

COLLECTIVE AGREEMENT

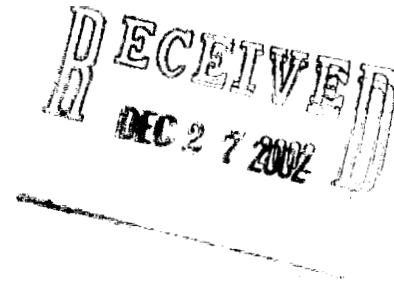
Calgary

Between

ADM MILLING CO.  
Calgary, Alberta, Canada

And

UNITED FOOD AND COMMERCIAL  
WORKERS INTERNATIONAL UNION,  
AFL-CIO, CLC, LOCAL 401



TERM: November 30, 2001 to November 30, 2004

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THIS AGREEMENT, made and entered into this 15th day of May, 2002, by and between ADM MILLING CO., Calgary, Alberta, hereinafter referred to as the "Company" and the UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION, AFL-CIO-CLC, Local Union 401, hereinafter called the "Union."

## PREAMBLE

This Agreement is entered into by the parties hereto in order to provide for the orderly collective relations between the Company and those employees who come within the bargaining unit as hereinafter set forth. In consideration of the mutual promises herein contained, the parties hereto mutually agree as follows:

### ARTICLE I                    RECOGNITION

#### Section 1.01                Recognition

The Company recognizes the Union as the sole and exclusive bargaining agent for its production, laboratory and maintenance employees employed at its flour mill located at 4002 Bonnybrook Road, Southeast, Calgary Alberta, except foremen and persons above the rank of foreman, salesman, office and clerical staff, technical employees, and all other employees.

#### Section 1.02                Union Membership

The Company agrees that all hourly paid employees shall become and remain members in good standing with the Union. Upon commencing employment, the employer shall require all employees to complete a membership application form and remit same to the Union with regular dues plus the established initiation fee.

#### Section 1.03                Checkoff

A - The Company will deduct weekly such initiation fees and Union membership dues as are uniformly prescribed for all members of the Union. Deductions will be made within the framework of the Company's dues deduction program. Such deductions must be specified to the Company in writing by the Union. The amount of dues paid by each employee will be included on the T-4 document. Uniform special assessments will also be deducted from the employees' pay upon proper notification from the Union.

B - The total sum deducted, together with a record of those from whom deductions were made and the amounts thereof, will be forwarded to the financial secretary of the local Union on or before the fifteenth (15th) day of the following month.

C - The Union shall defend, indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that may arise out of, or by reason of, actions taken or not taken by the Company for the purpose of complying with the checkoff provisions of this Agreement.

ARTICLE II                    MANAGEMENT RIGHTS

Section 2.01                    Management Rights

A - The Company retains any and **all** management rights not expressly limited by the specific terms of this collective Agreement. Among these rights, but not intended as a wholly inclusive list, shall be the right to manage the plant and direct the workforce; to plan, direct and control plant operations; to determine the means, methods, processes and schedules of production; to determine the products to be manufactured or processed, and the plant or facility at which they are to be manufactured or processed; to determine the location of its plants/grain terminals and the continuance of its operating departments; to transfer work temporarily or permanently between plants; to temporarily or permanently close the plant or any portion thereof during the term of the collective Agreement; to promote, demote or transfer employees from one job to another; to decide on "make" or "buy" decisions; to determine the number of personnel needed; to determine schedules, shift assignments, and hours of work including overtime; to determine the number of shifts; to demote, discipline, suspend or discharge employees for just cause; to maintain order; to hire, rehire, or recall employees; to lay off or relieve employees from duty because of lack of work or any other legitimate reason; to make and enforce reasonable plant rules and regulations; to make and enforce safety rules; to assign employees to work and designate the duties of the employees; to change, modify, eliminate or reassign job duties; to set the wage rates for newly created jobs; to contract work out or in, including but not limited to maintenance and construction work, or to have such work performed by other Company personnel; to use contract labourers; and to make any decisions or changes which in the opinion of management, the efficient operation of the plant requires.

B - The Company agrees that it will not exercise its functions in a manner inconsistent with the specific provisions of this Agreement, and an alleged violation thereof shall be subject to the grievance procedure. It is understood that the express provisions of this Agreement constitute the only limitations upon the Company's rights.

ARTICLE III                    GRIEVANCE & ARBITRATION PROCEDURE

Section 3.01                    Grievance Procedure

The parties to this Agreement shall attempt to resolve grievances as quickly as possible. No grievance shall be considered where the circumstances giving rise to it occurred or originated more than 7 full calendar days before the filing of the grievance. An employee or the Union shall discuss problems orally with the supervisor in an attempt to seek a solution prior to the commencement of the formal grievance procedure. The Company will attempt to meet within 5 working days of the Union's request to meet. A grievance may be filed by an employee(s) or the Union. Formal grievances will be processed promptly using the following procedure:

Step 1 (In Writing)

Between the aggrieved employee, the Union Steward and the Department Supervisor. The Company will give its answer within 7 calendar days.

## Step 2

Between the aggrieved employee, the Union Chief Steward, the Department Supervisor and the Plant Manager or his representative. The Plant Manager will give his answer in writing to the Union within 7 calendar days.

## Step 3

Between the Union Grievance Committee, a representative(s) of Local 401 and the Department Supervisor, the Plant Manager or his representative and a representative of the President of the Company. The Company representative will give the Union the Company's written decision within 30 calendar days following the Step 3 meeting.

Section Note 1 : Time limits can be extended if mutually agreed upon by the Company and the Union.

Section Note 2: An employee that is suspended or terminated may inform the Grievance Committee who may, if a grievance is to be filed, file such written grievance with the Company within 7 calendar days of the suspension or termination. The grievance shall then be dealt with under the Grievance Procedure beginning at Step 2.

## Section 3.02

### Arbitration Procedure

**A** - If the rules set forth in the grievance procedure have been complied with and either party desires to arbitrate a grievance relating to the interpretation, application, administration or alleged violation of the provisions of the Agreement, the procedure outlined below shall be followed.

**B** - The parties shall select an arbitrator by exchanging lists reflecting the names of five (5) arbitrators. The individual whose name first appears on both lists shall be accepted by the parties as the arbitrator. If the parties do not succeed in selecting an arbitrator on the first exchange of lists, this procedure will be repeated. If after a second exchange of lists the parties do not succeed in selecting an arbitrator, the appointment shall be made by the Minister of Labour at the request of either party.

**C** - The arbitrator selected shall set a mutually convenient date and place for the hearing and hear both sides of the dispute before rendering a decision.

**D** - The Arbitrator shall not be authorized to make any decision inconsistent with the provisions of this Agreement, nor to alter, modify or amend any part of this Agreement. The decision of the Arbitrator shall be final and binding on the Company, the Union and the employees.

**E** - Each party shall pay its own expenses incurred in arbitration, including the expense of its witnesses and representatives. All other expenses of arbitration, including fees and expenses of the arbitrator, shall be borne equally by the Company and the Union.

Section 3.03                      Union Notice Of Written Discipline

The Company will give the Union a copy of any written discipline which is to be placed in an employee's file.

Section 3.04                      Union Steward - Disciplinary Meetings

A Union Steward or other Union representative, provided one is available on Company property, shall be present at meetings between management and bargaining unit employees or when disciplinary measures are to be presented by management to such employees. If a Union Steward or other Union representative is not, or cannot be, available in a reasonable amount of time, a Union employee will be asked to attend the meeting.

ARTICLE IV                      JOB CLASSIFICATIONS AND RATES OF PAY

Section 4.01                      Job Classifications And Rates Of Pay

The following hourly rates will apply during the term of this Agreement.

<u>Job Classification</u>	<u>Hourly Rates Effective</u>		
	<u>12-01-01</u>	<u>12-02-02</u>	<u>12-01-03</u>
<u>FLOUR MILL</u>			
Roll Tender	\$19.31	\$19.89	\$19.89
Screen Room	19.02	19.59	19.59
Mill Utility	18.21	18.76	18.76
<u>PACKING</u>			
Operator I	19.53	20.12	20.12
Operator II	18.75	19.31	19.31
<u>ELEVATOR</u>			
Operator I	19.53	20.12	20.12
Operator II	18.75	19.31	19.31
<u>WAREHOUSE</u>			
Material Handler	18.75	19.31	19.31
<u>PLANT SERVICES</u>			
Electrician/Millwright/Boiler Operator	21.78	22.43	22.43
Maintenance	21.20	21.84	21.84
Training Grade 2	19.99	20.59	20.59
Training Grade 1	19.44	20.02	20.02
<u>MIX PLANT</u>			
Operator I	19.90	20.50	20.50
Operator II	18.75	19.31	19.31

<u>Job Classification</u>	<u>Hourly Rates Effective</u>		
	<u>12-01-01</u>	<u>12-02-02</u>	<u>12-01-03</u>
<u>LABORATORY</u>			
Sr. Lab Technician	\$20.02	\$20.62	\$20.62
Lab Technician	19.05	19.62	19.62
<u>PLANTWIDE</u>			
Utility	18.21	18.76	18.76

NOTES APPLICABLE TO JOB CLASSIFICATIONS

1. Employees in any job classification will perform any jobs or duties to which they may be assigned. Each "job classification" may include a wide variety of different jobs, tasks and duties, some of which may cross job classification lines. Maintenance, housekeeping and lubrication duties may be required of any employee. Employees who either perform maintenance duties or assist in performing maintenance duties will be paid at the rate of their own regular job classification. There is no contractual obligation for establishing light duty job classifications.
2. There are no minimum crew or job manning requirements. The Company has the sole right to determine the number of employees in any job classification as **well** as the right to determine crew size in the plant or any portion thereof, provided there is no violation of any appropriate government legislation. Classified jobs may be filled, vacated or permanently discontinued at the Company's discretion.
3. If employees within the bargaining unit do not possess the necessary skills to fill a vacancy, the Company may fill such vacancy by hiring from outside.
4. Non-employee, contract labour may be used to supplement the Company's workforce. Such contract labourers will not be used if any employee is in a layoff status unless such laid off employee either cannot be immediately contacted, or if contacted, the employee rejects the opportunity to perform the available work.
5. Safety is a shared responsibility. Employees' job responsibilities include their personal safety and collectively, that of their fellow employees.
6. Lab employees may be required to have a minimum education level as determined by the Company. This may include a requirement for post secondary education in courses related to Quality Assurance and/or related experience.

Section 4.02                      Shift Differentials

**A - 2nd or 3rd Shifts - A** shift differential is paid in addition to an employee's regular straight time hourly rate if he is scheduled and working on either the 2nd or 3rd shift. The 2nd shift differential is 70¢ per hour. The 3rd shift differential is \$1.00 per hour.



Note 1A: If an employee is scheduled on a 2nd or 3rd shift and is involved in a continuous work period requiring him to work on more than one shift, then the shift on which he has been scheduled establishes the shift differential, if any, for all hours worked during the continuous work period. An employee who is scheduled on the day or 1st shift does not qualify for shift differential pay even though he works on the 2nd or 3rd shifts. Shift differentials are not applicable to call-ins or call-backs unless such an assignment continues on into the employee's regularly scheduled 2nd or 3rd shift. If an employee is on a regular schedule which requires him to overlap 2 shifts, then the shift on which he is scheduled the greatest number of hours determines the shift differential, if any. Should he be scheduled an equal number of hours on 2 shifts, then the higher shift differential will apply.

B- 2 Rotating 12 Hour-Shifts - A shift differential is paid in addition to an employee's regular straight time hourly rate if he is scheduled and working on either 2 rotating 12-hour shifts. Such shift differential is \$1.00 per hour.

Section Note: Shift differentials are not added to an employee's base rate for purposes of computing overtime, or for any unworked hours for which the employee is paid such as holidays, jury duty and funeral leave.

#### Section 4.03                      Rates Of Pay - Temporary Transfers

A - If an employee is temporarily transferred for Company convenience to a lower-rated job classification, he will continue to receive the rate of pay for his regular job classification until the transfer is made permanent.

B- If an employee is temporarily transferred by the Company to a higher-rated job classification, he will receive the higher rate of pay for all hours worked in the higher-rated job classification. However, it does not apply to employees who may relieve for breaks or who may be supplementing the workforce performing various tasks or jobs performed by employees in other job classifications.

#### Section 4.04                      Rates Of Pay - Permanent Transfers

An employee who is permanently transferred to a lower-rated job classification will receive the lower rate at the time he begins work in the lower-rated job. If he is permanently transferred to a higher-rated job classification, he will receive the rate of the higher-rated job after he has completed his training and trial period and can satisfactorily perform the duties of the job with no more supervision than is required by other employees on the same job.

#### Section 4.05                      Temporary Employees

Temporary employees may be hired as determined by the Company to supplement the workforce. Such employees will not be entitled to benefits under this collective Agreement nor will the provisions of this collective Agreement apply to them. Such temporary employees will not accrue seniority as a result of such temporary employment. Temporary employees are not considered probationary employees even if the temporary

assignment exceeds the probationary period. Individual temporary assignments will not exceed 140 workdays per calendar year.

Note 1: Temporary employees will be paid \$12.00 for all hours worked regardless of the job they are performing.

Note 2: Temporary employees will not be employed until regular employees who are on layoff have had an opportunity to work the temporary assignment.

#### Section 4.06                      Creation Of New Job Classifications

If a new job classification is created, the Company will establish a rate for such classification and, if requested by the Union, shall after no more than 120 working days of job experience, negotiate with the Union for a permanent rate for such classification. Such negotiated rate will be retroactive to the date that the job was established. If the negotiation of such rate reaches an impasse, there shall be no arbitration of such wage rate and the parties shall continue to honor the provisions of Article XII - No Strikes Or Lockouts. In the event of such impasse, the rate negotiation will be deferred to the next regular negotiation of the collective Agreement, and the provision of retroactivity shall be as provided in this Section.

#### Section 4.07                      Temporary Supervisor and Leadperson

A - An employee assigned as a Temporary Supervisor shall be paid an hourly rate which is \$1.00 higher than the highest rate in the department in which he acts as a Temporary Supervisor.

B - An employee assigned as a Leadperson shall be paid an hourly rate which is 70¢ higher than the highest rate in the department in which he acts as a Leadperson.

C - Temporary Supervisor or Leadperson positions may be filled at the Company's discretion by assignment subject to the employee's willingness to accept such assignment. Leadpersons may be used in any department where lead duties are desirable. Leadpersons will perform regular duties in addition to their lead duties. Temporary Supervisor and Leadperson positions may run for indefinite periods of time and may be filled or vacated at the Company's discretion.

#### Section 4.08                      Severance Procedure

In the event that a permanent reduction to the workforce results in the reduction in the number of full-time employees, the Company and Union will meet to negotiate the severance payments for the affected employees.

ARTICLE V                    HOURS OF WORK AND OVERTIME

Section 5.01                Intent And No Pyramiding

This Article is intended to set forth the normal hours of work and to provide a basis for computing overtime and premium pay, and shall not be construed as a guarantee or limitation on overtime hours or on hours of work per day or per week, nor shall anything in this Agreement be so construed as to permit the pyramiding or duplicating of overtime or premium payments. Hours for which overtime or premium payments are made shall not be used to compute overtime or premium pay for any other hours. Whenever more than one premium could be applied to the same hours, only the larger will be paid. For purposes of this Section, shift differentials are not considered as premium payments.

Section 5.02                Workday And Workweek

The workday is a 24-hour period running from 6 AM one day to 6 AM the following day. The workweek begins at 6 AM Monday and ends at 6 AM the following Monday. The normal workweek contains 5 consecutive workdays scheduled Monday through Sunday. The workday and workweek may be different for some individuals, departments or shifts in the interest of efficient or less costly plant operations.

Note: Employees' scheduled rest days will be consecutive, and in the case of a 5-day work schedule, one of the rest days will include Saturday or Sunday.

Section 5.03                Starting Times, Shifts And Schedules

A - The Company may vary schedules, starting times and quitting times for different areas or operations of the plant or for individual employees. In general, when overtime is not required, employees may be scheduled, at the Company's option, on either an 8 1/2 hour shift including a 1/2 hour unpaid meal period, or on an 8-hour shift with a paid meal period on-the-run.

B - The Company may vary or change the number of hours scheduled, the number of shifts scheduled, the manpower requirements of the various shifts and the scheduling of workdays and hours for business reasons or efficient plant operations. This includes determination as to whether operations are scheduled in a continuous or non-continuous manner. Any area of the plant or portion of the employees may be scheduled in more than one way.

C - Employees scheduled in operations with job classifications requiring 2 or more shifts may be required to rotate shifts. The Company, at its discretion, may from time to time change an individual employee's shift assignment within a given shift rotation. For example, in a 4-shift operation the Company may determine whether an individual employee is assigned to the A, B, C or D shift.

D - Prior to implementing a new shift schedule, the Company **will** notify the Union of the change. The Union will be given the opportunity to review and discuss the changes with the Company. The Company retains the sole right to vary shift schedules, starting times and quitting times.

E- The Company shall post the weekly shift schedules by 3 PM Thursday. The schedule may be changed if necessary.

Section 5.04                      Daily And Weekly Overtime Pay

All time worked by an employee over 8 straight time hours in any one day (on an 8-hour shift) or over 40 straight time hours in any one workweek will be paid for at the rate of 1 1/2 times.

Note 1: An employee who works continuously beyond his regularly scheduled shift and continues working into the next day, or his scheduled day off, or into a new workweek, shall receive 1 1/2 times his straight time hourly rate (or double time if applicable) for such hours he works beyond the start of a new day. Such hours shall not be used to create overtime or premium payments during the employee's regular scheduled shift.

Note 2: For purposes of satisfying the 40 straight time hour requirement, the following unworked hours shall count as straight time hours of work up to 8 hours per day or 40 hours per week for days the employee was either scheduled to work or was laid off: (1) a worked or unworked holiday for which the employee is paid provided it falls on an employee's scheduled straight time day of work, or (2) a paid absence resulting from either bereavement leave, jury duty or vacation time off, or (3) 8 hours per day for Union members who miss work as a result of attending approved union business, or (4) 8 hours per day for days absent while entitled to benefits under Weekly Indemnity or Workers' Compensation.

Section 5.05                      Call-In F Premium

An employee who is called in for emergency or overtime work on his scheduled day off or called back after he has finished his shift and left the plant and premises, will be paid at the applicable overtime rate for such unscheduled hours worked or 4 hours' pay at his straight time hourly rate, whichever is greater. An employee called back or called in to start in advance of his regular starting time and who continues to work on into his scheduled shift, shall not qualify for the 4-hour guarantee provided for in this Section.

Section 5.06                      2nd Scheduled Day Off Premium

An employee shall be paid 2 times his regular rate of pay for work performed on his 2nd scheduled day off, provided he has actually worked 40 straight time hours in the workweek.

Note 1: The 2nd scheduled day off principle of double time pay shall apply to: (1) the 1st scheduled day off for those employees on a 6-day schedule, and (2) the 7th day of the workweek for those employees on a 7-day emergency schedule, and (3) the 7th day of the workweek for those employees scheduled less than 5 days.

Note 2: For purposes of satisfying the 40 straight time hour requirement, the following unworked hours shall count as straight time hours of work up to 8 hours per day or 40

hours per week for days the employee was either scheduled to work or was laid off: (1) a worked or unworked holiday for which the employee is paid provided it falls on an employee's scheduled straight time day of work, or (2) a paid absence resulting from either bereavement leave, jury duty or vacation time off, or (3) 8 hours per day for Union members who miss work as a result of attending approved union business, or (4) 8 hours per day for days absent while entitled to benefits under Weekly Indemnity or Workers' Compensation.

Section 5.07                      Distribution Of Overtime

Daily and weekly overtime will be filled by active, qualified employees who are either bid, assigned or temporarily transferred and working in the job where the overtime occurs. Such employees will be assigned to daily and weekly overtime on the basis of the man-on-the-job concept. If this applies to more than one man-on-the-job, then the man-on-the-job in the classification where the overtime occurs who has the most plant seniority will have first opportunity to work the overtime. If active employees in the job classification are not available, the Company may, subject to qualifications, then offer the overtime to the other regular department employees on the off-going shift according to their plant seniority. If the overtime is still not filled, the Company may offer the overtime to any employee. The junior qualified employee will be required to fill the overtime.

Note 1:    The term man-on-the-job means the employee who is actually performing a specific job (within a job classification) on the off-going shift.

Note 2:    An employee whose job is in operation may not turn down overtime in his own job in order to work overtime in another job.

Note 3:    If overtime (including call-ins) is mis-assigned, an employee so affected shall have the opportunity to make up such missed overtime as soon as is practical within a 30 calendar day period at any time mutually agreeable between the Company and the employee.

Section 5.08                      Scheduled Overtime

**When** arranging overtime for weekend and statutory holidays, the following procedures will be followed.

1.     Person on the job within the classification. Each person will work the same shift and position as performed that week.
2.     Most senior qualified person within the classification.
3.     Most senior qualified person, not already scheduled to work, within the department.
4.     If the overtime is still not filled within the department, then the most senior qualified person within the plant.
5.     Most junior qualified person in the plant will be required to work the overtime.

Section 5.09                    Job Coverage

A - In case an employee does not report for work, the employee waiting to be relieved will remain on the job and, if necessary, an attempt will be made to supply a replacement as soon as possible within 4 hours after the end of the shift. With respect to relieving a group of employees in the same job classification, the principle followed is that the junior, available, qualified employee(s) must remain on the job until the crew is properly relieved.

B - Employees must stay until released when assigned to jobs which are necessary to complete from an emergency breakdown standpoint. Maintenance employees agree to accept emergency call-in or call-back work on a regular basis.

ARTICLE VI                    SENIORITY AND FILLING VACANCIES

Section 6.01                    Seniority

A - Seniority shall be considered as plant seniority and shall be defined as the duration of a regular employee's continuous service for the Company within the bargaining unit as described in Section 1.01 - Recognition, from his last hiring date. The seniority date of the employee will be determined according to Section 6.03 - Probationary Employees.

B - Seniority of employees hired at the same date will be determined by alphabetic order of family name.

Section Note: An up-to-date seniority list will be posted every 6 months and a copy will be given to the Union.

Section 6.02                    Consideration Of Qualifications

The application of the seniority provisions of this Agreement must be governed by considerations of whether the employee is qualified to perform the job required. If the employee is not so qualified, the applicable seniority provision will not apply.

Note: It is recognized that an employee who permanently bids or who is permanently transferred to a new or different job will have a fair trial/training period on such new job as determined by management.

Section 6.03                    Probationary Employees

All new employees will be hired as probationary employees for the first 120 calendar days of employment after which the employee shall be placed on the seniority list dating back to his date of hire. A probationary employee shall not have seniority rights and the discharge of such employee will not be subject to the grievance and arbitration procedure of this Agreement.

Section 6.04                    Filling Permanent Vacancies (Except Maintenance and Job Classifications in the Line of Progression)

When new jobs are created or the Company determines it necessary to fill a permanent vacancy, such job will be posted for bid and filled from those employees signing the posting on the basis of plant seniority, provided, however, that such employee is, in the opinion of management, capable of learning and performing the job in a safe, efficient and productive manner.

Note 1 - If, after posting in the plant, management determines that no suitable employee is available in the bargaining unit, then employees may be hired from outside the bargaining unit.

Note 2: An employee who returns from an absence of up to 30 days because of vacation, leave of absence, funeral leave, jury duty, or occupational or non-occupational illness or injury may make application retroactively for any permanent vacancies posted during his absence, provided that he does so within 2 working days following his return to work. The Company may contact an absent employee to determine if he/she wishes to bid on a permanent vacancy, and he/she must respond to such inquiry within 48 hours or forfeit his right to such bid.

Note 3: For entry into Maintenance, see Section 6.06 - Filling Permanent Vacancies (Maintenance).

Section 6.05                    Trial Period

An employee bidding or permanently assigned or transferred to a new job, in the Company's opinion, will have a fair trial and training on such job. An employee shall be returned to his old job if he is unable to perform the new job satisfactorily.

Section 6.06                    Filling permanent \_\_\_\_\_ (Maintenance)

A - Entry into the Maintenance job classification will be made at the Company's discretion by either hiring from outside or by the assignment of an employee of the Company's choice to be trained in the job. The following criteria, among others, may be used in the selection of an employee for these job classifications.

1. Results from a Company-designated test battery to measure maintenance aptitude, interest and other skills and characteristics specific to maintenance.
2. Physically able to perform all types of plant maintenance work.
3. Willing and able to perform high work.
4. Willing and able to continually work overtime and emergency call-in or call-back work subject to applicable law.

5. Willing and able to take formal trade school courses as selected by management and to take such courses on a continuing basis during the training period.
6. Must have shown good job proficiency, had a good attendance record, and have been a productive employee in previous jobs performed in the plant.

**B** - An employee in training must advance through the 2 training grades and into the Maintenance classification or be disqualified. Time spent in each training grade will be as follows:

Training Grade 2 -- 13 to 24 months  
 Training Grade 1 -- 1 to 12 months

**C** - An employee with obvious skills may be advanced at a faster rate. Advancement through the training grade will be based on management's judgment of the employee's skills and job performance. An employee who is not progressing satisfactorily to the Maintenance classification may be kept in training for longer than the above-listed time, or he may be disqualified. An employee who is disqualified will, if possible, return to his previous job classification.

**D** - An employee in training may be required to take formal trade school courses applicable to the plant work. Such courses must be approved by management prior to enrollment. The Company will pay for tuition, books and supplies, but not for time spent at such course.

**E** - The training program shall not restrict the Company from hiring qualified employees from outside.

Section Note: The Company will post a notice when a Maintenance vacancy is to be filled through the testing program. An employee may indicate his interest by signing the notice. The Company may test all or any portion of those desiring to be tested.

Section 6.07                      Entry and Line of Progression Mill Utility, Screen Room Operator & Roll Tender Job Classifications

A - The following job classifications are included in the Line of Progression from the Mill Utility job classification to the Roll Tender job classification:

Milling Department Line of Progression

1. Roll Tender
2. Screen Room Operator
3. Mill Utility

**B - Entry** - Entry into the Mill Utility job classification will be either by assignment of the most capable employee, provided the employee is agreeable to such assignment or by hiring from outside. An employee will not be assigned to Mill Utility unless he has the capability to advance to the Roll Tender job classification within the Line of Progression. The Company may employ testing procedures to determine which employees



are the most capable of progressing through the jobs in the Line of Progression. In addition, such factors as the employee's proficiency, productivity and attendance in previous jobs performed in the plant will be considered by the Company in selecting the employee to be transferred. If the Company determines that 2 or more employees are equally capable, the senior employee will be awarded the job.

C - Progression - An employee in either the Mill Utility or Screen Room Operator Line of Progression job classification must accept promotion to the next highest job classification. Permanent vacancies in the Roll Tender classification will be filled by the employee in the Screen Room Operator classification who has been in that lower classification the longest consecutive period of time, provided he is qualified to perform the job. If the Company chooses to fill a temporary vacancy by progression, any qualified employee in the next lower classification may be selected to be temporarily transferred. An employee who refuses to progress or who is disqualified from the Line of Progression will be assigned a job in the Plant Wide Utility classification, provided his seniority is sufficient.

Section Note: The Company will post a notice in the plant when a permanent vacancy in the Mill Utility classification is to be filled. An employee may indicate his interest by signing the notice. The signing of this interest notice does not restrict the Company from filling this vacancy by hiring from the outside.

#### Section 6.08                      Filling Temporary Vacancies

To provide for flexible and efficient operations, temporary vacancies which the Company determines are necessary to fill may be filled with any employee.

#### Section 6.09                      Layoffs And Recalls

A - In case of layoff, the employee subject to layoff may exercise his seniority rights throughout the plant provided that 'in each case he bumps an employee with less seniority and can fulfill the normal requirements of the occupation without further training.

B - Laid off employees will be recalled to the plant in the order of their plant seniority, provided that those called back have the skill and qualifications to perform the functions necessary to the efficient and safe operation of the plant.

Section Note: Roll Tenders and employees in the Maintenance and Laboratory Departments may not be bumped and may be retained or recalled out of seniority order to work in their classification. The provisions of this Note **shall** not be interpreted to restrict in any way the provision of Section 4.01 - Notes applicable to Job Classifications.

#### Section 6.10                      Loss Of Seniority

An employee will lose his seniority rights and employment, and his name shall be removed from the Company seniority list for any of the following reasons. The employee:

1. Voluntarily quits his employment or retires.
2. Is discharged and is not reinstated pursuant to the provisions of Article III - Grievance and Arbitration Procedure.
3. Is laid off and fails to notify the Company within 48 hours after being notified to return to work by registered mail forwarded by the Company to his last listed address on the records of the Company that he will return within 7 calendar days or, having given notice, fails to report for work within 7 calendar days. It shall be the duty of the employees to notify the Company promptly in writing of any change in address or telephone number. If an employee fails to do this, the Company will not be responsible for failure of a notice to reach such employee and any notice sent by the Company by registered mail to the last address which appears on the Company's personnel records shall be deemed to have been received by the employee on the 5th working day after the day it was mailed.
4. Has been on layoff or *off* work for any other reason for a period of 18 consecutive months (24 months for long-term disability and Workers Compensation benefits). This provision shall not apply to leaves of absence for full-time Union positions.
5. Fails to return to work promptly after the expiration of any leave of absence granted to him without furnishing a reason satisfactory to the Company.
6. Either falsifies the reason for a leave of absence, or fails to abide by the terms of the leave, or works at other employment during the leave.
7. Is absent from work for 3 consecutive days without good cause or fails to notify the Company of his absence.

Section 6.11                      Transfers Outside Bargaining Unit

An employee who agrees to be transferred by the Company to a position outside of the bargaining unit shall accumulate seniority during such period of employment outside the bargaining unit. Such employee will, however, be entitled to retain his original seniority (less time spent outside the bargaining unit) in the event of transfer back into the bargaining unit within one year immediately following transfer to the outside position. An employee transferring back to the bargaining unit will be transferred to the Utility job classification.

Section 6.12                      Disqualifications

If an employee, who has satisfactorily completed his trial period, is unable at a later date to perform the specific tasks of the job he holds, he will be transferred to the Plant Wide Utility job classification, provided he has sufficient plant seniority and is qualified to perform the job. In the case of a disqualification from the Plant Wide Utility classification, such disqualification will result in termination. Such termination will be subject to the grievance and arbitration procedure.

Note: An employee may not voluntarily give up his job or disqualify himself.

ARTICLE VII            HOLIDAYS

Section 7.01            Recognized Holidays

For purposes of the Agreement, the following 12 days will be recognized as holidays during the calendar year:

New Year's Day	Labour Day
January 2	Thanksgiving Day
Good Friday	Remembrance Day
Victoria Day	Christmas Day
Dominion Day	Boxing Day
Civic Holiday	Personal Holiday

Note 1: Holidays will be observed on the days on which they occur except as follows: A holiday occurring on Sunday will be observed on the following Monday. A holiday occurring on Saturday will be observed on the preceding Friday. If Christmas Day occurs on Sunday, it will be observed on the preceding Friday. If Boxing Day occurs on Saturday, it will be observed on the following Monday.

Note 2: Personal Holiday: (1) the timing must be agreed upon by the employee and the supervisor, (2) be taken as a day off, (3) does not apply to a new employee until he has completed 12 months of continuous service, (4) granted each year, (5) an employee must be in an active work status to receive a Personal Holiday, (6) unused personal holiday will not be paid to employees who terminate their employment, either voluntarily or involuntarily, for any reason.

Section 7.02            Pay For Holidays Worked

When an employee works on a holiday, he shall receive 1 1/2 times his straight-time hourly rate for all hours worked plus 8 hours holiday pay.

Section 7.03            Pay For Holidays Not Worked

**A -** An employee who is not required to work on a recognized holiday will be paid holiday pay for that holiday equivalent to 8 hours at his regular straight-time hourly rate provided he meets all of the following requirements:

1. He has earned wages for 120 worked hours during the 30 calendar days immediately preceding the recognized holiday.
2. Such employees who were unable to work 120 hours during the 30 calendar days immediately preceding the holiday will receive 1/20 of the wages he has earned during the 30 calendar days immediately preceding the holiday.

Note 1A: Unworked holiday pay for which the employee is eligible will be offset by any other pay or other form of Company compensation which the employee may receive for the same day.

B- If an employee is scheduled to work on a holiday and fails to work as scheduled without a reason acceptable to the Company, he will not qualify for holiday pay as provided in paragraph A of this Section.

C- For the purposes of satisfying the 120 worked hours requirement, the following unworked hours shall count as straight-time hours of work: (1) a paid absence resulting from either bereavement leave, jury duty or vacation time off, or (2) 8 hours per day for union committee members who miss work as a result of attending contract negotiation meetings with the Company or other union business approved by the Company.

Section 7.04                      Holidays Considered As Time Worked

Only holidays for which the employee is eligible to receive holiday pay, and which fall on the employee's scheduled day of work, whether worked or not worked, will be considered as time worked for the purpose of computing overtime pay.

ARTICLE VIII                      VACATIONS

Section 8.01                      Vacation Eligibility

A - Employees will receive vacations in accordance with the following schedule, based on years of continuous service during the current calendar year:

<u>Years of Continuous Service</u>	<u>Weeks of Vacation Time</u>	<u>Vacation Pay</u>
Less than 1 Year	1 day for each month of service up to a maximum of 10 days	4%
1 through 4 Years	2 Weeks	4%
5 through 9 Years	3 Weeks	6%
10 through 17 Years	4 Weeks	8%
18 or More Years	5 Weeks	10%

Note 1A: An employee may only receive pay in lieu of his 5th week of vacation. Vacation time off may not be taken for the 5th week.

Note 1B: Employees hired after March 1, 1998, will not be eligible for a 5th week of vacation.

B- Percentage is calculated on the basis of the previous vacation year's earnings subject to the provisions of the Federal Canada Labour Code. Vacation pay for full vacations shall be the greater of the percentage or 40 times the employee's regular straight-time hourly rate per week of vacation.

C - An employee shall be eligible for the additional week of vacation or vacation pay when he has worked past his 5th and 10th anniversary date of employment. An employee shall be eligible for pay in lieu of his 5th week of vacation at the time he crosses his 18th anniversary date of employment.

D - An employee who has completed one or more years of continuous service who worked less than 1600 hours in the previous calendar year, will be eligible for prorated vacation. Prorated vacation will be granted on the basis of 1/10 of an employee's full vacation for each full 160 hours the employee worked in the calendar year prior to the calendar year in which the vacation is taken.

Note ID: Time lost from an employee's regular schedule because the employee is on vacation, absent because of personal illness up to 30 days annually, or because of the occurrence of an unworked holiday shall count as hours worked in computing vacation eligibility.

E - Vacation pay will be paid at the time the employee takes his vacation provided the Company has 7 days of advanced notice.

#### Section 8.02                    Vacation Pay For Inactive Employees

On or after January 1, an employee who is in an inactive status because of illness, injury, approved leave of absence, layoff, or for any other reason who has not taken his earned vacation (that vacation to which he became eligible on January 1) may request pay in lieu of such unused earned vacation. Such employee will not be considered to be in a vacation status as a result of receiving his vacation pay, nor will he be granted vacation time off without pay at a later date.

#### Section 8.03                    Vacation Pay For Terminated Employees

An employee who leaves the employ of the Company for any reason will receive vacation pay as follows:

1. Earned Vacation - Earned vacation is defined as a vacation for which the employee became eligible on the January 1 date prior to his termination and such unused earned vacation shall be paid to him upon his termination of employment.
2. Prorated Vacation - Prorated vacation for an employee whose employment terminates for any reason will be calculated from January 1 to his last day of work within the vacation period of one year.

#### Section 8.04                    Scheduling Of Vacation Period

A - The choice of vacation time shall be given to an employee according to his seniority for employees who sign the vacation schedule between December 1 and January 31 subject to the operational requirements of the business. After January 31,

vacations will be scheduled on a first-come, first-served basis, subject to the operational requirements of the business.

**B** - Vacations may be taken in weekly increments of one or more weeks at a time. Vacations cannot be postponed and allowed to accumulate from year to year but must be taken each calendar year.

Section 8.05                      Pay In Lieu Of Vacation

Pay in lieu of vacation for earned vacation in excess of 2 weeks per calendar year, or any portion thereof, may be granted to an individual employee at the employee's option. Holiday pay is not added to vacations paid for under this Section.

Section 8.06                      Holiday Pay During Vacations

If a holiday is observed during an active employee's vacation, he will be granted an additional day with pay at a time mutually acceptable to the Company and the employee.

Section 8.07                      Rehired Employees

Employees who have lost their seniority and who are later rehired will be entitled to vacations on the basis of their latest employment date.

ARTICLE IX                      TIME OFF FROM WORK

Section 9.01                      Jury Duty And Crown Witness

**A** - When an employee is summoned for jury duty or as a Crown Witness in a court of law and must lose time from work as a result of such summons, the employee will pay to the Company any monies received for such jury or witness duty (not including expense monies) and the employee will receive the pay he would have received had he been working. Such pay shall not exceed 8 straight time hours per day or 40 straight time hours per week.

**B** - The employee shall furnish evidence to the Company that he reported for or performed jury duty or appeared as a witness on the days for which he claims payment.

**C** - The employee is required to report for work on days when the employee is on call for jury duty or as a witness in a court of law, but not required to appear in court.

Section 9.02

Bereavement Pay

A - Should a death occur in the immediate family of an employee, he may request bereavement leave provided he attends the funeral. "Immediate family" shall mean spouse, son, daughter, brother, sister, mother, father, mother-in-law, father-in-law, grandchildren, or any relative of the employee who resides permanently in the employee's household or with whom the employee permanently resides.

B - The employee shall be granted such time *off* with pay up to a maximum of 3 consecutive days to attend the funeral. This will not include pay for days on which the employee is not scheduled to work. Bereavement pay shall not exceed a maximum 8 straight time hours per day.

C - In the event of the death of an employee's grandparents, brother-in-law or sister-in-law, he will be granted time off with pay (up to 8 straight time hours) for purposes of attending the funeral on his scheduled day of work.

Section 9.03

Leave Of Absence

A written request for up to 30 days leave of absence without pay shall be considered (except for gainful employment elsewhere) by the Company. It is understood that any leave of absence is subject to reasonable notice being given to the Company. In the event such leave of absence is not used for the purpose granted, the employee may be subject to disciplinary action up to and including dismissal. It is further understood that leaves of absence will be honored on a first-come, first-served basis. Approval of leave of absence will be a unilateral decision of the Company. Within 14 days of receipt of an application for leave of absence, an employee will receive a written reply. If leave is denied, written reasons will be given for the denial.

Section 9.04

Leave Of Absence - Full Time Union Position

Upon request, the Company will grant an unpaid leave of absence to not more than one employee at any one time to serve in a full-time position with the National or Local Union. Such leave of absence shall be requested by the Union, in writing, and shall be for the duration of the collective Agreement, and may be extended upon request. In the event of return from such leave, the employee shall, if possible, return to the job from which he was granted leave. The Company shall not be required to pay the premium for the group benefits of any employee during any such leave of absence, nor any other payments required by this collective Agreement.

Section 9.05

Leave Of Absence - Elected To Public Office

A - An employee who is elected to Municipal Government, the Provincial Legislature, or the Parliament of Canada, shall be granted a leave of absence without pay for a period equivalent to the duration of the first term of office. The Company shall not be required to pay the premium for the group benefits of any employee during any such leave of absence, nor any other payments required by this collective Agreement.

**B** - The employee must give the Company at least one month's notice of his desire to return to work at the completion of said leave of absence. Subject to the employee's length of service and his ability to satisfactorily perform the required work, the Company will place the employee on the job he held immediately prior to said leave of absence or place the employee on a job at an equal rate of pay, provided such work is available.

**C** - An employee reinstated subsequent to said leave of absence shall retain the seniority he held prior to the granting of the leave of absence.

Section 9.06                      Maternity Leave

**A** - Maternity leave of absence without pay and without loss of seniority shall be granted and administered in accordance with the provisions of the Canada Labour Code. Written application to be submitted 30 days before leave scheduled to begin.

**B** - The employee returning to work after a maternity leave shall provide the Company with at least 2 weeks' notice.

ARTICLE X                      HEALTH AND WELFARE

Section 10.01                      Group Insurance

The group insurance program in effect on the effective date of this Agreement is a separate document and will continue in effect during the term of this collective Agreement.

Section 10.02                      Pension

The pension plan for bargaining unit employees at the Calgary plant is a separate document whose term will run concurrently with the term of this collective Agreement.

Section 10.03                      Injury On The Job

An employee injured on the job will be sent for first aid and treatment. If further treatment is required, the employee will go to a doctor or hospital of his choice. If the employee is sent home or to a hospital by the doctor administering first aid, he will be paid for the balance of the shift on which the injury occurred.



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ARTICLE XI                    GENERAL PROVISIONS

Section 11.01                Non-Discrimination

The Company agrees that there will be no discrimination, interference, restraint, or coercion by the Company or by any of its representatives, with respect to any employee because of his membership in or connection with the Union.

Section 11.02                Supervisors Working

There shall be no restriction on supervisors or other Company personnel performing any kind or amount of work at any time.

Section 11.03                Safety

A - The Company shall make provisions in accord with applicable Federal, Provincial or local regulations for the safety and health of its employees during the hours of employment. Safety rules and regulations issued by the Company shall be strictly adhered to, including the wearing or use of protective devices, wearing apparel, and other equipment required by the Company.

B - A health and safety committee comprising of 3 members appointed by the Union and 2 by management will meet in accordance with the regulations set out in the Canada Labour Code, or more often if deemed necessary, to review all matters pertaining to the Act and/or procedures and policies of the Company, and make recommendations to the Company.

Section 11.04                Bulletin Boards

The Union shall have use of plant bulletin boards for the posting of notices relating to Union business. Such notices must be signed by a Union officer and approved by the Company prior to being posted.

Section 11.05                Negotiating Committee

The Negotiating Committee for the Union shall consist of not more than 3 members of the Union. The Committee members will be excused without pay to perform their union duties.

Section 11.06                Union Stewards

The names of the Union Stewards shall be given to the Company in writing. A Union Steward shall be entitled to leave his work during working hours in order to carry out his functions under the Agreement for the investigations and processing of grievances and attendance at meetings with management. Permission to leave work during

working hours for such purposes shall first be obtained from the supervisor, but such permission shall not be unreasonably withheld.

Section 1 107            Reporting Requirements- Absences And/Or Lateness

In the event an employee is unable to report for work as scheduled, he shall be required to notify the Company of this fact by phone or some other reasonable method prior to the start of his shift. This notification must also include the employee's reason(s) for his failure to report as well as stating the time of his anticipated return. Continued failure on the part of the employee to comply with this requirement will subject that employee to disciplinary action up to and including discharge by the Company. It is also understood that this reporting requirement does not eliminate the additional responsibility on the part of the employee to further prove the legitimacy and need for any such absence or lateness.

Section 11.08            Executive Committee

A - The names of the Executive Committee shall be given to the Company in writing. A member of the Executive Committee shall be entitled to leave his work during working hours in order to carry out his functions under the Agreement for the investigation and processing of grievances, attendance at meetings with management, and participation in contract negotiations. Permission to leave work during working hours for such purposes shall first be obtained from the supervisor. All time spent in performing the above duties shall be considered to be time worked, provided payment shall only be made for time actually lost in the regular scheduled straight time hours of work for that day.

B - A member of the Executive Committee shall be present at meetings between the Company and the Union to discuss matters of common concern.

C - The Company will notify in writing a member of the Executive Committee on the same date (if possible) that an employee is discharged or suspended. Such notice shall state the reason for the dismissal or suspension.

ARTICLE XII            NO STRIKES OR LOCKOUTS

Section 12.01            No Strikes Or Lockouts

During the term of this Agreement, there shall be no strikes, sympathy strikes, curtailment of work, interference with the operations of the Company, or interference with production caused by or engaged in by the Union or any members thereof. Employees may be disciplined up to and including discharge for engaging or participating in any of the foregoing activities in violation of this Section 12.01. The Company will not lockout any of its employees during the term of this Agreement.

ARTICLE XIII            SCOPE AND TERM OF AGREEMENT

Section 13.01            Term Of Agreement

This Agreement shall remain in full force and effect from 7 AM, November 30, 2001, to 7 AM, November 30, 2004.

Section 13.02            Separability

All provisions of this Agreement shall be subject to the laws of Canada. Should any part hereof or any provision herein contained be rendered or declared invalid by reason of existing or subsequently enacted legislation or by a decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof and they shall remain in full force and effect.

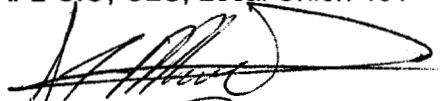

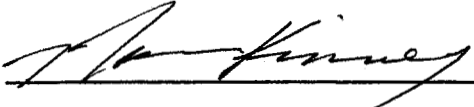
Section 13.03            Complete Agreement

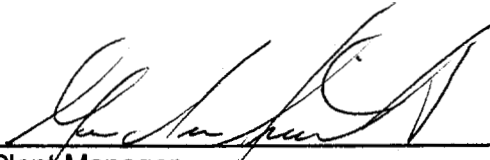
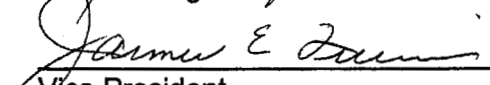
This collective Agreement, including a Letter of Understanding dated November 30, 2001, represents the complete agreement between the parties and shall supersede and replace all prior agreements and understandings, oral or written, expressed or implied, between the parties hereto and shall constitute the entire agreement between the parties. Past practices, procedures and understandings may be changed or eliminated by management unless specifically prohibited by the provisions of this Agreement. This Agreement may be amended in any of its provisions by mutual agreement of both parties. If agreements are made after the effective date of this Agreement, they must be in writing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

UNITED FOOD AND COMMERCIAL  
WORKERS INTERNATIONAL UNION  
AFL-CIO, CLC, Local Union 401

ADM MILLING CO.

  
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\_\_\_\_\_  
Plant Manager  
  
\_\_\_\_\_  
Vice President  
Employee and Labor Relations

LETTER OF UNDERSTANDING

Effective November 30, 2001

Between

ADM MILLING CO., for its Calgary, Alberta, flour mill and the UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION, AFL-CIO, CLC, LOCAL 401.

The parties agree to the following:

1. TOOL REPLACEMENT

Maintenance employees or other employees that are required to provide their own tools on the job will have broken or worn out tools replaced by the Company. The Maintenance Supervisor will approve all tool replacements.

2. SAFETY SHOES

Upon proof of purchase, the Company will reimburse employees with seniority a maximum of \$120 per year towards the cost of safety shoes for the term of the Collective Agreement.

3. WORK CLOTHING

Employees with seniority will be provided with two (2) pair of work pants and two (2) work shirts by April 1 of each year.

4. REST PERIODS

Employees will be provided with two 10-minute rest periods during their shift. One will be scheduled by the Company during the first half of the shift, and one will be scheduled in the second half.

5. VACATION

Employees eligible for the 5th or 6th week of vacation as of December 1, 2000, will continue to have the 5th or 6th week as time off.

6. ROLL TENDER/SCREEN ROOM OPERATOR



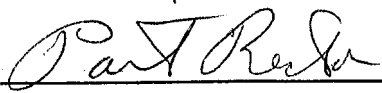
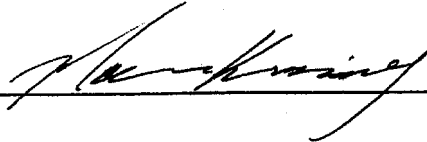
An employee classified and working as a Roll Tender or Screen Room Operator prior to August 29, 1999, may refuse his right of progression to the next higher classification. The opportunity to progress shall then pass to the employee next in line. The employee who refuses to progress may continue to work in his designated classification and will be placed at the bottom of the classified seniority list. When the next opportunity arises, he will not be approached to move up the line of progression.

7. UTILITY PERSON

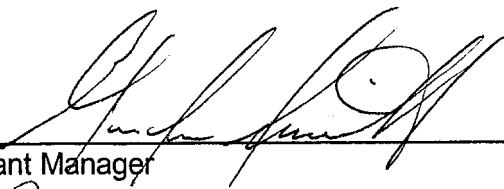
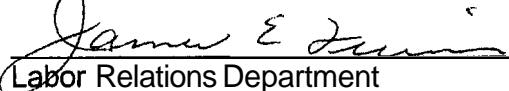
An employee classified and working as a Utility Person prior to May 1, 2002, may refuse his right of progression to the next highest classification. The opportunity to progress shall then pass to the employee next in line. The employee who refuses to progress may continue to work in his designated classification and will be placed at the bottom of the classified seniority list. When the next opportunity arises, he will not be approached to move up the line of progression.

This Letter of Understanding agreed to this 15th day of May, 2002.

UNITED FOOD AND COMMERCIAL  
WORKERS INTERNATIONAL UNION  
AFL-CIO, CLC, Local Union 401

  
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ADM MILLING CO.

  
\_\_\_\_\_  
Plant Manager  
  
\_\_\_\_\_  
Labor Relations Department