

SAPUTO FOODS LIMITED AGREEMENT

THIS AGREEMENT entered into this 21st day of September, 2007.

BETWEEN:

SAPUTO FOODS LIMITED
6800 Lougheed Highway
Burnaby, British Columbia V5A 1W2

(hereinafter referred to as the "Employer")

OF THE FIRST PART

AND:

TEAMSTERS LOCAL UNION No. 464
of the City of Vancouver
Province of British Columbia
affiliated with the
International Brotherhood of Teamsters

(hereinafter referred to as the "Union")

OF THE SECOND PART

WITNESSETH THAT the Parties hereto agree as follows:

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CLAUSE 1 - UNION SECURITY

- 1.01 (a) All employees covered by this Agreement must become members of the Union within fourteen (14) calendar days of their commencing their employment hereunder. The Employer agrees to retain in his employ, within the group covered by this Agreement, only members of the Union in good standing and to notify the Union within ten (10) days of any new employees hired or former employees returned to the payroll.
- (b) For those persons hired through external agencies for temporary assignment or where 'students' are employed (e.g. summer help) in the bargaining unit's Office & Technical classifications for temporary periods, the Company agrees to remit 'an equivalent payment' in the event these persons are employed greater than four (4) weeks.
- 1.02 (a) It is further agreed that any person not a member of the Union shall not work at occupations which come under the Union's jurisdiction, except in cases of emergency and then only until a member of the Union can be placed on the job. Where this provision operates against the efficiency of the plant, the Union undertakes to consider exemption in any particular case put before it. In the event of failure to reach agreement, the matter will be submitted to Arbitration under the provisions of Clause 8, Section 8.03.
- (b) It is also recognized and agreed to by the Parties that the interactive nature of office work necessitates the utilization of non-bargaining unit employees and that they may be used to the same extent as they are now used provided it does not directly result in the permanent lay-off of these employees falling within the bargaining unit.
- 1.03 That the Union's jurisdiction shall be deemed to include the processing, manufacture, sale and/or distribution of dairy products or such other products as the Employer may from time to time process, manufacture, sell and/or distribute, and office and technical employees except those employees previously excluded.
- 1.04 This Agreement shall cover all employees engaged in work coming within the Union's jurisdiction and whether employed at the Employer's address set forth above or employed elsewhere in the Province of British Columbia and there engaged in the sale or distribution of dairy or other products shipped or forwarded from the aforesaid places. This shall not be deemed to include sales representatives who are not employed in distribution or delivery.
- 1.05 The selling and distribution of dairy products being recognized as work coming within the Union's jurisdiction, such work must be performed by an employee of the Company whose products are being sold or distributed.
- 1.06 Personnel above Route Foreman or Plant Foreman shall not be required to be members of the Union unless working within the Union's jurisdiction.
- 1.07 Wherever the male gender is used in this agreement, it will be understood to include the female gender.

CLAUSE 2 - UNION ACTIVITIES OF EMPLOYEES

2.01 No employee shall be discharged or discriminated against for upholding the Union's principles. No employee who serves on a committee shall lose his or her position nor be discriminated against for that reason. The Employer shall allow time off work to any man or woman who is serving on a committee or as a delegate, provided that all requests for time off are reasonable or do not interfere with the proper operation of the plants or routes, and provided that requests for such time off are made by Officers of the Union.

CLAUSE 3 - UNION NOTICES

3.01 The Company agrees to provide space which is readily accessible for the Union Notices of direct interest to the employees.

CLAUSE 4 - DEDUCTION OF DUES ETC.

4.01 Each of the employees covered by this Agreement hereby authorizes the Employer to deduct and pay over to the Secretary-Treasurer of the Union any monthly dues, fines or assessments levied in accordance with the Union's by-laws, owing by him or her hereunder to the said Union, or as are authorized by regular and proper vote of the membership of the Union. Monies shall be deducted in accordance with the written statement supplied in duplicate by the Union which shall show the total amount owing by each employee and the names of the employees for whom the deductions are to be made. Deductions of any monies owing shall also be made from any employees in the month in which they terminate. Monies deducted shall be forwarded by the Employer to the Secretary-Treasurer of the Union not later than the 10th day of the following month and shall be accompanied by a copy of the written statement supplied by the Union.

CLAUSE 5 - SHOP STEWARDS

5.01 There shall be a Shop Steward at each operation covered by this Agreement, if the Union so desires, to see whether the members of the Union and the Employer live up to the provisions of this Agreement and to report any infractions of such provisions and rules to the manager or supervisor, who shall promptly deal with same. Such Shop Steward shall be elected by the Union members in the shop concerned, failing which, a Shop Steward may be appointed by the Union and shall be an employee of the place in which he is a Steward. There shall be no discrimination against the Shop Steward for Union activities.

5.02 The Shop Steward shall have no authority to alter, amend, violate or otherwise change any part of this Agreement. The Shop Steward shall report to the Union Officers any violation of this Agreement.

CLAUSE 6 - CONFLICTING AGREEMENT

6.01 It is further agreed by the Employer that no Union member will be asked to make any written or verbal agreement conflicting with this Agreement. No Union member shall make any written or verbal agreement with the Employer conflicting with this Agreement.

CLAUSE 7 - CROSSING OF A PICKET LINE & RIGHT TO HANDLE UNION PRODUCT

- 7.01 The Employer shall not require any member of the Union to cross a picket line which has not been declared illegal by a court of competent jurisdiction. The Employer shall not require any member of the Union to accept any product or goods from any person, or employees of any person, with whom the Union, Local 464, has a picket or placard line, which has not been declared illegal by a court of competent jurisdiction, around or against, or to deliver any product or goods to any person or employees of any person with whom the Union, Local 464, has a picket or placard line, which has not been declared illegal by a court of competent jurisdiction, around or against.
- 7.02 It shall not be a violation of this Agreement or cause for dismissal for an employee to refuse to handle, receive, ship or transport any material or equipment affected by a labour dispute which has not been declared illegal by a court of competent jurisdiction.

CLAUSE 8 - GRIEVANCE PROCEDURE

- 8.01 Any violation of this Agreement must be submitted as a written grievance within thirty (30) calendar days of the violation or be considered invalid unless, upon evidence of extenuating circumstances, the grievance procedure is authorized by the Executive Board of the Union.
- 8.02 Disputes or differences concerning the interpretation, application, operation or violation of this Agreement shall be subject to the time limits of Section (1) of this Clause and shall be resolved according to the following procedure:
- (a) The employee or the Union, together with such person or persons as he or the Union may wish, shall take the matter up with the Employer.
 - (b) Should a solution not be reached by step (a) then an Officer or Officers of the Union, accompanied by the employee, if he or they so wish, shall discuss the matter with the Employer. If a solution is reached this shall be final.
- 8.03 If the procedures set forth in Clause 8.02 do not result in a solution being reached within seven (7) days of the first discussion between an Officer of the Union and a representative of the Employer, or within such further period by which the Employer and the Union agree to in writing, the dispute shall be referred to an Arbitration Board of three persons appointed as follows:
- (a) The Party desiring arbitration shall appoint a member for the Board and shall notify the other Party in writing of the name and address of the person so appointed and particulars of the matter in dispute.
 - (b) The Party receiving the notice shall, within five (5) days thereafter, appoint a member for the Board and notify the other party of its appointment.
 - (c) The two Arbitrators so appointed shall confer to select a third (3rd) person to be Chairman and failing for three (3) days from the appointment of the second (2nd) of them to agree upon a person willing to act, either of them may apply to the Honourable Minister of Labour to appoint such third member.
 - (d) On mutual agreement of the Parties, a single Arbitrator may be used to resolve any dispute.

8.04 The Arbitration Board shall sit, hear the Parties, settle the terms of the question to be arbitrated and make its award within ten (10) days from the date of the appointment of the Chairman, provided the time may be extended by agreement of the Parties.

The Arbitration Board shall have the power to determine whether a particular issue is arbitrable under this Agreement.

A majority award shall be the award of the Board.

8.05 If the Arbitration Board finds (or if at any earlier stage of the grievance procedure it is found) that an employee has been unjustly suspended or discharged, the employee shall be re-instated by the Company without loss of pay and with all his rights, benefits and privileges which he would have enjoyed if the suspension or discharge had not taken place, or if an Arbitration Board finds (or if at any earlier stage of the grievance procedure it is found) that an ex-employee should have been rehired, that ex-employee shall be employed by the Employer and paid all pay which he should have enjoyed and accorded all the rights, privileges and benefits which he would have enjoyed if he had been hired at the proper time, provided that, if it is shown to the Board that the employee has been in receipt of wages during the period between discharge and/or suspension and reinstatement or date of failure to re-hire and re-hiring, the amount so received shall be deducted from wages payable by the Employer pursuant to this Clause, less any expenses which the employee has incurred in order to earn the wages so deducted, and provided that the Arbitration Board, if circumstances are established before it which, in the opinion of the Arbitration Board, makes it just and equitable to do so, shall have the authority to order the Employer to pay less than the full amount of wages lost.

8.06 If the award of the Arbitration Board is subsequently set aside by a court of competent jurisdiction the question shall, at the request of either party, be submitted to another Arbitration Board appointed pursuant to and with all the powers provided in this Clause.

8.07 The expenses and remuneration of the Chairman shall be paid by the Parties in equal shares.

8.08 Without restricting the specific powers hereinbefore mentioned the Arbitration Board shall have all the general powers of an Arbitration Board.

CLAUSE 9 - DISCHARGE OF EMPLOYEES

9.01 (a) All employees shall be given fourteen (14) calendar day's notice before being laid off save those whose layoff is dictated by supply, exceptional weather conditions, or suspension of an operation for an unscheduled breakdown. A lay-off notice may be extended up to a maximum of four (4) calendar weeks before being renewed.

(b) Employees shall give the Employer the same notice.

(c) These provisions shall not apply to part-time, summer help and new employees still within their probationary employment period (as per Clause 18.01 (d)).

9.02 Except for lay-offs pursuant to Clause 18 of this Agreement, no employee shall be discharged other than for proper cause.

- 9.03 The Employer reserves the right to discharge any employee, without notice, for any of the following causes:
1. dishonesty or theft;
 2. drunkenness;
 3. refusal to obey a lawful order;
 4. absence without leave;
 5. drinking or consuming/taking intoxicating liquors or drugs during working hours including coffee and lunch break;
 6. permitting unauthorized persons on vehicles provided "no riders" stickers are on vehicles;
 7. wilful abuse of sick leave privileges;
 8. impairment due to the improper use of drugs;
 9. wilful abuse of Company property.
- 9.04 Any discharged employee may, within seventy-two (72) hours of his discharge, in writing, require the Employer to give him the reasons for his discharge and the Employer will give such reasons to him, in writing, within seventy-two (72) hours of such request and in the event of any dispute or difference as to whether or not there was proper cause for the discharge of an employee only the reasons so set forth in writing shall constitute cause.
- 9.05 If an employee is discharged or suspended for any reason whatsoever and feels that he has been unjustly dealt with, or if an employee, laid off pursuant to Clause 18 of this Agreement, is not re-hired and feels that he should have been re-hired, the dispute shall constitute a grievance if launched within fourteen (14) calendar days of the discharge or suspension, to be settled pursuant to the provisions of Clause 8 hereof.
- 9.06 The nature of a suspension, length of a suspension and the date of implementation of a suspension shall be provided to an employee in writing and the Union shall be so notified immediately.
- 9.07 All letters of warning or reprimand shall be removed from an employee's personnel file after a period of five (5) years, provided no further disciplinary documentation is on file.

CLAUSE 10 - MANAGEMENT RIGHTS

- 10.01 The Employer shall have the exclusive right and power to manage the business and direct the working forces, including the right to hire; suspend for cause; discharge for cause; lay-off; promote; assign to jobs; transfer employees from department to department; increase or decrease the working forces; determine the products to be handled.
- 10.02 Nothing in this Agreement shall be intended or is to be construed in any way to interfere with the recognized right of the Employer to manage and control the business. It is further agreed that nothing in this Clause shall be used to discriminate against any employee of the Union, its members or its Executive.
- 10.03 Nothing in any of the provisions of this Clause shall in any way limit, void or affect the other provisions of this Agreement.

CLAUSE 11 - WELFARE PLAN AND PENSION PLAN

11.01 Effective the first day of the month following one thousand (1,000) regular hours worked, the Employer shall provide a 'Standard Form' Welfare Plan for all employees covered by the Agreement (excluding those listed herein). The Employer agrees to facilitate but not administer the Standard Form Welfare Plan with the following benefits.

- (a) Life Insurance in the sum of thirty thousand dollars (\$30,000.00) upon death from any cause whatever.
- (b) Accidental Death and Dismemberment in the principal sum of thirty thousand dollars (\$30,000.00), both occupational and non-occupational coverage, on the following schedule of losses:

NATURE OF LOSS	AMOUNT PAYABLE
Life	The Principal Sum
The sight of both eyes	The Principal Sum
Either both hands or both feet	The Principal Sum
The sight of one eye and either one hand or one foot	The Principal Sum
One hand and one foot	The Principal Sum
Both the thumb and index finger of one hand	Quarter of the Principal Sum
One hand or one foot or the sight of one eye	Half of the Principal Sum

- (c) The following schedule of additional Life Insurance shall apply to all employees with dependents to a maximum of forty-five thousand dollars (\$45,000.00):

First dependent	- \$30,000.00
Each additional dependent	- \$7,500.00

- (d) Sick Benefit covering all employees in the sum of sixty-five percent (65%) of the employee's gross weekly base rate, for a period of fifty-two (52) weeks, to become effective on the first (1st) day in the event of a non-compensable accident and on the fourth (4th) day of any sickness. Notwithstanding the above, the weekly amounts payable shall be equivalent to, or greater than, the amount payable under the Employment Insurance Act.

In addition, any employee with over seven (7) year's seniority that is on Weekly Indemnity may, at his option, make up his benefit to full salary by using accumulated sick days to the maximum payable as per Clause 11.03(a).

On presentation of a receipt from the Physician an employee shall be reimbursed up to ten dollars (\$10.00) for each Physician's statement completed in each sickness or accident period.

To apply for Sick Benefit, an employee must obtain the appropriate Sick Benefit application form from the Employer.

- (e) Extended Health Benefits Plan equivalent to the coverage provided by the Medical Services Association of British Columbia.

Medical Travel Insurance benefits as provided for in Appendix "A" (attached).

Additional coverage of one million dollars (\$1,000,000.00) in out-of-province Medical Coverage.

- (f) Medical coverage and benefits equivalent to those provided by the Medical Services Plan of British Columbia.
- (g) A Dental Plan providing the following coverage:
 - 100% payment of claims for Plan A (Basic Services);
 - 75% payment of claims for Plan B (prosthetic appliances, crown and bridge procedures);
 - 50% payment of claims for Plan C (Orthodontics) to a maximum of one thousand five hundred dollars (\$1,500.00) per life.
- (h) A Long Term Disability Plan providing a benefit of fifty percent (50%) of an employee's weekly base rate to commence after Weekly Indemnity ceases, payable to age sixty-five (65). This benefit to be reduced by any amount payable by the Canada Pension Disability Plan. Provisions of LTD plan to include eligibility if employee is unable to perform duties of his/her own occupation for a period of two (2) years and/or the Employer is unable to provide a suitable job to the disabled employee. After two (2) years, the employee must be unable to perform the normal duties of any occupation.
- (i) An Optical Plan to provide one hundred seventy-five dollars (\$175.00) of coverage each two (2) year period applicable to each eligible person.
- (j) If an employee is entitled to recover damages for loss of income from any government supported or crown agency as a result of personal injuries which are sustained by the employee and for which he is entitled to receive benefits under the Weekly Indemnity and Long Term Disability insurance benefit provisions, the carrier will be subrogated to all the rights of recovery of the employee for loss of income to the extent of the sum of the benefits paid or payable to him under such provision.

The carrier may, in connection with its right of subrogation, require that the employee complete a Reimbursement Questionnaire and execute a Reimbursement Agreement. Should the employee not complete and return the required forms within thirty (30) days of issuance, benefits will not be paid until such forms are completed and returned.

It is understood that legal fees in proportion to the wage loss settlement are excluded from subrogation.

11.02 The cost of the benefits contained in Clause 11.01 shall be borne one hundred percent (100%) by the Employer. The employee's portion of the EI rebate shall be retained by the Company to offset benefit costs.

11.03 **Medical Leave**

- (a) Incentive Attendance Program 2007

Both Parties recognize that where attendance is not possible and is beyond the employee's control, it is his responsibility to inform the Company in a timely manner, and in accordance with established Company procedures. The Company grants paid Sick Leave to employees in order to provide protection from loss of earnings when incapacitated from work due to illness.

Effective the first (1st) pay period of each Fiscal Year, full-time employees shall receive fifty-four (54) hours Sick Leave. New employees that have completed their probationary period shall receive a pro-rated portion of entitlement.

An employee who works the complete fiscal year shall receive a pay-out of one hundred percent (100%) of his unused Sick Leave.

An employee who works the complete fiscal year and has not used any Sick Leave shall receive a pay-out of one hundred twenty-five percent (125%) of his unused Sick Leave.

An employee absent due to any combination of WI or LTD in excess of thirty (30) days shall have his Sick Leave pro-rated for the purpose of payout.

Upon ratification, to implement the Incentive Attendance Program, any used Medical Leave (Sick Leave) from April 1, 2007 (previous sick program) will be deducted from the fifty-four (54) hours (of the Incentive Attendance Program) that started on the 1st pay period of April 2007. Any additional unused "Previous" accumulated paid Medical Leave in excess of two hundred and seventy (270) hours will be paid out in cash to qualified employees.

"Previous" Sick Program.

It is recognized that the previous "Current Sick Bank" has no cash value. Upon ratification employees may transfer hours from the previous "Current Bank" to compensate for sick time used from April 1, 2007 to ratification date, to a maximum total of fifty-four (54) hours in the Incentive Attendance Program 2007. The remaining hours will be converted to March 31, 2007 dollar equivalent and can only be drawn on to top-up Weekly Indemnity to provide a full day's pay.

Excess accruals from prior years that were elected to be used as time off must be used prior to April 30, 2008 or be paid out in the next pay period.

- (b) Where any absence occasioned by sickness or accident is not covered for payment by either the Sick Benefit (11.01(d)) or Compensation, employees shall draw on time so accumulated in the following manner:

First day of Absence	One (1) full day's pay
Second day of Absence	One (1) full day's pay
Third day of Absence	One (1) full day's pay

thereafter, the balance of accumulated Medical Leave to be applied and paid at the full daily rate for each day the employee's absence exceeds fifty-two (52) weeks. Employees absent due to a worker's compensable accident shall draw on accumulated Medical Leave to provide a full day's pay on the day of such accident.

- (c) The Employer may also request a report from a qualified medical practitioner for any illness of three (3) days or less if it appears that a pattern of absence is developing.

11.04 **Bereavement Leave**

In the event of death in the immediate family of an employee, the Company shall grant up to three (3) working days leave of absence with pay to make arrangements for and/or attend the funeral. The term "immediate family" shall mean spouse (including common-law spouse providing he or she is registered as a dependent under Clause 11), parents, children, brothers, sisters, grandparents, grandchildren, mother-in-law, father-in-law, brother-in-law and sister-in-law.

11.05 Leave of Absence

Any regular full-time employee may request, in writing, a leave of absence without pay and benefits once every two (2) year period. Approval shall not be unreasonably withheld. Application for leave must be made within fourteen (14) calendar days of the effective date (except under extraordinary circumstances). Further leaves may be granted for compassionate reasons only.

The term of a leave of absence period shall not exceed two weeks per each year of the employee's current vacation entitlement. If a leave of absence is used for purposes other than for reasons for which it has been granted, this may be cause for dismissal.

11.06 Leave of Absence – Elected Union Officials

An employee who is elected or appointed to a full-time position with the Union may apply for a leave of absence. Approval for such leave shall not be unreasonably withheld. During this period, seniority shall not accrue and the Company shall not incur any liability.

- 11.07 (a) When an employee goes off work ill or on compensation or grievance procedure is invoked on his discharge, the Company shall continue to pay both his Welfare Fees and Union Dues so that at all times the employee shall be protected to the utmost.
- (b) To provide payment for the above mentioned welfare plans, Union Dues, savings bonds, life insurance and other benefits, an employee must leave sufficient funds with the Employer or pay, or have paid on his behalf, in advance, the monthly payment direct to the Employer.
- (c) For the purpose of this Clause only, any employee off ill or on Compensation shall be deemed to be on the payroll.
- (d) All working time lost by an employee due to completing driver's tests or doctor's examinations shall, provided such test or examinations are required by his Employer, be paid for at the rate of pay applicable to said employee.

11.08 Exclusions

- (a) Employees (summer help) per Clause 27.02.
- (b) Part-time employees (per Clause 18.01 (b)) who do not work more than fifty percent (50%) of the standard work week for their classification. Part-time employees may elect to continue participation in the welfare benefit plan by providing payment of the monthly premiums, in advance, directly to the Employer.
- (c) Employees who are not actively at work and who are not in receipt of disability benefits, wage loss benefits or any form of compensation.

11.09 Any dispute arising out of the administration and/or adjudication of claims with respect to the Welfare Plan shall be with the individual Plan Administrator.

11.10 The Company will provide the option for retiring employees to continue their extended health benefits after termination of their employment. Such benefits shall be paid one hundred percent (100%) by the retired employee.

CLAUSE 12 - COMPENSATION COVERAGE

12.01 When employees on compensation are directed by the Compensation Board or their physician that they may return to work, they shall be returned to their previous job and rate of pay for a period of two (2) weeks to see if they are capable of performing the job at the time of injury, and if so, shall be kept on the payroll.

In the event the previous job no longer exists, the employee shall be given a job of comparable nature subject to the provisions of Clause 18.

Notwithstanding the above, when an employee returns to work following compensation with any limitations on his ability to perform all functions of his job, the Employer reserves the right to obtain additional medical clarification.

CLAUSE 13 - PAY DAYS

13.01 Employees shall be paid every second (2nd) week by electronic deposit. Pay day shall be on Thursday when possible but not later than Friday. The amount paid shall include all sums owing by way of wages earned up to and including the Saturday previous.

13.02. All employees covered by this Agreement shall receive an itemized statement of earnings on each pay day.

CLAUSE 14 - PAY STATEMENTS

14.01 All employees will be given a statement showing the period for which the statement is issued, the base earnings, extra earnings such as Statutory Holiday pay, accumulated earnings to date, accumulated overtime hours, accumulated medical leave and an itemization of deductions. Premium pay and shift differential will show separately.

CLAUSE 15 - POSTING OF VACANCIES AND PROMOTIONS

15.01 Posting of Vacancies

(a) All permanent positions covered by this agreement which become vacant shall be posted immediately on the notice board in each Company location, for a period of six (6) calendar days. The posting shall include all of the details of the position, including but not limited to: days off, start times, rate of pay, etc. A copy of the posting shall be forwarded to the Union.

There shall be no changes in requirements of posted vacancies during the time of posting.

The Union shall be notified in writing in the event the vacancy is not posted within fourteen (14) days.

(b) Advancement and transfers within the bargaining unit shall be based on seniority provided that ability and qualifications relative to position requirements, as determined by the Company, are relatively equal.

(c) Positions involving the acquisition of a higher level of skills and competencies, as determined by the Employer (Foreman, Pasteurizer, Utilityman, UFRO Operator and Cheesemaker) shall be filled on the basis of ability and qualifications relative to seniority.

Employees successful in filling vacancies for these classifications shall fulfill a non-mobility period of twenty (20) months whereby they will not be accepted to other vacant positions.

(d) There shall be a trial period not to exceed three (3) calendar weeks during which the employee and/or Employer can determine if the successful applicant is suitable, failing which the applicant will revert to his former position. The trial period may be extended by mutual agreement between the Parties.

Unsuccessful applicants for the original vacancy shall be awarded the position in order of seniority (on the same basis as the original posting was awarded) if the successful applicant does not remain in the posted position beyond the trial period.

An employee who successfully bids on a posted position and at his choice reverts back to his former position within the three (3) week trial period shall lose all bidding rights for the next six (6) calendar months unless the Company and the Union mutually agree otherwise.

- (e) Where an employee is unable to return to their previous position due to a disabling condition that has been medically certified to the satisfaction of the Company and the Union, the Company may apply to the Union for a waiver of the seniority-posting provisions
- (f) For employees who require a Class 1 license in the performance of their job, the Company shall reimburse for the cost of driver's testing and medical exams, where required for the renewal of the driver's Class 1 license. To qualify for reimbursement, the employee must provide to the Company: proof of successful completion; a receipt showing payment for tests; a copy of the driver's license.

15.02 Selection to Jobs - Office & Technical

- (a) For Office & Technical positions, job selections shall be on the basis of qualifications and suitability to perform the vacant job and seniority, in that order, and shall include consideration of the employee's performance on his/her previous job.
- (b) Should qualifications and suitability be equal, seniority shall prevail in determining the successful applicant.
- (c) as an aid in assessing 'suitability' and 'qualifications' the Company reserves the right, if necessary, to use selection recruitment tests to assist in determining the proper selection.

15.03 Temporary Postings

- (a) Any vacancy that arises due to sickness, injury, parental leave or other leave (other than holidays) that is anticipated to continue for greater than forty-five (45) days shall be considered temporary and shall be filled through a Temporary Posting. This period may be amended by mutual agreement of the Parties.
- (b) Where practical, employees in the classification capable of immediately performing the required work will be offered the opportunity to assume the Temporary Posting in order of seniority. Thereafter, the vacated shifts may be filled on the same basis with no more than two employee moves on any Temporary Posting.
- (c) If an indication is made (medical or otherwise) that the employee holding the original posting will not be returning to his former job or position, the position will be considered a vacancy and reposted in accordance with provisions of Clause 15.01(a).
- (d) An employee who holds a Temporary Posting will be returned to his previously held position upon the permanent filling of the vacant position.

15.04 Miscellaneous

- (a) Any vacancy or promotion shall result in one posting plus a maximum of one other posting.
- (b) The results of all postings to be announced and the employees affected to be notified within seven (7) days. A copy of such announcement will be sent to the Union office.

- (c) In the event the successful applicant is not assigned to the new position within fourteen (14) days, the Company shall notify the Union.
- (d) If such vacancies are filled by other than the senior applicant, the Company shall notify the Union prior to making an announcement and shall supply them with the names of all applicants for the vacant position.
- (e) Upon the request from the Shop Steward, unsuccessful applicants shall be notified in writing as to the reason why they were not chosen for the vacant position.

15.05 Part-time and General Relief employees will be scheduled their shifts by seniority and in accordance with the regional list each has chosen to be placed on. For the purposes of this Clause, the regional options are as follows:

- (i) Abbotsford
- (ii) Sperling
- (iii) Lower Mainland (includes both Abbotsford and Sperling)
- (iv) Courtenay

Any part-time or General Relief employee desiring to change from one Region to another may make written application to do so in September of each year. All such applications will not be unreasonably denied.

CLAUSE 16 - NEW CLASSIFICATIONS

- 16.01 The Employer shall negotiate with the Union, the establishment of and the rate of wages to be paid for any classification of work other than those set forth in Schedules "A", "B" and "C"
- 16.02 In the event that the Employer and the Union cannot reach agreement concerning any proposed classification of work, either party may invoke the Grievance Procedure set forth in Clause 8 of this Contract. The rate established by mutual agreement or Arbitration shall be retroactive to the day the employee was assigned to such position.

CLAUSE 17 - NEW EMPLOYEES

- 17.01 All new employees (excluding students and/or summer help) shall be subject to the following wage progression:
 - Seventy-five percent (75%) of the classified rate for the first one thousand (1,000) regular hours worked
 - Eighty percent (80%) of the classified rate for the next one thousand (1,000) regular hours worked
 - Eighty-five percent (85%) of the classified rate for the next one thousand (1,000) regular hours worked
 - Ninety percent (90%) of the classified rate for the next one thousand (1,000) regular hours worked
 - Ninety-five percent (95%) of the classified rate for the next one thousand (1,000) regular hours worked
 - One hundred percent (100%) of the classified rate thereafter.

17.02 New employees shall be eligible for benefits and pension after one thousand (1,000) regular hours worked. The Employer shall be required to pay the cost of all benefits.

Pension contributions, shift premiums and hours of work shall be in accordance with the rest of this agreement.

17.03 Experienced employees who terminate their employment with one Employer covered by Local 464 then go to work for another Employer (in the same capacity) shall be considered experienced and paid as such, provided the employee is not absent from the trade for a period exceeding six (6) months.

CLAUSE 18 - SENIORITY - REDUCTION OF STAFF - SEVERANCE PAY

18.01 Seniority

(a) Seniority is defined as the length of an employee's service with the Company calculated as the elapsed time from the date he was first employed, unless his seniority was broken, in which event such calculation shall be from the date that he returned to work following the last break in his seniority.

(b) There shall be two (2) separate seniority lists. Such lists shall be supplied to the Union by the Employer on January 15th and July 15th of each year and shall include all employees covered by this Agreement who have completed their probationary period.

The first (1st) list shall cover all employees other than part-time employees, and shall show the name, classification and date of employment of each employee.

The second (2nd) list shall cover all part-time employees (those employees employed in a non-posted position and who may work less than the standard work week for the job classification) and shall show the name, classification and date of employment of each employee.

(c) Seniority service shall not be considered broken by reason of:

1. absence on leave when granted mutually by the Company and the Union;
2. absence due to temporary lay-off, providing the employee is available for work on the date of being recalled in the order of his Company seniority;
3. sickness or injury.

(d) A probationary period of one thousand (1,000) regular hours worked shall apply in the case of each new employee during which seniority shall not apply and upon completion of the probationary period seniority shall commence from the date of hire.

(e) Seniority service shall be considered broken by reason of:

1. An employee with more than ten (10) years of service will lose his seniority and cease to be an employee in the case of lay-off for a period of eighteen (18) months.
2. An employee with less than ten (10) years of service will lose his seniority and cease to be an employee in the case of a lay-off for a period of twelve (12) months.
3. It is understood that if the employee is not recalled from lay-off for an aggregate of more than fifty-two (52) shifts from the last day of lay-off, then the employee's period of lay-off shall be considered not to have been interrupted.

(f) Summer Help Employees

The Company may employ summer help employees under the following conditions:

1. To supplement the regular work force and provide additional help, during the period April 1st to September 15th;
2. These employees will not displace regular employees;
3. Each such employee shall, as a condition of continuing employment, pay for those months in which the employee has earnings, Union Dues in accordance with Clause 4 of this Agreement;
4. Summer help employees under the condition of "1." above, shall not:
 - (a) accrue seniority rights;
 - (b) be entitled to benefits normally granted other employees;
 - (c) be guaranteed a minimum number of hours per week;
5. These employees will be employed under the classification and at wage rates as stipulated in Schedule "A".

18.02 Lay-Off and Recall

For the purposes of this section the Company shall be divided into the following regions and locations:

COMPANY	
Region 1 (Lower Mainland) Abbotsford Annacis Sperling	Region 2 (Vancouver Island) Courtenay

18.03 Permanent Lay-Offs

(a) In the event that the Company anticipates the permanent lay-off of employees of more than thirty (30) days, which may be extended by mutual agreement, due to shortage of work, manpower reduction or technological changes, it is intended that the following procedures shall be followed:

(b) The situation will be discussed with the Union so that as much notice as possible can be given any employee that may be affected.

It is agreed and understood that in consideration of the terms and options available to employees described in this section, written notice to the Union shall be deemed to satisfy any requirements under the Employment Standards Act.

(c) It is intended that employees be laid off in reverse order of Company seniority as follows:

- (i) seasonal workers;
- (ii) probationary workers;
- (iii) regular employees.

- (d) Where there is more than one employee working in the same job classification, lay-offs will be in reverse order of Company seniority in the:
 - (i) classification;
 - (ii) in the department;
 - (iii) in the location;
 - (iv) in the Region;
 - (v) in the Company.
- (e) When an employee is provided notice of lay-off, the employee shall first be given the option of displacing the most junior employee in the department> location> region> Company, provided the employee to be laid off has the required ability and qualification or is able to perform the job within a reasonable period of time.
- (f) It is agreed and understood that an employee cannot bump into a position that he cannot post into, based on the position requirements.
- (g) Where the employee to be laid off is not qualified to displace the junior employee, or if the laid off employee elects not to displace the junior employee, the laid off employee shall have the option of receiving severance or being placed on the Recall List (on the condition that he remains readily available to accept assignments as required).
- (h) The election of the employee must be made within seven (7) days of the receipt of the notice of lay-off and cannot be changed by the employee.
- (i) Where practical, employees on lay-off (excluding probationary employees) will be recalled for assignments in order of their seniority, provided they are available at the time the assignment is scheduled and are qualified and able to perform the assigned work in a satisfactory manner.
- (j) Employees on recall will be eligible for applicable Company benefits provided they work a minimum of fifty percent (50%) of regular working hours in the previous period (reviewed quarterly). Where the employee does not qualify for benefits under this provision he has the option of pre-paying these benefits.

18.04 Reduction of Staff - Office & Technical

- (a) Any full-time regular employee shall be considered laid off if their job is eliminated as a result of technological change, lack of work, discontinuation of a service, office closure or a change in the method of business operation.
- (b) Prior to the lay-off of full-time regular employees, the Company will lay-off temporary and part-time employees, in that order, in the department affected provided the retained employee(s) are qualified and suitable to perform the required job.
- (c) The basic principle in applying lay-off to any regular employee shall be on the basis of Company seniority, provided the employee is qualified and suitable to perform the position requirements.

18.05 Severance Pay

- (a) Severance pay shall apply to all employees save for summer help.
- (b) An employee who is permanently laid off due to the discontinuance of an operation shall be eligible to receive severance pay as follows:

Severance pay shall accrue at the rate of two (2) weeks of pay for each year of service but shall not exceed thirty-two (32) weeks of pay.

- (c) Senior employees in a department affected by the provisions of Clause 18.03 and 18.04 who would not otherwise lose their employment may select to voluntarily terminate their employment and be paid severance pay on the basis of one (1) week's pay for each year of service to a maximum of twenty (20) years of service. The number of employees eligible for severance under this voluntary provision shall be determined by the Company each year.

18.06 Temporary Lay-Offs

- (a) If the Company anticipates that lay-offs will be for a temporary period (less than thirty (30) days), employees will be laid off in reverse order of Company seniority in their department.
- (b) In this case, it is intended that employees only be permitted to bump junior employees in the location or region where practical and provided that there is no disruption to the efficiency of the operation (e.g. minimal training).

Where possible, it is intended that the Company provide a minimum of twenty-four (24) hours notice of temporary lay-off.

CLAUSE 19 - EATING AND REST PERIOD

- 19.01 No employee shall be worked longer than five (5) hours without one-half (½) hour off for the purpose of eating a meal (except when working a twelve (12) hour shift).
- 19.02 All employees shall be entitled to a ten (10) minute break in the forenoon and afternoon, without loss of pay.
- 19.03 All employees shall be entitled to a paid ten (10) minute break immediately following the standard shift if overtime in excess of one (1) additional hour is anticipated.

CLAUSE 20 - ANNUAL VACATION

- 20.01 Employees, save for summer help who may because of the seasonal nature of the work be employed in such a manner as to be subject to short periods of lay-off, shall accumulate working time in successive years toward vacation schedule and shall receive pro-rated vacation pay depending on the number of months worked.

1 year worked	2 week's vacation, with full pay or 4% of annual earnings, whichever is greater;
2 years worked	3 week's vacation, with full pay or 6% of annual earnings, whichever is greater;
7 years worked	4 week's vacation, with full pay or 8% of annual earnings, whichever is greater;
14 years worked	5 week's vacation, with full pay or 10% of annual earnings, whichever is greater;
18 years worked	6 week's vacation, with full pay or 12% of annual earnings, whichever is greater;
25 years worked	7 week's vacation, with full pay or 14% of annual earnings, whichever is greater.

20.02 Any employee off ill or on compensation shall be given an annual vacation credit of:

- (a) two (2) months if entitled to two (2) weeks;
- (b) three (3) months if entitled to three (3) weeks;
- (c) four (4) months if entitled to four (4) weeks;
- (d) five (5) months if entitled to five (5) weeks;
- (e) six (6) months if entitled to six (6) weeks;
- (f) seven (7) months if entitled to seven (7) weeks;

in addition to all time worked during the year, provided further the sum of time credited and time worked does not exceed one (1) year, and provided such employee worked for his regular Employer during some part of the year.

20.03 Posting of Vacation Schedules & Procedures

- (a) Vacation schedules shall be posted by January 31st and vacation selections, by Company seniority, will be completed by April 1st of each year. All periods of the year shall be available for vacation selection and shall be posted.
- (b) Choice of vacation under each Reliefman, or wherever possible without reference to the Reliefman, shall be as nearly proportionate as possible in terms of Company seniority. All employees in each department at each location shall be given the opportunity to select their annual vacation in the Summer Period and/or Winter Periods in order of Company seniority.
- (c) It is the employees' responsibility to make their vacation selection(s) by April 1st. After this deadline any employee, regardless of seniority, may select any unscheduled vacation periods on a first come, first served basis according to their vacation entitlement.
- (d) An employee will have up to four (4) calendar days to make their selection or the employee will be bypassed and the selections will continue. A bypassed employee may make their missed selection at any time thereafter, but only from the remaining available weeks on the vacation schedule.
- (e) Employee selections shall be in increments of one (1) or more full weeks. However, employees may also request authorization from the Supervisor to make a vacation selection that is less than one (1) full week, provided their remaining vacation entitlement is less than one (1) full week. The selection of a vacation period of less than one (1) week is deemed an employee's selection for the purposes of this clause.

Whenever possible, accumulated time owing will be used to top up a part week of vacation entitlement to make a full week.

20.04 Summer Period (May 1st to September 30th inclusive)

- (a) Employees making their first Summer Period selection shall, at their option, receive two (2) weeks in one continuous period.
- (b) Employees entitled to five (5) weeks or more of annual vacation may, at their option, select three (3) weeks in one continuous period on their first selection in the Summer Period.
- (c) In the event the vacation selection process results in single weeks left open on the vacation schedule, an employee may select one of the single weeks on their first choice. This selection of one (1) week shall constitute that employee's first choice, with any further vacation entitlement being selected from the available time in later rounds of selections.

(d) Each employee's second (2nd) and subsequent Summer Period selections, if any, shall be for one (1) week periods only.

20.05 Winter Period (October 1st to April 30th inclusive)

(a) Employees scheduling vacation entitlement during the Winter Period may, at their option, schedule all of their vacation entitlement in one continuous period.

(b) Employees may select part or all of their remaining vacation entitlement within the Winter Period in any selection round, provided the selection consists of one or more consecutive weeks (consistent with 20.03(e)).

20.06 After completion of the vacation selections, accumulated paid time off owing for the previous twelve (12) month period ending March 31st may be selected in order of Company seniority in the same fashion as annual vacation and may be taken during the Winter Period.

20.07 It is recognized that Saputo Foods Limited uses April 1st as a common anniversary date for computing vacation pay and entitlement.

20.08 All part-time employees shall have their vacation paid out on a bi-weekly basis.

20.09 Each employee shall be entitled to thirty (30) days advance notice of any change of the dates of his annual vacation from the date shown in the completed list of vacation periods, except where such change is as a result of an accident or illness or unless such change is mutually agreeable to the parties involved.

20.10 Where practical, any cancelled vacations that become available shall be selected within the department on the basis of seniority. These selections shall be limited to one week per person per year.

CLAUSE 21 - STATUTORY HOLIDAYS

21.01 All employees, save for summer help, shall receive ten (10) Statutory Holidays and all holidays proclaimed by either the Federal or the Provincial Government with full pay during the year. The Statutory Holidays shall be:

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

Canada Day is recognized on July 1st except when it falls on Sunday, in which case as per the Federal Canada Day Act, Monday July 2nd becomes the holiday.

21.02 All employees shall receive one (1) additional Statutory Holiday with full pay to be given at a mutually agreed upon date for each employee.

This provision shall not apply to:

- (a) employees whose term of employment does not exceed the probationary period (per Clause 18.01 (d));
- (b) employees (summer help) whose term of employment does not exceed the period April 1st to September 15th inclusive.

21.03 Each employee shall be entitled to seven (7) days advance notice prior to receiving Statutory Holidays.

- 21.04 Each employee shall be entitled to four (4) days advance notice prior to cancellation of Statutory Holidays. Any Statutory Holiday cancelled with less than four (4) days advance notice shall accrue at the rate of two (2) days for each day so cancelled.
- 21.05 Statutory Holidays shall not be given in advance save by mutual consent of the Employer and the employee.
- 21.06 Whenever possible, time off for Statutory Holidays will be given on the day of the Statutory Holiday but when this is not possible anyone required to work on a Statutory Holiday shall be paid at double time rate for that day, plus one additional day at straight time will be accrued. Accrued days off shall be tied to regular days off and given to those entitled to same in the months October to April inclusive.
- Any Statutory Holidays owing as of April 30th each year for the previous calendar year, shall be paid for in cash in the following pay period at the rate of double time. No wholesale or retail routes shall go out on Christmas Day.
- The Employer will post a list of time available during which Statutory Holidays owing may be taken. This time may be selected and will be awarded on the basis of seniority; any remaining time available will be assigned in reverse order of seniority.
- 21.07 Part-time employees shall receive, in the month of April of each year, payment of Statutory Holidays as per Clause 21.01 prorated according to the number of hours worked in the previous twelve (12) month period.
- It is agreed that should the number of Statutory Holidays be increased by the Federal or Provincial Government, the prorated payment will be based on the increased number.
- 21.08 An employee shall be entitled to a paid day off for each such Statutory Holiday even if it falls on his weekly days off or time off taken in lieu thereof or on his annual vacation.
- 21.09 Each employee shall be entitled to a Statutory Holiday even when he or she is off through illness, quarantine, compensation or lay-off, provided he or she is not absent for a period exceeding thirty (30) working days immediately prior to the Statutory Holiday. This payment will represent the difference between compensation or Sick Leave payment and his/her regular pay for that day.

CLAUSE 22 - DAYS AND HOURS OF WORK AND OVERTIME

- 22.01 (a) The basic work week shall be thirty-six (36) hours and the work day shall be nine (9) hours, or other shifts as mutually agreed to between the Company and the Union.
- It is intended that any request for alternate shift arrangements must be submitted in writing to the Union in order to ensure proper documentation and consideration.
- (b) The basic work week for part-time employees and students shall be up to thirty six (36) hours per week and based on any combination of hours per day to a maximum of twelve (12) hours per day and a maximum of five (5) days per week.
- (c) For Office & Technical employees, the basic work week shall be thirty-six (36) hours consisting of (5) days of seven point two (7.2) hours each, or other shifts as mutually agreed to between the Company and the Union
- 22.02 (a) All time worked in excess of the regular scheduled daily shift shall be paid at double the regular rate of pay.

Where the Company schedules an overtime shift to be worked, the employees within that department who are available and capable of performing the work required will be given the opportunity to work the overtime shift in order of seniority, failing which, the overtime will be assigned on the basis of ability to do the work to the least senior employee

- (b) Overtime may be taken, at the employee's option, in money or in time off at a mutually agreed upon date. Employees may change their written declaration three (3) times per calendar year on January 15th, May 15th and September 15th, as to the method of overtime payment. New employees will make their written declaration at time of hire. Employees who do not make a written declaration shall have their overtime paid out.
- (c) Employees may accumulate overtime to provide up to a maximum of two (2) weeks in time off in a calendar year.
- (d) No employee shall be required to work longer than four (4) hours overtime in any one (1) week, provided however:
 - (i) hours worked on days off are not included;
 - (ii) shifts must be completed as required;
 - (iii) overtime resulting from start up of new equipment not included.
- (e) There shall be a minimum break of twelve (12) hours between regular scheduled shifts, excluding overtime, except for the classifications of Utilityman, Holiday Relief and General Relief where the minimum break between shifts shall be ten (10) hours. There shall be no split shifts.
- (f) All sums earned by way of overtime shall be paid for in the pay period following that in which they were earned.
- (g) All overtime pay will be calculated on the base hourly rate and will not include any shift differential and/or premium pay. All overtime will be paid out or taken as time off by April 30th following the calendar year in which it is earned.
- (h) When an employee is called to work on any of his days off he shall receive a minimum of four (4) hours pay or pay at the overtime rates for all time worked, whichever is the greater.

22.03 All employees shall receive at least two (2) consecutive days off each week. For purposes of this Clause, consecutive days off on Saturday and Sunday are in compliance.

22.04 (a) A schedule of time off shall be posted so that all employees (excluding Utilityman, General Relief and Trainees) shall have at least seven (7) days advance notice of days off. Any employee (excluding Utilityman, General Relief and Trainees) required to work on any of his scheduled days off shall be paid at double time for all hours worked.

(b) Any Statutory Holiday accumulated as a result in change of days off shall be tied to the employee's consecutive days off.

22.05 Employees (excluding Utilityman, General Relief and Trainees) shall receive twenty-four (24) hours notice for change of shifts except for the following reasons:

- (i) short notice absenteeism of other employees;
- (ii) reasons as outlined under Clause 9.01(a).

22.06 Experienced workers regularly working a full shift who are directed to another shift by the Employer shall be guaranteed a full shift's pay.

22.07 Shift Selections

- (a) The Parties agree that a shift selection process should occur where deemed necessary.
- (b) Company seniority within the job classification shall be a determining factor in the selection of days off and shift to be worked.
- (c) The Company shall retain the right to see that the required number of experienced employees are available on each shift to ensure proper and efficient operation.
- (d) Holiday Relief employees may only take part in a shift selection process if there is a vacancy within the Department or Classification.
- (e) If present in the Department or Classification and where applicable, the senior Trainee will be appointed to the vacant non-Trainee position at the close of the shift selection and the Trainee vacancy shall be posted.
- (f) Should there be a vacant position still available at the close of the shift selection, this vacancy shall be posted, as per Clause 15.
- (g) To avoid delay, employees will endeavour to leave a list of preferred shifts with their immediate Supervisor prior to going on vacation or other extended leave.
- (h) If an employee is absent during a shift selection due to medical reasons, he may make a selection in absentia until his return. Where it is not possible for the employee to make a selection, he will be assigned an available shift at the close of the selection process and will retain the shift until the next shift selection. In either case, the shift will then be filled through temporary posting, as per Clause 15.03.

22.08 All drivers must submit, upon completion of his shift, a completed and properly identified tachometer or recorder card from all vehicles equipped with recording devices.

22.09 All drivers shall not be deemed to have completed his days work until he has completed all duties and additional deliveries if any required of him by the Company, and without limiting the generality of the foregoing, until he has unloaded his truck; checked his truck; refuelled and checked oil and coolant levels; balanced his daily load sheet or other record of goods supplied and sales made; completed any other necessary records; attended at any meeting or interview called by the Company.

It is understood that employees may be temporarily re-assigned to other duties during their shift as required, provided it does not displace an employee on the job.

22.10 Should a dispute arise in respect to the time taken to complete a route or routes, no driver or route foreman shall be subject to any change in status until the Union has investigated the route or routes involved by sending an Agent of the Union along with the employee involved in the dispute or an appointee of the Company.

CLAUSE 23 - SHIFT DIFFERENTIAL

23.01 This Clause shall apply to all employees excluding Janitors and Summer Help. Any employee working a daily shift starting between 12 noon and 4 a.m. shall receive an extra one dollar and seventy-five cents (\$1.75) per hour for all hours worked during the shift.

- 23.02 Any employee commencing a daily shift before 6:00 a.m. shall receive an extra one dollar and seventy-five cents (\$1.75) per hour for all hours worked prior to 8:00 a.m.
- 23.03 Any time less than ten (10) minutes will not be computed, except where it is a daily or nearly daily occurrence, then all times shall be computed and totalled, and paid for in each pay period.
- 23.04 Any employee working Sunday shifts (any shift that includes Sunday as a regularly scheduled work day) shall be paid a premium of one dollar and sixty-five cents (\$1.65) per hour (in addition to any other shift premium) for all hours worked on Sunday.

CLAUSE 24 - UTILIZATION OF EMPLOYMENT

- 24.01 Employment - Other Classifications - When an employee is required to fill the place of another employee receiving a higher rate of pay, if only for a day or the greater part of a day, he shall receive the higher rate, but if he is required to temporarily fill the place of another employee receiving a lower rate, his rate will not be changed to the lower rate.

This provision shall not apply when due to lack of work an employee may be reclassified.

- 24.02 Combination of Classifications (Seasonal or otherwise) - All employees shall be employed in a manner conforming to the listed classifications.

It is recognized that the nature of an operation or the season of the year may render it necessary to combine two (2) or more classifications.

Any employee affected by the combining of his classification with any other classification or with work performed under the classification of Dairyworker shall be paid at the highest rate of the combined classifications.

CLAUSE 25 - WORK CLOTHES

- 25.01 All inside employees shall be provided with (at no cost to them) clean uniforms, coveralls or smocks, whichever is applicable, as well as gloves, to those requiring same. These clean clothes will be supplied no less than once a week.

- 25.02 The Company shall provide each driver with a clean uniform at least once per week.

- 25.03 The Company shall provide suitable protective clothing to all employees required to work in the cold room, at no cost to the employee.

The Company shall provide a suitable warm coat to all Driver Salesmen working in or out of cold hold trucks.

- 25.04 **Safety Footwear**

Effective January 1, 2008 all employees who have completed their probationary period as of January 1st of each year shall be eligible for reimbursement of up to eighty-five dollars (\$85.00) per year (\$170.00 for 2 years) upon submission of an appropriate receipt. Safety footwear must be in compliance with the Company's Safety Footwear Policy.

CLAUSE 26 - JURY DUTY

- 26.01 All working time lost by an employee due to necessary attendance on Jury Duty, or any court proceedings arising out of his employment, shall be paid for at the rate of pay applicable to said employee.

26.02 Any employee on Jury Duty shall, subject to this provision, make himself available for work before or after being required for such duty, wherever practicable. All jury duty pay or witness fees received by the employee from the courts shall be reimbursed to the Employer.

CLAUSE 27 - PERIOD OF SUMMER SEASON

27.01 The summer season shall be defined as the time of year between and including the 1st of April and the 15th of September.

27.02 Employees employed specifically for the period defined in Clause 27.01 shall be classed as summer help and paid at the rate applicable, it being understood that any employee working at a classified occupation shall be paid the classified rate whilst so employed, subject to the provisions of Clause 17.01.

CLAUSE 28 - PERFORMANCE OF DUTY

28.01 Each employee, while on duty, shall devote the whole of his time, attention and energies to the performance of his duties and shall not, during the term of his employment at any time, alone, in partnership or in association, be connected with or concerned in any other business directly or indirectly connected with the milk business.

CLAUSE 29 - WAGES

29.01 The Employer shall pay wages to every employee covered by this Agreement at the rates set forth in Schedules "A", "B" and "C" hereunto annexed in respect to the various classifications of work therein contained.

Schedules "A", "B" and "C" shall be deemed to be contained in and form part of this Agreement.

29.02 No employee shall suffer a reduction in earnings or rate of earnings because of the adoption of this agreement. For the purposes of this Clause, earnings shall not be deemed to include overtime earnings.

CLAUSE 30 - SAVINGS CLAUSE

30.01 The within Agreement and schedules hereto annexed shall be subject to and shall be interpreted and, where necessary, altered, varied or amended from time to time to give effect to the laws enacted by the Parliament of Canada and Province of British Columbia, including amendments thereto and regulations or orders-in-council made or passed thereunder.

30.02 In the event that any Clause or Section is held invalid, or enforcement of or compliance with which has been restrained as above set forth, the Parties affected thereby shall enter into immediate collective bargaining negotiations upon the request of either Party, for the purpose of arriving at a mutually satisfactory replacement for such Clause or Section during the period of invalidity or restraint. If the Parties do not agree on a mutually satisfactory replacement, they shall submit the dispute to the procedure as outlined in Clause 8.

It is clearly understood however, that the Agreement or any Sections thereof which are not held invalid or restrained shall continue in effect for the balance of the Collective Agreement.

CLAUSE 31 - EXPIRATION OF AGREEMENT

31.01 This Agreement shall be in effect from April 1, 2007 to March 31, 2013 and from year to year thereafter, unless notice of abrogation or amendment shall be given by either Party in writing within four (4) months prior to the anniversary date hereof, in any year.

Wages shall be retroactive to April 1, 2007; all other elements are effective the 1st pay period following ratification, except where otherwise noted.

31.02 This Agreement voids all previous agreements or letters of understanding which in any way alters the terms and conditions contained herein.

IN WITNESS WHEREOF the Party of the First Part has hereunto affixed its seal in the presence of its Officers duly authorized therefor and the Party of the Second Part has hereunto affixed its signatures by its Officers duly authorized therefor.

DATED AT British Columbia, this day of , 2007.

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

SCHEDULE "A"

The following wages shall be paid:

PRODUCTION DEPARTMENT, ETC.

CLASSIFICATION		Mar 31, 2007	April 1, 2007	Mar 30, 2008	Mar 29, 2009	April 4, 2010	April 3, 2011	April 1, 2012
A.	Foreman	\$ 27.25	\$ 28.07	\$ 28.91	\$ 29.63	\$ 30.37	1% + COLA	1% + COLA
	Utilityman	\$ 27.01	\$ 27.82	\$ 28.65	\$ 29.37	\$ 30.11	1% + COLA	1% + COLA
B.	Pasteurizer Class 1	\$ 26.17	\$ 26.96	\$ 27.76	\$ 28.46	\$ 29.17	1% + COLA	1% + COLA
	UFRO Operator	\$ 26.17	\$ 26.96	\$ 27.76	\$ 28.46	\$ 29.17	1% + COLA	1% + COLA
	Cheddar Cheesemaker	\$ 26.17	\$ 26.96	\$ 27.76	\$ 28.46	\$ 29.17	1% + COLA	1% + COLA
	Cottage Cheesemaker	\$ 26.17	\$ 26.96	\$ 27.76	\$ 28.46	\$ 29.17	1% + COLA	1% + COLA
	Buttermaker	\$ 26.17	\$ 26.96	\$ 27.76	\$ 28.46	\$ 29.17	1% + COLA	1% + COLA
C.	Tetra/ESL Operator	\$ 25.96	\$ 26.74	\$ 27.54	\$ 28.23	\$ 28.94	1% + COLA	1% + COLA
	Shipper/Dispatcher	\$ 25.77	\$ 26.54	\$ 27.34	\$ 28.02	\$ 28.72	1% + COLA	1% + COLA
D.	Filler Machine Operator (Fluid)	\$ 25.39	\$ 26.15	\$ 26.94	\$ 27.61	\$ 28.30	1% + COLA	1% + COLA
	Assistant Shipper	\$ 25.39	\$ 26.15	\$ 26.94	\$ 27.61	\$ 28.30	1% + COLA	1% + COLA
	C.I.P. Operator	\$ 25.39	\$ 26.15	\$ 26.94	\$ 27.61	\$ 28.30	1% + COLA	1% + COLA
	Print Machine Operator	\$ 25.39	\$ 26.15	\$ 26.94	\$ 27.61	\$ 28.30	1% + COLA	1% + COLA
	Cottage Cheese/ Sour Cream Operator	\$ 25.39	\$ 26.15	\$ 26.94	\$ 27.61	\$ 28.30	1% + COLA	1% + COLA
	Creamer Operator	\$ 25.39	\$ 26.15	\$ 26.94	\$ 27.61	\$ 28.30	1% + COLA	1% + COLA
	Checker/Loader (Fluid)	\$ 25.39	\$ 26.15	\$ 26.94	\$ 27.61	\$ 28.30	1% + COLA	1% + COLA
E.	Shipper/Receiver Stockroom	\$ 25.81	\$ 26.58	\$ 27.38	\$ 28.07	\$ 28.77	1% + COLA	1% + COLA
	Assistant Shipper/ Receiver Stockroom	\$ 25.05	\$ 25.80	\$ 26.58	\$ 27.24	\$ 27.92	1% + COLA	1% + COLA
F.	Dairyworker	\$ 25.13	\$ 25.88	\$ 26.66	\$ 27.33	\$ 28.01	1% + COLA	1% + COLA
	Packager	\$ 24.16	\$ 24.88	\$ 25.63	\$ 26.27	\$ 26.93	1% + COLA	1% + COLA
G.	General Yard Clean Up and Pallet Repair	\$ 12.50	\$ 12.88	\$ 13.26	\$ 13.59	\$ 13.93	1% + COLA	1% + COLA
	Summer Help	\$ 12.50	\$ 12.88	\$ 13.26	\$ 13.59	\$ 13.93	1% + COLA	1% + COLA

SCHEDULE "B"

WHOLESALE /RETAIL DRIVER SALESMEN AND DRIVERS

CLASSIFICATION	Mar 31, 2007	April 1, 2007	Mar 30, 2008	Mar 29, 2009	April 4, 2010	April 3, 2011	April 1, 2012
Driver Salesman (Semi-Trailer)	\$ 26.23	\$ 27.02	\$ 27.83	\$ 28.52	\$ 29.24	1% + COLA	1% + COLA
Route Relief	\$ 26.44	\$ 27.23	\$ 28.05	\$ 28.75	\$ 29.47	1% + COLA	1% + COLA
Holiday Relief	\$ 26.85	\$ 27.66	\$ 28.49	\$ 29.20	\$ 29.93	1% + COLA	1% + COLA
Retail Driver Salesman	\$ 25.67	\$ 26.44	\$ 27.23	\$ 27.91	\$ 28.61	1% + COLA	1% + COLA
Route Foreman	\$ 27.25	\$ 28.07	\$ 28.91	\$ 29.63	\$ 30.37	1% + COLA	1% + COLA

SCHEDULE "C"

OFFICE & TECHNICAL

CLASSIFICATION	Mar 31, 2007	April 1, 2007	Mar 30, 2008	Mar 29, 2009	April 4, 2010	April 3, 2011	April 1, 2012
GROUP 1							
Office Clerk	\$ 16.59	\$ 17.86	\$ 18.40	\$ 18.86	\$ 19.33	1% + COLA	1% + COLA
Seasonal/Clerk	\$ 16.59	\$ 17.86	\$ 18.40	\$ 18.86	\$ 19.33	1% + COLA	1% + COLA
GROUP 2							
Reception/Switchboard	\$ 17.74	\$ 19.04	\$ 19.62	\$ 20.11	\$ 20.61	1% + COLA	1% + COLA
GROUP 3							
Route Accounting	\$ 19.79	\$ 21.16	\$ 21.79	\$ 22.34	\$ 22.89	1% + COLA	1% + COLA
Shipping Clerk	\$ 19.79	\$ 21.16	\$ 21.79	\$ 22.34	\$ 22.89	1% + COLA	1% + COLA
Relief Shipping Clerk	\$ 19.79	\$ 21.16	\$ 21.79	\$ 22.34	\$ 22.89	1% + COLA	1% + COLA
Home Service Clerk 1	\$ 19.79	\$ 21.16	\$ 21.79	\$ 22.34	\$ 22.89	1% + COLA	1% + COLA
GROUP 4							
Production/ Inventory Control Clerk	\$ 20.37	\$ 21.75	\$ 22.41	\$ 22.97	\$ 23.54	1% + COLA	1% + COLA
Holiday Relief Clerk	\$ 20.37	\$ 21.75	\$ 22.41	\$ 22.97	\$ 23.54	1% + COLA	1% + COLA
Distribution Clerk	\$ 20.37	\$ 21.75	\$ 22.41	\$ 22.97	\$ 23.54	1% + COLA	1% + COLA
Warehouse Clerk	\$ 20.37	\$ 21.75	\$ 22.41	\$ 22.97	\$ 23.54	1% + COLA	1% + COLA
P.C.S. Clerk	\$ 20.37	\$ 21.75	\$ 22.41	\$ 22.97	\$ 23.54	1% + COLA	1% + COLA
Home Service Clerk II	\$ 20.37	\$ 21.75	\$ 22.41	\$ 22.97	\$ 23.54	1% + COLA	1% + COLA
Inventory Control Clerk	\$ 20.37	\$ 21.75	\$ 22.41	\$ 22.97	\$ 23.54	1% + COLA	1% + COLA
Production Clerk	\$ 20.37	\$ 21.75	\$ 22.41	\$ 22.97	\$ 23.54	1% + COLA	1% + COLA
Branch Clerk	\$ 20.37	\$ 21.75	\$ 22.41	\$ 22.97	\$ 23.54	1% + COLA	1% + COLA
Route Settlement Clerk	\$ 20.37	\$ 21.75	\$ 22.41	\$ 22.97	\$ 23.54	1% + COLA	1% + COLA
GROUP 5							
Quality Technician	\$ 25.65	\$ 26.42	\$ 27.21	\$ 27.89	\$ 28.59	1% + COLA	1% + COLA

All wage increases become effective at the beginning of the first pay period in each Fiscal Year, as specified in the above Schedules.

PREMIUMS

Holiday Relief

Eighty-five cents (85¢) per hour over classification relieved.

Relief

Forty-five cents (45¢) per hour over classification relieved.

Forklift

A premium of twenty cents (20¢) per hour above classified rates provided herein shall be paid to all employees regularly operating a ride-on forklift or towmotor for fifty percent (50%) or more of their regular scheduled shift.

First Aid Premium:

Any employee required to be a First Aid Attendant shall be paid a premium for the necessary First Aid certificates as follows:

Level 2 – Two dollars (\$2.00) per hour

Level 1 – Sixty cents (60¢) per hour

Refrigeration Awareness Certificate:

A premium of fifty cents (50¢) per hour will be provided to employees regularly performing these duties and shall only apply when this work is being performed.

APPENDIX "A"

MEDICAL TRAVEL INSURANCE

Effective on the first (1st) day of the month following completion of the probationary period (as per Clause 18.01 (d)) provision for the following benefits shall be available for member employees and their registered dependents resident in the Province of British Columbia:

- A. Where in the opinion of the attending physician treating a member employee and/or his registered dependents, adequate treatment is not available locally, transportation by scheduled air or rail will be provided to and from the nearest locale equipped to provide the required and recommended treatment by a physician and surgeon within two (2) months of referral but said transportation will not be provided to points beyond Vancouver, B.C.
- B. Where necessary, and at the request of the attending physician, provision for transportation of an attendant in connection with the aforementioned transportation of any employee or his registered dependents.
- C. Also, where transportation has been provided to the nearest locale where adequate facilities are available, provision for assistance regarding accommodation limited to commercial facilities for patient and/or attendant, before and after medical treatment and which shall be limited to a total of seven (7) days at a maximum of one hundred dollars (\$100.00) per day.
- D. It is agreed that the maximum allowable claim by an individual covered by the above provisions shall be limited to two thousand dollars (\$2,000.00) per eligible person each two (2) year period.

APPENDIX "B"
TEAMSTERS LOCAL UNION No. 464
FOR
ALL OF ITS MEMBERS EMPLOYED AT
SAPUTO FOODS LIMITED

1. OPERATION OF THE JOINTLY TRUSTEED PLAN

This plan to be operated pursuant to the Collective Agreement on the following basis:

- A. The Plan will be operated by a Board of Trustees. Such Trustees and their successors shall be responsible for the administration and operation of the Plan and Fund and shall have all powers necessary to create, amend or terminate the Plan and Fund consistent with the terms of the Collective Agreement in effect from time to time. Each Trustee shall have one (1) vote.
- B. The Trustees shall select a Chairman and a Secretary. These persons shall not have a casting vote on any matters under consideration by the Trustees.
- C. The Trustees shall meet and shall decide on the type and form of the Pension Plan and may employ legal counsel, actuaries and other consultants or advisors as they deem necessary or advisable.
- D. The Trustees shall have the exclusive right to determine the provisions of the Plan and the benefits provided thereunder from time to time and the use of all contributions plus investment earnings thereon received by the Plan. These shall be used only for the benefit of employees on whose behalf contributions are or have been made to the Plan and to meet necessary Plan expenses.
- E. The Employer and the Union shall enter into a Trust Agreement with the Trustees. The Trust Agreement shall provide that in the event that the Trustees are deadlocked on any issue concerning the Plan or Fund the matter shall be submitted for arbitration by a mutually agreeable party or, failing mutual agreement on an arbitrator, by a Judge appointed by the Supreme Court of British Columbia.
- F. The Employers shall from time to time provide all information which is required for the administration of the Plan and shall assist and co-operate in the Plan's administration. Reasonable assistance rendered by the Employers shall be rendered without charge to the Trustees.
- G. The Trustees shall establish a Trust Account into which contributions shall be paid pending execution of the Trust Agreement and establishment of the Plan.
- H. The Plan shall not require the Employer to guarantee the benefits or assure the solvency of the Fund and further that all costs of establishing the Plan and all costs of operation and administration (except as provided in (F) above) shall be paid from the assets of the Plan.
- I. The Trustees may effect arrangements with the Employers and other Trustees of pension plans to permit reciprocal inter-plan transfers.

- J. The Trust Agreement shall permit the Trustees, in certain events and upon certain conditions, to transfer the assets and liabilities to another Board of Trustees provided such transfer shall not adversely affect the benefits or rights of the members of the Plan.
- K. The Employer and employee shall each be required to make payments to the Pension Trust Fund as herein set forth. Such contributions shall be for each employee working in a job classification covered by the Collective Agreement.

Effective April 1, 2007 the following cost sharing pension schedule shall be implemented:

	Employer	Employee
March 31, 2007	10.0%	5%
March 29, 2009	10.5%	5%
April 4, 2010	11.0%	5%
April 1, 2012	12.0%	5%

The gross earnings of an employee shall be the sum of his regular earnings, overtime, shift differential, premiums and any other earnings payable to the employee in accordance with the terms of the Collective Agreement.

It is understood that contributions shall be payable in respect to the earnings of employees from the first day following achievement of benefit status whether said employees are permanent, temporary, or seasonal or full-time or part-time employees and regardless of whether or not they are members of the Union.

Contributions, along with a list of employees for whom they have been made and the amount of contribution in respect to each employee and his earnings, shall be forwarded by the Employer to the Custodian of the assets of the Plan designated by the Trustees. A copy of the list of employees shall also be mailed to the Administrator of the Plan.

Such payment shall be made to the Custodian for each pay period not later than twenty-one (21) days after the end of each pay period. The Employer shall also submit to the Plan Administrator within ninety (90) days following the end of each plan year a listing of all employees who were covered by the Plan during such plan year showing, for each, the earnings upon which the Employer's and employee's contributions were based during the plan year.

Copies of all the listings shall also be forwarded if required to the Union. These listings shall also contain such other information as the Plan Administrator and Actuary may require for the operation of the Plan.

- L. It is intended that the Plan and Trust Fund shall be such that the Plan can be registered under the provisions of the Income Tax Act of Canada and any other applicable Federal or Provincial law respecting employee Pension Plans.

LETTER OF UNDERSTANDING #1

OVERTIME ACCUMULATION

The Parties hereby agree that in those operations subject to temporary shut down and lay-off (i.e. Abbotsford), employees may accumulate up to a maximum of four (4) weeks in time off in a calendar year, provided two (2) of those weeks are used during the period of temporary lay-off.

Any portion of the additional two weeks accumulated not used during the period of temporary lay-off shall be cashed out annually, consistent with 22.02(g).

DATED AT British Columbia, this day of , 2007.

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

LETTER OF UNDERSTANDING #2

EDUCATION & INDUSTRY ENHANCEMENT FUND

The Company shall remit five cents (5¢) per hour worked on behalf of all benefit rated employees (as per Clause 11.01) to the Teamsters Local 464 Education & Industry Enhancement Fund.

DATED AT British Columbia, this day of , 2007.

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

LETTER OF UNDERSTANDING #3

RE: LAY-OFF CALL-IN PROCEDURES: LOWER MAINLAND OPERATIONS

In order to recognize seniority and facilitate the efficient lay-off and call-in of employees within the "Lower Mainland Operations", the following terms shall be effective:

1. Article 18.03 (g) is amended so that an employee who accepts lay-off from the plant or operation shall be placed on the Lower Mainland Lay-off List on the understanding he or she remains available to accept assignments as required, in accordance with the "Guidelines Covering Laid Off Employees", as established by the Employer.
2. Laid off employee may apply in accordance with the job posting procedure for any subsequent job posting that may arise based on Company seniority.
3.
 - (a) It is intended that the Employer will schedule employees for call-in the following week based on available information as of noon each Thursday.
 - (b) Where practical, employees on lay-off will generally be called into Lower Mainland assignments in order of Company seniority provided they are "available at the time the assignment is scheduled" and are capable of performing the assigned work in a manner that is satisfactory, as determined by the Employer.
 - (c) Where an employee's assignment is concluded prior to completing the assigned work that week, he/she will be placed back on the lay-off list and be eligible for further assignments in accordance with 3(b).
4. It is agreed by the Employer that the "assignment and scheduling" of laid off employees will be made in "good faith".
5. It is agreed by the Union that, except in the absence of "good faith", grievances of either an individual or policy nature will not be applicable.
6. It is understood by the Parties that nothing in this Letter of Understanding will prevent the Employer from utilizing or assigning employees with specific skills (e.g. Class 1 Drivers license) in a manner deemed necessary by the Employer.
7. Employees who have previously achieved benefit status and are subsequently laid off and subject to recall shall:
 - i) Receive credits as days worked for time lost due to scheduled holidays, compensable accidents (WCB) or maternity leave (for the purpose of this Clause only) and,
 - ii) Have the option of continuing without interruption their basic medical (MSP) by paying the monthly premium.

8. Scheduling of Time Off

- (a) Part-time and laid off employees shall receive Vacation Pay as per Clause 20.08 and Statutory Holiday Pay as per Clause 21.07 of the Collective Agreement.
- (b) The scheduling of time off for vacation must be done in advance through the employee's supervisor.

DATED AT British Columbia, this day of , 2007.

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

LETTER OF UNDERSTANDING #4

NATIONAL BENEFITS PLAN

In order that the Company may efficiently control its cost of benefits, the Union agrees to support the Company's move to a National Benefits Plan recognizing that in doing so certain adjustments to the benefit levels may be necessary, provided that such changes are not substantive.

DATED AT British Columbia, this day of , 2007.

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

LETTER OF UNDERSTANDING #5

PAY OUT OF SICK LEAVE

Eligible employees who were entitled to accumulated sick days owing as at January 1, 1999 had such accumulated sick leave accrual frozen, converted to the current dollar equivalent and were entitled to a pay out of their accumulated sick pay, on a graduated basis, upon termination of their employment.

Effective July 1, 2003 such employees only shall be entitled to receive a one hundred percent (100%) pay out of this 'grandfathered' accumulated sick pay upon termination, for other than just cause, at their current regular rate of pay.

DATED AT British Columbia, this day of , 2007.

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

LETTER OF UNDERSTANDING #6

OFFICE & TECHNICAL (CROSS OVER)

The Company and Union agree that employees in the Office & Technical classifications, as set out in Schedule "C", shall not have the opportunity to post, bump or transfer to those classifications set out in Schedules "A" and "B", except in extenuating circumstances as mutually agreed between the Company and the Union.

Furthermore, the Company and Union agree that employees in the classifications as set out in Schedules "A" and "B", shall not have the opportunity to post, bump or transfer to those classifications set out in Schedule "C", except in extenuating circumstances as mutually agreed between the Company and the Union.

DATED AT British Columbia, this day of , 2007.

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

LETTER OF UNDERSTANDING #7

GENERAL RELIEF

The Company and the Union agree to establish a new classification entitled "General Relief" to be added to the current collective agreement subject to the following principles and procedures:

1. General Relief will be utilized to supplement the need for additional full-time postings (i.e. absenteeism, disability, WCB and other forms of time off) in certain operations. (Notwithstanding the continued right of Management to utilize Summer Help during the period April 1st to September 15th each year) .
2. Current part-time employees will be assigned General Relief positions in order of seniority subject to the maximum number of positions required in this classification. Thereafter, employees not holding postings (e.g. part-time, laid off, etc.) shall be placed in General Relief positions in order of their seniority subject to the number of General Relief positions required.
3. General Relief will be assigned shifts in accordance with their Company seniority provided they are capable of performing the required work.
4. Where practical, General Relief employees will normally be assigned to shifts prior to the use of part-time employees.
5. General Relief will not participate in shift selections affecting other classifications.
6. General Relief employees shall follow the same guidelines for availability for work as those followed by all other employees.
7. General Relief employees shall be able to select holidays within their classification.
8. General Relief employees shall receive the Dairyworker rate of pay, as set out in Schedule "A".

DATED AT British Columbia, this day of , 2007.

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

LETTER OF UNDERSTANDING #8

COST OF LIVING ALLOWANCE

The standard of living of employees shall be protected through the application of a Cost of Living Allowance (COLA). The COLA will be based on the Consumer Price Index for British Columbia (CPI - BC) for "All-items" as published by Statistics Canada and shall use a starting base index of 2002 = 100 for the contract years April, 2011 and April 2012 to March 31, 2013.

Effective the beginning of the first pay period April, 2011 and 2012, the COLA adjustments calculated from the preceding twelve (12) months (April through March, inclusive) for the contract years that begin 2010 and 2011 and shall be folded into the wage rates, as shown in the Wage Schedules.

DATED AT British Columbia, this day of , 2007.

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

LETTER OF UNDERSTANDING #9

ELIMINATION OF JANITOR CLASSIFICATION

The Parties agree to the eventual elimination of the Janitor position. All current janitorial personnel will remain grandfathered in their positions and their duties will be scaled back through attrition. The Company agrees to relieve current janitors with Bargaining Unit employees until such time as the position has been eliminated.

DATED AT British Columbia, this day of , 2007.

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

LETTER OF UNDERSTANDING #10

BETWEEN:

SAPUTO FOODS LIMITED

AND:

TEAMSTERS LOCAL 464

RE: REGISTERED DISTRIBUTION OPERATORS (RDOs)

The terms and conditions contained in this Letter are intended to apply to persons working as Registered Distribution Operators (RDOs) in the Province of British Columbia.

PART 1: GENERAL

1. The purpose of this letter is to establish Registered Distribution Operators (RDOs) in the province of British Columbia.
2. Any person who desires to become a RDO shall be required to make formal application and satisfy the 'eligibility criteria' as determined by the Company. These criteria shall include, but not be limited to, general suitability and financial qualifications.
3. The number and type of Territories, "purchase price/rental fee" shall be at the sole discretion of the Company.
4. Under this arrangement, RDOs receive the right to sell Company provided, approved products within a specific geographic territory and/or to specific customers. The Company shall make available sufficient products and shall provide Sales, Marketing and other support services.
5.
 - (a) Products supplied to RDOs will be at 'net price' (with a specified sale price) such that RDOs will receive a 'commission' or 'fee for service' on the sale of each unit.
 - (b) Other forms of remuneration may be applied at the discretion of the Company (drop charge, transportation fee, storage fee, etc.)
 - (c) All RDOs are responsible for the cost of returns under their control.
6. RDOs may be required to use the Company's automated billing and accounting system. The Company will carry the accounts receivable.
7. RDOs who have 'purchased territories' may sell or terminate their arrangement upon six (6) months written notice to the Company. The Company shall have the first opportunity to purchase back the territory, for market value (less any outstanding monies owing the Company). Notwithstanding, the Company maintains its right to pre-qualify and approve all potential purchasers and operators.
8. RDOs are expected to adhere to the reasonable directives and guidelines set by the Company. This shall include responsibility for vehicle parking, hook-ups and loading.

9. The Company may terminate without notice any RDO for 'just cause' or non-performance of responsibilities and purchase back the territory at its 'original purchase price or rental fee' less any outstanding monies owing.
10. RDOs are responsible for obtaining proper 'business insurance', registration, WCB coverage and for maintaining vehicles in a safe operating condition. In the event of a breakdown, the Company will attempt to provide a spare vehicle at a specified charge to the operator.
11. RDOs are intended to be covered solely by the terms of this letter and a RDO Agreement and must remain members in good standing of Teamsters, Local 464. Union dues shall be deducted by the Company and remitted to the Union.
12. All statutory deductions (i.e., CPP, WCB Income Tax) are the responsibility of the employee.
13. All RDOs will be required to enter into a standard form RDO Agreement and shall form part of a separate unit covered by this Letter of Intent.

PART 2: CURRENT DISTRIBUTION EMPLOYEES

1. Current distribution employees satisfying the eligibility criteria may apply for available Territories,
2. Territories will be offered to present employees for a nominal annual rental fee in the case of rental Territories and a preferential purchase price in the case of purchase Territories.
3. The Company will offer severance and payback terms (repayment over ten (10) years) to employees who purchase or rent a Territory as consideration for separation from their current position.

Where the Company requires that RDOs provide their own vehicle, it shall provide present employees with the option of purchasing vehicles for their current market value. The Company shall facilitate the purchase by arranging for a common bank contact.

The Company shall continue to pay for the Welfare Benefits for present distribution employees who become RDOs for a period of twelve (12) months based on the current hourly rate to a maximum of thirty-six (36) hours per week. Thereafter, present employees may purchase basic Welfare (medical, dental, extended health, life insurance) benefits by paying the cost of these benefits.

PART 3: NEW REGISTERED DISTRIBUTION OPERATORS:

1. The general conditions under Part 1 of the Letter of Intent shall apply to new RDOs.
2. A new RDO shall have the option of purchasing Welfare Benefits by directly paying the applicable plan premiums.

It is intended that the terms and conditions contained in this Letter of Understanding apply to RDOs and shall take precedent over the Collective Agreement.

DATED AT British Columbia, this day of , 2007.

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

ADDENDUM RE: DEPENDANT OPERATORS

(To Master Agreement)

TEAMSTERS LOCAL UNION NO. 464,
of the City of Vancouver, Province of British Columbia,
affiliated with the International Brotherhood of Teamsters

-and-

SAPUTO FOODS LIMITED

ARTICLE 1: Recognition & Scope

The Company recognizes the Union as the sole bargaining agent for all dependant Operators who have executed a Company Operations Agreement, within the Province of British Columbia. Operators are defined as dependant Owner/Operators owning or renting the distribution rights to a sales territory in accordance with the Operations Agreement and do not include their employees (if any).

This Addendum is not intended to apply to independent operators and customers or to force distributors to become members of the bargaining unit.

ARTICLE 2: Management Rights

- 2.01 The Union recognizes and acknowledges that the management of the Company's business is fixed exclusively with the Company unless expressly restricted by this Addendum.
- 2.02 This Addendum shall only prevail over Individual Operator Agreement(s) where expressly stated. The individual Operator Agreement(s) remain in effect and are not rendered invalid or unenforceable because of the existence of this Addendum.

The Letters of Understanding that are attached to this Addendum are intended to form part of this Addendum and include:

- | | | |
|----|-------------------------|--|
| 1. | Letter of Intent: | Home Service |
| 2. | Letter of Understanding | Registered Distribution Operators (RDOs)
for Interior, Island and North Regions |
| 3. | Letter of Understanding | Registered Distribution Operators (RDOs)
Lower Mainland |
| 4. | Letter of Understanding | Line Haul Operators (LHOs) |

The terms and conditions contained in this Addendum along with the attached Letters of Understanding and Operators Agreement form the Agreement between the Parties in its entirety and it is understood that no part of the master Collective Agreement or any other Letters of Understanding apply unless specifically referenced in this Addendum.

ARTICLE 3: Strikes and Lock-outs

3.01 During the term of this Agreement, the Company will not cause or direct any lock-out of Operators; nor will the Union cause or direct, nor will the Operators participate in, any strike or other collective action which would stop or interfere with service or impair efficiency of operations. If such collective action should be taken, the Union will ensure that Operators promptly return to work and perform their duties in the usual manner.

ARTICLE 4: Union Security and Representation

4.01 All Operators covered by Article 1: Recognition and Scope, shall have Union dues deducted each month in an amount as may be prescribed by the Union from time to time, and which dues shall be remitted to the Union on a monthly basis by the twentieth (20th) day of the following month. New Operators will be required to pay an initiation fee. All Operators who have executed a Company Operations Agreement shall become and remain members of the Union.

4.02 The Union shall indemnify and save the Company harmless from any and all claims for the amounts deducted and remitted under the terms of this Article.

ARTICLE 5: Dispute Resolution Procedure

5.01 It is the mutual desire of the Parties hereto that formal complaints of Operators shall be addressed as quickly as possible without interference with any work.

5.02 A formal 'Complaint' shall be defined for purposes of this Addendum as a disagreement regarding the interpretation, application or alleged violation of the terms and provisions of this Addendum, Letter of Understanding or Operators Agreement and shall be processed as set out below:

Step 1

The Operator and/or Union shall submit a signed, dated and written statement of such Complaint to the Company no later than five (5) working days from the time the Complaint first arose. The Complaint must set out the nature of any alleged breach of this Addendum, Letter of Understanding, or Operator Agreement along with the remedy sought to resolve the matter, failing which such Complaint shall be deemed to be abandoned. The Company may respond in writing within five (5) working days of the date of receipt of such Complaint, failing which the Complaint may automatically be taken to Step 2 by the Operator and/or the Union.

Step 2

If the Complaint has not been resolved at Step 1 or if the Operator has not received a satisfactory response, the Operator and/or the Union shall request a meeting with local management no later than five (5) working days after the expiry of the time limits for the Company's response as set out in Step 1. If such meeting is requested, local management will conduct such meeting within five (5) working days of the request.

- 5.03 If final settlement of the Complaint is not reached at Step 2, the Union shall notify local management in writing, within three (3) working days after the expiry of the time limits for the Company's response set out in Step 2, of its desire to refer such Complaint to arbitration. The Union shall in turn refer the complaint to arbitration within fifteen (15) working days of such notification. Failure to provide such notification to local management or to refer the Complaint within the specified time limits shall result in the Complaint being deemed to have been abandoned.
- 5.04 Should the Company choose to file a Complaint alleging that the Union has violated, misapplied or misinterpreted this Addendum, Letter of Understanding or Operator Agreement, the Company shall provide the Union and/or Operator with such Complaint within five (5) working days from the time the difference arose and shall request a meeting with the appropriate Union Officers within five (5) working days from the filing of such Complaint. If such Complaint is not resolved at that meeting, the Company shall provide written notice within five (5) working days of the scheduled date of such meeting of its intention to refer the Complaint to arbitration. The Company shall in turn refer the Complaint to Arbitration within fifteen (15) working days of such notification. Failure to provide such notification shall result in the Complaint being deemed to have been abandoned.
- 5.05 Time limits specified in this Dispute Resolution Procedure are mandatory. The Parties hereto also agree that the time limits specific in the Dispute Resolution Procedure may only be extended by mutual agreement, in writing between the Company and the Union.

ARTICLE 6: Arbitration

- 6.01 Where a Complaint is referred to arbitration in accordance with the requirements of Article 5, such complaint shall be heard by a three (3) person Arbitration Panel unless the Parties otherwise agree. It is understood and agreed that the Parties' nominees will make their selection of such Chairman based on mutual agreement. If no actual agreement is reached, either party may request the Honourable Minister of Labour to appoint a Chairman.
- 6.02 An Arbitration Panel shall not have jurisdiction to amend, alter, modify or add to any of the provisions of the Addendum, Letter of Understanding or Operations Agreement, nor to substitute any new provision in lieu thereof, nor to give any decision inconsistent with the terms and provisions of the Addendum, Letter of Understanding or Operator Agreement.
- 6.03 Each of the Parties hereto will equally share the fees and expenses of the Chairman. Each party shall pay its own costs otherwise.
- 6.04 Arbitrations shall be heard at a location agreeable to the Parties involved.

ARTICLE 7: Termination of Distributor's Individual Agreement

- 7.01 An Operator whose Operator's Agreement has been terminated may file a formal complaint in accordance with Article 6 herein that his Operators Agreement was not terminated in accordance with the Individual Operator Agreement. No right to complain under Article 6 will arise in any instance where written notice in accordance with the individual Operator Agreement has been provided to the Operator.

7.02 The Operator is entitled to request the presence of one (1) Union representative at any meeting where such Operator is given written notice of breach of Individual Operator Agreement. Non-compliance with this entitlement shall not result in the written notice of breach being null and void.

ARTICLE 8: Duration

8.01 This Agreement shall be in effect for the same term as the master Collective Agreement (Clause 31).

DATED AT British Columbia, this day of , 2007.

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

