

COLLECTIVE AGREEMENT

between

J.S. McMillan Fisheries Ltd.

and

**International Union of
Operating Engineers, Local 882**

Term of Agreement: January 1, 2007 to December 31, 2009

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THIS AGREEMENT entered into this 12th day of March 2008.

BETWEEN: J.S. McMILLAN FISHERIES LTD.
(hereinafter referred to as the "Company")

OF THE FIRST PART

**AND: INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 882,
VANCOUVER, BRITISH COLUMBIA**
(hereinafter referred to as the "Union")

OF THE SECOND PART

WHEREAS it is the intent and purpose of the parties hereto that this Agreement will promote and improve industrial and economic relations between the Company and the Employees, and to set forth herein the basic agreement covering rates of pay, hours of work, and conditions of employment to be observed by the parties hereto.

WITNESSETH that the parties hereto mutually agree with each other as follows:

ARTICLE I - UNION MEMBERSHIP

Section 1: The Company recognizes the Union as the collective bargaining agency for its employees who are classified in the Agreement and who are engaged in the plant or section of the plant for which the Union is certified bargaining representative.

Section 2: The bargaining representative, or committee of the Union appointed by the employee to interview the Management in connection with any matter affecting the Agreement, shall be given a hearing without delay.

Shop Stewards shall be granted such time off without pay deductions as may be required to attend the necessary meetings with local management to deal with matters relating to this Agreement.

Section 3: It is agreed by the Company that any employee engaged in duties coming under the jurisdiction of the Union shall join the said Union within three (3) days of date of employment, and furthermore, it is agreed that he shall maintain this membership as a condition of employment. Jurisdiction and sole responsibility of the Operating Engineers shall remain as currently practised to include all steam, condensate, fire protection, refrigeration, compressed air lines, and related equipment and water lines associated with this equipment and other equipment as designated by the Company.

Section 4: The Union recognizes the right of the Company to hire whomever it chooses, subject to the seniority provisions contained herein. The Company agrees to advise the Union of vacancies as they occur and will give consideration to applicants referred by the Union in accordance with the Company's hiring policy.

Section 5: The Company agrees that it will instruct all new employees to report to the appropriate Shop Steward designated by the Union, within forty-eight hours of commencing employment, in order to complete the necessary enrolment cards.

Section 6: All employees shall be required to sign authorization for check-off of Union dues and assessments which may be levied by the Union in accordance with the Constitution and/or By-laws. The Union agrees to supply the necessary forms to the Company.

Section 7: The Company shall deduct and pay over to the Union any monthly dues and assessments levied, in accordance with the Union's by-laws, owing by said employees hereunder to the said Union.

Section 8: All dues shall be shown on all T-4 slips.

Section 9: An Employee covered by this Agreement shall have the right to refuse to cross a picket line arising out of Labour disputes unless and until the picket line has been declared to be unlawful by the Labour Relations Board of B.C.

Section 10: No employee shall be required or permitted to make a written or verbal agreement with the Employer or his representative which may conflict with the terms of this Collective Agreement.

ARTICLE II - SENIORITY

Section 1: In the transfer or promotion of employees, qualifications and experience shall be the primary consideration and when qualifications and experience are equal, seniority will be the determining factor.

Section 2: In the lay-off of employees, seniority shall be the governing factor providing employees retained are qualified to perform the work required.

Section 3: An employee shall not lose seniority rights if he/she is absent from work because of sickness, accident, layoff, or leave of absence approved by the Company.

ARTICLE III - WORKING CONDITIONS

Section 1: It is understood and agreed that the employees on shift shall be responsible to the Chief Engineer and in his/her absence, the acting Chief Engineer.

Section 2: Unless relief is provided and acting on instructions of the Chief Engineer or the Acting Chief Engineer or Assistant Chief Engineer, Engineers shall remain in the Engine Room all times during their respective shifts, except in the course of their regular duties elsewhere in the Plant. Regular duties, such as taking temperatures and attending the boilers, shall be carried out promptly.

Section 3: When Engineers are not required to be in full attendance in the Engine Rooms, they may be assigned to carry out maintenance work by the Chief Engineer, Acting Chief Engineer or Assistant Chief Engineer only. It is understood the Engineer's main responsibility is the boiler and its related equipment in the boiler room.

Section 4: Shift schedules are as follows:

Normal Operations:

First Shift - 11:30 p.m. to 7:30 a.m.
Second Shift - 7:30 a.m. to 3:30 p.m.
Third Shift - 3:30 p.m. to 11:30 p.m.

Maintenance Schedule:

8:00 a.m. - 4:30 p.m. or 7:00 a.m. to 3:30 p.m.

(This shift may be adjusted with previous days notice to accommodate start up of various equipments.)

Section 5: By mutual agreement between the Company and an employee, the employee may take a course required to upgrade his Certificate or to improve his/her knowledge keeping with technical changes relating to his/her current job and Certificate. The Company shall pay, up to a maximum of twelve weeks; the difference between the employee's regular rate of pay and the amount allowed by **HRSDC**. The Company agrees to pay for costs accrued due to tuition or fees and cost of material. It is further agreed that any such amount paid by the Company remains a debt of the employee to the Company. The employee's debt to the Company will diminish according to the following scale of repayment; the debt will reduce at the rate of **one-twelfth** for each completed month of service commencing the first of the month following the completion of the course. In the event the employee is unsuccessful in the course, it is understood the employee, at his own cost, may attempt to rewrite the exam within a three month period. Should the employee again be unsuccessful, he/she shall arrange a repayment schedule with the Employer not to exceed one year.

In the event an employee voluntarily terminates his/her employment or is dismissed for just cause, the Company has the right to deduct, from any wages owing to the Employee, any monies due to the Company under the terms of this Article.

Where individuals undertake skills training through evening or correspondence programs, and if in the Company's opinion these programs are job related, the Company shall reimburse employees for the cost of tuition and materials upon successful completion of such programs.

Section 6: The Company shall provide freezer boots, gloves and parkas to employees assigned to work in the freezers or Cold Storage areas. It is agreed this equipment will remain on the Company premises.

The Company shall allow employees to purchase safety footwear of one (1) pair at **seventy-five percent (75%)** cost to the Company per contract year.

The Company shall pay the difference between normal lenses and hardex lenses upon purchase of the initial pair of safety glasses and one hundred percent (100%) of the cost of replacement of safety glasses where the damage is job related.

Section 7: The Company will ensure that an Engineer will be a member of the Plant Safety Committee.

ARTICLE IV – MANAGEMENT RIGHTS

The Employer shall determine competency and efficiency; the Employer shall have the right to select its employees and to discipline or discharge them for proper cause; seniority will be considered on the matter of promotions, other things being equal.

ARTICLE V - VACATIONS

Section 1: Employees, during their first year, will accumulate, and be paid vacation pay at the rate of four percent (4%) of their gross earnings along with the equivalent number of days vacation.

Section 2: After completion of one (1) year's employment with the Company, an employee shall receive annually three (3) weeks vacation with pay, or six percent (6%) of gross earnings, whichever is greater.

Section 3: After completion of seven (7) years of continuous employment with the Company, an employee shall receive annually four (4) weeks vacation with pay, or eight percent (8%) of gross earnings, whichever is greater.

Section 4: After completion of fifteen (15) years of continuous employment with the

Company, an employee shall receive annually five (5) weeks vacation with pay, or ten percent (10%) of gross earnings, whichever is greater.

Section 5: Vacation so earned shall be taken during the following anniversary year and shall not be accumulative.

Section 6: An employee wishing to take a vacation in advance of his anniversary date may do so and shall receive vacation pay pro-rated at his earned rate, from his anniversary date of hire. Vacations shall be taken at a time mutually satisfactory to Management and employees. Vacations may be taken in periods of one or more weeks at a time.

ARTICLE VI - WAGES

Section 1:

Effective:	Jan 1/07	Jan.1/08	Jan1/09
	\$.15	\$.20	\$.25
Chief Engineer	\$26.54	\$26.74	\$26.99
Assistant Chief Engineer:	\$25.54	\$25.74	\$25.99
Maintenance Engineer:	\$25.27	\$25.47	\$25.72
Probationary Maintenance: Engineer	\$24.95	\$25.15	\$25.40

An employee who has been hired, laid off or terminated between the termination date of the Agreement and the effective date of the new Agreement shall receive retroactivity of any increase in wages or salary on a prorated basis.

The position of Chief Engineer may be filled by a Management or Union employee. If the position of Chief Engineer is filled by a Union employee, the wage rate would be \$1.00 per hour in addition to the rate paid to the Assistant Chief Engineer.

Section 2: The probationary period for a Maintenance Engineer is defined as a period of time at the commencement of the new job during which the employee will be assessed regularly. Probationary Maintenance Engineers shall be classified as a Maintenance Engineer when they have completed a probationary period of three (3) months of employment with the Employer.

In the event the Employer wishes to terminate the employee during this probationary period, the Employer shall notify the employee and the Union in writing of the reasons for termination. The employee will have the right to grieve with the understanding that this is a probationary period.

Section 3: Employees required to work afternoon shift shall receive forty (40) cents per hour above the regular rate (both straight time and overtime) for hours so worked. Employees required to work graveyard shift shall receive fifty (50) cents per hour above the regular rate (both straight time and overtime) for all hours so worked.

Section 4: In the event of higher certificate requirement for the Shift Engineers becoming necessary, the Agreement is to be opened on wage adjustments only. If adjustments are not agreed upon within thirty (30) days, the Agreement as a whole is to be considered terminated.

Section 5: An Engineer named to relieve the Chief Engineer during vacation or when the Chief is absent (other than weekly days of rest or Statutory Holidays) for a period of more than two (2) consecutive days shall receive one dollar (\$1.00) per hour in addition to the employee's rate for the period the employee is relieving the Chief Engineer.

Section 6: When an employee is called in or called to work after completion of his/her regular shift, he/she shall receive a minimum of four hours at the prevailing overtime rate.

Section 7: A premium of one dollar (\$1.00) per hour will be paid to shift engineers who have worked between the hours of 12:00 midnight Saturday and 12:00 midnight Sunday.

Section 8: Employees performing work in a higher classification shall receive the pay for the classification for all hours worked in that classification. Employees temporarily rendering services in a less classification shall suffer no reduction in pay.

Section 9: The equivalent of one hour's pay per day will be paid to the Engineer when he/she is required to carry a pager on weekends.

Section 10: Effective from the date of ratification, the Company will pay a premium rate of eighty cents (\$0.80) per hour for all hours worked. This premium can be used towards an employee established Register Retirement Savings Plan (RRSP). To be eligible for the premium, an employee must have worked two (2) complete years of continuous service.

ARTICLE VII - HOURS OF WORK AND OVERTIME

Section 1: Eight (8) hours shall constitute a work day.

Section 2: Forty (40) hours shall constitute a work week.

Section 3: Hourly rates shall be calculated by dividing the monthly wage by 174.

Section 4: Overtime at the rate of time and one-half shall be paid in the following instances:

- (a) for the first three (3) hours worked after an employee has worked eight (8) hours on any one of his/her regular work days.
- (b) for the first eight (8) hours worked on the first (1st) day of employee's two (2) weekly days of rest.

Overtime at the rate of double time (2T) shall be paid in the following instances:

- (a) for all hours worked in excess of eleven (11) hours on any one (1) of the employee's regular work days;
- (b) for all hours worked in excess of eight (8) hours on the first (1st) day of the two (2) weekly days of rest;
- (c) for all hours worked on the second (2nd) day of the two (2) weekly days of rest.

Section 5: Overtime at the rate of double time (2T) shall be paid for all hours worked on the following Statutory Holidays and for any other days that may be proclaimed as British Columbia Statutory Holidays within the meaning of the "Annual and General Holidays Act":

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

If a Statutory Holiday falls on an employee's day off, the following work day shall be observed as a Holiday. If a Statutory Holiday falls on a Sunday and another is declared in lieu or in addition to such Holiday, then the day declared in lieu or in addition to such Holiday shall be considered as a Statutory Holiday.

Section 6: Arrangement of shifts shall be between the Management and the employees concerned.

Section 1: Eligibility

- (a) In order to qualify for coverage under the benefit plans, an employee must have accumulated fifteen (15) weeks of employment and have been on the payroll of the Company for a minimum of three (3) months during the twelve (12) month period immediately preceding his/her date of enrolment and state his/her intention of maintaining the coverage under the benefit plans for a whole twelve (12) month period after enrolment. For the purpose of this Section, a month on the payroll shall be a minimum of one hundred (100) hours worked in a calendar month.
- (b) The Employer shall pay one hundred percent (100%) of the monthly premiums for current employees. **The Employer shall pay eighty percent (80%) of the monthly premiums for employees hired after the March 12, 2008 date of ratification.**

Section 2: Payment of Premiums

To assist employees who are temporarily laid off to maintain their coverage for a full twelve (12) months after their date of enrolment (as in Section 1 above) the Company agrees to make the following contributions:

If an employee is laid off within five (5) months of his date of enrolment, he shall pay in advance the full monthly premiums to maintain coverage for twelve (12) months from the date of enrolment in the plan.

If the employee is laid off after five (5) months from his/her date of enrolment in the Medical Services or Extended Medical Plan, or in subsequent years, if the employee is laid off after five (5) months on the payroll in the twelve (12) month period immediately following the date of rehire, the Company will pay eighty percent (80%) of the next three (3) monthly premiums; thereafter the full premiums must be paid in advance by the employee to maintain his/her coverage to the anticipated date of rehire.

If the employee is laid off after five (5) months from his date of enrolment in the Dental Plan, or in subsequent years, if the employee is laid off after five (5) months on the payroll in the twelve (12) month period immediately following the date of rehire, the Company will pay eighty percent (80%) of the next month premium; thereafter the full premium must be paid in advance by the employee to maintain his coverage to the anticipated date of rehire.

ARTICLE IX - SICK LEAVE

The Company agrees to contribute to each individual employee thirty-two (32) cents for all hours worked into the employee's individual sick leave bank. In the event of sickness or accident of short term duration, the employee may withdraw from his banked sick time an amount equal to but not greater than wages lost as a result of work missed. Unused time will be paid out yearly, if requested by the employee.

ARTICLE X - GRIEVANCE PROCEDURE

Section 1: The Company agrees to recognize a Plant Committee to be designated by the Union Members at the Plant. It shall be the duties of the Plant Committee to see that the Members of the Union in the Plant observe this Agreement, and to see that the rights and interests of such Members are protected. In the event that a grievance or dispute arises, every effort shall be made by the Plant Committee and the Company Manager to settle it. If the grievance or dispute cannot be settled in the above fashion, it shall be referred to the Representative of the Union who will meet with the Management for further discussion.

Section 2: It is agreed and understood that, provided the terms of this Agreement are adhered to by the Company there shall be no stoppage or slowdown of work by the employees, and providing the terms of this Agreement are adhered to by the Union, there shall be no lockout by the Company during the term of this Agreement. Further, there shall be no strikes, lockouts, slowdown, or stoppage of work during the period of this Agreement by the employees, group of employees, or the Union.

Section 3: Any disputes arising out of the Agreement which cannot be settled by the Union and the Company, shall be referred to a Committee of one (1) representative of the Union and one (1) representative of the Company, and one (1) disinterested party satisfactory to both the Union and the Company, for settlement. The Majority decision of such committee shall be final and binding upon both parties. There shall be no stoppage or slow-down of work and no lock-out during the period of settlement.

Section 4: Should a satisfactory agreement not then be reached by mutual agreement between the representatives outlined in Section 3 of this Article, the parties may resort to arbitration, a single arbitrator, an industry troubleshooter or another course which is available within current industry practice. Employees required to participate in these proceedings shall be granted leave without loss of pay. Each party shall pay their own costs of the proceedings and one half of the remuneration and disbursement of expenses of the Arbitrator.

Section 5: Upon mutual agreement, the parties signatory to the collective agreement may file for assistance under the following sections of the Labour Relations Code:

Section 87 - Settlement Officer
Section 103 - Industry Troubleshooter
Section 104 - Expedited Arbitration

ARTICLE XI - JURY DUTY

Section 1: Regular employees who are required to be absent from work to report for selection or serve on Jury Duty or by the Crown for Jury Duty or as a witness for the Crown or the Defence (not being him/herself party to the proceeding), will be paid the difference of up to eight (8) hours pay, per day, based on straight time rate of their regular job and the payment received for said Jury or Coroner's Court provided work was available. (Payment for traveling, meals, or other expenses excluded.) The employee will provide proof of service and the amount of payment received.

Hours paid for such duty will be considered as hours worked under the definition of this collective Agreement.

In no instance will an employee be required to work any shift while serving Jury Duty or Coroner's Court.

All employees affected by this Article will give notice to the Employer as soon as possible when called for selection, Jury Duty or Coroner's Court.

ARTICLE XII - BEREAVEMENT

Section 1: Should an immediate relative of an employee die, and the employee requires time off from work during the regular work days, such employees shall receive, upon request, up to three days leave with straight time pay. Immediate relative shall mean mother, father, brother, sister, husband, wife, son, daughter, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparents, legal guardian, step child or common law spouse provided the relationship is of at least one year's duration. An additional day will be granted where travel to Smithers or beyond is required.

ARTICLE XIII - TOOL ALLOWANCE

Section 1: Maintenance Engineers who provide their own tools will receive a tool allowance of forty-five dollars (\$45.00) per month.

ARTICLE XIV – CALL-IN PRIOR TO SCHEDULED SHIFT

Section 1: Employees called in one (1) hour or less prior to the start of a regularly scheduled shift for work necessary to ensure a smooth starting of the operation in the Plant will receive overtime at the prevailing rate for this time. This will not constitute a call in or call back under Article VI, Section 6, of this Agreement.

ARTICLE XV - BANKING OF OVERTIME HOURS AND PROCEDURE

Section 1: Banking of Overtime Hours

It is mutually agreed that the banking of overtime hours, based on the following procedure, will be put into effect for the duration of the existing Agreement. The affects of this program will be assessed by both parties at its conclusion. This program will be based on voluntary participation and may be terminated, through mutual agreement, at any time.

Section 2: Procedure

- (a) All hours worked (both straight time and overtime hours) shall be paid at their regular straight time hourly rate.
- (b) Earnings derived from the additional half (1/2) time from time and one half hours and from the additional full time from double time hours shall be withheld and credited to the employee's overtime bank.
- (c) The employee shall be allowed time off equivalent in length to a period determined by dividing total earnings banked by the employee's regular hourly rate.
- (d) Time off shall be given at a time mutually agreed upon, so as not to unduly disrupt operations, and providing a minimum of fourteen (14) days advance notice is given to the Company.

ARTICLE XVI – RIGHT TO GRIEVE DISCIPLINARY ACTION

Section 1: Disciplinary action grievable by the employee shall include written censures, letters of reprimand, and adverse reports on performance evaluation. An employee shall be given a copy of any such document placed in the employee's file which might be the basis of disciplinary action. Should an employee dispute any such entry in his/her file, he/she shall be entitled to recourse through the grievance procedure and the eventual resolution thereof shall become part of his personnel record. Any written censures and letters of reprimand shall be removed from the employee's file after the expiration of eighteen (18) months from the date it was issued provided there has not been a further infraction. The Employer agrees not to introduce as evidence at any hearing any document from the file of an employee, the existence of which the employee was not aware at the time of filing or within a reasonable period thereafter.

ARTICLE XVII – SEXUAL AND PERSONAL HARASSMENT

Section 1: Policy Statement

The Employer and the Union recognize and support the right of all employees to work in an environment free from sexual and personal harassment, and to that end, are committed to providing a workplace free of sexual or personal harassment and making every reasonable effort to ensure that no employee is subjected to sexual or personal harassment.

Section 2: Definitions

(a) Sexual harassment shall be defined as “any unwanted sexual comments, looks, suggestions, or physical contact, directed at an employee, which creates an uncomfortable, intimidating, hostile, or defensive working environment.”

The offence need not necessarily infer “compliance” as a condition of employment, or the offer and/ or maintenance of some benefit in exchange for sexual favours. Sexual advances outside of normal working hours and away from the working environment may be construed as harassment where there is a critical link to employment.

(b) Personal harassment is any behaviour by any person in the workplace that is directed at and is offensive to an employee, endangers an employee’s job, undermines the performance of that job or threatens the economic livelihood of the employee.

Personal harassment may be defined as repeated, intentional, offensive comments or actions deliberately designed to demean an individual or to cause personal humiliation. The definition includes such blatant acts or misuse of power as intimidation, threats, blackmail and coercion. Also included is favouritism of one employee to the disadvantage of another.

Personal harassment occurs when an individual uses his/ her authority or position, with its implicit power, to undermine, sabotage or otherwise interfere with the career of another employee.

The Employer hereby agrees that the behaviour in (a) and (b) will not be tolerated and persons conducting such behaviour will be appropriately reprimanded.

Section 3: Prevention

This policy applies to all employees, both in and outside of the Bargaining Union, recognizing that the alleged perpetrator or harasser, and the harassed, may represent any level of the organization. Harassment as defined is not limited to male-female, but

also includes female-male, male-male and female-female incidents. Harassment need not be accompanied by threats or rewards to be termed such.

Any employee who feeds their rights under this policy have been violated is encouraged to report the incident to their supervisor either verbally or in writing. The employee may be accompanied by another person of their choice during this process if they deem this necessary. The supervisor will advise the Personnel/ Human Resources Department of the complaint and all pertinent information.

Nothing shall preclude an employee from involving a Shop Steward, outside official or a Union official at any stage of the investigation.

In cases where sexual or personal harassment may result in the transfer of an employee it shall be the harasser who is transferred except that the harassee may be transferred with their consent.

Anyone who is found to have sexually or personally harassed another employee will be subject to discipline up to an including dismissal. The amount and form of the discipline will depend upon the circumstances of the harassment, whether the person recognizes the seriousness of his or her conduct and whether the person has previously been disciplined for such conduct.

The Employer and the Union agree that extreme care will be taken to ensure that confidentiality will be respected throughout.

ARTICLE XVIII - TERMINATION OR REVISION

The Agreement shall be in full force and effect from and including **January 1, 2007** to and including **December 31, 2009** and shall continue in full force and effect from year to year thereafter subject to the right of either party to this Collective Agreement within four (4) months immediately preceding **December 31, 2009**, or immediately preceding the anniversary date in any year thereafter, by written notice to the other party, require the other party to commence collective bargaining with a view to the conclusion or a renewal or revision of this Collective Agreement or a new Collective Agreement.

Should either party give written notice to the other party pursuant hereto, this Collective Agreement shall thereafter continue in full force and effect until the union shall strike, or the Employer lock out, or the parties shall conclude a renewal or revision of this Collective Agreement or a new Collective Agreement.

IN WITNESS WHEREOF the Parties hereto have hereunder affixed their hands and seals through their respective Officers the 31st day of March 2008.

J.S. McMILLAN FISHERIES LTD.

INTERNATIONAL UNION OF
OPERATING ENGINEERS, LOCAL 882

General Manager

Sandra Taylor
Business Manager

Human Resources Manager

President

Recording Corresponding Secretary