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EFF.	95	04	16
TERM.	98	04	15
No. OF EMPLOYEES	24		
NOMBRE D'EMPLOYÉS	24		

SALMON PRICE AGREEMENT

APRIL 16, 1995 - APRIL 15, 1998

BETWEEN

**FISH PROCESSORS'
BARGAINING ASSOCIATION**

AND

**UNITED FISHERMEN AND
ALLIED WORKERS' UNION**

RECEIVED
FEB 16 1998

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1995-1997 SALMON PRICE AGREEMENT

This Agreement made and entered into between each of the undersigned Companies severally as the Party of the First Part, hereinafter referred to as the Operator and the United Fishermen and Allied Workers' Union, hereinafter referred to as the Union.

WHEREAS: It is the intent and purpose of the Parties hereto to set out hereunder the basic Agreement covering prices and fishing conditions for the 1995, 1996 and 1997 salmon seasons for purse seiners and gillnetters who are members of the Union.

WITNESSETH:

The Parties hereto mutually agree with each other as follows:

ARTICLE 1 **HONOURING VOUCHERS**

The operators agree to honour Union vouchers for dues signed by fishers who are members of the Union or are desirous of joining the Union and who have monies due them from one of the Operators. It is understood that such vouchers, when honoured, shall be paid by cheque by the Operator concerned and forwarded to the Headquarters of the Union.

It is further agreed that each Company Head Office will issue instructions to the plant managers and book-keepers in accordance with the terms of the "Memorandum of Understanding" on vouchers between the Operators and the Union.

ARTICLE 2 **METHODS OF POUNDAGE BUYING**

Section 1: All the salmon purchased on the grounds or at the plants shall be weighed at the time of original delivery and the weight so recorded shall constitute the basis for payment.

Section 2. In the case of an exceptionally heavy run of any salmon species in any locality rendering it impossible or difficult to weigh fish as provided in Section 1 above, it shall not be considered a violation of this Agreement if some other arrangement, such as averaging, is arrived at, provided that in such instances the change arranged is concluded by mutual consent of the Union members and of the Operators in the given locality.

ARTICLE 3
MINIMUM PRICES

The Operators agree to pay the schedule of Minimum Prices detailed in Section 1 for No. 1 Quality Salmon, purchased throughout and to the end of the 1997 salmon season, subject to the provisions of Article 5.

Alternatively, for sockeye and pinks, there are Minimum Price Market Formulas described in Section 2. Should the Market Formula calculation provide a price higher than the Minimum Prices for sockeye and/or pinks in Section 1, or as amended by Article 5, then an adjustment will be made to the Minimum Prices on an interim basis on or before December 15 and on a final basis on April 15 of each year covered by this agreement.

On or before December 15, the operators will estimate the application of the Minimum Price Market Formula based on sales to date and projected sales to March 31. Any interim payment will increase the Minimum Price by 50% of the calculated difference between the Minimum Prices in Section 1, or as amended by Article 5, and the estimated adjusted prices, as calculated by the Minimum Price Market Formulas.

On or before April 15, the Minimum Price Market Formula calculations are to be done from actual sales from September 1 to March 31 of each year covered by this agreement. If the results of the Minimum Price Market Formula calculation are higher, the Minimum Prices for that year will be adjusted accordingly.

Having adjusted the minimum prices, the Operators will ascertain what payments, if any, are owing. Any payments resulting from interim or final adjustments to Minimum Prices for sockeye and pinks will be made on an interim basis on or before December 15 and on a final basis on or before April 15.

These dates may be altered by mutual consent of the parties.

Section 1 : Schedule of Minimum Prices

Sockeye		
a)	All areas except Fraser River and Gulf	\$1.20
b)	Fraser River and Gulf until Aug. 21	\$1.10
c)	Fraser River and Gulf after Aug. 21	\$1.00
Pink		\$0.25

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Chum		
a)	Dark chums - all areas - all season	\$0.20
b)	Bright Chums - areas 1-10 - all season	\$0.35
c)	Bright Chums - all other areas - all season	\$0.45
Coho		\$0.65

Spring:

- a) Red Springs, 12 pounds and over, received in good condition, without mutilation, \$1.00 per pound round.
- b) If Red Springs are cannery grade, the minimum prices payable to fishermen shall not be less than that set forth for Cohos.
- c) If White Springs are cannery grade, the minimum prices payable to fishermen shall not be less than \$0.60 per round pound.
- d) If Jack Springs are accepted, the minimum price payable shall be not less than \$0.75 per fish.

Gutting of Springs and Cohos:

Cohos and Spring Salmon shall be gutted by the boat crew if such instructions are issued by the management.

Payment for such gutted fish shall be made on the gutted weight and shall be based on the round prices being paid by the Company at that time in the area, plus 10% to compensate for loss of weight in gutting.

In addition, a payment of \$0.01 per pound gutted weight shall be made to the crew as compensation for the work involved. Such payment for work done shall be made directly to the crew and not become part of the gross stock.

It is understood that should disputes arise in the area as to whether or not the loss in weight through gutting is greater or less than 10%, then at the request of either party a test or tests may be made to ascertain the actual percentage loss in gutting fish. The 10% may be increased or decreased according to the results of the test(s) for all fish taken in the area from the date of the test.

Section 2 - Minimum Price Market Formulas

- a) Sockeye - All areas except Fraser River and Gulf

In accordance with the terms of Article 3 above, minimum prices for sockeye will be subject to a Minimum Price Market Formula. The formula is equal to 42% of

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the weighted average of the Operators' average net export price for a 48-can carton of sockeye halves and the Operators' average net export price for frozen sockeye (converted to round weight equivalent prices) sold during the period from September 1 to March 31 of each year covered by this agreement. The average shall be weighted by the proportion of the Operators' sockeye gillnet and seine catch purchases which is canned versus that which is frozen.

An example of the Minimum Price Market Formula for sockeye for all areas except Fraser River and Gulf is as follows: if the proportion of net caught sockeye purchased and canned by the Operators is 75%, the average net export price for a carton of canned sockeye is \$108 and the average round weight equivalent price of frozen salmon is \$3.42 /lb., the weighted average round weight equivalent price of sockeye would be \$3.24 /lb., and the Minimum Price Market Formula calculation for sockeye would be \$1.36 /lb.

$$.42 \times [(.75 \times \{ \$108/\text{carton} \div 34 \text{ lbs./carton} \}) + (.25 \times \$3.42/\text{lb.})] = \$1.36$$

b) Sockeye - Fraser River and Gulf

The Minimum Price Market Formula for Fraser River and Gulf sockeye is the formula described in Section 2(a) minus 20¢.

An example of the formula for sockeye for Fraser River and Gulf is as follows: if the proportion of net caught sockeye purchased and canned by the Operators is 75%, the average net export price for a carton of canned sockeye is \$108, and the average round weight equivalent price of frozen salmon is \$3.42 /lb., the weighted average round weight equivalent price of sockeye would be \$3.24 /lb., and the Minimum Price Market Formula calculation for sockeye would be \$1.16 /lb.

$$(.42 \times [(.75 \times \{ \$108/\text{carton} \div 34 \text{ lbs./carton} \}) + (.25 \times \$3.42/\text{lb.})]) - .20 = \$1.16$$

c) Pinks

In accordance with the terms of Article 3, above, minimum prices for pinks will be subject to a Minimum Price Market Formula for pinks. The formula is equal to 18% of the net export price of a carton of pink halves sold during the period from September 1 to March 31 of each year covered by this agreement, and converted to a price per round pound on the basis of 39 pounds per carton.

An example of the formula minimum price for pinks is the following: if the net

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export price for a 48-can carton of pink halves is \$45, the formula minimum price for pinks is \$0.21 /lb.

$$.18 \times (\$45/\text{carton} \div 39 \text{ lbs./carton}) = \$0.21$$

ARTICLE 4 **VERIFICATION**

At the request of the Union, final calculations of the Minimum Price Market Formulas will be audited by a chartered accountant mutually acceptable to the FPBA and the UFAWU who will determine the average actual net market price based on weighted averages of the actual sales invoices of the FPBA companies for canned sockeye salmon halves, frozen sockeye and canned pink salmon halves sold during the period from September 1 to March 31, of each year covered by this agreement.

The cost of the audit shall be borne equally by the FPBA and the UFAWU.

ARTICLE 5 **1997 CONTRACT ADJUSTMENT PROCESS**

The FPBA has the option to trigger a mid-term adjustment process only for 1997 Minimum Prices of sockeye, pinks and bright chums as set out in Article 3, Section 1. The following process applies:

The UFAWU and the FPBA will jointly name a mediator/arbitrator by November 30, 1996. The mediator / arbitrator will participate in a joint market review process during winter/spring 1996/97.

The FPBA must notify the union by May 30, 1997 if the adjustment process will be exercised. If there is no notification, all Minimum Prices shall remain in full force and effect. Once the FPBA has properly notified the union, negotiations will take place with the involvement of the mediator/ arbitrator and will continue through the season until agreement is reached or a final arbitration decision is made.

Arbitration decision dates are July 11, July 25, and August 8 for sockeye, pink and chum, and October 1 for chum only. On each of these dates the Arbitrator has the option to set only the same Minimum Prices as are in Article 3, Section 1, or a lower Minimum Price based on market conditions and submissions by the parties. Any price set by the arbitrator will apply for fish purchased after the arbitration date and until the next arbitration date, or until the parties agree on a different Minimum Price.

ARTICLE 6
COMPETITIVE PRICES

Should any individual company during the term of this Agreement pay a price higher than set out in Article 3 of this Agreement, then such Company shall make the higher price applicable to all vessels of the same gear operating in the area where the higher price is in effect and for the same period.

Where premium prices are being paid by a company for quality production according to accepted quality standards for markets other than canning, then the company shall make this premium price applicable to all vessels of the same gear operating in the area and supplying this quality production.

ARTICLE 7
BENEFIT FUND

Section 1: It is agreed that the Operators shall pay to the order of the United Fishermen's Benefit Fund (Benefit Fund) a sum equivalent to 2¢ (two cents) per pound of net caught salmon purchased in British Columbia. The Union agrees to levy similar assessments on all non-member companies in B.C. with which the Union signs a Net Salmon Agreement. All payments to the Benefit Fund shall be made prior to January 15th of each year. Should these payments not be made by **January 15th** of each year, the parties to the contract shall include in the next contract a penalty clause of 10% per annum which shall apply to future late payments.

Section 2: It is agreed that any claim a Benefit Fund Member may have in connection with payments to or benefits from the Fund shall be the responsibility of the Board of Trustees, in accordance with the Benefit Fund Rules and By-Laws.

Section 3: The Board of Trustees shall include Trustees named by the Union, the Native Brotherhood of B.C. and the Fishing Vessel Owners' Association of B.C. The Fish Processors' Bargaining Association of B.C. shall be provided with a financial statement of the Fund, audited by a competent firm of chartered accountants, at least once yearly. Also the FPBA will be provided with the minutes of Board of Trustees and annual meetings of the Fund, regular monthly or other financial and statistical reports prepared by the Benefit Fund Director.

Section 4: The Union will not alter the basic principles as stated in the Article - Membership of the Rules and By-Laws of the Benefit Funds regarding eligibility for benefits. These principles shall be applied in any increase of benefits as a result of the increased contributions to the Benefit Fund. It is understood that the principles



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referred to herein are that Salmon Net Fishers who deliver salmon to companies party to this Agreement, shall remain equally eligible for death benefits established under the Fund, regardless of membership in the Union.

Section 5: It is agreed that each member company shall deduct the equivalent of the annual premium of the Medical/Dental Services Plan established by the Union from the earnings of the fishers covered under this Agreement. The Union shall advise the member companies, in writing, of the exact amount to be deducted and shall provide each company with lists of fishers who have enrolled in the Medical/Dental Services Plan and who have authorized the necessary deductions. All monies so deducted shall be forwarded to the Benefit Fund.

Section 6: Payments required under Section 5 above shall be remitted by each member company by September 30th of each year.

Section 7: It is further agreed that each member Company shall notify the Benefit Fund not later than September 30th of all individuals whose names have been forwarded on list provided by the Union, but on whose behalf the company will not forward an annual premium.

ARTICLE 8

Section 1: Any dispute arising out of this Agreement which cannot be settled by the Union and the Company shall be referred to a committee of one representative of the Union and one representative of the Operators and on disinterested party, satisfactory to both the Union and the Operators for settlement.

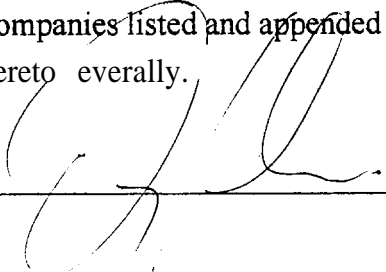
Section 2: The effective date of this Agreement shall be April 16, 1995. This Agreement shall terminate on April 15, 1998 provided that one of the parties to the Agreement gives written notice of such termination to the other party not later than the 15th day of February 1998. Any such notice of termination shall further require the other party to the Agreement to commence negotiations. If no notice of termination is given, the Agreement shall thereafter remain in effect from year to year, provided that it may be terminated in any year after 1998 on its anniversary date (that is, on the 16th day of **April**) by one party to the Agreement giving the other party to the Agreement, not later than the 15th day of February in the year which the Agreement is to be terminated, written notice of such termination and a written requirement to the other party to commence negotiations.

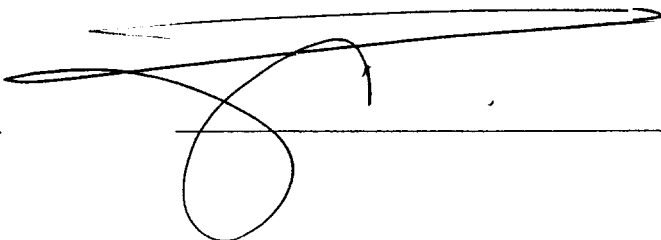
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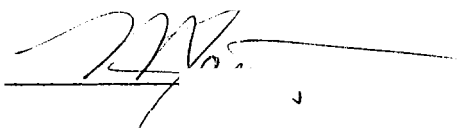
SIGNED AT VANCOUVER this 10 day of Feb., 1998

FISH PROCESSORS' BARGAINING
ASSOCIATION OF B.C.
as bargaining agent for and
on behalf of each of the
Companies listed and appended
hereto everally.

BRITISH COLUMBIA PROVINCIAL COUNCIL
UNITED FISHERMEN & ALLIED WORKERS' UNION









Representing:

British Columbia Packers Ltd, The Canadian Fishing Company Ltd.,
J.S. McMillan Fisheries Ltd., Nelson Bros. Fisheries Ltd.,
Ocean Fisheries Ltd.