

COLLECTIVE AGREEMENT

BETWEEN

BAKEMARK INGREDIENTS CANADA LIMITED

AND

TEAMSTERS LOCAL UNION No. 213

January 1st, 2002 to December 31st, 2006

DON MCGILL

Secretary-Treasurer

TABLE OF CONTENTS
BAKEMARK INGREDIENTS CANADA LIMITED

ARTICLE	PAGE
1. BARGAINING AGENCY AND DEFINITION	1
2. DURATION OF AGREEMENT	1
3. UNION SECURITY	2
4. DEDUCTION OF DUES, ETC.	2
5. UNION ACTIVITIES OF EMPLOYEES AND LEAVE OF ABSENCE	3
6. SHOP STEWARDS	4
7. WORK CLOTHES, UNION PRODUCTS AND SERVICES	5
8. UNION NOTICES	5
9. CONFLICTING AGREEMENT	5
10. PROTECTION OF RIGHTS.....	6
11. TRANSFER OF TITLE OR INTEREST.....	6
12. GRIEVANCE PROCEDURE.....	6
13. JOB POSTING, ETC	8
14. TECHNOLOGICAL CHANGE, RETRAINING AND SEVERANCE	8
15. PAY DAY AND PAY STATEMENTS, ETC.	9
16. ANNUAL VACATIONS	10
17. GENERAL HOLIDAYS	11
18. SEPARATION OF EMPLOYMENT	12
19. SENIORITY	12
20. DAYS AND HOURS OF WORK AND OVERTIME	13

21.	LUNCH AND REST PERIODS	15
22.	COMPENSATION COVERAGE	15
23.	SAVINGS CLAUSE	16
24.	INSPECTION PRIVILEGES	16
25.	SANITARY FACILITIES, LUNCH ROOMS, ETC.....	16
26.	SAFETY AND HEALTH.....	17
27.	BONDING.....	17
28.	MANAGEMENT.....	17
29.	WELFARE PLAN.....	17
30.	ARTICLE HEADINGS.....	19
31.	TRUCKING.....	19
32.	CLASSIFICATIONS AND WAGE RATES, ETC	19
33.	SOLICITATION OF FUNDS	20
34.	GENDER	20
35.	RETROACTIVITY	20
36.	PENSION PLAN.....	20
	SIGNATORY PAGE	21
	APPENDIX "A"	22
	APPENDIX "B"	24
	LETTER OF UNDERSTANDING No. 1	25
	LETTER OF UNDERSTANDING No. 2.....	26
	LETTER OF UNDERSTANDING No. 3.....	27
	LETTER OF UNDERSTANDING No. 4.....	29

LETTER OF UNDERSTANDING No. 5.....	30
LETTER OF UNDERSTANDING No. 6.....	31

THIS AGREEMENT entered into this day of , 2004.

BETWEEN: BAKEMARK INGREDIENTS CANADA LIMITED,
2480 Viking Way,
Richmond, British Columbia;

(hereinafter referred to as the "Employer")

PARTY OF THE FIRST PART

AND: TEAMSTERS LOCAL UNION No. 213,
affiliated with the International Brotherhood of Teamsters, of the City
of Vancouver, Province of British Columbia;

(hereinafter referred to as the "Union")

PARTY OF THE SECOND PART

1. BARGAINING AGENCY AND DEFINITION

1.01 The Employer recognizes the Union as the sole collective bargaining agency of all employees as set out in the Certificate of Bargaining Authority, and shall include temporary or so called casual employees in the unit.

1.02 The term employee as used in this Agreement shall apply to any person covered by the Certificate and this Agreement. In the event that an employee is hired and there is no classification or wage rate contained in this Agreement for the job which that person would be doing, then the Union and the Employer shall immediately negotiate a classification and wage rate for that person. Failure to agree by the parties, the matter shall be referred to a Board of Arbitration as contained in this Agreement.

1.03 All work within the bargaining unit shall be performed only by those persons coming within the bargaining unit who are members of the Union as prescribed herein, or who are eligible to become members under Article Three (3), except for the purpose of job instruction, experimentation or in an emergency. The application of this policy shall not be construed to mean the exclusion of supervisory personnel from actively expediting work orders.

1.04 When outside trucking is required, the Employer agrees to the principle of using only that equipment manned by members of the International Brotherhood of Teamsters, subject to the ability of that equipment to provide the required service at competitive cost.

2. DURATION OF AGREEMENT

- 2.01 This Agreement shall be in full force and effect from and including January 1st, 2002, to and including December 31st, 2006, and shall continue in full force and effect from year to year thereafter, subject to the right of either party to this Agreement within four (4) months immediately preceding the expiry date, or immediately preceding the anniversary date in any year thereafter, by written notice to the other party, require the other party to commence collective bargaining with a view to the conclusion of a renewal or revision of the collective agreement or a new collective agreement.
- 2.02 Should either party give written notice to the other party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union shall give notice of strike and such strike has been implemented, or the Employer shall give notice of lockout and such lockout has been implemented or the parties shall conclude a renewal or revision of the Agreement or a new collective agreement.
- 2.03 For the purposes of the Labour Relations Code of British Columbia, the expiration date of the Agreement shall be deemed to be the day immediately preceding the implementation of a strike by the Union or the implementation of a lockout by the Employer.
- 2.04 The operation of Section 50 (2) and (3) of the Labour Relations Code of British Columbia is hereby excluded.

3. UNION SECURITY

- 3.01 The Union recognizes the right of the Employer to hire whomever he chooses, subject to the seniority provisions contained herein. The Employer shall give the Union an opportunity to refer suitable applicants for employment.
- 3.02 The Employer further agrees that it shall not employ in any job coming under this Agreement any person who is otherwise fully employed by another employer or any sub-contractor or agency.
- 3.03 All employees must become and remain members of the Union within twenty-four (24) hours of their commencing employment with the Employer.
- 3.04 Should any employee covered by the bargaining unit cease, at any time, to be a member in good standing of the Union, the Employer shall upon notification in writing from the Union discharge such employee.
- 3.05 Employees who have been laid off and not discharged shall remain on the seniority list of the Employer for one (1) year and shall be re-employed in order of seniority.

3.06 The Employer shall deduct an amount equal to the Union's dues and levies from each employee's first (1st) applicable payroll cheque and add that employee's name and the said amount to the closest applicable checkoff. (i.e. If the checkoff for that month has not been remitted to the Union, it shall be added to that checkoff; if the month's checkoff has been remitted, it shall be added to the following month's checkoff and shown as the previous month worked.)

4. DEDUCTION OF DUES, ETC.

4.01 The Union shall each month mail to the Employer a checkoff form, in duplicate, setting out the name of each employee in the Union and the amounts of dues, etc. they owe. The Employer shall delete any names from such list of employees who have terminated since the previous list and shall also add the names of any new employees, as well as following the procedure set out in 3.06 herein.

4.02 All employees referred to above will be required to sign an authorization for checkoff of Union dues and levies which may be levied by the Union in accordance with the Constitution and/or By-Laws. Such checkoff shall be irrevocable during the term of this Agreement.

4.03 The Employer shall deduct and pay over to the Secretary of the Union any monthly dues and levies levied in accordance with the Union's By-Laws, owing by said employees hereunder to the said Union. Monies deducted during any month shall be forwarded by the Employer to the Secretary-Treasurer of the Union not later than the tenth (10th) day of each following month, and one (1) copy of the checkoff list as above mentioned.

5. UNION ACTIVITIES OF EMPLOYEES AND LEAVE OF ABSENCE

5.01 The Employer shall allow time off work, without pay, to any man or woman who is serving as a Union delegate to any conference or function, provided all requests for time off are reasonable and do not interfere with the proper operation of the business, and there shall be no more than one (1) employee in the bargaining unit absent at any one (1) time.

5.02 No employee who acts within the scope of the above paragraph shall lose his job or be discriminated against for so acting.

5.03 During an authorized leave of absence, an employee shall maintain and accumulate seniority, provided the leave is not in excess of twelve (12) months.

- 5.04 When an employee suffers an injury, whether on the job or not, or suffers any illness preventing him or her from reporting to work, he or she will automatically be granted leave of absence, without pay, subject to any payments the employee is entitled to under any Welfare Plan or other provisions, until such time as their doctor states they can return to work. Such absence will not exceed one (1) calendar year except by mutual consent of the parties. Employees on leave must provide the Employer reasonable notice of their expected date of return in advance of reporting to work.
- 5.05 If an employee desires a leave of absence of up to three (3) months for any reasons other than those referred to above, he must obtain permission in writing for the same from the Employer. However, no legitimate and reasonable request for a leave of absence will be denied.
- 5.06 In any instance where an employee accepts other employment without the consent of Management, when on leave of absence or vacation for any reason, his or her employment may be terminated, subject to proper proof of same.
- 5.07 When an employee suffers an injury or illness which requires his or her absence, they shall report the fact to the Employer as soon as possible, prior to their actual starting time, so adequate replacement may be made if necessary. Employees must keep the Employer notified of correct address and phone number at all times. Employees on leave must provide the Employer reasonable notice of their expected date of return in advance of reporting to work.
- 5.08 In case of death in the employee's immediate family, the employee affected shall be granted compassionate leave of absence with full pay for up to three (3) working days when such leave is necessary. Immediate family means: husband, wife, mother, father, children, sister, brother, mother and father-in-law, sister and brother-in-law, grandparents, step-parents, and any relative residing in the employee's household permanently.
- 5.09 Employees shall be entitled to take three (3) days compassionate leave of absence under any of the above circumstances and where there is disagreement with the Employer as to the necessity of such leave, the matter of payment shall be settled by the Grievance Procedure.
- 5.10 All time lost by an employee due to necessary attendance on Jury Duty or any Court Proceedings, where subpoenaed as a witness, shall be paid for at the rate of pay applicable to said employee. All Jury Duty pay or witness payments received by the employee from the Courts or otherwise shall be

reimbursed to the Employer by endorsement of Jury Duty cheque and/or witness fees to the Employer.

6. SHOP STEWARDS

6.01 There shall be a Shop Steward appointed, if the Union so wishes, to see whether the members of the Union and the Employer live up to the provisions of this Agreement and to report any infractions of such provisions to the Management, who shall promptly deal with same. Such Shop Steward shall be appointed by the Union and shall be an employee of the place in which he is a Steward. There shall be no discrimination against the Shop Steward for lawful Union activities.

6.02 The Shop Steward shall have no authority to alter, amend, violate, or otherwise change any part of this Agreement. The Shop Steward shall report to the Union Officers any violations of this Agreement.

6.03 The Employer will recognize the Shop Steward selected in accordance with the Union rules and regulations as the representative of the employees in the respective groups or departments for which they are chosen, and hereby recognizes that the power to appoint and removal thereof is solely vested with the Union. The number of Stewards will be consistent with the need.

6.04 The Union will advise the Employer of the identity of all Stewards and will also give notice within twenty-four (24) hours of any new appointment or removal thereof.

6.05 Shop Stewards shall be allowed to take up grievances during working hours provided the time taken for such activity is within reason and prior approval has been granted which shall not be unduly withheld.

7. WORK CLOTHES, UNION PRODUCTS AND SERVICES

7.01 The Employer shall provide and maintain, free of charge, for each employee working in the Warehouse, a choice of either coveralls or uniform of pants, jacket or shirt. Manufacturing employees will be provided with whites or coveralls as required. In addition, the mechanics shall be supplied coveralls as required.

7.02 The Employer shall provide any safety equipment as required by the Workers' Compensation Board without charge. In addition to the above, wherever they are required to be used on the job, the Employer shall supply, free of charge, rubber clothes, rubber boots and gloves.

7.03 The Employer shall pay a boot allowance of up to eighty-five dollars (\$85.00) per annum to all non-probationary employees, to be applied to the purchase

of safety footwear. If purchased from designated suppliers the excess above eighty-five dollars (\$85.00) on each purchase will be deducted from the employee's regular payroll cheque. Employees who purchase footwear from other than designated suppliers will submit the footwear and receipts for reimbursement. It is mandatory that all employees wear safety footwear while in the employ of the Employer. In the event that an employee does not use his boot allowance in any one (1) year, he may carry over the full amount or any unused portion into the next year.

8. UNION NOTICES

8.01 The Employer agrees to provide space that is readily accessible for the official Union notices of direct interest to the employees and that there shall be no interference by the Employer with said Notice Board.

8.02 The following items must be posted on said Notice Board:

- (a) A copy of this Agreement;
- (b) Valid seniority lists to be revised every six (6) months and copies to be sent to the Union;
- (c) Copies of the Welfare Plan and Sick Leave pay provisions, with details as to when employees are eligible and whom to see to obtain the coverage of the Welfare Plan.

9. CONFLICTING AGREEMENT

9.01 The Employer agrees not to enter into any agreement or a contract with 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 Canada. Any such agreement will be null and void.

9.02 Management agrees that before effecting any wage rate other than those set out in this Agreement it shall first discuss same with the Union Agent. No changes shall apply unless coming under the provisions of Articles 13 or 14 of this Agreement.

10. PROTECTION OF RIGHTS

10.01 The Employer shall not require any Union member hereunder to cross a legal picket line.

10.02 It is agreed that in the event of a strike among the employees of any other firm with which the Employer is doing business, the Employer will not ask its employees to perform any labour they do not ordinarily perform.

10.03 It is mutually agreed that there shall be no strike, lockout or slowdown, sympathetic or otherwise, during the term this Agreement shall be in force.

11. TRANSFER OF TITLE OR INTEREST

11.01 This Agreement shall be binding upon the parties hereto, their successors, administrators, executors, and assigns. In the event the entire operation or any part thereof is sold, leased, transferred, or taken over by sale, transfer, lease assignment, receivership, or bankruptcy proceeding, such operation shall continue to be subject to the terms and conditions of this Agreement for the life thereof.

11.02 It is understood by this Section that the parties hereto shall not use any leasing device to a third party to evade this Agreement.

11.03 The Employer shall not require, as a condition of continued employment, that an employee purchase or assume any proprietary interest or other obligation in the business, nor furnish trucks or other equipment for same.

12. GRIEVANCE PROCEDURE

12.01 Any complaint, disagreement or difference of opinion between the Employer, the Union or the employees covered by this Agreement which concerns the interpretation or application of the terms and provisions of this Agreement shall be considered a grievance.

12.02 Any employee, the Union or the Employer may present a grievance. Any grievance involving suspension or dismissal which is not presented within five (5) working days or any other grievance which is not presented within twenty (20) days following the event giving rise to such grievance shall be forfeited and waived by the aggrieved party. This provision shall not be used to deny any employee his or her rights under the Provincial Labour Statutes.

12.03 The steps of the Grievance Procedure shall be as follows:

- (a) The employee together with the Shop Steward employed by the Employer shall take his grievance up with the Foreman or Supervisor, as the case may be. The Employer shall respond within fourteen (14) days of the grievance meeting.
- (b) Should a solution not be reached by Step (a), then an Officer or Officers of the Union, accompanied by the employee and the Shop Steward, if the Union so wishes, shall discuss the matter with the Manager. This shall in no way prevent the Union from taking up any

grievance without any or all employees taking up the matter or matters for personal reasons or where it affects Union policy or the entire bargaining unit. If no solution is reached, then the Union Officer shall submit in writing the Union's contention on the dispute and the Manager shall meet with the Union Officer to try to finalize the matter. Failing settlement of the dispute at the stage where the Union Representative and the Manager meet, as set out above, the matter shall be taken to Arbitration as set out herein.

- 12.04
- (a) The Party desiring arbitration shall appoint a member for the Board and shall notify the other party in writing of its appointment and particulars of the matter in dispute.
 - (b) The party receiving the notice shall, within seven (7) days thereafter, appoint a member for the Board and notify the other party of its appointment.
 - (c) The arbitrators so appointed shall confer to select a third person to be Chairman, and failing for five (5) days from the appointment of the second of them to agree to a person willing to act, either of them may apply to the Minister of Labour to appoint a third party.
 - (d) If the Board of Arbitration finds that an employee has been suspended or discharged without proper cause or improperly laid off, they shall determine what award should be made to the party concerned, but in no case shall the award exceed reinstatement plus full amount of wages and benefits lost due to such wrongful discharge or suspension less any wages earned by the employee from other employment during this period of discharge or suspension.
 - (e) The Board of Arbitration shall have the power to determine whether a particular issue is arbitrable under this Agreement.
 - (f) The Board of Arbitration shall not have any jurisdiction or authority to alter or change any of the provisions in this Agreement, or to substitute any new provisions in this Agreement or to give any decision inconsistent with the terms of this Agreement.
 - (g) Each of the parties hereto will bear the expenses of the arbitrator appointed by it, and the parties will equally bear the expenses, if any, of the Chairman.
 - (h) The parties may mutually agree that a sole Arbitrator be appointed in place of a Board of Arbitration.

The decision of a sole Arbitrator shall be deemed to be the decision of the Board and shall be final and binding.

- 12.05 The provisions of Section 87 of the Labour Relations Code of British Columbia is excluded, except by mutual consent of the parties.
- 12.06 Any discharged or suspended employee may, within seventy-two (72) hours of his discharge or suspension, in writing, require the Employer to give to him the reasons for his discharge or suspension, and the Employer will give such reasons to him, in writing, within seventy-two (72) hours.
- 12.07 Any derogatory statements in an employee's personnel file shall be deleted after two (2) years from the date of occurrence.
- 12.08 Any employee may review his personnel file with the Personnel Manager on request, at a mutually convenient time.

13. JOB POSTING, ETC.

- 13.01 In the event that any employee leaves a job or a new job is created or new equipment is installed, the Employer shall post a notice on the Bulletin Board notifying that a vacancy exists in a particular job, giving the details of the job, rates of pay, etc. Employees desiring such job shall then apply, in writing, within seventy-two (72) hours of such job posting, excluding weekends. The Employer will give automatic consideration to all employees absent at the time a vacancy occurs. The senior employee applying who has the ability to do the job, subject to the Section above, shall receive such job.
- 13.02 Where the vacancy is a new job not heretofore done in the establishment, the Employer may establish a rate for such job. If the Union disagrees with such rate, same shall be settled by Arbitration as set out herein.
- 13.03 The Employer agrees to advise and discuss with the Union any decision to install new equipment which will substantially change the nature of a job covered by this Agreement prior to its installation.
- 13.04 When a permanent job vacancy is open within either the Warehouse or Manufacturing division and no bid has been accepted for the posting from employees on the seniority list in which the vacancy has occurred, employees on the other seniority list may bid on the posting subject to the procedure outlined herein.

When an employee from one seniority list successfully bids on a job on another seniority list, he or she will be awarded such job but seniority for future posting and layoff purposes will be deemed to start as of the date of

awarding such job. For the purposes of benefit and vacation entitlement, seniority shall be calculated from the latest date of hire. Subject to Article 19.07, after successful completion of a trial period of 176 hours, the employees seniority date on his or her new seniority list will be deemed to start as of the date of awarding such job and the employee will be subject to lay-off and recall based on their new seniority date.

14. TECHNOLOGICAL CHANGE, RETRAINING AND SEVERANCE

- 14.01 If the Employer proposes the introduction of equipment in its operations requiring specialized training, the Employer agrees to give first opportunity to employees then on the payroll through the Job Posting procedures of this Agreement to operate this equipment and/or train to operate the equipment, provided the applicant qualifies with the requirements of an independent aptitude test, if required by the Employer; cost of such test to be borne by the Employer. Any employee taking such a test is entitled to know the results of such test.
- 14.02 The Employer agrees to notify the Union no less than three (3) months in advance of the introduction of any new equipment involving the implementation of Section 14.01 above.
- 14.03 The Employer agrees to work with the Union and with Canada Manpower in order to arrange for training of employees whose jobs no longer exist as a result of automation, but whose seniority entitles them to continued employment. Such employees shall have the choice of taking the training provided or of accepting a layoff.
- 14.04 Full time employees with one (1) year or more of service, whose employment is terminated as a result of technological change or of closure of the whole or any part of the operation or loss of business, shall receive termination pay of one (1) week's pay for each year of service with the Employer to a maximum of twenty-six (26) weeks, at the rate of pay the employee was receiving on the date of termination.
- 14.05 The above shall not apply when an employee resigns or is discharged for just cause.
- 14.06 Severance pay will not be applicable in the event of layoff of an employee unless the layoff without recall exceeds a period of twelve (12) months.

Should layoff exceed three (3) continuous months, any employee entitled to severance pay and requesting and receiving payment of severance pay shall forfeit all seniority and recall rights.

14.07 Whenever there is a significant change in job content or working conditions, the Employer will meet with the Union to discuss the appropriateness of a rate revision. If agreement cannot be reached, the matter may be processed through the Grievance Procedure to a final conclusion.

15. PAY DAY AND PAY STATEMENTS, ETC.

15.01 All employees covered by this Agreement shall be paid by direct deposit to a financial institution of their choice every two (2) weeks by noon of each pay day all wages earned by such employees to a day not more than seven (7) days prior to the day of payment and must be deposited prior to noon of that day.

15.02 The Employer shall provide every employee covered by this Agreement on each pay day with a separate or detachable written or printed itemized statement in respect of all wage payments to such employee that can be clearly interpreted by an employee. Such statement shall set forth the total hours worked, total overtime hours worked (either time and one-half (1 ½) or double time), the rate of wages applicable, and all deductions made from the gross amount of wages.

16. ANNUAL VACATIONS

16.01 No later than March 1st of each year, the Employer shall post a vacation list on the Bulletin Board, and each employee, in order of seniority, shall apply for his or her vacations on such list at a time same is desired, and such request must be completed by April 15th of each year.

16.02 Vacations of up to three (3) weeks may be taken in one (1) unbroken period at the employee's option. Wherever possible, employees shall be allowed their vacation between May 15th and September 30th each year.

16.03 An employee's anniversary date of original hiring shall be used as the date to calculate his vacation entitlement and payment. For the purpose of determining a calendar year's employment to qualify an employee for vacations and vacation pay, the parties agree that when an employee has worked a minimum of fifteen hundred (1500) hours in an employee's calendar year running from anniversary date to anniversary date, he shall be eligible for vacations as set forth. If a full time employee works less than fifteen hundred (1500) hours, he shall receive his vacation entitlement as set forth but will be paid a percentage based on hours worked.

16.04 Employees who have completed or subsequently complete one (1) year as an employee will be eligible for two (2) consecutive weeks vacation of fourteen (14) days, with eighty (80) hours' pay at the rate they were receiving

at the date of taking their vacation, or four percent (4%) of their annual gross earnings for the calendar year for which they are receiving their vacation, whichever is greater.

- 16.05 Employees who have completed or subsequently complete three (3) years as an employee will be eligible for three (3) consecutive weeks vacation of twenty-one (21) days, with one hundred and twenty (120) hours pay at the rate they were receiving at the date of taking their vacation, or six percent (6%) of their annual gross earnings for the calendar year for which they are receiving their vacation, whichever is greater.
- 16.06 Employees who have completed or subsequently complete six (6) years as an employee will be eligible for four (4) consecutive weeks vacation of twenty-eight (28) days, with one hundred and sixty (160) hours' pay at the rate they were receiving at the date of taking their vacation, or eight percent (8%) of their annual gross earnings for the calendar year for which they are receiving their vacation, whichever is greater.
- 16.07 Employees who have completed or subsequently complete thirteen (13) years as an employee will be eligible for five (5) consecutive weeks vacation of thirty-five (35) days, with two hundred (200) hours' pay at the rate they were receiving at the date of taking their vacation, or ten percent (10%) of their annual gross earnings for the calendar year for which they are receiving their vacation, whichever is greater, provided one (1) week is taken in the period between December 1st and March 31st.
- 16.08 Employees who have completed or subsequently complete twenty (20) years as an employee will be eligible for six (6) consecutive weeks vacation of forty-two (42) days, with two hundred and forty (240) hours' at the rate they were receiving at the date of taking their vacation, twelve percent (12%) of their annual gross earnings for the calendar year for which they are receiving their vacation, whichever is greater, provided one (1) week is taken in the period between December 1st and March 31st.
- 16.09 Employees who have completed or subsequently complete thirty (30) years with the Employer shall receive on their thirtieth (30th) anniversary year an extra two (2) weeks vacation as a bonus based on an extra four percent (4%) of their gross earnings, or eighty (80) hours' pay at the rate they were receiving at the date of taking their vacation, whichever is greater.
- 16.10 In the event that an employee leaves the employ of the Employer before he is entitled to two (2) weeks vacation, he shall receive four percent (4%) of the gross earnings he received while in the employ of the Employer.

16.11 In the event of an employee leaving he employ of the Employer after he had his vacation he earned for the previous year, he shall receive four percent (4%), six percent (6%), eight percent (8%), ten percent (10%), twelve percent (12%), or sixteen percent (16%) as the case may be, of his pay for the year in which he ends his employment for which no vacation has been paid.

16.12 Prior to an employee going on his vacation, the Employer shall furnish the employee with a statement showing the period for which the employee is receiving his or her vacation pay, how the vacation pay was calculated (i.e. on a percentage basis or weekly wages), and shall include all overtime payments, commissions or anything of a monetary value on which the employee has to pay income tax, and also a cheque for the appropriate vacation pay to which the employee is entitled.

17. GENERAL HOLIDAYS

17.01 It is agreed that all employees shall be entitled to the following General Holidays with pay based on eight (8) hours of their applicable base rate plus any shift premium he would normally be entitled to:

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

17.02 Each year each employee shall be entitled to a twelfth (12th) guaranteed General Holiday with pay at his current rate, this Holiday can be a Floating Holiday at a time mutually agreed to between each employee and the Employer. If they are unable to agree on the date, the decision shall be the Employer's, provided it is in conjunction with the employee's other days off. The Employer agrees that in the event the majority of the bakery suppliers in B.C. close on Easter Monday, that they would be agreeable to fixing the above Floating Holiday at Easter Monday. The second Floater will be replaced by Heritage Day (if and when it is declared by the Federal Government).

17.03 The Employer agrees that if during the life of this Agreement or any subsequent Agreement, that either the Federal or Provincial Government declares or proclaims any other day other than those listed herein as a Holiday, then employees covered by this Agreement shall receive such day off with pay as set out herein for such other days.

17.04 Employees who are required to work a shift which commences at any time during a General Holiday, or a shift which carries over into a General Holiday for at least two (2) hours, shall in addition to their regular Holiday pay, receive

one and one-half (1 ½) times their hourly rate for the first four (4) hours and double time thereafter for all hours worked during that shift, but shall not be entitled to this for hours in both shifts which fall during the General Holiday period of twenty-four (24) hours. If shifts are worked in both of these days, then the shift which contains the majority of hours in the General Holiday shall be the shift paid for as the General Holiday.

17.05 It is agreed that the General Holidays shall take place when specified as a Legal Holiday by the Federal and Provincial Government.

17.06 Should a General Holiday fall on a non-working day and/or on an employee's days off, the employee will be entitled to an alternate day off with pay which shall be a day immediately following or immediately preceding the regular weekly days off.

18. SEPARATION OF EMPLOYMENT

18.01 If an employee is discharged by the Employer, he shall be paid in full for all monies owing to him by the Employer within twenty-four (24) hours of his discharge.

18.02 If an employee quits the Employer of his own accord, the Employer may withhold payment for five (5) calendar days after the employee's quitting and must pay on the sixth (6th) day.

18.03 When an employee leaves the employ of the Employer for any reason or is laid off, the Employer shall give to the employee his Record of Employment Certificate.

19. SENIORITY

19.01 There shall be two (2) Seniority lists, one for the Warehouse Staff and one for the Manufacturing Staff.

19.02 The Employer shall immediately and every six (6) months thereafter supply the Union with Seniority Lists setting out the name, classification and date of employment of all employees, regardless of how long they have been employed or how many hours they work. Persons employed for vacation relief work only shall not accumulate seniority. A copy of these lists will also be posted on the Bulletin Board as per Article Eight (8).

19.03 Layoffs

Layoffs and re-employment shall be based on seniority. That is the last hired shall be the first laid off and the last laid off shall be the first recalled,

provided always that the senior employee has the ability to perform the work available, with training if necessary.

19.04 Probationary Period

A probationary period of five hundred and twenty (520) hours worked within a continuous twelve (12) month period shall apply in the case of new employees, before seniority commences, and such new employees may be laid off or terminated by the Employer, if it has just cause to do so. It is understood a lesser standard for termination will apply during the probationary period.

19.05 After completion of the probationary period, employees shall be entitled to seniority as of the date the employee entered the employment of the Employer and will be placed on the seniority list upon which they were originally hired.

19.06 Seniority shall be lost if an employee:

- (a) Voluntarily leaves the employ of the Employer, or
- (b) Is discharged for cause, or
- (c) After a layoff, fails to advise the Employer, within two (2) days, of his intent to report for work at a mutually agreed time after being recalled by telephone and couriered letter, or
- (d) Is laid off for longer than twelve (12) months; or
- (e) Requests and receives severance pay under Article 14.06.

19.07 Any employee promoted to a different classification shall be allowed a reasonable trial period of one hundred and seventy-six (176) hours worked, and if found unsatisfactory, shall be given the opportunity of going back to his former position without loss of seniority. For the purposes of training a manufacturer, the Employer may, at his decision, increase the probationary period by up to another one hundred and seventy-six (176) hours worked.

19.08 The Employer agrees, when it is necessary to reduce the number of employees on a shift, senior employees will be given preference over junior and seasonal employees for available work, provided said senior employees have the ability to perform the work available, with training if necessary.

19.09 If the Employer lays off or discharges the Shop Steward, the Union shall be advised at the time of such layoff or discharge or prior to where possible.

20. DAYS AND HOURS OF WORK AND OVERTIME

- 20.01 The standard working time for employees will not exceed eight (8) hours per day or forty (40) hours per week. The work week consisting of five (5) consecutive eight (8) hour days will be either Sunday to Thursday, Monday to Friday or Tuesday to Saturday. Employees are entitled to two (2) consecutive days off, at least one of which shall be a Saturday or Sunday.
- 20.02 Any hours worked in excess of eight (8) as defined in Section 20.01 above, in any one (1) day, shall be paid for at the rate of time and one-half (1 ½) for the first hour and double time thereafter. Overtime may be banked if the Employer is advised in advance of this option. The banked time will equal the overtime calculation i.e. time and one-half (1.5) or double time (2X). In exercising the use of banked overtime, seniority will not be a factor for consideration as to the time. Banked overtime will be taken off subject to operational requirements, and will not impact on vacation scheduling.
- 20.03 All time worked on the sixth (6th) and seventh (7th) days, shall be paid for at the rate of double time with a minimum of two (2) hours guaranteed.
- 20.04 Any employee called in to work in any emergency after his working day has been completed shall be paid a minimum of two (2) hours' pay at the rate of double time.
- 20.05 All overtime shall be broken down into fifteen (15) minute units, based on one-quarter (1/4) of the applicable hourly rate, times the appropriate overtime rate. The Employer agrees that wherever possible, employees will be given twenty-four (24) hours' notice of having to work overtime.
- 20.06 When employees report for their regular shift at a specified time, they shall be paid for a minimum of four (4) hours, even though there may be no work for them to do, provided they are ready for work and provided they have not been advised previously not to report for work.
- 20.07 The Employer agrees that if it becomes necessary to work overtime such overtime will be distributed to all employees by the person in charge of the department on an equitable basis.
- 20.08 Employees may refuse to work overtime for good and sufficient reason, but cannot refuse in concert. It is also understood that short periods of overtime of up to one-half (½) hour to finish up a job will not be refused except in most exceptional circumstances.
- 20.09 The standard working time for all employees on a day shift shall comprise of any continuous eight and one-half (8 ½) hour period beginning at or after 5:00 a.m. but no later than 10:30 a.m. Such shift shall include a one-half (½) hour unpaid lunch.

20.10 Premium Shifts

Afternoon Shift Any shift commencing at or after 10:30 a.m. and prior to 7:00 p.m. shall be considered an afternoon shift. Employee shall work seven and one-half (7 ½) hours and receive eight (8) hours pay with a lunch period of thirty (30) minutes without pay. A shift premium of thirty cents (30¢) per hour shall apply.

Graveyard Shift Any shift commencing at or after 7:00 p.m. and prior to 5:00 a.m. shall be considered a graveyard shift. Employees shall work seven and one-half (7 ½) hours and receive eight (8) hours pay with a lunch period of thirty (30) minutes without pay. A shift premium of forty-five cents (45¢) per hour shall apply.

20.11 The Employer agrees that whenever possible there shall be not less than two (2) people working per shift.

20.12 The Employer agrees to adhere to the requirements of the Workers' Compensation Board regarding the people working alone.

20.13 The Employer shall give to each employee whose shift is to be changed a minimum of twenty-four (24) hours advance notice prior to such shift change becoming applicable.

20.14 Where shift work is in operation, it is agreed that all employees in such job classification involved shall be rotated on each of the shifts, however, employees may opt for steady shifts if there is an agreement both amongst the employees and Employer.

20.15 The Employer guarantees the right of all employees to eight (8) hours rest between shifts.

21. LUNCH AND REST PERIODS

21.01 No employee shall be worked longer than five (5) hours or such other period of time as the employees desire to agree to with the Employer without an uninterrupted half (½) hour off for the purpose of eating a meal. This shall be exclusive of rest breaks which must be given as follows.

21.02 Each employee shall receive an uninterrupted fifteen (15) minute break in each half (½) of their daily shift. The time for said breaks to be determined by Management. However, such shall not be scheduled earlier than one and

one-half (1 ½) hours from the commencement of each half (½) of an employee's work shift, and have adequate seating for all employees.

21.03 When it becomes necessary to work overtime of more than two (2) working hours beyond his regular shift, the Employer shall see that each employee so worked shall receive a meal break of not more than one (1) hour at the discretion of the employees, without pay, but shall receive a meal allowance of seven dollars (\$7.00) to be paid at the time of said overtime and meal period.

22. COMPENSATION COVERAGE

22.01 When an employee is injured at work and goes on Compensation, he or she shall, when their doctor signifies that the employee may go to work, be returned to the payroll at his or her previous job and rate of pay for a period of one (1) week to see if he or she is able to do the job he or she held at the time of the injury.

22.02 If, after that time, it is proven to the Employer that the employee is unable to do the job the employee held at the time of injury, the Employer will try to place the employee in a job which said employee can do. If this is impractical, then the employee shall be entitled to two (2) weeks' notice. This section is subject to the Grievance Procedure.

23. SAVINGS CLAUSE

23.01 If any Article or Section of this Agreement should be held invalid by operation of law or by a tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal, pending a final determination as to its validity, the remainder of this Agreement or the application of such Article or Section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

23.02 In the event that any Article or Section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the parties affected thereby shall enter into immediate collective bargaining negotiations upon the request of either party, for the purpose of arriving at a mutually satisfactory replacement for such Article or Section during the period of invalidity or restraint. If the parties do not agree on a mutually satisfactory replacement, they shall submit the dispute to the procedure as outlined in Article 12 herein.

23.03 If any proposal agreed to by the parties may not be put into effect because of applicable legislation, Executive Orders or Regulations dealing with Wage and Price Stabilization, then such proposals, or any part thereof, including any retroactive requirements thereof, shall become effective at such time, in such amounts and for such period as will be permitted by law at any time during the life of this Agreement and any extension thereof.

24. INSPECTION PRIVILEGES

24.01 An authorized Agent of the Union shall have access to the Employer's establishment during working hours for the purpose of adjusting disputes, investigating working conditions and ascertaining that the Agreement is being adhered to, provided that he reports to Management before entering the plant and providing that there is no interruption of the work schedule.

25. SANITARY FACILITIES, LUNCH ROOMS, ETC.

25.01 The Employer agrees to maintain clean, sanitary lunch rooms and washrooms. The employees shall observe the simple rules of cleanliness and good housekeeping in these facilities.

26. SAFETY AND HEALTH

26.01 The Employer shall make reasonable provisions for the safety and health of its employees during the hours of their employment and provide proper First-Aid kits.

26.02 Any employee suffering any injury or employment induced illness while in the employ of the Employer must report same to the First-Aid Attendant immediately or as soon thereafter as practicable, and a complete record of all such cases must be kept by the First-Aid Attendant.

26.03 Any employee who considers that any practice being carried out within the premises is unsafe or detrimental to the health of any person working therein shall have the right to speak to his or her superior about the matter. If the situation is not corrected in a reasonable period of time, the matter may be considered cause for a grievance to be handled through the Grievance Procedure.

27. BONDING

27.01 If, at any time, the Employer requires an employee hereunder to be bonded, it is agreed that the Employer shall then request the employee to fill in an

application to a recognized bonding firm selected by the Employer. It is further agreed that the cost of such bonding shall be paid by the Employer.

28. MANAGEMENT

28.01 The Union agrees that the Employer has the exclusive right and power to manage the Employer's operations, to direct the working forces and to hire, promote, demote with cause, discharge for cause, or layoff employees, to make, publish and enforce rules for the promotion of safety, efficiency and discipline, and for the protection of the employees' and landlords' and Employer's property, equipment and products, provided that they are not of a discriminatory nature, to assign to jobs, and to increase or decrease the working forces, to determine the products to be handled, produced or manufactured, the schedules of products and the methods of processing and means of production and handling, and to make appointments to supervisory positions outside the scope of the bargaining unit. The exercise of these functions of the Management shall be in accordance with the provisions of the Agreement including the Grievance Procedure.

29. WELFARE PLAN

29.01 Upon successful completion of the probationary period the employee must make a decision on joining the benefits plan outlined below at a prorated cost based on the estimated average hours worked or being paid thirty cents (30¢) per hour worked in lieu of benefits. The prorated amount for benefits will be reviewed each calendar quarter.

For Example: If the cost share of the benefits is fifty percent (50%) employee paid and fifty percent (50%) Employer paid based on the employee working one hundred and sixty hours (160) hours during a four (4) week period; if the employee only worked eighty (80) hours in a four (4) week period the prorated cost share of the benefits would be seventy-five percent (75%) employee paid and twenty-five (25%) Employer paid. If the employee only worked forty (40) hours in a four (4) week period the prorated cost share of the benefit would be eighty-seven and one-half percent (87.5%) employee paid and twelve and one-half (12.5%) Employer paid.

29.02 Once employees have completed fifteen hundred (1500) hours work within a calendar year they will be entitled to full benefits. The health and Welfare Plan for employees covered by this Collective Agreement will include the following. The Employer and the employee share of the costs/premiums are as indicated:

- (a) Life Insurance equal to one times (1X) the employee's regular gross wages (to the nearest \$1,000.00). Premiums 100% Employer paid.
- (b) Accidental Death and Dismemberment Insurance equal to two times (2X) the employee's regular gross wages (to the nearest \$1,000.00). Premiums 50% Employer paid and 50% employee paid.
- (c) Medical Care and Surgical Care for employees and their dependents as provided by M.S.P. (Medical Services Plan). Premiums 50% Employer paid and 50% employee paid.
- (4) Extended Health Benefits, which shall include eyeglass coverage to a \$200.00 maximum. Premiums 50% employer paid and 50% employee paid.
- (e) Dental Care Plan "A" 100% of claims for "basic routine service" and Plan "B" 50/50 of claims for "major coverage" inclusive of dentures, crowns and bridgework. Dental Care Plan 50% Employer paid and 50% employee paid.

(f) **Sick Leave Plan**

Employees' sick day entitlement is as follows:

- 1st year of service, eight (8) sick days at 100% pay
- 2nd year of service, nine (9) sick days at 100% pay
- 3rd year of service, ten (10) sick days at 100% pay

These sick days can be used in conjunction with the Short Term Disability Plan, which is a 1-6-17. This means five (5) sick days can be used at 100% pay and if still sick on the 6th day, the Short Term Disability will take effect.

- (g) The Short Term disability Plan (1st day injury, 6th day illness, 17-week duration.) Will be paid at 66 2/3rds pay. Premiums 100% Employer paid.
- (h) The Long Term Disability Plan will be paid at 70% of weekly earnings to a maximum of \$2,517.00 per month from the start of the 18th week to age 65. Premiums 100% employee paid.

29.03

Employees who do not desire to participate in all or part of the aforementioned Health and Welfare Plan must submit such request to the Employer in writing. Having applied for exemption, and been exempted, the onus of applying for coverage at a later date is entirely upon the employee.

Until such time the application is received and accepted all claims remain waived.

29.04 An employee off work for compensible or non compensible injury or illness can continue benefits under the welfare plan providing the employee pays his/her cost of the plan as outlined above. Such payment shall be made to the Employer on the 1st of each month or months in order for benefits to be continued. Employees who are laid off may maintain the benefits as listed under article 29.02 (a), (b), (c), (d), (e) for up to two (2) continuous calendar months following lay-off. Employees opting to maintain coverage for the two (2) months must pay his/her share to the Employer on the 1st day of each of the two (2) months following lay-off to ensure continued benefit coverage. Upon recall an employee will be activated on the Welfare Plan on the first of the month following recall.

30. ARTICLE HEADINGS

30.01 The Article Headings shall be used for purposes of reference only and may not be used as an aid in the interpretation of this Agreement.

31. TRUCKING

31.01 The Employer agrees that future trucking jobs will fall within the scope of the bargaining unit and will be posted. (See Letter of Understanding No 4 attached hereto.)

32. CLASSIFICATIONS AND WAGE RATES, ETC.

32.01 The classifications, job descriptions and wage rates for the effective period of this Agreement shall be those as set out in Appendices "A" and "A-1" attached hereto and forming part of this Agreement.

32.02 Time shall be computed from the time the employee commences his day's work until he is released from duty by the Employer.

32.03 When an employee meets with an accident at work, he or she shall be paid a full day's wages for the day of the accident.

32.04 If an employee is required to take time off during working hours to consult a doctor, chiropractor or whatever in regard to any compensable injury or illness he has received or incurred on the job, he shall be paid for such time off in a manner that will ensure him a minimum of eight (8) hours' base pay for that day and any other day or days he is also required to fill such commitment or requirement.

32.05 When an employee is temporarily removed from his regular work and placed on other work for the Employer's convenience, he shall be paid his regular rate of pay or the rate for the other work, whichever is the greater, for all time employed on such work, and no employee's rate may be reduced below his regular rate. It is also agreed that regardless of age or sex, creed or colour, equal pay for equal work will prevail, if the work ordinarily carried out can be performed without further assistance.

33. SOLICITATION OF FUNDS

33.01 There shall be no coercion or intimidation in solicitation of funds of the employees by Management for charity or other purposes. Employees will determine of their own accord if they desire or not to contribute.

34. GENDER

34.01 Wherever the use of the male gender is used herein, it shall also apply to the female gender wherever applicable.

35. RETROACTIVITY

35.01 All retroactivity shall be paid to all employees, past and present, within thirty (30) calendar days.

36. PENSION PLAN

36.01 In lieu of a registered retirement pension plan, the Employer undertakes to continue a group arrangement for individual employee R.R.S.P.'s. The Employer will match employee contributions to a maximum of three and one-half percent (3.5%). New employees hired after June 10, 1994 will receive one percent (1%) after one (1) year of service, two percent (2%) after two (2) years of service, and three and one-half percent (3.5%) after three (3) years of service.

Employees will be eligible to participate in the R.R.S.P. Programme upon completion of one (1) year of service.

An employee shall authorize the deduction of his contribution from his pay cheque and this amount, together with the Employer's contribution, shall be forwarded monthly to the plan for credit to the individual's R.R.S.P. account.

Permanent employees will be allowed one (1) withdrawal per year from their individual accounts.

IN WITNESS WHEREOF the Party of the First Part has hereunto affixed its signature(s) in the presence of its Officers duly authorized therefor, and the Party of the Second Part has hereunto affixed its signature(s) and seal by its Officers duly authorized therefor.

DATED AT Vancouver, British Columbia, this day of , 2004.

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

APPENDIX "A"

WAREHOUSE

RATES PER HOUR

CLASSIFICATIONS	EFFECTIVE JAN. 1/2004	EFFECTIVE JAN. 1/2005	EFFECTIVE JAN. 1 /2006
Foreman-Shipper	\$21.25	\$21.53	\$21.88
Assistant Shipper-Receiver	20.75	21.03	21.38
Receiver - Frozen Foods	20.55	20.83	21.18
Order Fillers - Start	17.40	17.68	18.03
- 1000 hours worked	17.80	18.08	18.43
- 2000 hours worked	18.20	18.48	18.83
- 4000 hours worked	18.75	19.03	19.38
- 6000 hours worked	19.75	20.03	20.38
Labourer Casual (Labourer Casual is a person called in for the purpose of unloading containers)	14.70	14.98	15.33
Summer student relief* (June 15 to Sept. 15)	11.30	11.58	11.93
Maintenance Mechanic**	20.95	21.23	21.58

**see Letter of Understanding No. 4 attached hereto.

NOTE:

Those persons appointed to a Lead Hand designation shall receive \$0.80 per hour in addition to their classified regular hourly wage rate for such time.

NOTE:

Effective January 1, 2004 persons performing in the position of Lead Hand or Shipper/Foreman as outlined in appendix "A" and "A-1" will receive an additional premium

of \$.25 (twenty five cents) per hour to reflect additional support required from these positions to successfully maintain HACCP programs. This will be in addition to any other premiums that the Lead Hands and Shipper / Foreman may be receiving.

APPENDIX "A-1"

MANUFACTURING

RATES PER HOUR

CLASSIFICATIONS	EFFECTIVE JAN. 1/2004	EFFECTIVE JAN. 1/2005	EFFECTIVE JAN. 1/ 2006
Manufacturer			
- Start	\$17.45	\$17.73	\$18.08
- 1000 hours worked	17.85	18.13	18.48
- 2000 hours worked	18.25	18.53	18.88
- 4000 hours worked	18.80	19.08	19.43
- 6000 hours worked	19.80	20.08	20.43
Utility Man			
- Start	15.80	16.08	16.43
- 1000 hours worked	15.95	16.23	16.58
- 2000 hours worked	16.05	16.33	16.68
- 4000 hours worked	16.30	16.58	16.93
- 6000 hours worked	17.30	17.58	17.93
Labourer - part time (Casual)	14.70	14.98	15.33
Summer student relief* (June 15 to Sept. 15)	11.30	11.58	11.93

NOTE:

Those persons appointed to a Lead Hand designation shall receive \$0.80 per hour in addition to their classified regular hourly wage rate for such time.

NOTE:

Effective January 1, 2004 persons performing in the position of Lead Hand or Shipper/Foreman as outlined in appendix "A" and "A-1" will receive an additional premium of \$.25 (twenty five cents) per hour to reflect additional support required from these positions to successfully maintain HACCP programs. This will be in addition to any other premiums that the Lead Hands and Shipper / Foreman may be receiving.

APPENDIX "B"

Effective January 1st, 2004 all employees employed within the classifications listed in Appendix "A" and Appendix "A-1", excluding persons employed for Summer Relief and Casual Labour, will be eligible to participate in the Company Incentive Plan subject to the following terms and conditions:

- 1) The incentive is calculated at 1.5% applied to the actual salary earned (inclusive of vacation pay, statutory holiday pay, shift premiums, overtime and eligible Company paid sick leave) in the calendar year (benefits, Company paid RRSP contributions, prior years incentive payout and compensation earned from S.T.D., L.T.D. and W.C.B. are excluded from the incentive eligibility calculations).
- 2) Employees who have not completed their probationary period by the end of the calendar year will be excluded from the incentive program and will become eligible upon successful completion of their probationary period the following year.
- 3) Incentives are not payable until approved by the President of BakeMark Ingredients Canada Ltd.
- 4) To receive pay out, the individual must be employed by the Company or its affiliates on the date the incentive amount is approved and be eligible to participate. Employed is defined by who has not lost their seniority as per Article 19.06 (a,b,c,d, and e,) of the Collective Agreement.
- 5) The Company will ensure payout occurs by February 28 of the following year. In the event of a delay the Company will notify the Union one-week prior to the aforementioned date.
- 6) Management guarantees that the incentive eligibility of 1.5% will remain in effect for the term of January 1, 2004 to December 31, 2006. Subject to changes in the incentive target.
- 7) Financial results will not necessarily be disclosed but all participants will be subject to similar measurement criteria. An explanation of the incentive payout will be provided and discussed with the employee group.
- 8) Incentive targets will be set within each calendar year.

LETTER OF UNDERSTANDING No. 3

BETWEEN: BAKEMARK INGREDIENTS CANADA LIMITED
2480 Viking Way
Richmond, B.C. V6V 1N2

(hereinafter referred to as the "Party of the First Part")

AND: TEAMSTERS LOCAL UNION No. 213
490 East Broadway
Vancouver, B.C. V5T 1X3

(hereinafter referred to as the "Party of the Second Part")

Re: Employee Absenteeism

The Union and the Employer agree on the following procedure:

8. That the current point system will be terminated and replaced with the following understanding in the resolve of employee absenteeism problems.
9. If the Employer has concerns with the attendance of any employee who has had at least three (3) unauthorized absences in the previous twelve (12) months, that employee shall be dealt with on an individual basis. This will involve a face to face meeting with the Operations Manager and the Shop Steward to review the employee's attendance record and put him/her on notice that any further unauthorized absence may result in the Employer taking further action.
10. Following such meeting, if it can be determined that such employee has been developing a pattern of unauthorized absences, then the Employer may take any of the following steps:
 - (1) require documented proof for the reason of any further absence;
 - (2) deny payment of sick day without proof of illness, or
 - (3) take disciplinary action.
11. It is agreed that the Employer may not request an employee to bring proof of absence unless such employee has been absent

without authorization on three (3) separate occurrences during the previous twelve (12) month period.

12. This Agreement does not prevent disputes under this process from being grieved pursuant to the Grievance Procedure in the collective agreement.
13. The Employer will notify employees when their reason for absence is not acceptable. Payment of sick days for unacceptable absences shall not prejudice the Employer in No. 2 and 3 above.

14. Any grievance filed under this Letter of Understanding will be referred to a mediator at the Labour Relations Board for a final resolve.

DATED AT _____, B.C., this _____ day of _____, 2004.

SIGNED ON BEHALF OF THE COMPANY SIGNED ON BEHALF OF THE UNION
