

COLLECTIVE AGREEMENT

between

MASTERFEEDS INC.
Red Deer, Alberta
(hereinafter called “the Company”)

- and -

UNITED FOOD AND COMMERCIAL WORKERS
INTERNATIONAL UNION
Local 1118
(hereinafter called “the Union”)

INDEX

<u>ARTICLE</u>	<u>PAGE</u>
I RECOGNITION	3
II MANAGEMENT RIGHTS	3
III WAGES	4
IV UNION SECURITY	5
V OFFICERS AND STEWARDS OF THE UNION	6
VI GRIEVANCE AND ARBITRATION PROCEDURE	6
VII HOURS OF WORK AND OVERTIME.....	9
VIII PAID GENERAL HOLIDAYS	10
IX SENIORITY.....	12
X NOTICE OF LAYOFF	13
XI LAYOFF AND RECALL.....	14
XII PROMOTIONS AND JOB POSTING	14
XIII LEAVES OF ABSENCE	15
XIV VACATIONS.....	16
XV SAFETY AND HEALTH.....	17
XVI HEALTH BENEFITS	18
XVII DISCRIMINATION AND HARRASSMENT	19
XVIII VALID AGREEMENT.....	19
XIX GOVERNMENT REGULATIONS.....	19
XX UNION BULLETIN BOARD	20
XXI STRIKES AND LOCKOUTS	20
XXII SEVERANCE PAYMENT.....	20
XXIII DURATION OF AGREEMENT	21
APPENDIX A – WAGE RATES	22
LETTER OF UNDERSTANDING – CURRENT WAREHOUSE/BAGGER INCUMBENT	23
LETTER OF UNDERSTANDING – PENSION.....	24

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 Red Deer, 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, and/or placement of an employee who is absent from his job during the day.
 - 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 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 provision of this Agreement, the management and operation of the business and the equipment, direction, promotion, transfer, lay-off and suspension, discharge, or other discipline of employees for just cause, shall be vested solely in the Management of Company. Management will not exercise its rights unreasonably.
- 2.2 The Employer retains the right to contract out work or services not regularly performed by members of the bargaining unit, including, but not limited to, renovations, construction, janitorial, and security services, and the delivery and transporting/trucking of feed and raw materials.

- 2.1 Notwithstanding the foregoing, the Employer retains all rights not expressly limited by the terms of this Agreement.

ARTICLE 3-WAGES

- 3.1 The base rate and job classifications are set out in Appendix "A".

- 3.2 **Lead Hands.** A lead hand will be paid an additional rate as posted in Appendix "A", over his assigned job rate of pay. 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 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) A newly hired employee commences at the start rate and is subject to the appropriate rates laid out in Appendix "A". 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, provided he is qualified in accordance with 3.3 a) ii), but if required temporarily to fill a lower rated job he shall receive his regular rate.

**Note: The higher rate means the rate of the higher rated job that is equal to or next above his own rate.

- e) 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 one (1) year, including periods of lay-off.

- 3.4 **Establishing Rates for New or Changed Jobs.** Where the Company introduces a new job within the scope of 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 an electronic listing for 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 electronic 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 (30) days following the date of their employment and shall thereafter, maintain membership in the Union in good standing. The Union will supply the Company with new employee membership applications forms. The Company will procure from each new employee the necessary signature on the membership application form within the above-mentioned thirty (30) days period.

- 4.5 **Address List.** In the first week of January and every six (6) months thereafter, or as otherwise agreed, the Company shall provide the Local Union with a list of all employees covered by this Agreement, showing names, addresses and postal codes, and Social Insurance Numbers 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 a plant steward 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 the steward 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.

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 Production Manager or Plant 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 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.
- 6.3 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 Production Manager.

Grievances presented at this step shall be in writing and shall contain a brief statement of the grievance, and the correction requested.

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 five (5) working days following the meeting.

2nd Step Between the Union Grievance Committee and the Plant 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.

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.

The employee may, by written notice to the employer, withdraw his grievance at any stage of the grievance procedure.

ARBITRATION

Prior to proceeding to arbitration, the parties may mutually agree to utilize the services of a Grievance Mediator. However, if the parties are unable to resolve the grievance, they retain their right to proceed to arbitration.

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.

- 6.4 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.
- 6.5 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.

Note: An employee who is subject to discipline or discharge shall have a union steward or alternate present for any meeting with the Employer where discipline or discharge is discussed.

- 6.6 **Working Days.** For the purpose of this Article the term “working days” shall not include Saturday, Sunday or any paid holidays.
- 6.7 **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.
- 6.8 **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.
- 6.9 **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 offence, 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.

- 6.10 Should the employee or the Union fail to adhere to any time limit under this Article, the grievance shall be deemed to be abandoned. However, any time limit in the grievance

procedure may be extended by mutual consent between both parties to this Agreement and such consent must be signed and in writing.

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 **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.
- 7.3 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.
- 7.4 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. For all hours worked in excess of twelve continuous hours twice (2X's) the regular rate shall replace the time and one half rate.
- 7.5 The Company will give when possible, at least twenty four (24) hours notice to employees when their individual shift schedule is changed.
- 7.6 The Company has the right to add or delete the number of shifts it will operate per day or week. The company will give as much notice as possible to affected employees in the event that the Company decides to change the number of shifts due to operational reasons such as (short term lack of work or increase in work).
- 7.7 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 an alternative schedule in writing.
- 7.8 A change of shift schedule may at times reduce an employee's pay below the weekly normal hours of work in the short term, yet will not result in a lay-off. The company will endeavor whenever possible to keep this occurrence at a minimum by assigning employees to other jobs such as, housekeeping, to provide the employee with a normal hours of work week.
- 7.9 **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 two (2 X's) times 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.

- 7.10 **Emergency Call-in.** The Company shall pay an employee called in to perform work approved by management and 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 (1½X's) 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 regular pay.

- 7.11 **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.
- 7.12 **Meal Allowance.** Effective June 1, 2010, if employees are required to work in excess of one and one-half (1 ½) hours after the scheduled quitting time, the Company will pay a meal allowance of \$8.50 and allow thirty (30) minutes at regular rates for such a meal break. Employees working on scheduled shifts of less than seven and one-half (7½) hours will be entitled to the meal allowance only if they work in excess of nine (9) hours.
- 7.13 **Off-Shift Premium.** Employees shall be paid a shift premium of sixty cents (.60) per hour for all hours worked after 2:00 p.m. and before 6:00 a.m. This premium shall not be considered as part of such employees' basic rates. Effective May 1, 2011, the sixty cents (.60) will be increased to sixty five cents (.65) per hour.

ARTICLE 8-PAID GENERAL HOLIDAYS

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

New Year's Day
Alberta Family Day
Good Friday
Victoria Day

Canada Day
Civic Holiday
Labour Day
Thanksgiving Day

Remembrance Day
Christmas Day
Boxing Day

- b) **Lay-off or Recall in Holiday Weeks.** An employee, if laid off or recalled in the pay weeks in which the general 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 preceding. 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) **One and One-half Time for Work on General Holidays.** If employees do perform work on any of the general holidays set forth in (a) above, they shall receive general holiday pay as set forth in (a) above and shall be paid one and one-half (1½) times their regular rates for all hours worked on such days.

If an employee is scheduled to work on any general holiday as a result of the continuous operations of the business he may elect to take another mutually agreed day off in lieu of working on the paid holiday.

- d) **Absence – General Holidays.** Employees absent on the scheduled work-days next preceding or next following any general 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.
- e) **Paid General Holiday During Vacation.** If a paid general holiday falls within the employee's vacation period, he may elect to receive general 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 general holiday and the employee shall be paid in accordance with the provisions of Section 8.1(c) for that day.

- f) **Paid General Holiday During Leave of Absence.**
- i) An employee on leave of absence will be paid ** general holiday pay when both of the following conditions exist:
 - (a) If an employee works his last scheduled work-day prior to going on leave of absence; and
 - (b) If an employee works his scheduled work-day following a paid general holiday

** In the event that an employee is receiving a Weekly Indemnity or WCB payment on such paid general holiday then the employee shall be entitled to only the amount by which the general holiday pay exceeds such Weekly Indemnity or WCB payment. In no event will this payment go beyond the maximum time limit as provided by the insurance provider or WCB and further it shall not violate the terms of these providers.

f) Paid General Holiday During Leave of Absence.

- i) An employee on leave of absence will be paid general holiday pay when either of the following conditions exists:
 - (a) If an employee works the regularly scheduled work-day next preceding a paid general 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 returns to work on the regularly scheduled work-day next following a paid general 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 13.2, general 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. With the exception of casual labor employees.
- 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.
 - d) Is absent without leave for three (3) days without notice satisfactory to the employer.
- 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 his employment with 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.
 - d) Is absent without leave for three (3) days without notice satisfactory to the employer.
 - e) 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 one (1) year.
 - f) Fails to report from layoff when recalled or fails to advise of his unavailability for recall.
- 9.5 When an employee is promoted out of the bargaining unit, he will retain his seniority for a period of twelve (12) months, after which time he will lose all bargaining unit seniority. The employee may return to the bargaining unit provided this return occurs within this twelve (12) month period.

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) months' 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 compensation 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) Laid off employees shall have the right to recall subject to article 9.4. 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.** Where a lay-off is required, a senior qualified employee may request the lay-off. It is at the Company's sole discretion to grant such a request.

ARTICLE 12-PROMOTIONS AND JOB POSTING

- 12.1 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.
- 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 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 preference to seniority, subject to the requirements of the business and the sufficient abilities of the employee to do the work required. The transferred employee must be able to perform the work with minimal training.

ARTICLE 13-LEAVES OF ABSENCE

13.1 Jury and Witness Duty

- a. An employee who is summoned to serve as a juror or witness in Court and who does report for jury duty or Court will be paid an amount equal to the difference between the daily jury fee or Court fee paid by the Court for each day in which he performs jury duty or appears as a witness in Court and the amount the employee would have earned for his regularly scheduled work.
- b. In this Article, Court means only a civil or criminal Court of law.

13.2 Union Business

- a. A leave of absence without pay for union business or union training may be granted at the discretion of the Company. Such permission will not be unreasonably withheld.
- b. The Union shall provide as much written notice as possible when requesting a leave of absence without pay to attend to Union Business. The Company shall have the right to deny the leave if the requested leave unduly hampers operation requirements.
- c. Not more than two (2) employees at any time shall be granted leave.
- d. A leave may not exceed thirty (30) days unless approved by the Company.

13.3 General Leave

Except where the Employer specifically waives the requirement, all leaves of absence requests shall be made in writing. If a leave is granted by the Employer, at its' discretion, it shall be confirmed in writing.

13.4 Bereavement Leave

- a) In the event of a death in an employee's immediate family, the employee shall be granted a leave of absence of three (3) days with pay in accordance with the conditions contained in this clause. These days represent the day of the funeral, and two (2) additional successive days to be within one (1) week of the funeral.

- b) The term immediate family means the employee’s mother, father, sister, brother, spouse, son, daughter, stepchildren, mother-in-law, father-in-law, stepparents, foster parents and grandparents.
- c) Probationary employees will be entitled to, and granted, in the event of the death of a member of his immediate family, unpaid bereavement leave on any of his normal successive working days that occur within one week of the funeral, to a maximum of three (3) days unpaid leave. Immediate family will be as defined in 13.3 (b).
- d) For the following relations, an eligible employee shall be granted one (1) day leave of absence with pay for bereavement leave: grandchild, brother-in-law, sister-in law.
- e) The Company may require the employee to furnish verification of the date of the funeral.

13.5 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. Subject to the Canada Labour Code, this right will expire after his absence continues for a period equivalent to this length of service, to a maximum of two (2) years from the last day worked prior to commencement of leave.

ARTICLE 14-VACATIONS

14.1 **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 twenty 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 of pay at the employee’s regular rate, whichever is greater, for each week of eligible vacation. Subject to legislation, employees who have not worked a minimum of six (6) months in the twelve (12) month period shall be paid vacation pay based on the percentage.

- 14.2 **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.

14.3 **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) year's employment, four percent (4%); after five (5) years employment, six percent (6%), etc.).
 - iii) Vacation pay will not be paid to an employee in lieu of taking his vacation unless such circumstance is the result of terminating employment.

- 14.4 **No Carry Over of Vacations.** Except as set out below, an employee shall take his vacation in the vacation season in which he becomes eligible and vacation periods shall not be accumulated from year to year.

An employee eligible for four (4) or more weeks of vacation may, by prior agreement with his production manager, accumulate any vacation entitlement in excess of three (3) weeks to be taken at a later time convenient to the Company, taking into account the wishes of the employee. Such accumulated vacation may be taken only in full weeks and shall be taken prior to the employee's retirement.

ARTICLE 15-SAFETY AND HEALTH

- 15.1 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.
- 15.2 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. The Committee will meet a minimum of four (4) times a year or as required under the Canada

Labour Code, and may make recommendations on matters affecting the safety and health of employees.

- 15.3 Safety footwear allowance of up to \$240 in a two-year period, on proof of employee purchase. The Employer further agrees to provide two (2) pairs of coveralls each calendar year to each employee, unless extenuating circumstances require an additional pair. Effective May 1, 2012, the \$240 safety footwear allowance amount shall be increased by \$10.00 to \$250. Effective May 1, 2014, the \$250 safety footwear allowance amount shall be increased by \$10.00 to \$260.
- 15.4 The Company agrees to supply the employees with tools, coveralls, gloves, rubber boots, vests, hardhats and clothing, as it deems necessary.
- 15.5 The Company and the Union are committed to a safe working environment, and safe and early return to work following an Employee injury or illness. The Company will endeavour to accommodate the Employee's physical limitations, including payment of regular wages while attending medical appointments and therapies related to the injury or illness. The Employee will schedule such appointments to minimize time away from the workplace whenever possible.
- 15.6 It is the employee's responsibility to take, in accordance with Company rules and procedures, reasonable precautions with respect to working in a safe manner with others as well as for his own safety, including the use of all appropriate safety clothing and equipment when required by those procedures and to part take in all training requirements.

ARTICLE 16-HEALTH BENEFITS

- 16.1 Provided an employee successfully completes the probationary period, meets the qualifying periods of employment for coverage and meets any other requirements for participation as determined by the Employer or the insurer, the Employer agrees to pay all or a portion of the premiums for the listed benefits below:
- a) Life Insurance**: Basic – 100% employer paid; Optional – 50% employer paid
- **“Effective May 1, 2012, the Company will pay the premium cost for employee life insurance coverage in the amount of \$45,000 for employees actively at work at the time.”
- **“Effective May 1, 2013, the Company will pay the premium cost for employees life insurance coverage in the amount of \$50,000 for employees actively at work at the time.”
- b) Weekly Indemnity – 100% employer paid
- c) Long Term Disability Coverage – 65% employer paid
- d) Major Medical – 100% employer paid
- e) Dental – Effective June 1, 2010 - 80% employer paid

- f) Vision Care – Effective May 1, 2012, the \$225 amount will be increased by \$10 to \$235.
Effective May 1, 2013, the \$235 will be increased by \$5 to \$240.
Effective May 1, 2014, the \$240 will be increased by \$5 to \$245.
- 16.1 i) Effective June 8, 2008, new hires from that date will not have entitlements to retiree benefits as outlined in the Benefit Booklet/Policies.
- 16.2 a) The provisions of the group benefits plans and insurance policies as amended from time to time by the Employer or the insurance carrier shall govern with respect to the benefits provided. These documents shall not be considered part of or be considered incorporated into the Collective Agreement, nor shall the Employer be considered an insurer. The Employer retains the right to change insurance carriers provided that the benefit levels are maintained at the same levels.
- b) The Employer agrees that if it changes insurance carriers or benefit coverage, it will notify the Union and the employees of any resultant changes in coverage or benefits.
- 16.3 **Alberta Health Care Insurance Plan**
In the event that the Alberta Government reinstates the practice of employee premiums, the Company will pay the full cost of the employee premiums for those enrolled in the Alberta Health Care Insurance Plan and in accordance with the Plan's terms.

ARTICLE 17 – DISCRIMINATION AND HARRASSMENT

- 17.1 It shall continue to be the policy of the Company and of the union not to discriminate against any employee because of race, colour, creed, nationality, sex, religious beliefs or Union activity.

The Company will not tolerate harassing conduct that creates an intimidating, hostile or offensive work environment. Harassment consists of unwelcome conduct, whether verbal or physical.

ARTICLE 18 – VALID AGREEMENT

If any provision of this Agreement is declared invalid by any court or administrative agency of competent jurisdiction, a decision shall not invalidate the entire Agreement. The parties intend that all other provisions remain in full force and effect. The parties further agree to amend this agreement to fully comply with requirements of applicable law.

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 generalations 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.

ARTICLE 22-SEVERANCE PAYMENT

22.1 When it becomes necessary to close the plant or a substantial portion of the plant and the Company does not offer other employment to the employee who is permanently displaced, a severance payment will be paid to such terminated employee on the basis of 1 week's base rate of pay for each completed year of service.

One months' notice will be provided to the Union prior to the expected date of the plant closure.

The foregoing severance payment for each employee is subject to the following:

- a) is eligible providing the employee is actively employed by the Company or is carried on the lay-off list;
- b) is eligible providing the employee is off on an authorized sick leave or receiving worker's compensation and continues to hold seniority for a period of up to one (1) year from date of injury* or illness* (* this is subject to Alberta's Workers' Compensation Act and federal labour laws);
- c) is eligible providing the employee continues to work for the Company in a satisfactory manner for as long as his services are required.
- d) will not be eligible for a severance payment totalling more than he would have earned at his base rate of pay from the date of his termination until his normal retirement date (the first day of the month following the employee's 65th birthday);

- e) will not be eligible for a severance payment if the closing down of the plant is the result of a war, strike, walkout, work stoppage, slowdown or other cessation of work, terrorism, fire, explosion, government action or act of God;

It is understood that receipt of a severance payment cancels seniority and the employee is deemed terminated. If later rehired, no seniority will be reinstated.

ARTICLE 23 -DURATION OF AGREEMENT

- 23.1 This Agreement shall be in full force and effect from May 1, 2012 until April 30, 2015 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.
- 23.2 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 Labour Code*.

Signed this _____ day of _____, 2012.

FOR UNITED FOOD & COMMERCIAL
WORKERS UNION, LOCAL 1118

FOR MASTERFEEDS INC.
RED DEER, ALBERTA

W. MacLure

APPENDIX "A"

<u>JOB CLASSIFICATIONS</u>	<u>HOURLY PAY RATES</u>		
	YEAR 1 01-May-12	YEAR 2 01-May-13	YEAR 3 01-May-14
CASUAL LABOUR	\$17.29	\$17.77	\$18.26
<u>STARTING RATE(FULL TIME)</u>	\$17.52	\$18.00	\$18.50
* WAREHOUSE / BAGGER	\$21.29	\$21.88	\$22.48
* BULK SHIPPING & REC'ING	\$21.29	\$21.88	\$22.48
* PELLET MILL OPERATOR	\$21.96	\$22.56	\$23.18
* MIXER	\$22.56	\$23.18	\$23.81
* MAINTENANCE (no trade ticket) (1)	\$25.33	\$26.02	\$26.74
MAINTENANCE (with trade ticket) (2)	\$30.49	\$31.33	\$32.19
* PROGRESSION OF HIS POSTED JOB RATE			
AFTER 3 MONTHS	85% of His Posted Job Rate		
AFTER 6 MONTHS	90% of His Posted Job Rate		
AFTER 9 MONTHS	95% of His Posted Job Rate		
AFTER 12 MONTHS	100% of His Posted Job Rate		

(1) Note: Recognizing the issue of attracting appropriately qualified maintenance employees, it is understood that the Employer may pay newly hired employees a wage rate at any one of the 3-6-9-12 Levels.

(2) Note: This Maintenance (with trade ticket) position shall have no progression.

(3) Note: **Maintenance (with a ticket(s))**: It is Management's right to determine the type of Alberta trade ticket required for Maintenance.

(4) Note: When the Maintenance (2 levels - with trade tecket, and no trade ticket) is offered and accepts overtime work that is not maintenance work, he will be paid the applicable job rate.

Lead Hand Premium: A lead hand will be paid \$.60 per hour over his assigned job rate of pay for all hours worked while performing the functions of lead hand. 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 supervisor. A lead hand does not have the authority to hire, fire, or discipline employees. He remains a member of the bargaining unit.

May 27, 2010

Letter of Understanding

It is understood that the current incumbent who is currently a Warehouse/Bagger on the date of the 2008 collective agreement ratification has a rate of \$18.71. He is deemed posted into that position. Effective May 1, 2007 his deemed posted rate of \$18.71 will receive the general increases until such time he posts into another job and then such rate will apply.

May 27, 2010

Letter of Understanding

Pension

During the term of the Collective Agreement, it is understood employees in the bargaining unit will be eligible to join the Masterfeeds Hourly Pension Plan in accordance with its provisions.