

COLLECTIVE AGREEMENT

BETWEEN

LANDMARK DAIRY LTD.

AND

**COMMUNICATIONS, ENERGY, &
PAPERWORKERS UNION OF CANADA LOCAL 433**

(JANUARY 1, 1997 TO DECEMBER 31, 2001)

(May 6, 1997)

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ARTICLE 1 - PURPOSES AND PROVISIONS
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1.01 It is the intent and purpose of this agreement that the company and the union co-operate to obtain efficient and unrestricted production and distribution of dairy products; to maintain a harmonious relationship between the company and its employees; to provide a method of settling in an amicable manner any difference or grievance which may arise from time to time; and to set forth certain conditions of employment to be observed between the parties.

1.02 The company recognizes the union as the bargaining agent for the employees of the company at 5684 Landmark Way, Surrey, B.C., or at any other location in the Greater Vancouver Regional District, except sales and those persons excluded as management. The company shall not enter into any agreement with employees which in any way conflicts with the provisions of this agreement.

1.03 The masculine gender shall include the feminine gender.

ARTICLE 2 - MANAGEMENTARTICLE 2 - MANAGEMENT

2.01 The company shall have the exclusive right to manage the business; to make and amend from time to time reasonable work rules and regulations to be observed by the employees; to direct the employees, including the right to hire, to discipline or dismiss for just cause, lay off, promote, assign to jobs, transfer employees from department to department, and to decrease or increase the number of employees; and to determine the products to be handled. Nothing in this agreement shall be construed in any way to interfere with the recognized right of the company to manage and control the business provided that management's rights shall not be used to discriminate against any employee nor for the purpose of avoiding the effect of specific provisions of this agreement.

ARTICLE 3 - MAINTENANCE OF MEMBERSHIP
ARTICLE 3 - MAINTENANCE OF MEMBERSHIP

3.01 It is agreed that all employees covered by this agreement shall become members of the union within thirty (30) calendar days after being hired and remain members in good standing as a condition of employment.

3.02 The union shall supply the company with application forms for union membership and dues deductions which shall be signed by all new employees on the day on which the new employee is hired. All completed copies of the application for membership forms shall be returned to the union, along with the next monthly dues payment, and shall serve as notification of commencement of employment.

3.03 The employer agrees to deduct from the pay of all employees covered by this agreement, all established monthly dues, initiation fees and uniformly levied assessments of the union. It is further agreed that the employer shall remit such deductions to the union prior to the end of the month for which such deductions are made.

ARTICLE 4 - UNION SECURITY AND WORKING CONDITIONS
ARTICLE 4 - UNION SECURITY AND WORKING CONDITIONS

4.01 Employees who are not included in the bargaining unit shall not perform bargaining unit work if it would directly result in layoff of a bargaining unit employee. Past practise of management and employees working together on maintenance and production may continue.

4.02 The union's jurisdiction shall be deemed to include the processing, manufacture and distribution of dairy products or such other products as the company may from time to time process or manufacture, as currently carried out by union employees.

4.03 There will be no strikes, walkouts, slowdowns, or other cessation of work by employees, and no lockouts by the employer, during the period of this agreement, and all grievances or other differences shall be settled by the grievance procedure set out in Article 9 of this agreement.

4.04 No union employee will be required to cross a lawfully established picket line.

4.05 Should the company decide to employ dependent contractors in the delivery operation, the parties shall meet to agree upon a Letter of Understanding which will provide that the appropriate provisions of this agreement, including Articles 3, 4 and 9, will apply to the dependent contractors.

ARTICLE 5 - UNION REPRESENTATIVES

5.01 The employer recognizes the right of the union to designate a reasonable number of shop stewards to represent the union and/or the employees on a day-to-day basis. The union agrees to keep the employer advised regarding the personnel so designated as a shop steward and furthermore it is mutually agreed that persons so designated shall be allowed reasonable time and opportunity by the employer to perform their functions in accordance with this clause.

During normal working hours, stewards must advise their supervisor as to the nature of their business, an estimate of the time required and get permission prior to leaving their work site.

5.02 An appropriate locked bulletin board shall be provided by the employer upon which the union may place notices in regard to meetings, social gatherings and all other matters pertaining to legitimate union business.

5.03 A labour-management committee will be set up and will meet at regular intervals as required to exchange information and discuss operational issues and concerns of mutual interest. This forum will not be used to discuss grievances.

5.04 In the event an employee is away from the plant for regularly scheduled hours of work, on union authorized business which has been approved by the company, the employer will continue to pay the employee at the employee's regular rate of pay and benefits as if the employee was at work, and submit the cost to the union for reimbursement.

5.05 The national union representative and/or local business agent shall have access to the plant in accordance with the standard security policy and departmental procedures.

ARTICLE 6 - RELIEF/CASUAL EMPLOYEES
ARTICLE 6 - RELIEF/CASUAL EMPLOYEES

6.01 The company may employ relief/casual employees under the following conditions:

- a) Relief/casual employees will be used to supplement the regular work force in order to meet increased seasonal production and distribution requirements and for vacation relief of regular employees.
- b) Relief/casual employees shall not be employed or scheduled to the extent that their work results in displacement (or prevents the recall of) regular full-time employees.
- c) All relief/casual employees shall as a condition of continuing employment pay union dues in accordance with Article 3 for those months in which the employee has earnings.
- d) Relief/casual employees shall not be guaranteed a minimum number of hours per week.
- e) Relief/casual employees will be paid the rate as set out in Schedule A of this agreement.
- f) Relief/casual employees are not eligible for seniority or any of the other benefits or provisions of this agreement except those required by law.

ARTICLE 7 - SENIORITYARTICLE 7 - SENIORITY

7.01 Seniority shall be defined as the length of an employee's service beginning on the date of regular full time employment.

7.02 A newly hired employee shall be on probation for 60 days worked from the date of hiring. During this period, seniority shall not apply and an employee may be laid off without cause, and the company shall not be obligated to re-hire. During the probationary period, the employee shall not be entitled to the other rights and benefits of this agreement except as specifically provided. After successful completion of the probationary period, the employee's seniority and service record shall date back to the original date of hire.

7.03 A list showing the seniority of all employees shall be posted in a conspicuous place at the work site. The company shall forward an updated seniority list to the union every three (3) months.

7.04 Vacancies will be filled based on seniority, provided that ability and qualifications, as determined by the company, are relatively equal. (See Article 8 - Job Posting)

7.05 In the event that the company anticipates a lay-off of regular employees of more than 60 days the following procedures shall be followed:

- a) The situation will be discussed with the plant committee so that as much notice as possible can be given to any employees who may be affected. Wherever possible, the company will provide ten (10) working days notice.
- b) When there is more than one employee working in the same job classification affected by the lay-off, the order of lay-off within that affected group shall be in reverse order of seniority.
- c) When an employee is provided notice of lay-off, the employee shall first be given the option of displacing the most junior employee in the plant,

provided the employee has the qualifications and ability to perform the work.

- d) Where the laid-off employee is not qualified or able to displace the most junior employee, or if the laid-off employee elects not to displace the most junior employee then the employee shall be placed on the RECALL LIST in order of seniority and on the understanding and condition that he remains readily available to accept assignments as required. The option of electing to displace the junior employee or be placed on lay-off must be made upon receipt of the notice of layoff (within 24 hours) and cannot be changed by the employee.
- e) If the employee to be laid off is not considered qualified or able to perform that job, then the employee shall be assessed in respect of the position occupied by the next most junior employee and so on until it is determined that no positions are available.
- f) Where practical, employees on layoff will be called for assignments in order of their seniority provided they are available at the time the assignment is scheduled and are qualified and able to perform the assigned work in a manner that is satisfactory, as determined by the employer.

Notwithstanding the foregoing, a laid-off employee shall retain the right to their previously posted position for a period not to exceed thirty (30) days; and shall retain the right to bid on any posted vacancy as per Article 8 of this agreement.

- g) Laid-off employees shall retain recall rights in accordance with the following:

- (i) An employee with more than 10 years of service will lose his seniority and cease to be an employee in the case of a lay-off for a period of twelve (12) months.
- (ii) An employee with less than 10 years of service will lose his seniority and cease to be an employee in the case of a lay-off for a period of six (6) months.
- (iii) It is understood that if the employee is not recalled from lay-off for an aggregate of more than thirty (30) shifts from the last day of lay-off; then the employee's period of lay-off shall be considered not to have been interrupted.

7.06 If the company determines that temporary layoffs of less than sixty (60) days are necessary, Clause 7.05 does not apply and no advance written notice is required. Those on temporary layoff will continue to be eligible for applicable company benefits.

ARTICLE 8 - JOB POSTING

8.01 Permanent positions covered by this agreement which become vacant and are determined by the company to be required, will be posted on all designated bulletin boards. The company is only required to post one additional vacancy that may arise out of the filling of the first vacancy. Any subsequent vacancies may be filled as determined by the company.

8.02 Vacancies shall be posted for a period of five (5) days not including Saturday, Sunday or recognized general holidays.

8.03 Postings will specify job duties, hours of work, days of work, and rate of pay.

8.04 Candidates will be considered as per Article 7 of this agreement.

8.05 Any employee who bids on a posted vacancy and is successful, shall not bid on any other vacancy for a period of one (1) year, unless otherwise mutually agreed.

8.06 Posted vacancies will be awarded on the following priorities:

- a) within the bargaining unit
- b) external candidates.

8.07 The successful candidate will be transferred to the new job within a reasonable period of awarding the posting.

8.08 New or revised job postings will be discussed with the plant committee prior to posting on the bulletin boards.

8.09 Copies of job posting awards will be given to the plant committee and where the senior candidate is not selected the plant committee will be advised prior to finalization.

ARTICLE 9 - GRIEVANCE PROCEDURE

9.01 A grievance shall consist of a dispute respecting the discipline or dismissal of an employee or a difference regarding the interpretation, application, or alleged violation of this agreement. The following procedure shall be followed, without stoppage of work, in a sincere effort by both parties to reach a mutually satisfactory settlement. The time limits specified are intended to be mandatory, so that grievances are promptly addressed; however, the parties may mutually agree to extend any time limits.

9.02 The company will not consider a grievance unless it is submitted to the employee's supervisor at Step 1 within ten (10) days of the occurrence of the event or knowledge of the event upon which the grievance is based. In cases of payroll errors, the grievance must be submitted within 30 days. For the purpose of determining required time frames under this article, Saturdays, Sundays and recognized general holidays are not included.

9.03 Step 1:

The grievance shall first be discussed with the employee's immediate supervisor. The department steward may accompany the employee, if requested to do so by the employee. The immediate supervisor shall give a verbal or written answer; and, if a satisfactory answer is not obtained, the grievance may be dealt with under Step 2.

9.04 Step 2:

The grievance must be submitted in writing to the plant manager or his designate within five (5) days from the date on which the company's answer was required under Step 1. The company representative will arrange a meeting with the aggrieved employee, the plant committee and/or a Union representative, and the

immediate supervisor to review the grievance and render his decision in writing following the meeting.

9.05 The company or the union may file a "policy grievance" regarding the interpretation, application or violation of the agreement at Step 2 of the grievance procedure, but it must be in writing and be presented within fifteen (15) days of the alleged violation. Representatives of each party will meet within 15 days of the date of the grievance and a written answer shall be given (by the company or the union, as the case may be) within 5 days of the grievance meeting.

9.06 Step 3: Arbitration

Any grievance which has been properly carried through the steps of the grievance procedure, and which has not been settled, may be referred to arbitration at the request of either party, within forty-five (45) days of the answer at Step 2, but not later.

9.07 The party wishing arbitration must notify the other party in writing of its desire to refer the grievance to arbitration, stating the name of the person proposed as the arbitrator. If the parties cannot agree on an arbitrator within ten (10) days of the date of the written notice, or such longer period as the parties may agree, then the appointment shall be made by the Collective Bargaining Arbitration Bureau.

9.08 The arbitrator shall not have any power to alter or change any of the provisions of this agreement or to substitute any new provisions for any existing provisions, nor to give any decision inconsistent with the terms and provisions of this agreement.

9.09 The parties agree to share equally the fee and expenses of the arbitrator.

ARTICLE 10 - DISCIPLINARY ACTIONARTICLE 10 - DISCIPLINARY ACTION

10.01 The company has the right to discipline or dismiss employees for just cause.

10.02 The employees have the right to request that a shop steward be present when an employee is being disciplined or dismissed.

10.03 Disciplinary notices shall be given to the employee and a copy forwarded to the union office.

10.04 Disciplinary notices shall be removed from the employee's file after two (2) years provided that no other offence has taken place.

ARTICLE 11 - UNAUTHORIZED PERSONSARTICLE 11 - UNAUTHORIZED PERSONS

11.01 No unauthorized persons shall be allowed to ride in any vehicle owned by the company. Violation of this article shall be cause for discipline up to and including dismissal.

ARTICLE 12 - LEAVE OF ABSENCE

12.01 Personal Leaves: Leaves of absence without pay or loss of seniority may be granted to regular full time employees with a minimum of one year's service, entirely at the discretion of the company. Employees on leave in excess of thirty (30) days shall not accrue vacation and sick leave entitlements for the period of the leave but will have the option of having appropriate health and welfare benefits continue for the balance of the leave by paying the full cost of the premiums.

12.02 Union Leave: The company agrees to grant time off, without discrimination and without pay, to employees designated by the union to attend a labour convention or to serve in any capacity on other union business, provided in each case the company's consent has been given, after fourteen (14) days notice has been served on the company by the union, and provided further, that such absence shall not exceed two (2) years and such permission shall not be unreasonably withheld by the company.

12.03 Bereavement Leave: In the event of the death of a member of a regular employee's immediate family, the company will grant a leave of up to three (3) consecutive days with pay if the employee is scheduled to work. An additional two (2) days of leave without pay may be granted based on individual circumstances.

The term "immediate family" shall include spouse, parent, step parent, child, step child, brother, sister, grandparent, grandchild, mother-in-law, father-in-law.

In the event of the death of a brother-in-law or sister-in-law, the company will grant up to one (1) day with pay if the employee is scheduled to work on the day of the funeral or service.

12.04 Maternity Leave: A pregnant employee shall be granted leave in accordance with the 1995 Employment Standards Act.

12.05 Jury Duty: Employees summonsed to jury duty or subpoenaed as a witness in a Court proceeding shall not suffer any loss of normal wages thereby, subject to the following conditions:

- (i) Employees shall return to work within a reasonable period of time after jury duty is finished. They shall not be required to report for work if less than two (2) hours of their normal shift remain to be worked.
- (ii) Employees shall remit any jury or witness fees to the company.
- (iii) Employees shall provide the company with a copy of the summons or subpoena if requested.

ARTICLE 13 - SICK LEAVEARTICLE 13 - SICK LEAVE

13.01 After completion of the probation period, an employee shall be entitled to 4 hours per month for sickness and non-occupational accident with pay at the regular, straight-time rate. Proof of disability will not normally be required for absences of 1 or 2 days in duration. However, the company may request proof of disability for any sick leave and request the proof from a doctor recommended by the company, in the event of frequent absences due to sickness or accident.

13.02 The company may discontinue or reduce the sick leave benefit to any employee found repeatedly abusing sick leave.

13.03 In the event of inability to work due to sickness or accident, employees are expected to give reasonable notice (call in) prior to the commencement of their shift and to keep their supervisor informed as to their expected return to work.

13.04 Sick leave will be calculated on a calendar year basis. If at the end of the calendar year, an employee has unused sick leave, he may apply to have the sick leave paid in cash, or the sick leave may be carried over to the following year for use in the event of extended sickness or accident. However, the total sick leave bank may not exceed 80 hours at any one time.

ARTICLE 14 - GENERAL HOLIDAYS

14.01 Employees currently on payroll for more than thirty (30) calendar days shall be entitled to recognized general holidays with pay equal to their regular hourly rate for their regular scheduled hours of work. In order to qualify for holiday pay, employees must work the last scheduled shift prior to the holiday and the first scheduled shift after the holiday and the holiday, if scheduled: unless absent due to illness verified by a doctor's certificate. Employees who are scheduled to work the holiday and do not, due to a verified illness, will receive the holiday pay but do not qualify for sick benefit.

14.02 The following general holidays are recognized:

New Year's Day, Good Friday, Victoria Day, Canada Day, B.C. Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, and Boxing Day.

14.03 All general holidays are recognized for pay purposes on the actual day on which they fall. The company may change the day on which a general holiday is recognized, for operational reasons, on 7 days notice.

14.04 Employees who are required to work on a general holiday shall be paid at the rate of time and one half (1½) their regular rate of pay for all hours worked on that day in addition to a regular day's pay for the general holiday.

ARTICLE 15 - VACATIONS

15.01 Vacations shall be granted to full time employees with pay as follows:

After 1 year of continuous service - 2 weeks (4 per cent)

After 5 years of continuous service - 3 weeks (6 per cent)

After 11 years of continuous service - 4 weeks (8 per cent)

15.02 Vacation pay will be based on the applicable percentage of an employee's gross annual wages. Relief/casual employees are not entitled to vacations, but will receive vacation pay equal to 4 per cent of their gross earnings.

15.03 Each employee shall take their vacation during the calendar year in which they are entitled to it.

15.04 For scheduling purposes, new employees are not entitled to two weeks vacation until after their first anniversary. Commencing in the calendar year during which the second anniversary falls, vacations may be scheduled prior to the anniversary date, subject to Clause 15.05 and 15.06.

15.05 Vacations will be scheduled on a calendar basis from January 1st to December 31st. Employees will only be allowed to schedule a maximum of two (2) consecutive weeks during the months of June, July and August. During the balance of the year, employees entitled to more than two (2) weeks vacation, may schedule more than two (2) consecutive weeks subject to the dates being mutually agreed upon.

15.06 A vacation planning schedule will be posted by December 1st of the preceding year for completion by January 15th. Commencing with the most senior employee, and subject to the operational requirements, employees on a seniority basis will indicate their preferred dates for two (2) weeks. After all employees have had the opportunity to schedule two (2) weeks, employees will indicate their choice, again on a seniority basis, for the balance of their entitlement. After January 15th, vacations will be allotted on the

basis of first come first approved. The company reserves the right to schedule vacation not declared by August 15th.

ARTICLE 16 - HOURS OF WORK AND OVERTIME
ARTICLE 16 - HOURS OF WORK
AND OVERTIME

16.01 It is recognized that a day is a twenty-four (24) hour period commencing at twelve (12) midnight.

16.02 Employees shall normally work 40 hours per one-week pay period; four (4) days, ten (10) hours per day or five (5) days, eight (8) hours per day, with a minimum of two days off per week. Scheduled days of the week and hours per day will be determined by the company. Days off will be consecutive subject to operational and business needs.

16.03 Alternate work arrangements, such as 12-hour days, may be implemented in order to ensure the efficient operation of particular departments or to satisfy customer requirements. Such arrangements will be discussed with the plant committee prior to implementation including any specific situations where an employee cannot be given two consecutive days off.

16.04 A pay period is defined as a seven consecutive day period that commences at 2400 hours Saturday.

16.05 Overtime at one and one half (1½) the regular rate shall be paid for all hours worked in excess of the regular scheduled hours per day or per week and 40 hours in any one pay period (except in the case of approved alternate work schedules where averaging applies).

16.06 When assigning required overtime, consideration will be given to individual circumstances.

16.07 Coffee and lunch breaks shall be provided in accordance with present practice.

16.08 Shift Differential: A shift differential payment of \$1.50 shall be paid to regular employees for all regularly scheduled hours worked outside of the basic work day. For

the purpose of applying this clause, the basic work day is defined as 6:00 A.M. to 6:00 P.M.

16.09 An employee called in to work on a non-scheduled work day, or, having reported on a scheduled day, shall be provided with a minimum of four hours work or four hours pay at straight time.

16.10 The current practise regarding banking of overtime and statutory holiday pay will be continued, subject to mutual agreement of the parties otherwise.

ARTICLE 17 - WAGESARTICLE 17 - WAGES

17.01 Any new position that is introduced by the company during the term of this agreement will be reviewed with the union prior to the company determining the appropriate rate.

17.02 All employees assigned to a higher classification for more than one (1) day shall receive the higher rate of pay for time assigned to such a job.

17.03 Lead hands: A lead hand premium of \$1.00 per hour will be paid over the employee's posted job and regular rate in recognition of additional responsibilities to direct (train, relieve, related administration) and oversee the activities of a specific work unit. The number of required lead hands and determination of those appointed will be solely at the discretion of management on the basis of operational needs.

17.04 Where an employee is transferred to a lower paid job (unless such transfer is at his own request or because of inefficiency) he shall not sustain any loss in regular pay for the first thirty (30) days on such job.

ARTICLE 18 - BENEFITS

18.01 Effective the first day of the month following 6 months worked in a continuous twelve (12) month period, all regular full-time employees shall be entitled to the health and welfare benefits as presently provided by the company conditional upon completing the specified eligibility periods and provided they comply with the terms and conditions of the insurance policies or benefit plans.

18.02 The company agrees to meet with the union during the first year of this collective agreement to discuss revisions to the health and welfare benefits.

ARTICLE 19 - MISCELLANEOUS

19.01 All delivery personnel shall wear company approved uniforms in the performance of their duties.

19.02 The company will provide suitable sweaters or jackets for employees required to work in cold conditions in the plant or the yard.

19.03 Harassment: The company shall maintain a harassment-free work environment. The Union and the employees agree to support the attainment of this objective.

19.04 Severance Pay: A full-time or regular part-time employee who is permanently laid off due to procedural or mechanical change, or due to the partial or complete closure of the plant or a department, shall be provided with one week's notice for each completed year of service with the company, or pay in lieu, to a maximum of 20 weeks notice or pay. This notice may be included within any other notice required by the Employment Standards Act or other legislation.

19.05 The company will provide an allowance of up to \$50 once in each calendar year to those employees required by W.C.B. regulations to wear safety footwear at work. Employees shall be responsible for obtaining approved footwear and will be reimbursed upon presentation of proof of purchase.

ARTICLE 20 - PERIOD OF AGREEMENT

20.01 This agreement shall come into force on the 1st day of January, 1997, and shall remain in force until the 31st day of December, 2001 or as hereinafter provided.

20.02 Either party may give notice to commence collective bargaining to renew or revise this collective agreement four months prior to December 31, 2001, or four months prior to December 31 in any succeeding year.

20.03 During any period when collective bargaining negotiations are being conducted between the parties to renew or revise this agreement, the present agreement shall remain in full force and effect until:

- 1) the union commences a lawful strike; or
- 2) the company commences a lawful lockout; or
- 3) the parties enter into a new or revised agreement.

20.04 The parties agree to exclude s.50 (2) and (3) of Labour Relations Code.

AGREED AT THE CITY OF VANCOUVER, B.C. THIS 9TH DAY OF JANUARY, 1997.
(Date of ratification: January 13, 1997).

FOR THE COMPANY:

FOR THE UNION:

SCHEDULE "A"--WAGESCHEDULE "A"--WAGES & CLASSIFICATIONS

	Start (75%)	6 Months (85%)	12 Months (93%)	24 Months (100%)
Driver (Class 1)	11.62	13.17	14.41	15.50
Relief Driver	11.62	13.17	14.41	15.50
Driver	11.25	12.75	13.95	15.00
Checker/Loader	9.94	11.26	12.32	13.25
Operator	9.94	11.26	12.32	13.25
Pasteurizer	12.00	13.60	14.88	16.00
Sales Administrator	10.50	11.90	13.02	14.00
Maintenance	13.12	14.87	16.27	17.50
Office	9.38	10.63	11.63	12.50
Relief/Casual	8.00	8.50	9.30	10.00
Special Delivery Driver	8.00	8.50	9.30	10.00

JANUARY 1, 1997 Employees would go to the step on this grid which is equal to their current wage; or, if their current wage falls in between steps, to the next highest step.

APRIL 1, 1997 All steps increased by 2 per cent across board.

JANUARY 1, 1998 All steps increased by 2.5 per cent across board.

JANUARY 1, 1999 All steps increased by 2.5 per cent across board.

JANUARY 1, 2000 All steps increased by 3 per cent across board.

JANUARY 1, 2001 All steps increased by 3 per cent across board.

(December 31, 2001 Contract expiry date)

LETTER OF UNDERSTANDING NO. 1 LETTER OF UNDERSTANDING NO. 1

Re: Sales Employees

This Letter of Understanding covers the current Sales Representatives.

- 1. It is acknowledged by the parties that sales employees are traditionally excluded from the bargaining unit in the B.C. dairy industry.
- 2. The present employees have, however, elected to be included in the bargaining unit.
- 3. The wage rate for the present sales employees shall be as follows:

	Start	6 Months	12 Months	24 Months	
Sales	13.12	14.87	16.27	17.50	4. Sales employees hired in the future shall not be included in the bargaining unit, unless they choose to be included.

- 5. The present sales employees (Mike Horner, Laurie Tattersall), shall be entitled to opt out of the bargaining unit in the final six months of the term of this agreement, on notice in writing to the union and the company.
- 6. Mileage allowance will be increased to the Revenue Canada maximum. Alternatively, a sales representative may elect a Company leased vehicle in accordance with Landmark policy. The decision to provide leased vehicles and applicable terms are at the discretion of the Company.

AGREED AT VANCOUVER, B.C. THIS 9th DAY OF JANUARY, 1997.

FOR THE COMPANY:

FOR THE UNION:

LETTER OF UNDERSTANDING NO. 2

Re: Profit Sharing

1. The Company agrees to continue the present profit sharing plan for the duration of the collective agreement.
2. The amount of profit sharing shall be 10 per cent of net profit calculated by the Company's auditors according to past practice. A copy of the calculation will be given to the plant committee.
3. Profit share shall be paid to full-time and part-time regular employees on or about July 31 based upon the prior fiscal year's results. To be eligible, an employee must be an employee as of the end of the fiscal year, and remain an employee on the pay out date.
4. Payments shall be pro-rated on the basis of the number of paid regular hours during the year to a maximum of 2080 hours (overtime hours do not count). Vacation, general holidays, and WCB shall count, but not sick time. Full-time regular employees who achieve 1,800 hours calculated in this manner shall receive equal shares; for other employees, the pro-rating shall apply.
5. During the first year of the agreement, the Company and the Union will discuss the application of profit-sharing payments to a pension or RRSP.

AGREED AT VANCOUVER, B.C. THIS 9TH DAY OF JANUARY, 1997.

FOR THE COMPANY:

FOR THE UNION:

LETTER OF UNDERSTANDING NO. 3 LETTER OF UNDERSTANDING NO. 3

Re: Closure of Plant or Department

1. If the Company intends to close the entire operation, or an entire department, it will give 60 days prior notice in writing to the union (if more than 10 full-time employees are affected, the notice will be 90 days).
2. Upon receipt of notice, the Company will meet forthwith with the union to discuss an adjustment plan for the employees, which may include such things as bumping, notice, severance pay, relocation assistance, retraining or early retirement.
3. A full-time or regular part-time employee who is permanently laid off due to procedural or mechanical change, or due to partial or complete closure of the plant or a department, shall be provided with one week's notice for each completed year of service with the company, or pay in lieu, to a maximum of 20 weeks notice or pay. This notice may be included within any other notice required by the Employment Standards Act or other legislation.

AGREED AT VANCOUVER, B.C. THIS 9TH DAY OF JANUARY, 1997.

FOR THE COMPANY:

FOR THE UNION:

