

COLLECTIVE AGREEMENT

BETWEEN:

VIP SOAP PRODUCTS LTD.

AND

TEAMSTERS LOCAL UNION 213

DON MCGILL,

Secretary - Treasurer

June 8th, 2004 - June 7th , 2009

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ARTICLE 2 SCOPE AND UNION RECOGNITION

2.1 Scope

This Agreement applies to all employees of the Employer included in the bargaining unit for which the Union is certified under the Labour Relations Code of British Columbia.

2.2 Recognition

The Employer recognizes the Union as the exclusive collective bargaining agent for all employees in the bargaining unit.

2.3 Definition

In this Agreement, "employee" means an employee in the bargaining unit.

ARTICLE 3 UNION SECURITY

Each employee must, as a condition of employment, be or become a member of the Union within three (3) months following the effective date of this Agreement, or three (3) months following the beginning of his or her employment, whichever is later. Each employee shall remain a member of the Union in good standing as a condition of continuing employment.

ARTICLE 4 UNION DUES

4.1 Failure To Pay Dues

Where an employee is expelled or suspended from, or denied, union membership because of the employee's failure to pay the periodic dues, assessments and initiation fees uniformly required to be paid by all members of the Union as a condition of acquiring or retaining membership in the Union, the Union may, by written notice, require the Employer to terminate the employment of that employee. The Employer shall take such action provided it considers that it has just cause for termination.

4.2 Payment of Dues

All employees in the bargaining unit except those exempted under Section 17 of the Labour Relations Code of British Columbia, shall pay dues to the Union.

4.3 Dues Checkoff

Upon written authorization from an employee, the Employer agrees to deduct Union initiation fees and dues from the employee's wages, and to remit the monies so collected to the Union not later than the 10th day of the following month, together

with a written statement containing the names of all employees for whom such deductions were made and the amount of each deduction.

4.4 Amount of Dues and Initiation Fees

Each month the Union shall mail to the Employer a checkoff form, setting out the name of each employee in the Union and the amounts of dues, etc. owed. The Employer shall delete any names of employees who have terminated and add the names of any new employees.

4.5 Disclaimer/Indemnity

The Employer shall have no financial responsibility for the fees or dues of any employee, unless the Employer owes an employee sufficient unpaid wages to pay the fees and dues assigned. The Union agrees to indemnify and hold the Employer harmless against any claims, demands, actions, or charges brought against the Employer by an employee as a result of the application of this Article 4.

4.6 Inspection of Payroll Records

Upon request, the Employer will make payroll records accessible for inspection by the Union Business Agent.

ARTICLE 5 UNION REPRESENTATION

5.1 Recognition of Shop Stewards

The Employer shall recognize one (1) Shop Steward on each shift, elected or appointed by the Union.

5.2 Qualifications

The Shop Steward shall be an employee who has completed one year of service with VIP or has equivalent experience in a similar plant.

5.3 Notification

The Union shall notify the Employer in writing of the name of the Shop Steward. The Employer shall not be required to recognize a Shop Steward until it has been so notified.

5.4 Investigation/Processing of Grievances

Except for emergencies or very serious situations, stewards' duties will be performed outside of normal working hours. If such duties are to be performed during working hours, a Steward must first obtain permission from his or her

supervisor. Such permission will not be unreasonably denied. In no such case will there be any interference with operations.

5.5 No Union Activities

Neither the Union nor the employees will engage in any Union activities during working hours, or hold meetings at any time on the Employer's premises, except as provided in this Agreement.

5.6 Union Representatives

An authorized representative of the Union shall have the right to contact employees at the workplace to discuss matters respecting this Agreement or its administration. The Union shall obtain authorization from the Employer as to the appropriate time for such contact before meeting the employee(s). Such authorization shall not be unreasonably withheld. The Union will attempt to limit all such contacts to non-working hours.

5.7 Bulletin Board

The Employer shall make a bulletin board available for the posting of Union bulletins regarding meetings, appointment of committees, election of officers, seniority lists, dues, the business and health and safety. All such bulletins must be approved by the Union and the Employer before posting. The Shop Steward shall be responsible for ensuring that the bulletin board is used in accordance with this Agreement.

5.8 Labour Management Committee

A Labour Management Committee shall be established, consisting of two (2) employees and two (2) representatives of the Employer. On the written request of any of its member(s), the Labour Management Committee shall meet at least once every two (2) months during the term of this Agreement, to discuss issues relating to the workplace that affect the parties or any employee bound by this Agreement. The purpose of the Labour Management Committee is to promote the cooperative resolution of workplace issues, to respond and adapt to changes in the economy, to foster the development of work related skills and to promote workplace productivity.

ARTICLE 6 MANAGEMENT RIGHTS

6.1 Rights Reserved

The Union recognizes and agrees that except as expressly abridged, restricted, granted or modified by this Agreement, all of the rights, powers and authority which the Employer had prior to the signing of this Agreement are retained solely and exclusively by the Employer.

6.2 Management Rights

Without limiting the generality of the foregoing, the Employer shall have the exclusive right, subject to the provisions of this Agreement, to:

- a. hire, direct and assign work to employees;
- b. promote, demote, transfer, lay off, recall or retire employees;
- c. suspend, discipline and discharge employees for just and reasonable cause;
- d. evaluate job performance;
- e. establish new, and abolish existing, job classifications;
- f. establish job requirements, including the determination of the experience, skills, abilities, training and qualifications required to perform the work;
- g. establish, maintain and enforce rules and regulations that are not inconsistent with this Agreement;
- h. maintain order, discipline and efficiency; and
- i. determine the methods of operation, the amount of supervision, the schedules of work, the rotation of shifts, the hours and days of work, and the number of employees required at any given time.

ARTICLE 7 SENIORITY

7.1 Definition

Seniority shall mean length of continuous service with the Employer as an employee in the bargaining unit, including all continuous service prior to certification of the Union. Where applicable, for employees other than full time regular employees, seniority shall be calculated on the basis of hours worked.

7.2 Seniority Date

Except as provided in this Agreement, an employee's seniority date will be his or her most recent date of hire.

7.3 Leaving the Bargaining Unit

An employee who leaves the bargaining unit to fill another position with the Employer shall continue to accumulate seniority, and shall have the right to exercise his or her seniority to return to the bargaining unit, for a period of ninety (90) calendar days. After the expiry of that period, the employee's bargaining unit seniority shall be lost.

7.4 Leaves of Absence

Seniority shall continue to accrue during an approved leave of absence authorized by this Agreement, with the exception of a Special Leave of absence, where seniority is frozen but does not accrue.

7.5 Probationers

Seniority shall not accrue during an employee's probationary period. Upon successful completion of the probationary period, the employee's seniority shall be backdated to their date of hire.

7.6 Seniority List

The Employer shall provide the Union with a current seniority list at least once every six months.

7.7 Loss of Seniority

Seniority shall be lost and employment terminated if an employee:

- a. resigns;
- b. is discharged for just and reasonable cause;
- c. has less than 12 months seniority, is on continuous layoff for thirteen (13) weeks. Employees with 12 or more months of seniority is on continuous layoff for six (6) months;
- d. after a layoff, fails to report for work after being recalled;
- e. is absent without leave for three (3) or more consecutive days without notifying the Employer, unless he or she gives reasons satisfactory to the Employer for his or her failure to do so;
- f. is absent from work due to illness or injury for a period of twenty-six (26) weeks or less, without providing the Employer with a medical certificate from a qualified medical practitioner upon request by the Employer at any time during the illness or injury period, or upon his or her return to work, certifying that the employee was incapable of working due to such illness or injury for a specified period of time which coincides with his or her absence from work;
- g. is absent from work due to illness or injury for a period in excess of twenty[^]six (26) weeks;
- h. works for another employer without the Employer's written approval, except while on layoff or, for part-time employees, where the employee is not scheduled to work;
- i. uses an authorized leave of absence for a purpose other than that for which the leave was granted; or
- j. fails to return to work upon the expiration of an authorized leave of absence or vacation unless a reason satisfactory to the Employer is given.

ARTICLE 8 EMPLOYMENT STATUS

8.1 Probationary Period

Each employee shall serve a probationary period of 520 hours actually worked, commencing with his or her date of hire. During the training period the Employer will

provide on the job training and periodic feedback to the employee. If the Employer, decides that the employee is unsuitable for continued employment, that his or her performance is unsatisfactory, or that the employee is unwilling or unable to properly carry out his or her duties, the Employer may terminate the employee's employment at any time during the probationary period. This probationary period may be extended with agreement by the Union. Such agreement will not be unreasonably withheld.

8.2 Full Time Regular Employees

Full-time regular employees are regularly scheduled employees who work an average of forty (40) hours per week on a continuing basis.

8.3 Part-time Regular Employees

Part-time regular employees are regularly scheduled employees who works less than forty (40) hours per week on a continuing basis.

8.4 Temporary Employees

Temporary employees are persons who are called into work by the Employer from time to time, and may or may not have regularly scheduled hours. Temporary employees are not obligated to work when requested, and they are not covered by this Agreement. Such temporary employment opportunities shall first be offered to regular employees who are on layoff.

8.5 Students

Students are persons who registered at an educational institution and whose work for the Employer relates directly to such education related assignments or projects such as career prep training, practicums, etc. Students falling under this clause are not covered by this Agreement. Students will not be used to replace existing employees.

8.6 Restriction

No student or temporary employee will be hired while a qualified employee with recall rights, and who possesses the necessary qualifications, is on layoff.

ARTICLE 9 VACANCIES AND PROMOTIONS

9.1 Vacancies

Subject to the Employer's needs, vacancies in existing or new classifications for full-time regular employment shall be posted in a conspicuous location for seven (7) consecutive calendar days. The posting will outline the classification, the wage rate

and a brief description of the position. All applications for the posted positions must be filed in writing with the Employer by the end of the seventh (7th) calendar day after the initial posting, on forms supplied by the Employer. Based on the job requirements, the selection decision will be based on skill and ability and in the event two suitable candidates are of equal skill and ability, the most senior person will be selected. If in the Employer's view there are no suitable applicants the Employer may fill the vacancy as it sees fit. In the event an employee who could qualify as an applicant for the posting is on short term leave (e.g. vacation), if necessary, the position will be filled temporarily and the absent employee will be given an opportunity to apply upon his/her return to work.

9.2 Criteria

Job awards for promotions or posted vacancies shall be made by the Employer on the following basis: abilities, qualifications and seniority as defined in Article 7 (in that order). If in the Employer's view the abilities and qualifications of two (2) or more applicants are relatively equal, then the employee with the greatest seniority shall be awarded the job.

9.3 Trial Period

Employees filling vacancies or obtaining promotions through the procedure outlined above shall serve a trial period of 520 working hours in the new position. If during this trial period the employee is considered by the Employer to be unsuitable for the new position, or if the employee feels that he or she cannot do the job, the employee shall be returned to his or her former position or one of equal rank.

ARTICLE 10 LAYOFF AND RECALL

10.1 Layoff

Employees shall be laid off in reverse order of seniority, subject to the employee's present ability to perform the required work.

10.2 Sequence

Where practical, the following order shall apply for layoffs: temporary, part-time regular, and then full-time regular employees.

10.3 Bumping

If in the Employer's opinion an employee displaced from his or her position by the lay off procedure has the necessary present skills and ability to perform all of the work required, that employee may bump another employee with less seniority. In such cases, the employee shall receive the wage rate for the classification into which he or she bumps. There shall be no bumping up. Part-time regular

employees may not bump full-time regular employees.

10.4 Recall

For the purposes of recall from layoff, the above procedure and sequence shall be reversed. When an Employee is recalled, the Employer will advise the Employee three (3) working days prior to the date the Employee is to return to work. Employees will be advised of recall by telephone.

If the Employer is unable, after reasonable efforts, to contact the laid off employee within one (1) day, the Employer may recall the next employee in the sequence. In such cases, the Employer will send the employee a letter of recall by courier or by registered mail. If the employee does not reply within two (2) full calendar days, unless he/she has a reason that is acceptable to the Employer, he/she will be terminated.

If the Employee does not report to work as required, or provide the Employer with a reasonable and acceptable reason for not returning as notified, the Employee shall be deemed to have terminated employment.

10.5 Employee's Responsibility

It is the responsibility of all laid off employees to keep the Employer advised at all times of where and how they can be contacted for recall purposes.

10.6 Rate Upon Recall

Employees recalled to work shall receive the current rate for the classification into which they are recalled.

ARTICLE 11 GRIEVANCE PROCEDURE

11.1 Definition

"Grievance" means any difference or dispute concerning the interpretation, application, operation or alleged violation of this Agreement, including a question as to whether a matter is arbitrable.

11.2 Grievance Procedure

The following grievance procedure shall apply:

Step 1

Within ten (10) working days of the alleged violation, the employee, with or without the Shop Steward, shall attempt to resolve the grievance through discussions with his or her immediate supervisor.

Step 2

If the matter is not resolved at Step 1, the Shop Steward accompanied by the employee shall present the grievance in writing to his or her Department Manager, clearly setting forth full particulars of the alleged violation, including the Article(s) involved and the remedy sought. The written grievance must be presented within fifteen (15) working days of the alleged violation. Within two (2) working days following receipt of the written grievance, the Department Manager shall provide the employee with a written reply.

Step 3

If the matter is not resolved at Step 2, a Business Representative of the Union accompanied by the employee and the Shop Steward shall present the written grievance to the President or designate, within five (5) working days following receipt of the Department Manager's decision. The President shall issue a written reply within five (5) working days following receipt of the written grievance.

11.3 Referral to Arbitration

If the grievance remains unresolved after the conclusion of Step 3, it may be referred to arbitration. Either party shall notify the other party in writing within ten (10) working days of the conclusion of Step 3 of its desire to submit the grievance to arbitration.

11.4 Policy Grievance

The Union or the Employer shall have the right to initiate a policy grievance at Step 3.

11.5 Failure to Observe Time Limits

Grievances which are not processed from one step to another within the time limits set out in this Article shall be deemed to be settled, with the exception of Step 1 where the response is verbal, on the basis of the last written reply.

11.6 Alternate Dispute Resolution

If the parties are unable to resolve the grievance through the normal grievance procedure in Article 11.2, they may agree to the use of other dispute resolution processes in which an independent third part will assist the parties in resolving the differences through discussion, mediation; or making written recommendations.

11.7 Settlements

All settlements arrived at during the grievance procedure shall be final and binding upon the Employer, the Union and the employee(s) concerned.

ARTICLE 12 ARBITRATION

12.1 Choice of Arbitrator

Where a party gives notice of its desire to submit a grievance to arbitration, the parties shall agree on a single arbitrator.

12.2 Binding Decision

The arbitrator shall hear and determine the grievance, and shall issue a decision which is final and binding on the parties and any person affected by it.

12.3 Jurisdiction of Arbitrator

The arbitrator or arbitration panel shall not have jurisdiction to add to, delete from, change, modify or make any decision contrary to any provisions of this Agreement.

12.4 Cost of Arbitrator

The Union and the Employer shall bear equally the fees and expenses of the single arbitrator. Each party shall bear the expenses of its representatives, participants, and witnesses and for the preparation and presentation of its own case.

ARTICLE 13 DISCIPLINE AND DISMISSAL

The Employer shall not dismiss or discipline an employee who has completed his or her probationary period except for just and reasonable cause.

ARTICLE 14 HOURS OF WORK

14.1 No Guarantee

Nothing in this Agreement shall be construed as a guarantee of work or pay, or of hours of work per day or per week, or of days of work per week. The provisions of this Article are intended to outline the normal or regular hours of work.

14.2 Normal Hours

Due to the nature of the business of VIP including fluctuations caused by seasons of the year, changes in customer orders, or other factors, the hours of work that follow are generally the norm but may be changed as conditions warrant.

The normal hours of work for full-time regular employees shall be eight (8), nine (9) or ten (10) working hours per day, between the hours of 6:00 a.m. and 6:00 p.m., and forty (40) hours per week. If afternoon and/or night shifts are required, the

normal hours shall be eight (8) nine (9) or ten (10) working hours per shift, between the hours of 2:00 p.m. and 4:00 a.m. for the afternoon shift, and 10:00 p.m. and 8:00 a.m. for the night shift.

14.3 Definitions

A day shall commence at 12:01 a.m. and end twenty[^]four (24) hours later. A week shall commence at 12:01 a.m. Sunday and end at 12:00 midnight on Saturday.

14.4 Starting/Stopping Times

The determination of regular starting and stopping times for daily and weekly work shall be made exclusively by the Employer, and may be changed by the Employer from time to time, subject to the provisions of this Agreement.

14.5 Work Schedules

The Employer shall post the scheduled hours of work on a bulletin board which is easily accessible and visible to employees.

14.6 Change of Shift

The Employer shall provide at least twelve (12) hours notice of a change in shifts, and at least eight (8) consecutive hours free of work between each shift worked except in the case of an emergency.

14.7 Time Recording

Each employee must either fill in the posted payroll sheet time sheet at the end of the shift or, should punch clocks become available, punch in and out on a time card. Each employee only must record his or her own time.

14.8 Meal Break

The time of meal breaks is subject to change and is dependent on the nature of the work and operational requirements. As a guideline, an employee who works more than five (5) consecutive hours in one day shall receive an unpaid meal break of one-half (1/2) hour's duration. Meal breaks will occur at times established by the supervisor.

14.9 Rest Break(s)

An employee who works five (5) or less consecutive hours in a day shall receive a fifteen (15) minute paid rest break before the meal break, and if he/she works eight (8) or more consecutive hours, he/she will receive a fifteen (15) minute paid rest break after the meal break, at times established by the supervisor.

14.10 Continuous Operation

The Employer reserves the right to schedule hours of work, rest periods and meal breaks in order to avoid shut down or stopping of equipment.

ARTICLE 15 OVERTIME AND PREMIUMS

15.1 Overtime Pay

An employee shall receive overtime pay of one and one half (1 1/2) times his or her regular hourly wage for all hours worked in excess of:

- a. the regularly scheduled hours (i.e. either eight (8), nine (9) or ten (10) hours in a day) provided the employee works all of the regularly scheduled hours in that week; and
- b. forty (40) in a week, but excluding from the calculation hours worked in excess of the regularly scheduled hours in a day (i.e. either eight (8), nine (9) or ten (10) hours).

15.2 Double Time

An employee shall receive overtime pay of two (2) times his or her regular hourly wage for all hours worked in excess of twelve (12) in a day.

15.3 General Holidays

Where a week contains a General Holiday, the references to hours in a week in Articles 15.1 and 15.2 above shall be reduced by regularly scheduled hours in a day (i.e. either eight (8), nine (9) or ten (10) hours) for each General Holiday in the week. In calculating the overtime hours worked by an employee in that week, no account shall be taken of hours worked by the employee on the General Holiday.

15.4 Distribution of Overtime

The Employer shall schedule overtime assignments according to seniority among employees of the same classification in a department, provided that the Employer considers such employees to be equally capable of performing the required overtime duties. Employees agree to work such overtime as may be necessary to meet production requirements.

Where overtime is necessary to meet operational requirements and sufficient employees are not available to perform the required overtime, the Employer shall designate qualified employees who have demonstrated they have the ability to perform the work required, in reverse order of seniority.

15.5 Authorization Required

No employee is permitted to work unauthorized overtime hours. All overtime must be authorized by the employee's supervisor and the time card initialled accordingly.

15.6 Minimum Pay

The Employer shall pay an employee reporting to work as required by the Employer a minimum in any one day :

- (a) two (2) hours' pay, unless the employee is unfit to perform his or her duties or has failed to comply with the Industrial Health and Safety Regulations of the Workers' Compensation Board; or
- (b) where the employee commences work, four (4) hours' pay unless his or her work is suspended because of weather or other reasons completely beyond the control of the Employer, in which case Article 15.6(a) applies.

15.7 Hours Free From Work

The Employer shall ensure that each employee has at least thirty two (32) consecutive hours free from work each week. If an employee is required to work during that thirty two (32) hour period, he or she shall be paid time and one-half (1 ½) regular hourly wage for all hours worked during that period.

15.8 No Pyramiding

The Parties agree that there shall be no pyramiding of rates of pay, overtime premiums, shift premiums or other such premiums contained in this Agreement.

ARTICLE 16 GENERAL HOLIDAYS

16.1 General Holidays

The following days are General Holidays:

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

16.2 Eligibility

Eligible employees shall receive the day off with pay on a General Holiday. To be eligible for General Holiday pay, an employee must have:

- (1) been employed by the Employer for at least 30 consecutive calendar days before the General Holiday; and
- (b) worked or earned wages for at least 15 of the 30 calendar days preceding the General Holiday; and
- (c) worked on the Employer's last day of operation before, and the Employer's first day of operation after, the General Holiday.

16.3 General Holiday Pay

An employee who is given a day off on a statutory holiday, or is given a day off instead of the statutory holiday, will be paid an amount equal to an average day's pay determined by the formula amount paid /days worked where amount paid is the amount paid or payable to the employee for work that is done during and wages that are earned within the 30 calendar day period preceding the statutory holiday, including vacation pay that is paid or payable for any days of vacation taken within that period, less any amounts paid or payable for overtime, and days worked is the number of days the employee worked or earned wages within that 30 calendar day period.

16.4 Work Performed on a General Holiday

If an employee is required to work on a General Holiday, he or she will receive one and one-half (1 1/2) times his or her regular hourly wage for the work performed on that day, plus another day's pay, as determined using the formula in 16.3.

16.5 Vacation

If a General Holiday occurs during an employee's annual vacation, an additional day's vacation with pay shall be allowed for each such General Holiday.

ARTICLE 17 ANNUAL VACATIONS

17.1 Vacation Entitlement

- a. Employees who have completed two (2) years of continuous service will be entitled to two weeks' paid vacation per annum.
- b. Employees who have completed five (5) years of continuous service shall be entitled to three (3) weeks' paid vacation per annum.
- c. Employees who have completed twenty (20) years of continuous service shall be

entitled to four (4) weeks' paid vacation per annum.

17.2 Vacation Pay

- a. The Employer shall pay annual vacation pay to each employee calculated on the employee's total wages for the year in which the employee earned the vacation, at the rate of two percent (2%) for each week of annual vacation to which the employee is entitled.
- b. The Employer shall pay to each employee the vacation pay to which he or she is entitled in one (1) payment on or before the beginning of his or her annual vacation, or upon termination of employment if the employee has not yet taken his or her vacation for that year.

17.3 Scheduling

- a. Vacations shall be scheduled by department, and the senior employees within each department shall be given preference in the selection of vacation periods, subject to the needs of the Employer.
- b. The Employer will post vacation schedules for the department during the first two weeks of January in each year. Employees shall select their vacation periods for that calendar year by March 1st, and the employer shall confirm the vacation scheduling by March 31st in each year. Should an employee not select his or her vacation by March 1st, he or she will not be able to use his or her seniority to displace another employee from his or her pre-selected vacation period.

17.4 No Carry Over

Normally vacations must be taken during the calendar year. Vacation entitlement cannot be banked or carried over from year to year. Vacations not taken will be scheduled prior to the end of the year.

ARTICLE 18 LEAVES OF ABSENCE

18.1 Union Business

A leave of absence of up to one (1) week without pay may be granted, upon written request by the Union, to one (1) regular employee per year for the purpose of attending to Union business, provided that the Employer's work requirements allow for such leave. The Union will request such leave by giving the Employer at least one month's notice in writing.

18.2 Bereavement Leave

When a death occurs in an employee's immediate family, he or she shall be granted leave for up to one (1) day with pay. "Immediate family" means the employee's spouse, parent, child, brother, sister, or grandparent. Up to two (2) additional days leave without pay may be given at the Employer's discretion. In order to receive paid bereavement leave, an employee must have been scheduled to work on the days of such leave.

18.3 Maternity and Parental Leave

Maternity and Parental leave shall be granted in accordance with the Employment Standards Act.

18.4 Jury or Witness Duty

Employees who are required by summons or subpoena to serve as jurors or witnesses shall be granted leave without pay for the required period of attendance. This leave provision shall not apply to employees required to attend court proceedings in which they are a named party, Labour Relations Board proceedings, or arbitration proceedings, whether or not a subpoena or summons has been issued.

18.5 Special Leave

An employee with five (5) or more years' seniority may be granted up to one (1) months' leave of absence without pay for personal reasons, upon written application presented to the Employer at least two (2) months in advance. Permission for such leave shall be solely at the Employer's discretion, but shall not be unreasonably withheld. Special leave must not interfere with the operation of the department in which the employee works.

18.6 Benefit Coverage

Should an employee be granted an unpaid leave of absence without pay of greater than one month, except as provided by the Employment Standards Act, the Employer shall not be required to continue paying premiums for that employee's health and welfare benefits. The employee shall be given the option of paying the Employer's share of such premiums, in advance, for the duration of his or her leave of absence.

ARTICLE 19 CLASSIFICATIONS AND RATES OF PAY

19.1 Appendix "A"

Each employee shall be paid not less than the hourly rate established by Appendix "A" for their job classification.

19.2 Work in Higher Rated Classification

Where the Employer requires an employee to work temporarily in a higher classification for more than ten (10) consecutive days, the employee shall be paid the rate of the classification for the period so employed.

19.3 Work in a Lower Classification

Where the Employer requires an employee to work temporarily in a lower rated classification, the employee shall be paid the rate for his or her regular classification.

19.4 New Classifications

If the Employer creates a new or different classification, it shall establish a wage rate for that classification. The Employer and the Union will then negotiate regarding the applicable wage rate for the classification.

19.5 Pay Days

There shall be a regular pay day every two weeks on Friday. Payroll cutoff will be up to one week prior to the payday. On the pay stub, each active employee shall be provided with a statement of earnings and deductions for the pay period covered.

ARTICLE 20 SAFETY

20.1 Safety and Health

The Employer shall make all reasonable provisions for the occupational health and safety of employees. Employees are expected to take all reasonable precautions in performing their work and abide by all safety rules and procedures.

20.2 Safety Committee

The Employer and the Union agree to appoint two (2) Safety Representatives to represent the bargaining unit and two (2) Safety Representatives to represent the Employer in the Safety and Health Committee for a period of two (2) years. Where possible, all members will have at least one year of experience working in this or a similar workplace. The functions of this committee are to work toward the objective of creating safe working conditions for all employees by meeting WCB requirements. Meetings of the Safety and Health Committee shall be held monthly during regular working hours.

20.3 Clothing and Personal Protective Equipment

- a. The Employer will provide to each employee with greater than one (1) year of service, a refund of 50% of the cost of approved and required safety footwear up to a maximum of \$50.00 per year provided the purchase is supported by a bona fide receipt.

- b. Personal protective equipment will be issued to each employee upon hiring. Initial and worn out equipment cost will be paid for by the Employer. The cost of replacing personal protective equipment that is lost or abused will be deducted from the employee's pay.
- c. Employees are required to wear, at minimum, T-shirts and long pants.

20.4 First Aid Attendant

For an employee assigned to first aid duties, the Employer will pay course costs associated with obtaining and maintaining a first aid certification subject to obtaining prior approval and subsequently successfully completing the course.

ARTICLE 21 HEALTH AND WELFARE

21.1 Limitation of Liability

The Union agrees that the obligation of the Employer under this Article is restricted to the payment of premiums, or the portion of premiums, as applicable, to the insurance carrier. Neither the benefits, nor the insurance policies governing the application of the benefits, form part of this Agreement. The Union agrees that all benefits referred to in this Article are subject to the conditions of eligibility and any other limitations expressed in the insurance carrier's policy, and that the Employer has no responsibility for the administration of any insurance policy.

21.2 Selection of Carrier

The selection of the insurance carrier for any benefits referred to in this Article is in the sole discretion of the Employer.

21.3 Eligibility

This Article applies only to full-time regular employees who have completed six (6) consecutive months of service from the date of employment.

21.4 Benefits

The benefits covered by this Article are summarized in the booklet provided by the benefits carrier. Included are life insurance, accidental death or dismemberment, extended health and dental. At the beginning of the fifth (5th) year of this Agreement, the Employer will pay 50% of the Medical Services Plan premium for all employees who have more than one year of service and who do not qualify for spousal coverage.

21.5 Premiums

The cost of premiums will be shared equally by the Employer and the eligible employees.

21.5 Subrogation

Where an employee has been granted sick leave as a result of an accident, illness or other event for which a third party may be responsible, the employee shall be obliged to reimburse the Employer the amount received from the third party, but in no case shall the reimbursement exceed what the employee received from the Employer in sick leave benefits.

ARTICLE 22 PENSION

After one (1) year of continuous service, full time regular employees are eligible to participate in the group RRSP plan. The Employer will match the employee contribution to a maximum of three (3) percent of the employee's gross earnings per pay period. Unused amounts may not be carried over to subsequent pay periods or years.

ARTICLE 23 RETIREMENT

It is understood that the retirement date for all employees shall be the first day of the month immediately following the employee's 65th birthday unless otherwise approved by the Employer.

ARTICLE 24 SEVERANCE

Employees laid-off as a result of the installation of new, advanced mechanical or electronic equipment, or a full or partial reduction in operations shall choose to accept either:

- a. Severance pay in which case they shall extinguish the right of recall; or
- b. Retain the right of recall according to the provisions of this Agreement.

Severance shall be any combination of (1) weeks pay or notice in lieu for each year of service with the Company to a maximum of ten (10) weeks or notice in lieu.

ARTICLE 25 TECHNOLOGICAL CHANGE

25.1 Definition

“Technological change” means the installation of new, advanced electronic and/or mechanical equipment which would result in the need for specialized training and which affects a significant number of employees.

25.2 Notice

The Employer will give the Union seventy five (75) calendar days advance notice prior to the implementation of a technological change to an employee who will permanently lose his/her job. Such notice shall be in writing and shall state the nature of the new equipment, the date upon which it is to be installed, and the names and classifications of the employee(s) whose job(s) will be affected.

25.3 Vacancies

If a technological change results in the creation of a new job classification, all vacancies in that classification will be filled in accordance with Article 9 of this Agreement.

25.4 Displaced Employees

Employees displaced from their jobs as a result of a technological change will be laid off and may bump in accordance with Article 10 of this Agreement, unless the employee, prior to being laid off, elects instead to:

- a. waive his/her bumping rights and be placed on the recall list; or
- b. accept severance pay under Article 24.

ARTICLE 26 NO STRIKES / LOCKOUTS

26.1 Prohibition

There shall be no strikes or lockouts so long as this Agreement continues to operate.

26.2 Definition

In Article 22.1, "strikes" includes any strike, picketing, sit[^]down, stand[^]in, study session, slow down, or other curtailment or restriction of production, or interference with work in or about the Employer's operation or premises.

26.3 Discipline / Discharge

The Union agrees that any employee or employees who participate in, take part in, instigate or assist in any strike during the operation of this Agreement shall be subject to discipline or discharge.

ARTICLE 27 GENERAL CONDITIONS

27.1 No Conflicting Agreements

No employee shall be asked to make any written or verbal contract which conflicts with this Agreement.

27.2 Smoking

For reasons of safety smoking is only allowed in designated areas.

27.3 Telephones

An employee telephone is provided in the lunchroom and is to be used for local calls only. Except in emergencies, out-going and in-coming calls are only permitted during non-work times.

27.4 Confidential Information

Formulation methods, recipes, ingredients and equipment design and use are considered to be the intellectual property of VIP Soap Products Ltd. and are for the sole benefit of the Company. Disclosure of any such information constitutes cause for immediate dismissal.

27.5 Medical Examination

For absences due to illness or injury of greater than three (3) days, an employee may be required, at his or her own expense, to provide a medical certificate verifying that the employee is unable to carry out his or her normal duties. The Employer may at any time require an employee to take a medical examination, so long as the Employer pays the fees for that examination.

27.6 Savings Clause

If any provision of this Agreement is rendered invalid by statute or by decision of a court of competent jurisdiction, such provision shall be severed from this Agreement and the remaining provisions of this Agreement shall continue in full force and effect.

27.7 Headings

Headings are included in this Agreement for convenience of reference only, and shall not be used to interpret, modify or alter the substantive language of this Agreement.

ARTICLE 28 DURATION

28.1 Term

The term of this Agreement shall be from June 1, 2004 to midnight May 31, 2009.

28.2 Notice to Bargain

Either party to this Agreement may at any time within four (4) months immediately preceding the expiry of this Agreement, by written notice require the other party to commence collective bargaining.

28.3 Exclusion

The parties agree to exclude the operation of subsections (2) and (3) of Section 50 of the Labour Relations Code of British Columbia.

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

ON BEHALF OF THE COMPANY

ON BEHALF OF THE UNION

Keith Bozman, President

Don Adams, Consultant

APPENDIX AND WAGES

| Position | Year1 Date of Ratification | Year 2 1 year from date of Ratification | Year 3 2 years from date of Ratification | Year 4 3 years from date of Ratification | Year 5 4 years from date of Ratification |
|--------------------------------------|----------------------------------|--|---|---|--|
| General Worker | \$8.00 | \$8.16 | \$8.32 | \$8.57 | 8.83 |
| Junior Operator | \$9.00 | \$9.18 | \$9.36 | \$9.64 | \$9.93 |
| Operator | \$10.25 | \$10.46 | \$10.66 | \$10.98 | \$11.31 |
| Forklift/Wrapper | \$10.00 | \$10.20 | \$10.40 | \$10.72 | \$11.04 |
| Junior Mixer | \$11.00 | \$11.22 | \$11.44 | \$11.79 | \$12.14 |
| Mixer | \$12.50 | \$12.75 | \$13.01 | \$13.40 | \$13.80 |
| QC Lab Assistant | \$12.50 | \$12.75 | \$13.01 | \$13.40 | \$13.80 |
| Shipper Receiver | \$12.50 | \$12.75 | \$13.01 | \$13.40 | \$13.80 |
| Junior Maintenance/ Production | \$10.50 | \$10.71 | \$10.92 | \$11.25 | \$11.59 |
| Maintenance | \$15.00 | \$15.30 | \$15.61 | \$16.07 | \$16.56 |

Employees Employed at the Date of Ratification of the First Collective Agreement
 Employees employed at the date of ratification will be “green circled” (meaning the employee will continue to receive the annual percentage increases on their present rate of pay so long as he/she remains in his/her current position). The annual percentage increases are as follows:

Year 1 13%
 Year 2 22%
 Year 3 32%
 Year 4 43%
 Year 5 3%

Should an employee who is employed as of the date of ratification post into a more senior position for which the wage is less than his/her green circle rate, such employee will not incur a reduction in pay.

Lead Hand Premium (when a supervisor is not scheduled): \$0.50 per hour.

Signing Bonus

Full time employees with greater than one year of service as of March 7, 2004: \$300.00
 Full time employees with less than one year of service as of March 7, 2004: \$150.00

