

COLLECTIVE AGREEMENT

THIS AGREEMENT entered into this 25th day of July, 2005

BETWEEN: **PAN FISH CANADA LTD.**
Alpha Processing Division
(hereinafter called the "Company")

OF THE FIRST PART

AND:

UNITED STEELWORKERS OF AMERICA, CLC, LOCAL 1- 2171
(hereinafter called the "Union")

OF THE SECOND PART

PREAMBLE:

The purpose of this Agreement is to secure for the Company, the Union and the Employees the full benefits of orderly and legal collective bargaining, and to ensure that to the utmost possible the safety and physical welfare of the Employees, economy of the operation, quality and quantity of output, and protection of property. It is recognized by this Agreement to be the duty of the Company and the Union and the Employees, to co-operate fully, individually and collectively, for the advancement of said conditions.

The Company and the Union agree to abide by the terms set out in this Agreement. The Union further agrees that it will at all times instruct its members to act in accordance with the terms contained in this Agreement. The Company agrees, in the exercise of the functions of Management, that the provisions of this Agreement will be carried out.

ARTICLE I: BARGAINING AGENCY

Section 1: Recognition

- (a) The Company recognizes the Union as the sole collective bargaining agency of the Employees of the Company.
- (b) It is agreed that when a dispute arises as to whether or not a person is an Employee within the bargaining unit, it shall be subject to grievance procedure as provided in Article XXIII.
- (c) The Union agrees to issue a withdrawal card to employees transferred from the bargaining unit to a job outside the bargaining unit providing that no dispute arises within the meaning of Clause (b) herein.

Section 2: Meetings

The Company and the Union will meet for the purpose of discussing wages and working conditions and adjusting any matters within the confines of this Agreement which come within the scope of collective bargaining between Employer and Employee.

Section 3: Bargaining Authority

The Company agrees that the only certification that they will recognize during the term of this agreement is that of the Union, unless ordered by due process of law to recognize some other bargaining authority.

Section 4: Access to Operation

Official Union representatives shall obtain access to the Company's operation on all shifts for the purpose of conducting normal Union business.

The Union agrees that there will be no Union activity carried out during working hours except at expressly provided times and the Company will grant reasonable requests.

Section 5: Bulletin Board

A bulletin board shall be placed in a conspicuous place exclusively for the purpose of posting Union notices.

ARTICLE II: EMPLOYER'S RIGHTS

Section 1: Management and Direction

The management and the operation of and the direction and promotion of the work forces is vested exclusively in the Management; provided, however, that this will not be used for purposes of discrimination against employees.

Section 2: Hiring and Discipline

The Company shall have the right to select its employees and to discipline or discharge them for proper cause.

ARTICLE III: UNION SECURITY

Section 1: Co-operation

The Company will co-operate with the Union in obtaining and retaining as members the employees as defined in this Agreement and to this end will present to new employees and to all supervisors and foremen the policy herein expressed.

Section 2: Union Shop

When additional employees are required the Union will be notified and will refer suitable workers to the Company employment office. And the Company will give due consideration to such referred employees. The Company however, is free to employ any suitable workers whether referred by the Union or not and will advise the Union of such other suitable workers considered for employment.

All employees who enter the employment of the Company on or after the commencement of this Agreement, and all new employees shall within thirty (30) calendar days after the execution of this Agreement, or thirty (30) calendar days after entering employment, whichever date last occurs, become members of the Union, and maintain membership therein throughout the term of this Agreement, as a condition of continued employment.

Section 3: Maintenance of Membership

Any employee who is a member in good standing, or is reinstated as a member of the Union shall, as a condition of continued employment, maintain such membership in good standing throughout the term of this Agreement.

Section 4: Discharge of Non-members

Any employee who fails to maintain his membership in the Union as prescribed herein by reason of refusal to pay dues and assessments shall be subject to discharge after seven (7) days' written notice to the Company of the said employee's refusal to maintain his membership.

Section 5: Union Membership

- (a) No employee shall be subject to any penalties against his application for membership or reinstatement, except as may be provided for in the Constitution of the United Steelworkers of America (USWA) and in accordance with the By-Laws of Local 2171.
- (b) Any employee who applies to join the Union pursuant to the provision herein and whose application is rejected by the Union, shall not be subject to discharge from employment.

Section 6: Check-off

The Company shall require all new employees at the time of hiring to execute an assignment of wages (Union Checkoff) in duplicate, the forms to be supplied by the Union.

The employer shall deduct from every employee any monthly dues, initiation fees, or assessments levied, in accordance with the Union Constitution and Bylaws. Authorization to this effect shall be outlined on the Union Checkoff signed by the Employee upon date of hiring and this assignment shall be a condition of employment. A copy of the Checkoff shall be mailed to the Union Office within seven (7) calendar days.

This assignment in the case of employees already members of the Union shall be effective immediately, and for those employees not previously members of the Union, it shall become effective thirty (30) calendar days from the date of execution.

The Company shall remit the dues, initiation fees, and assessments pursuant to such assignment to the Local Union not later than the fifteenth (15th) day of each month with a written statement of of

names of the employees for whom the deductions were made and the amount of each deduction.

Failure by the Company to deduct dues, initiation fees, or assessments and/or failure to remit such monies in a timely manner to the Local Union shall be a violation of the Collective Agreement subject to the grievance procedure.

Section 7: Social Insurance Number

The Company shall furnish the Union with the Social Insurance Number for each employee on its payroll on the first occasion when dues are forwarded to the Union after the execution of this Agreement, or after the employee enters the employment of the Company, whichever date last occurs.

Section 8: Taxation

The Company will not report union contributions (dues initiation fees, or assessments) made by employees on employees annual T4 taxation slips. The Union accepts full responsibility for such reporting to both the employees and to Canada Customs and Revenue Agency.

ARTICLE: IV: SHOP COMMITTEE

Section 1: Definition

- (a) For the purpose of this Agreement when the term "Shop Committee" is used, it shall mean Shop, Mill, or Plant Committee, members of which are elected or appointed by the Union.
- (b) No member of the Shop Committee shall be held responsible or accountable for the actions of workers taken individually or in concert because of the employee's status as a member of the Shop Committee. There shall be neither discrimination nor disciplinary action taken against any member of the Shop Committee for performing duties customarily associated with his or her Office.
- (c) Shop Committee membership does not constitute immunity against normal disciplinary actions taken by the company against any individual employee for proper cause.

Section 2: Composition

The Shop Committee shall consist of not less than four (4) employees with completed probationary period of employment with the Company, who are members of the Union.

Section 3: Notification

The Union will, within thirty (30) days from the date of this Agreement, notify the Company in writing of the members on the Shop Committee. The Union will inform the Company in writing when any member change takes place on the said Committee. No member of the Shop Committee will be recognized by the Company unless the above procedure is carried out.

Section 4: Exceptions

The provisions of Section 1, 2, and 3 will not apply in reference to Article XVI – Joint Committee on Health and Safety, where the members are designated according to the provisions of the Workers' Compensation Act.

ARTICLE V: HOURS OF WORK

Section 1: Hours and Overtime

- (a) The Standard Shift Schedule shall be 5 consecutive 8 hour days on and 2 consecutive days off. Overtime shall be calculated as follows:
 - (i) Time and one half rates shall be paid for all hours worked in excess of 8 in one day.
 - (ii) Double time rates shall be paid for all hours worked in excess of 11 in one day.
 - (iii) Time and one half rates shall be paid for all hours worked in excess of 40 straight time hours in one week.
 - (iv) Only Saturday will be considered a scheduled rest day, and as such, hours worked on this scheduled rest day shall be paid at the appropriate overtime rates of pay.
 - (v) There shall be no pyramiding of overtime hours.
- (b) There shall be no set shifts. The Company will, as much as possible, schedule the work to be done between 8 am and 4:30 pm for a one shift operation, and between 4:30 pm and 1 am for a second shift.

Section 2: Rest and Lunch Periods

- (a) All employees shall be entitled to two (2) fifteen (15) minute rest periods and one thirty minute unpaid lunch break during each 8 hour shift.
- (b) For shifts of 10 hours in duration, the company shall provide an additional 15 minute paid rest period.
- (c) For unplanned shifts of 12 hours or longer, the Company shall provide an additional 30 minute paid lunch break and provide a meal for said break.
- (d) Rest periods and lunch breaks may be rotated amongst the employees.

ARTICLE VI WAGES

- (1) Wages shall be paid pursuant to Schedule "A" attached and shall be maintained for the duration of this agreement.
- (2) If a new job category is created during the term of this agreement or an existing job category is significantly changed, the parties will meet to negotiate a new rate. If the parties are unsuccessful in negotiating a new rate, the issue will be referred to a third party for interest arbitration.

ARTICLE VII SEVERANCE PAY

In the event that the Company permanently terminates an employee, except for just cause, it shall pay to the employee severance pay equal to five (5) day's pay for each year of service and thereafter in increments of completed months of service with the company. This provision shall apply when there is a real or an anticipated permanent reduction of forces.

ARTICLE VIII PAY DAYS

- (1) The Company shall provide for pay days every second week and each employee shall be furnished with an itemized statement of earnings and deductions.
- (2) The Company shall provide an itemized statement of the amount of earnings plus the percentage paid to all employees for vacation pay.

ARTICLE IX STATUTORY HOLIDAYS

Section 1:

- (a) All employees who work on New Year's Day, Good Friday, Victoria Day, Canada Day, British Columbia Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day shall be paid rate and one half for all hours so worked.
- (b) If the Provincial or Federal government declares an additional statutory holiday, that holiday shall become a paid statutory holiday.
- (c) An employee with less than 1500 hours who qualifies for any of the holidays named in (a) herein, in accordance with the conditions set out in Section 2, shall be paid for the said holidays at their regular job rate of pay for their regular work schedule, as specified in the Employment Standards Act.
- (d) An employee with more than 1500 hours who qualifies for any of the holidays named in (a) herein, in accordance with the conditions set out in Section 2, shall be paid 8 hours at their regular job rate.
- (e) There will be no retroactive adjustment of hours paid for statutory holidays between April 11, 2005 and the signing of this agreement, which arise out of the change in qualifying hours from 2500 to 1500 as set out in (d) above.

Section 2: Qualifying Conditions

- (a) An employee, to qualify for Statutory Holiday pay, must comply with each one of the following three conditions:
 - (i) Have been on the payroll thirty (30) calendar days immediately preceding the holiday.
 - (ii) Have worked their last regularly scheduled work day before the statutory holiday and their first regularly scheduled work day after the holiday, unless their absence is due to illness, compensable occupational injury, or as otherwise authorized by the employer.
 - (iii) Notwithstanding (ii) above, the employee must have worked one (1) day before and one (1) day after the holiday, both of which must fall within a period of thirty (30) calendar days.
- (b) In case of injury or illness in (b) above the employer shall have the right to request a medical certificate.
- (c) Employees while on leave of absence under Article XV, Section 6 (a) or any employees while members of a Negotiating Committee under Section 6 (b) thereof shall not qualify for paid Statutory Holidays.

Section 3: Holidays on Regular Days Off

In the event that one of the within named Statutory Holidays falls on a regular day off, it shall be observed the preceding or succeeding day, as agreed between the Committee and Management.

Section 4: Arrangement for Change

In the event of a Statutory Holiday falling in the middle of the work week, and where the Company and Shop Committee mutually agree, the said holiday may be observed the preceding first or the following last work day of the week respectively.

ARTICLE X VACATIONS WITH PAY

With respect to annual vacations and vacation pay the following provisions will apply.

Section 1: One to Two Years' Service

The annual vacations for employees with one (1) to two (2) years' service covered by this Agreement shall be two (2) weeks, and the pay shall be based upon 4% of the total wages or salary earned by the employee during the working year.

Section 2: Two to Seven Years' Service

The annual vacations for employees with two (2) to seven (7) years' service covered by this Agreement shall be three (3) weeks, and the pay shall be based upon 6% of the total wages or salary earned by the employee during the working year.

Section 3: Seven to Fifteen Years' Service

The annual vacations for employees with seven (7) to fifteen (15) years' service covered by this Agreement shall be four (4) weeks, and the pay shall be based upon 8% of the total wages or salary earned by the employee during the working year.

Section 4: Vacation Pay on Termination

An employee whose employment is terminated shall receive vacation pay at the appropriate percentage of the wages or salary earned during the period of entitlement in accordance with the employee's years of service.

Section 5: Vacation Time

- (a) Vacations for employees shall be taken at such time as mutually agreed upon by the Shop Committee and the Company when quantity and regularity of production shall not be impaired.
- (b) All earned vacations must be taken.

Section 6: Employment Standards Act

The language of the Employment Standards Act, as identified below, as of date of signing, will be a part of this collective agreement:

- Part 3, Section 27 (1) a,b,c,d,e,f,g,i,j (2) (3) Wage Statements
- Part 3, Section 28 Payroll Records
- Part 7, Section 57 (1) (2) Entitlement to Annual Vacations
- Part 6, Section 51 Parental Leave
- Part 6, Section 52 Family responsibility leave

ARTICLE XI CALL TIME

Section 1: Where No work

Any employee who is called for work and on reporting finds no work available due to reasons beyond his or her control, shall be entitled to two (2) hours at the usual rate. This shall not apply if the Company has reported or caused to have given notice canceling said call or if it is beyond the control of the employer.

Section 2: Where Work Commences

In the event that an employee commences work on his shift, and the operation closes prior to the completion of two (2) hours' work, the employee shall receive four (4) hours' pay, unless it is beyond the control of the employer.

ARTICLE XII HEALTH AND WELFARE

Section 1. Coverage

The company agrees to provide the following health and welfare coverage. Premiums for these benefits will be paid sixty (60) percent by the Company and forty (40) percent by the employee.

- Medical Services Plan (MSP)
- Extended Health Benefits Plan (EHB)
- Weekly Indemnity
- Long Term Disability Plan (LTD)
- Group Life and Accidental Death and Dismemberment Insurance.
- Dental Plan.

The above coverages, with the exception of MSP, are as provided under the current Cooperators Group Plan No. 6364

Section 2. General Principles

- (a) Participation in the Plan is to be a condition of employment upon completion of eligibility. Employees providing proof of coverage under another Plan may opt out of MSP, EHB and Dental Plan coverage.
- (b) Coverage during layoff will be provided as follows:
 - (i) Employees with five (5) or more years' seniority - six (6) months:
 - (ii) Employees with more than one (1) year but less than five (5) year's seniority - three (3) month.
 - (iii) Employees are responsible for paying their portion of the benefit package at the Office each month during a layoff.
- (c) In order for reinstatement of layoff coverage to occur there must be a return to regular full-time employment. An employee returns to regular full-time employment when they are available for all scheduled shifts.
- (d) Employees who are on Long Term Disability will have full benefit coverage for the first five years. Thereafter, such employees will not be provided with dental coverage, unless the employee is willing to pay the entire cost of the dental coverage. All Long Term Disability claimants will be required to apply to MSP premium assistance. Employees are responsible for paying their portion of the benefit package at the Office each month. If the employee falls four months behind on their portion, their benefits will be cancelled permanently.

ARTICLE XIII PENSION PLAN

The Company agrees to discuss the idea of a Pension Plan or RRSP Contribution Plan in the second collective agreement.

ARTICLE XIV

SENIORITY

Section 1: Principle

The Company recognizes the principle of seniority, competency considered. For the purposes of this Agreement, competency shall be interpreted as the ability to do the job in question to company operational standards.

Section 2: Reduction and Recall of Forces

- (a) In the event of a reduction of forces, the last person hired shall be the first released, subject to the competency of the person involved and the provisions of Section 1 and the attached letter of understanding.
- (b) When recalling employees from a layoff, they shall be recalled pursuant to the provisions of Section 1.

Section 3: Retention During Layoff

Seniority during layoffs shall be retained for 24 months.

It shall be the employer's responsibility to maintain an address file of his employees, and it shall be the employee's responsibility to notify his employer, in writing, of any change of address.

Section 4: Job Posting

- (a) All vacancies shall be posted in advance for a period of not less than one (1) week.
- (b) This Section shall not apply to temporary replacements of two (2) weeks or less necessitated by illness, injury, or other leave of absence, or to temporary replacements of longer duration for employees on vacation.
- (c) The Principle of seniority, competency considered will apply in the awarding of job postings.
- (d) If there is a regulatory requirement to fill a vacancy in the Maintenance Department with a certified employee, the Company will have the right to fill such vacancy from the outside if there are no certified employees on site. The Company will assist the existing maintenance employees to become certified.

Section 5: Probationary Period

Notwithstanding anything to the contrary contained in this Agreement it shall be mutually agreed that all employees are hired on probation, the probationary period to continue for 500 hours while the employee is being trained on a variety of jobs. During this time they are to be considered temporary workers only, and during this same period no seniority rights shall be recognized. Upon completion of 500 hours, they shall be regarded as regular employees, and shall be entitled to seniority dating from the day on which they entered the Company's employ.

Section 6: Hiring Preference

When hiring new employees, the following order of preference will apply, competency considered, from among those completed applications on file:

- (a) Former employees of the operation who have lost their seniority as a result of a layoff.
- (b) Qualified, experienced workers.
- (c) Laid off members of USWA, Local 1-2171.

Employees who are hired pursuant to (a) or (b) above shall not be required to complete another probationary period and will be paid the regular rate of pay.

Section 7: Seniority List

It is agreed that upon request of the Union a list will be supplied by the Company setting out the name and starting date with the Company and the starting date for plant seniority for each regular employee. However, such request shall not be granted more than twice during the term of this Agreement. The Company will advise the Union once each month of changes to the said list.

Section 8: Student Seniority List

A separate list shall be maintained for those employees who are currently attending school, but are available on a part time basis on evenings, weekends, and during the summer. These students will be called in after all available regular employees. Their regular seniority date will not be set until they have graduated from high school, and will be set at the date that they become available and are called for full time, regular employment.

ARTICLE XV LEAVE OF ABSENCE

Section 1: Injury or Illness

The Company will grant leave of absence to employees suffering injury or illness for the term of this Agreement, subject to a medical certificate if requested by the employer. The employee shall report or cause to have reported the injury or illness which requires his absence to the Company as soon as may be reasonably possible.

Section 2: Written Permission

Any employee desiring leave of absence must obtain permission in writing from the Company for such leave.

Section 3: Compassionate Leave

The Company will grant leave of absence up to a maximum of six (6) months without pay to employees for compassionate reasons, subject to the following terms:

- (a) That the employee apply at least one (1) month in advance unless the grounds for such application could not reasonably be foreseen.

- (b) That the employee shall disclose the grounds for application.
- (c) That the Company shall grant such leave where a bona fide reason is advanced by the applicant.
- (d) That the Company shall be required to notify the Shop Committee of its decision in respect of any application for leave under this Section.
- (e) An employee must have completed one year of service in order to become eligible for leave of absence.
- (f) An employee may only apply for leave of absence once in every year.
- (g) An employee who is on leave of absence must report to the Company on expiration of the leave, regardless of any layoff which may be in effect.

Section 4: Jury Duty

- (a) Any fulltime employee who is required to perform jury duty, Coroners jury duty and is called upon to be Crown Witness on a day on which he normally would have worked would be reimbursed by the Company the difference between the pay received for his jury duty and his regular straight time rate of pay for his regularly scheduled hours of work. It is understood that such reimbursement shall not be for hours in excess of eight (8) per day or forty (40) per week, less pay received for the said jury duty or witness duty. The employee shall be required to furnish proof of jury duty or witness duty pay received.
- (b) Hours paid for jury duty will be counted as hours worked for the purpose of qualifying for vacations and for recognized paid holidays but will not be counted as hours worked for the purpose of computing overtime.

Section 5: Bereavement Leave

- (a) When death occurs to the spouse, mother, father, son, daughter, brother or sister of a fulltime employee, they will be granted an appropriate leave of absence, for which they will be compensated with 3 days pay (24 hours)
- (b) When death occurs to a mother-in-law, father-in-law, step-parent, grandparent, or grandchild of a full time employee, they will be granted an appropriate leave of absence, for which they will be compensated with 1 days pay (8 hours).

Section 6: Union Business

- (a) The Company will grant leave of absence to employees who are appointed or elected to Union office for a period up to and including one (1) year. Further leave of absence may be granted by mutual consent. The employee who obtains this leave of absence shall return to his Company within thirty (30) calendar days after completion of his term of employment with the Union.
- (b) The Company will grant leave of absence to employees who are elected as representatives to attend Union meetings and Union conventions or as members of any Negotiating

Committee of the Union in order that they may carry out their duties on behalf of the Union.

- (c) In order for the employer to replace the employee with a competent substitute, it is agreed that before the employee receives this leave of absence, as set forth in (a) and (b) above, the employer will be given due notice, in the case of (a), twenty (20) calendar days; and in the case of (b), five (5) calendar days.

ARTICLE XVI JOINT COMMITTEE ON HEALTH AND SAFETY

Section 1: Composition

- (a) Management shall maintain a Joint Committee on Health & Safety consisting of not more than four (4) members.
- (b) The said Committee shall consist of an equal number of representatives of the Company and the employees. Employee representatives will be elected by a vote supervised by the Union.
- (c) Employee representatives shall be regular employees in the operation with at least one (1) year experience in that type of operation over which their inspection duties shall extend.

Section 2: Duties

The general duties of the Joint Committee on Health & Safety shall be as directed by the regulations made pursuant to the Workers' Compensation Act.

Section 3: Pay for Meetings

The Company will pay straight time rates not exceeding two (2) hours per week to employees for the actual time spent in attending Joint Committee on Health & Safety meetings outside of working hours.

Section 4: Investigations

In the case of a fatal accident, the Joint Committee on Health & Safety in the operation shall, within forty-eight (48) hours, conduct an investigation into such fatal accident.

Section 5: Cessation of Work

Any one or all employees working in the immediate proximity when a fatal accident has occurred may, without discrimination, refrain from working the balance of the shift.

ARTICLE XVII EMPLOYEE AND FAMILY ASSISTANCE PROGRAM

The company shall enroll all employees in an Employee and Family Assistance Program approved by the Union.

ARTICLE XVIII EDUCATION FUND

The company shall contribute three cents (\$.03) per hour per employee worked to the United Steelworkers of America, Local 1-2171 Education Fund.

ARTICLE XIX EQUIPMENT AND CLOTHING

The Company shall supply, at no cost to the Employee, all clothing, equipment, and safety gear required to perform the required duties. This shall include, but is not restricted, to the following:

Gloves, Aprons, Knives, Sleeves, Coveralls, Pliers, Smocks, Wet Gear, Freezer Gear, Safety Gear.

The Employee is responsible for providing their own footwear.

The Company shall provide an annual credit of \$50.00 to employees who have one year or more seniority and who purchase work boots from the Company.

ARTICLE XX CONTRACTING OUT

There shall be no contracting out or subcontracting out of bargaining unit work, without prior negotiation with the Union. Both Parties agree to negotiate in good faith. Bargaining Unit work is the primary processing of both Atlantic salmon produced by the Company and Atlantic or Chinook salmon produced by other companies and processed under contract.

ARTICLE XXI TECHNOLOGICAL CHANGE

Section 1. Notification

The Company shall notify the Shop Committee and Local Union not less than three (3) months In advance of intent to introduce technological changes that would result in the discharge or laying off of employees.

Section 2. Definition

For purposes of this Agreement, Technological Change is defined as follows: The introduction of a change in its work, undertaking, or business, or a change in its equipment or material from the equipment or material previously used by the Company in its work, undertaking or business; a change in the manner in which the Company carries on its work, undertaking or business related to the introduction of that equipment or material.

Section 3. Rate Adjustment

An Employee who is set back to a lower paid job because of the introduction of technological change will receive the rate of his regular job at the time of the set back for a period of three (3) months, and for a further period of three (3) months, he will be paid an adjusted rate which will be midway between the rate of his regular job at the time of the setback and the rate of his new regular job. At the end of this six (6) month period, the rate of his new regular job will apply. However, such employee will have the option of terminating his employment and accepting severance pay as outline in section 4 below, providing he exercises this option within the above referred to 6 month period.

Section 4. Severance Pay

Employees discharged, laid off or displaced from their regular job because of technological change shall be entitled to severance pay of five (5) days pay for each year of service with the Company and thereafter in increments of completed months of service with the Company. This Section shall not apply to employees covered by Section 3 above.

Section 5. Option

Employees who are entitled to severance pay pursuant to Section 4 above shall have the option of accepting severance pay at the time of the layoff, or at the point seniority retention expires.

ARTICLE XXII PERMANENT CLOSURE

- (1) The Company will give the Union sixty (60) days notice of a permanent total closure or permanent partial closure of the operation.
- (2) Employees terminated by the Company because of a permanent total or partial closure, of the operation shall be entitled to severance pay equal to seven (7) days' pay for each year of continuous service and thereafter in increments of completed months of service with the Company.

ARTICLE XXIII ADJUSTMENT OF GRIEVANCES

Section 1: Procedure

The Company and the union mutually agree that, when a grievance arises in the plant under the terms of this Agreement, it shall be taken up in the manner set out below:

Step One

The individual employee involved shall first take up the matter with management within fourteen (14) days of the date of the said grievance.

Step Two

If a satisfactory settlement is not then reached, Shop Committee shall take up the problem with the management, as designated by the Company. A statement in writing of the alleged grievance, together with a statement in writing by the management, shall be exchanged by the parties

concerned.

Step Three

If the problem is not then satisfactorily solved, it shall be referred to the Union and Management.

Step Four

If a satisfactory settlement is not then reached, it shall be dealt with by arbitration as set forth in Article XXIV or other suitable means mutually agreed between the parties.

Section 2: Time Limit

If a grievance has not advanced to the next stage under Step Two or Three within fourteen (14) days after completion of preceding stage, then the grievance shall be deemed to be abandoned, and all rights of recourse to the grievance procedure shall be at an end. Where the Union is not able to observe this time limit by reason of the absence of the aggrieved employee or the Shop Committee, the time limit shall not apply. The Union shall be bound to proceed in such a case as quickly as may be reasonably possible.

If the Company fails to respond or meet within fourteen (14) days at any stage of the grievance procedure, the grievance shall be resolved in favour of the grievor.

Section 3: Policy and Group Grievances

The Union shall have the right to file Policy and/or Group grievances.

Section 4: Union Representation

The Company shall ensure that whenever an employee is disciplined in any manner, a member of the Shop Committee shall be present. Failure to follow this process shall nullify any disciplinary action.

Section 5: Employee File

Any employee, in the presence of a member of the Shop Committee, shall be entitled to view and dispute the contents of his employee file

ARTICLE XXIV ARBITRATION

Section 1: Grievances

(a) In the case of a dispute arising under this Agreement, which the Parties are unable to settle between themselves as set out in Article XXIII, the matter shall be determined by arbitration in the following manner:

Either Party may notify the other Party and the Arbitrator in writing, by registered mail, of the question or questions to be arbitrated.

After receiving such notice and statement the Arbitrator and the other Party shall within

three (3) days acknowledge receipt of the question or questions to be arbitrated.

- (b) No one shall serve as an Arbitrator who:
 - (i) either directly or indirectly has any interest in the subject of the arbitration;
 - (ii) has participated in the grievance procedure preceding the arbitration.
 - (iii) is, or has been, within a period of six (6) months preceding the initiation of arbitration proceedings, employed by any USWA Local Union, or a company directly engaged in the fishing or fish processing industry.
- (c) The decision of the Arbitrator shall be final and binding upon the Parties of the First and Second Parts.
- (d) The Parties shall appoint a panel of four (4) arbitrators. The single arbitrator shall be selected from this panel. If the parties fail to appoint the required four (4) arbitrators before December 31, 2005, they shall forthwith request the Honourable Minister of Labour of the Province of British Columbia to appoint the arbitrator required.
- (e) The single arbitrator shall be selected from the panel of four (4) arbitrators on a rotational basis.

Section 2: Cost Sharing

The Parties of the First and Second Parts shall bear in equal proportions the expenses and allowances of the Arbitrator, and stenographic and secretarial expense, and rent connected with his duties as Arbitrator.

Section 3: Place of Hearing

Any arbitration to be held hereunder shall be held in Campbell River or at such other place as may be decided by the Parties.

ARTICLE XXV ALTERNATE DISPUTE RESOLUTION PROCEDURE

- (1) If a difference arises between the parties relating to the dismissal, discipline or suspension of an employee, or to the interpretation, application, operation or alleged violation of this Agreement, including any questions as to whether a matter is arbitrable, during the term of this Agreement, a single mediator/arbitrator agreed to by the parties shall at the request of either party:
 - (a) investigate the difference
 - (b) define the issue in the difference, and
 - (c) make written recommendations to resolve the difference within thirty (30) days of the date of receipt of the request and for those thirty (30) days from that date, time does not run in respect of the grievance procedure.
- (2) If either party is not satisfied with the recommendations delivered in accordance with (a) above, it may, within ten (10) working days of receipt of those recommendations, present

the grievance at the next stage of the grievance procedure. Failure to do so shall result in a deemed settlement of the grievance in accordance with such recommendations.

ARTICLE XXVI STRIKES AND LOCKOUTS

There shall be no strikes or lockouts by the Parties to this Agreement with respect to any matter arising out of the Agreement for which arbitration is provided under the terms of the Agreement.

ARTICLE XXVII DURATION OF AGREEMENT

- (a) The Parties hereto mutually agree that this Agreement shall be effective from and after April 11, 2005, to April 10, 2007, and thereafter from year to year unless sixty (60) days written notice of contrary intention is given by either Party to the other Party. The notice required hereunder shall be validly and sufficiently served at the Head Office of the Party of the First Part, or at the Local Union Office upon Local Officers of the Union, Party of the Second Part, at least sixty (60) days prior to the expiry of the Agreement. If no agreement is reached at the expiration of this contract and negotiations are continued, the Agreement shall remain in force up to the time an agreement is reached.

DATED at Campbell River, B.C. this 25th day of July, 2005 A.D.

The Company:

United Steelworker, Local 1- 2171, CLC:

SCHEDULE "A" of the Collective Agreement Between

**Pan Fish Canada, Alpha Processing Division
And**

UNITED STEELWORKERS OF AMERICA, CLC, LOCAL 1- 2171

Effective April 11, 2005

Category	Hourly Wage Rate
Probationary (first 500 hours)	\$13.25
Interim (501 to 2500 hours)	\$14.50
Regular (+2500 hours)	\$15.50
Area Coordinator	\$16.50
Leadhand	\$17.50
Maintenance	\$19.50
Maintenance (with Baader Certification)	\$20.50

Effective April 1, 2006: Wage rates will be adjusted for the cost of living in accordance with the published CPI results for BC in 2005.

Effective April 1, 2006: The standard for changing from Interim to Regular will be reduced from 2500 hours to 1500 hours.

Employees who are currently receiving a rate that is higher than the existing wage rate will be red circled until such time as the wage rate exceeds the individual's rate.

Premiums:

First Aid Ticket	\$.40/hour
Quality Control	\$.25/hour
BC Trades Qualifications	\$1.00/hour

Effective date of signing

Production bonus to be paid to employees with **2500** hours or more

Over 1 million pounds	\$1.00/hour
Over 3 million pounds	\$1.35/hour
Over 5 million pounds	\$1.70/hour

Effective April 1, 2006: The standard for qualification will be reduced from 2500 hours to 1500 hours.

LETTER OF UNDERSTANDING

BETWEEN

PAN FISH CANADA LTD.
Hereinafter referred to as "the Company"

AND

USWA, LOCAL 1-2171
Hereinafter referred to as "the Union"

Re: Application of Seniority During Layoffs

Whereas: Both Parties agree that senior employees should have the preference to work during layoffs, and

Whereas: Both Parties agree that some of the senior employees are not physically able to perform the stacking function, and

Whereas: Both Parties are desirous of finding a solution, now

Therefore Be It Resolved:

That for a trial period of one (1) year, the following process will govern the application of seniority during a layoff.

1. Layoff and Recall procedure will be by seniority, competency considered. This means that the most senior employee who is capable of performing all the required functions to normal company standards.
2. The Company will expedite the training of ten (10) employees on a seniority basis as Cleaners. The company and the Union will work together to identify the employees most likely to be affected by layoffs contemplated herein.
3. If there is a layoff that exceeds or is expected to exceed one (1) week, an affected employee who cannot physically perform the stacking duties as part of a normal rotation will be allowed to bump into the Cleaning Department if they have been trained.
4. If the layoff is for one (1) week or less, employees in the Cleaning Department will not be subject to bumping.
5. The employee bumping into the Cleaning Department will return to his/her normal position at the first available opportunity.

6. After the expiration of one (1) year, the parties agree to review this agreement.

Signed this 25th day of July, 2005

For the Company

For the Union