

**RETAIL WHOLESALE UNION AGREEMENT
BETWEEN**

**RETAIL WHOLESALE UNION LOCAL 580
-and-**

OLAFSON'S BAKING COMPANY INC.

Duration of Agreement:

From: March 1, 2002

To: October 31, 2005

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-and-
OLAFSON'S BAKING COMPANY INC.

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THIS AGREEMENT entered into this 18th day of March, 2003.

BETWEEN:

RETAIL WHOLESALE UNION LOCAL 580
(hereinafter referred to as the "Union")

OF THE FIRST PART;

AND:

OLAFSON'S BAKING COMPANY INC.
(hereinafter referred to as the "Company")

OF THE SECOND PART;

It is hereby agreed that this Agreement shall come into full force and effect upon ratification by the membership of the Retail Wholesale Union, Local 580, employed by the above Company and upon ratification by the Company.

WITNESSETH:

WHEREAS it is the intent and purpose of the parties hereto that this Agreement will promote and improve efficient economic service/production, industrial and economic relationship between the employees and the Company, and to set forth herein the basic agreement covering rates of pay, hours of work, and conditions of employment to be observed between the parties and to provide a method for the orderly adjustment of differences that may arise.

ARTICLE 1 - DEFINITION

- 1.1 The term "employee" or "employees" as used in this Agreement refers to all warehouse and transport employees of the Company who are employed in the Company's Annacis Island warehouse.
- 1.2 The masculine pronoun shall include the feminine and the singular shall include the plural and vice versa.
- 1.3 The foregoing definition of employee shall not apply to warehouse employees working at warehouse locations other than Suite 112 Building A 669 Ridley Place, Delta B.C., sales staff, clerical staff, lease operators, truck drivers, data processing, inventory control, traffic control, order desk and those excluded by the Labour Code of British Columbia.

ARTICLE 2 - UNION RECOGNITION

- 2.1 The Company recognizes the Union as the exclusive bargaining agent for the employees as defined in Article 1 during the term of this Agreement and agrees to negotiate with a committee selected by the bargaining unit, looking toward a peaceful and amicable settlement of any differences that may arise between the Company and the Union. The said committee shall be employees of the Company and shall be entitled to have associated with it a duly accredited representative of the Retail Wholesale Union. It may be necessary from time to time for the Union to appoint one or more employees to the Committee to fill vacancies, until elections can be held by the bargaining unit.

- 2.2 There shall be no discrimination against any member of the Union because of Union activities.
- (a) The Union, or its officers, members or agents shall not intimidate or coerce any employee or employees into membership in the Union.
- 2.3 The Company shall provide a bulletin board in the warehouse. The bulletin board shall be for the purpose of posting Union notices, copies of this Agreement and official papers. The Union will not distribute or post or cause or permit to be distributed or posted on the property of the Company, for or on behalf, any pamphlets, advertising or political matter, cards, notices, or other kinds of literature except with the written permission of the Company.
- 2.4 The Company agrees to abide by Section 35 of the Labour Relations Code of British Columbia.
- 2.5 Jobs presently being performed by employees in the Bargaining Unit shall not be contracted out where it would result in a permanent lay off, unless there is a potential loss of business by not making the necessary changes. The Employer agrees to meet with the Union to discuss such changes prior to implementing them.

Without expanding on the plain meaning of "contracting out", it is understood that it is not contracting out for the Company change/alter its distribution procedures and schedules in order to meet delivery deadlines, provide the freshest and most cost efficient products to its customers or to meet changing service needs of suppliers and customers of the Company.

- 2.6 Representatives of the Union shall have reasonable access to the employees for the lawful transaction of Union business, during regular business hours after check in with reception, so long as service/production is not impaired in any way.
- 2.7 The Union agrees that, in recognition of the fact that efficient and economic production is in the interest of both parties, it will promote amongst its members good workmanship and regular attendance. It is further agreed by the Union that the employees will at all times protect the property of the Company against damage by themselves or others.
- 2.8 The Union agrees that unless duly authorized:
- (a) Union meetings will not be held on Company premises.
 - (b) No employee or Union official will solicit membership in the Union, collect dues, or engage in any Union activity on Company time, during his working hours, or the working hours of any employee, except as provided for in this Agreement.

ARTICLE 3 - UNION SECURITY

3.1 All employees now members of the Union, and those who voluntarily join the Union, shall, as a condition of employment, remain members.

All new employees shall become members upon the completion of their probationary period with the company. All employees shall pay dues.

3.2 Upon written authorization from the employee, the Company agrees to make deductions once each month from the earnings of all employees covered by this Agreement of the dues and initiation fees of the Union and forward the total amount deducted with an itemized statement of the same to the Acting Secretary of the Union.

All Union dues, initiation fees and assessments so deducted shall be remitted by the Company to the Secretary of the Union within (7) days.

The Company agrees to submit deductions and names in alphabetical order on forms supplied by the Union, or on an approved format, providing an explanation for each employee for whom deductions were not made, i.e.:

1. Employee laid off;
2. Retired;
3. Deceased;
4. Voluntary termination;
5. Discharged.

- 3.3** Members of the bargaining unit shall continue to perform distribution to the load areas. It is also recognized that the route salesmen, and sales supervisors will continue to work and handle products in the warehouse. The operations manager, and the warehouse manager will continue to work from time to time and handle products in the warehouse in the cases of emergency or for inventory verification purposes, with the mutual agreement of the Union committee.
- 3.4** The Company agrees not to enter into any Agreement or Contract with the employees covered by this Agreement individually or collectively, which in any way conflicts with the terms and provisions of this Agreement, or any statute of the Province of British Columbia or the Dominion of Canada. Any such agreement will be null and void.

ARTICLE 4 - MANAGEMENT

- 4.1** It is recognized that management of the warehouse and direction of the working forces are fixed exclusively in the Company, which maintains all rights and responsibilities of management not specifically modified by this Agreement. The exercise of such rights shall include but not be limited to:
- (a) The right to hire, assign, increase and/or decrease the working forces, promote, transfer and make temporary lay-offs for lack of business and materials.

- (b) The determination of: The number and location of warehouses, the products and services to be handled and carried out, the methods to be used, warehouse work schedules, kinds and locations of machines and tools to be used.
- (c) The making and enforcement of rules and regulations, not inconsistent with this Agreement, relating to discipline, safety, and general conduct of the employees, and to suspend or discharge or otherwise discipline employees for just cause.

4.2 Management shall have the sole right to demote for proper cause. Demotions for other reasons shall be subject to the same principles as used for promotions and transfers in Article 7.

4.3 The exercise of the foregoing rights shall not alter any of the specific provisions of this Agreement, nor shall they be used to discriminate against any members of the Union.

ARTICLE 5 - HOURS OF WORK

5.1 (a) The standard hours of work for all employees shall not exceed forty (40) hours per week, whether 5 eight hour days per week or 4 ten hour days per week, Sunday to Saturday inclusive. This is not to be read or construed as a guarantee to provide work for any Period whatsoever.

- (b) The Company will make it's best effort to give as many warehouse employees, as possible, 2 days off in a row. The Company will grant this privilege to senior employees first.
- (c) The Company shall post a weekly schedule two (2) weeks in advance

5.2 The normal weekly hours after which overtime is payable (40 for time and a half, 48 for double time) are reduced by their standard eight (8) or ten (10) hour day for each general holiday occurring in the week.

- (a) Employees shall be entitled to the following statutory paid holidays provided they have been employed with the Company for 30 days:

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

- (b) All employees shall be paid for statutory holidays worked at one and one half times the regular wage only for hours worked on the actual statutory holiday for first 11 hours and two times the regular wage for hours in excess of 11 hours plus receive another regular day off with pay.
- (c) All employees shall be paid for statutory holidays not worked at their regular pay rate for their standard 8 hour or 10 hour day.

- (d) All employees who do not work a fixed schedule or who do not have wages calculated at a rate per period of time worked, regular pay is the average of daily earnings (excluding overtime) for the four-week period immediately preceding the week in which the general holiday occurs.
- (e) Where statutory holidays occur on non-working days the employee will receive another day off with pay at a time no later than the next annual vacation, or on termination of employment if that occurs first.
- (f) All employees shall have an unpaid half hour rest period scheduled to occur no less often than every five consecutive hours (approximately midway during each work period). Rest periods shall be arranged so that all employees shall enjoy the benefits of the full period in a place providing the opportunity to take a snack or otherwise mutually agreed. Truck drivers will normally observe their breaks and snack while enroute.
- (g) The Company shall install a time clock in order to ensure that all employees receive their entitled rest periods and to ensure all employees are paid the appropriate hourly rates for time worked. In order to minimize any confusions regarding hours worked all employees must personally have their time card stamped when they begin work, when they take their rest period, and when they end work for the day.

Employees will be paid for all time worked as indicated on the time card.

The Company will ensure that clearly posted rules with respect to time card abuse are posted. The rules will state that abuse of time cards is theft and that theft of time/money is cause for termination.

- 5.3** Where an employee is required to report to work, he is entitled to be paid for not less than two hours work at his regular wage, and where the employee actually commences work he is entitled to be paid for not less than four hours work at his regular wage, unless the employee's work is suspended for reasons completely beyond the control of the company.

When an employee reports for work at the normal starting time of the shift and his regular job is not available, he will receive alternate work or pay as set out in the above paragraph. The employee will receive alternate work in these circumstances unless the following conditions apply:

- (a) Where the employee has been informed a minimum of six hours in advance of his regular starting time that he is not to report for work.
- (b) Where the warehouse or part of it or its equipment, is damaged by fire, lightning, flood or tempest.
- (c) Where interruption of work is due to circumstances beyond the Company's reasonable control.

- (d) Where the employee is not willing to accept alternate work. Such alternate work must not be of an unreasonable nature by way of safety, dress requirements, physical demands, etc.
- (e) When the employee fails to keep the Company informed of his latest address and telephone number, the Company shall be relieved of its responsibility with regard to notice not to report for work. The Company will supply an authorized "Change of Address" card for this purpose, which be available upon request at the Payroll Office.
- (f) When new job classifications are established or existing job classifications are changed by changes in the character of duties and responsibilities as deemed necessary or advisable by the Company, the Union shall be advised.

5.4 The Company agrees that overtime will be voluntary. The Union agrees that its members shall not unreasonably refuse to work overtime when requested to do so, and the Union shall not condone or encourage concerted refusals of overtime. No employee will or can work overtime without the consent of the Management.

5.5 All overtime shall be offered to the most senior employees on the premises when overtime becomes necessary.

- 5.6** The Company will be required to give employees 24 hours' notice of a temporary shift change and 2 week's notice on a permanent change, unless the change is the result of an employee earning overtime wages. Except in the case of emergencies, all employees will have at least eight consecutive hours free from work between each shift worked.
- 5.7** Employees that either come to work late, refuse to take the rest period or leave work before the scheduled shift ends shall:
- (a) Not be paid for the time not worked.
 - (b) Be given a disciplinary note. Repeated behavior will result in disciplinary action as set out in Appendix "B" - Discipline.
- 5.8** During working hours employees shall not smoke, drink or consume food unless required to work through the lunch break. Smoking and eating areas will be provided by the Company for use during the rest period, for employees normally working at the Annacis Island warehouse. Truck drivers will normally observe their breaks and snack while enroute.

ARTICLE 6 - WAGES

- 6.1** Wages and classifications of work are attached hereto and known as Appendix "A".

- 6.2 (a) When an employee is temporarily removed from his regular work and placed on other work, he shall be paid his regular rate of pay or the rate for the other work, whichever is greater. Rate changes shall apply only when the other work has a duration of one (1) hour or more.
- (b) Employees covered by this Agreement shall be paid not less frequently than once every week. The Company shall provide every employee covered by this Agreement with a separate or detachable written or printed itemized statement in respect of all wage payments made to such employee. Such statement shall set for the pay period, the total hours worked, the total overtime hours paid at premium rates, the rate of wages applicable to date, and itemized deductions made from gross wages.

ARTICLE 7 – SENIORITY

- 7.1 There shall be seniority list for all employees with the original dated of hire.
- 7.2 The Company will supply the Secretary of the Union with a Seniority Lists in triplicate of all employees covered by this Agreement upon request. Said lists to contain names, classifications and original date of employment of each employee covered by this Agreement.

- 7.3 When a permanent vacancy occurs, the Company shall make a temporary appointment to fill the job and the job shall be bulletined within 2 weeks for three (3) working days, during which time employees may make written application to the Company for the job.

Thereafter, the Company shall make a permanent appointment within three (3) working days after the period of posting. It is agreed, employees absent from the Company shall file a bid for future promotions before leaving if they wish to be automatically considered as applicants.

- 7.4 **Lay-Offs and Rehiring** - Length of service shall be the deciding factor governing layoffs and rehiring after layoffs except where by mutual agreement between the Company and the Grievance Committee, the senior employee does not have the capabilities to perform the work to be done.

- 7.5 Seniority shall be lost if an employee:

- (a) voluntarily leaves the employ of the Company, or
- (b) is discharged and not reinstated under the terms of this Agreement, or
- (c) is absent without leave for a period greater than five (5) working days, or
- (d) after recall from lay-off fails to return to work within the five (5) working days after being recalled, or

- (e) after notifying the Company of his intent to return to work, fails to report to work as set out in (d) above, or
- (f) is laid off and not recalled for 6 months, or
- (g) accepts severance pay as set out in Article 19.

7.6 Employees shall be regarded as probationary for the first sixty (60) days worked and during this period employees shall acquire no seniority or re employment rights and may be terminated at the Employer's discretion for any bonafide reason. After completion of such period of employment, the names of such employees shall be placed upon the seniority list in order of original hiring date. Probationary employees shall have access to the applicable provisions of the Collective Agreement. This period may be extended by mutual agreement.

Probationary employees will be given a written assessment at the completion of forty-five (45) days worked during the probation period.

7.7 Promotions: Performance on the job shall be the governing factor in promotions. Length of service will be the tie breaker when merit and ability are relatively equal among those involved. Performance on the job will be evaluated by skill and ability.

- 7.8 An employee within the bargaining unit who accepts employment with the company outside the scope of the bargaining unit, shall be permitted to return to the bargaining unit. This employee shall be granted a six (6) month trial period. Before this period expires the employee may return to the bargaining unit.

ARTICLE 8 - VACATIONS

- 8.1 Employees who have the following records of service with the Company shall be entitled to the following vacations with pay.
- (a) Those with less than one (1) year - the provisions of the Employment Standards Act of British Columbia.
 - (b) Those with one (1) year or more - two (2) weeks at 4% of gross earnings (excluding taxable benefits) at the employee's anniversary date.
 - (c) Those with four (4) years or more - three (3) weeks at 6% of gross earnings (excluding taxable benefits) at the employee's anniversary date.
 - (d) Those with eight (8) years or more - four (4) weeks at 8% of gross earnings (excluding taxable benefits) at the employee's anniversary date.
 - (e) Those with twelve (12) years or more - five (5) weeks at 10 % of gross earnings (excluding taxable benefits) at the employee's anniversary date.

- (f) Those with twenty (20) years or more - six (6) weeks at 12 % of gross earnings (excluding taxable benefits) at the employee's anniversary date.

8.2 Before leaving on vacations, employees shall be entitled to their vacation pay.

8.3 Vacations will be scheduled by the Company and shall be completed within the anniversary year of each employee. It is not permissible to postpone the vacation period or any part thereof from one year to another. The selection and allocation of vacations shall be awarded on the basis of seniority as follows:

- (a) Two priority weeks are chosen on the basis of seniority.
- (b) One additional week is chosen on the basis of seniority (for those with 3 weeks entitlement).
- (c) One additional week is chosen on the basis of seniority (for those with 4 weeks entitlement).
- (d) One additional week is chosen on the basis of seniority (for those with 5 weeks entitlement).

8.4 If any statutory holiday occurs during the period of the annual holiday taken by an employee, the said annual holiday shall be increased by one (1) working day and the employee shall be paid in addition to his annual holiday pay allowance thereof, the wage which he would have received had the employee worked, or alternatively, the employee may extend his holiday one (1) additional day with pay.

- 8.5** Employees leaving the employ of the Company part way through the year, the employee shall be paid a vacation allowance in the amount of the following, either from the date of employment or the last vacation period, whichever may be applicable: any vacation pay which may be owing to him for a prior completed year of employment, as well as any accrued vacation pay owing for the part year. The accrued vacation pay is to be calculated using the same annual rates as those set out in paragraph 8.1 of this agreement
- 8.6** Where the amount of vacation dollars exceeds the percentage payable under Article 8.1, that excess amount will be paid to all employees, within sixty (60) days of the end of the calendar year.

ARTICLE 9 - SAFETY AND HEALTH

- 9.1** The Company shall provide rest rooms and sanitary facilities and make provisions for the safety and health of its employees at the plant during the hours of their employment. Protective devices, special wearing apparel and other equipment necessary to properly protect its employees from injury shall be provided by the Company.

The Company agrees to pay \$125.00 per year per employee for a steel toed boot allowance starting March 1, 2003 upon completion of six (6) months of service.

- 9.2** It is agreed that first aid facilities and a qualified first aid attendant, holding a Workers' Compensation Board approved First Aid Certificate, shall be provided for by the Company. The first aid attendant will receive the following in addition to his regular pay:

Level 2 Qualification (as required by W.C.B.)
\$0.44 per hour.

The Company agrees to pay the cost of the required first aid course, upon successful completion, and any renewal required.

- 9.3** There shall be a Safety Committee as provided for under the Workers' Compensation Act, composed of equal representation on behalf of the Company and the Union and monthly meetings of the said committee shall be held.
- 9.4** The Union will cooperate with the Company in maintaining good working conditions and will assist in assuring observance of safety rules.

ARTICLE 10 - GRIEVANCE PROCEDURE

- 10.1** Any employee, or group of employees, the Union, or the employer, shall have the right at any time present grievances under the procedure outlined in this agreement. Grievances must be filed within twenty (20) working days and are to be submitted in writing, outlining the reason, date of occurrence, along with any pertinent information.

- 10.2** There shall be a Grievance Committee, consisting of two (2) employees, designated by the Union, who are actually then in the employ of the Company and who will be afforded such time off as may be required to attend meetings with the Management held at the request of the Management or the Committee.
- 10.3** The union agrees to advise the Company of the members of the Grievance Committee in writing, and also of any changes from time to time.
- 10.4** The following steps constitute the recognized grievance procedure under this agreement.
- Step 1 Steward and aggrieved present grievance to the immediate supervisor.
 - Step 2 Grievance Committee and a Management designate.
 - Step 3 Union Representative, Grievance Committee and Management.
 - Step 4 Arbitration.
- 10.5** Decision on step 1 shall be rendered in writing within ten (10) working days after the grievance was filed.
- (a) Failing satisfactory settlement at step 1, step 2 will occur. A decision shall be rendered in writing within ten (10) working days in writing that the step 1 decision is appealed.

- (b) Failing settlement at step 2, step 3 shall occur. A decision shall be rendered in writing within ten (10) working days in writing that step 2 decision is appealed.
- (c) Grievances not appealed to a subsequent step of the grievance procedure within ten (10) working days of decision in writing shall be deemed settled on the basis of the decision in the last step to which the grievance was carried.
- (d) Procedures covering steps 1, 2, and 3, may be extended by mutual agreement between the parties.
- (e) In reference to the terms "decision" and "notification", it is the responsibility of the grieving party to give "notification" and the responsibility of the other party to render the decision.
- (f) In the case of a grievance involving the dismissal of an employee, the first step of the grievance procedure may be omitted.

10.6 In the event of arbitration, the Arbitrator shall be selected from the following list of arbitrators, on a rotational basis. If an arbitrator selected to hear and determine a dispute is unable to schedule a hearing within thirty (30) days, the dispute shall be assigned to the next arbitrator on the list. The members of the arbitrators list are:

- (a) Donald Munroe
- (b) John McConchie
- (c) David McPhillips
- (d) Rod Germaine

In the event no arbitrator is available to process the grievance within the stipulated thirty (30) day period, the original arbitrator shall be assigned to hear and determine the dispute at the earliest possible date.

- 10.7** The findings of the arbitrator shall be final and binding on both parties. The arbitrator is not authorized to alter, amend, or modify any part of this agreement.
- 10.8** Fees and expenses incurred by the arbitrator shall be borne equally by the Union and the Company.
- 10.9** The parties agree that an expedited arbitration procedure as outlined in the B.C. Labour Relations Code may be used by mutual agreement.

ARTICLE 11 - LAY OFF NOTICES

The Company is not required to give notice of termination or pay compensation if an employee is laid off temporarily. The Company will notify employees 72 hours prior to the commencement of their shift that they are being temporarily laid-off.

A temporary layoff becomes a termination when:

- (a) A layoff exceeds 13 weeks in any period of 20 consecutive weeks, or

- (b) The recall period for an employee covered by this agreement has been exceeded by more than 24 hours.

A week of layoff is a week in which an employee earns less than 50% of his weekly wages at the regular, averaged over the previous eight (8) weeks.

When a temporary layoff becomes a termination, the date of layoff becomes the termination date and the employee becomes entitled to severance pay in lieu of notice.

A layoff other than a temporary layoff is considered a termination.

ARTICLE 12 - JURY DUTY PAY

- 12.1** An employee summoned to jury duty or subpoenaed as a witness shall be paid for each day of absence the difference, between pay lost, computed at the employee's hourly wage rate and the amount of jury fee received, provided that the employee furnishes the Company with a certificate of service signed by the Clerk of the Court, showing the amount of jury fee received.
- 12.2** Employees shall return to work within a reasonable period of time. They shall not be required to report if less than two (2) hours of their normal shift remains to be worked. Total hours on jury duty and actual work on the job in one day shall not exceed eight (8) hours for purposes of establishing the basic work day. Any time worked on the employee's regular job in excess of the combined total of eight (8) hours shall be considered overtime and paid as such under the Contract.

ARTICLE 13 - LABOUR DISPUTE

The Company expects the employees to perform their work through the duration of this agreement. The Company will not discipline employees who refuse to cross a legal picket line.

ARTICLE 14 - SICK LEAVE

14.1 Employees may apply for up to 6 paid sick days per year. After the first two paid sick days are taken during the year each sick day thereafter must be accompanied with a doctors note in order to be paid. The Company will pay for the cost of the doctor's visit and provide the names of approved doctors. The Company may require the employee to obtain a doctor's note from one of the doctors named by the Company.

Upon completion of forty-five (45) days of service with the Company, and providing the employees has perfect attendance, each full-time employee shall accrue one-half (1/2) day sick leave credit per month with pay to a maximum of six (6) days in a calendar year.

Part time employees shall accrue for months that they have perfect attendance and have worked a minimum of sixteen (16) ten (10) hour shifts or twenty (20) eight (8) hour shifts.

All employees shall be paid out the unused portion of sick leave credits on the first pay-day in December each year. It is further agreed that an employee may elect to carry over to the following calendar year a maximum of three (3) days sick leave credits.

- 14.2** An employee is expected to give twelve (12) hours prior notice when reporting for work following an illness. In the event that the illness that the employee is returning from has been in excess of one day and the required notice was not given by the employee then the employee shall not qualify for work or pay as set out in Article 5.3 of this Agreement.
- 14.3** In the event that the employee has been absent due to illness or injury for a period exceeding 5 working days the Company in its discretion may require a letter from the employee's physician setting out that the employee is fit to return to work. The employee will not be allowed to return to work in this case until the required certificate has been obtained and forwarded to the payroll office of the Company.
- 14.4** The Company will post clear rules that set out what steps an employee is to follow when reporting sick.

ARTICLE 15 - LEAVES OF ABSENCE

15.1 Bereavement Leave

- (a) In the event of the death of an employees parents, legal guardian, grand parents, children, sister, brother, spouse, step-parents, mother-in-law, father-in-law the employee will be granted up to three (3) working days compassionate leave with pay.
- (b) Upon giving twenty-four (24) hours notice, an employee may be granted time off without pay for the purpose of attending a funeral of persons other than the aforementioned.

- 15.2 Maternity Leave** - An employee who is pregnant shall be given leave of absence without loss of seniority or other privileges from eleven (11) weeks prior to the delivery until six (6) weeks after delivery.

The employee may choose to delay the commencement of her maternity leave, provided she is medically fit to perform the full range of duties of her position. This will not affect the employee's entitlement to seventeen (17) weeks of maternity leave. Benefit coverage for this period shall be as per the "Benefit Package". Prior to the commencement of any leave of absence (extension), the employee will be allowed to self pay their preleave benefit status. Employee to advise in writing of return to work date at least two (2) weeks prior to return.

- 15.3 Parental Leave** - An employee with seniority may apply for parental leave of up to thirty-five (35) weeks without pay. Such leave may be granted subject to operational requirements of the company and provide the employee pays the premium of welfare plans under Article 18. Parental leave will only be granted during the six (6) month period following birth or adoption.

- 15.4 General Leaves of Absence** - A general leave of absence up to six (6) months leave without pay may be applied for at any time by giving written request to the immediate supervisor at least one (1) month prior to the commencement date of the requested leave. All leaves of absence must be approved in writing by the Company with a copy to the Union.

15.5 Leaves for Union Business

- (a) The Company will grant leave of absence without pay to the one employee who is appointed or elected to Union Office for a period up to and including one (1) year. Further leave of absence may be granted by mutual consent.
- (b) The company will grant leave of absence without pay to not more than one (1) employee who is elected as Representatives to attend Union meetings and Union Conventions in order that they may carry out their duties on behalf of the Union.

It is understood and agreed that employees who are on leave to attend meetings and conventions shall be paid from the Employer their regular pay and benefits while attending such functions.

The Employer will subsequently bill the local Union for the cost of such wages and benefits.

- (c) In order for the Company to replace the employee with a competent substitute, it is agreed that before the employee receives this leave of absence, as set forth in Clauses (a) and (b) above, the Company will be given due notice in writing; in the case of (a) - twenty (20) ninety (90) calendar days and in the case of (b) five (5) thirty (30) calendar days.
- (d) Wages of the Negotiating committee will be the day's wage for all negotiating meetings with the Company at their regular hourly rate regardless of total hours per day and will be the responsibility of the Union.

ARTICLE 16 - ADJUSTMENT PLAN

16.1 Automation and restructuring issues will be carried out in accordance with Section 53 and 54 of the B.C. Labour Relations Code.

ARTICLE 17 - PREFERENTIAL HIRING

The right to select employees is vested in the Company.

ARTICLE 18 - WELFARE PLANS

18.1 The Company agrees to maintain the following benefit program:

(a) B.C. Medical Coverage Premium - paid 50% by the Company and 50% by the Employee.

(b) Weekly Indemnity Insurance Weekly benefit
- 55% of salary

Commencement: 1st day hospital
4th day sickness

Length of coverage: seventeen (17) weeks

Premium - paid 50% by the Company and 50% by the Employee.

(c) Long-term disability coverage of two thirds (66.67%) of salary, effective after termination of weekly indemnity.

- (d) Group Life Insurance and A.D. & D. Coverage amount equal to \$25,000 per annum. equal to the employee's annual gross earnings.
- (e) Extended Health Care
After a \$10 to \$20 (i.e. single and family) deductible, the plan pays 100% of employee's out-of-pocket health expenses, over and above British Columbia Medical Services Plan

Premium - paid 50% by Company and 50% by Employee

The Company only agrees to pay the premiums set out above and shall not be responsible for the delivery of the benefit or any default of the insurer.

- 18.2**
- (a) All full time employees are covered by the Company's welfare plan. New employees have a 3 month waiting period prior to coverage on the Company's welfare plans.
 - (b) Employees on maternity leave will remain covered by the Company's welfare plans, providing they prepay their portion of their premiums prior to the commencement of their leave.

ARTICLE 19 - SEVERANCE PAY

- 19.1** When employment is terminated by the Company for reasons other than those set forth under Section 2 below, the Company in addition to accrued vacation pay shall pay:

One (1) week's current pay for each completed year of service to a maximum of 8 weeks.

19.2 The above shall not apply when an employee resigns or is discharged for cause or retires.

19.3 After an employee has been laid off longer than six (6) months, the Company will delete the person's name from the Seniority List and pay his full severance pay.

ARTICLE 20 - EMPLOYEE ASSISTANCE PROGRAM

The Company shall provide up to \$500.00 per year for confidential counseling services to be provided by an independent insurer dealing directly with the employee.

ARTICLE 21 - DENTAL PLAN

The Company agrees to continue to provide the existing dental plan to employees.

Premium - paid 50% by the Company and 50% by the Employee.

The Company only agrees to pay the premiums set out above and shall not be responsible for the delivery of the benefit or any default of the insurer.

ARTICLE 22-REGISTERED RETIREMENT SAVINGS PLAN

Effective January 1, 1997, after an employee has been with the Company for one (1) year the Company agrees to match an employee's contribution to a RRSP of up to eight hundred (\$800.00) for the calendar year providing the contribution is made to a plan that locks in both the employee and Company portion until termination retirement. Such employee contribution shall be voluntary.

ARTICLE 23 - DURATION OF THE AGREEMENT

The Company and the Union mutually agree that this Agreement shall be effective from March 1, 2002 to and including October 31, 2005 and thereafter from year to year unless written notice of intent to amend is given by either party to the other party any time within four (4) months prior to the expiration of the Agreement. It is mutually agreed that Sub-section two (2) of Section fifty (50) of the Labour Relations Code of B.C. is specifically excluded from the Agreement. During such period of negotiations, this Agreement shall remain in full force and effect.

DATED THIS 18th day of March, 2003

SIGNED ON BEHALF OF
THE UNION
**Retail Wholesale Union
Local 580**

SIGNED ON BEHALF OF
THE COMPANY
**Olafson's Baking
Company Inc.**

A. Boivin (signed)

D. Francis (signed)

K. Bula (signed)

G. Brassart (signed)
Representative

APPENDIX "A"
WAGES AND JOB CLASSIFICATIONS

	<u>Nov 1,2002</u>	<u>Nov 1,2003</u>	<u>Nov1,2004</u>
<u>Warehouse:</u>			
Start	\$13.55	13.90	14.25
after 6 month	\$15.05	15.40	15.75
after 1 year	\$16.05	16.40	16.75
after 2 years	\$17.30	17.65	18.00
after 4 years	\$17.80	18.15	18.50
<u>Assistant Supervisors:</u>			
Start	\$14.55	14.90	15.25
after 6 months	\$16.05	16.40	16.75
after 1 years	\$17.05	17.40	17.75
after 2 years	\$18.30	18.65	19.00
after 4 years	\$18.80	19.15	19.50
<u>Drivers</u>			
Start	\$16.05	16.40	16.75
after 1 year	\$17.05	17.40	17.75
after 2 years	\$18.30	18.65	19.00
after 4 years	\$18.80	19.15	19.50

The Company shall pay a net bonus to all employees employed at the date of ratification of five hundred (\$500.00) dollars.

DISCIPLINE

Discipline is intended to be constructive in correcting an employee's unacceptable conduct or work habits. The Company recognizes that while it is important to take disciplinary action when required, it is just as important to allow the employee the opportunity to "wipe the slate clean". If an employee improves performance and resolves the problem that caused the disciplinary action to be taken, the Company will give the employee the opportunity for a fresh start. The expiry dates for each level of offence are indicated in the Company's Guidelines of Progressive Disciplinary Action.

LETTER OF UNDERSTANDING

BETWEEN:
OLAFSON'S BAKING COMPANY INC.

AND:
RETAIL WHOLESALE UNION LOCAL 580

The parties agree the current incumbent in the supervisor position shall be red-circled at the current rate of \$19.75. It is understood the Employer had assessed their business structure and has made a determination that a position of the supervisor is not required.

DATED THIS 18th day of March, 2003

SIGNED ON BEHALF OF
THE UNION
**Retail Wholesale Union
Local 580**

SIGNED ON BEHALF OF
THE COMPANY
**Olafson's Baking
Company Inc.**

A. Boivin (signed)

D. Francis (signed)

K. Bula (signed)

G. Brassart (signed)
Representative

LETTER OF UNDERSTANDING

BETWEEN:
OLAFSON'S BAKING COMPANY INC.

AND:
RETAIL WHOLESALE UNION LOCAL 580

Re: Rest Periods

It is agreed that that the length of the rest periods will be as follows:

Eight (8) hour shifts: Two (2) fifteen (15) minute breaks per shift

Ten (10) hour shifts Two (2) twenty-five (25) minute breaks per shift.

DATED THIS 18th day of March, 2003

SIGNED ON BEHALF OF
THE UNION

**Retail Wholesale Union
Local 580**

SIGNED ON BEHALF OF
THE COMPANY

**Olafson's Baking
Company Inc.**

A. Boivin (signed)

D. Francis (signed)

K. Bula (signed)

G. Brassart (signed)
Representative

*** NOTES ***