

OF THE FIRST PART,

- and -

Grain Services Union (ILWU • Canadian Area) OF THE SECOND PART.



Duration of Agreement

December 1, 1997 to November 30, 2000

All Parkets of the second

1104/10(02)

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This Agreement entered into this 1st day of December 1997.

Between: Hillcrest Farms Ltd.,

in connection with its Feed MIII Division, Bruno, Saskatchewan, Hereinafter called the "Employer" or the "Company", of the first Part,

and

Grain Services Union,

Hereinafter called the "Union", of the second Part,

ARTICLE 1 • INTENT

- 1.1 It is the purpose of this Agreement, in recognizing a common interest between the Company and the Union in promoting the utmost co-operation and friendly spirit between the Company and its employees, to set forth conditions, covering rates of pay, hours of work and conditions of employment, which have been agreed to through collective bargaining, to be observed between the parties. This Agreement shall provide a procedure lor prompt and equitable adjustment of grievances, as defined in this Agreement, in order that there will be no impeding of work, work stoppages or strikes, or other interferences with the Company's operations or their facilities during the life of this Agreement.
- 1.2 It is agreed that this Agreement is the only Agreement between the Employer and its employees and that it supersedes any arrangements made, or term and conditions applicable to employees before the signing of this Agreement.
- 1.3 To these ends, this Agreement is signed in good faith by the two parties.

ARTICLE 2 • DEFINITIONS

- 2.1 The term "Agreement" shall mean this Collective Agreement.
- 2.2 The term "fuil-time employee" shall mean a person whose normal hours of work are as set forth in Article 27 of this Agreement.

- 2.3 The term "part-time employee" shall mean a person who is employed to work on a regular and recurring basis but who normally works twenty-four (24) hours or less per week, or who normally works 104 (one hundred and four) hours or less per month.
- 2.4 The term "casual employee" shall mean a person who is employed to work on an Irregular basis and who is employed for a period of less than 30 (thirty) working days on any one occasion.
- 2.5 The term "temporary employee" shall mean an employee hired for a period of employment of less than 90 (ninety) working days unless such period of employment is extended by mutual agreement between the Company and the Union or if the temporary employee is hired to temporarily replace an absent permanent employee.
- 2.6 The terms "qualifications" or "qualified" shall include knowledge, experience, skill, ability, training and/or education.
- 2.7 "Promotion" shall mean the movement of an employee from a classification to another classification with a higher pay rate.
- 2.6 "Demotion" shall mean the movement of an employee from a classification φ another classification with a lower pay rate.
- 2.9 "Transfer" shall mean the movement of an employee from a classification to another classification with an identical pay rate,

ARTICLE 3 - BARGAINING UNIT

- 3.1 The Company recognizes the Union as the sole and exclusive bargaining agent for all persons employed in the unit defined by the Canada labour Relations Board certifying the Grain Services Union (ILWU Canadian Areal in its decision of February 6, 1995, Fife #355-3838; and any amendments to the Unit as mutually agreed to by the parties. The employees covered by this Agreement shall be all employees of Hillcrest Farms Ltd. working at or in connection with its Feed Mill at Bruno, Saskatchewan, excluding the General Manager, Controller. Operations Manager, Sales Manager, Maintenance Manager, Corporate Administrator and Pest Control Division Manager.
- 3.2 it is agreed that casual employees as defined in Article 2.4 herein are excluded from the terms and conditions of this Agreement.

- 3.3 It is understood and agreed that temporary employees, as defined in Article 2,5 of this Agreement, shall lose all rights and benefits under this Agreement at the end of their term of employment. The Company shall nor use any system of continuous hiring of temporary or casual employees to avoid the hiring of employees on a regular full-time or regular part-time basis.
- 3.4 It is agreed that part-time employees as defined in Article 2.3 herein are covered by the terms and conditions of this Agreement on a pro-rated basis except as may be limited by a provision of this Agreement or by a Group Insurance Policy.

ARTICLE 4 - MANAGEMENT FUNCTIONS

- 4.1 The Union acknowledges and agrees that it is the exclusive right of the Company to manage and direct the services and enterprises in which it is from time to time engaged. Without limiting the generality of the foregoing, Company management functions shalf include:
 - a) The right to maintain order, discipline and efficiency and in connection therewith, to make, alter, and enforce from lime to time rules, regulations, policies and practices to be observed by employees; the right to suspend or discharge employees for cause, provided that a claim for unjust discipline, suspension or discharge may be the subject matter of a grievance and dealt with as hereinafter provided.
 - b) The right to determine location of operations, their expansion or curtailment, the direction of the working forces, schedules of operations, shifts, methods, processes, the right to use improved methods, machinery and equipment, the right to decide the number of employees needed by the Company at any time, the number of hours and days to be worked, starting and quitting times, the determination of financial policies including general accounting procedures, and community and citizen relations are exclusively the function and responsibility of the Company.
- 4.2 The Employer retains all management rights not limited on abridged by a specific provision of this Agreement.
- 4.3 In exercising its management rights the Company shall not violate any of the specific provisions of this Agreement.

ARTICLE \$ - PROBATIONARY EVPLOYEES

- 5.1 New full-time employees, other than Office and Sales employees, shall be probationary employees until they have completed 60 (sixty) working days from the commencement of their employment with the Company, Office and Sales employees shall be probationary employees until they have completed 120 (one hundred and twenty) working days from the commencement of their employment with the Company.
- 5.2 New employees, other than full-time employees, shall be probationary employees for the equivalent number of hours worked from the commencement of their employment with the Company.
- 5.3 Time lost by new full-time probationary employees for any reason shall be discounted from their probationary period.
- 5.4 The Company may release a probationary employee at any time during the probationary period, or any extension thereof, and such release shall be deemed to be for fust and sufficient cause.

ARTICLE 6 - UNION RIGHTS

- 6.1 The Company agrees that as a condition of employment, membership dues or sums in lieu will be deducted from the wages earned by employees, including new employees, for whom the Union has bargaining authority.
- 6.2 Membership dues or sums In lieu, as required under the Union Constitution, so deducted from salaries shall be paid to the General Secretary of the Union within 15 (lifteen) calendar days following the completion of the last payroll period in the calendar month, remittance to be supported by information with respect to each individual employee including the period covered by the remittance for the employee.
- **6.3** The Company shall furnish the General Secretary of the Union with a monthly list of employees hired and terminated and the effective date of each.

ARTICLE 7 - UNION ACCESS TO PREMISES

7.1 The Representative(s) of the Union shall in the course of his/her duties have access to the Company premises provided that he/she has received the prior permission of the Company. Any business between the Representative and an employee shall be conducted during normal breaks so at not to interfere with normal operations of the Company.

ARTICLE 8 - BULLETIN BOARD

8.1 The Company agrees to provide in each of its locations covered by this Agreement, a bulletin board, in a convenient location, for the use of the Union. The purpose of the bulletin board shall be far the posting of notices relating to union meetings, union elections, union officers, and staff social and recreational events.

ARTICLE 9 • LEAVE FOR UNION ACTIVITIES

- 9.1 The Company will grant a leave of absence without pay for not more than one (1) employee at any one time, not to exceed five (5) working days, to represent employees at labour conventions and annual and semi-annual meetings of the Union's representative bodies. The total aggregate leave granted under this section shall not exceed 10 (ten) days in any calendar year. In order to be considered, requests for such leave shall be made in writing at least 10 (ten) working days in advance.
- 9.2 The Company will grant leave of absence without pay to two (2) employees to attend collective bargaining meetings between the Company and the Union.
- 9.3 Seniority and benefits will accumulate during said Union leave in 9.1 and 9.2 above.

ARTICLE 10 - WORKERS' COMPENSATION

10.1 In the event an employee goes on Workers' Compensation and benefits are not received by the next regular pay day, at the employee's request the Company agrees to provide the employee a one-time advance until said employee receives his/her first Workers' Compensation benefits. The employee agrees to pursue and process his/her claim as expeditiously as possible and to reimburse the Company for any monies advanced in total on receipt of his/her first benefit payment.

ARTICLE 11 - NO STRIKES - NO LOCKOUTS

11.1 The Union agrees that during the life of this Agreement there will be no strike, slow down, study sessions, overtime bans or any withdrawal of normally provided services, and the Employer agrees that during the life of this Agreement there will be no lockouts.

ARTICLE 12 - GRIEVANCE PROCEDURE

- 12.1 It is mutually agreed that it is the spirit and intent of this Agreement to process and adjust (where appropriate) or quickly as possible, grievances arising from the application, administration, interpretation or alleged violation of this Agreement.
- 12.2 The Company and the Union agree that it is most desirable to resolve misunderstandings and disputes through discussions between employees and their supervisor. 80th the Company and the Union shall encourage employees to discuss their complaints with their supervisors so as to resolve differences quickly and directly without having to resort to the following procedure.
- 12.3 "Grievance" means an alleged difference over the application, administration, interpretation or alleged violation of this Agreement. Where a grievance is a matter of general application, administration or interpretation of this Agreement, or where a group of employees have a grievance, the Executive of the local Bargaining Unit may file a grievance at Step 2 within 15 (fifteen) days of the date on which the grievance becomes apparent or ought to have become apparent to the employees concerned.
- 12.4 Formal grievances shall be raised within 15 (liliteen) days of the date on which the grievance becomes apparent or ought to have become apparent to the employee concerned. Grievances shall be in writing on the approved grievance form and shall be dealt with In the following manner without stoppage of work.
- 12.5 All grievances shall set out the matter complained of, the specific provisions of the Agreement allegedly violated, the remedy sought, and must be signed by the grievor. It shall not be sufficient to allege a violation of the Agreement as a whole.
- 12.6 The procedure for processing grievances shall be as follow:

Step 1:

The employee shall submit his written grievance to the immediate out-of-scope supervisor. The Immediate out-of-scope supervisor or his/her designee shall give his/her reply within five (5) days of receipt of the grievance.

Step 2:

If the reply of the immediate outsf-scope supervisor or his/her designee does not resolve the grievance, the written grievance shall be submitted to the General Manager, Feedmill Division, or his/her designee within five (5) days of the glving of the reply at Step 1. The General Manager, Feedmill Division or his/her designee shall give his/her reply within 10 (ten) days after the receipt of the grievance.

in the event the Company's reply at Step 2 does not resolve the grievance, the grievance may, within 10 (ten) days following the giving of the reply at Step 2 but not thereafter, be referred to arbitration as set out in Article 13 of this Agreement.

- 12.7 A grievance concerning the discharge of an employee shall be initiated at Step 2 of the grievance procedure by a written grievance being submitted to the General Manager, Feedmill Division or his/her delegated representative within five (5) day4 of the dismissal. Thereafter, the time limits set forth in the grievance procedure outlined above shall be followed.
- 12.8 All time limits and procedures found in the grievance procedure and arbitration procedure are mandatory and not merely directory. Such time limits and procedures may only be extended by mutual agreement of the parties in writing provided that the requests for extension are made prior to the expiry of the time limitation. The limits are exclusive of Saturdays, Sundays, and statutory holidays.
- 12.9 No Shop Steward shall leave his/her work without the permission of his/her supervisor. Shop Stewards may only investigate grievances during scheduled breaks or after hours.
- 12.10 Employees who have been duly elected to appropriate positions with the Union shell suffer no loss of straight time pay while attending grievance meetings with the Company.
- 12.11 In the event of a grievance the Company agrees, upon request, to provide the Union with copies of disciplinary and/or appraisal documents which have been sewed on the employee which the Company intends to use in regard to the specific grievance.
- 12.12 Employees may have benefit of representation by Union officials at any of the Step5 in the grievance procedure.

ARTICLE 13 • ARBITRATION PROCEDURE

- 13.1 A party referring a grievance to arbitration shall give notice of referral to arbitration by registered mail within the time limit set forth in Article 12 of this Agreement. The notice shall also contain the name and address of the referring party's nominee to the Board and shall contain a copy of the grievance.
- **13.2** Within seven (7) days of receipt of the notice referred to in 13.1 herein, the other party shall reply by registered mail informing the party referring the grievance to arbitration of the name and address of its nominee to a Board of Arbitration.
- 13.3 The parties shall agree upon the selection and appointment of a Chairperson for the Board of Arbitration within 10 [ton) days from the appointment of the second of the nominees to the Board.
- 13.4 If agreement cannot be reached within 10 (ten) days on the selection and appointment of a Chairperson for the Board of Arbitration, then the two parties shall jointly request the Minister of Labour for Canada to appoint a qualified person to act as Chairperson.
- 13.5 The Board of Arbitration shall sit to the grievance within 30 (thirty) days after the appointment of the last of its members and shall render a decision within 30 (thirty) days after the conclusion of its hearings.
- 13.6 A decision of the Board of Arbitration shall be final and binding upon the parties. The Board may not, by its decision, modify, waive, abridge, or alter or extend any of the terms of the Agreement, render a decision which is inconsistent with the terms of this Agreement, nor deal with any matter not covered by this Agreement.
- 13.7 Each party shall pay the fees and expenses of its nominee to a Board of Arbitration. Each party shall pay one-half (50 per cent) of the fees and expenses of the Chalrerson of the Board of Arbitration.
- 13.8 Nothing herein shall prevent the parties from agreeing to a single arbitrator. If the parties so agree, the provisions of this Article 13 shall apply, mutatis mutandis, to the single arbitrator,

ARTICLE 14 - DISCHARGE, DISCIPLINE AND TERMINATION

14.1 The discharge or discipline of any employee shall only be for just and sufficient cause. An employee discharged for other than just and sufficient cause shall be entitled to notice or pay in lieu thereof as provided in Article 18.4 of this Agreement.

14.2 Where an employee is to be given a written reprimand, be suspended or discharged he/she shall be entitled to have a designated representative of the Union attend the meeting.

ARTICLE 15 - DISCHARGE AND TERMINATION OF EMPLOYMENT

- 15.1 The Company shall have the right to discharge, without notice, an employee upon any of the following grounds and such discharge shall be deemed to be for just and sufficient cause and except to the extent as provided in Article 15.2, the discharge shall not be subject to grievance and/or arbitration.
 - a) Premeditated theft;
 - b) Sabotage, gross negligence or wilful destruction of Company property;
 - c) Consuming alcohol or non-prescription (illegal) drug while on duty;
 - d) Intentional falsification of any Company records or documents;
 - e) Reporting for work where his/her ability to perform his/her job satisfactorily is affected as a result of the use of alcohol or non-prescription(i)|legal) druos:
 - f) Unauthorized disclosure of confidential information regarding the affairs of the Company or any of its clients or potential clients;
 - Breaching the Company's right of exclusivity to material and/or Information obtained while in the employ of the Company:
 - h) Misappropriation of funds, embezzlement or any other fraudulent act.
- 15.2 An employee who is discharged upon any of the foregoing grounds shall have the right to grieve only for the purpose of determining whether or not the breach occurred. It is further understood that the provisions of this Article are not restrictive of the Company's rights to discharge an employee for other reasons which constitute just cause.

ARTICLE 16 - SENIORITY

- 16.1 Sentority shall be defined as the length of continuous full-time employment from the date of hire by the Company, including any full-time employment with the Company not within the scope of this Agreement, Seniority for employees shall accumulate, as provided below, on the basis of straight time hours actually worked.
- 16.2 Seniority shall not be established until the probationary period as set forth in Article 5 has been served but shall then count from the dale of last hire.
- 16.3 Seniority will accumulate during any paid leave of absence. Seniority will not accumulate during any unpaid leave of absence, except as provided in this Agreement. Seniority shall not accumulate during layoff.
- 16.4 Seniority rights of an employee shall cease and he/she shall be deemed terminated for any of the following reasons:
 - Leaves of his/her own accord or is retired;
 - Is discharged and the discharge is not reversed through the grievance and/or arbitration procedure:
 - Where he/she has not been actively at work for a period in excess of the applicable period set forth in Article 191;
 - dj Fails to return to work upon the termination of an authorized leave of absence without an excuse acceptable to the Company, or uses a leave of absence for purposes other than those for which the leave of absence was granted;
 - e) Fails to return to work from layoff a5 required by Article 19.2.
- 16.5 Seniority lists shall be updated and posted annually.

ARTICLE 17 - PROMOTIONS/JOB POSTINGS

17.1 Where the Company decides to fill a vacant full-time bargainingunit position on a permanent basis, such a vacancy shall be posted a minimum of five (5) working days prior to filling the position. Employees will be required to apply in writing prior to the expiry date indicated on the posting. Employees on an authorized leave of absence, vacation or sick leave shall be advised by mall by the Company of posted vacancies.

- 17.2 The filling of posted vacancies within the bargaining unit shall be based upon qualifications established by the Company. The Company shall award the position to the senior applicant who meets the qualifications it has established far the position.
- 17.3 Where, in the Company's opinion, there is no bargainingunit applicant who satisfactorily meets the level of qualifications established for the position, the Company may hire from any source.
- 17.4 An employee who has successfully bid to a new classification shall be on probation in that classification for a period of three (3) months of employment. During that probationary period the employee may be returned by the Company to their former classification.

ARTICLE 18 - LAYOFFS

- 18.1 A layoff shall be defined as an Employer initiated reduction in the work force of any employee(s). When layoffs of employees are to be made, the Company shall determine what jobs are to be left vacant or abolished and the number of employees to be laid off.
- 18.2 When employees are to be laid off, such layoffs shall first be determined on the basis of seniority amongst those employees assigned to a classification. Where the senior employees in the classifications affected meets the qualifications for the remaining positions, the senior employees shall be retained.
- 18.3 An employee about to be laid off and who is qualified to perform the work of another equal or lower paying classification within the bargaining unit may exercise his/her seniority to claim a position in such other classification. Where the employee has the qualifications and demonstrated ability to perform the work satisfactorily, the senior employee may exercise his/her seniority. In such event, the employee with the least seniority in the classification affected shall be the employee who is displaced. If a position in the employee's former classification becomes available, the employee will then return to his/her former classification.
- 18.4 In the event of a layoff, employees will receive notice as follows:
 - at An employee who has successfully completed his probationary period and any extension thereof, but has been employed for less than 10 (ten) consecutive years, will receive two (2) weeks' written notice, or pay in lieu thereof.

An employee who has been employed for 10 (ten) or more consecutive years, will receive three (3) weeks' written notice, or pay in lieu thereof.

ARTICLE 19 - RETENTION OF SENIORITY AND RECALL FROM LAYOFF

- 19.1 Employees will retain seniority and have recall rights as follows:
 - a) Employees with less than one (1) year seniority and who have successfully completed their probationary period and any extension thereof will retain seniority rights for three (3) months.
 - b) Employees with more than one (1) year and less than five (5) years will retain seniority rights for six (6) months.
 - c) Employees with more than five (5) years will retain seniority rights for 12 (twelve) months.
- 19.2 When the Employer recalls an employee who has been laid off, it shall notify such employee by registered letter addressed to the employee's last known address. The employee concerned must notify the Employer within seven (7) days of the mailing of such a letter, stating his/her acceptance or refusal of the employment offered.
- 19.3 When permanent vacancies occur in a classification previously held by an employee on the recall list, employees shall be re-engaged in the classification to which they were assigned at the time of their layoff in order of seniority, provided the employee is still qualified to satisfactorily perform the work.

ARTICLE 20 - SICK LEAVE

- 20.1 When taken ill and unable to report for work, the employee shall notify his/her department head at the earliest possible opportunity. The employee hall offer proof satisfactory to the Company of his/her illness, If requested to do so by the Company.
- 20.2 The Company may require an employee to undergo a medical examination by a medical doctor of its choice and at its expense. This may be required when it is necessary to determine the cause of absenteeism or establish the state of health of a particular employee, or as a safeguard for other members of the staff. At the time of the examination, the employee will be advised whether he/she is well enough to return to work. If the employee so requests in writing, the results of an examination will be conveyed to the employee's personal physician.

- 20.3 Each full-time employee with twelve months or more of seniority shall be credited with one-third (1/a) days of sick leave credit for each full month of service to a maximum accumulation of (1/a) credit at any time. Each day of sick leave credit shall be paid, as provided in 20.4 below, at the rate of 60 per cent (sixty per cent) of their straight time rate of pay for normal hours the employee would have worked.
- 20.4 The Employer agrees to pay full-time employees 60 per cent (sixty per cent) of their straight time rate of pay for normal hours the employee would have worked for time absent due to noncompensable illness or disability as provided below. Such payments shall commence on the second (2nd) day of absence from work due to such illness or disability. Such payments shall be made out of accumulated sick leave credits and shall not exceed the amount accumulated to the credit of the employee concerned.

ARTICLE 21 - EMPLOYEE BENEFITS

- 21.1 The partles recognize that prior to the coming into force of this Agreement, certain group benefit plans existed which are not provided for in this Agreement. It is recognized that the Employer may change these plans as necessary from time to time. The Employer will give the Union not less than 30 (thirty) days' notice of such changes and will accept input and submissions from the Union during that notice period.
- 21.2 Renefits available to employees and eligibility for coverage shall be as set forth in the respective contracts between the Company and the carrier.
- 21.3 The Company will provide the Union with copies of all benefit plan contracts and any revisions thereto.

ARTICLE 22 - LEAVE OF ABSENCE

- 22.1 Employees shall be entitled to maternity, paternity and adoption leave as provided by Part III of the Canada Labour Code.
- 22.2 If circumstances permit, the Company may grant leave of absence with or without pay lor a justifiable reason. Any leave of absence shall be applied for in writing and shall specify the reason for requesting the leave. An employee shall not take employment elsewhere during the period of leave of absence unless such leave is governed by other provisions of this Collective Agreement.

- 22.3 An employee who has successfully completed his probationary period will be granted leave without loss of regular pay for up to three (3) consecutive calendar days following the death of a member of his/her immediate family. Immediate family shall be defined a spouse, parent, child, sister, brother, mother-in-law, father-in-law, and any relative residing in the employee's household, or with whom the employee resides.
- 22.4 An employee required to serve as a juror in a Court of Law shall be granted a leave of absence without pay for the duration of such service.
- 22.5 in the event of long term disability or illness, the time timits provided in Article 19.1 may be extended by a leave of absence without pay provided that there is a reasonable expectation, supported by medical evidence, that the employee fill be fit to return to work within a reasonable amount of time. In such event the employee will be given preference for available suitable employment when certified as fit to work.

ARTICLE 23 · DRIVERS LICENCES AND INSURANCE

- 23.1 All employees who are required to operate vehicles in the performance of their duties shall be required to possess and maintain a valid driving Saskatchewan Operator's Licence, with valid endorsements as may be required by applicable legislation. Employees shall be responsible for immediately advising the Employer of my restrictions placed on their Operator's licence or of the loss of such licence and failure to do so will be deemed just cause for disciplinary action.
- **23.2** Should the Employer incur a vehicle insurance premium surcharge, due to the driving record of an employee who Is required to operate a Company vehicle, such additional cost shall be recovered from the employee by payroll deduction or, at the Employer's option, the employee may be either suspended without pay until he/she can be covered at standard rater or assigned to dulles which do not require driving Company vehicles.

ARTICLE 24 - GENERAL HOLIDAYS

24.1 The following shall be recognized at holidays:

■New Year's Dav ■Victoria Day

•Labour Day Remembrance Day

■Boxing Day

Good Friday Canada Day

*Thanksgiving Day Christmas Day

by the Government of

Canada.

• plus any day duly

legislated as a paid holiday

- It is understood and agreed by the parties that Saskatchewan Day shall be substituted for Boxing Day and deemed & be a general holiday. The Company shall normally schedule Boxing Day as a day off without pay for employees.
- 24.2 Employees shall be paid for such holidays In accordance with the provisions of Part III of the Canada labour Code.
- 24.3 Employees required to work on the above holidays shall be paid at one and onehalf (11/4) times the employee's basic hourly wage rate for all such hours worked in addition to their holiday pay entitlement as provided above. Notwithstanding the above, time worked on Boxing Day shall he at regular straight time rates of pay unless the employee otherwise qualifies for overtime pay.

ARTICLE 25 - ANNUAL VACATION

- 25.1 Employees shall receive an annual vacation in accordance with their continuous length of service with the Employer as follow:
 - Less than one (1) year one and one-quarter (11/4) working days for each full month of service;
 After one (1) year - fifteen (15) working days;

 - After ten (10) years twenty (20) working days;

 After twenty (20) years twenty-five (25) Working days;
- 25.2 Vacation pay shall be calculated on the basis of 1/52 of gross annual earnings in the vacation year in which the vacation entitlement was earned for each weak of
- 25.3 The Company reserves the right to limit the number of employees permitted to he absent on vacation at any one lime. Where there is a conflict in the choice of vacation. requested preferenceshall be given to the employee with the most seniority.

ARTICLE 26 - SEVERANCE ALLOWANCE

26.1 When a classification covered by this Agreement is permanently discontinued, then the displaced employee shall be entitled to transfer to another position in accordance with the provisions of this Agreement.

26.2 When the Employer Is unable to provide other employment within the bargaining unit to a displaced employee referred to above, that employee shall be entitled to severance pay in the amount of two (2) weeks of pay for the first full year and two and one-half (2½) days of pay for each succeeding full year of continuous employment to a maximum of thirteen weeks of pay.

ARTICLE 27 - HOURS OF WORK AND OVERTIME

- **27.1** For *drivers*, plant and office employees the *standard* hours of work are *eight (8)* hours in a day and 40 (forty) hours in a week. **Sales** personnel shall work *undefined* hours of work approximating 40 (forty) hours per weak.
- 27.2 All authorized hours worked in excess of the hours set forth in Article 27.1 shall be paid at one and one-half (1%) times the employee's basic hourly wage rate. Notwithstandingthe above, the payment of commissions to sales personnel shall be deemed to be compensation in full for any overtime worked.
- **27.3** All overtime, **in** order to qualify for overtime compensation, **must** be authorized or approved in advance by the employee's Department Manager.
- 27.4 The parties recognize there are business and other operating requirements which necessitate overtime work being performed. It is therefore understood that the Company may require overtime work in cases of emergency or to meet the needs of customers. The Company, however, will not require employees to work an excessive amount of overtime.
- 27.5 An employee shall receive a 15 (fifteen1 minute rest period during each half of a full eight (8) hour working day.

ARTICLE 28 - HEALTH AND SAFETY

- 28.1 It is understood that health and safety are of mutual interest and concern to the Company, the Union and the employees, Therefore, it is agreed that they will comply with the provisions of Part II of the Canada labour Code.
- **28.2** An Occupational Health and Safety Committee shall be maintained and all concerns related to occupational health and safety shall be referred to that Committee for consideration and appropriate action.

ARTICLE 29 - WAGE SCHEDULE AND WAGE PROVISIONS

- 29.1 The Employer agrees to pay all employees covered by this Agreement not less than the Schedule of Wages as set out in Schedule "A" attached and made part of this Agreement.
- 29.2 The Union acknowledges the need for the flexibility of job classifications requiring employees to perform services outside of their job classification in order to ensure the efficient operations and a high level of service to customers.
- 29.3 The wager lor new classifications, within the scope of this agreement, shall be the subject of negotiations between the Company and the Union. Where agreement cannot be reached within five (5) days of the commencement of such negotiations, the position may be advertised at the lesser of the two rates proposed by the parties and may be filled on this basis. The actual rate for the classification shall remain the subject of continued negotiations.
- 29.4 When an employee is required by the Company to perform substantially all of the duties of a higher classification for a period of eight (8) consecutive hours or more on an acting basis, he/she shall be paid temporary performance of higher duty pay, as If he/she has been promoted to the higher classification for the period for which he/she acts.

When an in-scope employee has been assigned by management to perform substantially all the duties of an out-of-scope employee for a period of eight (8) consecutive hours or more, the Company will pay that employee a premium of 10 per cent (ten per cent) over the regular rate of pay that he/she would otherwise earn.

- 29.5 An employee who reports for work on his/her scheduled shift shall be paid for the time actually worked, or a minimum of three (3) hours pay at straight time, whichever is the greater.
- 29.6 A minimum of two (2) hours pay at overtime rates will be paid to an employee who is called back for work after the employee has finished his/her regularly scheduled working hours. This provision shall not apply to scheduled overtime or checks, or to any hours worked consecutively with scheduled regular hours
- 29.7 An employee who is promoted to a new classification shalt have his/her rate of pay set at he first step in his/her new pay range which provides an increase to his/her current rate of pay. Thereafter, he/she shall receive pay increases as provided for that classification in the Schedule of Wages.

ARTICLE 30 • TECHNOLOGICAL CHANCE

- 30.1 The provisions of this Article 30 are intended to assist employees affected by a technological change as herein defined to adjust to the effect, of such change.
- **30.2** Sections **52**, **54** and **55** of the Canada labour Code do not apply to the Company and the Union or to any person or persons covered by the certification and/or the scope of this Agreement.
- **30.3** In this **section**, "technological change" means:
 - a) The introduction by the Company into its work, undertaking or business of equipment or material of a different nature or kind than that previously utilized by it in the operation of the work, undertaking or business; and,
 - b) A change In the manner in which the Company carries on the work, undertaking or business that is directly related to the introduction of that equipment or material.
- 30.4 The procedure for dealing with technological change that is likely to affect the terms, conditions, and tenure deemployment of a significant number of employees is as follows:
 - The Company will notify the Union of such a technological change at least 120 (one hundred and twenty) days prior to the date on which such change is to be effected. Such notice shall be in writing and shall state:
 - a) the nature of the technological change;
 - b) the date upon which the Company proposer to effect the technological change;
 - the approximate number and type of employees likely to be affected by the technological change;
 - d) the effect that the technological change is likely to have on the terms and conditions or security of employment of the employees affected.

- e) the name of each employee likely to be affected. **Upon** receipt of such **notice** by the **Union**, the parties shall arrange a meeting within three (3) weeks for the purpose of conducting discussions relating to the technological change. This time period may be extended by **mutual** agreement.
- 30.4.2 An employee who is displaced through technological change may:
 - seek to invoke any seniority job rights he/she holds pursuant to the Collective Agreement; or,
 - avail himself/herself of any training program offered by the Company which provides retraining for employees so affected; or,
 - c) accept severance pay as hereinafter provided.
- 30.5 Where an employee has been displaced through technological change and where there is a reasonable expectation that the employee would be able to perform satisfactorily in another job after a reasonable training period, the Company will provide reasonable retraining.
- 30.6 Severance pay as contemplated by this Article shall be as provided in Article 26 Severance Pay. The above severance payment shall be deemed to include any severance payment required pursuant to any statute. Acceptance of severance pay will be classed a5 a termination of the employee's seniority and employment rights.



ARTICLE 31 - DURATION OF AGREEMENT

This Agreement shall commence or December 1 1997, and shall remain in force until the 1997 and shall be renewed automatically from year to year thereafter, unless either party notifies the other by registered mail, not more than 90 (inlesty) days and not less than 30 (thirty) days prior to the date of expiry, or subsequent anniversary of such dare of its intention to renew or revise this Agreement. In the event such notice is given, the Agreement shall continue in full force until a new Agreement is concluded or until the requirements of the Canada labour Code relating to a strike or lockout have been met, whichever occurs first.

Signed at Bruno, Saskatchewan, this 8th day of May, 1998.

Signed on behalf of the Company:

Signed on behalf of the Union:

Dennis Billo Guy Pulvermacher Larry Sorokoski Doug Krentz Walter Eberle

Schedule "A"

Schedule of Wages

Effective December 1, 1997

CLASSIFICATION	START (OR	AFTER 3 MONTHS EQUIVALENT	AFTER 12 MONTHS HOURS WORK	AFTER 24 MONTHS (ED)
Senior Operator	11.96	12.74	13.52	
Operator	9.36	10.14	10.92	11.70
General tabour	8.32	8.84	9.36	9.88
Truck Driver, Maintenance. Front Desk Clerk	11.18	11.96	12.74	13.52
Mill Secretary	8.58	9.10	9.62	10.14
Office Clerk	7.80	8.32	8.84	9.36
Salesperson Policy.	\$1919 per month plus commissions as per current Compa			current Company
Plant Foreman	Senior Operator plus \$1.00 per hour.			
Kim Oust	Effective April 1, 1998, \$16.64 per hour.			

If the commission structure for the Salesperson is changed by the Company, the resulting potential to earn commissions will not be less than under the current policy.

Schedule "A"

Schedule of Wages

Effective December 1, 1998

CLASSIFICATION	START (OR	AFTER 3 MONTHS EQUIVALENT	AFTER 12 MONTHS HOURS WORK	AFTER 24 MONTHS ED)
Senior Operator	12.20	13.00	13.79	
Operator	9.55	10.34	11.14	11.93
General Labour	8.49	9.02	9.55	10.08
truck Driver, Maintenance, Front Desk Clerk	11.40	12.20	13.00	13.79
MillSecretary	8.75	9.28	9.81	10.34
Office Clerk	7.96	8.49	9.02	9.55
Salesperson Policy.	\$1957 per month plus commissions as per current Company			
Plant Foreman	Senior Operator plus \$1.00 per hour.			
Kim D ust	\$16.97 per hour.			

If the commission structure for the Salesperson is changed by the Company, the resulting potential to αm commissions will not be less than under the current policy.

Schedule "A"

Schedule of Wages

Effective December 1, 1999

CLASSIFICATION	START (OR	AFTER 3 MONTHS EQUIVALENT I	AFTER 12 MONTHS HOURS WORK	AFTER 24 MONTHS (ED)	
Senior Operator	12.44	13.26	14.07		
Operator	9.74	10.55	11.37	12.17	
General Labour	8.66	9.20	9.74	10.28	
Truck Driver, Maintenance, Front Desk Clerk	11.63	12.44	13,26	14.07	
Mill Secretary	8.93	9.47	10.01	10.55	
Office Clerk	8.12	8.66	9.20	9.74	
Salesperson Policy.	\$1996 par month plus commissions as per current Company				
Plant Foreman	Senior Operator plus \$1,00 per hour.				
Kim Dust	\$17.31 per hour.				

If the commission structure for the Salesperson is changed by the Company, the resulting potential to earn commissions will not be less than under the current policy.

May a, 1998

Policy Issues Agreed to Between the Parties:

a) Pay Cheques ---

Employees' pay cheques will be issued the first day of each month with the cut-off king three (3) working days prior to the end of the month.

b) Meal Expense/Overtime —

When a Hillcrest mill production or maintenance employee is required due to unscheduled overtime to \$449 at work mora than two hours past the normal end of shift without the opportunity to bring lunch or go home for a meal, the Company will provide a meal at its expense.

c) Loading Trucks/Weights -

When a Hillerest truck is loaded at our mill. load weights and liability shall be the responsibility of the Company. For further clarity, the Company will pay fines associated with overload limits for any feed loaded at its facility and in its trucks. Drivers will remain responsible for insuring loads picked up elsewhere (e.g. Grain) are reasonably close to expected weights. While common errors in weight estimation will be covered by the Company, fines due to grossly negligent grain loading will not be paid out under this provision.