

**ARTICLES OF AGREEMENT**

**BETWEEN**

**PARMALAT CANADA INC.  
LETHBRIDGE  
HEREINAFTER CALLED THE  
"COMPANY"**

**AND**

**MISCELLANEOUS EMPLOYEES  
TEAMSTERS UNION LOCAL NO. 987  
OF ALBERTA  
HEREINAFTER CALLED THE  
"UNION"**

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## ARTICLES OF AGREEMENT

Between PARMALAT CANADA INC.  
LETHBRIDGE  
hereinafter referred to as "the Company"

And

MISCELLANEOUS EMPLOYEES  
TEAMSTERS UNION LOCAL NO. 987 OF ALBERTA  
hereinafter referred to as "the Union"

WITNESSETH that the parties hereto, hereby agree as follows:

### ARTICLE NO. 1 - INTENT AND PURPOSE

1.01 It is the intent and purpose of this Agreement that the Company and the Union co-operate to obtain an efficient and unrestricted production and distribution of dairy products, to maintain a harmonious relationship between the Company and its employees, and to provide a method of settling in an amicable manner any difference or grievance which may from time to time arise, and to set forth rates of pay, hours of work and other conditions of employment to be observed between the parties hereto.

### ARTICLE NO. 2 - MANAGEMENT CONTROL

2.01 Responsibility for planning, directing and controlling the business of the Company shall rest exclusively with the Management.

### ARTICLE NO. 3 - EMPLOYEES INCLUDED

3.01 The provisions of this Agreement shall apply to all employees of the Company at Lethbridge in bargaining unit positions covered by this collective agreement, and without limiting the generality of the foregoing, shall exclude specifically office workers and employees engaged in any kind of supervision who have the right to hire, discharge or change the status of employees.

3.02 Probationary employees retained as permanent staff shall be deemed to be on permanent staff as of the date of commencing the most recent period of continuous employment. Seniority provisions of this Agreement shall be effective from that date, subject to the sixty (60) days worked probationary period described in Article 7 section 7.02.

3.03 GENDER. Except where specifically stated to the contrary or where the sense requires the contrary, use of the term "he", "him", or "his", throughout this Agreement will be considered to also mean "she", "her", or "hers".

3.04 Employees outside of the bargaining unit will not perform work normally performed by bargaining unit employees except:

- A) to perform experimental work or new operational set-ups;
- B) to relieve an employee at his own request;
- C) when necessary to diagnose or correct operating difficulties;
- D) due to equipment breakdown or failure;
- E) for purpose of instruction or training;
- F) to overcome operating difficulties caused by the absence of an employee;
- G) in circumstances beyond the control of the Company

Notwithstanding any language to the contrary in this agreement, the maintenance supervisor, chief engineer and chief electrician will continue to perform their normal duties.

#### ARTICLE NO. 4 - UNION SECURITY

4.01 The Union shall supply the Company with application forms for Union membership and dues deductions which shall be signed by all new employees on the day on which the new employee is hired. All completed copies of the application for membership forms shall be returned to the Union and shall serve as notification of commencement of employment. The Union shall supply the Company with application forms for pension benefits, these forms shall be signed on the day on which the new employee is hired. All completed copies are to be sent to the Union office.

4.02 Upon written request of an employee, the Company will, in accordance with the tenor of the request, deduct the employee's Initiation Fee and monthly Union dues, remitting same, together with a list of the employees from whom the deductions have been made to the Secretary Treasurer of the Union, on or before the 15th day of the following calendar month in which the dues are deducted.

4.03 The Company agrees to supply the Shop Steward of the Department concerned with a list of the new employees each month.

## ARTICLE NO. 5 - BARGAIN WITH AND RATIFICATION

5.01 Pursuant to the corresponding Certificates of Certification as issued by the Labour Relations Board, the Company recognizes the Union as the sole bargaining agent for the employees of the Company covered by this Agreement, and will bargain only with the Union, and duly appointed representatives thereof, on behalf of the employees of the Company.

5.02 This Agreement will be ratified by Union member employees whose decision will be final, and neither Union members employed by other Companies, nor non-union employees employed by the Company, shall have any voice in ratifying this Agreement or amendments thereof that may be made in the future.

## ARTICLE NO. 6 - CONTINUITY OF WORK

6.01 There shall be no cessation of work, or slow down of any kind by the employees, or lock-out by the Company during the time this agreement is in force, or in the process of being renewed or amended.

6.02 In the event of any other Milk Company or Companies having difficulty in production and/or distribution, by reason of a dispute between such Company or Companies and its or their employees, the Company will not require the employees to which this Agreement applies to perform work additional to which they ordinarily perform, and the employees agree to perform their usual work as though such dispute did not exist.

6.03 No employee covered by this Agreement shall be required to cross any legal picket line.

6.04 The business agent is allowed to visit the Company premises but shall not conduct Union business on the Company time.

## ARTICLE NO. 7 - SENIORITY

7.01 Seniority shall be based on the length of continuous service an employee has been on the payroll.

7.02 A probationary period of sixty (60) days worked on the payroll shall apply in the case of each new employee, during which time seniority shall not apply, and an employee may be laid off without reference to seniority, and the Company shall not be obligated to re-hire such an employee. After having completed this probationary period, or upon being recalled within nine (9) months after being laid off, the employee's seniority and service records shall date back to the beginning of his employment.

7.03 In the selection of candidates for a posted vacancy in the bargaining unit, skill, ability and physical fitness shall be considered and where these factors are equal seniority shall govern.

## 7.04 **Job Bidding**

(A) When a vacancy occurs as outlined under Section 7.03, it will be posted on the bulletin board for five (5) working days during which period an employee with seniority, may make written application for such vacancy. Employees within the department containing such vacancy will be given first consideration for such vacancy.

Any immediate changes to a job that is to be posted will be made prior to posting.

(B) The successful applicant will be advised within five (5) working days of the expiry of the five (5) working day posting period. Upon filling a vacancy, the successful applicant will be allowed a period not exceeding twenty (20) working days during which the employee will be permitted to return to his former job. If within the same twenty (20) day period, the employee is found to be incapable of performing the duties of the job vacancy, he will be returned to his former job. In the event the successful candidate does return to his former job, the vacancy will not be reposted, but will be filled under the same terms as set out herein, in accordance with 7.03 from among employees who applied for the original posting. In the event no other qualified employee applied for the posting, the Company shall fill the vacancy at its discretion.

(C) When the applicant described under section A and B above has qualified for the vacancy, then the subsequent vacancy, but not thereafter, created by his application will be posted in the same manner as described above, except that applications will be accepted from all departments and filled in accordance with 7.03.

(D) The successful applicant will be selected by the Company and such selection shall be made in a manner consistent with the terms of this Agreement.

(E) A successful applicant for a job posting (posting A) or any new full time hire shall not be eligible to bid on another job posting until he has worked twelve (12) months in his new job unless

1. the job posting represents a pay progression opportunity. In this case, the employee will not be allowed to bid on another new job until a total of twenty four (24) months has elapsed from the successful bid to posting A outlined above.
2. If the posting is for the same job that the employee is currently on, but a different shift therefore requiring no incremental training there will be no minimum time restriction for bid eligibility to this job and there is no impact on the timing restrictions outlined above.

7.05 In determining vacancies, promotions, demotions, lay-offs and recall, seniority shall be on a Departmental basis, as follows:

1. Plant Staff to include all employees working within the Plant and Shipping Department.
2. Maintenance

7.06 In the event of a reduction in staff in a department, the junior employee of the department shall be the first subject to lay-off. If he is capable of performing the work of the most junior employee within the branch because of previous training or experience, or because the employee could reasonably learn to perform the job to a satisfactory level within a short time period, the employee will be accorded a qualifying period of up to twenty (20) working days and the most junior employee within the branch will be subject to lay-off. In the event it is determined the employee cannot qualify for the position, he will be laid off. If the junior position in the branch is occupied by an employee possessing special skills and/or license, then the junior position for purposes of this clause only shall be the second most junior position in the branch.

Employees subject to lay off under this Article will be provided with notice in writing, with a copy to the department Shop Steward.

7.07 The Company agrees to re-hire on the basis of seniority, employees who have been laid off for a period not exceeding nine (9) consecutive months, providing the employee is capable of performing the duties of the vacancy, with seniority calculated from the day his employment commenced with the Company prior to being laid-off.

Employees subject to recall under this Article will be provided with notice in writing sent to his last known address, with a copy to the department Shop Steward. Failure to report for work within fourteen (14) calendar days from the date the letter is mailed will result in the employee's name being struck from the seniority list.

7.08 A list showing the seniority of each employee within the department, based on the length of service an employee had been on the payroll, shall be compiled and kept posted on the bulletin boards. The list shall be revised on the first of January and the first of July each year. Any errors shall be reported to the Shop Stewards for correction.

An overall branch seniority list showing all employees in order of seniority will be posted in appropriate location(s) throughout the branch. A copy of such list will be provided to the union.

7.09 An employee shall lose all seniority rights and his employee status with the Company shall be cancelled in all respects if he:

1. voluntarily leaves the Company;
2. is discharged for just cause;
3. is laid off by the Company for a period exceeding nine (9) consecutive months.

## ARTICLE NO. 8 - HOURS OF WORK

8.01 The hours of work of all employees covered by this Agreement shall be:

(A) Ten (10) hours per day, forty (40) hours per week, four (4) days per week, or eight (8) hours per day, forty (40) hours per week, five (5) days per week.

It is understood and agreed that any change from ten (10) hour work days to eight (8) hour work days will be with the mutual consent of the Union and will only be implemented at the first of the calendar week and only if a minimum of seven (7) calendar day's notice has been given by the Company.

(B) There shall be two consecutive days off.

The Company shall have flexibility of scheduling the days and hours of work for those employees associated with the Wholesale delivery. Specifically they are those employees in the following areas:

- coolers
- freezers
- checkers
- loaders/shippers
- case room workers

These employees' days and hours shall be scheduled on either a four (4) or five (5) day basis.

(C) All hours worked in excess of eight (8) in a day on a five (5) day schedule or ten (10) in a day on a four (4) day schedule and/or forty (40) in the week, shall be considered as overtime, and paid at the rate of one and one half (1-1/2) times the employee's rate of pay.

From time to time it is necessary for the Company to require employees to work overtime. The assignment of overtime work will be made among the employees who are at work at the time, possessing the ability, qualifications and willingness to perform the required work by first asking the senior employee and then proceeding in order of seniority throughout the department until the required number of workers is obtained. Failing this, the assignment will be made by selecting the employee(s) in reverse order of seniority, who are at work at the time, possessing the ability and qualifications to perform the required work until the required number of workers is obtained. The employees will complete the overtime assignment.

Where the Company determines that overtime work is required, it will offer such overtime work opportunity to seniority employees in the classification who are at work at the time, prior to offering such overtime work to part-time employees.



(D) In the event any changes are to take place in the employees' days of rest, forty-eight (48) hour's notice shall be given to the employees affected by the change (not applicable in cases resulting from emergencies such as fire, flood or Acts of God). Note: This definition shall only apply to article 8.01(d) of the contract.

(E) Employees required to work any of their regular daily shifts outside the hours of 7:00 a.m. to 6:00 p.m. shall be paid a shift differential of seventy (\$.70) cents per hour for all hours of their regular daily shift worked prior to 7:00 a.m. or after 6:00 p.m. Shift differential will apply to overtime hours worked however, it will not be computed at the overtime rate.

(F) Employees required to work on a Sunday shall receive a premium of one dollar (\$1.00) per hour for all hours worked on the Sunday.

(G) All inside staff shall receive two (2) fifteen (15) minute paid coffee breaks. One such break in the first half of the shift and one in the second half of the shift. There shall be one half (1/2) hour unpaid lunch break.

Where an inside staff employee is required to work in excess of one and one-half (1-1/2) hours overtime at the end of a regular shift, he will be provided a further fifteen (15) minute paid coffee break. Such break will be taken prior to commencement of overtime.

(H) Employees required to work two (2) unscheduled hours beyond his regular scheduled shift (8 or 10 hours as the case may be) shall be provided with a meal or given a meal allowance of seven dollars (\$7.00). The meal allowance will be included in the employee's regular pay cheque.

8.02 The parties agree that unless otherwise agreed by an employee, any employee on the payroll as of April 19, 1988 who was enjoying two (2) consecutive days *off*, one of which was Sunday, shall be scheduled during the term of this Agreement for two consecutive days off as follows: either a Friday-Saturday; or a Saturday-Sunday; or a Sunday-Monday combination. Hours of work for employees hired after April 19, 1988 will be four (4) ten (10) hour days or five (5) eight (8) hour days.

8.03 The Company agrees that an accurate record of hours of work for all employees covered by this Agreement shall be kept, and no employees shall record or be asked to record times other than their actual hours of work.

Such records shall be available to the Union for inspection on request.

8.04 Where an employee is called to work on one of his scheduled days off he will be paid a minimum of four (4) hours at the overtime rate.

An employee who has left the Company's premises and is specially called outside of his scheduled hours for emergency work shall be through when the emergency is over. For such emergency work being that outside of scheduled hours, he shall be paid four (4) hours at his job rate or for the hours actually worked at the overtime rate, whichever is greater.

The above does not apply to such work immediately preceding or following the employee's scheduled hours or if the employee leaves after eight (8) hours even though such departure from the premises precedes his regular scheduled end of shift.

## ARTICLE NO. 9 - WAGES

Attached hereto and forming part of this Agreement is Appendix "A" setting forth the wage rates and classifications of all employees covered by this Agreement.

## ARTICLE NO. 10 - ANNUAL VACATIONS

10.01 Annual Vacations with pay shall be granted to all employees covered by this Agreement on the following basis:

(A) Vacation for employees with less than one (1) year, prior to March 1st of each year, would have their vacation pro-rated based on their weeks of service up to a two (2) week maximum.

(B) Those employees with one (1) year's continuous employment and less than four (4) years, prior to March 1st of each year, two (2) weeks annual vacation.

(C) Those employees with four (4) year's continuous employment and less than ten (10) years, prior to March 1st of each year, three (3) weeks annual vacation.

(D) Those employees with ten (10) year's continuous employment and less than twenty (20) years, prior to March 1st of each year, four (4) weeks annual vacation.

(E) Those employees with twenty (20) years or more of continuous employment, prior to March 1st of any year, five (5) weeks annual vacation.

(F) Where an employee attains sufficient service in a calendar year to otherwise entitle him to an additional weeks vacation, but is ineligible because of his anniversary date of hire falls on March 1st or thereafter, he will be granted such additional week following his anniversary date of hire in that year.

(G) Vacation pay will be calculated on wages, overtime, shift premium, Sunday premium, lead hand premium, and previous year's vacation pay.

10.02 Allocation of Vacation Dates

Three (3) Holiday Schedules

1. Shipping and Cooler
2. Plant Production
3. Maintenance

(A) The vacation schedule request sheets will be made available beginning in the first week of January. Employees on each schedule shall choose their vacation dates in order of seniority, provided operations are not impaired.

(B) Senior employees will cooperate in the selection process by marking their preferred first choices in an expeditious manner after the list is posted so as to allow all employees to mark their first selection by February 1st.

(C) An employee may take his entire annual vacation in one continuous period during the months of October to April inclusive. All employees referred to in this section shall be allowed their annual vacation within the calendar year.

(D) Should an employee decide, in accordance with the selection procedure contained herein, to split his vacation into two (2) or more periods, he shall not make his second selection until all other employees on the schedule have made their first selection. No employee, on his first selection, may take more than three (3) continuous weeks vacation during the months of May to September inclusive. The next senior employee will follow the same procedure and so on down the schedule until all employees have made their selections.

(E) Selection of vacation requests shall be completed by March 15th. An employee who submits vacation dates following March 15th, may only apply for available dates in order of their seniority.

(F) An employee's scheduled vacation as approved by the Company will not be changed following posting unless such change is mutually agreeable to the Company and the employee.

10.03 When during the course of a working year, in respect of which an employee has not received his annual vacation, the employer shall, on cessation of employment, pay to the employee, in lieu of an annual vacation and in addition to all other amounts due to him as follows:

(A) In the case of an employee who has worked less than four (4) years, prior to March 1st, vacation pay calculated in accordance with Article 10.01 (G) at the rate of four per cent (4%) for the period of his employment in that year.

(B) In the case of an employee who has four (4) years continuous employment and less than ten (10) years prior to March 1st in any year, vacation pay calculated in accordance with Article 10.01 (G) at the rate of six per cent (6%) for the period of his employment in that year.

(C) In the case of an employee who has ten (10) years or more of continuous employment prior to March 1st in any year, vacation pay calculated in accordance with Article 10.01 (G) at the rate of eight per cent (8%) for the period of his employment in that year.

(D) In the case of an employee who has twenty (20) years or more of continuous employment prior to March 1st in any year, vacation pay calculated in accordance with Article 10.01 (G) at the rate of ten per cent (10%) for the period of his employment in that year.

#### ARTICLE NO. 11 - PAID HOLIDAYS

11.01 Every employee shall be entitled to the following Paid Holidays with pay in accordance with 11.02 and 11.03, except that an employee, if scheduled to work on his regular working day preceding and following a Paid Holiday, must work on those days to be entitled to pay for the Paid Holiday, unless absent due to illness verified by a Doctor's certificate.

New Year's Day	Labour Day
Family Day	Thanksgiving Day
Good Friday	Remembrance Day
Victoria Day	Christmas Day
Canada Day	Boxing Day
August Civic Holiday	

11.02 Should any of the above Paid Holidays in section 11.01, fall on an employee's regular day of rest or during his annual vacation, he shall be compensated a day's pay, at his base rate.

11.03 Should it be required to work any of the above Paid Holidays in section 11.01, he shall be compensated for hours worked on the day of the holiday at one and one half (1-1/2) times his base rate of pay. In addition he shall be compensated with a day in lieu at a time mutually agreed upon or a day's pay at his base rate. It will be the employee's choice whether to take a day's pay or a day off, it being understood such day must be arranged with his immediate Supervisor at least two (2) weeks in advance of the desired day off, and the lieu day must be taken prior to the succeeding April 30<sup>th</sup>. In the event the day off cannot be scheduled as set out above, the Company will pay the day's pay.

## ARTICLE NO. 12 - SHOP STEWARDS

12.01 There shall be elected from the employees, by the employees, not less than two (2) Shop Stewards, and as many as are agreed upon by the Company and the Shop Stewards Committee all of whom shall have been continuously employed by the Company for not less than six (6) months. The elected Shop Stewards shall appoint a chairman from among themselves. Their duties shall be to see that the members of the Union abide by the rules and regulations of the Company, the Union, and the terms of this Agreement.

12.02 The management agrees to hold, once a month, a meeting of the Shop Stewards, to discuss all difficulties that may arise, as well as discuss the good and welfare of the Company and its employees.

## ARTICLE NO. 13 - GRIEVANCE PROCEDURE

13.01 Should any alleged grievance arise as to the interpretation and application of the provisions of this Agreement, such grievance shall be processed within ten (10) working days after the circumstances giving rise to the grievance have originated or occurred, in the following manner and sequence:

**FIRST STEP:** Between the aggrieved employee, with or without the Shop Steward, and his supervisor. The decision of the Supervisor shall be given within three working days following presentation of the grievance.  
Failing settlement, then

**SECOND STEP:** Within three (3) working days following the decision under the first step a meeting will be held between the Union Grievance Committee and/or Union Representative and the Operations Manager.

A decision under this step will be given within five (5) working days following such meeting. The grievance will be presented in writing at this step by the grieving party. Failing settlement, then

If the grievance remains unsettled, then within ten (10) working days of the date of the decision under the second step the grievance shall be referred to a Board of Arbitration as provided herein.

13.02 The term "working days" for purpose of this Article shall not be deemed to include Saturdays, Sundays and Paid Holidays.

13.03 The Company agrees to recognize a Grievance Committee which the Union will elect from among the Shop Stewards. The number of members on the committee shall be agreed upon between local management and the Union. A list of Grievance Committee members shall be furnished to the Company.

13.04 Grievance meetings with the Grievance Committee shall be conducted at times suitable to the operation of the business, by arrangement between Company Management and Chief Shop Steward. The Company will pay members of the Grievance Committee at their regular rates for time spent at meetings of the Grievance Committee with Management representatives during regular working hours.

If an employee, who has completed the probationary period, has an alleged grievance that he has been unjustly discharged, he shall notify the Company through the Grievance Committee within three (3) working days after the date of separation stating the reason of objection to the discharge and the grievance will be considered commencing with the second step of section 13.01 of this Article.

13.05 Should any grievance arise directly between the Company and the Union as to the interpretation and application of the provisions of this Agreement, the grievance shall be taken up commencing at the second step of section 13.01 of this Article.

13.06 Pending settlement of any grievance, the aggrieved employee shall perform the duties assigned to him.

13.07 Before leaving his job or his department in connection with any grievance, a Shop Steward or member of the Grievance Committee must first obtain permission from the Supervisor of his department. Should the grievance require such Steward or member of the Grievance Committee to go into another department, he must first report to the person in charge of the department.

13.08 (A) If the Union and the Company cannot reach a settlement, following the second step of the Grievance Procedure, and upon request of either party, the grievance shall be submitted to the Board of Arbitration composed of three (3) members. The Company and the Union shall each select one (1) member, and the third member within seven (7) days shall be selected by mutual agreement of the two (2) members first selected. The third member shall be impartial and possess knowledge of Labour Management relations. The third member shall act as Chairman of the Board.

If agreement cannot be reached within seven (7) days, in respect to the appointment of the Chairman of the Board of Arbitration, the matter shall be referred to the Minister of Labour of the Province of Alberta, who shall appoint a Chairman. No person involved directly in the controversy under consideration shall be a member of the Board of Arbitration.

(B) The Board of Arbitration shall receive and consider such material evidence and contentions as the parties may offer, and shall make such independent investigation as it deems essential to a full understanding and determination of the issues involved. In reaching a decision, the Arbitration Board shall be governed by the provisions of this Agreement.

(C) The Board of Arbitration shall not be vested with power to change, modify or alter any terms of the contract. All grievances submitted shall present an arbitrable issue under this contract, and shall not depend on, or involve, an issue or contention by either party which is contrary to any provisions of this contract, or which involves the determination of a subject matter not covered by or arising during the term of this contract.

(D) The findings and decision of the Board of Arbitration on all arbitrable questions shall be binding and enforceable on all parties. A decision of a majority of the Board of Arbitration shall be deemed to be a decision of the Board.

(E) The expense of the Chairman shall be borne equally by the parties to the Arbitration.

(F) By mutual agreement the parties may elect to have a single arbitrator hear the matter in dispute instead of a three member board. In such case, the party wishing to submit the issue to arbitration, should indicate in its notice of intent to arbitrate, that it would like the matter heard by a single arbitrator. The recipient of the notice shall inform the other party within ten (10) days of receipt of the notice if it is agreeable or not to the matter being heard by a single arbitrator. If so, the parties shall endeavour to select the single arbitrator. Failing agreement, the process for selecting a three member board set out in clause 13.08 (A) shall be followed. The single arbitrator shall be bound by all clauses of Article 13 in the same manner as a Board of Arbitration, with the necessary changes being made

#### ARTICLE NO. 14 - MUTUAL INTEREST

14.01 The Union agrees that it will further the interests of the Company at all times to the limit of its ability.

14.02 It is further agreed by the Company and the Union that no employee will be asked to make any written or verbal agreement conflicting with this Agreement. No employee shall make any written or verbal agreement with the Company or the Union conflicting with this Agreement.

14.03 (A) Employees shall be paid by direct deposit every other Friday on a system of twenty-six (26) equal pay periods. New employees hired after September 11, 1996, will be paid with a one week lag.

(B) All employees shall be given a statement with each bi-weekly pay showing overtime hours worked, base pay and deductions.

14.04 An employee who wishes to review his personnel file shall submit such request in writing to his supervisor. Arrangements will be made within five (5) working days or such other time as may be mutually agreed between the employee and the Company for the employee to view his file in the presence of a member of management, such meeting to be outside regular working hours. An employee may not review his file more than once per year. When an employee receives a written warning, a copy will be provided to the steward and the union.

A verbal or written warning which is recorded in an employee's personnel file will be withdrawn when the employee completes a period of thirty (30) consecutive months active employment following the date of the discipline without receiving any other discipline in that period.

14.05 A Labour/Management committee of up to two bargaining unit members and up to two members of management will meet on a bimonthly basis to discuss matters arising out of the collective agreement relationship or affecting the Company or its employees. The committee shall not have the authority to amend, alter or modify the collective agreement. A proposed agenda will be exchanged between the committee members at least one week in advance of the meeting.

#### ARTICLE NO. 15 - JURY DUTY

15.01 The Company shall continue to pay an employee for scheduled hours at his regular wage for the time he is away due to being summoned to serve jury duty or subpoenaed as a Crown witness. Within one (1) month of the employee's return to work he will reimburse the Company the full amount of any court fees received from the Government. It is understood that the employee will report to work during regular hours that he is not required to attend court and may be required to produce a certificate of service from the Court Office if requested by the Company.

#### ARTICLE NO. 16 - LEAVE OF ABSENCE

16.01 (A) Leave of absence may be granted to an employee by the Company for good and sufficient reason upon application by the employee provided the granting of such leave does not interfere with the requirements of the business. Since it is the desire of the Company, the Union and employees to allow as many employees as possible to take their regular vacation during prime vacation time of May to September and during the Christmas-New Year's Day Week, applications for leave of absence during those periods will be restricted to absolute emergencies as defined by the Company.

(B) If leave of absence is for a period of one (1) week or more, a written application shall be made by the employees to the Company, and if leave is granted by the Company it shall be confirmed in writing.



(C) Seniority shall accumulate through periods of such leave of absence, but where leave exceeds one (1) calendar month, the employee will be required to repay all premiums on any benefits to which he is entitled.

#### ARTICLE NO. 17 - COMPASSIONATE LEAVE

17.01 In the event of a death in the immediate family, the Company will grant leave of absence without loss of pay for three (3) days for the purpose of attending the funeral. Additional leave up to two (2) days without pay may be granted for the purpose of travelling to the funeral outside the province. "Immediate Family" shall mean spouse, parents, child, brother, sister, step-father, step-mother, step-brother, step-sister, grandparents, mother-in law and father-in law. The Company will grant leave of absence without loss of pay for one (1) day, for the purpose of attending the funeral of the employee's brother-in-law or sister-in-law.

#### ARTICLE NO. 18 - UNIFORMS

##### 18.01 (A) Plant Employees

The Company will provide and launder, without charge, designated outer work clothing required by plant employees in the performance of their duties. It is understood and agreed that such clothing will be treated with proper care by the employee and will not be removed from Company premises under any circumstances.

##### (B) Safety Footwear

As a condition of employment, all plant, maintenance and shipping employees shall be required to wear Company approved safety footwear. Such full time employees who have completed their probationary period, will be eligible to receive footwear allowance of up to one hundred and ten dollars (~~\$110.00~~) in each year upon presentation of their receipt(s) of purchase for such safety footwear. Effective May 18, 2009 was increased to one hundred and fifty (~~\$150.00~~) dollars.

#### ARTICLE NO. 19 - PART-TIME EMPLOYEES

19.01 The Company may employ part-time employees under the following conditions:

1. Part-time employees shall not be employed or scheduled to the extent that their work results in the displacement, or prevents the hiring or recall of full-time employees.

2. Each part-time employee shall, as a condition of continuing employment, pay each month Union dues in accordance with Article 4 of this Agreement for those months in which the employee has earnings.

3. A part-time employee shall not be guaranteed a minimum number of hours per week.

4. Part-time employees will be paid the wage rate as set out in Appendix "A" of this Agreement and should they be employed in classifications covered in Group 1, or Group 2, then the appropriate wage shall apply.

5. Part-time employees shall be given first opportunity to qualify as full time employees and be placed at the bottom of the seniority list if they meet all qualifications and their seniority date will be the date in which they become a full time employee. Provided the part-time employee has worked at least forty-five shifts prior to becoming a full time employee, his full time probation period will be reduced to twenty-five days worked from the date of hire as a full time employee.

6. The Company will maintain in each department a list of part-time employees and the total hours each part-time employee has worked on a four week basis. The shop steward will be granted access to said information on a "as requested" basis.

7. Parttime employees will be eligible for the major medical and dental benefits in accordance with the terms and conditions of the plans. Coverage will be effective the first day of the month following 960 hours worked by the part time employee in a continuous twelve month period. Continued eligibility will be subject to the part time employee working an average of twenty-four hours or more per week in the previous quarter (reviewed quarterly).

#### ARTICLE NO. 20 - HEALTH AND WELFARE

20.01 Attached hereto and forming part of this Agreement is Appendix "B" setting forth the Health and Welfare benefits for employees covered by this Agreement.

20.02 The Union recognizes the right of the Company to select or change the benefit carrier(s) during the term of the Agreement provided however the benefits with the new carrier are not less than the current Health and Welfare benefits.

#### ARTICLE NO. 21 - SEVERANCE PAY

A regular full time employee who is permanently laid off and who is not subject to recall shall receive severance pay based on two (2) week's pay for each complete year of continuous service up to a maximum of twenty (20) years continuous service.

ARTICLE NO. 22 - TECHNOLOGICAL CHANGE

An employee who is displaced from his job by virtue of technological change may exercise his rights under clause 7.06 or he will be given the opportunity to fill other vacancies which are, or become available through the job posting procedure. Such displaced employee will be paid at his previous job base rate for a period up to six (6) months from the date of his displacement if he works in a lower rated classification.

ARTICLE NO. 23 - DURATION, TERMINATION AND AMENDMENTS



23.01 (A) This Agreement shall be in full force and effect as of May 18, 2009 and continue in full force and effect through the 30th day of April, 2012, and from year to year thereafter, except as hereinafter provided.

(B) Either party may, not less than sixty (60) days and not more than one hundred and twenty (120) days prior to the expiry of the collective agreement, give notice in writing to the other party that it wishes to negotiate amendments to the collective agreement. Negotiations shall commence thereafter in accordance with the Alberta Labour Relations Code.

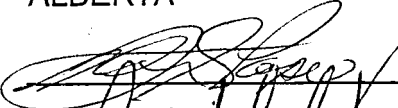

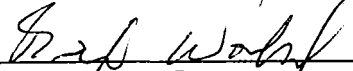

(C) Annual global increase for base wages outlined in Appendix A for the period of May 1, 2011 to April 30, 2012 may be re-negotiated if either party provides notice 60 days prior to May 1, 2011.

SIGNED AT Lethbridge, Alberta this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

SIGNED ON BEHALF OF:  
PARMALAT Canada Inc.  
LETHBRIDGE

  
\_\_\_\_\_  
  
\_\_\_\_\_  
\_\_\_\_\_

SIGNED OF BEHALF OF:  
MISCELLANEOUS EMPLOYEES  
TEAMSTERS LOCAL UNION 987 OF  
ALBERTA

  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_

APPENDIX "A"  
WAGES AND CLASSIFICATION

**SECTION 1- PLANT STAFF**

First pay period after	Effective May 1/09	Effective May 1/10	Effective May 1/11
<u>Group 1</u>			
Pasteurizer Operator			
C.I.P. Operator	\$22.83	\$23.28	\$23.75
Mix Maker			
Cultured Product Maker			
Swing Relief			
<u>Group 2</u>			
Machine Operator	\$21.54	\$21.97	\$22.41
Shipper/Receiver			
<u>Group 3A</u>			
Other experienced employees	\$21.04	\$21.46	\$21.89
<u>Group 3B</u>			
Other experienced employees	\$18.77	\$19.14	\$19.53
<i>(Hired following September 18, 1999 and Part Time employees)</i>			

**SECTION 2 - MECHANICAL**

Journeyman Millwright	\$28.55	\$29.12	\$29.70
Maintenance Man and 4th Class Engineer	\$24.27	\$24.75	\$25.25

"Lead Hand" designated by the Company will be paid one dollar (\$1.00) per hour over and above his rate.

NOTE: The Company will provide a tool allowance of \$100.00 per year to all plant maintenance employees who are required to provide their own tools.

### **SECTION 3 - RATE PROGRESSION SYSTEM**

The following rate progression system will apply to new full time employees (unless otherwise excluded).

\$2.00 less than scheduled rate during their first year.

\$1.00 less than scheduled rate during their second year

Part time employees who become full time will get credit for their part time hours worked to determine progression from the first year rate to the second year rate and to the full time rate as appropriate.

Note: This progression to apply to all of Appendix "A" except for Engineers.

3.02 The rate progression for part time employees is as follows:

Start at 75% of the full time position rate;

After completing 2080 hours worked progress to 85% of the full time rate;

After an additional 2080 hours worked progress to 100% of the full time rate.

### **SECTION 4**

An employee temporarily working on a higher rated classification shall not be paid the higher rate for the first four (4) hours of work. If, however, the employee works at least four (4) hours, he will be paid such higher rate for all hours worked on that day. If such employee works in excess of twenty (20) hours in a week on a higher rated job, he will be paid the higher rate for all hours worked in that week.

### **SECTION 5**

Any Classification not included in this Agreement, any change in classification or any change in method constituting a change in classification shall be negotiated between the Company and the Union at the time it comes into existence. If the parties fail to reach agreement, the matter shall be referred to a Board of Arbitration. The Board shall be empowered to make a binding Award.

### **SECTION 6**

The general increase of two (2%) percent will be retroactive for all employees active on the payroll on May 18, 2009 for all hours worked including paid holidays between May 1, 2009 and May 18, 2009.

## APPENDIX "B"

### ARTICLE 1. PENSION PLAN

1.01 The Company contributes to the Teamsters Pension Plan which is administered by Miscellaneous Employees, Teamsters Local Union 987 of Alberta, Province of Alberta. The plan is jointly trusted by union and company trustees. The plan provides that one of the company trustees is appointed by Parmalat Dairy & Bakery Inc.

1.02 Contributions are based on all regular hours worked including vacation pay and holiday pay but not including overtime. The maximum hours will be one hundred seventy-three (173) hours per month. Contributions will start on the day an employee begins work for the Company.

1.03 The Company will make any contributions on behalf of a part-time and/or summer student as required under the Alberta Pension Act.

1.04 The hourly contribution rate is effective in accordance with the following schedule:

November 1, 1988, increase to seventy-five cents (\$0.75) per hour from sixty-five cents (\$0.65).

May 1, 1990, increase to eighty cents (\$0.80) per hour.

May 1, 1992, increase to eighty-five cents (\$0.85) per hour.

May 1, 1994, increase to ninety cents (\$0.90) per hour.

May 1, 1997, increase to ninety-five cents (\$0.95) per hour.

May 1, 1998, increase to one dollar (\$1.00) per hour.

May 1, 1999, increase to one dollar five cents (\$1.05) per hour.

May 1, 2002, increase to one dollar ten cents (\$1.10) per hour.

May 1, 2003, increase to one dollar fifteen cents (\$1.15) per hour.

May 1, 2004, increase to one dollar twenty cents (\$1.20) per hour.

May 1, 2005, increase to one dollar twenty-five cents (\$1.25) per hour.

May 1, 2006, increase to one dollar thirty cents (\$1.30) per hour.

May 1, 2007, increase to one dollar forty-five cents (\$1.45) per hour.

May 1, 2008, increase to one dollar sixty cents (\$1.60) per hour.

May 1, 2009, increase to one dollar seventy cents (\$1.70) per hour.

May 1, 2010, increase to one dollar seventy-five cents (\$1.75) per hour.

May 1, 2011, increase to one dollar ninety cents (\$1.90) per hour.

## **ARTICLE 2. SICK LEAVE**

After an employee is in the service of the Company one (1) full year, he will be entitled to one work week per year, for sickness or non compensable accident, with full pay, when proof of disability is supplied. Unused days may accumulate to a maximum of seven (7) days leave for sickness or non-compensable accident. Any other benefits received by the employee during the time the Company is paying full pay, will be paid by the Company.

Where the Company requires an employee to obtain a Doctor's note to support an absence, the Company will pay for the doctor's charge, if any, for such note.

**ARTICLE 3. SHORT TERM DISABILITY PLAN** - See Company Benefit Plan booklet

**ARTICLE 4. LONG TERM DISABILITY PLAN** - See Company Benefit Plan booklet

## **ARTICLE 5. ALBERTA HEALTH CARE**

5.01 The Company will pay the full premium cost of Alberta Health Care during the term of this Agreement.

### **Dental**

Effective June 1, 2009, dental benefits will be paid on the 2009 Dental Reimbursement Guide for Alberta. Effective May 1, 2010, dental benefits will be paid on the 2010 Dental Reimbursement Guide for Alberta. Effective May 1, 2011, dental benefits will be paid on the 2011 Dental Reimbursement Guide for Alberta.

- Reimbursement for major restorative is 60%
- Calendar yearly maximum is \$1500.

### **Vision Care**

The Company will pay the full premium cost to implement a vision care benefit of \$100 per 24 month period through the group insurance plan. Effective May 1, 2007 the company will increase the vision benefit to \$125, effective May 1, 2008 the vision care benefit will be \$150 per 24 month period through the group insurance plan. Effective May 1, 2009 the vision care benefit will be \$250 per 24 month period through the group insurance plan.