

COLLECTIVE AGREEMENT

BETWEEN

PARRHEIM FOODS, a division of P&H Milling Group,
Saskatoon, Saskatchewan (hereinafter called the "Employer")

- and -

**UNITED FOOD AND COMMERCIAL WORKERS
CANADA, LOCAL 1400**
(hereinafter called the "Union")

TERM: April 27, 2012 – April 30, 2015

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ARTICLE 1 - PURPOSE

The purpose of this agreement is:

- (a) to maintain and improve the harmonious relations and settle conditions of employment between the Employer and the Union;
- (b) to recognize the mutual value of joint discussions in all matters pertaining to working conditions, employment, services, etc.;
- (c) to encourage efficiency in operation; and
- (d) to promote the morale, well-being and security of all employees in the bargaining unit of the Union.

ARTICLE 2 - SCOPE

The Employer recognizes the United Food and Commercial Workers Canada, Local 1400, as the bargaining agent of all employees of Parrheim Foods, in Saskatoon, Saskatchewan, excluding sales staff, office staff, forepersons and those above the rank of forepersons.

ARTICLE 3 - RECOGNITION

- 3.01 The Employer recognizes the Union as the sole collective bargaining agency for the employees covered by this Agreement, and hereby consents and agrees to negotiate with the union through its designated bargaining representatives on all matters relating to rates of pay, hours of work, and other working conditions of employees covered by this Agreement.
- 3.02 In this Agreement, whenever the word “she”, “her”, or “hers” or the word “he”, “him”, or “his” appear, it shall be construed as any employee, male or female.
- 3.03 The word “employee” or “employees” shall mean any person or persons covered by this Agreement.

ARTICLE 4 – MANAGEMENT RIGHTS

The Company retains any and all management rights not expressly limited by the specific terms of this Collective Agreement. Among these rights, but not intended as a wholly inclusive list, shall be the right to manage the plant and direct the workforce; to plan, direct and control plant operations; to determine the number of personnel needed; to determine schedules, shift assignments, and hours of work including overtime; to determine the number of shifts; to demote, discipline, suspend, or discharge employees for just cause; to maintain order; to make and enforce reasonable plant rules and regulations; to make and enforce safety rules; to contract work out, or in, including but not limited to maintenance and construction work, or to have such work performed by other Company personnel; and to make any decisions, or changes which in the opinion of management the efficient operation of the plant requires.

ARTICLE 5 - UNION SECURITY

- 5.01 Every employee who is now or hereafter becomes a member of the Union shall maintain his membership in the Union as a condition of his employment, and every new employee whose employment commences hereafter, shall, immediately upon commencement of his employment apply for and maintain membership in the Union, and maintain membership in the Union as a condition of his employment.
- 5.02 The Employer agrees to provide each new employee with the Union Security Card. The Employer will have said employee fill out the card and return it to the Saskatoon Union office at the same time as the next Union Dues Check off report. The Union will provide the Employer with this documentation.
- 5.03 (a) The Employer agrees that it will comply with the Canada Labour Code and that there shall be no discrimination exercised or practiced with respect to any employee in any manner because of activity on behalf of the Union, or for exercising any right under this Agreement, or for reporting to the Union an alleged violation of this Agreement.
- (b) The Employer shall not refuse to employ or continue to employ or otherwise discriminate against any person or class of persons with respect to employment, or any term or condition of employment, because of his race, religion, colour, sex, marital status, family status, disability, age, nationality, ancestry, sexual orientation, or place of origin.
- 5.04 (a) Any employee(s) shall have the right at any time to have the assistance of a representative of the Union in any discussions with the Employer that may lead to discipline. The employee may request that the shop steward leave the meeting.
- (b) A representative of the Union shall have access to the Employer's premises in order to deal with any disagreement arising out of this Collective Agreement provided she first reports to the Production Manager, or his designate.
- (c) An authorized Representative of the Union shall be permitted, after notifying the manager, to talk with an employee regarding Union matters during the employee's working hours. Time taken for such an interview in excess of fifteen (15) minutes, shall only be with the Employer's consent.
- 5.05 Union officers shall be entitled to leave their work station during working hours in order to carry out their functions under this Agreement, including, but not limited to, the investigation and processing of grievances and attendance at meetings with the Employer; exception attendance at negotiations and arbitrations. Permission to leave the work station during working hours for such purposes shall first be obtained from the employee's Supervisor. Such permission shall not be unreasonably withheld. All time spent on site in performing such duties during the Union officer's scheduled working hours shall be considered as time worked.
- 5.06 The Employer will provide an employee with copies of all documents, such as performance appraisals, written reprimands, etc., that could in the future be used against the employee.

- 5.07 Discipline memoranda will be removed from an employee's record within eighteen (18) months of the date of issue, and will not thereafter be used in any action against the employee.
- 5.08 The employees of the Employer not covered by this Agreement shall not perform work normally performed by bargaining unit employees, except for:
- a) instruction and training of employees;
 - b) in the absence of regular employees until a regular employee is available;
 - c) testing and development of equipment.

The Supervisors will not perform bargaining unit work beyond their present practice, provided there shall be no displacement of bargaining unit employees, or reduction in hours of work available to employees in the bargaining unit as a result.

5.09 Joint Labour Management Committee

- (a) The Employer and the Union are committed to establishing and maintaining a workplace for employees that is focused on being more efficient and effective, and that is based on cooperation, mutual problem solving and respect for the individual. To assist in achieving this, a Joint Labour Management Committee shall be formed.
- (b) The Committee shall meet at most four (4) times per year. The Committee will deal with all issues of mutual concern and interest at the Plant, but not negotiable items.
- (c) The Joint Labour Management Committee shall consist of two (2) representatives from the Union and two (2) representatives appointed by the Employer. A Union representative shall attend and participate in the Committee meetings.

ARTICLE 6 - UNION DUES CHECKOFF

- 6.01 (a) The Employer shall deduct from every employee, any dues, initiation fees, and assessments, as directed by the Union, and shall remit the deductions to the Secretary-Treasurer of the Union monthly.
- (b) The deductions shall be accompanied by a list in both written and/or electronic (ascii.xls) format, of names, addresses, classifications, and phone numbers of the employees from whom the deductions have been made, and the amount of each deduction.
- 6.02 The Employer further agrees, automatically, to deduct Union dues from the wages of all new employees as per Article 6.01. The employee shall, upon commencement of employment, provide the Employer with a signed authorization for such deductions.
- 6.03 The Employer will furnish the Union each month with an electronic (ascii.xls format) list of:
- (a) names of the employees from whom deductions have been made, and the

amount of such deductions;

- (b) names of employees whose employment has been terminated;
- (c) names of employees who have been hired;
- (d) home addresses and phone numbers of all new employees who have been hired.
- (e) any changes in home address and phone numbers of existing employees if known by the Employer.

6.04 The Employer shall include yearly, Union dues on T-4 slips for income tax purposes.

ARTICLE 7 - NO STRIKE NO LOCKOUT

During the term of this Agreement which extends from "A" to "B", the Employer agrees that it will not cause or direct any lockouts of its employees, and the Union agrees there will be no strike by any employee or the Union.

ARTICLE 8 - SENIORITY

8.01 Seniority is defined as the length of an employee's employment with the Employer, and shall include service with the Employer prior to certification of the Union. Seniority shall operate on a bargaining unit wide basis.

8.02 The Employer shall maintain a seniority list showing the name, classification, address, phone number and date of hire on which each employee's service began. An up to date seniority list shall be supplied to the Union in written and/or electronic (ascii.xls) format, and posted on the bulletin board in January and July of each year. The seniority list that will be posted on the bulletin board will not contain the addresses or phone numbers of the employees.

8.03 All employees, until they have been employed by the Employer for three (3) calendar months, shall be probationary employees.

An employee absent due to illness, injury, or approved leave of absence of five (5) days or more shall have their probation period extended by the number of days absent.

If there is doubt about an employee being able to qualify during the probationary period, the probationary period may be extended by an additional 15 days of actual work by mutual consent of the Union and the Company.

8.04 An employee shall lose their seniority in the following circumstances:

- (a) if the employee is discharged for just cause and is not reinstated;
- (b) if the employee resigns voluntarily;

(c) if the employee is laid off for a period in excess of twelve (12) consecutive months;

(d) if, following layoff, the employee fails to return to work within seven (7) calendar days after receiving notice to do so unless on reasonable grounds, the employee is unable to do so. The employee shall keep the Employer informed of the employee's current address. The employee shall be deemed to have received notice to return to work if the Employer sends the employee such notice by registered mail to the employee's last known address; or

(e) if an employee accepts a position outside the bargaining unit for a period in excess of three (3) months.

- 8.05 If an employee accepts a position outside the bargaining unit, the employee shall retain seniority for a period of three (3) months, during which time the employee can return to his former position and pay range in the bargaining unit, or the Employer can return the employee to the employee's former position and pay range in the bargaining unit.

ARTICLE 9 - PROMOTIONS & VACANCIES

- 9.01 Where a job vacancy occurs, or a new job is created the Employer shall post a notice of such vacancy on all bulletin boards. Such posting shall be for a minimum period of seven (7) calendar days. The notice shall set out a description of the job, the qualifications required of applicants for the job, the hours of work (shift) and the wage rate for the job.

In filling job vacancies, including promotions, the job shall be awarded within fourteen (14) calendar days of the posting. Job vacancies, including promotions, shall be filled in accordance with seniority.

For Operator and Maintenance positions, the Employer shall be governed by the following factors, as between two or more applicants:

- (i) the seniority of the employee involved; and
- (ii) the qualifications and ability to do the job in a competent manner.

Where the factors in (ii) have been met by two (2) or more employees, the factor in (1) shall govern the Employer.

If none of the applicants for the vacancy are qualified, then the Company may fill the job from any other source following discussion with the Union

- 9.02 In the event the successful applicant fails to demonstrate sufficient ability in the position in the first three (3) months, or during the three (3) months, if agreed between the Employer and the Union, or if the employee is unwilling to perform the duties of the new position, the employee shall revert to the position held just previous to the appointment, at the appropriate rate of pay for that position. Any other employee promoted or transferred because of the rearrangement of positions shall also revert to the position held previously, at the appropriate rate of pay for that position.
- 9.03 An employee who has successfully applied for a posted job cannot apply for another job in the bargaining unit for twelve (12) months.

ARTICLE 10 - LAYOFFS AND RECALLS

- 10.01 A layoff shall be defined as a reduction in the workforce, or a reduction in the regular hours of work of any employee for a period in excess of two (2) weeks.
- 10.02 Employees shall have bumping rights in accordance with their seniority. e.g., senior employees whose job is not functioning would have the right to displace junior employees in the same Department first, then bargaining unit, provided that for Operator and Maintenance positions they have the qualifications and ability to do the job in a competent manner.
- 10.03 Employees shall be recalled in the order of their Bargaining Unit seniority, then in their Department where jobs become available, provided that for Operator and Maintenance positions they have the qualifications and ability to do the job in a competent manner.
- The Employer shall give notice of recall by registered mail to the last recorded address of the employee. The employee shall keep the Employer advised at all times of a current address.
- 10.04 New employees shall not be hired until those laid off, or who have had their hours of work reduced, have been given an opportunity to be recalled, or have their hours of work restored, consistent with 10.03.
- 10.05 The Employer shall notify employees who are to be laid off fourteen (14) calendar days prior to the effective date of layoff, or award pay in lieu thereof, unless a greater period of notice is required by legislation, in which case such greater period of notice or pay in lieu thereof shall be given. If not possible to give fourteen (14) days notice, as much advance notice will be given as is possible.
- 10.06 During any layoff of one (1) month or less, the Employer shall continue to provide all laid off employees with the benefits as outlined in the Collective Bargaining Agreement.

ARTICLE 11 - HOURS OF WORK

11.01 Normal Shift Hours

Unless operating requirements dictate otherwise, the normal hours of work are as follows:

- Day shift – 8:00 a.m. to 4:30 p.m.
- Afternoon shift – 2:00 p.m. to 10:30 p.m.
- Night shift – 9:00 p.m. to 5:30 a.m.
- 4 on / 4 off shift:
 - Day shift – 8:00 a.m. to 8:00 p.m.
 - Night shift - 8:00 p.m. to 8:00 a.m.
- Night cleaner – 9:00 p.m. to 5:30 a.m.

Prior to implementing a new shift schedule, the Company will notify the Union of the change.

Employees may work an 8-hour shift, or a 12-hour shift according to operating

requirements.

Employees may work on a 4-on, 4-off schedule according to operating requirements. See *Appendix A*.

Employees may work a steady day, afternoon, or night shift according to operating requirements.

11.02 Rest periods with pay and lunch breaks without pay shall be granted as follows:

- (a) Employees working an eight (8) hour shift will be granted two (2) fifteen (15) minute rest periods and a one-half (1/2) hour unpaid lunch. Employees working a twelve (12) hour shift will be granted three (3) fifteen (15) minute rest periods. Rest periods will be taken as close to the mid-way point of each four (4) hours worked as possible, depending on operating requirements.
- (b) A one-half (1/2) hour lunch break as close to the mid-way point of the shift as possible, depending on operating requirements.
- (c) A fifteen (15) minute rest period immediately prior to commencement of overtime of four (4) hours, or more.

11.03 No split shift, except by mutual agreement between the employee and the Manager, will be permitted.

11.04 For employees who are employed in a 4-on, 4-off schedule, a work schedule shall be posted monthly showing the scheduled working hours for each employee covered by the Agreement for the succeeding month. For employees who are not employed in a 4-on, 4-off schedule, a work schedule shall be posted each Thursday by noon, or as soon as possible, showing the scheduled working hours for each employee covered by the Agreement for the succeeding week. No change in such schedules shall be made without 48 hours' advance notice, unless in the event of sickness, accident, bereavement, fire, flood, or other similar circumstances beyond the control of the Employer.

11.05 Upon request, the Union will be given copies of any work schedules.

11.06 Any employee called in or required by the Employer to report to work shall be paid a minimum of three (3) hours at the applicable overtime rate.

ARTICLE 12 - OVERTIME

12.01 (a) All time worked in excess of forty (40) hours per week, or eight (8) hours per day shall be considered as overtime. In the case of employees working the 4 on / 4 off rotation of 12-hour shifts, all hours worked outside of those shifts will be considered as overtime.

All overtime work must be authorized by the Production Manager, or his designate.

- 12.02 For employees on the eight (8) hour rotation, time and one-half (1 1/2) the employee's regular hourly rate of pay shall be paid for all time worked in excess of eight (8) hours per day, or forty (40) hours per week.

For employees on the twelve (12) hour rotation, time and one-half (1 1/2) the employee's regular hourly rate of pay shall be paid for all time worked in excess of twelve (12) hours per day, or on their scheduled days off after the employee has worked the equivalent of his normal scheduled hours in the pay period.

All holiday pay will count as equivalent hours worked in the week for purposes of calculating overtime pay.

- 12.03 (a) All overtime shall be offered on the basis of seniority to employees who have sufficient ability to perform the work.
- (b) In the event no senior employees volunteer, then the most junior employee with the skill and qualification in the department shall be assigned to perform the overtime work, subject to the limitations in the *Canada Labour Code*.

ARTICLE 13 - ANNUAL VACATIONS

- 13.01 Vacations with pay will be granted by the Employer in accordance with the following:

- (a) Less than one (1) years' service as of May 1 – calculated number of days off with pay of four percent (4%) of previous vacation year's T4 earnings.
- (b) One (1) year but less than four (4) years' service as of May 1 - two (2) weeks off with pay of four percent (4%) of previous vacation year's T4 earnings.
- (c) Four (4) years' but less than ten (10) years' service as of May 1 - three (3) weeks off with pay of six percent (6%) of previous vacation year's T4 earnings.
- (d) Ten (10) years' but less than twenty (20) years' service as of May 1 - four (4) weeks off with pay of eight percent (8%) of previous vacation year's T4 earnings.
- (e) Twenty (20) or more years of service as of May 1 - five (5) weeks off with pay of ten percent (10%) of previous vacation year's T4 earnings.

Vacation pay for each week of vacation shall be at the applicable percent of gross annual earnings as recorded on the employee's previous year's T4. "Earnings" include wages and the previous year's holiday pay and vacation pay.

- 13.02 If a paid holiday(s) falls or is observed during an employee's vacation period, the vacation shall be extended by the number of paid holidays that have occurred during the employee's vacation period, or the employee can receive another day(s) off, with pay, at a time mutually agreed upon between the Employer and the employee.
- 13.03 (a) Vacation schedule forms shall be posted by April 1st of each year. Employees shall mark in their requested vacation times by April 30th. In case of conflict, as to selection of vacations, the senior employee(s) will be given priority over junior employees.

(b) Vacation schedules shall be finalized and posted by May 15th of each year, and shall not be changed without the consent of the affected employee(s).

Employees who do not submit vacation requests by December 31 will be scheduled by the Company.

(c) The Company reserves the right to limit the number of employees on vacation within any job classification in any week based on operating requirements. The employer will not be unreasonable in denying vacation requests.

13.04 During the period of June 1 to September 1, and subject to availability, employees who are eligible for three (3), or more weeks of vacation shall be entitled to two (2) consecutive weeks of vacation within this period. Additional weeks of vacation shall be granted during this period if available after selection by other employees on April 30.

13.05 When employment of an employee terminates, the Employer shall pay, in addition to all other amounts due the employee, all vacation pay earned but not received.

ARTICLE 14 - HOLIDAYS

14.01 The Employer recognizes the following as paid holidays:

- | | |
|---------------|------------------|
| NEW YEARS DAY | SASKATCHEWAN DAY |
| GOOD FRIDAY | THANKSGIVING DAY |
| VICTORIA DAY | REMEMBRANCE DAY |
| CANADA DAY | CHRISTMAS DAY |
| LABOUR DAY | BOXING DAY |

and any other day declared, or proclaimed as a holiday by the Federal Government.

14.02 The above holidays shall be observed on days other than the calendar date if so proclaimed by Federal Government.

14.03 (a) An employee who does not work on the above holiday shall receive holiday pay equal to eight (8) hours pay or twelve (12) hours of pay, according to their normal work schedule.

(b) An employee who works on a paid holiday shall be paid overtime at the rate of one and one-half (1 1/2) times, in addition to the holiday pay.

14.04 At no time shall any employee's Statutory Holiday pay be less than that prescribed by Federal Legislation.

14.05 In order to be eligible for paid holiday payment, an employee must have been employed for thirty (30) calendar days and must have earnings for at least fifteen (15) days during the thirty (30) calendar days immediately preceding the paid holiday.

All holiday pay will count as equivalent hours worked in a week for purposes of calculating overtime pay. In the case of employees working eight (8) hour shifts, such

work week shall be reduced by eight (8) hours for each such holiday. In the case of employees working twelve (12) hour shifts, such work week will be reduced by twelve (12) hours for each such holiday. Employees working in excess of the reduced hours of work in such a week shall be paid one and one half (1 1/2) times for all hours worked in excess of the reduced work week.

ARTICLE 15 - LEAVE OF ABSENCE

- 15.01 Employees elected or appointed to attend conventions, business meetings, education courses, conferences or seminars in connection with the affairs of the Union, shall, upon giving the Employer twenty-one (21) days' notice, be granted leave of absence without pay. The Employer reserves the right to limit the number of employees granted such leave to one (1) at any one time.
- 15.02 An employee shall be granted five (5) consecutive days leave, without loss of pay or benefits, in the case of death of a spouse (including common law spouse), child, or step child, and three (3) consecutive days leave, without loss of pay or benefits, in the case of death of a parent, mother-in-law, father-in-law, step parent, brother, sister, sister-in-law, brother-in-law, son-in-law, daughter-in-law, grandparent of the employee or the employee's spouse, grandchild of the employee or the employee's spouse, or any relative in the employee's household.
- 15.03 Maternity and parental leaves will be administered in accordance with the Canada Labour Code.
- 15.04 (a) The Employer shall grant leave of absence without loss of pay, rights or benefits under this Agreement, to an employee who serves as a juror or as a witness, if subpoenaed. The Employer shall pay such an employee the difference between normal earnings and payment received as a witness or for jury service, excluding payment for travelling, meals or other expenses.
- The employee will present proof of service and the amount of pay received.
- (b) Employees shall return to work within a reasonable period of time. They shall not be required to report if less than twenty-five percent (25 %) of their normal shift remains to be worked.
- 15.05 Employees shall be entitled to leave of absence without pay and without loss of any rights or benefits under this Agreement, for other good and sufficient cause. Such request shall be in writing for approval by the Employer. Such approval shall not be withheld without just cause.

ARTICLE 16 – SICK LEAVE

Sick leave shall be earned at the rate of one eight (8) hours for every month an employee is employed to a maximum of six hundred eighty (680) hours.

The unused portion of an employee's sick leave shall accrue for future use.

A deduction shall be made from accumulated sick leave of all normal working hours (exclusive of holidays) absent for sick leave.

An employee will be required to have forms completed by a medical practitioner for any illness in excess of two (2) working days, certifying that the employee was totally disabled and unable to perform modified work. The employer will provide the forms.

Immediately after the close of each fiscal year (May to April), the Employer shall advise each employee, in writing, of the amount of sick leave accrued.

Sick leave is payable at two thirds of the normal hourly base rate for the first three (3) weeks' absence and 100% thereafter, to a total of seventeen (17) weeks.

Nothing in this article will prevent the Employer from addressing perceived instances of excessive absenteeism.

ARTICLE 17 - HEALTH & SAFETY

17.01 The Employer shall comply with all applicable Federal health and safety legislation and regulations.

17.02 A Health and Safety Committee shall be established which is composed of two (2) Union and two (2) Employer members.

Minutes shall be taken of all meetings and copies shall be sent to the Employer and the Union.

17.03 Time spent by members of the Committee in the course of their duties shall be considered as time worked and shall be paid in accordance with the terms of this Agreement.

17.04 The Employer shall reimburse the employee up to \$150 annually for the purchase of safety shoes upon submission of a receipt.

ARTICLE 18 - GENERAL

18.01 The Employer shall provide a bulletin board, which shall be placed so that all employees will have access to it, and upon which the Union shall have the right to post notices of meetings and such other matters, as may be of interest to the employees. All postings must first be approved by the Employer.

18.02 The Employer shall display on the bulletin board an appropriate decal to be supplied by the Union, indicating the employees are members of United Food & Commercial Workers Local 1400.

18.03 Employees who work on the night shift shall receive a bonus of seventy five cents (\$0.75) per hour over and above the rate of the job.

ARTICLE 19 - JOB CLASSIFICATIONS

19.01 The employer will notify, and discuss with, the Union any plans to change, or eliminate any classifications, or positions.

19.02 Cross-training for higher paying, or more favourable positions will be offered based on the criteria outlined in Article 9.

ARTICLE 20 - GRIEVANCE PROCEDURE

Any complaint, disagreement, or difference of opinion between the Employer and the Union, or between the Employer and an employee covered by this Agreement which concerns the interpretation, application, operation or alleged violation of the terms and provisions of this Agreement and/or applicable legislation may be considered as a grievance.

Grievances must be presented within fourteen (14) calendar days following the event giving rise to such grievance, or from the time an employee reasonably should have been aware of the alleged grievance.

Step No. 1

It is the mutual desire of the parties hereto, that complaints of employees shall be adjusted as quickly as possible. If an employee has an unsettled complaint, then, the employee and the employee's steward may take the matter up verbally with their immediate supervisor. The supervisor shall render his decision within seven (7) calendar days of the presentation of the complaint.

Step No. 2

Failing settlement at Step No. 1, the Union and/or the employee shall submit the written grievance within seven (7) calendar days to the Production Manager or designate. A Step 2 meeting will be held with the Steward and the grievor in attendance, with the Production Manager and/or his designate. The Step 2 meeting will be scheduled within ten (10) calendar days of the written grievance being filed with the Employer. The Production Manager, or his designate shall render the Company's decision in writing to the Steward within fifteen (15) calendar days after the Step 2 meeting.

The Steward will be allowed to attend the Step 2 meeting if the Steward is at work at the time of the meeting. If the Steward is not scheduled to work at the time of the meeting, he can attend the meeting without pay from the Company.

Step No. 3

Failing settlement at Step 2, a Business Representative of the Union may within fifteen (15) calendar days, schedule a meeting with the Employer or designate. The Union Representative, the Steward and the grievor shall be present at the Step 3 meeting with the Employer.

The Steward will be allowed to attend the Step 3 meeting if the Steward is at work at the time of the meeting. If the Steward is not scheduled to work at the time of the meeting, he can attend the meeting without pay from the Company.

Failing settlement at Step No. 3, the grievance may be submitted to arbitration within twenty-five (25) calendar days after the decision has been received at Step No. 3.

Neither party shall raise, or proceed with a timeliness issue argument regarding filing for arbitration without having notified the other party of its final position on any given grievance in writing.

Should either party serve such notice on the other party, the parties further agree that the final timeframe in the Collective Agreement respecting filing for arbitration then shall be triggered.

Discharge or Discipline Grievances

A claim by an employee that he has been disciplined or discharged without just cause will be treated as a special grievance commencing at Step No. 3 of the Grievance Procedure, provided the grievance is submitted within seven (7) calendar days after the discipline/discharge occurs.

Such special grievances may be settled by confirming the discipline or discharge, or by reinstating the employee with full compensation, or by any other arrangement which is just and equitable in the opinion of the conferring parties.

It is agreed that the stewards will be notified immediately of the dismissal of any employee in the bargaining unit.

During the probationary period, the probationary employee shall have no seniority standing, and will not be entitled to file a grievance concerning dismissal.

ARTICLE 21 - ARBITRATION

No matter may be submitted to arbitration which has not been carried through all previous steps of the Grievance Procedure.

When either party requests that a grievance be submitted to arbitration as provided under Article 21, it shall make such a request in writing addressed to the other party to this Agreement.

Within seven (7) calendar days thereafter, the other party shall respond. If such other party fails to respond as herein required, and unless the time has been extended by mutual agreement between the two parties, the Federal Minister of Labour shall have power to appoint an arbitrator upon application thereto by the party invoking arbitration procedure.

No person may be appointed a arbitrator who has been involved in an attempt to negotiate or settle the grievance.

Each of the parties hereto shall jointly bear the expense of the arbitrator.

Any and all time limits referred to under the Grievance and Arbitration Procedures herein may, at any time, be extended by written agreement between the Employer and the Union.

The decision of the arbitrator shall be final and binding on the Employer, the Union and the employee(s) affected, provided, however, that in no event shall the arbitrator have the power to change this Agreement or to alter, modify, or amend any of its provisions, nor to make any

decision in conflict with the provisions of this Agreement.

In determining any discharge, the arbitrator shall have the authority to:

- (a) affirm the Employer's action and dismiss the grievance, or;
- (b) set aside the penalty imposed by the Employer and restore the grievor to the grievor's former position with or without compensation, or;
- (c) vary or alter the penalty imposed by the Employer, or make such other determination as the arbitrator in its discretion may deem just and reasonable.

At any stage of the Grievance Procedure, including Arbitration, the parties may have the assistance of the employee(s) concerned as witnesses and any other necessary witnesses. All reasonable arrangements will be made to permit the conferring parties or the arbitrators to have access to any part of the Employer's premises to view any working conditions which may be relevant to the settlement of the grievances.

The parties may agree to take the matter to a 3-person Board of Arbitration instead of a single arbitrator. The costs of the Board shall be shared equally.

ARTICLE 22 - PAYMENT OF WAGES AND ALLOWANCES

22.01 The Employer shall issue pay to each employee every second Friday all earnings due the employee for the 2-week period up to and including the previous Saturday. Each pay stub shall itemize rates of pay, overtime, individual deductions, etc.

The employee's pay shall be paid by direct deposit to the financial institution selected by the employee.

Job classifications and schedule of wage rates for all employees shall be in accordance with Appendix "B" annexed hereto and forming part of this Agreement.

22.02 The Employer shall not make deductions from wages and salaries unless authorized by statute, court order, arbitration order, this Agreement, or without written authorization from the employee.

22.03 An employee promoted to a higher paying position shall receive the rate of pay for that position at the increment level that is equal to, or greater than the employee's current rate of pay.

22.04 When an employee is temporarily assigned work of a position paying a lower rate, the employee's rate of pay shall not be reduced.

22.05 An employee using his own vehicle for business use shall be compensated at the rate of fifty cents (50¢) per kilometer, and only with prior approval.

TECHNOLOGICAL CHANGE

The Company will give at least one hundred and twenty (120) days' written notice of any technological change that is likely to affect the terms and conditions or security of employment of at least 6.75% of the total number of bargaining unit employees.

LETTERS OF UNDERSTANDING

Re: Letters of Discipline

The Employer agrees to remove all letters of discipline for all suspensions upon ratification of this Agreement.

Re: Utility Operator

Normally on day shift.

Receives Operator rate.

May have to work split shift when night shift employee (Operator, or Packer) calls in sick.

Shift change, and similar language in the Collective Agreement does not apply.

Working hours are usually adjusted so that overtime hours are not paid. When necessary, the Utility Operator works more than 40 hours in the week and is paid overtime accordingly.

Re: Signing Bonus

All employees will receive a signing bonus of forty (40) hours' pay at their base rate upon ratification of the collective agreement

Appendix A

4 – On, 4 – Off Schedule

| | Operators | | | | | | |
|-------|------------|------------|------------|------------|------------|------------|------------|
| | <u>Sun</u> | <u>Mon</u> | <u>Tue</u> | <u>Wed</u> | <u>Thu</u> | <u>Fri</u> | <u>Sat</u> |
| day | A | A | A | A | C | C | C |
| night | B | B | B | B | D | D | D |
| day | C | A | A | A | A | C | C |
| night | D | B | B | B | B | D | D |
| day | C | C | B | B | B | B | D |
| night | D | D | A | A | A | A | C |
| day | D | D | D | B | B | B | B |
| night | C | C | C | A | A | A | A |
| day | D | D | D | D | A | A | A |
| night | C | C | C | C | B | B | B |
| day | A | C | C | C | C | A | A |
| night | B | D | D | D | D | B | B |
| day | A | A | C | C | C | C | B |
| night | B | B | D | D | D | D | A |
| day | B | B | B | D | D | D | D |
| night | A | A | A | C | C | C | C |

All shifts 12 hours, except Wednesday day shifts are 4 hours

Appendix A

4 – On, 4 – Off Schedule
(continued)

| | Packers | | | | | | |
|-------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>Sun</u> | <u>Mon</u> | <u>Tue</u> | <u>Wed</u> | <u>Thu</u> | <u>Fri</u> | <u>Sat</u> |
| day | A | A | A | A | C | C | C |
| night | B | B | B | B | D | D | D |
| day | C | B | B | B | B | D | D |
| night | D | A | A | A | A | C | C |
| day | D | D | A | A | A | A | C |
| night | C | C | B | B | B | B | D |
| day | C | C | C | B | B | B | B |
| night | D | D | D | A | A | A | A |
| day | D | D | D | D | A | A | A |
| night | C | C | C | C | B | B | B |
| day | A | C | C | C | C | B | B |
| night | B | D | D | D | D | A | A |
| day | B | B | D | D | D | D | A |
| night | A | A | C | C | C | C | B |
| day | A | A | A | C | C | C | C |
| night | B | B | B | D | D | D | D |

All shifts 12 hours, except Wednesday day shifts are 4 hours

Appendix B

Benefits

The benefits provided at the date of ratification will remain in place

Schedule of Wages

| Classification | Date of Ratification | | | | |
|--|----------------------|---------|---------|---------|---------|
| | Start | 3 mons | 6 mons | 12 mons | 18 mons |
| Packer | \$16.45 | \$16.95 | \$17.45 | \$17.95 | \$18.45 |
| Operator | \$20.00 | \$20.50 | \$21.00 | \$21.50 | \$22.00 |
| Maintenance | \$20.00 | \$20.50 | \$21.00 | \$21.50 | \$22.00 |
| 3 rd Year Millwright Apprentice | \$21.00 | \$21.50 | \$22.00 | \$22.50 | \$23.00 |
| 4 th Year Millwright Apprentice | \$22.50 | \$23.00 | \$23.50 | \$24.00 | \$24.50 |
| Painter | \$17.00 | \$17.50 | \$18.00 | \$18.50 | \$19.00 |
| Sanitation | \$17.00 | \$17.50 | \$18.00 | \$18.50 | \$19.00 |
| Warehouse | \$17.00 | \$17.50 | \$18.00 | \$18.50 | \$19.00 |

| Classification | 01-May-13 | | | | |
|--|-----------|---------|---------|---------|---------|
| | Start | 3 mons | 6 mons | 12 mons | 18 mons |
| Packer | \$16.86 | \$17.37 | \$17.89 | \$18.40 | \$18.91 |
| Operator | \$20.50 | \$21.01 | \$21.53 | \$22.04 | \$22.55 |
| Maintenance | \$20.50 | \$21.01 | \$21.53 | \$22.04 | \$22.55 |
| 3 rd Year Millwright Apprentice | \$21.53 | \$22.04 | \$22.55 | \$23.06 | \$23.58 |
| 4 th Year Millwright Apprentice | \$23.06 | \$23.58 | \$24.09 | \$24.60 | \$25.11 |
| Painter | \$17.43 | \$17.94 | \$18.45 | \$18.96 | \$19.48 |
| Sanitation | \$17.43 | \$17.94 | \$18.45 | \$18.96 | \$19.48 |
| Warehouse | \$17.43 | \$17.94 | \$18.45 | \$18.96 | \$19.48 |

| Classification | 01-May-14 | | | | |
|--|-----------|---------|---------|---------|---------|
| | Start | 3 mons | 6 mons | 12 mons | 18 mons |
| Packer | \$17.20 | \$17.72 | \$18.24 | \$18.77 | \$19.29 |
| Operator | \$20.91 | \$21.43 | \$21.96 | \$22.48 | \$23.00 |
| Maintenance | \$20.91 | \$21.43 | \$21.96 | \$22.48 | \$23.00 |
| 3 rd Year Millwright Apprentice | \$21.96 | \$22.48 | \$23.00 | \$23.52 | \$24.05 |
| 4 th Year Millwright Apprentice | \$23.52 | \$24.05 | \$24.57 | \$25.09 | \$25.61 |
| Painter | \$17.77 | \$18.30 | \$18.82 | \$19.34 | \$19.86 |
| Sanitation | \$17.77 | \$18.30 | \$18.82 | \$19.34 | \$19.86 |
| Warehouse | \$17.77 | \$18.30 | \$18.82 | \$19.34 | \$19.86 |

May 1st 2013 – 2.5% increase to all rates

May 1st 2014 – 2% increase to all rates

All employees will receive a signing bonus equal to 40 hours at their base rate upon ratification of the collective labour agreement.

All employees who have wage rates above the rates listed at the appropriate increment on the grid, will have such rates "red circled" until such time as the wages listed are equal or above their rate.

All employees whose rates are equal to, or greater than the May 1, 2012 rate for their job will receive a lump-sum payment of \$1,000 upon ratification.

All employees whose rates are equal to, or greater than the May 1, 2013 rate for their job will receive a lump-sum payment of \$1,000 on the first pay day after May 1, 2013.

All employees whose rates are equal to, or greater than the May 1, 2014 rate for their job will receive a lump-sum payment of \$750 on the first pay day after May 1, 2014.

Retirement Plan

All existing employees will have a choice of staying in the pension plan or joining the Group RRSP. The employee's contributions to the pension plan will increase by 1% on May 1, 2012 and another 1% on May 1, 2013.

All employees hired after the date of ratification will join the Group RRSP on the second anniversary of their date of hire. The employee will contribute at least 4%. The Company will match employee contributions up to 6%. Eligible earnings are base rate times 2,080 hours per year.