

COLLECTIVE AGREEMENT

BETWEEN

**SAPUTO DAIRY PRODUCTS CANADA G.P.
(RED DEER)
hereinafter called the “Company”**

AND

**MISCELLANEOUS EMPLOYEES,
TEAMSTERS LOCAL UNION 987 OF ALBERTA
hereinafter called the “Union”**

(May 1, 2016 - April 30, 2019)

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WITNESSETH that the parties hereto agree as follows:

ARTICLE NO. 1 - INTENT AND PURPOSE

1:01 It is the intent and purpose of this Agreement that the Company and the Union co-operate to obtain an efficient and unrestricted production and distribution of dairy products, to maintain a harmonious relationship between the Company and its Employees, and to provide a method of settling in an amicable manner any difference or grievance that may from time to time arise, and to set forth rates of pay, hours of work and other conditions of employment to be observed between the parties hereto.

ARTICLE NO. 2 - MANAGEMENT CONTROL

2:01 Responsibility for planning, directing and controlling the business of the Company shall rest exclusively with the Management. Management personnel shall not perform duties of the bargaining unit except to:

- a) perform experimental work or new operational setups,
- b) when necessary to diagnose or correct operating difficulties, or
- c) for purpose instruction or training

ARTICLE NO. 3 - EMPLOYEES INCLUDED

3:01 The provisions of this Agreement shall apply to the unit of Employees as described under the Certificate of Certification issued by the Board of Industrial Relations, Province of Alberta, namely:

“All Employees excluding those Employees in Supervisory Positions with the right to hire, discharge and change the status of Employment and Office staff.”

3:02 Probationary Employees retained as permanent staff shall be deemed to be on permanent staff as of the date of commencing the most recent period of continuous employment. Seniority provisions of this Agreement shall be effective from that date, subject to the one hundred and twenty (120) days probationary period described in Article 10:06.

3:03 Gender except where specifically stated to the contrary, use of the term “he”, “him”, or “his”, throughout this agreement will be considered to also mean “she”, “her”, or “hers”.

ARTICLE NO. 4 - UNION SECURITY

- 4:01** The Union shall supply the Company with application forms for Union membership and dues deductions that shall be signed by all new Employees on the day on which the new Employee is hired. All completed copies of the application for membership forms shall be returned to the Union and shall serve as notification of commencement of employment. The Union shall supply the Company with application forms for pension benefits, these forms shall be signed on the day on which the new Employee is hired. All completed copies are to be sent to the Union Office.
- 4:02** Upon written request of an Employee, the Company will, in accordance with the tenor of the request, deduct the Employee's Initiation Fee and monthly Union dues, remitting same, together with a list of the Employees from whom the deductions have been made, to the Secretary-Treasurer of the Union, on or before the 20th day of each month.
- 4:03** The Company agrees to supply the Shop Steward of the Department concerned with a list of the new Employees each month.

ARTICLE NO. 5 - BARGAIN WITH AND RATIFICATION

- 5:01** Pursuant to the certification as issued by the Board of Industrial Relations, the Company recognizes the Union as the sole bargaining agent for the Employees of the Company covered by this Agreement, and will bargain only with the Union, and duly appointed representatives thereof, on behalf of the Employees of the Company.
- 5:02** This Agreement will be ratified by Union member Employees, whose decision will be final, and neither Union members employed by other companies, nor non-Union employees employed by the Company, shall have any voice in ratifying this Agreement, or amendments thereto that may be made in the future.

ARTICLE NO. 6 - HOURS OF WORK

- 6:01** A pay period is defined as a fourteen (14) consecutive day period that commences at 2400 hours Saturday.
- 6:02** Regular Employees will normally work an average of 80 hours per pay period; eight (8) days, ten (10) hours per day or ten (10) days, eight (8) hours per day, with a minimum of two consecutive days off per week. Scheduled days of the week and hours per day will be determined by the company, based on operational and business needs.
- 6:03** Overtime at one and one half (1 1/2) the regular rate shall be paid for all hours worked in excess of the regular scheduled hours per day or per pay period.
- 6:04** There will be two (2) fifteen minutes rest breaks per shift, one in the first half and the other in the second half.

All employees required to work in excess of two (2) hours at the end of their scheduled shift will be provided a meal allowance of \$7.50. After two (2) hours of overtime employees shall receive a paid fifteen (15) minute break. Where the company requires an employee to be available during their lunch break, they will be paid one-half (1/2) hour at the appropriate rate of pay.

- 6:05** In the event any changes are to take place in the Employee's days of rest, thirty-six (36) hours notice shall be given to the Employees affected by the change (not applicable in cases of emergency, i.e. fire, flood or act of God).
- 6:06** Employees required to work any of their regular daily shifts outside of the hours of 7:00 AM to 7:00 PM shall be paid a shift differential of one dollar and twenty cents (\$1.20) per hour for all hours worked between 7:00 PM to 7:00AM
- 6:07** The Company agrees that an accurate record of hours of work for all Employees covered by this Agreement shall be kept, and no Employee shall record or be asked to record times other than their actual hours of work. The Company may use mechanical or electronic time clocks for time keeping purposes. All time cards shall be signed by the Employee, and by the Supervisor in charge, and all Employees shall be paid in accordance with the time cards.

In the event than an error occurs that requires an adjustment on the employee's pay, and that error exceeds two hundred dollars (\$200), the company shall, at the employee's option, make such payment to the employee within 3 business days of discovery of the error or include it on the employee's next pay. If the error is less than two hundred dollars (\$200) or the error was an overpayment the adjustment will be made on the following pay.

- 6:08** Required overtime will be offered on the basis of seniority and classification within a department, wherever practical. Where no employee is willing or able to work the required overtime, it shall be assigned in reverse order of seniority.
- 6:09** Any employee who has completed his regular shift and is called back to the plant for overtime work shall be paid at time and one-half and be guaranteed a minimum equivalent of 4 hours regular pay.
- 6:10** Schedules for the following week shall be posted by 2:00 p.m. on Friday afternoon, a copy of the posted schedule shall immediately be given to one of the stewards. Employees shall be given, except in emergencies (fire, flood or Act of God), reasonable notice should it be required to change the schedule after it is posted.
- 6:11** Employees may exchange shifts or days off with each other with the prior approval of the Employer, provided no increase in cost is incurred by the Employer.

6:12 The purpose of the on call pay is to ensure we have Maintenance support on an emergency basis for the weekends. When scheduled by Management, employees will be paid two overtime hours for each day of a weekend while scheduled on call. A weekend includes a Saturday, Sunday and Statutory holidays.

When an employee is required to troubleshoot or problem solve an issue over the telephone, the employee shall be paid one hour at regular rate. The call must have prior authorization from the manager or supervisor (or the shift engineer in the absence of the manager and supervisor).

ARTICLE NO. 7 - DISMISSAL

7:01 No Employee who has completed his probationary period shall be discharged without at least two (2) warning notices except for just cause which may include, but is not limited to dishonesty, drinking on the job, drunkenness, insubordination, refusal to perform assigned work and absence without leave. If an Employee works for twelve (12) months without receiving any disciplinary action, his record shall be considered clear. Copies of all disciplinary letters will be forwarded to the Union.

ARTICLE NO. 8 - ANNUAL VACATIONS

8:01 Annual vacations with pay shall be granted to all Employees covered by this Agreement, on the following basis:

After 1 year of continuous service	-	2 weeks
After 4 years of continuous service	-	3 weeks
After 10 years of continuous service	-	4 weeks
After 18 years of continuous service	-	5 weeks

8:02 a) Vacation pay will be based on the employee's regular hourly rate not including overtime. Summer relief and part-time employees are not entitled to vacations, but will receive vacation pay equal to 4% of their regular earnings.

b) Employees vacation pay will not be reduced unless the employee has been absent at least 160 hours in a vacation year. An employee's vacation pay shall not be reduced as a result of time missed due to W.C.B claims.

8:03 Vacation will be scheduled on a calendar basis from January 1 to December 31. Each employee shall take their vacation during the calendar year in which they are entitled to it.

8:04 a) Those Employees with less than one year, prior to March 1 of each year are entitled to one (1) day for each 208 hours actually worked (vacation time not to exceed 80 hours).

- b) Commencing in the calendar year during which the Employees' second anniversary falls, vacation may be scheduled throughout the calendar year subject to Clause 8:05.
 - c) In the calendar year during which the Employees' 4th, 11th and 19th anniversary falls, the employee qualifies for the additional entitlement and it may be scheduled throughout the calendar year.
- 8:05**
- a) Employees on each schedule, to be posted by January 1st of each year, shall choose their vacation dates in order of seniority based on department guidelines. The senior Employee will choose his vacation date first, and should he decide, in accordance with the selection procedure herein contained, to split his vacation into two periods he shall not make his second selection until all other Employees on the schedule have made their first selection. No Employee, on his first selection, may take more than three continuous weeks vacation during the months of June, July and August inclusive. The next senior Employee will follow the same procedure and so on down the schedule until all Employees have made their selections.
 - b) An Employee may take his entire vacation in one continuous period during the months of September to May.
 - c) Departmental seniority shall only apply if Employees sign up for vacations prior to February 15th. Thereafter, vacations will be granted on an 'as available' basis. Any subsequent changes to an Employee's vacation schedule shall be mutually agreeable.

8:06 In the event an employee resigns or is terminated, vacation pay will be determined as follows:

If the resignation occurs prior to March 1 for the current calendar year, vacation pay will be calculated at 2% of regular earnings for each week of entitlement from the previous March 1 to the date of termination less any vacation actually taken during the current calendar year. Any vacation overpayment will be deducted from final earnings.

If the resignation occurs after March 1 for the current calendar year, vacation pay will be calculated at 2% of regular earnings for each week of entitlement from March 1 to the date of termination plus any vacation entitlement not taken in the current calendar year.

ARTICLE NO. 9 - PAID HOLIDAYS

9:01 Employees currently on payroll for more than thirty (30) calendar days shall be entitled to recognized general holidays with pay equal to their regular hourly rate for their scheduled hours of work. In order to qualify for holiday pay, employees must work their last scheduled shift prior to the holiday and their first scheduled shift after the holiday and the holiday, if scheduled; unless absent due to illness verified by a doctor's certificate. Employees who are scheduled to work the holiday and do not, due to a verified illness, will receive the holiday pay but do not qualify for sick benefit.

Part time employees shall receive statutory holiday pay based on actual hours worked in a month; 160 hours worked shall mean full pay for a statutory holiday.

9:02 The following general holidays are recognized:

New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, August Civic Holiday, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day.

9:03 All general holidays are recognized for pay purposes on the actual day on which they fall. Canada Day is the only holiday with an exception (i.e. it is recognized on July 1st except when it falls on Sunday, in which case Monday, July 2nd becomes the holiday).

9:04 Employees who are required to work on a general holiday shall be paid at the rate of time and one half (1/2) their regular rate of pay for all hours worked on that day in addition to their regular days pay for the general holiday or a day off in lieu with pay at a mutually agreed time. Should agreement not be reached within thirty (30) days the employee will be paid out.

ARTICLE NO. 10 - SENIORITY

10:01 In determining promotions and layoffs, seniority in service shall prevail, other considerations such as ability and qualifications, being relatively equal. Subject to procedure under Article 12, the Company shall assess relative ability and qualifications of the Employees affected, and shall advise the Chairman of the Shop Stewards of all proposed promotions and layoffs.

10:02 a) When full time vacancies occur above group 4 outlined in Article 20 or when new jobs or classifications are created, they will be posted on the bulletin boards for six (6) working days during which period an Employee, with seniority, may make written application for such vacancy. Employees within the department containing such vacancy will be given first consideration for such vacancy.

- b)** The successful applicant will be advised within six (6) working days of the expiry of the six (6) working day posting period. Upon filling the vacancy, the successful applicant will be allowed a reasonable time in which to qualify, but unless otherwise agreed between the parties, such qualifying period will not exceed twenty (20) working days. In the event it is determined the Employee cannot qualify for the vacancy, he will be returned to his previous job.
 - c)** When the applicant described under Sections a) and b) above has qualified for the vacancy, then the vacancy created by his application will be posted in the same manner as described above, except that applications will be accepted on a plant wide basis as per Clause 10:01. The Company is only required to post one additional vacancy that may arise out of the filling of the first vacancy. Any subsequent vacancies may be filled as determined by the Company.
 - d)** An employee promoted under Article 10:02 (a) shall receive the higher rate when he/she becomes qualified but such qualifying period of purposes of rate application will not exceed (20) working days unless otherwise mutually agreed.
 - e)** No Employee shall be awarded more than one posted job per nine (9) month period within the same pay scale or lower.
 - f)** Summer relief employees shall carry no seniority. A separate seniority list for part time employees shall be maintained by the company based on hours worked. Employees shall lose their seniority from the part time list should they become a full time employee.
 - g)** Leadhand shall not be a bid position.
 - h)** Plant departments:
 - i.)** Butter, shipping and receiving powder and pan room
 - ii.)** Engineers and maintenance
- Note: Employees who transfer from one department to another shall retain all their seniority in the new department after one year for the purpose of scheduling annual vacation entitlement only.
- i)** When filling temporarily vacant full time positions preference will be given to regular employees, qualifications and training needs being considered. 'Temporarily' will be defined as vacancies that are determined to be in excess of two weeks.

- 10:03 a)** In the event of a permanent layoff or reduction of staff, the affected employee shall be eligible to displace the most junior employee in the classification affected, thereafter, the most junior employee in the classifications within the same Group, as set out in Article 20, and thereafter, the most junior employee in the next lower Group, and so on, providing that any displacement is on the basis that the affected employee has the qualification and abilities as determined by the Company or is able to obtain said qualifications and abilities within a reasonable period of time (i.e. 20 working days).
- b)** If the Company determines that temporary layoffs of less than 60 days are necessary, Clause 10:03 a) (see above) does not apply and no notice is required. Those on temporary layoff will continue to be eligible for applicable company benefits.
- 10:04** The Company agrees to re-hire on a seniority basis, Employees who have been laid off for a period not exceeding nine (9) consecutive months, providing the Employee is capable of performing the duties of the vacancy, with seniority from the first day of employment with the Company prior to being laid off.
- 10:05** A list showing the seniority of each Employee, based on the length of service an Employee has been on the payroll, shall be compiled and kept posted on the bulletin boards. This list shall be revised on the 1st of January and the 1st of July each year. Any errors shall be reported to the Chairman of the Shop Stewards for correction.
- 10:06** A probationary period of one hundred and twenty (120) days on the payroll shall apply in the case of each new Employee, during which time, seniority shall not apply, and an Employee may be laid off without reference to seniority, and the Company shall not be obliged to re-hire such an Employee.
- 10:07** An Employee shall have lost all seniority rights and his Employee status with the Company shall be cancelled in all respects if he:
- a)** Voluntarily leaves the Company,
 - b)** Is discharged for just cause,
 - c)** Is laid off by the Company for a period exceeding nine (9) consecutive months.
- 10:08** It shall be the responsibility of the employee to keep the Company notified of his/her current address and phone number where he/she can be contacted.
- 10:09** Any employee who accepts pay in lieu of notice as stipulated in the Employment Standards Code prior to the expiry of the recall period or severance as per Clause 13:05 will forfeit all recall rights.

ARTICLE NO. 11 - SHOP STEWARDS

11:01 There shall be elected by the Employees covered by this Agreement, a number of Shop Stewards to be agreed upon between local Management and the Union, including a Chairman, who shall have been continuously employed by the Company for not less than one (1) year. Their duties shall be to see that the members of the Union live up to the rules and regulations of the Union and of the Company, and to the terms of this Agreement.

11:02 In order to facilitate collaborative relations, the Company and the Union agree to form a Joint Labour Management Committee that shall meet on a regular basis for the purpose of reviewing business and operational plans and to discuss issues and opportunities. It is intended that the meetings shall be held as required during regular working hours.

ARTICLE NO. 12 - GRIEVANCES

12:01 Should any alleged grievance arise as to the interpretation and application of the provisions of this Agreement, such grievance shall be processed within ten (10) working days after the circumstances giving rise to the grievance have originated or occurred, in the following manner and sequence:

FIRST STEP

Between the aggrieved Employee, with or without the Shop Steward, and his Supervisor. The decision of the supervisor shall be given within three (3) working days following presentation of the grievance. Failing settlement, then,

SECOND STEP

Within three (3) working days following the decision under the first step, a meeting will be held between the Shop Steward and the Branch Manager. The decision of the Branch Manager shall be given within three (3) working days of such meeting. Failing settlement, then,

THIRD STEP

Within three (3) working days following the decision under the Second Step, a meeting will be held between the Union Grievance Committee and a Committee designated by the Company. A staff representative of the Union will be present at the request of either the Company or the Union. A decision under this step will be given within five (5) working days following such meeting. The grievance will be presented in writing at this step by the grieving party. Failing settlement, then, within ten (10) working days thereafter, upon mutual agreement, the grievance may be referred to the Government Grievance Mediation.

If the grievance remains unsettled, then within ten (10) working days of the date of the

decision, under the third step, the grievance shall be referred to a Board of Arbitration as provided herein.

12:02 The term “working days” for purposes of this Article shall not be deemed to include Saturdays, Sundays and Paid Holidays.

12:03 If the Company wishes to grieve to the Union against any action of the Union, its Officers or Members, the foregoing procedure may be followed commencing with the second step.

12:04 Shop Stewards, the number to be agreed upon between local management and the Union, all of whom shall be Employees of the bargaining unit defined herein, who have attained seniority, shall be elected by the Union and recognized by the Company. The Union will advise the company in writing of the names of such stewards.

12:05 The Union will elect and the Company agrees to recognize a Grievance Committee, the number to be agreed upon between local Management and the Union, whom shall be Employees of the bargaining unit defined herein, who have attained seniority. A list of Grievance Committee members shall be furnished to the Company.

12:06 Grievance meetings with the Grievance Committee shall be conducted at times suitable to the operation of the business, by arrangement between Company Management and Chief Shop Steward. The Company will pay members of the Grievance Committee at their regular rates for time spent at meetings of the Grievance Committee with Management representatives during regular working hours.

If an Employee, who has completed the probationary period, has an alleged grievance that he has been unjustly discharged, he shall notify the Company through the Grievance Committee within five (5) working days after date of separation stating the reason of objection to the discharge and the grievance will be considered commencing with the second step of Section 12:01.

12:07 Should any grievance arise directly between the Company and the Union as to the interpretation and application of the provisions of this Agreement, the grievance shall be taken up commencing at the second step of Section 12:01.

12:08 Pending settlement of any grievance, the aggrieved Employee shall perform the duties assigned to him.

12:09 Before leaving his job or his Department in connection with any grievance, a Shop Steward or member of the Grievance Committee must first obtain permission from the Supervisor of his Department. Should the grievance require such Steward or member of the Grievance Committee to go into another Department, he must first report to the person in charge of the Department.

- 12:10 a)** If the Union and the Company cannot reach a settlement, following the third step of the Grievance Procedure, and upon request of either party, the grievance shall be submitted to the Board of Arbitration composed of three (3) members. The Company and the Union shall each select one (1) member, and the third member within seven (7) days shall be selected by mutual agreement of the two (2) members first selected. The third member shall be impartial and possess knowledge of Labour Management relations. The third member shall act as Chairman of the Board.

The Company and Union may, however, agree to a single arbiter, jointly selected, rather than a Board consisting of three (3) members.

If agreement cannot be reached within seven (7) days, in respect to the appointment of the Chairman of the Board of Arbitration, the matter shall be referred to the Minister of Labour of the Province of Alberta, who shall appoint a Chairman. No person involved directly in the controversy under consideration shall be a member of the Board of Arbitration.

- b)** The Board of Arbitration shall receive and consider such material evidence and contentions as the parties may offer, and shall make such independent investigation as it deems essential to a full understanding and determination of the issues involved. In reaching its decision, the Arbitration Board shall be governed by the provisions of this Agreement.
- c)** The Board of Arbitration shall not be vested with the power to change, modify or alter any of the terms of the contract. All grievances submitted shall present an arbitrable issue under this contract, and shall not depend on, or involve, an issue of contention by either party which is contrary to any provisions of this contract, or that involves the determination of subject matter not covered by or arising during the term of this contract.
- d)** The findings and decision of the Board of Arbitration on all arbitrable questions shall be binding and enforceable on all parties. A decision of majority of the Board of Arbitration shall be deemed to be a decision of the Board.
- e)** The expense of the Chairman shall be borne equally by the parties of the Arbitration.

ARTICLE NO. 13 - MUTUAL INTEREST

- 13:01** The Union agrees that it will further the interests of the Company at all times to the limit of its ability.

13:02 It is further agreed by the Employer and the Union that no Employee will be asked to make any written or verbal agreement conflicting with this Agreement. No Employee shall make any written or verbal agreement with the Employer or the Union conflicting with this Agreement.

13:03 a) Any classification not included in this Agreement, any change in the classification, or any change in method constituting a change in classification, shall be negotiated between the Company and the Union, at the time it comes into existence. If the parties fail to reach agreement, the matter shall be referred to a Board of Arbitration. The Board shall be empowered to make a binding Award.

b) If the employer proposes the introduction of equipment in its operations requiring specialized training, the Employer agrees to give first opportunity to employees then on the payroll through the job posting procedures of this agreement to operate the equipment and/or train to operate the equipment, provided the applicant qualifies. The employer will endeavor to assist in retraining if required.

13:04 a) Leave of absence may be granted to an Employee by the Company for good and sufficient reason upon application by the Employee provided the granting of such leave does not interfere with the requirements of the business.

b) If leave of absence is for a period of one (1) week or more, a written application shall be made by the Employee to the Company, and if leave is granted by the Company, it shall be confirmed in writing.

c) Seniority shall accumulate through periods of such leave of absence, but where leave exceeds one (1) calendar month, the employee will be required to repay all premiums on any benefits to which he is entitled.

13:05 SEVERANCE PAY

a) A regular employee who is permanently laid off due to discontinuance of an operation or lack of work shall receive severance pay (exclusive of notice) on the basis of 1.0 weeks pay for each year of service.

b) A regular employee in a department affected by permanent lay-offs who would not otherwise lose his employment may apply to voluntarily terminate and receive a separation allowance (exclusive of notice) of 1.0 weeks pay for each year of service to a maximum of ten (10) years service.

The number of employees eligible for severance under this provision shall be determined by the Company each year.

c) An employee accepting severance shall be considered terminated.

- d) In the event vacancies arise at other Company locations, the Company shall give priority consideration to the re-hire of suitable employees.

ARTICLE NO. 14 - UNIFORMS, LAUNDRY AND SAFETY EQUIPMENT

14:01 The Employer shall provide and launder uniforms and aprons, where required at no extra cost to the Employee, however, it is understood that the above shall be treated with care and shall under no circumstances be removed from the premises. All employees are obligated to wear their uniforms consistent with food safety policies and practices.

14:02 As a condition of employment, all employees shall be required to wear Company approved safety footwear. Employees who have completed their probationary period shall be eligible for reimbursement of up to one hundred and ten (\$110.00) dollars per year or two hundred and twenty (\$220.00) dollars for two (2) years upon submission of appropriate receipts. Employees demonstrating the requirement, with prior authorization from their Supervisor and upon submission of the appropriate receipts shall be granted an additional reimbursement of up to one hundred and ten (\$110.00) dollars per year for safety footwear.

Part-time active employees who have worked at least 1,000 hours prior to November 1 of each year will also be entitled to the footwear allowance.

14:03 The company will have trained first aid employees with certificates in the plant and will bear the cost of training.

ARTICLE NO. 15 - JURY DUTY

15:01 If any Employee is called and is required to serve on Jury Duty or as a Witness on his normal working day, the Employer agrees to pay the equivalent of the regular rate at straight time, less the amount of Jury Duty or Witness pay received. Employees shall return to work within a reasonable period of time. They shall not be required to report if less than two (2) hours of their normal shift remains to be worked. Total hours spent on Jury Duty or Material Witness and actual work on the job in the plant in one day shall not exceed a regular day's pay for the purpose of establishing the basic work day.

The above shall not apply to any type of labour management dispute whereby Employee (s) may be required to testify on behalf of the Union.

ARTICLE NO. 16 - BEREAVEMENT LEAVE

16:01 In the event of the death of a member of a regular employee's immediate family, the company will grant bereavement leave of up to three (3) days, with pay, if the employee is scheduled to work. An additional leave of absence without pay shall be granted based on individual circumstances.

'Immediate family' is defined as spouse, parents, child, brother, sister, grandparents, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandparents-in-law, step-mother, step-father, step-sister and step-brother.

ARTICLE NO. 17 - SUMMER RELIEF AND PART-TIME EMPLOYEES

17:01 The Company may employ summer relief and/or part-time Employees under the following conditions:

- a) To supplement the regular work force, to provide additional help on an incidental basis to cover peak work periods and other such time to cover an absent Employee.
- b) Summer relief and part-time Employees shall not be employed or scheduled to the extent that their work results in the displacement, or prevents the hiring or recall of full-time Employees.
- c) Each summer relief and part-time Employee shall, as a condition of continuing employment, pay each month Union dues in accordance with Article 4 of the Agreement for those months in which the Employee has earnings.
- d) A summer relief and part-time Employee employed under the conditions set out in Clauses (a), (b) and (c) above shall not be guaranteed a minimum number of hours per week.
- e) Experienced part-time Employees will be paid the wage rate as set out in Appendix "A" of this Agreement and should they be employed in classifications covered in group 1 through 3, then the appropriate wage shall apply.
- f) Part-time Employees shall be given first opportunity to qualify as regular Employees in order of their company service and be placed at the bottom of the seniority board if they meet all qualifications and their seniority date will be the date in which they become a full-time Employee. i.e. Company service shall mean actual hours worked from the date of employment.
- g) Summer relief shall be defined as those Employees hired between April 1 and September 15 of any calendar year for the purpose of replacing vacationing regular Employees. However, when a permanent vacancy occurs during this period under Article 10:02 (a) (b); it will be posted as provided therein.
- h) Summer relief shall be paid the summer relief rate regardless of their classification. Seniority shall not accumulate during the period of April 1 through to September 15.
- i) Summer relief Employees shall receive legal holiday pay based upon Alberta law.

- j) Part time and/or summer relief employees reclassified to full time status that have over ninety (90) days from the date of hire will have sixty (60) day probationary period from the date of being placed on a “full time” basis.

ARTICLE NO. 18 - PAY PERIODS

18:01 All Employees shall be paid every second Friday.

18:02 All Employees shall be given a statement following each cut-off date, showing overtime hours worked, if any, and how the amount is computed, including deductions, if any.

ARTICLE NO. 19 - HEALTH AND WELFARE

19:01 Pension Plan

To contribute eight (8) percent to the Teamsters Pension Plan based on hours worked, Paid Holidays not worked and vacation hours not worked, but not including overtime. The maximum hours will be 173 hours per month for those employees earning up to \$24.00 per hour. To contribute seven (7) percent to the Teamsters Pension Plan based on hours, Paid Holidays not worked and vacation hours worked, but not including overtime. The maximum hours will be 173 hours per month for those employees earning \$24.00 or more. Contributions will start the day an Employee begins work for the Company. Contributions will not be made for summer relief employees. All new hires as of date of ratification will have contributions at seven (7) percent to the Teamsters Pension Plan.

Notwithstanding Article 19:01, Employees that work the 12 hour shift as per the letter of Understanding Alternate Work Arrangements will be calculated monthly and reconciled annually each year in December. The 12 hour shifts have months that are less than the 173 hours monthly maximum. However, other months have hours as per Article 19:01 that exceed 173 hours. The yearly maximum pensionable hours as per 19:01 shall be 2076 hours.

Contributions on behalf of the part-time and summer students. The Company will make contributions on behalf of a part-time and/or summer student as required under the Alberta Pension Act.

19:02 Dental Plan

“See Company Benefit Plan”

19:03 Benefits

Effective the first day of the month following 960 hours worked in a continuous twelve (12) month period, all regular employees (full-time, part-time but excluding summer help) shall be entitled to applicable Health & Welfare Benefits as presently provided by the Company. This includes eye glass coverage of \$175.00 every two years.

Employees on recall or part-time will be eligible for applicable Company benefits (medical, dental and extended health) provided they work a minimum of 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.

19:04 Sick Leave

- a) Full time employees unable to work due to illness may be eligible to receive pay for hours lost to a maximum accumulation of fifty-six (56) hours per calendar year.
- b) An employee who works the complete calendar year shall receive a pay-out of 100% of his accrued sick leave, provided the employee has not received a written warning regarding his attendance in the calendar year.

ARTICLE NO. 20 - WAGE RATES AND CLASSIFICATIONS

- 20:01 a)** Effective on the following dates the Company shall provide the following wage adjustments to all classifications:

First Full Pay		
Fiscal 2016	Fiscal 2017	Fiscal 2018
1.4%	1.4%	1.4%

- b) Effective May 1, 2002, a two dollar and fifty cent (\$2.50) premium to be provided to Maintenance employees holding a PLC/Electronic certifications or equivalency who are capable of performing the required work and actually perform the assigned work requiring these skills.

c)

	First Full Pay			
	Current Rate	Fiscal 2016	Fiscal 2017	Fiscal 2018
Electrician	\$36.86	\$37.38	\$37.90	\$38.43
Millwright	\$34.94	\$35.43	\$35.93	\$36.43
Maintenance/Boiler Op	\$32.01	\$32.46	\$32.91	\$33.37
Chief Engineer	\$33.28	\$33.75	\$34.22	\$34.70
Membrane/Dryer Operator	\$30.08	\$30.50	\$30.93	\$31.36
Membrane/Dryer Operator Relief	\$27.14	\$27.52	\$27.91	\$28.30
Milk Receivers/Group 3	\$26.43	\$26.80	\$27.18	\$27.56
Group 4	\$24.40	\$24.74	\$25.09	\$25.44

New employees (including summer help and excluding Journeyman Status Maintenance) shall receive 85% of the job rate for the first year (2000 hrs worked). Thereafter, the employee shall receive the job rate.

Employees hired (after date of ratification of this agreement) within the Group 1 rate that do not have a ticket will receive 95% of top rate until they receive said qualifications.

20:02 A leadhand premium of \$1.25 per hour will be paid over the employee's posted job and regular rate in recognition of additional responsibilities.

A leadhand shall direct the work of other employees or oversee the activities of a specific work group or Department (including training and related administrative duties) while performing the same or similar work himself but, shall not have the authority to hire, schedule, suspend, terminate or otherwise discipline employees.

The number of required lead hands and determination of those appointed will be at the discretion of the Employer.

20:03 Employees temporarily working on jobs of a higher rated classification shall not be paid the higher rate for the first four (4) hours of work. If however, the employee works at least four (4) hours, he/she shall receive the higher rated pay for the entire day. If he/she works in excess of twenty (20) hours in a given week on a higher job then the higher rate will apply for the entire week.

20:04 The Company will pay the cost of the Milk Receiver's License or Pasteurizer's License and any necessary upgrades to maintain the license. If training must occur during an employees' scheduled shift, they will not suffer any loss of pay.

ARTICLE NO. 21 - CONTINUITY OF WORK

21:01 There shall be no cessation of work or slow-down of any kind by Employees, or lockout by the Company during the time this Agreement is in force, or in the process of being renewed or amended.

21:02 In the event of any other milk company or companies having difficulty in production and/or distribution by reason of a dispute between such company or companies and its or their Employees, the Company will not require the

Employees to whom this Agreement applies to perform work additional to that which they ordinarily perform, and the Employees agree to perform their usual work as though such dispute did not exist. This is not intended to restrict the Company from developing new business opportunities for our product lines.

21:03 No Employee covered by this Agreement shall be requested to cross any legal picket line.

ARTICLE NO. 22 - TERMINATION AND AMENDMENTS

22:01 This Agreement shall be in full force and effect as of the 1st day of May, 2016 and continue in full force and effect through the 30th day of April, 2019 and from year to year thereafter, except as hereinafter provided.

22:02 Either party may terminate this Agreement on any anniversary date by notice in writing to the other party, not less than sixty (60) days prior to such anniversary date.

22:03 If amendments are desired by either party to become effective in the next ensuing year, the party proposing such amendments shall give notice in writing thereof to the other party, not less than ninety (90) days before the expiration date of the collective agreement and commenced within twenty (20) days of the receipt of said notice.

Term

The term of the collective agreement shall be from May 01, 2016 until April 30, 2019.

LETTER OF UNDERSTANDING #1

Re: Alternative Work Arrangements

1. Pursuant to Article 6, the parties acknowledge that “alternate work arrangements” may be necessary in order to ensure the efficient scheduling and operation of particular departments and satisfy customer requirements.
2. In support of this understanding, alternate work arrangements other than those designated in Clause 6:02 (eg. 12 hours per day, 35 to 44 hours per week etc.) For a particular department, work group or individual may be utilized.
3. In all cases the company will endeavour to schedule and maintain an average of 40 hours of work per week over each pay period or work cycle (eg. 3 weeks). However, in recognition of daily, weekly, and seasonal fluctuations in volume and time requirements, employees will be paid for actual time worked.
4. It is understood that under alternate work arrangements, overtime would only be paid if the hours worked exceed the daily schedule or the total hours worked exceed the scheduled hours in a specific period (eg. pay period or work cycle).
5. A minimum of two consecutive days off per week will be scheduled and, where practical, the Company will endeavour to schedule such days to include a Saturday or a Sunday.

LETTER OF UNDERSTANDING #2

Re: Twelve Hour Shifts

1. The Company and Union agree to review the implementation of twelve hour shift arrangements where applicable (ie. Pan Operators, Maintenance, Engineering, Pasteurizer only).
2. In any twelve hour shift arrangement, no employee will be required to work more than four (4) twelve hour days in a one week period.
3. Such twelve hour shift arrangements will be established with the Union and will determine appropriate consideration for: stat holidays, vacation, overtime, and sick leave, shift premium, etc. prior to implementation and on the basis that no employee loses any benefit and the Company does not incur any additional cost.
4. Wherever possible, and except for emergency situations and/or unscheduled absenteeism, employees working on a twelve hour shift arrangement will not be required to work overtime. Where such overtime is required every effort will be made to assign the overtime to another qualified employee.

LETTER OF UNDERSTANDING #3

Re: Apprenticeship Program

TRADE APPRENTICES

Trade apprentices may be employed at the discretion of the company to the maximum legal ratio of one apprentice to every, one journeyman as defined by the Alberta Ministry of Labor.

Apprentices shall be paid the difference between their regular rate of pay and the amount received from Employment Insurance while attending Trade School.

Rates of pay while on the job shall be:

1-18 months	70% of Journeyman rate
19-24 months	80% of Journeyman rate
25-36 months	85% of Journeyman rate
37-42 months	90% of Journeyman rate
43 + months	95% of Journeyman rate

Apprentices will remain at the 95% pay rate until they receive Journeyman's status Trade Qualifications from the Alberta Ministry of Labor.

Apprenticeships shall be posted and then whenever practical awarded within the bargaining unit on the ability to perform the work and, in discussion with the Union, at the discretion of Management.

Successful internal candidates will remain at their current rate of pay if it is higher than the starting rate of 70% of Journeyman rate of pay. The apprentice shall remain at their current rate of pay until such time as they achieve the required numbers of months on the job to qualify for a percentage of Journeyman rates.

LETTER OF UNDERSTANDING #4

RE: Respect and Dignity

1. The parties agree that Employees are a vital part of our success, and must be treated with respect, dignity and fairness appropriate in all circumstances.
2. The parties agree that allegations of inappropriate conduct should be dealt with in the appropriate channels (i.e. reported to a supervisor and/or Manager, in conjunction with the Union steward). If the Employee does not get a satisfactory response within 10 days they may take their complaint to local Human Resources department within 5 days.
3. The Complainant and their Union Representative will meet with Human Resources within a reasonable time frame in an effort to resolve the specific concern.
4. All Employees are bound by Saputo's Code of Ethics, and any Employee found to be in violation of the Code of Ethics will be addressed accordingly.

LETTER OF UNDERSTANDING #5

RE: Health and Welfare Benefits

1. Both parties agree that after lengthy discussions during the 2016 negotiations that they will meet during the 2017 calendar year to review the cost of benefits.
2. Both parties also acknowledge that the cost of the comprehensive benefit package is increasing and threatens our ability to remain competitive in the market and industry.

LETTER OF UNDERSTANDING #6

Re: Health and Welfare Benefits

1. During the 2016 negotiations both parties recognized the challenges of requests for time off, and the scheduling of vacation. Both parties agree that vacation needs to be taken during the vacation year, and should be scheduled by employees in a timely manner to ensure that vacation can be accommodated during the year. Both parties also agree that vacation needs to be scheduled and used and unused vacation will not be paid out.

2. The Union and the Company will meet during 2017 to discuss the requests for individual days off and how the process will be handled.

LETTER OF INTENT #1

Re: Bereavement Leave

In support of the language in the collective agreement, the intent of Bereavement Leave is to prevent the loss of wages for scheduled work days in order to arrange and attend a funeral. For those employees that are attending a funeral, we will pay up to three (3) days bereavement leave.

For those employees that are not attending a funeral, we will pay one (1) day of Bereavement leave.

SIGNED AT Red Deer, Alberta, this 10th day of November, 2016.

**Signed on Behalf of:
Saputo Dairy Products Canada G.P.
Red Deer, Alberta**

**Signed on Behalf of:
Miscellaneous Employees,
Teamsters Local Union No. 987 of Alberta
Calgary, Alberta**

Norbert Wolf

Darin Melnechenko

Kevin Hyshk

Ken Atwell

Scott Blake

Herb Beltran

Ashley Whitenect

Rawle Joseph

Michelle Kloot

Allan Villa