

COLLECTIVE AGREEMENT

BETWEEN:

Masterfeeds Inc., Edmonton, Alberta
(Hereinafter called "the Company")

RECEIVED
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- and -

United Food and Commercial Workers International
Union, Local 1118, (hereinafter called "the Union")

12550(03)

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Preamble Recognizing that the welfare of the Company and that of its employees depends upon the welfare of the business as a whole, and recognizing further that a relationship of goodwill and mutual respect between the Company and its employees can contribute greatly to the maintenance and increase of that welfare, the parties to this contract join together in the following Agreement. The parties agree to carry out the provisions of this Agreement in a spirit of goodwill, tolerance and understanding.

Wherever the words “he”, “his”, or “him” appear in this Agreement they shall be construed as to include the feminine gender.

ARTICLE 1-RECOGNITION

1.1 The Company recognizes the Union as the exclusive bargaining agent for a unit comprising: *“all employees of Masterfeeds Inc., working at the Edmonton, Alberta Plant, excluding office and sales staff, security personnel, foremen, supervisors and managers”*.

1.2 Non-bargaining unit personnel shall not perform work that would normally be performed by members of the bargaining unit except when such performance:

a) is clerical in nature or for the purpose of instructing, training, experimenting, demonstrating, placement of an employee who is absent from his job during the day, coping with an emergency.

(“Emergency” as used in this clause shall not be interpreted to mean work required as a result of unexpected volume increases.)

b) is for the purpose of overcoming production difficulties caused by the absence of an employee up to one-half day. In such cases the Company will obtain suitable replacements as soon as reasonably possible.

c) is limited to occasional work, negligible in amount, where a bargaining unit member is not readily available.

1.3 **Contracting Out.** The Company prefers to have work done by its employees although at times it is necessary to have work performed by outside contractors. The relevant factors, which the Company will consider before contracting out such work, include adverse effect on employees, availability of required skills and urgency of the job. Before or after outside contractors are utilized, the Union will be informed.

When work performed on the premises by outside contractors represents a material change in practice and has adverse effect on present employees of a group affected by such change of practice, the matter may be the subject of a grievance and may be taken to arbitration.

Should an Arbitrator be called on to review the Company's action, it may consider the relevant factors referred to above, in order to determine the reasonableness of the Company's action with regard to all the circumstances.

Should the Arbitrator find that the Company's action was not reasonable, the Arbitrator will direct that the Company choose between having the work performed by its employees or ceasing such operation, and that the Company shall have a reasonable time to effect the decision.

This provision does not apply to deliveries and to installation and construction work.

The Company may at times experiment to determine if work can be performed effectively and economically by its own employees. When this is done for a trial period, it shall not be considered a change of practice should the Company elect to contract out, after the trial period.

- 1.4 A representative of the Union and each new employee shall be allotted fifteen (15) minutes with pay forthwith after the hiring of such new employee for the purpose of informing the new employee as to the application and operation of the Collective Agreement and the administration of the Union.

ARTICLE 2-MANAGEMENT RIGHTS

- 2.1 Subject only to the provisions of this Agreement, the management and operation of the business and the employment, direction, promotion, transfer, lay-off, and suspension, discharge, or other discipline of employees for just cause, shall be vested solely in the Management of the Company. Management will not exercise its rights unreasonably.

ARTICLE 3-WAGES

- 3.1 The base rate and job classifications are set out in the Degree of Difficulty Chart in Appendix "A".

- 3.2 **Lead hands.** A lead hand will be paid sixty cents (60¢) over his job rate for the duration of his assignment for the life of the agreement. Assignment as a lead hand will be based on seniority, provided the employee possesses suitable qualifications for the role. A lead hand will not act as a supervisor. A lead hand does not have the authority to hire, fire, or discipline employees. He remains a member of the bargaining unit.

3.3 Application of Job Rates

- a) i) Employees shall receive the applicable wage rates provided for in the wage rate schedule for the job or jobs they perform, when they become qualified.
- ii) "Qualified" as used above shall be interpreted to mean ability to regularly perform the job without instruction or assistance. Except by agreement with the Union the period of qualifying shall not exceed 6 weeks, after which the rate shall be paid.
- iii) This clause is subject to the application of Clause (c) below as it pertains to new employees.

- b) i) When an employee is regularly assigned to more than one job, he shall be paid an hourly wage rate determined by bringing into account the actual percentage of time worked on the highest rated job, and the balance of the total time worked on the next highest rated job. When the two highest rated jobs are the same rate, the employee's wage rate shall be based upon these rates.
- ii) Where an employee regularly works 50% or more of his time on the highest rated job, he shall be paid that rate.
- c) The rate of new employees will be the job rate less the differential for new employees as applicable, when the employee becomes qualified as in (a). A newly hired employee commences at the start rate and is subject to the appropriate Degree of Difficulty Chart rate. Wage adjustment credit for past experience in a related industry will be considered at the discretion of management, upon demonstrating prior skills and experience.
- d) When an employee is required temporarily to fill a higher rated job, he shall receive the higher rate, but if required temporarily to fill a lower rated job he shall receive his regular rate.
- e) When an employee is regularly assigned to work where the job rate is higher, he shall receive the higher rate when qualified, as defined in (a) (ii) above. An employee shall be advised when a transfer is permanent.

An employee temporarily filling a higher rated job because of increase in business or replacing an employee who is off due to sickness or compensable accident, shall, after he has been regularly performing the temporary job for 13 continuous weeks, be paid at the higher rate until he reverts to his original position upon expiry of the temporary assignment. At that time, paragraph (f) below will apply. This does not include leave of absence or vacation replacements.

- f) When an employee is transferred from work where the job is higher, his rate shall not be reduced for a period of twelve (12) weeks including lay-off after which the lower job rate shall prevail. Should the employee be returned temporarily to his former regular job during the above period, the number of days so spent on his former regular job shall be added to the above period. However, should the employee be returned temporarily to his former regular job during the above period for three consecutive weeks or more, the above twelve (12) week period will recommence from the day he again returns to a lower rated job.
- g) When an employee is transferred to a lower rated job because of inability to perform the job, health or request, then the lower rate of pay shall apply immediately.
- h) When as a direct result of the introduction of new equipment a job is discontinued and the incumbent is transferred to a lower rated job, his/her rate shall not be reduced for a period of three (3) years, including periods of lay-off.

At the expiry of the above three-year period the amount of rate reduction shall be sixteen cents per hour. At 12-month intervals thereafter further reductions of sixteen cents per hour shall take place until the new lower rate prevails.

- 3.4 **Establishing Rates for New or Changed Jobs.** Where the Company introduces a new job within the scope of the bargaining unit or makes a substantial change to the job content of an existing job within the bargaining unit, it shall notify the Union in writing of the wage rate. Following discussions, if the Union disagrees with the rate, it may refer the issue directly to arbitration, provided notice of the referral is given to the Company within 60 days from the date the Union was notified of the wage rate.

ARTICLE 4-UNION SECURITY

- 4.1 **Payment of Dues.** The Company agrees to deduct from each employee's pay on each pay-day and in the case of new employees beginning with their second pay-day, the regular Union dues and will transmit the total sum of the amounts so deducted to the Financial Secretary of the Local Union on or before the tenth (10th) day of the following calendar month. Each remittance will indicate the amount deducted from each employee on each payday, and the total amount deducted from each employee in that period.

The Local Union will advise the Company of the amount of Union dues to be so deducted.

- 4.2 **Assessments.** Special assessments if levied in accordance with the Constitution and By-laws of the Union will be deducted from members of the Union upon proper notification from the Union.
- 4.3 **Initiation Fees.** The Company agrees that upon receipt of written authorization in the form of a signed Union Membership Card, it will deduct from the wages of employees joining the Union after the ratification of this Agreement, the initiation fee due from him to the Local Union on the first pay-day of the following calendar month and shall remit the same to the Financial Secretary of the Local Union on or before the fifteenth (15th) day of the calendar month.
- 4.4 **Membership.** The Company agrees that it shall be a condition of employment that any employee, who at the date of the signing of this Agreement was a member of the Union in good standing, shall maintain such membership.

Employees hired on or subsequent to the date of the signing of this Agreement shall, as a condition of employment, become members of the Union within thirty days following the date of their employment and shall thereafter, maintain membership in the Union in good standing. The Company will procure from such new employees the necessary membership applications and membership in the Union shall be granted within the above-mentioned thirty-day period.

- 4.5 **No Coercion or Intimidation.** No employee shall be subject to any penalties against his application for membership or for reinstatement as a member in the Union, and no coercion or intimidation of any kind shall be practiced to compel or influence an employee to join the Union nor shall any discrimination of any kind whatever be practiced or permitted with respect to employees who are or who become members of the Union.
- 4.6 **No Discrimination.** It shall continue to be the policy of the Company and of the Union not to discriminate against any employee because of race, color, creed, nationality, sex, religious beliefs or Union activity.
- 4.7 **Address List.** Within one month of signing this Agreement and every six (6) months thereafter, or as otherwise agreed, the Company shall provide the Chief Steward of the Local Union with a list of all employees covered by this Agreement, showing names, addresses and postal codes, as currently indicated in the Company records.

ARTICLE 5-OFFICERS AND STEWARDS OF THE UNION

- 5.1 The Union agrees to appoint or elect and the Company to recognize plant stewards to deal with matters affecting employees in the plant. Officers and stewards as referred to throughout this Agreement shall be employees with seniority working for the Company. A list of these stewards and officers shall be supplied to the Company. The Company shall be advised immediately by the Union in writing of any changes in this list.
- 5.2 **Union Business.** The Company recognizes that stewards and officers have duties and responsibilities towards and on behalf of the Union and are required at times to leave their jobs to investigate and process grievances, or discuss with supervision other matters affecting employees.

The Union recognizes that stewards and officers are employees of the Company and as such have jobs to perform on behalf of the Company. When it becomes necessary for officers or stewards to leave their jobs to attend to the above matters, they will give the production manager as much advance notice as possible, and arrangements will be made by the production manager to leave their jobs with no loss of pay as soon as reasonably possible, but normally not later than one hour following the request. The Union agrees that there will not normally be duplication of duties or responsibilities of its stewards and officers.

ARTICLE 6-GRIEVANCE AND ARBITRATION PROCEDURE

- 6.1 The formal grievance procedure below shall not preclude an employee or a union representative from discussion with the Plant Supervisor or Operations Manager any

matter pertaining to the Agreement but, for the purpose of instituting a grievance, such discussions shall not be considered as part of the grievance procedure.

6.2 Any dispute concerning the interpretation, application, administration, or alleged violation of this Agreement shall be considered a grievance and shall be handled in the following manner:

1st Step Between the aggrieved employee with a plant union representative and the Plant Supervisor.

Grievances presented at this step shall be in writing and shall contain a brief statement of the grievance, the correction requested and, in the case of an individual or group grievance, the name of the griever(s).

If the Company does not arrange to hold a meeting within three (3) working days following request for such meeting, the grievance shall advance to the second step of the grievance procedure. A decision shall be rendered within three (3) working days following the meeting.

2nd Step Between the Union Grievance Committee and the Operations Manager.

If the Company does not arrange to hold a meeting within five (5) working days following request for such meeting, the grievance may be advanced to arbitration. A decision shall be rendered within five (5) working days following the meeting. The five (5) working day period may be extended upon mutual agreement between the parties,

A full-time representative of the Union may attend meetings of the Grievance Committee with Plant Management.

Where the aggrieved employee and/or the plant Union representative(s) is an off-shift employee, and the Second Step meeting is held outside his regularly scheduled hours of work, the Company will pay the aggrieved employee at his applicable rate for time spent at that meeting with Management representatives.

If an employee other than the griever is required to attend a Step One or Step Two meeting, he shall be paid at his applicable rate for the time so required.

If settlement is not reached through the grievance procedure, the grievance may be referred to arbitration. The Union shall notify the Company within thirty (30) days following the 2nd Step decision of their intention to refer the matter to arbitration. The time limit referred to in this paragraph may be extended by mutual agreement between the parties in writing.

ARBITRATION

Prior to proceeding to arbitration, the parties may mutually agree to utilize the services of Grievance Mediator.

Written notice of a referral of a grievance to arbitration shall include a name or a list of names of the person(s) the referring party is willing to accept as the arbitrator. The party receiving the notice, if it accepts one of the persons suggested to act as arbitrator, shall within seven (7) calendar days notify the other party accordingly and the grievance shall be submitted to that arbitrator. In the event that the party receiving the notice does not accept any of the proposed persons as arbitrator, it shall within seven (7) calendar days notify the other party accordingly and send a name or a list of names of the person(s) it is willing to accept as a single arbitrator. If the parties fail to agree to an Arbitrator then the Minister of Labor may be requested by either party to appoint a qualified person to act as the arbitrator.

The Union may, by notice in writing to the Company, withdraw a grievance from arbitration at any time.

The single arbitrator shall hear and determine the matter and shall issue a decision, which shall be final and binding upon all parties concerned. The arbitrator shall not make any decision inconsistent with the provisions of this Agreement or make any decision, which would change this Agreement.

The parties shall share the cost of the single arbitrator equally. Each party shall pay its own costs including those of its representatives and witnesses.

- 6.3 If an employee so desires, he may be accompanied by a Union representative when being interviewed during an investigation by a Management representative, where a matter is being discussed that could reasonably lead to discipline.
- 6.4 **Working Days.** For the purpose of this Article the term “working days” shall not include Saturday, Sunday or any paid holidays.
- 6.5 **Wage Grievance.** When a grievance which affects the present rate of pay of an employee is settled and as a result of such settlement the employee receives an increase in his rate, the increase shall be paid retroactively to the date the error was made or such other period as may be agreed upon.
- 6.6 **Notice of Changes in Supervision.** The Union shall be advised by the Company in writing of permanent changes in supervision.
- 6.7 **Disciplinary Notifications.** The Company shall notify the Union in writing with a brief statement of the reasons for the action taken within two working days, if an employee is dismissed, suspended or disciplined. Where notification of dismissal, suspension or discipline is not given within two working days, and, if a grievance is to be filed, it may be submitted within ten (10) working days of the receipt of the notice by the Union.
- 6.8 **Dismissal, Suspension or Discipline.** If an employee is dismissed, suspended or disciplined for any reason whatsoever and feels that he has been unjustly dealt with, a grievance may be filed under Step One above provided it is presented in writing within ten (10) working days of notification by the Company of the dismissal, suspension or

discipline. If subsequently it is decided that the employee was unjustly dismissed, suspended or disciplined or, that the degree of penalty was inappropriate to the offense, he shall be reinstated in his former position with all rights accrued to him under this Agreement and shall be compensated for all time lost at his regular rate of pay, or granted such lesser compensation for lost wages as may be deemed fair in the circumstances.

In the case of a dismissal for theft that is proven before an arbitrator, the arbitrator has no authority to change the penalty of dismissal.

- 6.9 The Union or the Company may file a policy grievance in appropriate circumstances. A policy grievance is defined as a difference concerning the interpretation or application of this Agreement, which seeks to enforce an obligation of the Company to the Union or the Union to the Company. A policy grievance must be filed within sixty (60) days following the grieving party's knowledge of the alleged breach.
- 6.10 A group grievance may be filed where the dispute directly affects two (2) or more employees and could otherwise be properly pursued as separate individual grievances. A group grievance shall list all employees affected by the grievance.
- 6.11 a) Subject to (b) below, should the employee or the Union fail to adhere to any time limit under this Article, the grievance shall be deemed to be abandoned.
- b) If a Union membership meeting is held after the expiry of the 30-day time limit, and it is then decided to proceed to arbitration, a one-month extension will be allowed. In the event an employee is reinstated and should any retroactivity be involved, the Company will not be liable for any retroactive pay for the above extension.

ARTICLE 7-HOURS OF WORK AND OVERTIME

- 7.1 This Article defines the normal hours of work and provides the basis for calculating overtime. It shall not be construed as a guarantee of days of work per week or as a restriction on the scheduling of a longer or shorter workweek or work day whenever, in the opinion of the Company, this is required for business reasons.
- 7.2 The Company will limit hours of work as far as reasonably possible. The Company will first discuss the matter with the Union, if shift overtime is involved and when feasible, if overtime is involved for individuals.

- 7.3 **Normal Work Schedule.** The normal hours of work of an employee shall consist of eight (8) consecutive hours per day. The normal workweek shall consist of forty (40) hours per week, with two (2) consecutive days off per week. Overtime according to the provisions of this Agreement shall be payable after eight (8) hours in a day or forty (40) hours per week if an employee is required to work in excess of the normal work day or normal work week.
- 7.4 The Company will post a normal hours of work schedule and provide a copy to a Union representative when it is changed. An employee required to work before or after his scheduled hours of work shall receive the applicable overtime rate.
- 7.5 Overtime shall be paid at the rate of time and one half (1½X's) the regular hourly rate in circumstances where the employee has been required to perform work in excess of the normal workday or normal workweek.
- 7.6 For all hours worked in excess of twelve (12) continuous hours twice (2X's) the regular hourly rate shall replace the one and a half (1½) rate.
- 7.7 The Company will give at least twenty four (24) hours notice to employees where their individual schedule is changed. In the event that at least twenty four (24) hours notice is not given, the employee will be required to work the new shift but will be paid time and one half (1½X's) for any hours worked which fall outside of his regular scheduled shift until the expiry of the required notice.
- 7.8 The Company will give at least seven (7) calendar days notice to affected employees in the event that the Company decides to change the number of shifts in operation or the whole of an existing shift has its schedule changed. In the event that such notice is not given, the affected employees will be required to work the new shift but will be paid time and one half (1½X's) for any hours worked which fall outside their regular scheduled shift until the expiry of the required notice.
- 7.9 The Company agrees that it will consult with the Union before changing a shift schedule and, when feasible, before altering an individual's schedule. As part of the consultation process, the Union may submit alternative schedules in writing. The Company's decision to not implement such alternatives may be grieved as being arbitrary or unreasonable. If the arbitrator decides that the Company's decision was made arbitrarily or unreasonably and that the Union's alternate schedule is to be implemented, the arbitration award shall be made effective the day following receipt of the award, by the Company giving the required notice of change of schedule to the employees concerned.
- 7.10 A change of schedule that reduces an employee's pay below the weekly guarantee may be grieved, except for shift premium and overtime.

- 7.11 **Weekend Shift.** In the event the Company determines that work is required on a Saturday or Sunday, it shall, where possible, provide at least twenty four (24) hours advance notice of that requirement. The available work will be offered to qualified and capable employees in order of their seniority. In the event insufficient numbers of employees accept the opportunity, the Company may assign the work to qualified and capable employees in reverse order of seniority.

An employee so working on a Saturday shall receive time and one half (1½X's) their regular hourly rate for all hours actually worked, provided that the minimum amount he can so receive is the equivalent of four (4) hours pay at his regular hourly rate. When so working on a Sunday, the employee shall receive double time (2X) their regular hourly rate for all hours actually worked, provided that the minimum amount he can so receive is the equivalent of four (4) hours pay at his regular hourly rate.

- 7.12 **Emergency Call-in.** The Company shall pay an employee called in to perform work not continuous with his regular work nor previously scheduled by the Company at least four (4) hours pay at one and one half (1½X's) times his regular hourly rate. If the employee actually works more than four (4) hours he is entitled to payment for all hours so worked at time and one half (1½ X's) times his regular hourly rate or double time (2X's) if the work is performed on a Sunday.

Daily Guarantee. Where an employee at work is sent home due to circumstances beyond his control, he shall receive a minimum four (4) hours at the applicable rate of pay.

- 7.13 **Shift Preference.** Subject to its work and manpower requirements and the qualifications and capabilities of the affected employees, the Company shall give preference for selection of available shifts (e.g. days, afternoons or nights) on the basis of seniority.

- 7.14 **Guarantee of Hours per Week.** Each regular full time hourly paid employee reporting for work on Monday will be guaranteed thirty-seven (37) hours pay at his regular rate for that week, subject to the following provisions. Shift premium will not be considered when calculating what guarantee, if any, is to be paid.

- a) If a holiday intervenes during that week, the hours of pay guarantee shall be reduced by the number of hours, which would ordinarily have been worked on that day.
- b) If any such employee is absent from work, is late, is on layoff, or is excused for personal reasons, he shall have his weekly guarantee reduced by the number of hours, which he missed due to such absences from work.
- c) If there is no work available for any employee at his regular job, he shall do any available work to which he is assigned or lose his right to any guarantee for that week.

- 7.15 Where possible, an employee will not be required to continue at work through his regular scheduled hours following a period of extended overtime and such unworked scheduled hours will not be subject to guarantee penalty.

- 7.16 There shall be no accumulating or pyramiding of premiums under this or other Articles of the Collective Agreement for the same hours worked, but the highest single premium shall apply.

ARTICLE 8-PAID HOLIDAYS

- 8.1 a) **Public Holiday Pay.** The Company agrees to pay employees eight (8) hours pay at their regular rates for each of the public holidays listed below regardless of the day on which the public holiday is observed.

New Year's Day
Alberta Family Day
Good Friday
Victoria Day
Canada Day
Civic Holiday

Labor Day
Thanksgiving Day
Remembrance Day
Christmas Day
Boxing Day

If any of the public holidays listed above fall on a Sunday, the Monday following shall be observed and where Monday is also a holiday, the Tuesday will be observed in lieu of Monday. If Christmas Day, Boxing Day or New Year's Day falls on a Saturday, the Friday preceding shall be observed and where Friday is also a holiday, the Thursday will be observed in lieu of Friday.

- b) **Lay-off or Recall in Holiday Weeks.** An employee, if laid off or recalled in the pay weeks in which the public holidays fall, shall receive 8 hours pay at regular rates for such holiday, provided he receives pay for hours worked in such week, Payment will also be made in respect to such holidays, which are observed on Monday to employees laid off on the Friday, Saturday, or Sunday immediately proceeding. Similarly, payment will be made in respect to Saturday holidays to employees laid off on the Friday immediately preceding.

To qualify for this holiday pay, employees must work out their lay-off notice or report for work on recall when required, as the case may be.

- c) **Sick Pay and Compensation in Holiday Weeks.** The Company agrees to pay to an employee who would otherwise qualify for holiday pay under 8.1(a) above but who is receiving sick pay or Workers' Compensation, the difference between sick pay or Workers' Compensation, as the case may be, and eight hours pay at his regular rate, as long as he continues to receive sick pay or, if on compensation, for such period as the employee would have been entitled to receive sick pay had he been sick. Should the public holiday be observed on a non-scheduled day, the Company will pay the employees eligible for either of the above payments, 8 hours pay at their regular rates.

- d) **One and One-half Time for Work on Agreed Public Holidays.** If employees do perform work on any of the public holidays set forth in (a) above, they shall receive public holiday pay as set forth in (a) above or shall be paid at their regular rates for the actual number of hours worked that day, whichever is greater, and shall, in addition, be paid one and one-half (1½) times their regular rates for all hours worked on such days.
- e) **Absence-Public Holidays.** Employees absent on the regularly scheduled work-days next preceding or next following any public holiday shall not be entitled to pay for such holiday unless the absentee received permission from the Company to be absent or was absent because of sickness or for other good cause arising from circumstances beyond his control. The Company will advise the Union in writing of such deductions.

When, as a result of the sequence of operations, an employee is scheduled to work on a public holiday the regularly scheduled work-days next preceding or next following any public holiday shall mean the regularly scheduled work-days next preceding or next following the day he normally has off in lieu of the calendar day of general observance of the holiday.

- f) **Public Holiday Pay--Shift Workers.** Any employee engaged upon shift work whose day off falls on any of the agreed public holidays shall be paid for eight hours at his regular rate. Shift employees who are called upon to work on any of the agreed public holidays may elect to receive holiday pay as in 8.1(d) above, or may elect to receive the regular rate and to be allowed a day off with pay and may, if they so elect, accumulate such days off, to be taken at such time as mutually agreed to between management and the employee.
- g) **Public Holiday in Vacation.** If a paid public holiday falls within the employee's vacation period, he may elect to receive holiday pay as provided in Section 8.1(a) or receive a compensatory day's holiday.

If the employee elects to receive a compensatory day's holiday with pay, it shall be taken at a time to be agreed upon between the Company and the employee. If subsequently the employee does work on the day agreed upon as the compensatory day's holiday, it shall be considered as work performed on a paid public holiday and the employee shall be paid in accordance with the provisions of Section 8.1(d) for that day.

h) **Public Holiday During Leave of Absence.**

- i) An employee on leave of absence will be paid public holiday pay when either of the following conditions exists:

- (a) If an employee works the regularly scheduled work-day next preceding a paid public holiday and is on a leave of absence on the regularly scheduled work-day next following that holiday, he shall be eligible for payment of holiday pay for that holiday.
 - (b) If an employee works his last regularly scheduled work-day prior to going on leave of absence and, as expected, returns to work on the regularly scheduled work-day next following a paid public holiday, he shall be eligible for payment of holiday pay for that holiday.
- ii) When temporary leave of absence for Union business is granted under the terms of Article 13.3(b), public holiday pay will be paid to those otherwise eligible when such holidays fall within the period of absence.

ARTICLE 9-SENIORITY

9.1 Definitions.

- a) Subject to the specific terms of this Agreement, “seniority” shall be established from the date of hire by the Company or its predecessors.
- b) “Service” under this Agreement shall mean the employee’s cumulative years of employment with the Company or its predecessors but reduced by:
 - i) time during periods of layoff; and,
 - ii) time during leaves of absence beyond thirty (30) days.

9.2 Probationary Period.

- a) During an employee’s first ninety (90) calendar days of employment, he shall be considered a probationary employee. The Company and the Union may agree on an extension of that period in appropriate circumstances.
- b) An employee shall have no seniority during his first ninety (90) days of service with the Company. However, after having successfully completed his probationary period, the employee’s seniority shall be established from the beginning of the probationary period.
- c) At any time during the probationary period, or at its conclusion, the employee may be terminated where the Company finds that he is unsuitable for the business and such termination shall not be subject in any manner to the grievance or arbitration procedure.

9.3 A list showing each employee’s seniority date and service date will be prepared and posted on the Plant bulletin board at least every six (6) months. The same list will also be provided to the Union.

9.4 The seniority of an employee shall be considered broken, all rights forfeited, his name shall be removed from the employment records of the Company and there shall be no obligation to rehire when he:

- a) Resigns or retires.
- b) Is discharged for just cause.
- c) Overstays his authorized leave of absence without reasonable notice acceptable to the Company.
- d) Is laid off for a period equivalent to:
 - i) In the case of an employee with service over three (3) months to six (6) months, one half his length of service.
 - ii) In the case of an employee with service over six (6) months, his length of service to a maximum of two (2) years.
- e) Fails to report from layoff when recalled or fails to advise of his unavailability for recall.

ARTICLE 10-NOTICE OF LAYOFF

- 10.1 Employees shall be given notice of layoff on the basis of three (3) working days notice for employees with three (3) month's service, and five (5) working days after one (1) year of service. Cancellation of a shift or other circumstances respecting a short-term lack of work for operational reasons is not considered a layoff.
- 10.2 a) Notice of layoff will be provided in writing to affected employees with a copy to the Union. An employee absent at the time that he would have otherwise have received notice of layoff will be sent the written notice by mail to his last known address in the Company records.
- b) The notice provided to an employee with seniority who is absent and receiving WCB or compensable sickness/disability benefits will advise him that his formal date of layoff will be the date he is fit to return to work. Such notice is deemed to satisfy the provisions of Article 10.1.

ARTICLE 11-LAYOFF AND RECALL

- 11.1 a) In the event of a reduction of staff, seniority shall apply, provided that the employees remaining can perform the required work satisfactorily or must demonstrate within one (1) week that they will be able to perform the required work satisfactorily.
- b) In recalling employees from layoff, seniority shall apply provided that the employee to be recalled can perform the required work satisfactorily.
- 11.2 a) Recalls from layoff will be attempted by telephone and if this means is unsuccessful, the employee will be advised by registered mail at the last address he has made known to the Company. In the latter event, notice to the employee will be deemed to have occurred not more than two (2) days after the date of delivery. Upon being notified, the employee must report to work on the date requested (which shall be at least seven (7) days from notification) or advise the Company of his unavailability within three (3) days. In the latter event, the Company will attempt to recall other qualified employees in order of seniority. If no such employee is on the recall list, the Company may hire from outside the bargaining unit.
- b) It is the responsibility of the employee to keep the Company informed at all times as to his current address and telephone number.

- 11.3 **Temporary Work Shortage.** In case of temporary shortage of work, the Company will endeavor to reduce working hours before laying employees off, provided, however, that such action is compatible with the requirements of the business and will not involve payment of guaranteed hours.
- 11.4 Any grievance alleging that an employee has been laid off or not recalled contrary to this Agreement cannot be pursued to arbitration unless it has been filed at Step One within ten (10) working days of the layoff or the date the employee alleges he should have been recalled. If an arbitrator decides that the employee was laid off or not recalled contrary to this Article, he shall be compensated for all time lost at his regular rate of pay or granted such lesser compensation for lost wages as may be deemed fair in the circumstances, and will be granted all rights accrued to him under this Agreement.

ARTICLE 12-PROMOTIONS AND JOB POSTING

- 12.1 a) When the Company elects to fill a permanent job vacancy that occurs within the complement of job classifications covered by this Agreement, notice of such vacancies shall be posted on the Plant bulletin board for at least five (5) working days.
- b) Where increased business necessitates an additional position within an existing classification, and the position is filled temporarily more than 90 working days, it shall be deemed to be a permanent job vacancy.
- 12.2 In filling such vacancies, the most senior qualified employee who applies will be awarded the position.
- 12.3 The successful applicant on a posted position shall have a familiarization period in that position for a maximum of thirty (30) calendar days. If during this period, the employee is dissatisfied with the position, or, in the opinion of the Company, does not perform satisfactorily he will be placed back in his former position without loss of seniority. During the familiarization period the employee will be paid the new job rate while working in that position.
- 12.4 An employee may object to repetitive temporary transfers to a position. Subject to its operational requirements, the Company will make reasonable efforts to implement substitute arrangements for the performance of the work.
- 12.5 In circumstances where the Company deems it necessary to temporarily transfer an employee in order to facilitate coverage for vacations, leaves of absence, weekly indemnity, disability or WCB absences, the Company will give consideration to seniority, together with the requirements of the business and the sufficient abilities of the employees to do the work required. The transferred employee must be able to perform the work without additional training.

ARTICLE 13-LEAVES OF ABSENCES

- 13.1 a) **Leave of Absence.** Subject to the exigencies of the business, leave of absence without pay up to one year shall be granted by the Company on the written request of an employee, provided the reasons stated in the application are sufficient.

If leave of absence is granted, the employee shall be advised in writing with a copy to the Union. An employee returning from a leave of absence shall, subject to his seniority and providing the employee can satisfactorily perform the required work, be placed on the job previously held or one at an equal rate of pay. If the employee would not otherwise have retained his previous job and is not placed on a job carrying an equal rate of pay, he shall, subject to seniority, be placed on a job he can satisfactorily perform.

- b) **Maternity Leave and Parental Leave.** Where an employee has seniority, the Company recognizes their right to maternity leave or parental leave as set out in Part III of the *Canada Labor Code*. At the completion of the maternity leave, if the employee is unfit to return to her posted position, she may apply for Weekly Indemnity Benefits.

13.2 **Appearance in Court.** An employee summoned to appear or required to serve jury duty or one who has been served with a subpoena to appear as a witness shall be paid the difference between what he would have earned for his scheduled hours at his paid rate and the court fee received. Employees should notify their foreperson as soon as possible after receipt of notice of selection for jury duty or after receipt of the subpoena to appear as a witness. The Company may require the employee to furnish a certificate of service from an officer of the court before making any payment under this section. The employee will come to work during those regular hours that he is not required to attend the court.

- 13.3 a) **Leave of Absence for Position with the Union.** Employees not to exceed two, except as set out below, who are elected or appointed to a full time position with the Union or a full time position to represent the U.F.C.W. with the Canadian Labor Congress or one of its chartered bodies, shall upon proper notice be granted leave of absence, without pay, for a period not to exceed the term of this Agreement or 2 years which ever is greater. Such employees, within one month's notice of their desire to return to work with the Company shall, subject to their seniority, providing they can satisfactorily perform the required work, be placed on the job previously held or one at an equal rate of pay. If the employee would not otherwise have retained his/her previous job and is not placed on a job carrying an equal rate of pay, he shall, subject to seniority be placed on a job he/she can satisfactorily perform.

Upon being granted such leave of absence, the employee is eligible to maintain benefit coverage as follows:

- i) Life Insurance, Long Term Disability, Extended Health Care, Alberta Health Care: The employee may continue coverage for a maximum of one (1) year following the date the leave commenced if he pays the full cost of premiums.
- ii) AGP, Inc. Canadian Contributory Retirement Plan: The employee may continue making his normal contributions for a maximum of one (1) year following the date the leave commences.
- iii) Weekly Indemnity (Sick Pay): Eligibility for coverage ceases as of the date leave of absence commences.
- iv) Arrangements for payment of premiums or contributions shall be made at, or prior to, commencement of the leave.

- b) **Temporary Leave of Absence for Union Business.** Leave of absence for the purpose of attending Union schools, conventions or conferences shall be granted on written request, subject to the following conditions:
- i) Not more than two (2) employees at any time shall be granted leave;
 - ii) A leave may not exceed thirty (30) days, unless the Company extends the leave in writing.
 - iii) The absence of each such employee shall not unreasonably affect the operations of the Company; and,
 - iv) A minimum two (2) days written notice shall be given to the Company before the commencement of the requested leave.

Where leave of absence is required for negotiation of this Agreement or to attend the Labor College of Canada, such leave shall be granted, subject only to a maximum of two (2) employees being granted leave at one time.

- c) **Leave of Absence for Public Office.** Employees who are elected to municipal government, the Provincial Legislature or the Parliament of Canada shall, upon establishing need for same, be granted leave of absence without pay for a period not to exceed the duration of this Agreement. Within one month's notice of their desire to return to work with the Company, such employees shall, subject to their seniority providing they can satisfactorily perform the required work, be placed on the job previously held or one at an equal rate of pay retaining the seniority possessed at the time such leave of absence was granted. If the employee would not otherwise have retained his previous job and is not placed on a job carrying an equal rate of pay, he shall, subject to seniority, be placed on a job he can satisfactorily perform.

- 13.4 **Bereavement Pay.** When an employee attends the funeral of an immediate relative, he shall receive eight (8) hours pay at his regular rate for three (3) successive workdays' funeral leave to be taken within one (1) week of the funeral. Such payments will be made only in respect to absence from work on his regular workday, vacation, and approved leave of absence. For the purpose of this clause, an immediate relative shall be one of the following: Spouse, Daughter, Son, Mother, Father, Sister, Brother, Mother-in-law, Father-in-law, Grand Parents, Step Parents, Foster Parents, Step Children and Foster Children.

When an employee cannot attend the funeral of an immediate relative because of geographical distance, he shall receive eight (8) hours pay at his regular rate for the day of the funeral. Such payment will be made only in respect to absence from work on his regular workday, vacation, and approved leave of absence. For the purpose of this clause an immediate relative shall be one of the following: Spouse, Daughter, Son, Mother, Father, Sister, Brother, Mother-in-law, Father-in-law, Step Parents, Grand Parents, Foster Parents, Step Children and Foster Children.

The Company may require the employee to furnish verification of the date of the funeral.

- 13.5 **Injury on Shift.** Payment of wages for lost time injuries will be in accordance with the Workers' Compensation Act.
- 13.6 **Absence due to Accident or Sickness.** An employee returning from accident or sickness shall, subject to his seniority and providing he can satisfactorily perform the required and

available work, be placed on the job previously held or one at an equal rate of pay. This right will expire after his absence continues for a period equivalent to his length of service to a maximum of four (4) years from the last day worked prior to commencement of leave.

ARTICLE 14-SHIFT PREMIUM

- 14.1 **Off-Shift Premium.** Employees shall be paid a shift premium of seventy-five cents (75¢) per hour for all hours worked after 2:00 PM and before 6:00 AM.
This premium shall not be considered as part of such employees' basic rates.

ARTICLE 15-BREAKS AND MEAL ALLOWANCE

- 15.1 Except in cases of emergencies or other *bona fide* operational needs, the Company agrees to grant one rest period of fifteen (15) minutes at a time determined by the Company during each half shift, provided the working time of each half shift exceeds two and one half (2½) hours. The Union agrees that there shall be no abuse in regard to relief or rest periods.
- 15.2 **Meal Allowance.** Except for infrequent occasions, it is agreed that employees shall not be required to work more than five (5) hours without a meal break. If employees are required to work in excess of one and one half (1½) hours after the scheduled quitting time, the Company will pay a meal allowance of \$9.00 and allow thirty (30) minutes at regular rates for such meal break. Employees working on scheduled shifts of less than seven and one half (7½) hours will be entitled to the above only if they work an excess of nine (9) hours.

If work continues for five (5) hours beyond the meal allowance another meal allowance of \$7.00 will be provided and thirty (30) minutes at regular rates will be allowed for such meal break.

ARTICLE 16-VACATIONS

- 16.1 **Vacation Calculated to April 1st.** Vacations will be based on service computed to April 1st in the year in which the vacation is to be taken.
- a) **First Vacation.** Employees who have not had their first vacation will receive one fifty second (1/52nd) of one week's vacation with pay for each week's service computed to April 1st in the year in which the vacation is to be taken.
- b) **Vacation Scale.** In the next and subsequent years, employees will receive vacations with pay based on years of service as follows:

After one year's service	2 weeks
After five years' service.....	3 weeks
After ten years' service	4 weeks
After eighteen years' service.....	5 weeks
After twenty-five years' service.....	6 weeks

- c) **Method of Calculating Vacation Pay.** Vacation pay for each week of vacation shall be calculated as follows: Two percent (2%) of the employee's previous year's

earnings, exclusive of allowances, or forty (40) hours pay at the employee's regular rate, whichever is the greater, for each week of eligible vacation. Vacation payouts will be paid out in equal installments over the entitlement.

- d) **Completion of Required Service After April 1st.** Employee who, after April 1st and prior to the end of the calendar year, reach the service required to entitle them to an additional week of vacation, in accordance with the vacation scale set out in Section (b) above, will become eligible for such additional week of vacation on completion of the required years of service. If circumstances permit, such week may be granted earlier in the year.

16.2 **Vacation Season.** Vacations may be granted at any time subject to the demands of the business, but the Company will make a sincere effort to grant vacations at times requested by employees. Senior employees shall be given preference. Employees eligible for vacation shall be notified of their vacation periods as far in advance as possible

Vacation period selection shall be performed in (2) two separate bidding processes. The first round of bidding will permit employees the right to schedule up to the first (2) two weeks of their vacation entitlement. The first round of vacation bidding shall be completed by March 31, and the results posted by April 01. Employees may schedule their remaining vacation entitlement at the second round of bidding. The second round of vacation bidding shall be completed by April 30, and posted by May 01.

16.3 **Vacations on Termination.**

- a) When a probationary employee ceases employment he will be paid four percent (4%) of his regular pay earned.
- b) When an employee with seniority ceases employment, he will be paid:
 - i) his unused earned vacation pay for the vacation year ending on the last preceding April 1st; and,
 - ii) the appropriate percentage based on his vacation scale applied to his regular earnings from the last preceding April 1st to his last day of employment (e.g. after one (1) years employment, four percent (4%); after five (5) years employment, six percent (6%), etc.)

16.4 **No Carry Over of Vacations.** An employee shall take his vacation in the vacation season in which he becomes eligible. Vacation periods shall not be accumulated from year to year. There shall be not vacation carry-over from year to year unless the Company agrees otherwise. In no case can a carry-over extend beyond twelve (12) months (i.e. must be taken by March 31st of the following year).

ARTICLE 17-SAFETY AND HEALTH

17.1 The Company shall make reasonable provisions for the safety and health of its employees at the Plant during their hours of employment, including the provision of necessary protective devices.

- 17.2 The Union will appoint or select two (2) employees to act as members of a Plant Safety Committee. Two (2) members of management will also sit on the Committee. Monthly Health and Safety Meetings will be held as prescribed by the Canada Labour Code Part II, and the Committee may make recommendations on matters affecting the safety and health of employees.
- 17.3 Employees with more than six (6) months seniority, who purchase safety footwear through the Company for use on the job, shall receive an allowance of up to \$135.00 per year towards such purchases. Such allowance may be accumulated for up to two years (\$270.00 maximum). Employees with less than six (6) months seniority who so purchase such footwear shall be reimbursed up to \$135.00 towards such purchase on attainment of six (6) months seniority. For subsequent purchases, employees will again become eligible for this allowance one (1) year from the date of their previous purchase under this provision.
- 17.4 a) Subject to b) below, the Company agrees to supply the employees with tools, coveralls, gloves, rubber boots, vests, hardhats, clothing and prescription safety glasses as it deems necessary. The Company will make the necessary laundering arrangements.
- b) The Company will pay the cost of such necessary prescription safety glasses to a maximum of \$200.00 per year per affected employee.
- 17.5 Renewal of Licenses. The Company shall reimburse employees for the renewal of necessary licenses required in the performance of their duties.

ARTICLE 18-HEALTH BENEFITS

- 18.1 The Employer shall facilitate the procurement, by employees covered by this Agreement, of insurance protection by way of participation in a group insurance plan or plans, subject to the enrollment and other requirements of the insurer. Provided that such enrollment and other requirements are met, the following group insurance coverages shall be continued or implemented:
- a) Life Insurance
 b) Weekly Indemnity (Sick Pay)
 c) Long Term Disability Coverage
 d) Extended Health Care (including Vision Care)
 e) Dental
- 18.2 Life Insurance. The governing plan will provide for \$45,000.00 of Life Insurance coverage for each eligible employee. Premiums will be paid 100% by the Company.
- 18.3 Weekly Indemnity (Sick Pay). The governing plan will provide for a weekly benefit based on 66 2/3% of an eligible employee’s regular hourly pay.

The governing plan will provide for a maximum benefit period based on length of service as follows:

<u>Length of Service</u>	<u>Maximum Duration</u>
3 months to 5 years	16 weeks

5 years to 7 years	26 weeks
7 years to 10 years	34 weeks
Over 10 years	52 weeks

Benefits under the plan will commence from the 4th day of total disability, except that the waiting period will be waived where the employee is hospitalized or where, although not confined as an inpatient, he undergoes unexpected day surgery (i.e. an immediate requirement for such surgery). Premiums will be shared between the Company and employee on an equal basis. No benefit is payable for bodily injuries or sickness in circumstances where coverage is provided by workers compensation or where employees are eligible to receive Employment Insurance sickness benefits. The Company will pay the cost of weekly indemnity claim forms.

- 18.4 **Long Term Disability.** The governing plan will provide for a monthly Long Term Disability benefit of \$2,000.00, subject to integration with other benefits as described in the plan. Benefits under the procured plan will not commence until after the specified elimination period in the plan. Premiums will be paid by the Company. Only employees Actively At Work on the date of Agreement ratification will qualify for this increase. It will not include any employee presently on Long Term Disability or Weekly Indemnity prior to the Agreement ratification date.
- 18.5 **Extended Health Care (Including Vision Care).** The current extended health care plan will continue in effect. Premiums will be paid by the Company. Vision care coverage is \$200.00 every two (2) years. Prescription safety glasses can be included under this coverage to supplement the Article 17.4 benefit. The Company will also cover the cost of an employee's eye examination once every twenty-four (24) months or, in the case of child dependants under the age of eighteen (18) years, every twelve (12) months.
- 18.6 **Dental.** The current dental plan will continue in effect. Premiums will be paid by the Company. Allowable expenses will be based on the current fee guide utilized by the insurance carrier providing the dental coverage (presently, the Dental Reimbursement Guide for Alberta as published by the Canadian Life and Health Insurance Association of Canada). The maximum per covered person for basic and major services will increase to \$1,500.00 per calendar year.
- 18.7 **Alberta Health Care Insurance Plan.** The Company will pay the required premium for full time employees for single and dependant coverage, beginning with the first of the month following the completion of six (6) months' service.
- 18.8 Payment of negotiated health benefits is subject to the terms and conditions of the governing group insurance plan or plans. The Company retains the right to change insurance carriers, provided the benefit levels meet those levels that are set out in the collective agreement.
- 18.9 **Employer's Contributions to the Employee Pension Plan.** The current A.G.P. Inc. Canadian Contributory Retirement Plan will provide for an increase from \$17.50 per month per year of service to \$21.00 per month per year of service effective October 1,1999 (i.e. from \$ 210.00 per year to \$ 252.00 per year) in calculating the annual amount of an employee's monthly retirement income, and to \$22.50 per month per year of service effective October 1,2000.
- 18.10 a) Subject to b) below, where an employee is eligible for early retirement, and has attained the age of at least 60 years, Dental benefits, Extended Health Care, Alberta Health Care and Group Life Insurance contributions will continue from retirement date until age 65.
- b) The Group Life benefit will be limited to \$5,000.

ARTICLE 19-GOVERNMENT REGULATIONS

- 19.1 It is mutually agreed that no demand shall be made by either party upon the other which in any way contravenes laws, orders or regulations issued by, or under authority of, the Governments of Canada or Alberta or such agency as may be deputed by either Government in regard to wages, bonuses, hours, conditions of labour or other related matters.

ARTICLE 20-UNION BULLETIN BOARD

- 20.1 The Company shall provide a bulletin board on its premises for the posting of official Union notices, provided the Company views the notices as non-controversial in nature. The Union agrees to refrain from distributing any other notices or publications upon the Company's premises, unless prior approval of management is first obtained.

ARTICLE 21-STRIKES AND LOCKOUTS

- 21.1 While this Agreement is in force, the Union will not authorize, promote, direct, condone or encourage any strike, slow-down or other curtailment or restriction of production or interference with work in or about the Company's plant or premises nor will employees participate in any such actions. The Company will not lockout employees while this Agreement is in force. Further, while this Agreement is in force, the Company will endeavour to refrain from requiring its employees to handle goods from another facility on legal strike.

ARTICLE 22-PLANT CLOSING

- 22.1 When it becomes necessary to close the plant or a substantial portion of the plant and it is not expected that those affected will be re-employed, a separation allowance or pension benefit will be paid to employees subject to the following:
- a) They have one or more years' seniority as of their date of lay-off.
 - b) They are actively employed with the Company and accumulating seniority or have been laid off within the thirty (30) day period preceding the date of notice of closing. Employees on leave of absence up to one (1) year, and employees receiving Workers' Compensation or off sick will be eligible, provided they have not been off work in excess of the time limits corresponding to seniority as set out in Article 9.4(d).
 - c) They have not refused an offer of employment by the Company in the same plant or in another unit of the business, the location of which is reasonably accessible to the location of the place of employment from which the employees are being separated.
 - d) They have not refused an offer of employment the requirements of which are not substantially different from the work previously performed and provided they cannot be reasonably expected to perform the offered work satisfactorily.
 - e) They have not attained their Normal Retirement Date (the first day of the retirement quarter coincident with or next following the employee's 65th birthday).
 - f) They have not been transferred to another plant.

- g) The closing is not brought about by war, strike, walkout, work stoppage, slow-down or other cessation of work, fire, government action, or Act of God.
- h) In order to qualify for separation allowance or pension benefit employees will continue to work in a satisfactory manner as long as required.
- i) Eligible employees who are not entitled to an unreduced pension under the Company's Retirement Plan will receive a separation allowance based on their completed years of service as of their date of lay-off as set out in the following table:

Years of Service	Amount (\$)
1	460
2	560
3	795
4	1,015
5	1,285
6	1,540
7	1,780
8	2,045
9	2,290
10	2,565
11 to 20	The ten year allowance plus \$405.00 for each year over 10.
21 and over	The twenty year allowance plus \$520.00 for each year over 20.

In addition, employees will be entitled to a supplement based on completed full years of age and service as of their date of lay-off. Employees whose combined age and service, as above, total 65 will be entitled to a supplement of \$2,700.00 plus an additional \$135.00 for each year the combined total exceeds 65.

- j) Eligible employees who are entitled to an unreduced pension under the Company's Retirement Plan will receive a pension benefit, guaranteed 5 years, based on their completed years of service as of their date of lay-off as set out in the following table:

Years of Completed Service	Additional Annual Pension (\$)	Years of Completed Service	Additional Annual Pension (\$)
15	1,175	32	2,470
16	1,245	33	2,550
17	1,310	34	2,630
18	1,375	35	2,710
19	1,440	36	2,790
20	1,505	37	2,870
21	1,590	38	2,955
22	1,670	39	3,030
23	1,750	40	3,115
24	1,830	41	3,190
25	1,910	42	3,275
26	1,990	43	3,350
27	2,070	44	3,430
28	2,150	45	3,515
29	2,230	46	3,590
30	2,310	47	3,675
31	2,395	48	3,755

22.2 Employees who accept separation allowance or pension benefit under the provisions of this clause shall on so doing terminate their seniority and employment relationship with the Company and shall have no further rights under this Agreement or under any other Agreement between the signing parties.

In the event part of the plant remains open, employees eligible to receive a separation allowance or pension benefit may elect to remain on the seniority list for possible recall. The Company will hold the separation allowance or pension benefit for such employees as long as they are eligible for recall, during which time the employee may request payment subject to the provisions of the above paragraph. Those re-employed on this basis will receive seniority credit up to the time of their lay-off but shall not accumulate additional seniority during the period of lay-off.

Employees eligible to receive a separation allowance or pension benefit, who elect to remain on the seniority list as outlined above, will be entitled to recall in accordance with the provisions of Article 9.4(d) except that the allowable break will be the time equivalent to length of service up to three (3) years.

22.3 In view of payments made under this clause, from the date notice of closing is given, lay-off notice as provided in Article 10 shall be a minimum of two (2) days and a maximum of five (5) days.

22.4 In respect to an employee who is eligible for separation allowance under this Article the Company will continue to contribute to the Group Life Insurance, Dental, Extended Health Care and Alberta Health Care plans. Such contributions shall continue for a period of six (6) months following the month in which the employee is laid off and will be made on the basis existing at the time that the employee was laid off.

ARTICLE 23-WORK METHODS AND REQUIREMENTS

23.1 **Change in working methods.** When the introduction of new equipment makes a material change which is expected to result in a substantial reduction in the number of employees, the Company will inform the Union of such change at least thirty (30) days in advance of the contemplated change and the parties will discuss what is expected to take place and how the matter may best be handled. Employees who are eligible for placement at the Plant will be entitled to the provisions set out in Article 3.4(h). Employees with five (5) or more years of seniority who are affected by such change and who are not eligible for placement at the plant will be entitled to the provisions set out in Article 22.

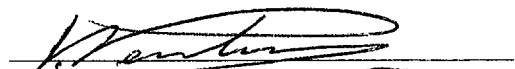
23.2 **Work Requirements.** Where an employee believes that there has been an unreasonable increase in his work load he may, with the assistance of a Union Representative, raise the issue with local management. If the matter is not resolved locally, it may be raised with the Company's Manager of Human Resources.

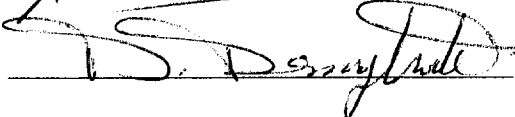
ARTICLE 24-DURATION OF AGREEMENT

- 24.1 This Agreement shall be in full force and effect from the 1st day of October, 2005 until the 30th day of September, 2008 and thereafter from year to year, unless either party gives notice in writing of termination or of amendment of not more than ninety (90) days and not less than thirty (30) days prior to the date of expiration.
- 24.2 This Agreement shall remain in full force and effect while collective bargaining is ongoing and until either party acquires its respective legal right to strike or lockout pursuant to the *Canada Labor Code*.

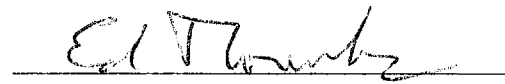
Signed this 2nd day of February, 2007.

FOR UNITED FOOD & COMMERCIAL
WORKERS UNION, LOCAL 1118





FOR MASTERFEEDS INC.
EDMONTON, ALBERTA



APPENDIX "A"

1. WAGE RATES (hourly)

Degree of Difficulty Chart

Classification	Cents Of Adjustment	Effective Oct. 1/05	Effective Oct. 1/06	Effective Oct. 1/07
BASE RATE	0	\$18.54	\$19.00	\$19.57
Stacker	15	\$18.69	\$19.15	\$19.72
Bagger	60	\$19.14	\$19.60	\$20.17
Shipper	60	\$19.14	\$19.60	\$20.17
Pelleting *	80	\$19.54	\$20.00	\$20.57
Mixer *	80	\$19.54	\$20.00	\$20.57
Maintenance Helper	90	\$19.44	\$19.90	\$20.47
Millwright	5.70	\$24.24	\$24.70	\$25.27

Notes

- Starting rate
- After 6 months service
- After 12 months service
- After 16 months service
- After 20 months service
- After 2 years service

Wages

- 75% of base rate **
- 80% of base rate **
- 85% of base rate **
- 90% of base rate **
- 95% of base rate **
- 100% of base rate **

* Market Wage Adjustments: Increase by .20 cents per hour the wage rate for both Pellet Mill Operators and Mixers in year 1 of the collective agreement, effective the first full pay period following the date of ratification; year 2 increase by .20 cents per hour the wage rate for both Pellet Mill Operators and Mixers; year 3 increase by .20 cents per hour the wage rate for both Pellet Mill Operators and Mixers.

** Plus the difference between the Base Rate, and the rate for the appropriate classification, as per the Degree of Difficulty Chart.

NOTES:

- Any unskilled work not listed above is at 75% of Base Rate.
- A newly hired employee commences at the start rate and is subject to the appropriate Degree of Difficulty Chart rate.
- Classification rate changes as per the Degree of Difficulty Chart are non- retroactive and become effective on the date of Agreement ratification.

RETROACTIVITY:

- Wages – Year One (1) general wage increase of 3%, applicable to the previous Base Rate of \$ 18.00 per hour, retroactive to October 1, 2005.
- Benefits - **All** other changes/increases from the previous collective agreement, including benefits, are non-retroactive, effective the first day of the month following ratification of the Agreement.

LETTER OF UNDERSTANDING

April 22, 2004

When the Millwright is offered and accepts overtime work that is not millwright work, he will be paid the applicable job rate.

LETTER OF UNDERSTANDING

April 22, 2004

Re: Article 18.1 – Health Benefits

The Company’s Manager of Human Resources or designate will, upon written request, make good faith efforts to facilitate resolution of benefit claims and disputes that arise between an employee and the insurance carrier.

LETTER OF UNDERSTANDING

May 25, 2006

Re: Joint Trustee Benefit Plan

The Company agrees to review the information and data to be presented by the Union concerning the feasibility/benefits of jointly trustee benefit plans.

LETTER OF UNDERSTANDING

May 25, 2006

Re: Article 18.9 (Pension)

Following the review and approval of the pension regulatory authorities, currently underway, respecting the contributory formula, the Company agrees to review the Union's pension proposals and commit to working with the Union and the actuaries with the objective of increasing the members' pension benefits, with an anticipated resolution by April 30th, 2007.