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THIS AGREEMENT entered into this _____ day of _____, 2007

BETWEEN: K&C SILVICULTURE LTD.

(hereinafter known as the “Company”)

OF THE FIRST PART

AND:

USW - LOCAL NO. 1-423

(hereinafter known as 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 to the utmost extent possible the safety and physical welfare of the employees, economy of 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 cooperate 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 exercise of the functions of Management, that the provisions of this Agreement will be carried out.

ARTICLE 1- BARGAINING AGENCY

Section 1: Recognition

- (a) The Company recognizes the Union as the sole collective bargaining agency of the employees of the Company employed in the capacities of hourly production worker and support staff, hourly paid foreman, charge hand and office worker at the Company's location at 33664 - 97th Street, Oliver, British Columbia.
- (b) The Union agrees that it shall not represent or act as the bargaining agent for employees of the Company employed in the positions of Nursery Manager, salaried Manager, Superintendent, Grower, Sales Person, Bookkeeper, Office Co-ordinator, Payroll Clerk, Personnel Officer, Production Co-ordinator, Maintenance Manager, Production Manager, Shipper/Cold Storage Supervisor, Field Supervisor and any other capacity which includes the authority to hire and discharge.

- (c) 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 15, Section 1 and in the event of failure to reach a satisfactory settlement it shall be dealt with by arbitration as set forth in Article 16, Section 1.
- (d) The Union agrees to issue a withdrawal card to employees transferred from the bargaining unit to a job outside the bargaining unit provided that no dispute arises within the meaning of clause (c) herein.
- (e) The Union agrees that during busy periods for the Company, non-bargaining unit members including managers and superintendents in the employ of the Company may assist bargaining unit members in the performance of the latter's work so long as no bargaining unit member's shift is reduced or employment terminated as a result.

Section 2: Meetings

The Company and the Union will meet at such time and place as may be mutually agreed upon 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 bargaining authority of the Union shall not be impaired during the term of the Collective Agreement. 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 operations for the purpose of this Agreement by written permission which will be granted by the Company on request and subject to such reasonable terms and conditions as may be laid down by the Company.

ARTICLE 2 - EMPLOYER'S RIGHTS

Section 1: Management and Direction

The management and the operation of, and the direction and promotion of the working 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 causes.

ARTICLE 3 - 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 superintendents and salaried managers the policy herein expressed.

Section 2: Union Shop

All employees who entered the employment of the Company, 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 USW Constitution, and in accordance with the Bylaws of the Local Union 1-423.
- (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: Assignment of Wages to the Union

The Company shall require all new employees at the time of hiring to execute an assignment of wages form. The forms will be supplied by the Union.

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, shall become effective thirty (30) calendar days from the date of execution.

The Company shall remit the dues deducted pursuant to such assignment (until and unless said assignment is revoked by the employee) to the Local Union named therein not less often than once each month, with a written statement of names of the employees from whom the deductions were made and the amount of each deduction.

Section 7: Social Insurance Number

The Company shall furnish the Union with the Social Insurance Number of 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.

ARTICLE 4 - SHOP COMMITTEE

Section 1: Definition

For the purpose of this Agreement when the term “Committee” is used, it shall mean Shop, Greenhouse or Plant Committee, members of which are appointed by the Union.

Section 2: Composition

The Shop Committee shall consist of not less than three (3) employees and not more than seven (7) employees which have completed probationary period of employment with the Company who are members of the Union and, wherever possible, shall be selected on a departmental basis.

Section 3: Notification

The Union will, within sixty (60) days from the date of this Agreement, notify the Company in writing of the members of the Shop Committee. The Union or Shop Committee will inform the Company in writing when any member changes 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 13 - Accident Prevention Committee, where members are designated according to the provisions of the Workers' Compensation Act.

ARTICLE 5 - DAYS AND HOURS OF WORK

Section 1: Hours of Work

The normal hours of work for the Company's business covered by this Agreement shall be set and may be modified by the Company according to the demands of the business.

Section 2: Assignment of Shifts

- (a) Assignment of any shifts for each classification will be based on seniority provided the employee has the requisite ability.
- (b) Normal starting and stopping times may be adjusted by the Company to meet the demands of the business. In the event that the normal starting and stopping times are to be adjusted, the employees affected will be provided at least twenty-four (24) hours advance notice where practical.
- (c) The provisions of this Article will not be construed as guaranteeing to any employee any number of hours of work per day or per week.
- (d) No changes to scheduled shifts shall be made between employees without the express consent of the Company.

Section 3: Breaks

- (a) An employee shall be granted eight (8) consecutive hours' rest between shifts. Where the employee is called in to work before eight (8) consecutive hours has elapsed and elects to report to work, the employee shall be paid overtime rates for all hours worked within the eight (8) hour period from the finish of his previous shift.
- (b) Employees shall be granted unpaid meal periods of one-half (1/2) hour unless their schedule shift is for five (5) hours or less.
- (c) Employees who are scheduled for and work a regular full shift shall be scheduled two (2) paid fifteen (15) minute rest periods, one in each half of their shift.
- (d) Employees scheduled for a shift of five (5) hours or less shall be scheduled a paid fifteen (15) minute rest period some time within their shift period.

Section 4: Shift Vacancy Postings

- (a) Subject to subsection (c), where the Company creates a new position or a position becomes vacant and needs to be filled, the Company will post for five (5) calendar days, the position detailing the classification, the scheduled start and stop times, breaks, the days of the week to be worked and the date the position is to commence. A copy of all postings will be immediately forwarded to the union.
- (b) Subject to subsection (c), employees applying for the vacant or newly created position will be selected based on seniority provided they possess the requisite ability for the job duties.
- (c) If the Company is unable to find a suitable candidate for the vacant or newly created position from within the Company's existing workforce then the Company may fill the vacant or the newly created position with a candidate from outside the Company's workforce.
- (d) Internal job postings shall be posted on a single secured posting board in the employees' non-smoking lunch room and the Company shall leave some loose copies of the postings in all other lunch rooms.

Section 5: Overtime

- (a) All employees of the Company shall be entitled to overtime wages as follows:
 - (1) The Company will pay an employee who works over 8 hours a day
 - (i) 1 1/2 times the employee's regular wage for the time over 8 hours, and
 - (ii) double the employee's regular wage for any time over 11 hours.
 - (2) Except for employees referred to in subsection (3) below, the Company will pay an employee who works over 40 hours a week
 - (i) 1 1/2 times the employee's regular wage for the time over 40 hours, and
 - (ii) double the employee's regular wage for any time over 48 hours.
 - (3) Where an employee, regularly working in crop care and on a rotating schedule, works over 80 hours bi-weekly, the Company will pay such an employee
 - (i) 1 1/2 times the employee's regular wage for the time over 80 hours, and
 - (ii) double the employee's regular wage for any time over 96 hours.

- (4) For the purpose of calculating weekly overtime under subsections (2) and (3), only the first 8 hours worked by an employee in each day are counted, no matter how long the employee works on any day of the week.
- (5) If a week contains a statutory holiday that is given to an employee in accordance with Article 8 herein
 - (i) the references to hours in subsection (2)(i) and (ii) and 3(i) and (ii) are reduced by 8 hours for each statutory holiday in the week, and
 - (ii) the hours the employee works on the statutory holiday are not counted when calculating the employee's overtime for that week."
- (b) The Company agrees that overtime wages or benefits listed in section 5 (a) will not be reduced by any future amendments to the *Employment Standards Act* or the Regulations. It is further agreed that any future amendments to the overtime wages and benefits provisions in the *Employment Standards Act* or the Regulations will only act to change the benefits mentioned in section 5(a) if the amendments increase the overtime wages and benefits.
- (c) At the time an employee is required or requested to work overtime, the employee may opt for compensating time off at the applicable overtime rate in lieu of overtime pay. If an employee opts for compensating time off in lieu of overtime pay, the time shall be taken at a time mutually agreed to by the employee and the Employer and shall be taken within twenty-four (24) calendar weeks of the occurrence of the overtime. The Employer will make a reasonable effort to allow time off when requested by the employee. If such time off is not taken by the end of the twenty-four (24) week period, overtime at the applicable overtime rate shall be paid on the employee's next regular paycheque.

Section 6: Shift Changes

Shift changes at the request of the employee or as a result of an approved exchange of shifts with another employee shall not result in an overtime payment by the Company.

Section 7: Reporting Pay, Call-In and On-Call

Where No Work

- (a) 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 straight time. This shall not apply if the Company gives sufficient notice cancelling said call.

Where Work Commences

- (b) Subject to paragraph (c) below, 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 at straight time, except where his work is suspended because of inclement weather or other reasons completely beyond the control of the Company, when two (2) hours must be paid.

Specific Tasks

- (c) Any employee who is required to perform "blackout" (short day treatment), crop management functions, equipment repairs or truck loading shall be paid a minimum of two (2) hours pay for call-in provided the call-in is:
 - (i) on the day when the employee is not scheduled for a regular full-time shift, or
 - (ii) on the same day after the employee has completed a full-time regular shift.
- (d) Consecutive call-ins that occur within two (2) hours of the completion of the previous call-in shall be considered a continuation of the previous call-in for the purposes of call-in pay.

On-call Schedule

- (e) An employee scheduled by the Company to be on-call shall be paid two (2) hours' pay at straight time for each full day (i.e. 24 hours) he is scheduled to be on call. The two (2) hours of on-call pay paid to such employee shall not be included for the purpose of calculating overtime.
- (f) If an employee scheduled by the Company to be on-call is called into work then he shall be paid in accordance with paragraphs (c) and (d) above, in addition to the "one-time" on-call pay of two (2) hours at straight time for each full day referred to in (e) above.

ARTICLE 6 - TECHNOLOGICAL CHANGE

Section 1: Advance Notification

The Company shall notify the Shop Committee and the Union two (2) months in advance, wherever possible, of intent to institute changes in working methods of facilities, which would involve the discharge or laying off of employees.

Section 2: Exercise of Seniority

- (a) An employee laid off or displaced under Section 1 may, if he has the requisite seniority, displace an incumbent in another position in the Company.

- (b) An employee electing to displace into a position as in (a) above will assume the duties of the position assumed and, if required by the Company, receive training from the Company in the assumed position.
- (c) An employee electing to displace into a position as in (a) and (b) above shall receive the wage rate of his previous position.

Section 3: Severance Pay

- (a) Where the laid off or displaced employee under this Article decides not to displace an incumbent employee or does not possess the requisite Company seniority to displace an incumbent employee then he shall have the option of accepting the lay off or accepting severance pay as provided in (b) below.
- (b) Where the laid off or displaced employee under this Article has completed a minimum of one (1) year of employment and opts for severance pay, he shall be entitled to severance pay of one week's pay for each year of service with the Company. The amount calculated under such entitlement shall not exceed a maximum of twelve (12) weeks' pay.
- (c) An employee accepting severance pay under (a) and (b) above will be terminated for all purposes of this Agreement.

ARTICLE 7 – WAGES AND QUALIFICATIONS FOR POSITIONS WITHIN THE BARGAINING UNIT

Section 1: Wage Rates

The wage rate for the effective period of this Agreement shall be set out in Schedule 1, attached hereto and forming part of this Agreement.

Section 2: Qualifications for Positions within the Bargaining Unit

The qualifications for positions within the bargaining unit shall be set out in Schedule 2, attached hereto and forming part of this Agreement.

Section 3: New Classification

The Company reserves the right to create new classifications within the terms of the collective agreement. The wage rate will be subject to negotiation between the Union and the Company; however, if both parties fail to reach an agreement, the wage rate will be determined by an arbitrator pursuant to the arbitration procedure. Until such time as the arbitrator has made a decision, the wage rate determined by the Company shall apply. If a different wage rate is determined by the arbitrator, it shall be retroactive to the original date of implementation.

ARTICLE 8 - STATUTORY HOLIDAYS

Section 1: Statutory Days

The following shall be considered statutory holidays:

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

Section 2: Eligibility for Statutory Holiday Pay

- (a) Subject to paragraph (b) below, after thirty (30) calendar days of employment, the Company shall either:
 - (i) give an employee a day off with pay on each statutory holiday, or
 - (ii) comply with Section 4 below.
- (b) An employee laid off within two (2) weeks prior to the statutory holiday shall not receive a day off with pay for the statutory holiday unless the employee is recalled to work within ninety (90) days of the statutory holiday.

Section 3: Statutory Holiday Pay

- (a) An employee who is given a day off on a statutory holiday shall be paid a normal day's wages which shall be calculated as follows:

Normal day's wages shall be understood to mean an employee's normal hourly earnings, exclusive of overtime for the hours the employee has worked in the two (2) week period immediately preceding the week in which the statutory holiday occurs, divided by the number of shifts worked to establish the hours to be paid for the statutory holiday. In the case of the calculation of a normal day's pay for New Year's Day and Christmas Day will be counted as time worked, on the basis of the hours that the employee was paid for those days.

Section 4: If an employee is required to work on a statutory holiday

- (a) an employee who worked on a statutory holiday must be paid for that day:
 - (i) one-and-a-half times the employee's normal day's wages for the time worked, up to 11 hours, and
 - (ii) double the employee's normal day's wages for any time worked over 11 hours;

- (b) in addition, the Company must give the employee a working day off with pay according to Section 3(a) above;
- (c) the employee may choose to have the pay for the day off credited to the employee's time bank, if one has been established;
- (d) the Company must schedule the day off with pay:
 - (i) before the employee's annual vacation,
 - (ii) before the date the employment terminates or
 - (iii) if the pay for the day off is credited to the employee's time bank, within six months after the date of the statutory holidaywhichever is earliest.

Section 5: If a statutory holiday falls on a day off

If a statutory holiday falls on a non-working day for an employee, Section 4(b) to (d) applies.

Section 6: Substituting another day for a statutory holiday

- (a) an employer may substitute another day off for a statutory holiday if the employer and the majority of the affected employees agree to the substitution.
- (b) any employees affected by the substitution of another day for a statutory holiday have the same right and the employer has the same duties under this Agreement as if the other day were a statutory holiday.

Section 7: Loss of Statutory Holiday Pay for Failure to Report

- (a) If an employee is scheduled to work on a paid holiday but fails to report for work on the day of the holiday, without reasonable cause, or without leave of the Company, that employee shall not receive any pay for such holiday.
- (b) The Company is entitled to require the employee to substantiate the "reasonable cause" for their absence.

ARTICLE 9 – VACATIONS WITH PAY

Section 1: Annual Vacations and Vacation Pay

- (a) Annual vacations for employees shall be as follows:
 - (i) 0 to 4 years of employment, two (2) weeks vacation with pay at four percent (4%) of the employee's gross wages for the previous year.
 - (ii) Following 4 years of employment to 7 years of employment, three (3) weeks vacation with pay at six percent (6%) of the employee's gross wages for the previous year.
 - (iii) Following 7 years of employment to 10 years of employment, four (4) weeks vacation with pay at eight percent (8%) of the employee's gross wages for the previous year.
 - (iv) Following ten (10) years of employment, (5) weeks vacation with pay at ten percent (10%) of the employee's wages for the previous year.
- (b) Provided the employee has scheduled and received prior approval to take their annual vacation, they shall be entitled to draw their vacation pay consistent with the regular pay day immediately preceding the commencement of their annual vacation.
- (c) The vacation year is defined as the period following the anniversary of the employee and each anniversary date of continuous employment thereafter.
- (d) The Company recognizes that it has an obligation to ensure that each employee takes an annual vacation within twelve months after completing the year of employment entitling the employee to the vacation. All eligible employees will be required or scheduled to take off annual vacations each year.
- (e) Vacations must be scheduled and taken for unbroken periods of a minimum of one (1) calendar week unless approval is granted otherwise by the Company.
- (f) All earned vacation entitlements must be scheduled and completed within each vacation year unless otherwise approved by the Company.
- (g) Any unused vacation entitlement will be paid out at the expiry of the employee's vacation year unless approval to carry over unused vacation entitlement is granted by the Company prior to the expiry of the employee's vacation year.

For the purposes of this section, the maximum carry over that may be approved by the Company is five (5) days.
- (h) If a Statutory Holiday to which an employee is entitled falls on a day within an employee's approved vacation period, the employee will receive an additional day off with pay at their regular rate of pay to be scheduled at a time mutually convenient between the Company and the employee, but, in any event, not later than the employee's next annual vacation, or alternatively, will be paid for the Statutory Holiday in accordance with Article 8 of this Agreement.
- (i) Employees on approved leave of absence shall have the time off considered as time worked for the purpose of calculating vacation entitlement.

- (j) Employees on annual vacation who are required to suspend their vacation as a result of a serious illness or disability may reschedule their unused vacation credits at some future mutually agreeable time within the vacation year.
- (k) An employee whose employment is terminated for any reason shall be paid with their final pay and any unused and accrued vacation entitlement.
- (l) The Company will attempt to grant the employee vacation at a time convenient to the employee, however, provided always that the efficiency of the operations will be constantly maintained. Notwithstanding the foregoing, the Company shall limit the number of employees who schedule vacation time off at any one time.
- (m) The period for the advance scheduling of vacations will be the month of April in any calendar year. Employees who have qualified for annual vacation in accordance with clause (a) may submit their requests for vacation preferences. Vacation selections will be granted and confirmed based on seniority. Where two or more employees on the same shift or who occupy the same classification request the same date(s) for vacation, the most senior employee will have first selection provided always that the efficiency of the operations is not compromised.
- (n) Following the month of April, vacation selections submitted will be granted and confirmed on a first come, first served basis. An employee's approved scheduled vacation dates will not be changed by the Company except by mutual agreement.”
- (o) Notwithstanding (b) above, employees shall have the option of receiving their vacation pay consistent with each and every regular pay period in a calendar year.

ARTICLE 10 – SENIORITY

Section 1: Principle

- (a) The Company recognizes that job opportunity should increase according to the principles of seniority and ability, both being equal.
- (b) For the purposes of this Agreement, ability is defined as competency/capability to perform the duties of the job.
- (c) Seniority shall be granted to employees who have completed the probationary period and shall be the length of continuous service in the employ of the Company in the bargaining unit.
- (d) The Company will prepare and maintain seniority lists by the date of hire.
- (e) It is agreed that the employee(s) may be transferred out of the bargaining unit for temporary management duty not to exceed three (3) months in a twelve (12) month period and return to the bargaining unit in the job previously held without loss of seniority. Any employee transferred out of the bargaining unit for temporary management duty shall not have the right to hire or fire any employee while acting temporarily as a management employee as hereinbefore described

- (f) An employee shall lose their seniority for the following reasons:
 - (i) voluntarily terminates their employment with the Company;
 - (ii) is discharged for just and reasonable cause and is not reinstated under the grievance procedure;
 - (iii) fails to report for work from an approved leave of absence, scheduled vacation or when cleared to return from absence due to illness, W.C.B. without reasonable justification;
 - (iv) fails to report when recalled to work from lay-off within four (4) calendar days without reasonable justification;
 - (v) is not recalled to work within the recall period pursuant to Section 2 of this Article.

- (g) The Company will provide to the Union a seniority list of all employees who qualify within thirty (30) days of the signing of the Agreement and quarterly thereafter. The list will include:
 - (i) name of employee;
 - (ii) Social Insurance Number;
 - (iii) seniority date;
 - (iv) total hours worked

Section 2: Reduction and Recall of Forces

- (a) The Company may, due to operational conditions, reduce the regular workforce or the hours of work of the employees.
- (b) In the event of a reduction of forces, the last person hired shall be the first released, ability considered.
- (c) When recalling forces after a period of layoff following a reduction of forces, an employee shall be recalled in order of seniority, ability considered.
- (d) When recalling forces after a period of layoff as in (c) above, the Company shall first telephone the employee to inform the employee that he is being recalled.
- (e) If the Company is unsuccessful in contacting the employee by telephone as in (d) above then the Company shall give the employee a notice of recall by way of a letter mailed, by regular mail, to the most current address of the employee in the Company's records.

- (f) Subject to paragraph (g) below, in the case of notice of recall as in (e) above, the Company shall provide the employee Seven (7) days from the date of the letter to respond to the notice of recall.
- (g) Where the Company requires immediate or urgent help and the recalled employee fails to respond immediately to the recall by the Company, the Company may recall the next employee in order of seniority (ability considered) before the expiry of the time for first employee to respond to the recall.
- (h) During a reduction of forces where an employee's seniority is such that he will not be able to keep his regular job, he may elect to apply his seniority to obtain another job within the company or accept a layoff until his regular job becomes available, provided however:
 - (i) If during the layoff period the employee wishes to return to work and so notifies the company, he shall be called back to work as soon as his seniority entitles him to a job;
 - (ii) The application of this provision shall not result in an employee in the exercise of his rights bumping an employee with less seniority;
 - (iii) The application of this provision is subject to ability of the employee as defined in the Agreement;
 - (iv) Shift bidding must be in order of seniority, ability considered.

Section 3: Retention During Layoff

It is agreed between the parties that seniority during layoffs shall be retained on the following basis:

- (a) Employees who successfully complete the probationary period referred to section 4 below but have less than one (1) year's service shall retain their seniority for a period of six (6) months.
- (b) Employees with one (1) or more years service shall retain their seniority for twelve (12) months.

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

Section 4: Probationary Period

- (a) It is mutually agreed that all employees are hired on probation, the probationary period to continue for a period of 400 hours of work, during which time they be considered temporary workers only and during this same period, no seniority rights shall be

recognized except as provided in paragraphs (b) and (c) below. Upon completion of the 400 hours of work, they shall be regarded as regular employees, if the Company decides to offer them employment. In such case, the employees shall be entitled to seniority dating from the day on which they entered the Company's employ.

- (b) The Company shall prepare and maintain a separate seniority list for probationary workers for the purpose of recall to work of the probationary worker when work is available. The seniority list shall delineate the date when the probationary worker first started work and the cumulative or total hours the probationary worker has worked.
- (c) Probationary workers shall be recalled to work on the basis of seniority after the regular or non-probationary workers have been recalled. Seniority of probationary workers shall be determined on the basis of their start dates and not the total or cumulative hours they have worked.

Section 5: Absence Without Leave

Any employee who is absent without leave for a period of more than three (3) consecutive days shall forfeit all seniority rights. This shall not interfere with the Company's right to discharge for proper cause.

ARTICLE 11 - LEAVE OF ABSENCE

Section 1: Leave of Absence

The Company will consider all requests for a leave of absence from employee(s) and the Company, at its discretion, may grant a leave of absence without pay in accordance with the following:

- (i) Except in the case of leave of absence for injury, illness or bereavement, all requests for leave of absence will be submitted in writing to the Company, at the earliest opportunity and, unless otherwise provided in this Article, not later than thirty (30) calendar days prior to the start of the requested leave. The Company may accept a request submitted less than thirty (30) days in advance of the leave for compassionate or special reasons.
- (ii) Employees are expected to return to work immediately upon the expiry of the leave of absence. Any employee failing to report for work at the expiry of their leave, without valid and reasonable excuse, will be deemed to have terminated their employment with the Company.
- (iii) All leaves of absence provided for in this Agreement are leaves without pay, unless it is specifically provided in the appropriate article or section that the particular leave of absence is to be granted with pay.

Section 2: Injury or Illness

The Company will grant leave of absence to employees suffering injury or illness during the term of this Agreement, subject to a medical certificate if requested by the Company. The employee shall have a reasonable period of time to present such medical certificate. 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 3: Bereavement Leave

- (a) An employee will be granted three (3) days off with pay in the event of the death of a member of the employee's immediate family. Whenever possible, one (1) of the days off will be the day of the funeral.
- (b) "Immediate Family" shall be understood to include the employee's mother, father, stepparents, son, daughter, stepchildren, sister, brother, spouse, father-in-law, or mother-in-law, grandparents, grandchildren, son-in-law and daughter-in-law.
- (c) For purposes of this article "spouse" shall be defined to include a common law spouse with whom the employee has cohabited for a minimum of one (1) year.
- (d) The Company is entitled to require proof of death and/or relationship.

Section 4: Jury Duty

An employee selected for jury duty or summoned or subpoenaed as a Crown witness will be granted a leave of absence for the duration of such service. The Company will pay to the employee the difference between their regular straight time rate of pay for any scheduled shift missed as a result of their performing such duty and the amount of compensation received for the duty at the proceedings. Employees may be required to provide such documentation as deemed necessary by the Company to determine monies paid to employees.

An employee discharged from such duty before the end of his regularly scheduled shift shall contact the Company and advise the Company of their discharge from duty. The employee may be required to report to his shift upon his discharge from duty.

Section 5: Pregnancy/Parental Leave

- (a) Pregnancy/Parental leave for employees will be granted in accordance with the provisions of the *Employment Standards Act* of British Columbia. The *Employment Standards Act* states in Sections 50 and 51 as follows:

“Pregnancy leave

50.(1) A pregnant employee who requests leave under this section is entitled to up to 18 consecutive weeks of unpaid leave

- (a) beginning no earlier than 11 weeks before the expected birth date, and
- (b) ending no earlier than 6 weeks after the actual birth date unless the employee requests a shorter period.

(2) An employee who requests leave under this section after the birth of a child or the termination of a pregnancy is entitled to up to 6 consecutive weeks of unpaid leave beginning on the date of the birth or of the termination of the pregnancy.

- (3) An employee is entitled to up to 6 additional consecutive weeks of unpaid leave if, for reasons related to the birth or the termination of the pregnancy, she is unable to return to work when her leave ends under subsection (1) or (2).
- (4) A request for leave must
 - (a) be given in writing to the employer,
 - (b) if the request is made during the pregnancy, be given to the employer at least 4 weeks before the day the employee proposes to begin leave, and
 - (c) if required by the employer, be accompanied by a medical practitioner's certificate stating the expected or actual birth date or the date the pregnancy terminated or stating the reasons for requesting additional leave under subsection (3).
- (5) A request for a shorter period under subsection (1)(b) must
 - (a) be given in writing to the employer at least one week before the date the employee proposes to return to work, and
 - (b) if required by the employer, be accompanied by a medical practitioner's certificate stating the employee is able to resume work.”

“Parental leave

- 51.(1) An employee who requests parental leave under this section is entitled to up to 12 consecutive weeks of unpaid leave beginning,
 - (a) for a birth mother, immediately after the end of the leave taken under section 50 unless the employer and employee agree otherwise,
 - (b) for the birth father, after the child's birth and within 52 weeks after that event, and
 - (c) for an adopting parent, within 52 weeks after the child is placed with the parent.
- (2) If the child has a physical, psychological or emotional condition requiring an additional period of parental care, the employee is entitled to up to 5 additional weeks of unpaid leave, beginning immediately after the end of the leave taken under subsection (1).
- (3) A request for leave must

- (a) be given in writing to the employer,
 - (b) if the request is for leave under subsection (1)(a) or (b), be given to the employer at least 4 weeks before the employee proposes to begin leave, and
 - (c) if required by the employer, be accompanied by a medical practitioner's certificate or other evidence of the employee's entitlement to leave.
 - (4) An employee's combined entitlement to leave under section 50 and this section is limited to 32 weeks plus any additional leave the employee is entitled to under section 50(3) or subsection (2) of this section.”
- (b) The Company agrees that benefits listed in section 5 will not be reduced by any future amendments to the *Employment Standards Act*. It is further agreed that any future amendments to the pregnancy and parental leaves provisions in the *Employment Standards Act* will only act to change the benefits mentioned in section 5 if the amendments increase the benefits available to the employees.

Section 6: Union Business

- (a) The Company will grant an unpaid leave of absence to no more than two (2) employees who are appointed or elected to Union office, at any one time, for a period of up to and including one (1) year provided always that efficiency of operations will be constantly maintained. Further leave of absence may be granted by mutual consent provided always that efficiency of operations will be constantly maintained. The employee who obtains this leave of absence shall return to his company within thirty (30) days after the 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 USW in order that they may carry out their duties on behalf of the Union, provided always that the efficiency of operations will be constantly maintained.
- (d) In order for the Company to replace the employee with a competent substitute, it is agreed that before the employee receives this leave of absence, as set forth in Clauses (a) and (b) above, the Company will be given due notice in writing: in the case of (a) sixty (60) calendar days; and in the case of (b) ten (10) calendar days.

Section 7: Calculation of Vacation entitlement during leaves

Leave of absence(s) granted in accordance with this Article will be considered for the purposes of calculating annual vacation entitlement only.

ARTICLE 12 – HEALTH & WELFARE – GROUP INSURANCE PLAN

- (a) All employees currently receiving health and welfare benefits paid for by the Company shall continue to receive the same health and welfare benefits at the expense of the Company during the term of this Agreement.
- (b) If any employee receiving health and welfare benefits referred to in (a) above is on a Company approved discretionary leave of absence (referred to in Article 11, Section 1) or leave of absence for Union business (referred to in Article 11, Section 6) then he shall be responsible for paying his own premium for the health and welfare benefits during his absence.

ARTICLE 13 – ACCIDENT AND ACCIDENT PREVENTION COMMITTEE

- (a) The parties agree to conform with W.C.B. regulations. The parties further agree that the Accident Prevention Committee shall be a representative Committee comprising of one employee from each area or department of the Company and a management representative.
- (b) Any time spent by employees to attend a Safety Meeting or conduct investigation during working hours will be considered as time worked and the employees shall be paid at the regular straight time rate of pay.
- (c) Employees away from work who are called in for Safety Meetings or investigations will be paid at the regular straight time rate of pay.
- (d) The Company shall compensate an employee involved in an accident at work for his full shift on the day of the accident, if the employee qualifies for benefits pursuant to the Worker's Compensation Act.
- (e) The Company agrees that an employee shall have the right to refuse to work in severe lightening weather conditions provided he or she makes a request to his or her immediate supervisor and the supervisor approves his or her request. If the immediate supervisor rejects the employee's request, the employee may ask the Safety Committee's ruling and the Safety Committee's ruling shall be final.

ARTICLE 14 - DISCHARGE AND DISCIPLINE

- (a) The Company reserves the right to discipline, demote, suspend and/or discharge an employee for just and reasonable cause.
- (b) An employee shall have a Shop Steward present during any discussion with the Company, the purpose of which is to administer disciplinary action or penalty.

The Company will, where practicable, notify the employee in advance of the meeting of the purpose of the meeting so that the employee will have a reasonable opportunity to have a Shop Steward present.

This provision shall not apply to discussions which involve the operational requirements of the Company and do not involve disciplinary action by the Company.

- (c) An employee disciplined/discharged for any cause will be notified in writing of the reasons for the discipline/discharge at the time of the discipline or, at the earliest possible date thereafter. A copy of the reasons for discipline will be sent to the Union.
- (d) An employee covered by this Agreement shall have the right to refuse to cross a legal picket line without having such act deemed grounds for disciplinary action by the Company or otherwise to be a violation of this Agreement.
- (e) Whenever an employee is required by the company to sign a document that reflects receipt of notification of discipline, the employee does so only to acknowledge receipt of the notice.
- (f) Whenever any reprimand is entered on the employee's personnel file, the employee shall receive a copy of such reprimands.

ARTICLE 15 - ADJUSTMENT OF GRIEVANCES

Section 1: Procedure

The Company and the Union mutually agree that, when a grievance arises it shall be taken up in the manner set out below:

Step One

The individual employee involved shall first take up the matter, with or without a shop steward present, with the supervisor directly in charge of the work within fourteen (14) days of the date of the said grievance.

Step Two

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

Step Three

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

Step Four

If a satisfactory settlement is not then reached, it shall be dealt with by arbitration as set forth in Article 16.

Section 2: Time Limit

If a grievance has not advanced to the next stage under Step Two, Three, or Four within fourteen (14) days after completion of the 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 said time limit shall not apply. The Union shall be bound to proceed in such a case as quickly as may be reasonably possible.

ARTICLE 16 - ARBITRATION

Section 1: Process

- (a) In case of a dispute, relating to the dismissal or discipline of an employee, or to the interpretation, application, operation or alleged violation of this agreement, including a question as to whether a matter is arbitrable, which the Parties are unable to settle between themselves as set out in Article 15, either Party may refer the matter to arbitration.
- (b) The arbitration panel will consist of a single arbitrator mutually acceptable to the parties of the Company and the Union.
- (c) The arbitrator shall be required to hand down his decision with further fourteen (14) days following completion of the hearing.
- (d) The decision of the arbitrator shall be final and binding upon the parties of the First and Second parts.
- (e) The parties will endeavour to use, when practicable, expedited arbitration as set out in S104 of the *Labour Relations Code*.

Section 2: Cost Sharing

The parties of the First and Second parts shall bear in equal proportions the expenses and allowances of the arbitrator, stenographic and secretarial expenses and rent connected with his duties as arbitrator.

Section 3: Place of Hearing

Any arbitration to be held hereunder shall be held at the City of Penticton or at such other place as may be agreed by the Parties.

ARTICLE 17 - CONTROL OF ABSENTEEISM AND TARDINESS

Recognizing that the absenteeism and tardiness by employees creates staffing and scheduling problems, disruption in the workplace to the detriment of other employees and increased cost to the detriment of all parties, the Company is entitled to use any or all of the following measures in the control of absenteeism and tardiness.

- (a) the Company may require an employee to provide a medical certificate as evidence of the employee's illness or injury as a cause for the employee's absence from work or late arrival to work.
- (b) every employee who is unable to report for work or reports to work late due to illness or injury shall make every reasonable effort to notify the Company, or to have someone else notify the Company on their behalf, prior to the employee's normal reporting time, or as soon after that time as is possible in the circumstances, and in the event that there is objective evidence that there is no proper justification or reason for an employee's absence or late arrival to work, such an absence or late arrival as the case may be will be just and reasonable cause for discipline.
- (c) where there is objective evidence that an employee is unable or unwilling to maintain a satisfactory attendance record or punctual attendance in fulfilment of the employment relationship with the Company, the Company may terminate the services of the employee.
- (d) in relation to any provision in this Agreement where a Company is entitled to require medical evidence of an employee's ability to return to work or to continue to work, the Company may require that the employee be examined by and present a medical certificate from a physician selected by the Company. In the event that a Company requires an employee to submit to such an examination, any resulting charge by the doctor which is not paid by the employee's medical insurance plan, will be paid by the Company. However, where the Company requires the employee to be examined by the employee's own physician and present a medical certificate from such physician then any resulting charge by the employee's doctor shall be paid by the employee.

ARTICLE 18 - TERMINATION OF EMPLOYMENT

- (a) Throughout the term of this Agreement, full time employees who have completed a minimum of one (1) year of employment and who are terminated for any reason except just cause will be entitled to termination pay of one (1) week's pay for each year of service with the Company. The amount calculated under such entitlement shall not exceed a maximum of twelve (12) weeks' pay.
- (b) An Employee who is laid off may elect at any time to receive termination pay. For purposes of calculating termination pay, the termination date for such laid off employee shall be at the beginning of the lay off.

- (c) Where an employee receives termination pay in accordance with this Article they shall waive any right or entitlement under this Agreement.

ARTICLE 19 - STRIKES AND LOCKOUTS

- (a) 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.
- (b) The parties to this Agreement expressly agree that there will be no activity within the meaning of (a) above threatened, declared, authorized, counselled, aided or brought about on its part.
- (c) In the event of a strike during the term of this Agreement, the Union will instruct its members and officers who may be involved to cease such activity and comply with the terms of this Agreement.

ARTICLE 20 - DURATION OF AGREEMENT

- (a) The parties hereto mutually agree that this Agreement shall be effective from and after November 22, 2006 to midnight January 21, 2010 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 Employer, or at the Local office upon the Local Officers of the Union 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 or until negotiations are discontinued, by either party.
- (b) The parties hereto agree that the operation of Section 50(2) and (3) of the *Labour Relations Code*, S.B.C. 1992, c.82, is excluded for the Master Agreement herein.

IN WITNESS WHEREOF the parties hereto have caused these presents to be executed by their respective representatives this ____ day of _____, 2007.

USW - LOCAL UNION NO. 1-423)
)
)
Per: _____)
(Authorized Signatory))
)
)
Per: _____)
(Authorized Signatory))
)
)
Per: _____)
(Authorized Signatory))

The Common Seal of **K&C**)
SILVICULTURE LTD. was)
hereunto affixed in the presence of:)
)
)
Per: _____)
(Authorized Signatory))
)
)
Per: _____)
(Authorized Signatory))

c/s

SCHEDULE 1

K&C Silviculture Ltd.

EMPLOYEE WAGE CATEGORIES

Technical/Supervisory	<table border="1"> <tr> <td> <p align="center">TS3 TS2 TS1</p> </td> </tr> </table>	<p align="center">TS3 TS2 TS1</p>
<p align="center">TS3 TS2 TS1</p>		
Seasonal Workers	<table border="1"> <tr> <td> <p align="center">SW4 SW3 SW2 SW1</p> </td> </tr> </table>	<p align="center">SW4 SW3 SW2 SW1</p>
<p align="center">SW4 SW3 SW2 SW1</p>		
Probationary Workers	<table border="1"> <tr> <td> <p align="center">PW</p> </td> </tr> </table>	<p align="center">PW</p>
<p align="center">PW</p>		

Office Clerks	<table border="1"> <tr> <td> <p align="center">OC2 OC1</p> </td> </tr> </table>	<p align="center">OC2 OC1</p>
<p align="center">OC2 OC1</p>		

WAGE SCHEDULE

Category	Effective Date		
	Nov 22/06	Nov 22/07	Nov 22/08
TS3	\$17.35	\$17.90	\$18.45
TS2	\$16.35	\$16.90	\$17.45
TS1	\$14.60	\$15.15	\$15.70
CH1	\$13.45	N/A	N/A
SW4	\$13.25	\$13.80	\$14.35
SW3	\$12.25	\$12.80	\$13.35
SW2	\$11.40	\$12.00	\$12.65
SW1	\$10.80	\$11.30	\$11.80
PW	\$ 9.45	\$10.00	\$10.50

OC2	\$15.35	\$15.90	\$16.45
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SCHEDULE 2

Basic Qualifications

Probationary Workers (For Labour Positions)

PW:

- Ability to stand for long periods; walk long distances; step over support tracks; regularly lift and/or move up to 10 kilograms and occasionally lift and/or move up to 20 kilograms; regularly reach with hands and arms; and use hands to handle seedlings, containers, boxes and materials.
- Ability to see colour and depth well enough to perform nursery duties and to maintain safety.
- Ability to comprehend simple to moderately complex instructions in English.

Seasonal Workers

SW1:

- Meeting all qualifications of PW.
- Good previous work performance including the ability to meet the minimum expectations on the assigned tasks.
- Willingness to co-operate with others.
- A positive attitude generally and toward work; good interpersonal skills; respectful behaviour; willingness to follow directions; positive work ethic; and a desire to produce quality products and services.
- Demonstrate effective use of grading callipers and other seedling measuring devices.
- Be able to safely use other basic hand tools such as hammers, screwdrivers, pruning tools and other cutting tools if necessary.
- Ability to follow proper crop handling procedures.
- Ability to properly perform basic crop care tasks.
- Must have successfully completed at least 400 hours of work in PW.

SW2:

- Meeting all qualifications of SW1 and PW.
- Demonstrate knowledge of company safety rules and procedures.
- Ability to identify seedling-growing container types in both “Block Model” and “Metric” systems.
- Ability to identify Pine, Spruce, Larch, Hemlock, Balsam, Fir, Cedar and Aspen seedlings.
- Demonstrate ability to layout growing containers in the required manner.
- Ability to meet established performance standards and productivity goals.
- Must have successfully completed at least 1,000 hours in SW1.