (spouse, son, daughter, mother, father, sister, brother, mother or father-in-law, common-law spouse) such employee, on request, shall be granted up to three (3) consecutive days including the day of the funeral.
 - ii)** In the event a death occurs in an Employee's immediate family (spouse, son, daughter, mother, father, sister, brother, mother or father-in-law, common-law spouse) and the deceased member of the Employee's family was domiciled outside the Province of Alberta such Employee, on request, shall be granted up to four (4) consecutive days leave to attend the out of Province funeral. Such leave shall include the day of the out of Province funeral unless the day of such funeral is on a day other than a scheduled day of work.
 - iii)** In the event a death occurs of an Employee's grandparent such employee, upon request, shall be granted one (1) paid day at the time of the funeral. Two additional unpaid days to run consecutively with the paid day shall be available upon request provided such leave is requested at the onset.
- b)** An Employee granted leave in accordance with a) above, shall receive regular straight time pay for such days that would have been normally worked.

c) Notwithstanding the definition of a “Common-Law Spouse” as set out in Appendix “B” –Glossary of Terms, appended to and forming part of this agreement, a Common-Law Spouse for the sole purpose of the administration of the Paid Leave provisions of Section 24.01, Sub-Section a), items i) and ii) and Section 24.01, Sub-Section b) above shall be considered to be the immediate relative of the Employee if the Common-Law Spouse is named as the Employee’s beneficiary in the Company’s Benefit Plans.

24.02 Jury Duty

a) An Employee who is called for Jury Duty or is subpoenaed as a witness (but not in his own defense) shall be paid straight time wages, less any allowance received from the Court for regular hours absent from work. The Employee will be required to provide the company with proof of attendance prior to any payment of lost wages.

b) The Employee will be required to report to work and work his normal shift when he is not required to attend court as a result of the subpoena referred to in a) above.

24.03 Union Leave

The Company shall grant a leave of absence without pay to Employees that are:

a) Appointed or elected as a full time Officer except that not more than two (2) Employees at any one time will be granted such leave, provided such leave does not exceed one (1) year for each Employee.

b) Appointed or elected as Union Representatives to attend Union business, except that not more than five (5) Employees at any one time will be granted such leave and not more than one (1) from any one department and provided that such leave does not exceed thirty (30) days for each Employee.

24.04 The Union in requesting leave, in accordance with Section 24.03 a) above, shall give the Company a minimum of fifteen (15) calendar days written notice requesting the leave.

24.05 The Leave granted by the company in Section 24.03 a) above may be extended, upon mutual agreement in writing, between the Company and the Union.

24.06 An Employee elected or appointed to a full time position with the Union shall maintain Company seniority but shall not be entitled to any other benefits contained in this agreement.

24.07 Employees granted leave in accordance with Section 24.03 of this Article may return to their former assignment, subject to their seniority and provided that they can satisfactorily perform the required work. Such Employees shall provide the Company with a minimum of thirty (30) days prior written notice of his intention to return to work.

24.08 a) Compassionate Leave

The Company may allow an Employee a leave of absence without pay, for compassionate or personal reasons. Such leave will require prior written approval by the Company and an Employee request must be submitted in writing as far in advance as possible.

b)

Without mitigating the Company's exclusive right to make the determination as to whether or not to grant the Employee's request referred to in Section 24.08, Sub-Section a) above, the Company will not be unreasonable in making such determinations.

24.09 Should a leave request be granted to an Employee in accordance with Section 24.03, Sub-Section b) and Section 24.08 of this Article, such approval will be conditional that the Employee exhausts his annual vacation benefits before the approved leave day(s) start.

24.10 An Employee about to become a father will be granted an unpaid leave of absence of two (2) days at the time of the birth of his child. The Employee will give the Employer advance notice of the expected date of birth and their intention to take this paternity leave. If the Employee wishes to take the second day separately from the first he must take it within ten (10) days of the date of birth.

24.11 Maternity Leave

Employees may request a leave of absence without pay up to a maximum of fifteen (15) weeks because of pregnancy. Such request will be granted, provided the Employee submits to the Employer a request in writing for such leave at least two (2) weeks prior to the date she intends to commence such leave together with a certificate from a qualified medical practitioner, certifying that she is pregnant and indicating the estimated time of confinement. Such leave may at her discretion commence twelve (12) weeks or more (depending on medical requirements) prior to confinement and the period, if any, between the dates of confinement mentioned in the certificate and the actual date.

Employees who are granted maternity leave shall be responsible for the full cost of continuing the company's benefit plan.

Where a pregnant employee, who has qualified for group benefits is disabled and cannot perform her regular duties, she may apply for sick benefits/group insurance benefits as per the collective Agreement.

The Employee, when returning to work at the end of her leave (maternity and/or parental leave), shall give the Employer two (2) weeks notice of the date of return.

Employees, who commence maternity leave, will have benefits reinstated upon return to work. The employee shall be returned to her former position at the completion of her leave of absence.

Parental/Adoption Leave

An Employee may request a parental or adoption leave of absence for the care and custody of a newborn child or adoptive child under the law of the province. Such leave of absence will be to a maximum of thirty-seven (37) weeks. Further, such leave of absence shall be granted provided the employee requests the leave in writing at least two (2) weeks before the date specified in the application as the date the employee intends to commence the leave. The leave will be taken within the first fifty-two (52) weeks after the birth of the child or, in the case of adoption, after the child comes into the custody of the employees.

Employees who are granted a Parental or an Adoption Leave will be responsible for the full cost of continuing the Company's benefit plan.

Employees, who choose not to maintain their benefit coverage under the Company benefit plan, will have their benefits reinstated upon return to work.

The employee when returning to work shall give the employer two (2) weeks notice of return to work.

The employee shall be returned to her former position at the completion of her leave of absence.

ARTICLE 25
SAFETY

25.01 The Company and the Union recognize the benefits to be derived from safe working conditions and work practices. Accordingly, it is agreed that Employees, Union Representatives and Company Supervisors at all levels, shall cooperate to promote safe work practices, safe and healthy working conditions and the enforcement of safety rules. Further, Employees of the Company are fully obligated to comply with all reasonable rules of conduct and safety established by the Company.

25.02 **a)**
It shall be the duty of an Employee to report immediately to his immediate supervisor any unsafe working conditions.

When such situations arise, the Supervisor, with the Employee and the Union Safety Representative, if he is on shift, will investigate the matter. The Supervisor is responsible for maintaining a safe working environment within his area and shall arrive at a speedy resolution to the identified situation. In determining the extent of the identified unsafe condition and the necessary corrective action, the Supervisor may seek the opinion of others or call upon any or all available resources.

b)
The Company does not want the Employee to work in any situation which is unsafe or hazardous. Where an Employee is able to demonstrate, on reasonable grounds, that a condition of hazard exists at a work location, the Employee shall not be subject to discipline by reason of refusing to work at that place. In the event this situation arises, the Employee will first immediately notify his immediate Supervisor. The Employee concerned may request the assistance of a Union Safety Representative.

25.03 **a)**
The Company and the Union shall work together in establishing a Joint Safety Committee consisting of four (4) Employee Representatives, one (1) each representing the Kill Floor, the Cooler, the Yard and the Maintenance areas and four (4) representatives appointed by the Company.

b)
The Company and the Union recognize that the Joint Safety Committee can be a significant contributor to the promotion of safety and should be in place and maintained. It shall be the duty of the Joint Safety Committee to promote the desire on the part of all employees to work safely, to keep the premises and equipment in such condition that they will be safe for all

Employees, and to promote and advocate the observance of all safety rules and regulations.

c)

The Company and the Union shall appoint one (1) of their appointees to the Joint Safety Committee to act as a Co-Chairperson of the Joint Safety Committee. The Co-Chairperson of the Joint Safety Committee will alternate every two (2) months or as otherwise mutually agreed.

d)

The Union will notify the Company, in writing, of their appointees to the Joint Safety Committee and the areas that they represent.

e)

The Union and/or the Company may also nominate other Employees as temporary replacements for the permanent Joint Safety Committee members who may be absent from time to time.

f)

The Company shall post the names of the permanent members of the Joint Safety Committee to the bulletin board(s).

25.04

a)

Once every month the Joint Safety Committee, on a date and time mutually agreed upon, shall inspect a specific work area of the operation. Immediately after each inspection the Committee shall meet to prepare a report of its findings and set a date and location for/of the next inspection and shall, as soon as possible thereafter submit its findings to the Plant Superintendent, the Joint Safety Committee, the Union, and the Director of Inspections administering the Occupational Health and Safety Act for the Province of Alberta.

b)

The general duties of the Committee shall be to make a thorough inspection of the pre-selected section of the premises for the purpose of determining hazardous conditions, to investigate unsafe practices and to receive complaints and recommendations with respect to these matters.

c)

The safety tour shall be comprised of the Co-Chairperson, and the Employee and Company Safety Representatives.

25.05

If required, every six (6) months, the Joint Safety Committee will tour the entire operation.

- 25.06** Whenever a serious accident occurs, whether or not involving injury, the Employee Safety Committee Chairperson, or his designate, shall be immediately notified by the Company and permitted access to the place of the accident to participate in the investigation along with the Company's Safety Committee Chairperson or his designate. Copies of the resultant investigation report will be circulated to all members of the Joint Safety Committee. This provision shall be subject to the Occupational Health and Safety Statute and Regulations of the Province of Alberta.
- 25.07**
- a)**
Time spent during an Employee's regular working hours on monthly safety inspections and subsequent on site meetings will be considered time worked and will be used for the purpose of calculating overtime entitlement.
- b)**
Time spent at the Company's Plant operations, outside an Employee's regular working hours, as required by the Joint Safety Committee on monthly inspections and subsequent meetings, will be paid at the Employee's regular straight time rate and such time will be used for the purpose of calculating overtime entitlement.
- 25.08**
Employees are encouraged to put forth to the Joint Safety Committee, suggestions for improvement or alternatives, in order to improve the Safety effectiveness of the Company's operations.
- 25.09** The Company and the Union may, upon mutual agreement, change the term of reference and the composition of the Joint Safety Committee to improve its effectiveness.
- 25.10** The Company will institute general safety meetings on a regular basis on Company time. Suggestions and/or complaints tendered by Employees at these general meetings shall be discussed and recorded and then forwarded to the Joint Safety Committee for their review and action at their next regularly scheduled committee meeting.
- 25.11**
- a)**
The Company shall supply safety equipment, as listed (but neither equal or limited to) in Section 25.12 of this Article, on a loan basis to Employees that are deemed by the Company to require such equipment in the performance of any work the Employee may be assigned.
- b)**
The Equipment referred to in Section 25.11, Sub-Section a) above, shall not be removed from the Company's Plant site.

c)

The Employee loaned such equipment referred to in Section 25.11, Sub-Section a) above shall be required to sign for the article(s) loaned and return said article(s) in a good and serviceable condition, fair wear and tear expected, to the Company when either the his assignment no longer requires the use of such article(s) or when the Employee(s) is laid off or terminates his employment with the Company.

d)

An Employee(s) who fails to return a loaned article(s) in accordance with Section 25.11, Sub-Section c) above shall be charged with the replacement cost of the article(s) in question.

e)

Employees shall maintain and not deface in any way, equipment supplied by the Company.

f)

The nature of the work and the conditions under which the work is performed, as determined by the Company, will govern the issuance of any safety equipment.

25.12 Safety Equipment

Hard Hats	Hard Hat Liners
Chin Straps	Hearing Protectors
Mesh Gloves	Apron & Belly pads
Knife Scabbards	Wrist Guards
Safety Glasses	Steel Toed Rubber Boots
Safety Locks	Switch Gear Locks
Electrician's High Voltage Gloves	
Aprons, Gloves and Face Shields for handling corrosive substances	

25.13

a)

The cost of annual medical examinations, required in compliance with the Government of Canada Meat Inspection Act and/or such other health regulation(s) that the Company may be requires to comply with to become a recognized (listed) supplier of meat products (e.g.: The European Economic Community or the United States Department of Agriculture), shall be paid for by the Company.

b)

All new and/or rehired Employees shall be required to take a pre-employment medical examination prior to starting his first shift.

c)
Medical examinations required by the company, other than those required under Section 25.12 b) above, shall be paid for by the Company and shall be completed without loss of pay by the Employee.

d)
The Company shall specify the name(s) of the medical physician(s) to complete the required medical examinations, as specified in Section 25.13, Sub-Sections a) & b)

25.14 The possession of and/or use of alcohol, drugs (other than those drugs that have been specifically prescribed by an accredited Medical Doctor in the Province of Alberta) or other mind and/or behavior altering substance(s) by any Employee during the work day , or prior to that work day if the Employee shows any sign of residual impairment, shall be immediate grounds for suspension and may, after investigation, result in the Employee(s) termination of employment with the Company.

25.15 An Employee should report any work related illnesses or injuries, to their immediate Supervisor, regardless of how minor, prior to the completion of the shift in which the problem occurs.

ARTICLE 26

WORK CLOTHING AND SPECIALTY TOOLS

26.01 a)
The Company shall supply protective clothing and specialty tools, as listed (but neither equal nor limited to) in Section 26.02 of this Article, on a loan basis to employees that are deemed by the company to require such protective clothing and specialty tools in the performance of any work the Employee may be assigned.

b)
The protective clothing and specialty tools referred to in Section 26.01, Sub-Section a) above shall not be removed from the Company's Plant site.

c)
The Employee loaned such protective clothing and specialty tools shall be required to sign for the article(s) loaned and return said article(s) in good and serviceable condition, fair wear and tear excepted, to the Company when either his assignment no longer requires the use of such article(s) or

when the Employee(s) is laid off or terminates his employment with the Company.

d)

An Employee who fails to return a loaned article(s) in accordance with Section 26.01, Sub-Section c) above shall be charged with the replacement cost of the article(s) in question.

e)

The Company shall provide a laundry and maintenance program for the items of protective clothing that are launderable, that shall provide each Employee who requires such launderable protective clothing with one (1) item of each such article deemed as requires by the Company perform the work assigned. On the return of a soiled article(s) the Employee shall be issued a clean article(s) on a one (1) for one (1) exchange. Employees shall be responsible for the return and pick up of these launderable clothing articles at designated points.

f)

Employees shall maintain and not deface in any way, protective clothing or specialty tools supplied on loan to an Employee by the Company.

g)

The nature of the work and the conditions under which the work is performed, as determined by the Company, will govern the issuance of any protective clothing or specialty tools to any Employee or group of Employees.

26.02 Protective Clothing

Freezer Coats	Gloves
Hair Nets	Head Covers
Sleeves	Aprons
Smocks	Coveralls
Cooler Coats	

Cooler Coats shall be issued to cooler employees and replaced at no cost to the Employee, provided the cooler coat is handed in for replacement and shows sufficient wear and tear to warrant replacement. Cooler coats lost or damaged due to abuse will be replaced at the cost of the Employee.

Specialty Tools

Knives	Steels
Whetstones	Meat Trimmer Hooks
Overhauling Hooks	

26.03

a)

All safety footwear shall be C.S.A. approved.

b)

In the area(s) of the Company's operations where Employees are required to wear safety footwear, the affected Employees shall be required to purchase and provide their own safety footwear.

c)

i) To offset the cost of such safety footwear purchases by the Employees, the Company will provide regular Employees with a cash allowance of One Hundred Dollars and No Cents (\$100.00) payable once per full contract year upon presentation to the company of bona fide proof of purchase for replacement safety footwear together with the safety footwear being replaced.

ii) Notwithstanding the provisions of Section 26.03, Sub-Section c) i) above in this Article, and in consideration of the specific job conditions that exist, the Company agrees to provide regular employees who are permanently assigned to job functions in the Stock Yard area with a cash allowance of One Hundred Dollars and No Cents (\$100.00) once per full contract year upon presentation to the Company of a bona fide proof of purchase for replacement C.S.A. approved safety footwear together with the safety footwear being replaced.

d)

The cash allowance referred to in Section 26.03, Sub-Section c) of this Article shall be repayable on a pro rata basis should the Employee quit or is terminated in his first year of service.

ARTICLE 27
TOOL ALLOWANCE

27.01

The Company shall pay to each maintenance employee a yearly tool allowance of \$360.00 provided such employees purchase tools for their tool kit.

Receipts and tools brought to be verified by Maintenance Foremen.

27.02

The Company shall reimburse Tradesmen for the loss of tools and cabinets damaged by fire or disaster, not caused by an Employee, while on Company property. Tradesmen shall provide the Company with a verified list of his tools on Company property.

27.03

- a) The Company shall provide to Employees on a loan/return basis specialty tools that are not normally a part of a Tradesman's required tool kit.
- b) The Employee loaned such tools referred to in section 27.03 Sub0Section a) above shall be required to sign for the tool(s) loaned and return said tool(s) in good and serviceable condition, fair wear and tear excepted, to the Company.
- c) An Employee(s) who fails to return a loaned tool(s) in accordance with section 27.03, Sub-Section b) above shall be charged with the replacement cost of the tool(s) in question.

Article 28
Term of Agreement

28.01

This Agreement shall be in full force and effect from the First (1st) of April 2005 to the Thirty-first (31st) of March 2009 and thereafter from year to year.

28.02

The provision of Section 28.01 of this Article shall be subject to the right of either party to give written notice not more than one hundred twenty (120) calendar days or less ten sixty (60) calendar days prior to the original or any subsequent termination date of this Agreement, requiring the other party to commence collective bargaining with the intent of concluding a renewal Agreement.

28.03

Should either party give written notice to the other party pursuant to Section 28.02 of this Article, this agreement shall thereafter continue in full force and effect until the Union or the Company shall give written notice of other action, and such other action has commenced, in accordance with the Labour Relations Code of the Province of Alberta, or the parties conclude a renewal Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement by affixing their signatures at the City of Calgary, in the Province of Alberta this _____ day of _____, 2005 A.D.

**UNITED FOOD AND COMMERCIAL WORKERS
WORKERS INTERNATIONAL UNION,
LOCAL 373A AFFILIATED AFL - CIO**

**XL BEEF, an Operating
Division of XL Foods Inc.**

**APPENDIX
CLASSIFICATIONS AND HOURLY RATES OF PAY**

The wages for the following job positions are governed by the progression schedule and will be considered as Pay Classes I – V.

Pack and Hang from tumbler	<u>Vacuum middle</u>
Stamp	Drive animals
<u>Animal Food</u>	Remove offal from floor
Vacuum hinds	Pre-rimmer
Tripe – open paunch	Clean floor or rails
Cut knuckles	Operate foot washer
Scale and pack	Wash heads
Flush heads	Bone heads
<u>Separate Paunch</u>	Cut front legs
Operate stimulator	Trim (all)
Trim Necks	<u>Remove tail & trim</u>
Save mountain chain	Shave feet
Mark tail & bag rectum	<u>Hang paunch</u>
Wash tripe	Roll

Pay Class	I	Ia	II	IIa	III
Effective Date	Start Rate	3 mos.	6 mos.	9 mos.	12 mos.
April 1/05	\$11.02	\$11.54	\$12.07	\$12.59	\$13.11
March 31/06	\$11.02	\$11.57	\$12.13	\$12.68	\$13.24
March 31/07	\$11.02	\$11.61	\$12.20	\$12.79	\$13.39
March 30/08	\$11.02	\$11.66	\$12.29	\$12.93	\$13.56
October 1/08	\$11.02	\$11.71	\$12.40	\$13.09	\$13.78

Pay Class	IIIa	IV	Iva	V
Effective Date	15 mos.	18 mos.	21 mos.	24 mos.
April 1/05	\$13.63	\$14.16	\$14.68	\$15.20
March 31/06	\$13.79	\$14.34	\$14.90	\$15.45
March 31/07	\$13.98	\$14.57	\$15.16	\$15.75
March 30/08	\$14.20	\$14.83	\$15.47	\$16.10
October 1/08	\$14.47	\$15.16	\$15.85	\$16.50

PAY CLASS	GROUP TITLE	TYPICAL FUNCTION REQUIREMENTS	PAY CLASS HOURLY RATE				
			Apr 1/05	Mar 31/06	Mar 31/07	Mar 31/08	Oct 1/08
VI	Production Worker 1 Junior Level	Semi Skilled Labour Chisel Heads Bonsai, Spinal Vac Hang Heads Cut Off Horns <u>Spinal Vacuum</u> <u>CCIA Station</u>	\$15.43	\$15.68	\$15.98	\$16.33	\$16.73

Must demonstrate & maintain proven ability in functions typical for Pay Class I thru Pay Class VI functions and demonstrate the capacity and ability to be proficient in typical functions listed in Pay Class VII to advance to available work in functions typical for Pay Class VII.

PAY CLASS	GROUP TITLE	TYPICAL FUNCTION REQUIREMENTS	PAY CLASS HOURLY RATE				
			Apr 1/05	Mar 31/06	Mar 31/07	Mar 31/08	Oct 1/08
VII	Production Worker 2 Intermediate Level	Semi Skilled Labour Drop Rail, Push Beef to scale Lug/Push Beef <u>Cut back bone for ribbing and stamping</u> Sort, tag, tag weights, rib eye covers, <u>strap</u> <u>Drop inside skirt</u> Ribber	\$15.68	\$15.93	\$16.23	\$16.58	\$16.98

Must demonstrate & maintain proven ability in functions typical for Pay Class I thru Pay Class VII functions and demonstrate the ability to be proficient in typical functions listed in Pay Class VIII to advance to available work in functions typical for Pay Class VIII.

PAY CLASS	GROUP TITLE	TYPICAL FUNCTION REQUIREMENTS	PAY CLASS HOURLY RATE				
			Apr 1/05	Mar 31/06	Mar 31/07	Mar 31/08	Oct 1/08
VIII	Production Worker 3 Senior Level	Semi Skilled Labour Shackle, prepare Heads Stick <u>Clean rollers</u> Transfer Leg (High Bench) Scale <u>Bung</u> Basement Work Trim Hanging Tender Beef Buggy Operator Back Saw Briskets <u>Pre Eviscerate</u>	\$15.92	\$16.17	\$16.47	\$16.82	\$17.22

Must demonstrate & maintain proven ability in functions typical for Pay Class I thru Pay Class VIII functions and demonstrate the capacity and ability to be proficient in functions typical functions listed in Pay Class IX to advance to available work in functions typical for Pay Class IX

PAY CLASS	GROUP TITLE	TYPICAL FUNCTION REQUIREMENTS	PAY CLASS HOURLY RATE				
			Apr 1/05	Mar 31/06	Mar 31/07	Mar 31/08	Oct 1/08
IX	Production Worker 4 Seasoned Level	Semi Skilled Labour Foetal Blood Stockyard – 1 Fancy Meats Group Rim Knock Deep Rump	\$16.39	\$16.64	\$16.94	\$17.29	\$17.69

Must demonstrate & maintain proven ability in functions typical for Pay Class I thru Pay Class IX functions and demonstrate the capacity and ability to be proficient in functions typical functions listed in Pay Class X to advance to available work in functions typical for pay class X.

PAY CLASS	GROUP TITLE	TYPICAL FUNCTION REQUIREMENTS	PAY CLASS HOURLY RATE				
			Apr 1/05	Mar 31/06	Mar 31/07	Mar 31/08	Oct 1/08
X	Production Worker 5 Advanced Level	Semi Skilled Labour					
		Hide Puller Defat	\$16.87	\$17.12	\$17.42	\$17.77	\$18.17

Must demonstrate & maintain proven ability in functions typical for Pay Class I thru Pay Class X functions and demonstrate the capacity and ability to be proficient in functions typical functions listed in Pay Class XI to advance to available work in functions typical for pay class XI.

PAY CLASS	GROUP TITLE	TYPICAL FUNCTION REQUIREMENTS	PAY CLASS HOURLY RATE				
			Apr 1/05	Mar 31/06	Mar 31/07	Mar 31/08	Oct 1/08
XI	Production Worker 6 Superior Level	Semi Skilled Labour					
		First Leg Rump First Leg Second Leg Second Leg rump & Trnsfr. Eviscerate <u>Split</u>	\$17.45	\$17.70	\$18.00	\$18.35	\$18.75

Must demonstrate & maintain proven ability in functions typical for Pay Class I thru Pay Class XI functions and demonstrate the capacity and ability to be proficient in functions typical functions listed in Pay Class XI to advance to available work in functions typical for pay class XI.

Maintenance Rates

Apr	Mar	Mar	Mar	Oct
1/05	31/06	31/07	31/08	1/08

Maintenance Trainee

\$14.50	\$14.50	\$14.50	\$14.50	\$14.50
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START

(Greaser Oiler with no previous maintenance Experience)

6 months

\$16.60	\$16.85	\$17.15	\$17.50	\$17.90
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Mechanic I

\$18.00	\$18.25	\$18.55	\$18.90	\$19.30
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Unticketed tradesman, no XL Beef experience, experiences Could include welding, electrical, Plumbing, millwright

Mechanic II

\$19.60	\$19.85	\$20.15	\$20.50	\$20.90
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Unticketed tradesman with at least 6 months experience at XL Beef, shows gained experience in plant understanding and knowledge. Demonstrates ability to repair and troubleshoot plant equipment.

Mechanic III

\$22.00	\$22.25	\$22.55	\$22.90	\$23.30
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Unticketed tradesman with at least 18 months experience at XL Beef. Sound understanding of plant processes in regard to troubleshooting and repairs. High degree of proficiency in one or more of the trades. Able to work with minimal supervision. Good knowledge of HACCP program and documentation. Good command of English language and writing skills.

Journeyman

\$24.60	\$24.85	\$25.15	\$25.50	\$25.90
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Must possess valid Journeyman Ticket(s)

The Lead Hand will be involved in the determination of the Maintenance employees skill level.

Maintenance workers who are at a higher rate than those shown in the Maintenance Scale will be red circled until either the rate catches up with them, or they progress on the scale.

Appendix A cont.

The above position functions in Appendix A are typical of the types of work to be performed in a given pay classification and are not intended to restrict the types of work individual Employees shall be required to perform, but shall be utilized to establish a classified rate of pay for all employees.

The terms “Pay Class” and “Pay Class Hourly Rate” in Appendix A denote(s) a pay scale for the typical job function and is/are not a posted job classification(s).

Employees appointed to the function of a Lead Hand shall be paid one dollar (\$1.00) per hour above the highest rated hourly wage of employees that he is regularly supervising.

APPENDIX B
GLOSSARY OF TERMS

Arbitration Board	Shall mean a three (3) person board or where appropriate, a single arbitrator.
Union	Means the United Food and Commercial Workers International Union, Local Affiliated 373A AFL – CIO
Bargaining Unit	Shall mean the unit of persons defined as Employees within the “certification” granted to the United Food and Commercial Workers International Union Local Affiliated 373A AFL – CIO by the Labour Relations Board of Alberta under Certificate No.: 14-90 dated January 9 th , 1990, as amended.
Complaint	Shall means a difference over the interpretation, application, administration, or alleged violation of a provision(s) in the collective agreement, that has been submitted in writing from one (1) party to the other party clearly specifying the nature of the issue(s), the Article(s) and/or Section(s) and/or Sub-Section(s) in dispute and the remedies sought.
Company	Shall mean, XL Beef, an operating division of XL Foods Inc.
Dependant Child	Child means any biological child, legally adopted child or stepchild who is not married and for whom you provide financial support for the basic necessities of life. The child must be a resident of Canada and not eligible under this contract as a covered person, and must be one of the following: <ol style="list-style-type: none">1) Under the age of 18 years; or2) Under the age of 25 years and a registered student in full-time attendance in an accredited college or university. For the purposes of this definition, full time attendance will be deemed to include any period of up to 4 months between any 2 periods of full-time attendance.

- 3) Unable to work in self-sustaining employment due to serious and permanent

disability. Such disability must have existed while the child satisfied the conditions under 1) or 2) above. You must provide satisfactory proof to the current insurance carrier as often as requested that the child remains unable to work for these reasons and remains dependant on you for financial support for the basic necessities of life.

Employee – Eligible

Shall mean an employee who is a “Regular Employee” that has completed the level of continuous service with the Company required to qualify for participation in the various Health and Welfare programs contained within the Collective Agreement.

Employee – Regular

Shall mean an Employee of the Company, within the “Bargaining Unit”, that is no longer a probationary Employee, as defined by the Collective Agreement and has achieved a seniority rights status.

Lead Hand

Shall mean an Employee who has been selected and appointed by the Company as the person in charge of a specific and limited work area, or a specific production function(s) pr a work crew and who regularly performs production work or other work unrelated to supervisory duties and without having any genuine management rights such as the right to hire or fire or to recommend such action.

Master File Rate or M.F.R

Shall mean the normal rate of pay for an Employee, as set out in Appendix A attached to an forming part of the Collective Agreement, for the applicable Pay Class for the Employee’s regularly assigned job function(s) exclusive of any allowances, premiums or overtime. The Master File Rate (M.F.R.) of an employee shall be the rate on which pay related calculations will be based.

Meeting	Shall mean a meeting called by the Company that requires the Employees in general to attend a general business or information meeting, or specific Employees in particular to participate in Committees that have been constituted in accordance with the provisions of the Collective Agreement, but shall not include meetings between the Company and the Union that are specifically required for the purposes of Collective Bargaining.
Parties	Shall mean the Company and the Union.
Regular or Straight Time Rate of Pay	Shall mean the rate of pay for the Pay Class and typical job functions therein as identified in Appendix A attached to and forming part of the Collective Agreement exclusive of any allowances, premiums or overtime.
Spouse	<p>Spouse means one person, who resides in Canada, who is not eligible under this contract as a Covered Person, and is:</p> <ol style="list-style-type: none"> <li data-bbox="716 894 1352 961">1) The person to whom you are lawfully married through an ecclesiastical or civil ceremony; or <li data-bbox="618 1003 1369 1108">2) A person of the opposite sex who has been living with you for a continuous period of at least 1 year, and has been publicly represented by you as your spouse.
Supervisor	Shall mean a salaried Employee of the Company functioning in a position of designated authority, from the 'first' level of supervision and above, over a group of hourly rated Employees to accomplish an assigned task(s) and/or work operation.

LETTER OF UNDERSTANDING #1

Between: **XL BEEF, AN OPERATING DIVISION OF
XL FOODS INC.**

and: **UNITED FOOD AND COMMERCIAL WORKERS
INTERNATIONAL UNION LOCAL 373A
AFFILIATED AFL – CIO**

Various Subjects

**1. Re: ARTICLE 11
Section 11.04, Sub-Section d] – LOSS OF SENIORITY AND TERMINATION**

The parties agree that during a lay-off the Company will continue to provide for the continuance of benefits to each such Employee laid off and provide for the payment of the respective benefit premium costs listed in Article 23, Section 23.01 for a period not exceeding ninety (90) days, providing that the payment for such benefits does not have the effect of extending the seniority of the effected Employee(s) such ninety (90) day period.

**2. Re: ARTICLE 13 – Complaint Procedure
ARTICLE 14 – Arbitration Procedure**

It is understood and agreed between the parties that in the event of a member, or former member of the Union is successful in application to the Labour Relations Board dealing with the Union's duty of fair representation, and the ruling of the Board is to the effect that the Union should file a grievance or arbitrate the matter, the grievance and arbitration procedure contained in the Collective Agreement shall be open and available. This Agreement shall be considered null and void should the Union plead no contest during its appearance before the Labour Relations Board in response to such an appeal made by an employee or former employee.

**3. Re: ARTICLE 16 – HOURS OF WORK AND OVERTIME
COMPLETION OF THE PLANT'S NORMAL DAILY PRODUCTION
CYCLE**

The union agrees to provide its assurance that it will exert its individual and collective efforts to ensure that the company can complete the Plant's normal daily production cycle, particularly the Plant's daily production cycle for the last production day in a given week.

The Company, in consideration of this assurance, will extend its individual and collective efforts to ensure that livestock acquisition is managed efficiently to prevent any end of the week surges.

4. Re: ARTICLE 16
Section 16.04 – THE REQUIREMENT TO WORK OVERTIME

The parties agree that this section of the Collective Agreement shall be applied as follows:

- No Employee will be required to work more than ten (10) hours of overtime in any one (1) week;
- No Employee shall be required to work overtime on the Saturday immediately preceding the start of the Employee's scheduled annual vacation;
- The Company will not schedule required overtime on the Saturday of a recognized long weekend;
- Overtime that is required for production on a Friday in any given week shall be scheduled prior to the start of the regularly scheduled Friday shift so as to accommodate a regular quitting time. It is further understood and agreed that this scheduling provision shall not apply to any unscheduled overtime that may be required on a Friday.
- Overtime required on a Sunday or a Statutory holiday shall be for maintenance type work, sanitation, and/or special pre-inspection type projects etc.. but shall not be for production purposes;
- Employees shall be given notice for any scheduled overtime requirements by the end of the lunch period on the day preceding the requirement for such overtime;
- Employees shall be given notice for any scheduled overtime requirements on a given Saturday by the end of the lunch period on the Thursday preceding the requirement for such overtime;
- On the understanding that the Union will guarantee a start time of 4:00 hours (4:00 A.M) for Cooler Department Employees and 6:00 hours (6:00 A.M.) for Kill Department Employees, overtime required for a Saturday Shall be scheduled to provide a quitting time of 13:30 hours (1:30 P.M.)
- No Employee will be required to work more than three Saturdays in a row and not more than 20 Saturdays in a year.

**5. Re: ARTICLE 22
Section 22.04 – Vacation Entitlement and Pay**

Example of “V” Pay calculations:

Regular Hours	1,620
Vacation Hours	80
Statutory Holiday Hours	88
Paid Compassionate Leave	8
Attendance Credits Paid	16
Overtime Hours Worked	<u>138</u>
	1.950 hours

Rate of Pay (Master File Rate) = \$10.00 per hour

Total Hours: 1,950 hours

Rate of Pay: X \$10.00

Total Earnings \$19,500.00

“V” Entitlement X 2%

“V” Pay \$390.00 per week of vacation entitlement.

**6. Re: Article 23
Section 23.01, Sub-Section b) – Administration of “Attendance Credits”**

The parties agree that the protocol that will be followed for the establishment and administration of “Attendance Credits” will be:

1. The Company will award each regular Employee an “Attendance Credit” equivalent to one half (1/2) day or four (4) regular hours that each such Employee works for his full scheduled shifts in each calendar month of each year.
2. “Attendance Credits” will be accumulated in the Calendar year in which such credits are earned:

Letter of Understanding Continued

3. In the calendar year immediately following the calendar year in which the “Attendance Credits” have been earned and accumulated the Employee may use such “Attendance Credits” to reduce the required waiting period specified for a non-hospitalized injury or sickness in Article 23, Section 23.01, Sub-Section a), item vi) of the Collective Agreement:
4. “Attendance Credits” may only be applied one (1) year in arrears from the year in which they have been earned.
5. “Attendance Credits” shall only be accumulated for a given calendar year and the balance of such credits not used (an item #3 above) at the end of the calendar year following the calendar year in which they were earned shall be forfeited and not carried over into subsequent calendar year(s).
6. Absences from scheduled work as a result of approved leaves of absence as provided under Article 14, Sections 24.01, 24.02 and 24.03 and vacation days, provided such vacation days taken are current vacation year’s entitlement, shall be considered for the purposes of determining an earned “Attendance Credit” in a given calendar month, as a day worked:
7. All other absences, including those absences as a result of approved Compassionate Leave(s) provided under Article 24, Section 24.08 and absences offset by Worker’s Compensation shall be considered, for the purposes of determining an earned “Attendance Credit” in a calendar month, as a day not worked.

**Article 27, Section 27.1
Tool Allowance**

The cash allowance referred to in Section 27.1 Sub-Section a) of this Article shall be repayable on a pro rata basis should the Employee quit or is terminated in his/her first year of service.

Letter of Understanding Continued

**8. Re: Appendix A – Classifications
Pay Rate Classifications**

For the purpose of interpretation with respect to the application of the wording that is in place for each of the classifications set out in Appendix A, the following continues to apply during the term of this Collective Agreement:

An employee assigned to an performing a specific work function as delineated within a specific classification shall receive the pay rate of the classification.

Sample: Pay Class XI

Production Worker 6

Functions within this pay class are defined as:

**First Leg Rump
First Leg
Second Leg
Second Leg Rump & Transfer
Eviscerate
Split**

Situation:

Assume:

- There are three (3) First Leggers at a certain level of production,
- Market forces dictate a cut back production,
- A cut back production determines that only two (2) First Leggers are required,
- The First Legger being dropped CANNOT perform any of the other functions in this pay class,
- The First Legger CAN perform functions in Pay Class IX,
- The First Legger has the seniority and qualifications to displace an employee f lesser seniority in Pay Class IX.

Then:

- The displacing employee would take the position in Pay Class IX, he is qualified to perform and he would be paid the hourly pay rate for Pay Class IX
In a similar situation, if the work force was being increased the employees that have been assigned work that they are qualified to perform in lower pay classes can move up if they possess the necessary qualification(s) and the seniority required.

In no event would an employee move lower in pay than the Pay Class #5 provided that the employee has worked the necessary number of days to qualify for that pay class level.

It is XL's objective that the employee(s) can perform all of the functions in their current pay class and those classes that precede and follow the pay class the employee(s) is currently assigned.

Employee(s) performing any of the functions in Pay Class #1 through #5 would receive the pay rate set for the time that the employee has progressed through.

Situation

Assume:

- An Employee has worked 181 calendar days,
- The Employee is assigned to Bone Heads

Then:

- The employees rate of pay will not be less than Pay Class #5 NO MATTER what work he is assigned to do in the time progression groups #1-#5.

9. W.B.C. Claims

The Employer agrees to advise the Union Office when an employees Workers' Compensation Claim is challenged.

The Union agrees to advise the Employer when an employee Workers' Compensation Claim is appealed.

10. Temporary Employees on Saturdays

The letter dated October 3, 2001 regarding the above titled has been renewed for this contract. The letter is from Rick Bailey to Barry Fuglsang stating the following:

The Union would not oppose the use of temporary employees in the coolers on Saturdays provided the following understanding is agreed to:

A maximum of three temporary employees could be used in the coolers for Saturday work. Temporary employees would only be used to replace regular Bargaining Unit employees who are not available to do the required Saturday work.

A temporary employee provided by a contractor/agency to do temporary work will have the union dues paid on his behalf at the prevailing rate. The employer shall not be compelled to contribute on behalf of such employees to health and welfare plans.

**UNITED FOOD AND COMMERCIAL WORKERS
WORKERS INTERNATIONAL UNION,
LOCAL 373A AFFILIATED AFL-CIO**

**XL BEEF, an Operating
Division of XL Foods Inc.**

**1. ARTICLE 11
SECTION 11.04, SUB-SECTION d)
LOSS OF SENIORITY AND TERMINATION**

**2. ARTICLE 13
COMPLAINT PROCEDURE**

**ARTICLE 14
ARBITRATION PROCEDURE**

**3. ARTICLE 16
HOURS OF WORK AND OVERTIME**

**4. ARTICLE 16
SECTION 16.04-REQUIREMENT TO WORK OVERTIME**

**5. ARTICLE 22
SECTION 22.04-VACATION ENTITLEMENT & PAY**

**6. ARTICLE 23
SECTION 23.01, SUB-SECTION b) – ADMINISTRATION OF “ATTENDANCE
CREDITS”**

7. ARTICLE 27
SECTION 27.1 – TOOL ALLOWACE

8. APPENDIX A – PAY RATE CLASSIFICATIONS

9. W.C.B Claims

10. TEMPORARY EMPLOYEES ON SATURDAYS

Signed this _____ day of _____, 2005