

AGREEMENT

BETWEEN

**LILYDALE INC.
31894 MARSHALL ROAD
R.R. #5, ABBOTSFORD, BC V2S 4N5**

AND

**UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL
UNION, LOCAL 1518
4021 KINGSWAY, BURNABY, BC V5H 1Y9**

Duration of Agreement: July 1, 2006 – June 30, 2012

CONTENTS

ARTICLE 1 - GENERAL	1
ARTICLE 2 - BARGAINING AGENCY	1
ARTICLE 3 - MANAGEMENT	2
ARTICLE 4 - WAGES.....	3
ARTICLE 5 - SAFETY AND HEALTH	4
ARTICLE 6 - DURATION OF AGREEMENT	4
ARTICLE 7 - HOURS OF WORK AND OVERTIME.....	6
Second Shift Sun. – Sat. 2:00 a.m. – 5:00 p.m.	9
ARTICLE 8 - STATUTORY HOLIDAYS.....	10
ARTICLE 9 - AUTOMATION AND TECHNOLOGICAL CHANGES.....	11
ARTICLE 10 - SHIFT PREMIUMS	12
ARTICLE 11 - VACATION POLICY.....	12
ARTICLE 12 - SENIORITY	14
ARTICLE 13 - GRIEVANCE PROCEDURE	17
ARTICLE 14 - LEAVE OF ABSENCE.....	19
ARTICLE 15 - PAY PERIODS	20
ARTICLE 16 - WORK CLOTHING	21
ARTICLE 17 - NON DISCRIMINATION	21
ARTICLE 18 - BEREAVEMENT LEAVE	21
ARTICLE 19 - EMPLOYEE BENEFITS	22
ARTICLE 20 - CONTRACTING OUT	24
ARTICLE 21 - APPEARANCE IN COURT	24
ARTICLE 22 - SEPARATION ALLOWANCE.....	24
ARTICLE 23 - HOT GOODS	25
ARTICLE 24 - WEEKLY GUARANTEE.....	25
ARTICLE 25 - SANITATION.....	26
ARTICLE 26 - TOOL REPLACEMENT	26
ARTICLE 27 - PENSION PLAN.....	27
WAGE SCHEDULE	28
LETTER OF UNDERSTANDING	31
Re: Article 7 - Hours of Work and Overtime.....	31
LETTER OF UNDERSTANDING	32
Re: Seniority Provisions in Event of Plant Openings or Transfers	32
LETTER OF UNDERSTANDING	32
Re: Staffing Levels.....	33
LETTER OF UNDERSTANDING	34
RE: U.F.C.W. Health, Safety and Education Training Fund	34
LETTER OF UNDERSTANDING	35
Re: Banked Overtime Hours	35
LETTER OF UNDERSTANDING	36
Re: Article 7.04(d)	36
LETTER OF UNDERSTANDING	37
Re: Hours of Work.....	37
LETTER OF UNDERSTANDING	38
Re: Lilydale Attendance Program	38

This AGREEMENT entered into this 23rd day of July, 2006.

Between: Lilydale Inc.
31894 Marshall Road
RR #5, Abbotsford, B.C. V2S 4N5
(hereinafter referred to as the "Company")

OF THE FIRST PART

And: United Food & Commercial Workers
International Union, Local 1518, Industrial Sector
4021 Kingsway, Burnaby, BC V5H 1Y9
(hereinafter referred to as the "Union")

OF THE SECOND PART

WITNESSETH:

ARTICLE 1 - GENERAL

1.01 Whereas it is the desire of both parties to this Agreement:

- (i) to maintain and improve the harmonious relations and conditions of employment between the Company and the Union;
- (ii) to recognize the mutual value of joint discussions in all matters pertaining to working conditions;
- (iii) to encourage efficiency in operations;
- (iv) to promote the morale, well-being and security of all employees in the bargaining unit of the Union.
- (v) Justice and Dignity: The Company and the Union agree that the promotion of a harmonious relationship and the development of mutual respect in the workplace is the responsibility of all employees – both Management and Union.

It is agreed that any actions such as physical aggression, sexist comments, the use of vulgarity, name calling, or yelling are counterproductive to a harmonious workplace and will not be tolerated.

Now therefore the parties agree to the following terms and conditions of employment:

ARTICLE 2 - BARGAINING AGENCY

2.01 The Company recognizes the Union as the sole collective bargaining agency for all employees excluding executive staff, sales and office staffs, foremen, office janitor and buyers, with respect

to wages, hours of work and terms and conditions of employment. The Company recognizes the right of the Union to determine the standing of all members.

2.02 The Company agrees that all employees now members of the Union and all employees who become members of the Union shall remain members in good standing of the Union while employed by the Company during the life of this Agreement, as a condition of continued employment.

2.03 Recognition - Union Shop:

(a) The Company agrees to retain in its employ, within the bargaining unit as outlined in Article 2, Section 2.01 of this Agreement only members of the Union in good standing.

(b) The Company shall be free to hire new employees who are not members of the Union, PROVIDED, said non-members shall be eligible for membership in the Union, and shall make application within ten (10) days after employment and become members upon completion of thirty (30) working days.

(c) The Company agrees to provide each new employee at the time of employment with a form letter outlining to the new employee his or her responsibility in regards to the Union Membership, and to provide the Union in writing with the name and address of each new employee to whom they have presented the form letter, along with the employee's date of hire. The Union shall bear the expense of printing the letter, the contents of the letter to be such that it is acceptable to the Company. The Company further agrees to provide the Union, once a month with a list containing names of all employees who have terminated their employment during the previous month. Every employee shall keep the Company informed of their home address, postal code and telephone number. The Company shall advise the Union quarterly of any changes in employees' addresses.

2.04 Deduction of Dues:

(a) The Company agrees to deduct from the wages of each employee upon proper authorization from the employee affected, such initiation fees, union dues, fines and assessments as are authorized by regular and proper vote of the membership of the Union. The Company agrees to honour a written assignment for initiation fees and Union dues on behalf of any employee who is or who becomes a members of the Union.

(b) Monies deducted during any month shall be forwarded by the Company to the Secretary-Treasurer of the Union not later than the fifteenth (15th.) day of the month for which dues are deducted, and accompanied by a written statement of the names from whom the deductions were made and the amount of each deduction, along with a list of names of the employees for whom no deduction was made and the reasons therefore. In addition to the Secretary-Treasurer, the Chief Shop Steward shall also be furnished with this list.

The amount of union dues paid by an employee during a taxation year shall be shown on the employee's statement of Remuneration Paid, form T-4, Supplementary, or such other similar form furnished by the Federal Income Tax authorities.

ARTICLE 3 - MANAGEMENT

3.01 The Management of the Plant and direction of the working forces, including the right to hire, suspend, or discharge for just cause, and the methods processes and means of production and

handling, are vested exclusively in the Company subject only to the provisions of this Agreement. Cases of disagreement over the interpretation of this clause shall be dealt with in accordance with the Grievance Procedure in Article 13.

ARTICLE 4 - WAGES

- 4.01 Attached to this Agreement shall be a Wage Schedule covering all employees. This shall not apply to employees excluded in Article 2, Section 2.01. No employee shall hold more than one (1) classified position.
- 4.02 Classifications and rates of pay for such classifications shall be in accordance with the "Wage Schedule" which shall form a part of this Agreement. Any additions or deletions to the present classifications shall be the subject of Collective Bargaining between the Company and the Union. Any new job rates agreed to shall be retroactive to such date the new job was instigated.
- 4.03 If an employee substitutes in any department on any job during the temporary absence of another employee because of sickness, holiday leave or other similar cause, they shall receive where such job pays less, their former rate of pay and where such job pays more, the rate applicable to the temporary job. In the case of temporary transfers the basis of transfer shall be the junior qualified employee provided no senior employee makes a request for such temporary vacancy. The word "temporary" as used in this Agreement shall be defined as a result of mutual agreement, arrived at between the Union and the Company, based upon the merits of each individual case.
- 4.04 Where inequalities in individual rates are alleged to exist, they shall be dealt with as provided for in Article 13, Grievance Procedure.
- 4.05 An employee injured while working in the plant shall suffer no loss of earnings for the balance of hours on the scheduled shift (eight (8) hours) in which the accident occurs, if, as a result of such injury the employee is sent home or to the hospital or for medical attention on instructions from the medical department, but if such is not possible, then by a Company representative. In the event that no Company representative is present to report to, the Company will provide a telephone number to the employees where a report of their accident may be received. Costs incurred as a result of transportation to the practitioner and/or hospital, at the option of the employee shall be borne by the Company.
- 4.06 Establishing Rates for New or Changed Jobs:
- (a) Establishing rates for new or changed jobs shall be handled in accordance with Article 4, Section 4.02.
 - (b) If agreement is not reached when the job is started, the Company will pay the rate set and if in the final settlement the rate is increased it will be paid retroactively. Similarly, the rate will be paid retroactively when its establishment has been delayed beyond the date the job reaches normal operation.
 - (c) Disagreement mentioned in paragraph (b) above will be subject to the Grievance Procedure beginning at the 2nd. step.
- 4.07 If due to permanent job reduction an employee is transferred for a period of less than six (6) weeks to work where the job rate is lower, the employee shall retain their regular job rate. At the

expiration of six (6) consecutive weeks the lower job rate shall prevail, and the employee shall cease to have any rights to return to their prior posted job unless on a new posting.

ARTICLE 5 - SAFETY AND HEALTH

5.01 The Company shall make reasonable provisions for the safety and health of employees of the plant during the hours of their employment. Protective devices and other equipment necessary to properly protect the employees from injury shall be provided by the Company with no cost to the employee.

5.02 There shall be a Union-Company safety committee which shall be set up as follows: The Company shall appoint three (3) representatives from the Company staff and the Union shall appoint by whatever means it decides one (1) representative from each department. Both parties in making their appointments shall be motivated by the need for selecting people who will best be capable of promoting safety throughout the plant. The safety committee shall alternate Chairmen for each meeting. Minutes shall be kept by a secretary, who shall not be a member of the committee. The Chief Shop Steward or their designated representative shall be responsible for the calling and holding of the safety meetings referred to herein.

Regular meetings of the Safety Committee to be held on the last Wednesday of each month, unless otherwise mutually agreed, with all members of the Safety Committee being present. The day of the meeting is subject to change only in a week in which a Statutory Holiday may fall.

5.03 Safety hard hats, with or without ear muff protectors, which are approved by the Workers' Compensation Board, will be supplied free of charge to employees where required.

5.04 No employee shall be disciplined or discharged for refusal to work on a job or in any work place or to operate equipment where they have reasonable grounds to believe that to do so would create an undue hazard to the health or safety of any person. Where in such circumstances an employee does not work, they shall not suffer a loss of pay provided they accept temporary assignment to alternate work. The application of this clause shall be as per Section 8.24 of the B.C. Industrial Health and Safety Regulations.

5.05 All safety tests, safety inspections and safety tours shall be conducted in the presence of the Union Co-chairman of the safety committee, or in the Co-chairman's absence, a Union member of the safety committee. This will include occasions when a representative of the WCB is attending at the plant to conduct testing, inspections, tours or job inquiries.

5.06 The Chief Shop Steward, or their designate, is to be involved in all discussions with the Company and Employee relating to modified return to work. Mutually agreed upon job descriptions will be established where a modified return to work is being considered.

ARTICLE 6 - DURATION OF AGREEMENT

6.01 The terms of this Agreement shall be in full force and effect from **July 1, 2006** up to and including **June 30, 2012** and thereafter from year to year unless either party gives notice in writing of termination or amendment of not more than one hundred and twenty (120) days and not less than thirty (30) days prior to the date of expiration.

6.02 During the period of negotiations resulting from any of the provisions above, this Agreement shall remain in full force and effect.

SIGNED THIS _____ DAY OF _____, _____.

ON BEHALF OF THE COMPANY
Lilydale Inc.

ON BEHALF OF THE UNION
United Food and Commercial Workers,
Local 1518

John Franck

Gerald Dyck

Gerry Beadle

Todd Crosby

Dan Scott

Anne Braniski

Pierre Girard

J.B. Wells

ARTICLE 7 - HOURS OF WORK AND OVERTIME

- 7.01 For the purpose of calculating if overtime is payable, the Company shall set out an Hours of Work Schedule and negotiate with the Union. The Union recognizes the needs of the business in negotiating changes in the hours of work schedule. The schedule of hours may vary from department to department but shall not total more than forty (40) for any payroll week and must not exceed more than eight (8) hours per day, Monday through Friday, except where otherwise mutually agreed upon. It is specifically agreed that any work schedules in effect on January 1, 1976, involving four (4) days of ten (10) hours each may continue. The provisions of four (4) ten (10) hour days may only be applied to the Squamish run or as otherwise mutually agreed between the Company and the Union.
- (a) All time worked before or after the negotiated schedule of hours shall be paid for at double times (2x) the employee's regular rate of pay.
- 7.02 Any employee who reports for work, and who, by reason of some breakdown in the plant is dismissed for the day, shall receive five (5) hours pay at least.
- 7.03 Procedure for Changing Schedules: The Company agrees that except by mutual consent no individuals schedule shall be changed without twenty-four (24) hours notice or a crew's schedule without five (5) working days notice. The Union will be consulted before a crew's schedule, and where feasible, an individual's schedule has been changed. The Company shall have the right to start and stop crews within the range of the negotiated schedule of hours as outlined in 7.15. The word "crew" as used in this clause shall be defined as a result of mutual agreement between the Grievance Committee and the Company.
- 7.04 Overtime:
- (a) When it is necessary to work overtime the personnel selected shall be the senior qualified employees in the department where the overtime is required. Should the necessary employees not be available within the department, then the basis of selection shall be the senior qualified employees available in the plant. If any senior qualified employee has been inadvertently missed for overtime they shall be paid for the applicable amount of overtime the employee has missed.
- (b) Double times (2x) the regular hourly rate shall be paid to all employees for all hours worked on the sixth (6th) or seventh (7th) day worked.
- (c) The Company will limit overtime hours of work as far as reasonably possible. The Company will first discuss the matter with the Chief Shop Steward, if gang overtime is involved, when feasible, if overtime is involved for individuals. If overtime is necessary, the Union (Shop Stewards of the affected departments) will encourage employees to work. In the event that the Company requires overtime, all employees involved in the overtime shall be provided with a posted notice to this effect when the Company first is aware of the overtime requirement or two (2) hours notification. Employees who wish to work the available overtime will so indicate on the notice. The most senior employees will be selected first.
- (i) If the two (2) hours notice is not provided as noted above, each supervisor or designate of that department where the overtime is necessary, shall get a copy of the latest seniority list and personally ask each employee if they choose to work overtime. For

overtime on Saturday, Sunday, and Statutory Holidays all departments shall be canvassed as above.

- (ii) It shall be the responsibility of each employee asked to work overtime to render a decision as soon as possible - but in no case later than **11:00 a.m.** on the day prior to the commencement of the planned overtime shift. Employees on the overtime list who do not report for the overtime shift shall be subject to the absenteeism policies of the Company.
 - (iii) The Chief Shop Steward and the Plant Superintendent, or their designate, shall review the overtime list along with the supporting documentation to discuss any problems or questions regarding the overtime list.
 - (iv) For work on Saturday, Sundays, or Statutory Holidays the list shall be posted showing the date the overtime is to be worked, the department to which the employee has been assigned, and the start time for the department.
 - (v) Employees who agree to work the overtime and are subsequently displaced by a senior employee shall be notified prior to leaving the plant.
 - (vi) For overtime on Saturdays, Sundays, and Statutory Holidays employees working the afternoon shift shall be contacted to advise them of the overtime shift. If no contact is made, a message shall be left for the employee advising them of the overtime shift. It shall be the responsibility of the employee to advise the Company prior to **11:00 a.m.** on the day proceeding the requested overtime, to indicate if they choose to work. IF the employee cannot be contacted, or does not respond prior to **11:00 a.m.** on the day preceding the requested overtime, the employee shall not later demand that the Company amend the schedule to provide them the opportunity to work.
- (d) It is agreed that all overtime work shall be voluntary and that no employees shall be compelled to work overtime, nor shall they be discriminated against for refusal to work overtime. **Where the Company is unable to secure sufficient volunteers to perform the available overtime to process live animals, overtime will be mandatory, beginning with the most junior employee who is qualified to perform the duty.**
- (e) Any employee who responds late to work on their regularly scheduled shift shall not be entitled to overtime rates of pay until completion of eight (8) hours.
- 7.05 Any hourly rated employee who after leaving the Company's premises, is especially called in at any time outside their normal working hours shall be through when the emergency is over but shall nevertheless be paid a minimum of five (5) hours at the regular rate or for the hours the employee actually worked at the applicable overtime rate, whichever is the greater.
- 7.06 (a) Employees shall not be required, except in cases of emergency, to work more than four (4) hours without a first meal period of thirty (30) minutes and more than five (5) hours without the second meal period. The second meal period shall be one-half (1/2) hour on Company time and the meal shall be supplied free of charge by the Company. In cases where there is no meal provided, a cash equivalent of \$7.25 plus one-half (1/2) hour straight time will be added to their gross earnings for that fiscal week.

- (b) Employees required to work more than four and one-quarter (4 1/4) hours without a first meal period shall be compensated at one and one-half (1 1/2) their hourly rate for all times worked in excess of four and one-quarter (4 1/4) hours until a meal period is granted. Maintenance and Engineer employees engaged in continuous shift operations shall be exempt from this clause, but shall be entitled to a lunch period of thirty (30) minutes on Company time.
- 7.07 The Company and the Union agree that in the event of a lay-off of one day or more, ways and means will be discussed in an attempt to reduce the number of employees to be laid off during the work shortage period. Such layoffs, regardless of their duration, shall be according to seniority and qualifications to perform the work required. In cases where ability is being considered the determination of qualifications will be the subject of mutual agreement between the Union Grievance Committee and the Company.
- Where a reduction of hours in a day causes employees to be released early, departmental seniority shall apply. **Where a reduction of hours due to a non-kill and/or non-cry-o-vac day, once per week, causes employees to be released, departmental seniority shall apply.**
- 7.08 (a) A fifteen (15) minute rest period shall be granted twice in each shift, approximately midway before lunch and approximately midway after lunch. In no case shall any employee be required to work beyond two and one-quarter (2-1/4) hours without a rest period. The rest periods referred to herein shall not be **eliminated** by reason of a short work day, unless the employee leaves on personal business **voluntary leave of absence (VLA)**. Where a reduction of hours due to a non-kill and/or non-cry-o-vac day, once per week, causes employees to be released, departmental seniority shall apply prior to the second rest period.
- (b) When overtime is required beyond the regular quitting time, a rest period of fifteen (15) minutes shall be granted before proceeding with the overtime work.
- 7.09 Management personnel shall not be allowed to do production work, except in an emergency **unscheduled absenteeism**, training of an unqualified employee or quality control and product development work, but shall not be used to displace a Union employee.
- 7.10 All employees shall be entitled to ten (10) hours of rest between shifts. Should the employee be required to work during their ten (10) hour rest period, all hours worked will be paid for at overtime rates, **unless the ten (10) hour rest period referred to herein is voluntarily waived by the employee.**
- 7.11 Employees required to do freezer work shall be allowed ten (10) minutes outside work for each hour worked in the freezer. Employees who are not regularly required to do freezer work shall be supplied with necessary clothing to do the work and shall in addition, be given a minimum of one (1) hour's notice before being assigned to the freezers.
- 7.12 (a) Shift Engineers shall be allowed a regular day off in lieu of working Sunday.
- (b) Maintenance and engineers shall have the choice of schedule of hours, as outlined under Section 7.15, on the basis of seniority.
- 7.13 It is agreed, that when there is a short work day or a short work week, employees within the bargaining unit may exercise their seniority in order of seniority for the purposes of electing to

voluntarily leave work rather than to remain on the payroll. The employee shall make application to their supervisor in writing to indicate their desire to apply the above provisions. Said application shall be made on a form to be provided by the Company and must be given to the employer two (2) days prior to the non-kill day.

7.14 Employees shall be allowed five (5) minutes personal cleanup time prior to regular quitting time. Live hangers and stickers shall be allowed ten (10) minutes. It is understood and agreed that the live hangers will not use the ten (10) minutes clean up time in any way that would adversely effect the production schedule.

7.15 The negotiated schedule of hours is as follows:

Start Times

First Shift (Days) 5:00 a.m. – 9:00 a.m.
 Second Shift (Afternoons) 2:00 p.m. – 6:00 p.m.
 Third Shift (Nights) 9:00 p.m. – 1:00 a.m.
 One Smokehouse Operator
 Maintenance:
 First Shift Sun. – Sat. 5:00 a.m. – 7:00 a.m.
 Second Shift Sun. – Sat. 2:00 a.m. – 5:00 p.m.
 Third Shift Sun – Sat. 10:00 p.m. – 12:00 a.m.

Person	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1		5:00 am - 3:30 pm	5:00 am - 3:30 pm	5:00 am - 3:30 pm	5:00 am - 3:30 pm		
2			6:00 am - 4:30 pm	6:00 am - 4:30 pm	6:00 am - 4:30 pm	6:00 am - 4:30 pm	
3				6:30 am - 5:00 pm	6:30 am - 5:00 pm	6:30 am - 5:00 pm	6:30 am - 5:00 pm
4	7:00 am - 5:30 pm	7:00 am - 5:30 pm	7:00 am - 5:30 pm	7:00 am - 5:30 pm			
5		2:00 pm - 12:30 am	2:00 pm - 12:30 am	2:00 pm - 12:30 am	2:00 pm - 12:30 am		
6	2:00 pm - 12:30 am	2:00 pm - 12:30 am	2:00 pm - 12:30 am	2:00 pm - 12:30 am			
7				2:00 pm - 12:30 am	2:00 pm - 12:30 am	2:00 pm - 12:30 am	2:00 pm - 12:30 am
8		10:00 pm - 8:30 am	10:00 pm - 8:30 am	10:00 pm - 8:30 am	10:00 pm - 8:30 am		
9				10:00 pm - 8:30 am	10:00 pm - 8:30 am	10:00 pm - 8:30 am	10:00 pm - 8:30 am
10	12:00 am - 10:30 am	12:00 am - 10:30 am	12:00 am - 10:30 am	12:00 am - 10:30 am			

It is agreed that the current “status quo” with regard to the scheduling of Maintenance Employees will be continued until a new schedule is approved by mutual agreement.

7.16 It is specifically agreed that the Company may schedule an afternoon shift in the Further Processing Department which runs from Sunday to Thursday. It is understood that the provisions of Article 7.04 (b) do not apply to the hours worked on Sunday for this shift.

The parties agree that the other provisions of this agreement dealing with overtime and statutory holidays shall apply to the sixth (6th) and seventh (7th) days of this work week in the same

manner as those provisions would apply in respect of Saturday and Sunday for employees working a Monday to Friday work week.

ARTICLE 8 - STATUTORY HOLIDAYS

- 8.01 (a) The Company agrees to pay all employees at their regular rates of pay for the normal hours of work as set forth in the Hours of Work Schedule on each of the following Statutory Holidays whether they work or not:

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

One (1) additional Statutory Holiday (Floater) to be effective upon completion of six (6) months service. Employees hired subsequent to the date of ratification of the May 6, 1998 Agreement are not eligible for the floating Statutory Holiday until having completed twenty four (24) months. The Company and Union agree to a formula of not less than ten percent (10%) off on this floating Statutory Holiday per department at anyone time, rounded off to the highest full number, with not less than a minimum of two (2). The selection regarding the exercising of this floating Statutory Holiday shall be on the basis of seniority and shall in addition be selected by mutual agreement between the Foreman/Company and the Employee.

Employees shall provide the Company with two (2) weeks notice of their selection. Should the Provincial Government proclaim a Statutory Holiday during the life of this agreement, such proclaimed Statutory Holiday shall be substituted for the floating statutory holiday referred to herein.

- (b) If an employee is required to work on any of the Statutory Holidays mentioned herein, the employee shall receive, in addition, pay for hours actually worked on the Statutory Holiday at two (2) times their regular rate and these hours shall be considered as scheduled hours worked at regular rates for the purpose of the guarantee.
- (c) A special holiday shall be a special and non-recurring public holiday of general observance other than a Statutory Holiday proclaimed by the Government of the Dominion of Canada, as for example V-J Day.
- (d) Double times (2x) the regular rate shall be paid to employees for all hours worked on a special holiday.
- (e) If a paid Statutory Holiday falls on a Saturday, the Friday prior to the Saturday shall be observed as the holiday. If a paid Statutory Holiday falls on a Sunday, the Monday immediately following the Sunday shall be observed as the holiday.
- (f) If an employee is absent on the day before or the day after a Statutory Holiday without just cause, payment for the holiday may be withheld subject to mutual agreement between the Company and the Union Grievance Committee.

In the case of repeated absences without just cause, payment for the holiday may be left to the discretion of the Company.

- 8.02 Layoff or Recall in Holiday Weeks: Employees, if laid off or recalled in the pay weeks in which the public holiday falls, shall receive eight (8) hours' pay at regular rates for such holiday, provided the employee receives pay for hours worked in the month proceeding or succeeding the Statutory Holiday. To qualify for this holiday pay, employees must work out their layoff notice or report for work on recall when required as the case may be.
- 8.03 An employee who is absent for reasons of sickness or non-compensable accident during the period in which a Statutory Holiday occurs, shall receive eight (8) hours pay at their regular rate for such Statutory Holidays as occur during such absence. In case of continued absence, the Company may request a Doctor's certificate to substantiate any illness. It is understood that where an employee is receiving benefits from the Workers' Compensation Board the Employee will receive the difference between Workers Compensation benefit and eight (8) hours pay.

ARTICLE 9 - AUTOMATION AND TECHNOLOGICAL CHANGES

- 9.01 (a) The Company will provide the Union with three (3) months notice in writing of intention to introduce automation equipment, technological changes, **regulatory, procedural, production volume and demands of the business**, which will result in displacement or reduction of personnel. Such notice shall contain the following information when it becomes known or available to the Company:
1. Estimated number of employees facing job loss.
 2. Estimated number of employees to be displaced/transferred.
 3. Estimated duration of job loss, transfer/ displacement.
 4. The kind of automated equipment and/or specifics of the technological change being contemplated and the departmental areas affected.
- (b) Employees becoming redundant due to technological change, new equipment or procedures shall be eligible for retraining to equip them for the operation of such new equipment or procedures, or to qualify for new positions. Such retraining will be provided by the Company without loss of pay to the affected employee(s).
- (c) In cases where the retraining of employees is not practical, or where other positions with the Company are not available, the employee(s) shall elect for termination of employment or shall elect to be placed on the recall list. An employee on recall under this Section, shall receive all the benefits the employee had accrued during employment at the end of the recall period or at such earlier time as the employee may elect to terminate. Employees on recall under the provisions of this clause shall report to work within the stipulated period of time as outlined in Article 12, Section 12.11.
- (d) A specified extension of the recall period where recall is applied under subsection "c" above may be mutually agreed by the employee and the Company, subject to written approval by the Union.
- (e) Employees whose services are terminated because of automation or technological change, shall receive a separation allowance in accordance with the scale outlined in Article 23 of the Agreement.

ARTICLE 10 - SHIFT PREMIUMS

10.01 Each employee shall receive an off shift premium of sixty cents (\$0.60) per hour for all hours worked commencing between 12:00 noon and 5:00 a.m. Such premiums shall be considered as part of an employee's basic rate.

ARTICLE 11 - VACATION POLICY

11.01 (a) The Company agrees, subject to the provisions set forth within the following sections to grant the following vacations with pay to employees covered by this Agreement. The amount of vacation entitlement for which an employee is entitled will be based upon the amount of service completed as of their own individual anniversary date.

Effective January 1, 1987

After one (1) year.....two (2) weeks
After three (3) yearsthree (3) weeks
After eight (8) yearsfour (4) weeks
After thirteen (13) yearsfive (5) weeks
After seventeen (17) yearssix (6) weeks
After twenty-two (22) yearsseven (7) weeks

It is understood and agreed that the "regular rate" shall be defined as the rate being paid at the time vacation is taken or vacation pay is requested.

(b) Employees hired subsequent to the date of ratification of the May 6, 1998 Agreement are subject to the following vacation schedule:

After one (1) yeartwo (2) weeks
After five (5) yearsthree (3) weeks
After ten (10) years.....four (4) weeks
After twenty (20) years.....five (5) weeks
After thirty (30) years.....six (6) weeks
After thirty-five (35) yearsseven (7) weeks

11.02 Calculation of Holiday Pay: All employees shall receive pay on the basis of forty (40) hours at their regular rate for each week of vacation or two percent (2%) of their total earnings for the previous year per each week of vacation, whichever is the greater amount.

11.03 (a) Employees absent for reasons of sickness and/or accident, who return to work following these phases, shall nevertheless be entitled to annual vacations as set out in Article 11, Section 11.01 and pay for such vacation shall be provided for in clause 11.03 (b) and these days of absence shall be considered as days worked for the purposes of this Agreement.

(b) In the case of sickness, compensable or non-compensable accident, an employee upon their return to service with the Company shall receive service credit for each week of such absence not to exceed twenty-six (26) weeks as if earning had been received, on the basis of forty (40) hours per week at this regular rate of pay. The provisions of this clause shall be restricted to one application per calendar year.

- 11.04 (a) Earned vacation privileges not exercised shall be paid if and when an employee quits or is discharged for cause from service, at a rate equal to the amount of vacation earned. Employees are entitled to receive their vacation pay in advance if they so request.
- (b) The Company agrees that upon four weeks notice they shall pay to an employee vacation pay to which an employee is entitled based on their regular rate. Such payment to be made on the first pay day in January. The Company further agrees that if the "Holiday Pay Calculation" under Section 11.02 provides the employee with a greater amount of vacation pay, said difference shall be paid to the employee on the second pay day in January. Upon requests the Company agrees to show to an employee the calculations on which their vacation pay is based.
- 11.05 Every Bargaining Unit Employee shall become eligible for vacation on January 1st. of each year. The Company and the Union agree to a common anniversary date. An employee who has received their first vacation is thereafter eligible to receive subsequent annual vacations any time on or after January 1st. in the succeeding vacation year in accordance with the provisions of 11.06. If, due to the provisions of this clause, employee(s) are entitled to an amount of vacation providing for service of less than one (1) year, such employee(s) shall have their calculation of vacation pay determined as outlined under the provisions of Section 11.02 of this Article.
- 11.06 The selection of vacation periods shall be on the basis of seniority in each department with the senior employee being given first preference. Vacation may be granted at any time, subject to the demands of the business, but the Company will make a sincere effort to grant vacations at the time requested by the employees.

During the period of June 1st to September 30th. inclusive employees shall be allowed only three (3) weeks of their vacation unless agreed otherwise.

The Company in full co-operation with the Chief Steward will post a Vacation Schedule beginning the first Monday in December on the Union bulletin board in order to determine the employee's desired vacation times. The selection of vacations will be completed not later than March 1st. in each year with the allotted times signed by both parties and copies immediately provided to the Chief Shop Steward. The Company and the Union agree to a formula of 10% of the employees per department off on vacation. A greater number may be permitted by the Company if it will not adversely affect production.

The following shall be considered as departments for "all" purposes of this Agreement.

- Kill
 - Eviscerating
 - Cryovac & Lidding & Box Room & Blast Freezer
 - Shipping/Driving/Warehouse Freezer
 - Cleanup
 - Maintenance
 - Boning (Box Room - one [1] employee) (Blast Freezer - one [1] employee)
 - FFP
- 11.07 If a paid holiday falls within the employee's vacation period, the Company will allow the employee concerned a compensatory day's holiday with pay, one day prior to vacation or one day

after vacation or at such other time as the employee may designate, such designation shall be subject to mutual agreement.

- 11.08 (a) Employees entitled to vacation will not be allowed to take money in lieu thereof or work overtime on the Sunday prior to their vacation or commence work after vacation before their scheduled day of work. Employees may choose to work the Saturday before they commence vacation provided they notify the employer of their availability. The Company agrees that employees may continue to split their vacation as required.
- (b) An employee eligible for a third and subsequent weeks of vacation entitlement may accumulate such weeks of vacation to be taken in the following vacation year at a time designated by the employee not later than December 31, in the year prior to exercising their accumulated vacation.
- (c) Accumulated vacation credits referred to herein may not be exercised between June 1 to September 30 inclusive in each year.
- (d) Employees shall notify the Company in writing of their desire to defer vacation credits not later than December 31, in the year prior to their intention of accumulating vacation credits.
- (e) Accumulated vacation entitlement shall be paid at the rate equal to the highest rate of pay the employee received, subject to Article 11, Section 11.01, during the year in which the vacation entitlement was earned.
- 11.09 An employee eligible for vacation who is laid off because of reduction in their crew shall be allowed pay for the vacation for which the employee has qualified.
- 11.10 Vacation pay shall be paid to the employee by separate cheque.

ARTICLE 12 - SENIORITY

- 12.01 Seniority shall operate on a total plant basis, **except where otherwise provided in this Agreement.**
- 12.02 After an employee has accumulated service of sixty (60) days worked with the Company, the employee shall be granted seniority, which shall date retroactively to the date the employee entered the employ of the Company.
- 12.03 In the Bargaining Unit, the filling of vacancies in classified jobs shall be based on ability and seniority. Ability being sufficient after a reasonable trial to do the job, seniority shall prevail. A reasonable trial shall not exceed twenty (20) working days, however, if mutually agreed, this period may be extended a maximum of ten working days. Employees shall receive the applicable job rate provided for in the wage rate schedule for the job or jobs they have been posted or appointed to when they become qualified. The word "qualified" as used in this agreement shall be interpreted to mean regularly perform the job without assistance. All postings and/or appointments shall be designated in writing with a copy to the grievance committee. The initial vacancy shall be posted and subsequent vacancies, caused as a result of this posting, shall be filled by temporary assignment until the initial vacancy has been filled permanently. A vacancy exists when it is performed for fifty percent (50%) or more of the regular work week for six (6) consecutive weeks.

- 12.04 Vacancies in classified jobs within the Bargaining Unit shall be posted for five (5) working days to give employees with seniority ample time to apply in writing to the Plant Superintendent or their designate. The Company will provide copies of the written applications to the Chief Shop Steward or their designate at the conclusion of the posting. In the case that no application is received for any posting the vacancy shall be filled by appointment, and the appointee automatically given posted status. Transfers to jobs will be made within ten (10) working days from the date the posting was awarded. Whenever the transfer cannot be accommodated within the ten (10) days, the Plant Superintendent will review the situation with the Chief Shop Steward. When a posted employee is laid off the employee shall return to their prior position upon recall provided that the period of layoff does not exceed three (3) months. Temporary vacancies such as sickness, compensation and holidays need not be posted. An employee who was absent when a vacancy is posted shall receive equal consideration provided a union steward notifies the Company in writing that the employee wishes to apply for the vacancy.
- 12.05 The Company agrees to post permanent labour rated job vacancies when they occur. Vacancies shall be posted for five (5) working days to give employees with seniority ample time to apply in writing to the Plant Superintendent or their designate. The Company will provide copies of the written applications to the Chief Shop Steward at the conclusion of the posting. In making such transfers the Company agrees to give consideration on the basis of seniority, however, it is not the intent of this clause to restrict Article 3 - Management.
- 12.06 (a) Employees shall, in the case of long term ill health or injury, be given an opportunity of being accommodated on specific jobs within the plant, should an opening occur at the time they are released to return to the work force, or within 10 days following the time they are able to return to the work force. If for medical reasons they are unable to return to work, and there are no job openings available, they will be laid off until a recall or vacancy occurs.
- (b) Employees covered under the provisions of this clause must present a Doctor's certificate authorizing their return to the work force.
- (c) If the employee lacks sufficient seniority over other employees for a posted job vacancy the Company may, subject to mutual agreement, assign the returning employee to that vacancy for accommodation and so inform the Local Union.
- (d) Employees being assigned under the provisions of this clause shall be eligible to receive the customary trial period in order to qualify for such postings as outlined in Section 12.03 of this Agreement.
- 12.07 Seniority records will be made available to the Union each three (3) months or upon request by the Chief Shop Steward.
- 12.08 Seniority service records shall not be considered broken and there shall be no interruption in an employees continuity of seniority rights except as specifically provided herein;
- (a) When an employee voluntarily leaves the service of the Company.
- (b) When an employee has been discharged for just cause and such termination has not been reversed by the grievance procedure.

- (c) When an employee has been let out of employment by the Company for a period longer than the time allowed in the following schedule:

<u>Length of seniority At Date of Separation</u>	<u>Length of Allowable Time Off Payroll</u>
Over sixty (60) working days to six (6) months	Time equivalent to one-half (1/2) the employee's length of service
Over six (6) months	Time equivalent to length of service up to two (2) years.

- 12.09 (a) On reducing and increasing forces seniority shall govern provided the senior employee has the qualifications to handle the work performed by the employee of lesser seniority. In cases of dispute, it shall be subject to the Grievance Procedure. It is understood that the order of lay off or recall shall be in accordance with the seniority records list referred to in Section 12.07.
- (b) If it is anticipated that a lay off will exceed **one (1) week** any employee to be laid off out of seniority order shall be given the opportunity to prove their ability to perform the required work before being laid off. Ability being sufficient after a reasonable trial to do the job, seniority shall prevail. There shall be a five (5) working day training period for labour rated jobs and a ten (10) working day training period for classified jobs this time period may be extended by mutual agreement.
- 12.10 The Chief Shop Steward and the Plant Superintendent, or their designate, shall review the lay off list along with supporting documentation to discuss any problems regarding the lay off list.
- 12.11 When forces are increased, former employees will be re-employed and paid the rate of the job to which they are assigned. Employees who have been laid off and are rehired shall not lose the credit for their previous experience in computing their pay rates and shall not have their pay rates reduced.
- 12.12 Any employee who has been notified by registered letter at the employee's last known address to return to work and within seven (7) working days has failed to do so, or failed to contact the office, shall be considered to have quit their employment voluntarily and their existing seniority rights shall thereupon be terminated. When any such notice is sent to any employee by registered letter, copy thereof shall be sent concurrently to the Union Committee.
- 12.13 If an employee is absent from work because of sickness, approved leave of absence or accident, they shall not lose seniority rights and shall return to the position held prior to the absence, or in the event that the job has been eliminated, one of equal rating provided the employee is capable of performing former duties. In the case of such absence, it shall be the duty of each employee so absent to notify the Company of the reasons for absence and how long they expect their absence will last. Employees absent due to illness or accident over one (1) month shall be required to notify the Company each thirty (30) days and report their progress. Under the provisions of this clause employees shall continue to accumulate seniority during such absences.
- 12.14 Seniority shall be defined as the length of an employee's service with the Company and the Bargaining Unit, calculated as the elapsed time from the day the employee was first employed, unless their seniority was broken in which event such calculation shall be from the date the employee returned to work following the last break in their seniority.

12.15 Employees while on layoff and who return to work following layoff, within the time of allowable breaks as outlined above shall continue to accumulate seniority during the layoff period as outlined in Section 12.07.

12.16 In case of layoff, all employees shall receive notice in accordance with the following scale or receive pay in lieu of notice:

After one (1) year seniority..... five (5) working days

After six (6) month's seniority..... three (3) working days

Less than six (6) month's seniority..... two (2) working days

Two (2) working days where possible in the event of layoff due to a non-kill day. This clause shall not be interpreted in such a manner so as to reduce the "weekly guarantee" as outlined under the provisions of Article 25 herein. In the event of circumstances beyond the Company's control, both parties shall meet to discuss ways and means of decreasing the guarantee to avoid sporadic layoffs.

12.17 Where an employee is offered a supervisory position outside the bargaining unit and less than three (3) months time has expired, the employee can choose to return, or the Employer can require the employee to return, to the bargaining unit with no loss of seniority. This provision is restricted to be used only once by an employee during their employment with the employer.

ARTICLE 13 - GRIEVANCE PROCEDURE

13.01 (a) A Grievance Committee, the number not to exceed three (3) who shall be regular employees of the Company, shall be elected by the Union in a manner determined by them and the Company shall be kept informed of the personnel of this Committee.

(b) Shop Stewards, the number to be decided by the Union, shall be elected by the Union in a manner determined by them and the Company shall be kept informed of the personnel of the Shop Stewards.

(c) All grievances shall be taken up on Company time during regular working hours.

(d) If a Steward has to leave their job or department in connection with a grievance, the steward shall first secure permission from the foreman before leaving the job or department. Such permission shall be granted as promptly as possible but shall in no case, exceed one-half (1/2) hour. For the purposes of facilitating the grievance procedure, the Chief Shop Steward shall be free to leave their job or department in order to investigate any grievance brought to their attention.

(e) It is agreed that the purpose of the grievance procedure will be to settle all grievances promptly, and that consultation at any step on the following procedure will take place quietly and speedily so that friction or animosity will be reduced to a minimum.

13.02 (a) The following procedure shall be applicable progressively to the adjustment of disputes or grievances:

First Step: A meeting shall occur within two (2) working days of request between the Union Steward, Chief Steward with or without the employee and an equal number of

representatives designated by the Company. A decision must be rendered within two (2) working days, unless mutually agreed otherwise. Failing settlement at this step, the matter shall then be referred to:

Second Step: A meeting shall occur between the Union Grievance Committee and the Committee designated by the Company. In case of an emergency a meeting can be called by either party. Outside representatives of the Union and the Company may be called in if so desired. A decision to be rendered within three (3) working days unless mutually agreed otherwise. All grievances and decisions at this stage are to be in writing. Should either party intend to proceed to the "Third Step" they must advise the other party in writing within ten (10) working days from the date the decision was rendered under Step 2 of the grievance procedure. Both parties will then proceed as outlined in the Third Step.

Third Step: Any disagreement, grievance or dispute arising under this Agreement which is not settled to the satisfaction of either the Union or the Company under the provisions of this Article shall upon the written notice of either party be submitted to an agreed upon single Arbitrator, who shall be bound by the rules of this Agreement. In the event of failure to agree upon an Arbitrator within one (1) week, the third party shall be appointed by the Minister of Labour for the Province of British Columbia. Any expense incurred as a result of the appointment of an Arbitrator shall be borne in equal shares by the Company and the Union. The decision of the Arbitrator shall be rendered within two (2) weeks.

- (b) In areas where there is no Steward, the grievance shall be taken up as outlined in this Article by the Chief Shop Steward, or their designated representative.
- (c) The Company recognizes the right of the Grievance Committee to process any grievance that is brought to their attention, or to pursue matters affecting relations between the Company and employees.
- (d) Saturdays, Sundays and Statutory Holidays shall not be considered as "working days" wherever this phrase occurs in this Article.
- (e) In the event either party finds it necessary to enter into a Labour-Management meeting, they shall submit an agenda and the Labour-Management meeting shall be held within three (3) days. Meetings shall be held on Company time.
- (f) Employees who are required to meet with Management or Supervisory personnel with regard to terms or conditions of work shall have a Shop Steward of their choice attend with them at any such meeting.
- (g) **All grievances not presented to the Company within ninety (90) calendar days from the date the grievance arose, shall be waived.**

13.03 When a grievance which involves an error in the proper earnings of an employee is subsequently settled and as a result of such settlement the wage of an employee is increased, such increase shall be made retroactive to the date on which the error in the earnings was made. If the date cannot be established, then the increase shall be effective the date the grievance was laid or such other date as may be agreed upon.

- 13.04 (a) When the Company deems it necessary to discipline an employee, they shall have the Union Steward present. The Union steward shall be the one who is chosen by the employees and who is available in the plant. If the employee or employees concerned feel they have been unjustly dealt with, they shall grieve within two (2) working days. In the case of suspension or dismissal the Union Steward and Chief Steward or their designated representative shall be present. In the case of dismissal, the procedure shall be as in Section 13.04 (b).
- (b) If an employee is dismissed for any reason, whatsoever and feels that they have been unjustly dealt with, the employee shall, within three (3) working days from receipt of notice of dismissal, notify the Grievance Committee who shall within one (1) working day notify the Company in writing. The dismissal shall then constitute a grievance and shall be dealt with according to the Grievance Procedure, beginning with the "Second Step." If subsequently it is decided that the employee was unjustly dismissed, the employee shall be reinstated in their former position and shall be paid for this period during which they have not worked as if they had not been dismissed or granted such lesser compensation as seems fair under the circumstances.
- 13.05 The Company must give the Local Union notice in writing of the suspension or discharge of any employee and the reasons on the day such action is taken.
- 13.06 When settlement is reached at any stage of these proceedings, such decision shall be final and binding. It is understood that no decision will be made unless representatives of the Union are present.
- 13.07 Warnings issued by the Company as a result of offenses committed by employees shall be void after six (6) months, provided, there is not an additional warning issued for the same offense within the next six (6) months. Any disciplinary measures taken by the Company shall be void after a period of eighteen (18) months provided there have been no other related disciplinary measures taken during that eighteen (18) month period. When any such notice is sent to any employee, copy thereof shall be sent to the Local Grievance Committee. The above is subject to the right of the Union to grieve.
- 13.08 The Company and the Union agree to jointly issue a Letter of Agreement regarding justice and dignity in the workplace.
- 13.09 The Company will provide, on an ad hoc basis, an office for the use by the Stewards and Union officials for discussing Union business on Company premises. The Company will allow Union officials reasonable access, upon request, to the Company's telephone, fax and photocopier equipment.

ARTICLE 14 - LEAVE OF ABSENCE

- 14.01 When an employee's personal affairs make it desirable for the employee to be relieved temporarily of Company duties, leave of absence without pay beyond the regular vacation to which an employee is entitled may be granted for good and sufficient reason. "Good and sufficient reason" as referred to herein shall be the subject of mutual agreement and shall not be established arbitrarily by either party.
- 14.02 Leave of absence will not be granted for the purpose of allowing any employee to take another position temporarily, try out new work, or venture into business for themselves.

- 14.03 Leave of absence before being granted, must be requested in writing and approved by the Company.
- 14.04 Permission for leave of absence extending over a period of more than two (2) weeks must be received in writing and in no case exceed a three (3) month period, provided however, that it may be extended upon agreement by the parties hereto.
- 14.05 Requests for leave of absence because of pregnancy will be granted upon application in writing and supported by a Doctor's Certificate. Upon the expiration of the leave of absence, the employee may signify that she wishes to return to work, and in such case she will be reinstated within one week provided she has the necessary seniority and is able to perform the required work. Upon return to work the employee will return to the position previously held or to one of equal rating. Under the provisions of this clause, employees shall continue to accumulate seniority.

The Company agrees to comply with the legislation regarding Maternity/ Parental leave. The Company will post the current provisions of the legislation on the Company bulletin board.

- 14.06 Leave of absence shall be granted upon request by an employee who has been elected or appointed to attend any function on behalf of the Union. Such employees shall continue to accumulate seniority for the period covered by this Agreement and upon their return to work shall be reinstated in the job held prior to the leave or one of equal rating. Employees on leave under the provisions of this clause shall receive eight (8) hours pay at their regular rate for Statutory Holidays which occur during such leave of absence.
- 14.07 One (1) employee who may be elected or appointed to a full time position with the Union, upon proper notice to be agreed upon by the parties, shall be granted a leave of absence, without pay, not to exceed the life of this Agreement. Upon one week's notice of their desire to again return to work for the Company, the employee shall be placed upon their job previously held, or one of equal pay, without loss of seniority, provided the employee is physically fit and capable of performing the work. Leave of absence under this clause will be given in writing by the Company.

ARTICLE 15 - PAY PERIODS

- 15.01 All employees shall be paid on Company time.
- 15.02 The Company shall continue to pay all employees their pay cheques on the Pay Day presently in effect. In the event that there is a reduction in the working force on the regular Pay Day; employees will be issued their pay cheques on the day prior to the regular Pay Day. It is agreed that for the purposes of this clause, the Pay Day referred to shall be defined as Friday. Direct Deposit shall be in effect no later than December 31, 1998.
- 15.03 All deductions and income will be itemized each pay period on the payroll slip provided to the employee. The amount of regular hours, overtime hours and rates of pay shall be shown separately on the pay slip.

- 15.04 Any errors in payroll earnings which are fifty dollars (\$50.00) or greater shall be corrected **within one (1) business day**. Payroll errors less than fifty dollars (\$50.00) shall be corrected on the next payroll period.

ARTICLE 16 - WORK CLOTHING

- 16.01 All employees requiring rubber gloves and aprons shall be supplied gloves and aprons free of charge upon request.
- 16.02 The Company agrees to supply employees where required to do freezer work with freezer coats and mitts and to provide insulated boots for the employee who is regularly assigned to work in the blast freezer. Rubber gloves and/or aprons, rubber pants and/or coats, where specified by the Company as required by employees in the performance of their assigned duties will be provided by the Company. Such clothing remains the property of the Company, shall not be removed from the Company's premises and must be returned for reissue or upon separation. Clothing not returned when worn out or upon separation will be paid for by the employee. Employees shall purchase the first set of rubber boots. The Company shall provide replacement pairs at no cost to the employee on an exchange basis. Those employees who elect to purchase an alternative footwear to rubber boots, shall be granted an allowance toward the purchase of such alternative footwear, which is equivalent to the cost of the rubber boots. Employees working full-time in the box room or lidding room are eligible for an allowance towards the purchase of steel-toed safety footwear in the amount of seventy-five dollars (\$75.00) per calendar year.
- Steel-toed safety footwear required by employees of the maintenance and shipping departments and truck drivers shall be supplied by the Company up to a maximum amount of \$125.00 as required. Steel toed safety footwear shall be provided by the Company, in areas other than those referred to herein, where required by the Safety Committee.
- 16.03 Laundry service shall be maintained as agreed between the Union and the Company. All employees shall be supplied with clean laundry when required, however not less often than daily.
- 16.04 The Company will allow employees adequate relief as well as necessary time for changing clothing or equipment necessitated by a change in working conditions.
- 16.05 The Company agrees to keep knives and scissors properly sharpened at all times.

ARTICLE 17 - NON DISCRIMINATION

- 17.01 It shall be the policy of the Company and the Union not to discriminate because of race, sex, creed, colour, age, religion, national origin, ancestry, physical disability, or Union activities. The Union and the Company agree that the workplace should be free of harassment as defined by the Company Harassment Policy. The Company and the Union will cooperate with each other in preventing and eliminating harassment.

ARTICLE 18 - BEREAVEMENT LEAVE

- 18.01 When an employee is absent on three (3) of their scheduled days due to the bereavement of an immediate relative, the employee shall receive eight (8) hours pay at their regular rate for each such day. Five (5) days for out of Province funerals subject to employee verification if requested

by the Company. For the purpose of this clause an immediate relative shall be one of the following: Wife, Husband, Son, Daughter, Sister, Brother, Mother, Father, Step-father, Step-mother, Mother-in-law, Father-in-law, Sister-in-law, Brother-in-law, Grandparents, Spouse's Grandparents, Grandchildren.

18.02 Ex-Relatives are not considered immediate relatives with regard to bereavement pay.

18.03 Employees who are on compensation during bereavement of an immediate relative shall receive the difference between their compensation rate of pay and their regular rate of pay for three (3) of the schedule days. Employees who are on vacation, lay off, leave of absence, statutory or special holiday, sickness or accident leave shall not receive bereavement pay.

ARTICLE 19 - EMPLOYEE BENEFITS

19.01 (a) New employees must complete three (3) months of service with the Company before being eligible to receive Life Insurance, Weekly Indemnity and Extended Health benefits under this Section.

Employees hired subsequent to the date of ratification of the May 6, 1998 agreement shall be eligible for the benefits outlined in 19.01 (a) (b) (c) and (d) upon completion of twenty four (24) months service with the exception of MSP which shall be covered on completion of three (3) months of service.

(b) Effective the first (1st.) of the month following date of ratification of this Agreement, sick pay (Weekly Indemnity) shall be sixty percent (60%) of the individuals weekly pay, based on forty (40) hours per week, with a minimum Weekly Indemnity benefit of not less than sixty percent (60%) of the top labour rate based on forty (40) hours worked. In the case of normal illness, a three (3) day waiting period is to be observed; payment of benefits commencing on the fourth (4th.) day. However, where an employee is hospitalized due to illness within the waiting period or where an employee is unable to work due to a non-compensable accident, the waiting period shall be waived. The scale of benefits mentioned herein shall be as follows:

<u>Service Factor</u>	<u>Benefit Duration</u>
3 months to 17 months.....	4 weeks
18 months to 47 months	8 weeks
48 months to 71 months	12 weeks
72 months to 95 months	18 weeks
96 months to 119 months	26 weeks
120 months and over	34 weeks

The cost of providing this coverage shall be borne by the Company.

The Company agrees to advise the insurance carrier to mail weekly indemnity cheques directly to the claimant.

(c) M.S.P. of B.C. (Medical Services Plan of British Columbia) The Company shall pay the full premium cost of this Plan to cover all employees within the Bargaining Unit. The provisions of this clause shall also include the M.S.A. (Medical Services Association) Extended Health Plan. In the event that there is an increase in premiums charged for the

coverage referred to in this clause for whatever reason, including but not limited to the opting out of Provincial plans by Doctors or the establishment of deterrent fees, the Company shall absorb such additional costs, if any to a maximum of ten dollars (\$10.00) per visit. The Company shall be free to provide this extended health plan through the carrier of its choice provided, that such "Plan" is not less favourable in either terms and/or coverage than that contracted for under M.S.A.

Effective the date of ratification of this Agreement the present "Hearing Aid" coverage shall be extended to cover employees and their dependents.

The Company agrees to investigate the cost of implementing a prepaid prescription identification drug card within six (6) months of ratification. Subsequent to agreement with the Union, any increased cost resulting from this provision will be paid by the employee by payroll deduction.

- (d) Life Insurance: The Company agrees to maintain the present provisions for life insurance providing for \$35,000.00 coverage for all employees within the bargaining unit. The cost of providing this coverage shall be borne by the Company.
- (e) The Company agrees to participate in the U.F.C.W. Local 1518 Dental Plan on the following basis. Effective July 1, 1997, the Company shall contribute thirty-two cents (\$0.32) per hour for each straight time hour worked by all employees in the Bargaining Unit, not to exceed twelve dollars and eighty cents (\$12.80) per week. Effective February 1, 1998, amend thirty-two cents (\$0.32) to read thirty-six cents (\$0.36) and twelve dollars and eighty cents (\$12.80) to read fourteen dollars and forty cents (\$14.40) per week. Paid vacation, statutory holidays and compliance with Section 19.04 shall be considered as time work for the purposes of this clause.

Effective August 7, 2000, amend thirty-six cents (\$0.36) to read forty cents (\$0.40). Effective the first pay period subsequent to the date of ratification 2001, the Company shall contribute forty-eight cents (48¢) per hour for each straight-time hour worked by all employees in the bargaining unit.

Effective December 1, 2003, the Company shall contribute sixty cents (\$0.60) for each straight-time hour worked by all employees in the bargaining unit.

- (f) The Company shall pay an amount equal to weekly indemnity coverage to employees who are making a Workers' Compensation claim so that employees who are off work because of a work related injury are protected while waiting for any Workers' Compensation Board payments. It is understood that the provisions of this clause are only applicable where the employee has not received monies from the Workers' Compensation Board within two (2) weeks of applying for benefit.
- (g) Cost incurred as a result of the Company's or insurance carrier's request for medical information shall be borne by the Company not to exceed twenty-five dollars (\$25.00) for each requested form.

19.02 Any benefits or working conditions now in effect and not specifically covered by this Agreement shall remain in effect unless changed by collective bargaining.

- 19.03 The Company agrees to provide for payroll deduction for those employees wishing to enroll in a savings bond purchase plan of their choice.
- 19.04 The Company shall not be required to pay the premiums (contributions), and benefit coverage ceases under this Agreement when an employee has:
- (a) been laid off for six (6) continuous months or more
 - (b) has been absent due to a non-compensable accident or illness for 18 months or more
 - (c) has been absent due to compensable accident or illness for 36 months or more.

ARTICLE 20 - CONTRACTING OUT

- 20.01 The Company agrees that it will not during the term of this contract, enter into new contracts that will have an adverse effect on the employees. When work performed on the premises by outside contractors materially change in practice and has an adverse effect on present employees affected by such change in practice, the matter will be subject to grievance procedure and may be taken to arbitration. This clause will not preclude the Company from hiring outside trucks and drivers in case of emergency deliveries, **or where economically justifiable.**

In the event the Company wishes to contract out work, as outlined above, the Company will first discuss the matter with the Union. Any agreement arising out of these discussions will **provide impacted employees with eligibility for the Separation Allowance provisions outlined in Article 22 or the option of performing whatever Bargaining Unit work is available and** be subject to ratification by both parties.

ARTICLE 21 - APPEARANCE IN COURT

- 21.01 An employee summoned to appear or required to serve jury duty or one who have been served with a subpoena to appear as a witness shall be paid the difference between what the employee would have earned for their scheduled hours at their paid rate and the court fee received. Employees should notify their Foreman as soon as possible after receipt of notice of selection for jury duty or after receipt of the subpoena to appear as a witness. The Company may require the employee to furnish a certificate of service from an officer of the court before making any payment under this Section. Leaves under the provisions of this clause shall be recognized and granted on a full day basis and apply to all shifts.

An employee charged with a criminal offense and subsequently found guilty shall not be entitled to remuneration under this clause.

ARTICLE 22 - SEPARATION ALLOWANCE

- 22.01 Should it become necessary to close the plant or a portion of the plant and it is not expected that those affected will be re-employed, a separation allowance will be paid to employees subject to the following:
- (a) They have one (1) or more years' seniority
 - (b) They have not been granted retirement pension

- (c) The closing is not brought about by war, strike, walkout, work stoppage, slowdown or other cessation of work, fire, government action or Act of God.
- (d) In order to qualify for separation allowance employees will continue to work in a satisfactory manner as long as required.
- (e) Effective the date of ratification the separation allowance shall be:
 - **From 1 – 10 years: one (1) week per full year of service.**
 - **From 11 years and over, the ten (10) years allowance plus one and one-half (1-1/2) week per full year over ten (10) years, with a maximum of twenty-six (26) weeks.**
- (f) In the event of a whole or partial plant reduction, all employees affected shall receive six (6) weeks' notice or receive pay in lieu of notice.

22.02 Employees who accept separation pay under the provisions of this clause shall on doing so terminate their seniority and employment relationship with the Company and shall have no further rights under this Agreement or any other Agreement between the signing parties.

22.03 In the event that part of the plant remains open, employees eligible to received separation allowance may elect to remain on the seniority list for possible recall. The Company will hold the separation allowance for such employees so long as they are eligible for recall, during which time the employee may request payment subject to the provisions of the above Section. Those re-employed on this basis shall continue to accumulate seniority during the period of layoff.

22.04 In respect of those employees who are eligible for separation allowance under this Article the Company will continue to contribute to the Group Life Insurance, Dental Plan, Medical Surgical, Major Medical and Hospitalization Plans. Such contributions shall continue for a period of up to four (4) months, following the month in which the plant is closed and will be made on the basis existing at the time of closing.

Effective October 1, 1981, such contributions shall continue for a period of five (5) months.

ARTICLE 23 - HOT GOODS

23.01 The Company agrees that in the event of a legal strike amongst the employees of a concern with which the Company is doing business, it will not ask, require or in any way force or compel members of the Union to service such a strike-bound firm. It is further agreed that members of the Union will not be asked, compelled or forced in any way to handle "hot goods" from any strike-bound firm when such "hot goods" have been made available for handling through some subterfuge that seeks only to circumvent the legally established picket line(s) at the struck plant or concern.

ARTICLE 24 - WEEKLY GUARANTEE

24.01 The Company agrees to guarantee every employee with seniority in excess of one year, and not otherwise excluded, in every week of employment thirty-two (32) hours pay at regular rates, subject to the following provisions:

- (a) The Company shall at its discretion adjust the work force in proportion to the work available or expected. To provide employees with their weekly guarantee the Company shall be free to distribute available work equitably within the work force.
- (b) The guarantee shall be reduced by pay for the number of hours for which an employee is not eligible for payment of wages. This will include tardiness, or absence from work on any day, or part of a day, quitting or hiring during the week, being engaged in a stoppage of work, suspension, or dismissal or being on layoff.

Employees eligible for the guarantee who have worked during any week shall be entitled to the full thirty-two (32) hour guarantee for such weeks and shall not have their guarantee reduced or eliminated by reason of a layoff.

- (c) The guarantee shall be the same in weeks in which the paid public holidays occur as in others. Pay received for public holidays shall be regarded as part of the guarantee. If holidays other than the agreed public holidays are observed, by agreement or as required by law, the guarantee in such weeks shall be the number of hours available for work.
- (d) **When an employee's working hours are reduced below the minimum mentioned above, in one fiscal week, the guarantee, if any, shall be calculated and paid on a proportionate basis as sixty-four (64) hours of pay at his/her regular rate in each payroll period or pay in lieu of work.**
- (e) In consideration of the foregoing, the Union agrees and the Company expects that employees will perform whatever tasks may be assigned to them conscientiously.
- (f) Employees hired subsequent to the date of ratification of the May 6, 1998 Agreement must have twenty-four (24) months of service to be eligible for the guaranteed work week.

24.02 Any employee who is called for work for the express purpose of relieving an employee because of sickness shall not be entitled to the thirty-two (32) hour guarantee provisions of this Article.

ARTICLE 25 - SANITATION

25.01 The Company agrees to keep the plant clean, healthful, sufficiently ventilated and in a well lighted condition at all times, and agrees to pay particular attention to the question of sanitation and health wherever help is to be provided for, and further agrees that where the present conditions are not satisfactory, to adjust the matter as far as that reasonably may be possible to the satisfaction of employees as represented by the Union's Committee.

25.02 The Union agrees that all employees will make every effort to cooperate with the Company in this matter of cleanliness, sanitation and health.

25.03 Soap and a maximum of two towels daily shall be provided for live hangers at no cost to the employees.

ARTICLE 26 - TOOL REPLACEMENT

26.01 The Company shall provide for the equal value replacement of tools broken or worn out on the job.

- 26.02 The Company shall supply metric tools where required by employees in the performance of their duties. The Company shall purchase and own these tools and employees will have full access to them.
- 26.03 The Company shall reimburse the First Aid Attendant and the designated backup First Aid Attendant for all cost incurred in the maintenance of First Aid tickets required in the performance of their duties.

ARTICLE 27 - PENSION PLAN

- 27.01 (a) The Employer agrees to participate in and contribute to the CANADIAN COMMERCIAL WORKERS INDUSTRY PENSION PLAN.
- (b) The Employer agrees to contribute to the Trust Fund of the Canadian Commercial Workers Industrial Pension Plan in the following amount. Nine cents (\$0.09) to be applied to purchase a pension credit for past service to a maximum of five (5) years. Effective the pay period commencing after the date of ratification of this agreement, the Company will increase the contribution rate towards current and future service to fifty-one cents (\$0.51) per hour. Effective July 1, 1999, the contribution rate will be increased to fifty-three cents (\$0.53) per hour. Effective July 1, 2000, the contribution rate will be increased to fifty-five cents (\$0.55) per hour. Effective July 1, 2002, the contribution rate will be increased to sixty cents (60¢) per hour. Effective December 1, 2003 the contribution rate will be increased to sixty-three cents (\$0.63) per hour. Effective December 1, 2005, the contribution rate will increase to sixty-eight cents (\$0.68) per hour.
- (c) For purposes of paragraph (b) above, hours paid means all hours paid to all employees.

The maximum number of hours paid per week is the number of hours of the normal week of a full time employee in the bargaining unit.

The said hours paid shall include hours worked, hours paid by the Employer for the time not worked because of vacations, statutory holidays, bereavement leave, jury duty, or grievance meetings, etc.

- (d) The Employer agrees to sign the "Participation Agreement" and to supply any other documents, forms, reports or information requested/required by the Trustees of the Pension Plan.
- (e) The Employer shall forward all contributions, supported by a report in a format to be designated by the Trustees, together with a list of all employees and the number of hours paid for each employee in each month. Contributions shall be made within 15 days following the end of each month.

The Employer agrees to comply with all requests of the Board of Trustees in regard to entry into the Plan, to abide by all the rules and decisions of the Board of Trustees as decided from time to time and specifically, to pay late remittance penalties and any costs incurred by the Board of Trustees because the Employer failed to remit contributions in the form or on the date required by the Trustees.

WAGE SCHEDULE

	July 1/ 2002	July 1/ 2003	July 1 /2004	Aug. 7 /2005
LABOUR:				
Start Rate	9.25	9.25	9.25	9.25
After 6 months	10.25	10.25	10.25	10.25
After 12 months	11.25	11.25	11.25	11.25
After 18 months	13.25	13.25	13.25	13.25
After 24 months (Base Rate)	16.72	16.92	16.92	17.22
CLASSIFIED				
Coolerman	16.92	17.12	17.12	17.42
Graders	16.94	17.14	17.14	17.44
Boning Room - Hangers	16.94	17.14	17.14	17.44
Boning Room - Skinners	16.94	17.14	17.14	17.44
Evisceration line worker	16.94	17.14	17.14	17.44
Turkey Boners	16.94	17.14	17.14	17.44
Freezerman	17.02	17.22	17.22	17.52
First Aid	17.11	17.31	17.31	17.61
Assistant Shipper	17.21	17.41	17.41	17.71
Warehouseman	17.21	17.41	17.41	17.71
Clean-up	16.72	16.92	16.92	17.22
Cutter Operator	17.39	17.59	17.59	17.89
Live Poultry Hanger	17.39	17.59	17.59	17.89
Smokehouse Operator	17.39	17.59	17.59	17.89
Sticker	17.39	17.59	17.59	17.89
Utility Person.	17.69	17.89	17.89	18.19
Truck Driver/Van Driver	18.44	18.64	18.64	18.94
Head Shipper	18.55	18.75	18.75	19.05
Truck Driver - Semi	18.69	18.89	18.89	19.19
MAINTENANCE AND ENGINEERS				
Engineer 5 th Class	19.82	20.02	20.02	20.32
Engineer 4 th Class	20.82	21.02	21.02	21.32
MILLWRIGHT/ ELECTRICAL				
Level 1	21.57	21.77	21.77	22.07
Level 2	22.07	22.27	22.27	22.57
Level 3	22.57	22.77	22.77	23.07
Level 4 Journeyman	23.90	24.10	24.10	24.40
Millwright	23.90	24.10	24.10	24.40
4 th Class Millwright	23.90	24.10	24.10	24.40
Electrician	23.90	24.10	24.10	24.40

WAGE SCHEDULE JULY 1, 2006 – JUNE 30, 2012	Jul 1/06	Jul 1/07	Jul 1/08	Jul 1/09	Jul 1/10	Jul 1/11
LABOUR						
Start Rate Per Hour	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
After 4 months	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00
After 8 months	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00
After 12 months (Base Rate)	\$17.57	\$17.87	\$18.17	\$18.57	\$18.87	\$19.17
CLASSIFIED	Increase \$0.35	Increase \$0.30	Increase \$0.30	Increase \$0.40	Increase \$0.30	Increase \$0.30
Coolerman	\$17.77	\$18.07	\$18.37	\$18.77	\$19.07	\$19.37
Graders	\$17.79	\$18.09	\$18.39	\$18.79	\$19.09	\$19.39
Boning Room – Hangers and Skinners	\$17.79	\$18.09	\$18.39	\$18.79	\$19.09	\$19.39
Evisceration Line Worker	\$17.79	\$18.09	\$18.39	\$18.79	\$19.09	\$19.39
Turkey Boners	\$17.79	\$18.09	\$18.39	\$18.79	\$19.09	\$19.39
Freezer Man	\$17.87	\$18.17	\$18.47	\$18.87	\$19.17	\$19.47
First Aid	\$17.96	\$18.26	\$18.56	\$18.96	\$19.26	\$19.56
Assistant Shipper	\$18.06	\$18.36	\$18.66	\$19.06	\$19.36	\$19.66
Warehouseman	\$18.06	\$18.36	\$18.66	\$19.06	\$19.36	\$19.66
Clean-up	\$17.57	\$17.87	\$18.17	\$18.57	\$18.87	\$19.17
Cutter Operator	\$18.24	\$18.54	\$18.84	\$19.24	\$19.54	\$19.84
Live Poultry Hanger	\$18.24	\$18.54	\$18.84	\$19.24	\$19.54	\$19.84
Smokehouse Operator	\$18.24	\$18.54	\$18.84	\$19.24	\$19.54	\$19.84
Sticker	\$18.24	\$18.54	\$18.84	\$19.24	\$19.54	\$19.84
Utility Person	\$18.54	\$18.84	\$19.14	\$19.54	\$19.84	\$20.14
Truck Driver/ Van Driver	\$19.29	\$19.59	\$19.89	\$20.29	\$20.59	\$20.89
Head Shipper	\$19.40	\$19.70	\$20.00	\$20.40	\$20.70	\$21.00
Truck Driver/ Semi	\$19.54	\$19.84	\$20.14	\$20.54	\$20.84	\$21.14
MAINTENANCE AND ENGINEERS						
Engineer 5th Class	\$20.67	\$20.97	\$21.27	\$21.67	\$21.97	\$22.27
Engineer 4th Class	\$21.67	\$21.97	\$22.27	\$22.67	\$22.97	\$23.27
MILLWRIGHT/ ELECTRICAL						
Level 1	\$22.42	\$22.72	\$23.02	\$23.42	\$23.72	\$24.02
Level 2	\$22.92	\$23.22	\$23.52	\$23.92	\$24.22	\$24.52
Level 3	\$23.42	\$23.72	\$24.02	\$24.42	\$24.72	\$25.02
Level 4 – Journeyman	\$24.75	\$25.05	\$25.35	\$25.75	\$26.05	\$26.35
Millwright	\$24.75	\$25.05	\$25.35	\$25.75	\$26.05	\$26.35
4th Class Millwright	\$24.75	\$25.05	\$25.35	\$25.75	\$26.05	\$26.35
Electrician	\$24.75	\$25.05	\$25.35	\$25.75	\$26.05	\$26.35
Utility/Maintenance	Plus \$0.97 per hour over rate of ticket					

All wage increases shall be retroactive to July 1, **2006** to all employees on payroll at date of ratification for all hours worked and/or paid at the applicable rate.

All employees with sixty (60) days service who are on the Labour Start Progression Grid” who are assigned a “Classified Position” shall receive the “Classified Rate” for all hours worked while performing the “Classified Position.”

The Union reserves the right to have the employees vote in participating in the UFCW Education Fund and the Company agrees to administer the deduction. As of January 1, 1997, two cents (\$0.02) to the Education Fund from the twenty-seven cent (\$0.27) wage increase.

Long Haul Driver: Drivers who must make return trips in excess of four hundred (400) kilometers shall be paid on a rate per kilometer basis. This rate shall be twenty-five cents (\$0.25) per kilometer. The Company will reimburse the Driver for meals and accommodations costs incurred on the trips. The provisions of this clause will only apply if the trip is greater than eight (8) hours in duration.

The Company and the Union agree to delete the classification of lead hand. The parties further agree that there shall no longer be any references to the lead hand function in any manner whatsoever.

It is agreed that employees receiving the rate of pay under the lead hand classification, shall have such rates protected as per Article 4, Section 4.08.

LETTER OF UNDERSTANDING

Re: Article 7 - Hours of Work and Overtime

7.04 (e) Employees who are paid at overtime rates for work performed prior to the commencement of their scheduled shift shall not be penalized by this clause if they leave work prior to their scheduled finishing time.

If an employee responds to work late, it is agreed that any time worked past their scheduled finishing time shall be voluntary.

RENEWED THIS 23rd DAY OF JULY, 2006 .

ON BEHALF OF THE COMPANY
Lilydale Inc.

ON BEHALF OF THE UNION
United Food and Commercial Workers,
Local 1518

John Franck

Gerald Dyck

Gerry Beadle

Todd Crosby

Dan Scott

Anne Braniski

Pierre Girard

J.B. Wells

LETTER OF UNDERSTANDING

Re: Seniority Provisions in Event of Plant Openings or Transfers

Should the Company open a plant in British Columbia or transfer any of its present operations covered by this 'Agreement' and present employees are displaced because of this, the Company agrees that such employees will be the 'first' to be employed, in order of seniority, at such new plant or operation. The selection of available jobs, shall be on the basis of seniority. Previous service with the Company shall be recognized for the purposes of vacations, separation allowance and welfare plans.

RENEWED THIS 23rd DAY OF JULY, 2006 .

ON BEHALF OF THE COMPANY
Lilydale Inc.

ON BEHALF OF THE UNION
United Food and Commercial Workers,
Local 1518

John Franck

Gerald Dyck

Gerry Beadle

Todd Crosby

Dan Scott

Anne Braniski

Pierre Girard

J.B. Wells

LETTER OF UNDERSTANDING

Re: Staffing Levels

The Company and the Union recognize that lower staffing levels, due to absenteeism, place a greater work load for those employees on the line. The parties agree to study this problem, during the term of this Agreement, with a view of achieving a solution which will be acceptable to both parties.

RENEWED THIS 23rd DAY OF JULY, 2006 .

ON BEHALF OF THE COMPANY
Lilydale Inc.

ON BEHALF OF THE UNION
United Food and Commercial Workers,
Local 1518

John Franck

Gerald Dyck

Gerry Beadle

Todd Crosby

Dan Scott

Anne Braniski

Pierre Girard

J.B. Wells

LETTER OF UNDERSTANDING

BETWEEN: Lilydale Co-operative **Inc.**
Abbotsford, B.C.

AND: United Food and Commercial Workers
International Union, Local 1518

RE: U.F.C.W. Health, Safety and Education Training Fund

Effective January 1, 1997, the Company agrees to administer the deduction of two cents (\$0.02) per hour for every hour worked by employees to a maximum of forty (40) hours per week. Said deduction to be submitted to the U.F.C.W. Health, Safety and Education Training Fund by the 15th of the following month for which deductions were made.

RENEWED THIS 23rd **DAY OF** JULY, 2006 .

ON BEHALF OF THE COMPANY
Lilydale Inc.

ON BEHALF OF THE UNION
United Food and Commercial Workers,
Local 1518

John Franck

Gerald Dyck

Gerry Beadle

Todd Crosby

Dan Scott

Anne Braniski

Pierre Girard

J.B. Wells

LETTER OF UNDERSTANDING

**BETWEEN: Lilydale Co-operative Inc.
Abbotsford, B.C.**

**And: United Food and Commercial Workers
International Union, Local 1518**

Re: Banked Overtime Hours

Employees may elect to bank hours of overtime, up to a maximum of eighty (80) straight time hours. This decision must be communicated to the Company, in writing, prior to December 31 each year, on an appropriate form to be provided by the Company. Banked hours are earned during the calendar year between January 1 and December 31. Banked hours will be paid at the rate the employee was receiving at the time they earned the banked hours. Banked hours will only be utilized for maximizing regular hours during a short work week or to apply against the three day waiting period referred to in 19.06(b). For the purpose of this clause it is understood that a short work week is defined as a week in which the number of scheduled work hours is less than forty (40) hours. Upon three (3) weeks notice to the Company, hours banked but not taken shall be paid upon request. Accumulated hours will be recorded and such recap shall be made available to employees upon request.

RENEWED THIS 23rd DAY OF JULY, 2006 .

**ON BEHALF OF THE COMPANY
Lilydale Inc.**

**ON BEHALF OF THE UNION
United Food and Commercial Workers,
Local 1518**

John Franck

Gerald Dyck

Gerry Beadle

Todd Crosby

Dan Scott

Anne Braniski

Pierre Girard

J.B. Wells

LETTER OF UNDERSTANDING

**BETWEEN: Lilydale Co-operative Inc.
Abbotsford, B.C.**

**And: United Food and Commercial Workers
International Union, Local 1518**

Re: Article 7.04(d)

The Company and the Union recognize that the processing of live animals is of mutual concern and therefore the parties agree to monitor the situation of having insufficient volunteers to perform the available overtime. The parties will meet during the term of the Agreement to discuss ways of reducing overtime and encouraging employees to volunteer when emergency situations arise.

RENEWED THIS 23rd DAY OF JULY, 2006 .

**ON BEHALF OF THE COMPANY
Lilydale Inc.**

**ON BEHALF OF THE UNION
United Food and Commercial Workers,
Local 1518**

John Franck

Gerald Dyck

Gerry Beadle

Todd Crosby

Dan Scott

Anne Braniski

Pierre Girard

J.B. Wells

LETTER OF UNDERSTANDING

**BETWEEN: Lilydale Co-operative Inc.
Abbotsford, B.C.**

**And: United Food and Commercial Workers
International Union, Local 1518**

Re: Hours of Work

The Company and the Union acknowledge that the changing business conditions may require a change to the hours of work as set out in the collective agreement. On the basis of the foregoing, the Company and the Union agree that a revision to the hours of work shall be negotiated in the event a change is required to the basic workweek or to implement a six or seven-day schedule without the penalty of overtime rates. It is acknowledged that the results of the negotiations are subject to ratification by the respective parties.

RENEWED THIS 23rd DAY OF JULY, 2006 .

**ON BEHALF OF THE COMPANY
Lilydale Inc.**

**ON BEHALF OF THE UNION
United Food and Commercial Workers,
Local 1518**

John Franck

Gerald Dyck

Gerry Beadle

Todd Crosby

Dan Scott

Anne Braniski

Pierre Girard

J.B. Wells

LETTER OF UNDERSTANDING

**BETWEEN: Lilydale Co-operative Inc.
Abbotsford, B.C.**

**And: United Food and Commercial Workers
International Union, Local 1518**

Re: Lilydale Attendance Program

The Company agrees to not count approved Weekly Indemnity claims as absences under the policy. The Union understands that the Company intends to implement a revised policy during the term of the Collective Agreement.

RENEWED THIS 23rd DAY OF JULY, 2006 .

**ON BEHALF OF THE COMPANY
Lilydale Inc.**

**ON BEHALF OF THE UNION
United Food and Commercial Workers,
Local 1518**

John Franck

Gerald Dyck

Gerry Beadle

Todd Crosby

Dan Scott

Anne Braniski

Pierre Girard

J.B. Wells