

AGREEMENT BETWEEN:

UNIFEED LIMITED

AND:

**INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115**

NOVEMBER 19TH, 2004 TO NOVEMBER 20TH, 2007

I N D E X

<u>ARTICLE</u>		<u>PAGE NO.</u>
1	PURPOSE	1
2	SCOPE	1
3	UNION SECURITY	2
4	MANAGEMENT RIGHTS	2
5	DEFINITION OF EMPLOYEE	3
6	HOURS OF WORK AND OVERTIME	3
7	GRIEVANCE PROCEDURE	4
8	SENIORITY	5
9	JOB POSTINGS	7
10	ANNUAL VACATION	7
11	RECOGNIZED HOLIDAYS	8
12	WAGES	9
13	GENERAL PROVISIONS	10
14	MEDICAL, WELFARE AND PENSION PLANS	12
15	SAVINGS CLAUSE	12
16	DURATION	13
	SCHEDULE "A"	14
	LETTERS OF UNDERSTANDING	

THIS AGREEMENT entered into this 31 day of January, 2005.

BETWEEN:

UNIFEED LIMITED
(Hereinafter called the "Company")

PARTY OF THE FIRST PART

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS,
LOCAL 115
(Hereinafter called the "Union")

PARTY OF THE SECOND PART

WITNESSETH: that the parties hereto agree as follows:

ARTICLE 1: PURPOSE

In consideration of the mutual value of joint discussions on matters pertaining to employer-employee relations, the parties hereto agree that the purpose of this Agreement shall be to set forth terms and conditions of employment relating to rates of pay, hours of work, and other working conditions affecting the employees covered by the Agreement, and to provide for the means of settling disputes and grievances of such employees.

ARTICLE 2: SCOPE

2.01 The Employer recognizes the Union as the sole and exclusive bargaining agent for employees as set out in the Canada Labour Relations Board Certificate dated November 20, 1995, namely "all employees working for United Grain Growers Limited (doing business as Unifeed Ltd.) working at and from Armstrong, British Columbia, excluding truck drivers, office and sales staff, supervisors and those above" and those excluded by the Act.

- 2.02 This Agreement shall be binding on the Company and the Union and their respective successors, administrators, executors and assigns and on each employee.

ARTICLE 3: UNION SECURITY

- 3.01 Each employee covered by this Agreement shall, as a condition of employment and/or continued employment, be and remain, a Union member in good standing for the duration of this Agreement, or for the duration of his employment with the Company, whichever is shorter. Counting from the date he commences employment with the Company, each new employee shall be allowed thirty (30) calendar days within which to make application to join the Union and tender the appropriate initiation fees.
- 3.02 The Company shall deduct from each new employee, an amount equal to the Union dues from the employee's first payroll cheque after completion of six (6) days of work in a calendar month, and add that employee's name, social insurance number and the said amount to the closest applicable checkoff, i.e., if the checkoff for the month has not been remitted to the Union, it shall be added to that checkoff; if the month's check off has been remitted, it shall be added to the following month's checkoff and shown as the previous month worked. Union dues deducted under this provision shall be remitted to the Union not later than the fifteenth (15th) day of the month following the month in which such check-off applies.
- 3.03 All employees shall be required to sign an authorization for checkoff of Union dues and fees which may be levied by the Union in accordance with the Constitution and/or By-Laws. Such checkoff shall be irrevocable during the terms of this Agreement.
- 3.04 Upon receiving one (1) month's notice from the Union, by registered mail, of a change in the fees and dues charged by the Union to its members, the Company shall make deductions in accordance to the notice, effective the date given. The Union shall indemnify the Company for all such deductions and remissions when in accordance with Union instruction.
- 3.05 It is understood that the Company will not be held responsible for the collection of any Union dues in arrears, unless the arrears are the result of Company error.

ARTICLE 4: MANAGEMENT RIGHTS

- 4.01 The Union recognizes that the Company has the sole and exclusive right to manage its business in all respects in accordance with its commitments and responsibilities. Subject only to the specific provisions of this Agreement, the Company has the sole and exclusive right to plan, direct and control operations; to maintain discipline and efficiency; to require employees to observe Company rules and regulations; to hire,

promote, demote, transfer, and assign working hours; to discipline, suspend and discharge employees for just cause; to source and control the raw ingredients, to determine the products to be manufactured and/or processed, the schedules of production, the methods of production and processing used, the number of employees needed by the Company at any time, operating techniques , methods, machinery and equipment, and to exercise jurisdiction over all operations, buildings, machinery, equipment and tools.

- 4.02 The Union further recognizes the right of the Employer to operate and manage its business in all respects in accordance with its commitments and responsibilities and to make and alter from time to time, the rules and regulations to be observed by the employees provided such rules and regulations are not inconsistent with the terms of this Agreement.

The Union further recognizes that the Company and its employees have a commitment to serve customers by consistently providing products which meet specifications and guarantees by the Company, when they are required by the customer.

ARTICLE 5: DEFINITION OF EMPLOYEE

- 5.01 Whenever the singular, masculine or feminine is used in this Agreement, it shall be considered as if the plural, feminine or masculine has been used where the context of the parties hereto so requires.

ARTICLE 6: HOURS OF WORK AND OVERTIME

- 6.01 The standard work day shall consist of eight (8) consecutive hours which includes a paid half (1/2) hour lunch. The standard work week shall consist of forty (40) hours on five (5) consecutive eight (8) hour days.

Should business operations require a change of the standard work week the parties shall meet and discuss the required changes.

- 6.02 The Company shall, whenever possible, give employees forty-eight (48) hours notice prior to changing shifts.
- 6.03 Time worked in excess of the standard hours of work or on a recognized holiday shall be considered overtime and be paid at one and one-half (1-1/2) times the hourly rate of pay.
- 6.04 It is intended that employees should have a minimum of eight (8) hours rest between scheduled shifts.

6.05 All overtime shall be on a voluntary basis and allocated by seniority within classifications. Where the Company cannot find a qualified volunteer, overtime shall be mandatory on basis of reverse seniority.

ARTICLE 7: GRIEVANCE PROCEDURE

- 7.01
1. An employee grievance shall be defined as a controversy, dispute or disagreement between the Employer and any employee over the interpretation or application of this Agreement and not otherwise.
 2. Should a complaint arise, the employee involved shall first discuss the complaint with his/her immediate supervisor. A complaint must be filed no later than the tenth (10th) day of occurrence or event giving rise to the complaint. There shall be no grievance until the immediate supervisor has had an opportunity to discuss the matter with the employee. The supervisor shall respond to the employee's complaint within five (5) working days of receiving the complaint. An employee's complaint which is not resolved as above may be submitted by the employee as a grievance at step one of the following grievance procedures. An employee submitting such a grievance must do so no later than the tenth (10th) day following the date the supervisor responded or should have responded to the complaint.
 3. Step One: The grievance shall be submitted in writing, signed by the employee and a Steward, to the Plant Manager. The grievance shall outline the circumstances giving rise to the grievance, the section(s) of the Agreement alleged to have been violated, and the remedy or correction sought. The Plant Manager shall arrange for a meeting within seven (7) working days of the receipt of the grievance with the grievor and the Steward. The Plant Manager shall respond to the grievance, in writing, within five (5) working days of said meeting.
 4. Step Two: Should the grievance not be resolved at Step One, it shall be referred to the Vice President within fifteen (15) working days of receipt of the Plant Manager's response. The Vice President shall review the written submission of the Union and the Plant Manager and shall respond within fifteen (15) working days of receiving said submissions.
 5. Step Three: Should the grievance not be resolved at Step Two, it may be referred by either party, to a single arbitrator, by notice in writing to the other party within ten (10) working days of receipt of the Step Two response.

6. The decision of the arbitrator shall be final and binding on all parties to this Agreement and shall be applied forthwith. The arbitrator shall only rule on the explicit provisions of this Agreement and shall not have jurisdiction to amend or add to any of the provisions of this Agreement, to substitute any new provisions nor to give any decisions inconsistent with the terms and conditions of this Agreement.

7.02 Where either of the Parties elect to proceed to Arbitration they shall so notify the other and a single arbitrator, of mutual agreement, shall be agreed upon.

If a single arbitrator is not agreed upon within seven (7) days the parties shall request the Minister of Labour of Canada to appoint a qualified arbitrator.

7.03 Each party shall pay its own costs and fees and the expenses of its representatives and witnesses. The fees and expenses of the Arbitrator shall be shared equally between the parties.

7.04 The Company and the Union may mutually agree in writing to waive any of the time limits set out in this Article.

7.05 All time limits contained herein shall be considered working days exclusive of Saturdays, Sundays and General Holidays.

7.09 If the Company or the Union has a policy grievance it shall begin at STEP (2) of the Grievance Procedure.

ARTICLE 8: SENIORITY

8.01 Seniority is defined as the length of continuous service in the bargaining unit.

8.02 The Company shall at least once every six (6) months, post in a conspicuous place on its premises an up-to-date list of all employees covered by this Agreement showing the date when each commenced his employment within the bargaining unit. The Company shall forward to the Union a copy of each list on the date of its posting.

8.03 If a laid off employee is called back to work with the Company within his right to recall period, there shall be deemed to have been no break in such an employee's continuous service with the Company by reason of such layoff.

8.04 Employment with the Company shall be deemed terminated and an employee shall lose his length of service standing if the employee:

- (1) voluntarily resigns, or
- (2) is discharged for just cause, or
- (3) is absent without authorized leave for three (3) consecutive shifts, or
- (4) after layoff, fails to report for work within three (3) consecutive shifts; or
- (5) is on continuous layoff for ten (10) months.

8.05 When a new employee is hired, it is agreed that he shall be on probation for ninety (90) days. The probationary period may be extended by mutual agreement between the Employer and the Union. When the probationary period is completed the service date shall commence from the date of hiring. Also any employee may be discharged at any time during the probationary period at the sole discretion of the Company without cause being shown. Said employee shall have no recourse to the grievance or arbitration provisions of this Agreement.

8.06 The factors to be considered when the Company is determining promotions, layoffs or recalls from layoff of permanent employees shall include, but not be limited to:

- 1) qualifications (skill and ability to do the job),
- 2) performance during employment with the Company,
- 3) length of service with the Company.

In cases where factors 1) and 2) are equal, factor 3) will govern.

- 8.07
- (1) For layoffs of six (6) months duration or less, employees subject to layoff shall receive a minimum of eight (8) working hours notice or pay in lieu of.**
 - (2) For layoffs of greater than six (6) months duration, employees subject to layoff shall receive a minimum of five (5) calendar days notice or pay for work days in lieu of.**

ARTICLE 9: JOB POSTINGS

- 9.01 The Company agrees to post vacancies of a permanent nature for three (3) working days to give non-probationary employees time to apply.
- 9.02 An employee who is re-assigned will be given a reasonable training period. If after a training period the employee does not qualify, he will be allowed to return to his former classification.
- 9.03 In the event the Company creates a new classification during the term of the Agreement, the Company will set and implement the wage rate and if the Union is in disagreement it may challenge the rate through the grievance process.

ARTICLE 10: ANNUAL VACATION

- 10.01 For the purposes of this Agreement a vacation year is the period beginning on January 1st of the year and ending on December 31st of the same year.
- 10.02 The Company shall post and leave posted for the entire year, an annual vacation schedule. Such schedule to be posted in January of each year for all employees to indicate their choice of annual vacation dates. Employees not indicating their choices by March 1st of each year, shall receive their vacations as determined by the Company and shall not displace any other employee from their chosen dates. Without diminishing the right of the Company to determine vacations, if requests for vacation are received after March 1st, the Company will take into account the date upon which the request was received.
- 10.03 An employee with less than twelve (12) months of service as of January 1st, of the vacation year, shall receive annual vacation, at regular pay, in an amount equal to one (1) day per complete month of service to a maximum of ten (10) days.
- 10.04 Vacation pay will be computed on the basis of eight (8) hours per day at the employees actual rate of pay or two (2) percent, per week of entitlement of total gross earnings, in the previous year whichever is greater. The difference between the vacation pay and percentage of total gross earnings, if any, will be paid prior to June 1st.

Employees covered by this Agreement shall be entitled to vacations with pay.

- 1) Every employee who has completed one (1) year of continuous service at January 1st shall be entitled to a vacation of ten (10) days,
- 2) Every employee who has completed three (3) years of continuous service at January 1st shall be entitled to a vacation of fifteen (15) days,
- 3) Every employee who has completed nine (9) years of continuous service at January 1st shall be entitled to a vacation of twenty (20) days,
- 4) Every employee who has completed fifteen (15) years of continuous service at January 1st shall be entitled to a vacation of twenty-five (25) days.

10.05 When a recognized holiday falls during an employee's vacation period, the employee shall receive an additional vacation day with pay.

10.06 Each employee shall be required to take the full amount of annual vacation he is entitled to under the provisions of this Agreement.

10.07 An employee's scheduled vacation period shall not be changed by the Company or the employee within the one (1) month period immediately preceding the start of the vacation without the consent of the parties concerned.

10.08 A maximum of three (3) people may be permitted to take vacation at the same time so long as the facility, on management's discretion, is not left deficient of the skilled employees necessary to operate the shop.

ARTICLE 11: RECOGNIZED HOLIDAYS

11.01 Employees shall be granted the following recognized holidays with pay:

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

Employees who have completed their probationary period will be entitled to one floating holiday per calendar year. This floating holiday to be taken on a day mutually agreed between the Company and the Employee. Should the Federal or Provincial Governments introduce an additional paid holiday generally recognized

by Unifeed Ltd., then the floater holiday described above will be replaced by this new holiday.

- 11.02 Employees shall not be entitled to be paid for recognized holidays at time they are not working, such as layoffs or unpaid leaves of absence. When an employee is receiving benefits through Plans such as sickness, long term disability, or Workers' Compensation, pay for the day of the recognized holiday would be determined according to the conditions of the applicable Plan.
- 11.03 Employees covered by this Agreement, subject to the conditions below, shall be entitled to eight (8) hours straight time pay for any of the above mentioned holidays provided;
- 1) That the employee has a minimum of fifteen (15) working days of service prior to the holiday,
 - 2) That the employee worked his last scheduled shift immediately preceding and following the holiday observed.

ARTICLE 12: WAGES

- 12.01 The classifications and salary range for employees covered by this Agreement shall be as set forth in Schedule "A" which shall form part of this Agreement.
- 12.02 The Company shall, every second Friday, pay to each employee all wages earned by the employee to a day not more than five (5) working days prior to the date of payment provided that if a General Holiday falls on the regular pay day, payment shall be made the preceding day. The Company may change the payday (from Friday) provided it gives the Union at least one (1) month notification of such change.
- 12.03 The Company shall issue to each employee a separate or detachable itemized statement with each pay showing separately the number of straight time hours worked and the number of overtime hours worked and the respective hourly rates applicable thereon. The statement shall also show the total wages for the pay period and annual cumulative totals and the total deductions therefrom.
- 12.04 Where an employee works in a higher hourly wage classification for a minimum of four (4) hours he shall be paid the higher rate for the hours worked in such classification provided the employee is carrying out a substantial part of the functions of the higher classification.

ARTICLE 13: GENERAL PROVISIONS

- 13.01 An employee suffering injury while in the employ of the Company shall report to the first aid department immediately, or as soon thereafter as practicable, and also report to that department on returning to work.
- 13.02 (1) The Union may select or appoint a Shop Steward and alternate to represent the employees and the Union shall notify the Company as to the name of such Shop Steward and alternate. The Company agrees that no Shop Steward shall suffer any discrimination by reason of holding such office.
- (2) When the Company for any reason finds it necessary to terminate or lay off a Shop Steward, the Business Representative of the Union shall be notified prior to such termination or layoff.
- (3) With management permission authorized business agents of the Union shall have access to the Company's premises during working hours for the purpose of adjusting disputes, investigating working conditions and ascertaining that the Agreement is being adhered to in the operation. Such permission shall not be unreasonably withheld.
- 13.03 The Company shall pay one hundred and seventy-five dollars (\$175.00) towards the purchase and/or repair of safety footwear, each year on a separate cheque; upon submission of an appropriate receipt.
- 13.04 When the Company requires an employee to take a first aid course, the Company shall pay the employee's tuition, wages and travel expenses.
- 13.05 A notice board shall be provided for the posting of official Union notices only. All other notices must be approved by the Company.
- 13.06 Employees of the Company outside of the bargaining unit shall not perform bargaining unit work except in the case of urgency, investigation, inspection or instruction. "Urgency" shall include, but not be limited to, situations of unexpected vacancies in a shift; situations involving the immediate need of additional personnel at the site; and other such similar situations.
- 13.07 The Company may grant an unpaid leave of absence to any employee for Union or personal reasons provided such time is reasonable and does not unreasonably interfere with the operation of the business.
- 13.08 There shall be no sub-contracting which would cause a loss of work to existing Union members as of date of ratification of the Collective Agreement.

- 13.09 Bereavement leave shall be in accordance with Company Human Resources Policies and Procedures in effect from time to time.
- 13.10 Jury/witness duty shall be in accordance with Company Human Resources Policies and Procedures in effect from time to time.
- 13.11 Transfer/relocation shall be in accordance with Company Human Resources Policies and Procedures in effect from time to time.
- 13.12 The article headings shall be used for purposes of reference only, and shall not be used as an aid in the interpretation of this Agreement.
- 13.13 It is to the mutual advantage of both the Company and the employees, that employees shall not operate vehicles which are not in safe operating condition and not equipped with the safety equipment required by laws. The maintenance of equipment in sound operating condition is not only a function but a responsibility of management.
- 13.14 A Safety Committee shall be appointed in accordance with the Canada Labour Code and meet once per month.
- 13.15 Severance pay shall be in accordance with the Canada Labour Code Provisions.
- 13.16 The Company agrees that it shall abide by all conditions of the Canada Labour Code not addressed within this Agreement.
- 13.17 The Company agrees it shall continue current practices as they relate to: adequate washroom facilities, hand cleaner, coveralls, heated/cooled lunchroom, lockers, required specialized clothing, tools, coffee supplies, parking and safety equipment.
- 13.18 A committee consisting of equal representatives shall meet monthly for the purpose of reviewing problems or potential problems arising in connection with the application or operation of this Agreement.
- 13.19 Employees shall state whether overtime is to be banked or paid at the beginning of each fiscal quarter. An employee may bank overtime equivalent to forty (40) hours straight time maximum. All overtime worked thereafter shall be paid at the appropriate rate to said employee. Banked overtime must be taken in eight hour increments. Banked overtime shall be paid out on the following pay day. Pension contributions and regular payroll deductions shall only apply at the time the banked overtime is utilized by the employee.

ARTICLE 14: MEDICAL, WELFARE AND PENSION PLANS

14.01 The Company shall provide the Union with a copy of the "Employee Information Guide" containing the information pertaining to the Medical, Health and Pension Plans.

If at anytime information contained within the "Employee Information Guide" changes a new copy shall be provided to the Union.

14.02 The following employee benefit plans will be offered to non-probationary employees covered by this Agreement. These plans may be subject to change from time to time as the Company deems necessary.

<u>PLAN #</u>	<u>TITLE</u>
69016	Major Medical
69016	Dental
Self-Insured	Short Term Disability
91618	Long Term Disability
32618	Basic Life
32618	Dependent Life
32618	Retiree Life
RS101089	Company Pension Plan
RS101089	Employee Share Purchase Plan

14.03 If at any time the Company wishes to substantially alter or change any coverages or cost sharing of the above plans (in 14.02) the Company shall notify the Union of such changes and provide the Union with a copy of the new plan as soon as such is available.

ARTICLE 15: SAVINGS CLAUSE

15.01 It is agreed that no employee shall have his rate of pay, in effect on the signing of this Agreement, reduced by the adoption of this Agreement.

15.02 The Company at its discretion may pay higher wages to employees of special ability.

- 15.03 The parties agree that this Agreement, as written, constitutes the entire Collective Agreement between the Union and the Employer.
- 15.04 Any changes deemed necessary to this Agreement may be made by mutual agreement in writing at any time during the term of this Agreement. Such changes must be documented in writing and signed as agreed by the Union and the Vice President.

ARTICLE 16: DURATION

- 16.01 This Agreement shall be in full force and effect from and including **November 19th, 2004** to and including **November 20th, 2007** 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 date **November 20th, 2007** 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.
- 16.02 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 Company 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.

SIGNED at _____, British Columbia, this ____ day of _____, 2005.

For the Company

For the Union

SCHEDULE "A"

NOVEMBER 20, 2004

Position	New Job Entry	Complete 3 months	Complete 6 months
Millworker	11.59	12.59	13.59
Machine Operator	14.76	15.76	16.76
Warehouseman	14.76	15.76	16.76
Maintenance Worker	17.05	18.05	19.05
Mixerman	15.83	16.83	17.83

NOVEMBER 20, 2005

Position	New Job Entry	Complete 3 months	Complete 6 months
Millworker	12.09	13.09	14.09
Machine Operator	15.26	16.26	17.26
Warehouseman	15.26	16.26	17.26
Maintenance Worker	17.55	18.55	19.55
Mixerman	16.33	17.33	18.33

NOVEMBER 20, 2006

Position	New Job Entry	Complete 3 months	Complete 6 months
Millworker	12.59	13.59	14.59
Machine Operator	15.76	16.76	17.76
Warehouseman	15.76	16.76	17.76
Maintenance Worker	18.05	19.05	20.05
Mixerman	16.83	17.83	18.83

New job entry \$2.00/hour less than full rate.

Complete 3 months \$1.00/hour less than full rate.

Completion of 6 months - full rate for classification.

Employees on the payroll at ratification will receive the retroactive increase to November 20, 2004 on all regular and overtime hours paid.

PREMIUMS:

Night Shift (10:00 pm - 6:00 am)	\$0.50
Ticketed Steam Engineer	\$1.00
Chief Steam Engineer	\$2.00
Shift Supervisor	\$1.00

LETTER OF UNDERSTANDING

BETWEEN:

UNITED GRAIN GROWERS LIMITED (Doing Business as UNIFEED LTD.)
(Hereinafter referred to as "the Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115
(Hereinafter referred to as "the Union")

The parties hereby agree that the night shift premium of three (3) hours at time and one-half the regular rate of pay per week shall continue to be paid to all employees hired prior to August 8th, 1996.

SIGNED this _____ day of _____, 2005.

For the Company

For the Union

LETTER OF UNDERSTANDING

BETWEEN:

UNITED GRAIN GROWERS LIMITED (Doing Business as UNIFEED LTD.)
(Hereinafter referred to as "the Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115
(Hereinafter referred to as "the Union")

SUBJECT: Article 13.09, 13.10, 13.11 and Article 14

The Company agree that the employees/members employed at Unifeed Ltd. in Armstrong will be treated as other **Agricore United** employees as it pertains to coverage and costs in respect of the benefits provided in the above captioned Articles.

SIGNED this _____ day of _____, 2005 .

For the Company

For the Union