

COLLECTIVE AGREEMENT

BETWEEN:

XL MEATS

**AN OPERATING DIVISION OF
XL FOODS INC.**

**FOR ITS
XL MEATS PLANT OPERATIONS**

AND THE:

XL MEATS EMPLOYEES ASSOCIATION

**REPRESENTING THE COMPANY'S
XL MEATS
PLANT EMPLOYEES**

(FOOTHILLS & BRANDON STREET LOCATIONS)

Ratified the 13th day of July, 2002

Effective till October 2005

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**ARTICLE I
PURPOSE AND INTENT**

1.01

The parties hereto agree that it is mutually beneficial and desirable to promote cordial relations and to set forth herein the agreements concerning rate of pay, hours of work and conditions of employment to be observed insofar as they affect the companies XL Meats Plant Operations.

1.02

The parties hereto recognize that it is to their mutual interest to promote, as fully as possible, safe working conditions, efficiency of operations and the protection of property. It is understood and agreed that this can be best achieved and maintained by harmonious relations between the Company, the Employees and the Association and by the settlement of all differences in an amiable manner.

**ARTICLE 2
INTERPRETATION AND EXTENT**

2.01

In accordance with the "Certifications" granted to the XL Meats Employees Association by the Labour Relations Board of Alberta under Certificate Numbers: 61-2004 and 88-2004 dated June 1, 2004 and July 27, 2004, as amended, the Company recognized the association as the exclusive representative for the purpose of collective bargaining of its plant employees for its XL Meats Plant Operations in respect to the rate of pay, wages, hours of employment and other conditions of employment.

2.02

Whenever the male pronoun is used, it shall be deemed to include the female pronoun and vice versa, and whenever the singular is used, it shall be deemed to include the plural, and vice versa.

2.03

The Company and the Association will endeavor, by mutual agreement, to introduce a working liaison through committee structures to develop a team approach to promote safety, efficiency and harmonious relations.

ARTICLE 3 MANAGEMENT FUNCTIONS

3.01 (a)

Subject to the provisions of this Agreement, the Association acknowledges that the Company has and retains the sole, exclusive right and responsibility to manage its operations, plants and business as it sees fit, including but not limited to the following:

(i)

To direct the working forces including the right to decide, from time to time, on the number and classification of employees needed by the Company or required for any task and/or work unit, to organize or assign work, to schedule shifts, to hire, to promote, to transfer, to lay-off, to recall and, for good and proper reason, to demote any employee(s);

(ii)

To maintain order, discipline and efficiency in all operations;

(iii)

To make and to alter from time to time rules and regulations to be observed by all employees;

(iv)

To discipline, suspend or discharge employees for proper cause.

3.01 (b)

The parties agree that the foregoing enumeration of Management's rights shall not be deemed to exclude other recognized functions of Management not specifically controlled by this Agreement. The Company therefore retains all rights not otherwise specifically covered in this Agreement

3.02

The Company agrees that it is not the function of persons of, or above, the rank of Supervisor, to perform work currently performed by employees covered by this Agreement except when such performance:

3.02 (a)

Is clerical in nature or is for the purpose of instructing, experimenting, investigation, demonstrating, replacing of any employee who is absent from his job during the shift, sharpening knives, coping with an emergency;

3.02 (b)

Is for the purposes of overcoming production difficulties caused by the absence of

an employee. In such cases the Company will endeavor to obtain suitable replacements as soon as reasonably possible;

3.02 (c)

Is limited to occasional work, negligible in amount.

3.03

The Association acknowledges that the Company may assign a salaried Employee, as part of the Management Training Program, to work alongside of various employees covered by the Agreement, as long as the number of such employees does not exceed three (3) at any one time, and provided no employees shall be demoted, laid off or discharged, nor shall promotion be adversely affected to create positions for Management Trainees.

3.04 (a)

The Company shall have the right to assign an employee to the position of Temporary Supervisor for the purposes of training and to provide relief of temporary increases in workloads, annual vacations and other such absences.

3.04 (b)

Employees assigned to the position of Temporary supervisor shall continue to be governed by all the terms and conditions of the Agreement. During such assignments, the Temporary Supervisor shall not have the right to hire, fire or discipline, but shall be required to direct the activities of employees supervised.

3.04 (c)

The Company shall advise the Association in writing, in advance where possible of all assignments to the position to Temporary Supervisor, including the shift or department assigned to, the nature of the assignment and the expected duration, where applicable.

3.04 (d)

Any Employee that acts in the capacity of a Temporary Supervisor shall be paid one dollar (\$1.00) per hour above the highest master file rated hourly wage that he is regularly supervising, in his capacity as a Temporary Supervisor, or over his master file hourly rate, whichever is greater.

**ARTICLE 4
ASSOCIATION RECOGNITION**

4.01

The Company and/or/or its representatives recognize the Association as the sole and exclusive bargaining representative of all XL Meats Plant Operations employees, as referred to in the certification issued by the Labour Relations Board

of Alberta, as defined in Article 2, Section 2.01 of this Agreement

4.02 (a)

Association representatives shall be permitted entry to the Company's XL Meats Plant Operations in order to carry out their required duties on receipt of permission from the applicable Plant Superintendent or his designate.

4.02 (b)

Association representatives will not interfere with employees during working hours unless permission is granted nor shall they unduly occupy the time of employees during working hours.

4.02 (c)

The Company shall exercise reasonableness in the handling or requests for the permission referred to in Section 4.02, Sub-Sections 'a' & 'b' above.

4.03

Employees and/or Association representatives shall not engage in any Association activity on Company property or during working hours, except as expressly provide for in this Agreement.

ARTICLE 5

ASSOCIATION REPRESENTATION

5.01

The Company shall recognize Employees of its XL Meats Plant Operations appointed or elected as Officers of the Association Executive, elected as Stewards and appointees to approved committees expressly provided for in the Agreement.

5.02 (a)

The Company shall not be required to recognize more than one (1) Steward in each of its designated departments. The Company shall advise the Association, in writing, of designated departments, amendments to these departments or any new departments created.

5.02 (b)

The position of Chief Steward or Chief Shop Steward shall not be recognized in addition to the Stewards referred to in Section 5.02 (a) above.

5.03

The Association shall advise the Company in writing, in advance, the names of all Stewards, the department they represent and all committee members of the committees referred to in the Agreement, when appointed or replaced by the

Association. The Company shall supply the Association with a corresponding list of the Company representative to committees referred to in the Agreement.

5.04

The Company shall pay employees and/or employee Association representative referred to in this article their regular master file straight time rate of pay for normal time spent in meetings with representative of the Company required during their regular hours or Work.

5.05

Association representatives shall not leave their work to process or deal with any matter without first advising and receiving approval from their immediate Supervisor. The Company shall exercise reasonableness in their handling of such requests.

5.06

The Company shall provide a bulletin board, for the exclusive use of the Association, to post official Association notices. The Association agrees that such notices shall require the approval of the Company before being posted.

ARTICLE 6

ASSOCIATION SECURITY AND MEMBERSHIP DUES

6.01

The parties agree that as a condition of employment, all employees shall become and maintain such membership in the Association within thirty (30) days.

6.02

For the purposes of this Agreement, employees shall be deemed to maintain their status of a member in good standing of the Association provided that they have made proper application for membership in the Association and pay the properly constituted initiation fees, dues and assessments of the Association.

6.03

The Company agrees to ensure that all new employees complete the required application card for Association membership prior to commencing employment and to forward the completed application to the Secretary/Treasurer of the Association.

6.04

The Association shall provide the company with blank application forms.

6.05

Employees shall be required to sign an irrevocable authorization for the deduction

of Association dues, assessments and initiation fees levied in accordance with the Association's Constitution and/or By-Laws. Such authorization shall be on a form that:

6.05 (a)

Meets the standards prescribed by the laws and regulations of the Province of Alberta;

6.05 (b)

Is supplied by the Association.

6.06 (a)

This Company shall, during the term of this agreement, deduct weekly dues from each of those employee's wages on their bi-weekly pay deposits, the sum or sums referred to in Section 5.05.

6.06 (b)

All such deductions shall be remitted bi-weekly to the Secretary/Treasurer of the Association, along with a list of the employees from whom such sums were deducted.

6.06 (c)

The above deductions shall commence, in the case of each employee who is in the employment of the Company at its XL Meats Plant Operations and who is a member of the Association, on the effective date of this Agreement. In the case of new employees, hired and who become members of the Association subsequent to the signing of this Agreement, such deductions shall commence with the second (2nd) pay-day following the date of hire.

6.07

The Association shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that may arise out of, or by reason of, any action taken, or not taken, by the Company in complying with any provision of this Article.

ARTICLE 7 CONTRACTING OUT

7.01

It is agreed that the Company may contract out work normally performed by employees covered by this Agreement.

7.02

The Company will consider the following relevant factors before contracting out such work:

- (i) any adverse effect on employees;
- (ii) availability of required skills;
- (iii) duration and frequency of the job;
- (iv) urgency of the job;
- (v) economics of the situation;
- (vi) availability of required equipment

7.03

The Company agrees to provide the opportunity for an employee to submit a bid, on an open competition basis, for work projects that can be completed after regular, normal hours of plant operation provided the employee can establish himself as a valid independent contractor in accordance with any Federal, Provincial and/or Municipal Government Legislation and/or Regulations and provided the employee can meet and satisfy the requirements of the Company's Bid Specification(s) as may be set out by the Company from time to time. Any such bid work will be awarded on a merit basis in accordance with the provisions of Section 7.02 of this Article.

ARTICLE 8 NO CESSATION OF WORK

8.01

The Association agrees that there shall be no strikes, slow-downs, other curtailment or restriction of production or interference with work during the life of this Agreement.

8.02

It is agreed that the Company will not, during the term of this Agreement, lock out employees,

8.03

The Company recognized that employees may honour a legal picket line, established at the entrance to Company property, and agrees that employees will not be disciplined for refusal to cross such a legal picket line.

ARTICLE 9 NON-DISCRIMINATION

9.01

The Company and the Association agree that there shall be no intimidation, coercion, restriction or discrimination exercised or practiced by either party to this Agreement in respect of any employee or group of employees for any reason.

ARTICLE 10 SENIORITY

10.01

Seniority for the purposes of this Agreement shall be defined as Company seniority and departmental seniority. Company seniority shall apply to all employees of the Company, and department seniority shall apply to employees within their respective departments.

10.02

Company seniority shall mean the length of an employee's continuous employment with the Company and department seniority shall mean the Company seniority of the employee's within a department

10.03 (a)

A new full-time employee shall be considered on probation and seniority shall not commence until such time as he/she has worked one hundred (100) consecutive working days from his/her day of hire.

10.03 (b)

On completion of the probationary period, an employee's seniority date shall revert to the last date of hire.

10.03 (c)

Probationary employees shall have no seniority rights during the probationary period and may be terminated or discharged where the Company, in its discretion, determines that they are unsuitable or unsatisfactory.

10.04

An employee's seniority shall be lost and employment terminated for any of the following reasons:

10.04 (a)

Voluntary resignation or retirement;

10.04 (b)

Discharge without reinstatement pursuant to the terms of the Agreement;

10.04 (c)

Employee is absent without leave for two (2) consecutive days of scheduled work or two (2) separate scheduled days of work in a thirty (30) calendar day time period;

10.04 (d)

Employee has been on lay-off from the Company for a period of more than ninety (90) days;

10.04 (e)

Failure to report to work within seven (7) days after mailing of double registered notice of recall;

10.04 (f)

Employment with another employer while on approved leave of absence or absence due to sickness or accident and is receiving either Workers' Compensation benefits or benefit payments under the Company's Health and Welfare benefit program, and the Company has not approved, in writing, such interim employment;

10.04 (g)

After absence due to sickness or accident of twelve (12) months. In the case of an employee returning to work, from a prolonged absence, the Company shall require the employee to provide a medical certificate from their physician stating that he is fully capable of performing the work available. The Company may elect to have such employee examined by the Company's physician and in the case of where there is a difference of medical opinion as to whether or not the employee is capable of performing the work available, the employee agrees to be examined by a physician mutually agreed upon to make such final determination.

10.04 (h)

Employees who maintain two (2) full-time jobs shall be terminated. Written permission must be obtained from the applicable Plant Superintendent to work a second part-time job.

10.05 (a)

An employee's seniority shall be maintained and accumulated during:

(i)

absence due to an occupational accident that occurred while in the employment of the of the Company;

(ii)

authorized leave of absence unless as otherwise provided in Article 23 - leaves of Absence in this Agreement;

10.05 (b)

Seniority shall be maintained but not accumulated during absence due to:

(i)

temporary illness of non-occupational accident not exceeding twelve (12) months;

(ii)

temporary lay-off.

10.06

In the case of temporary illness or non-occupational accident causing absence, not

exceeding thirty (30) days, the employee shall keep his last permanently assigned job function providing, on his return to work he provide a written medical certification confirming, and can demonstrate, that he is fully capable of performing the assigned work. On return from such absence exceeding thirty (30) days the employee may be assigned other work that he is capable of performing.

10.07 (a)

An employee who permanently transfer from any other operation of the Company shall retain any prior seniority rights he possesses as a result of his continuous service with the Company in such other operation.

10.07 (b)

In the event of an indefinite lay-off at either Company's XL Meats operations, the Company agrees that it will first offer to such laid off employees who may be qualified to fill any vacancies at the Operation that is not in lay-off, the opportunity to permanently transfer to such Operation before it fills any vacancies in that Operation.

10.08

The Company shall prepare seniority list on a bi-monthly basis indicating Company and departmental seniority and each employee's classification. Copies of such lists shall be posted to all bulletin boards and a copy shall be forwarded to the Association.

ARTICLE 11 LAY-OFF

11.01

In the case of a reduction in the work force, the Company shall consider the following factors in determining which employee(s) shall be laid off

- (i) the ability, knowledge, training, skill, efficiency and physical fitness of the employee to perform the available work;
- (ii) the Company seniority of the employee(s) affected with the employee's department; When In the judgment of the Company, (i) above is to all intents and purposes equal between two (2) or more employees, the employee(s) having the least company seniority within an affected department shall be the first to be laid off.

Without mitigating the full force and effect of the provision of the tests to be applied, in the event of a layoff, to determine which employees are to be laid off, it is agreed and understood by both parties that it is the intent of this language to layoff starting first with the most junior employee who is less qualified to do the available work

11.02

In the case of a shut-down of the Company's XL Meats Plant Operations or section thereof, resulting in the lay off of employees, the Company shall lay off employees in accordance with their Company seniority within the employee's department and ability, commencing with the least senior employee with the least ability.

[Reference: letter of Understanding]

11.03 (a)

In the event of an emergency shut-down of the Company's XL Meats Plant Operations or section thereof that is three (3) working days or less, employees directly affected may be temporarily laid off without regard to other provisions of this Agreement that apply to lay-off and recall.

11.03 (b)

"Emergency" shall mean an extreme situation beyond the genuine control of the Company, rendering the facilities, or section thereof, physically inoperative or unsafe to operate.

11.04 (a)

In the event of a lay-off, other than an emergency that is less than sixty (60) days, the Company shall give the Association, and the employee(s) affected the following notice:

(i)

No notice shall be given to probationary employees;

(ii)

Two (2) working days of notice shall be given to all regular employees.

11.04 (b)

The Company shall not be required to provide any renewal of the notice referred to and provided under Section 11.04, Sub-section "all of this Article above to any employee(s) that have been temporarily laid-off and who have been subsequently required to return to work on a short term basis.

11.04 (c)

Notwithstanding the provision of Section 11.04, Sub-section "b" above in the Article, the Company agrees that in the event an employee is recalled from an indefinite lay-off, for work that exceeds five (5) days, the Company will be required, in the event of another layoff, to issue proper lay-off notices to such employee(s) in accordance with Section 11.04, Sub-section "a ii" above.

11.05

Employees laid off will be recalled in the inverse order of lay-off, in accordance with the provision of Section 11.01.

11.06 (a)

Except as is provided in Section 11.06, Sub-section "b" below in this Article, an employee' rights while on lay off shall be limited to the right of recall as provided in Section 11.05 above and the retention of seniority held at the time of lay-off as provided in Article 10, Section 10.05, Sub-section b of the Collective Agreement.

11.06 (b)

The Company agrees that it will continue to make available the benefits as provided under Article 22 - Health and Welfare of the Collective Agreement to those eligible employees who are laid off for definite time periods. Employees who are otherwise laid off for indefinite time periods which will not exceed ninety (90) days will be given the opportunity to make Individual prior arrangements for the payment of the full premium of any applicable benefit plans to assure the continuance of such benefits during the period of their indefinite lay-off. It is understood that any such coverage under Company benefit plans shall cease when the employee on lay off take employment in accordance with the provisions of Article 10, Section 10.04.

11.07

It shall be the responsibility of the employee to notify the Company of his current mailing address and telephone number.

ARTICLE 12 COMPLAINT PROCEDURE

12.01

The parties agree it is desirable that any complaints be settled as quickly as possible. Employees are therefore urged to try to settle their complaints with their immediate supervisor as soon after they arise as possible.

12.02

It during the term of the Agreement, there should arise any difference between the Company, and employee(s) and/or the Association regarding the interpretation, application, administration, alleged violation, or a question as to whether or not any matter is arbitrable, an earnest effort shall be made to settle the difference in the following manner:

STEP 1

The employee will first discuss the matter with his immediate supervisor before the close of the shift during which the difference occurred, or by no later than the close of the employee's next scheduled shift, and endeavour to conclude a mutually agreeable solution.

STEP 2

Failing a satisfactory settlement of the complaint at Step 1 the employee(s) concerned, with the Association steward from his department, may present the difference to his immediate supervisor, provided it is submitted in writing by the

employee in accordance with Section 12.09 of this Article, within seven (7) calendar days from the time the matter first arose. If, within seven (7) calendar days from presentation of the complaint to the supervisor, a decision satisfactory to the employee(s) is not received, the employee(s) may request the matter be advanced to Step 3, provided the request is made in writing by the employee within seven (7) calendar days from the date the supervisor's written response was received

STEP 3

Failing a satisfactory settlement of the complaint at Step 2 the employee, with the Association Steward from his department present, may present the matter in writing, in accordance with Section 12.09 of this Article, to the Plant Superintendent. The Plant Superintendent shall conduct an investigation of the employee's complaint and shall provide a written response to the employee within seven (7) calendar days.

12.03 (a)

Failing a satisfactory settlement of the matter the complaint may be submitted to Arbitration within ten (10) working days from the date of the written response referred to in Step 3.

12.03 (b)

Notwithstanding Section 12.03 Sub-section (a) above; in the event a mutually satisfactory settlement has not been reached at the conclusion of Step 3 the parties may, prior to advancing the dispute to Arbitration, upon mutual agreement elect to use the Mediation Services Branch of the Alberta Department of Labour to attempt to mediate the dispute in question shall not be binding on either party. This option must be undertaken with five (5) working days from the date of the written response referred to in Step 3.

12.04

If a complaint is not submitted by an employee(s) or the Association within the time limits set out in the complaint and arbitration procedures contained in this Agreement, the matter shall be deemed settled on the basis of the Company's last written response. If the Company's decision is not given within the time limits specified herein, the complaint shall be deemed settled on the basis of the Association's last written response.

12.05

Any of the time limits set out in the Article may be extended by mutual agreement, in writing, of the parties hereto.

12.06

The Company and the Association shall make every reasonable effort to schedule meetings to discuss and resolve complaints during regular working hours. An employee(s) shall be paid the regular straight time rate of pay for attending such

meetings during his normal working hours.

12.07 (a)

In the event that any differences arise between the Company and the Association as to the interpretation, application, administration or alleged violations of the provisions of this Agreement, either party shall have the right to present a policy complaint 12.07(b) Policy issues must be submitted in writing at Step 2 of the complaint procedure, in accordance with Section 12.09 of this Article, within seven (7) working days of the alleged incident that initiated the complaint.

12.07 (b)

Policy issues must be submitted in writing at Step 2 of the complaint procedure, in accordance with Section 12.09 of this Article, within seven (7) working days of the alleged incident that initiated the complaint.

12.07 (c)

A committee shall be formed and meet within five (5) working days after presentation of the policy complaint to resolve the matter. This committee shall be called the Policy Complaint Review Committee. If the Policy Complaint Review Committee fails to satisfactorily resolve the matter, either party may within thirty (30) working days of this meeting, give notice in writing to the other party requesting the matter proceed to Arbitration in accordance with Article 13.

12.08

The Complaint Review Committee referred to in Section 12.07, Sub-Section (c) of this Article shall be composed of three (3) representative of the Company and three (3) representative of the Association.

12.09

Complaints shall be submitted in writing, on a form to be supplied by the Company, and shall clearly specify the nature of the issue(s), the Article(s) and/or Section(s) and/or Sub-Section(s) in dispute and the remedies sought.

ARTICLE 13
ARBITRATION PROCEDURE

13.01

Either party to this Agreement may, in accordance with the provision of this Agreement, and upon completion of Step 3 of the complaint procedure notify the other party, in writing, of its desire to submit to a Board of Arbitration an unsettled complaint relating to the interpretation, application, administration or alleged violation of the Agreement, including any question as to whether the matter is arbitrable.

13.02 (a) The Board of Arbitration referred to in Section 13.01 of this Article, shall be composed of three (3) members and shall be established in the following manner:

(i)

Within seven (7) working days following receipt of such notice, the Company and the Association shall each select a representative to serve on the Board of Arbitration;

(ii)

No person shall serve on a Board of Arbitration who is involved or directly interested in the controversy under consideration;

(iii) The nominee of the Company and the nominee of the Association shall, within five (5) working days after they have each been selected, choose an additional member to act as Chairperson;

(iv)

In the event of failure of the nominees of the Company and the Association to agree upon a Chairperson within five (5) days specified, the Minister of Labour shall be immediately requested to name a third (3rd) member who shall act as Chairperson of the Board of Arbitration;

(v)

Within five (5) days of the appointment of the impartial Chairperson, the Board of Arbitration shall sit to consider the matter in dispute and shall render a decision within thirty (30) calendar days after its last session.

13.02 (b)

It is understood and agreed that the time limits, as set out in Section 13.02, Sub-Section (a) of this article, may be altered by mutual agreement, in writing, between the Company and the Association.

13.02 (c)

A complaint submitted to the Board of Arbitration shall be in writing and shall clearly specify the nature of the issue(s), the Article(s) and/or Section(s) and/or Sub-Section(s) in dispute and the remedies sought

13.03

Notwithstanding Sections 13.01 and 13.02 of this Article, the parties may agree to the appointment of a single Arbitrator with the same powers as a Board of Arbitration. In such cases, within seven (7) working days of the notice referred to in Section 13.01, the Company and the association shall select an Arbitrator that is mutually acceptable to both parties. If agreement cannot be reached on the appointment of a single Arbitrator within five (5) working days, a Board of Arbitration shall be appointed in accordance with the provisions of Section 13.02 of this Article.

13.04

A Board of Arbitration or Single Arbitrator, appointed in accordance with this agreement, shall not be authorized to make any decision inconsistent with the

provisions of this Agreement, or alter, modify or amend any part of the provisions, or deal with any matter not contained herein.

13.05

A decision of the Single Arbitrator or of majority of the Board of Arbitration shall be final and binding on all parties involved.

13.06

No matter may be submitted to arbitration that has not been processed through the complaint procedure. This provision may be waived upon the mutual agreement, in writing, between the two (2) parties.

13.07

The Company and the Association shall equally share the cost of the Single Arbitrator or the Chairperson of the Board of Arbitration and each of the parties shall bear the cost of their own representatives and witnesses.

13.08

An Arbitration Board or Single Arbitrator, selected in accordance with this Agreement, shall render a written decision to the parties hereto within thirty (30) calendar days of the date of the conclusion of the Arbitration hearing. This time period may be altered with the consent of both of the parties to this Agreement.

13.09

Prior to proceeding with the arbitration process referred to in this Article, and in accordance with Article 12, Section 12.03, Sub-section (b) the parties hereto may, prior to advancing the dispute to Arbitration may upon mutual agreement in writing elect to refer the matter in dispute to the Mediation Service Branch of the Alberta Department of Labour to attempt to mediate the dispute. The Mediator's recommended settlement of the dispute in question shall not be binding on either party. This option must be undertaken within five (5) working days from the date of the written response referred to in Step 3 of the complaint procedure contained within this Agreement.

ARTICLE 14 DISCIPLINE AND DISCHARGE

14.01 (a)

No regular employee shall be disciplined or discharged without just cause.

14.01 (b)

No employee may be disciplined or discharged without being given the opportunity to have an Association Steward from his department present at his disciplinary hearing. In the event the Association Steward from his department is not available the employee may request such other Association Steward who is available to be present at his disciplinary hearing.

14.01 (c)

It is agreed by both parties that the presence of an Association Steward at any administrative or disciplinary hearing is entirely at the option of the respective employee.

14.01 (d)

1. Employees will be informed of the reason for their reprimand, suspension or termination in writing and a copy will be forwarded to the Association and the Managing Partner of XL Foods Inc. (Foothills Plant).

14.02 (a)

If a regular employee believes he has been unjustly disciplined, suspended or discharged, he may request the matter be dealt with as a complaint

14.02 (b)

Any such complaint must be presented, to the Company in writing in accordance with Article 12, Section 12.09 within five (5) working days of the disciplinary action taken by the Company and shall be dealt with at Step 2 of the complaint procedure (Article 12).

14.02 (c)

Failure of an employee to file a written complaint within five (5) working days will serve to declare that the disciplinary action taken by the Company as being valid and binding.

14.03

Termination of an employee who has not completed the probationary period as set out in Article 10 shall not be subject to challenge by the Association or the employee under the terms of this Agreement.

ARTICLE 15 HOURS OF WORK AND OVERTIME

15.01

The provisions contained in this Article are established for payroll calculation purposes only, and shall not be construed as a representation or guarantee by the Company or guarantee to any employee of any time or period of work or employment.

15.02 (a)

The normal straight time hours of work for employees shall be based on eight (8) consecutive hours of work in any twenty-four (24) hour period commencing at the start of the employee's first regularly scheduled shift for five (5) consecutive days

in any calendar week

15.02 (b)

Notwithstanding Section 15.02, Sub-Section-a" above the Association agrees that the Company may reduce without notice, at any time, the normal straight time hours of work of any employee by up to one hundred and thirty-two (132) regularly scheduled hours in each calendar year provided that such reductions in the employee(s) normal straight time hours of work do not exceed eight (8) hours in any one (I) given week

15.03

An employee assigned to an eight (8) hour schedule shall be paid overtime as follows:

(i)

Time and one half (1.5X) for hours worked in excess of eight (8) hours in a scheduled work day;

(ii)

Time and one half (1 .5X) for all hours worked on the employee's first scheduled day of rest that are in excess of forty (40) regularly scheduled hours in the scheduled five (5) consecutive day work week cycle;

(iii)

Double time (2X) for all hours worked on the employee's second scheduled day of rest providing the employee has worked the overtime assignment on his first day of rest ((ii) above I in his scheduled work week cycle. In the event the employee has not worked overtime on his first day of rest in his scheduled work week cycle then the employee shall he paid time and one half (1 .5X) for all hours worked on the employee's second scheduled day of rest

It is understood and agreed by both parties that for the purposes of calculating the core hours required to be worked by an employee in an employee's scheduled work week cycle before being eligible to being paid the applicable overtime rate for any hours worked on either the employee's first (1st) or second (2nd) day of rest, any absence during a regularly scheduled work week cycle will be considered as time worked if the employee provides good and proper reason in the form and manner prescribed in Article 15, Section 15.13, Sub-Section 15.13, items (i) and (ii) of the Collective Agreement

15.04

It is understood and agreed that where an employee is required to work an overtime assignment, such assignment shall be considered scheduled work Except in the case of any emergency, beyond the control of management, the Company shall advise the employee(s) a minimum of five (5) hours before the end of the employee(s) regularly scheduled shift after which the overtime was to be worked, if the overtime so scheduled is to be cancelled.

The parties agree that this section of the Collective Agreement shall be applied as follows:

- (i) no employee will be required to work more than ten (10) hours of overtime in any one (1) week;
- (ii) employees shall be given notice of any scheduled overtime requirements by the end of the lunch period on the day preceding the requirement for such overtime.

15.05

An employee's work schedule shall not be changed during any one (1) week or cycle for the purpose of avoiding the payment of overtime rates or premiums.

15.06 (a)

The Company shall give the employee forty-eight (48) hours notice of a change in shift schedule. Where such notice is not given, the employee(s) shall be paid time and one-half (1 .5X) for the first four (4) hours of regular hours worked following the change. This provision shall not apply to a new employee's initial assignment to a regular shift.

15.06 (b)

The provisions of the section shall not apply to an employee requesting a change in shifts for personal reasons. No employee shall be allowed to change shifts under any circumstances without first receiving the written approval of his immediate supervisor.

15.06 (c)

The schedule of an employee may be changed without notice in the event of the unscheduled absence of other employees, or in the event of any emergency such as a fire, flood, and breakdown of machinery or other major disruptions genuinely beyond the control of the Company.

15.07 (a)

Daily hours of work shall be consecutive, with the exception of a fifteen (15) minute paid rest break in the first half of the work day, a thirty (30) minute unpaid meal period, and a fifteen (15) minute paid rest period in the second half of the day.

15.07 (b)

The Company may vary the schedule of either the rest break(s) or the meal period for the purposes of overcoming production difficulties that are genuinely beyond

control of the Company, except that the rest break(s) shall not be added to meal period.

15.07 (c)

In the event an employee is required to work in excess of twelve (12) hours in a given day, that employee shall receive a paid meal allowance of ten dollars (\$10.00) to be paid in the next concurrent pay day in conjunction with the employees regular pay.

15.08

It is understood and agreed that there shall be no pyramiding of overtime hours, rates or premiums contained in this agreement.

15.09

The Company shall distribute overtime as equitable as practicable among the employees within a classification, within a department.

15.10

An employee who is called out to work unscheduled overtime shall be paid a minimum of four (4) hours at the applicable overtime rate. In the event the work exceeds four (4) hours, the applicable overtime rate shall apply for all hours worked.

It is understood and agreed by both parties that in the event an employee is called out to work a minimum of four (4) hours unscheduled overtime that a reasonable allowance of time will be given, as part of such four (4) hours of required overtime, to report to perform the required work provided that such allowance does not aggregate with the overtime hours actually worked to exceed to four (4) hour call out period.

15.11

In the event an employee is injured at work and unable to complete the shift, as determined by the Company's Health & Safety Coordinator or the Corporate Physician(s), the Company shall pay the employee for the balance of such shift at his regular master file rate of pay providing the injured employees secures a medical certificate for the attending physician and presents such medical certificate to the Company prior to starting his next scheduled shift.

15.12

It is understood and agreed that none of the overtime provisions of this Article shall apply or be paid because of personal arrangements between employees. Employees wishing to change shifts for personal reasons, must obtain prior written approval of the Plant Superintendent.

15.13 (a)

An employee(s) shall report by telephone to his immediate supervisor, or in a

prescribed manner, prior to the start of his scheduled shift, sickness/injury or inability to report to work. Failure to so Properly report and failure to provide good and proper reason for such absence in a form and manner that is acceptable to the Company, shall constitute the employee as being considered absent without leave and the employee may be subject to disciplinary action.

15.13 (b)

The “good and proper reasons(s)” for the absences referred to in Section 15.13, Sub-Section “a” above shall be demanded from the employee by the Company in a manner consistent with the merits of the situation surrounding the absence and the form and manner of such good and proper reason, to be provided by the employee for such absence(s), shall be acceptable to the Company if:

(i)

In the case of absence due to sickness or injury, it is in the form of a written medical certificate, from an attending medical physician, which gives specific details of the nature and extent of the employee’s sickness or injury;
or

(ii)

In the case of absence due to inability to work, other than sickness or injury, it is in the form of bona fide documentation that is appropriate and relative to the situation causing such inability to work.

ARTICLE 16
PREMIUM RATES

16.01
Shift Premiums

Thirty-five cents (\$0.35) per hour for any shift that is started between 15:00 hours (3:00 p.m.) and 03:59 hours (3:59 a.m.) provided that such shift that is started is completed as scheduled.

16.02 (a)
First Aid Attendant

(i)

Twenty-five cents (\$0.25) per hour for every hour of scheduled work worked by regular employees Certified as a First Aid Attendant in accordance with Alberta Regulation No. 299/81 that are selected by the Company, providing that the total number of employees receiving this premium does not exceed three (3) First Aid Attendants at the Foothills Plant Operation and two (2) First Aid Attendants at the Brandon Street Plant Operation at any one time.

16.03 (a)
Lead Hand

Employees appointed to the function of lead hand shall be paid a premium, in accordance with the schedule listed in Section 16.03, Sub-section “c’ below of the Article, per hour above such employee’s master file rate or the highest rated regular hourly master file rate(s) of employees in the specific and limited work area, or specific production function(s) or work crew that he is assigned to regularly supervise, providing that such employee that is assigned as lead hand, possesses the valid and requisite trade certification(s) and/or requisite job function skills of the employees so supervised.

16.03 (b)

In the event that the employee that is assigned to the function of lead hand does not possess the valid and requisite trade certification(s) and/or requisite job functions skills of the employees that he is assigned to supervise, as referred to in Section 16.03, Sub-section “a” above then such employee will be paid the premium for the lead hand function at the applicable rate per hours, as defined in Section 16.03, Sub-Section ‘c’ below as follows:

(i)
Above his regular master file rate or the highest rated regular hourly master file rate of the employees being supervised that do not possess the requisite trade certification(s), whichever regular hourly master file rate is higher; or

(ii)
Above the highest rated regular hourly master file rate of the employees being supervised that possesses the requisite job function skills, whichever regular hourly master file rate is lower.

16.03 (c)

Lead hand premium rates referred to in Section 16.03, Sub-Sections “a” and “b” above shall be applied to the employees selected to perform the function of lead hand on the basis of the following criterion as determined by the Company:

Lead Hand .1 \$1 .00/hour

Entrance level no previous experience as a lead hand.

Lead Hand – 2- \$1.25/hour

Intermediate level .1-year minimum lead hand experience.

Lead Hand .3 \$1 .50/hour

Senior level .1.5 years minimum lead hand experience.

16.04

The premiums contained in the article shall be included in calculating overtime rates for lead hands. As an example, a lead hand currently earning a master file rate of \$16.15/hour + \$1.00/hour. The lead hand will be paid a total of \$17.15/hour for each hour worked up to eight (8) hours in a given day. Hours in excess of eight (8) hours will be paid at an overtime rate of 1.5 x 16.15 @ \$24.23 + 1.5 x 1.00 @ \$1.50 for lead hand rate = \$25.73/overtime hour.

ARTICLE 17

PROMOTION AND ADVANCEMENT

17.01

Employees will be eligible for promotion when qualified in functions typical of functions in their own pay class and can demonstrate the aptitude, ability and physical fitness to perform functions typical for the available work in the next higher pay class in the normal line of progression.

ARTICLE 18

PAY CLASS, JOB FUNCTIONS AND RATE OF PAY

18.01

The rates of pay for the typical functions in the established pay classes for employees shall be set out in Appendix "A: attached hereto and forming part of this Agreement.

18.02

Where a new job function is established, or where the content of existing job functions are substantially changed, or an employee is improperly classified, the pay classes, rate(s) of pay, and other related matters shall be established by the Company. In the event the Association disputes the Company's decision on the matter and fails to negotiate the difference, the matter may be a subject of a complaint and may be referred to arbitration. The arbitrator or Board of Arbitration, shall have the power to determine appropriate pay class, rates of pay, and other related matters in issue, effective the date the job functions were changed or new job functions were established. The Company shall, however, establish the rates of pay for new job functions until agreement, or the decision of an Arbitrator or Board of Arbitration has been given, at which time the rate of pay shall be retroactive hour for hour worked in the new pay class.

18.03

Time spent on or off the Company's Plant Operations, outside an employee's

scheduled regular working hours, as required to attend meetings or group work sessions so as to complete requisite job function training, will be paid at the employee(s) regular master file straight time rate and such time will be used for the purpose of calculating overtime entitlement.

18.04

When, because of inability to perform the functions of the assigned job function, or because of ill health or by his own request, an employee is transferred to a low-rated job function and pay class, his hourly rate of pay will be adjusted immediately to the scale for such lower rated pay class and job function from the commencement of his assignment to the work in such new lower rated job function.

ARTICLE 19 PAYMENT OF WAGES

19.01

All employees shall be paid every second Friday using a direct bank deposit system.

19.02

An employee that voluntarily terminates employment shall be paid all accrued wages on or before the end of the next regular pay period. An employee that is terminated by the Company shall be paid on or before the second regular business day following the date of the employee’s termination.

**ARTICLE 20
GENERAL PAID HOLIDAYS**

20.01 (a)

The following days shall be recognized as General Paid Holidays for the purposes of this Agreement:

- * New Years Day (January)
- Family Day (February)
- Good Friday (March/April)
- ** Victoria Day (May)
- Canada Day (July)
- ** First Monday in August (August)
- Labour Day (September)
- Thanksgiving Day (October)
- Remembrance Day (November)
- Christmas Day (December)
- Boxing Day (December)

*FamilyDay will be provided only as long as it is provincially approved for the

current year.

20.01 (b)

(i)
Victoria Day and the First Monday in August shall be treated as floating holiday days for the purpose of this agreement.

(ii)
These floater days must be pre-approved and scheduled to be taken at a mutually agreeable date for the department and applicable plant operations.

(iii)
Floater days not requested to be scheduled within the current calendar year will be forfeited.

(iv)
Floater days requested and not scheduled due to production requirements will be paid at the employees regular master file rate at the end of the calendar year.

20.02

An employee covered by this Agreement, subject to the conditions below, shall be entitled to straight time pay based on his normal hours of work for any of the General Paid Holidays covered by Section 20.01, Sub-section (a) and (b), provided;

(i)
that the employee has been in the employment of the Company for thirty calendar (30) days during the previous twelve (12) months;

(ii)
that the employee worked his last full scheduled shift immediately preceding and succeeding the General Holiday and on the General Holiday it scheduled to work;

(iii)
that if the employee is unable to report to work on the days identified in Section 20.02, item (iii) because of a bona fide illness or injury, he shall provide prior advice of his inability to work in the manner provided for in the Agreement and shall provide a medical certificate, that may be subject to verification by the company's doctor, substantiating his inability to report to work because of the bona fide illness or injury.

20.03

If an appropriate Governmental authority proclaims an additional General Paid Holiday during the term of this Agreement, Section 20.01, Sub-section (a) shall be amended to include such General Paid Holiday so proclaimed.

20.04

Double the regular straight time hourly rate shall be paid to an employee for the normal shift hours worked on a General Paid Holiday in addition to being paid for the General Holiday

20.05

Where a General Paid Holiday falls on an employee's scheduled day off, the employee may elect to be paid for the General Paid Holiday or receive an alternative day off at straight time pay, in conjunction with the employee's annual vacation, or any other day, providing either is mutually agreed to, in advance, by the Company and the employee.

20.06

For purposes of General Paid Holidays only, a working day shall be defined as the twenty-four (24) hour period commencing at 06:00 hours (6:00 a.m.) on the day of the General Holiday.

**ARTICLE 21
VACATION ENTITLEMENT AND PAY**

21.01

The purpose of annual vacation is to provide employees with a period of rest and relaxation away from their work environment, therefore, all employees shall be required to take their annual vacation during the year of vacation entitlement.

21.02

Employees for the vacation year, as defined in section 21.03 below shall be entitled to annual vacation with pay in accordance with the following schedule:

Completed Years of Employment	Days of Vacation	Vacation Pay as a % of Regular Earnings
1	10	4%
3	15	6%
8	20	8%
15	23	8.85%

21.03

For the purposes of vacation entitlement, a vacation year shall be from January 1st to December 31st and a calendar week shall be five (5) working days for any employee working any eight (8) hour shift.

21.04

For the purpose of calculating vacation pay, the percentage (%) rate referred to in

section 21.02 shall be applied to the employee's total hours paid by the Company, to a maximum of 2,080 hours, excluding taxable benefits, for the twelve (12) month period ending December 31st of the previous year.

For the purpose of the above calculations, overtime hours will be calculated at straight time (one hour worked equals one hour paid).

Example of vacation pay calculation:

Regular Hours	1636
Vacation Hours	80
Statutory Holiday Hours	88
Paid Compassionate Leave	8
Overtime Hours Worked	<u>138</u>
Total Hours Paid:	1950
Master file Rate / Hour @	10.00
Total Earnings	\$19,500.00
Vacation Entitlement	2%
Vacation Pay \$ 390.00 /week of vacation entitlement.	
(Reference: Letter of Understanding]	

21.05 (a)

An employee's vacation entitlement and vacation pay shall be based on the employee's completed years of service in accordance with Section 21.02 and Section 21.04 above.

21.05 (b)

Vacation entitlements must be taken during the year of entitlement after the employee has completed the required level of qualifying service time.

21.05 (c)

Vacation days not used within the year of entitlement will be forfeited.

21.05 (d)

Pay will not be given in lieu of taking a vacation day(s).

21.05 (e)

Notwithstanding the provision of Section 21.05, Sub-Sections "b" and "c" above, an employee, upon written application to the employee's immediate supervisor before the end of the third (3rd) month in the year of the employee's current vacation entitlement, may seek approval to have a portion, not exceeding two (2) weeks, of such current year's vacation entitlement held over to the next subsequent vacation year and combined with the full vacation entitlement of such subsequent vacation year, providing there is no conflict with dependent work functions nor with the vacation schedule of other employees within the employee's department.

It is understood that such holdover request will be considered only for those employees intent on traveling abroad and any approval to any such request by an employee is contingent on the employee providing proof, in advance, of travel arrangements for the extended trip.

21.06

Employees shall be required to submit their preference for vacation periods to their immediate supervisor, on the departmental basis, on or before April 1st in each year. The Company shall post approved vacation schedules, by department, on or before April 30th of that year.

21.07

The scheduling of vacations shall be granted based on Company seniority within the department by the crew. Vacation requests received after April 1st shall be scheduled, based on the date the application is received, on a first received, first scheduled basis. Insofar as possible, the Company shall grant vacations at times most desirable to employees, but the final allotment of vacations is reserved by the Company in order to ensure efficient and orderly operations.

21.08

If a General Paid Holiday(s), as set out in Article 20 falls within an employee's annual vacation period, such employee shall be entitled to an additional day(s) of vacation with pay on what would have been the first day(s) the employee would have worked after his annual vacation or any other day, providing either is mutually agreed to in advance, by the Company and the employee.

21.09

An employee shall receive his vacation pay for his scheduled vacation with his regular pay unless the employee instructs the Company in writing otherwise. The vacation pay can be provided up to fourteen (14) days in advance of the employee's scheduled vacation providing the employee request such vacation pay, in writing, thirty (30) days in advance.

21.10

An employee who quits or is discharged for cause shall receive the application percentage of his regular earnings as defined in Section 22.02, based on service, to the date of the employee's termination of employment.

21.11 (a)

Notwithstanding anything contained in this Article, the Company may schedule vacation shutdowns for periods not to exceed four (4) calendar weeks in any one (1) year.

21.11 (b)

The Company shall provide a minimum of thirty-(30) calendar days notice of any

such vacation shutdown referred to in Sub-section (a) above.

21.11 (c)

Employees will have the option of scheduling their unused vacation entitlement and applicable vacation pay for the vacation year in which such shutdowns, as referred to in Sub-section (a) above occur.

**ARTICLE 22
HEALTH AND WELFARE**

22.01 (a)

It is the employee's sole responsibility to make themselves aware of the terms and conditions of the Company's benefits plan. During the term of this Agreement, the Company shall make available the following benefits to eligible employees:

(i) ALBERTA HEALTH CARE INSURANCE PLAN

Effective the first (1st) day of the month following the completion of nine (9) continuous months of service.

(ii) EXTENDED HEALTH CARE

All eligible employees and their dependents

Coinsurance *	100%
Deductible	\$25.00 per calendar year per (including dependents)

Effective the first (1st) day of the month following the completion of nine (9) continuous months of service.

·The amount of financial participation the insurance carrier will pay the medical physician or practitioner towards the usual (reasonable & customary) charge for medically required service.

The employee shall be responsible for charges that are assessed by a medical physician or practitioners that are in excess of the usual (reasonable & customary) charges for the medically required services and/or for any non-medically required service.

(iii) DENTAL CARE

All eligible employees and their dependents.

Dental Service	Coinsurance**	Limitations/Restrictions
Basic	100%	No maximum amounts
“Annual” type check ups and “annual” type x-rays restricted to once every twelve (12) calendar months		
Unlimited Major***	50%	\$1,000.00 maximum
Orthodontia	50%	Restricted to dependent Children under 19 years 1,500.00 lifetime maximum

Effective the first (1st) day of the month following the completion of nine (9) continuous months of service.

** The amount of financial participation that the insurance carrier will pay towards the Alberta Dental Association Fee Guide for the dental service(s) performed. Any costs that are either over and above the Alberta Dental Association Fee Guide, or in excess of a specified coinsurance level, shall be the responsibility of the employee.

This does not include dental work classed as cosmetic and certain services may be restricted or classed as not covered under the terms of the carrier’s basis policy.

(iv) LIFE INSURANCE

A flat maximum benefit of twenty-five thousand dollars and no cents (\$25,000.00).

Effective the first (1st) day of the month following the completion of nine (9) continuous months of service.

(v) ACCIDENTAL DEATH & DISMEMBERMENT

In the event of death a flat benefit of twenty-five thousand dollars and no cents (\$25,000.00).

In the event of dismemberment a twenty-five thousand dollars and no cents (\$25,000.00) benefit shall be pro-rated in accordance with the carrier's schedule.

Effective the first (1st) day of the month following the completion of nine (9) continuous months of service.

(vi) WEEKLY INDEMNITY

61% of regular straight time weekly earnings, rounded to the next multiple of \$1.00 if not already such multiple, to a maximum of \$730.00 / week.

- Coverage Effective:
- First (1st) day of accident
 - First (1st) day of hospitalization either as an inpatient or outpatient provided the employee will be unable to work in excess of seven (7) calendar days.
 - Eighth (8th) day of illness, if not hospitalized.

Maximum benefit period: 17 weeks

No benefits payable if entitled to Worker's Compensation. No benefits are payable during pregnancy leave for the ten (10) weeks either side.

Benefit premiums are non-taxable.

Effective the first (1st) day of the month following the completion of nine (9) continuous months of service.

(vii) VISION CARE

The maximum benefit of \$150.00 every 24 months would cover

- purchase of standard eye glasses; frames, lenses or contact lenses.
- repair of broken glasses provided the benefit maximum of \$150.00 has not already been exhausted.
- claims must be accompanied by a new prescription (indicating a change in prescriptions).
- valid receipts from a recognized ophthalmic dispenser must accompany each claim.
- no annual deductible applicable.
- claims will be eligible if submitted within 90 days of receipt.
- No coverage would be extended for:
 - sun-glasses or safety glasses.
 - tinting of current or new lenses.
 - lost or stolen glasses,

- repeat prescriptions (no change in the current prescription).

Effective the first (1st) day of the month following the completion of nine (9) continuous months of service.

22.01 (b)

Without altering or otherwise mitigating the conditions, terms and/or provisions of the policy of the Company's contract carrier for the weekly indemnity benefit provided under Section 23.01, Sub-section (a), Item (vi) above, the Company agrees to recognize the full attendance of its employees through the implementation and administration of a policy and procedure on "Attendance Credits".

The parties agree that the protocol that will be followed for the establishment and administration of Attendance Credits will be:

1. The company will award each regular employee an Attendance Credit equivalent to one half (1/2) day or four (4) regular hours that such employee works for his full scheduled shifts in each calendar month of each calendar year;
2. Attendance Credits will be accumulated in the calendar year in which such credits are earned;
3. In the calendar year immediately following the calendar year in which the Attendance Credits have been earned and accumulated the employee may use such Attendance Credits to reduce the required waiting period specified for a non hospitalized injury or sickness in Article 22, Section 22.01, Sub-section 22.01 (a), item "vi" of the Collective Agreement.
4. Attendance Credits may only be applied one (1) year in arrears from the year in which they have been earned;
5. Attendance Credits shall only be accumulated for a given calendar year and the balance of such credits not used (as in item #3 above) at the end of the calendar year following the calendar year in which they were earned shall be forfeited and not carried over into a subsequent calendar year(s);
6. Absences from scheduled work as result of approved leaves of absences as provided under Article 23, Sections 23.01, 23.02 and 23.03 and vacation days, provided such vacation days taken are for the current vacation years entitlement, shall be considered for the purposes of determining an earned Attendance Credit in a given calendar month, as a day worked;
7. All other absences, including those absences as a result of approved compassionate leave(s) provided under Article 22, Section 22.08 and absences offset by Worker's Compensation shall be considered, for the purposes of

determining an earned Attendance Credit in a calendar month, as a day not worked.

22.02

Notwithstanding Section 22.01 of this Article, the Company shall not be required to provide for the continuance of either the benefits nor the payment of any of the respective benefit premium costs of the benefits listed in Section 22.01 after:

- (i) Termination of employment as set out in Article 10, Section 10.04;
- (ii) lay-off from employment as set out in Article 11, Sections 11.01, 11.02 and 11.06 (a) and 11.06 (b).

22.03

It is understood and agreed that all of the above benefits shall be subject to individual policy conditions and that further details shall be set out in an employee benefit booklet. The Company shall provide the Association with a copy of such booklet

22.04 (a)

The Company may change insurance carriers from time to time, but any such change will not result in a decrease of the benefits referred to in this Article.

22.04 (b)

The Association recognized that the Company is not the insurer and all benefits are payable by the insurer and not the Company

ARTICLE 23 LEAVES OF ABSENCE

Bereavement Leave

23.01 (a)

In the event a death occurs in an employee's immediate family (spouse, son, daughter, mother, father, sister, brother, grandparents, grandchild, mother or father-in-law, common-law spouse) such employee, on request in writing, shall be granted up to three (3) consecutive days leave.

23.01 (b)

An employee granted leave in accordance with (a) above, shall receive regular straight time pay for such days that would have been normally worked.

23.01 (c)

Notwithstanding the definition of a "common-law spouse" as set out in Appendix

“B” Glossary of Terms, appended to and forming part of this Agreement, a common-law spouse for the sole purpose of the administration of the paid leave provisions of Section 23.01, Sub-Section “a” and “V above shall be considered to be the immediate relative of the employee if the common-law spouse is named as the employee’s beneficiary in the Company’s benefits plans.

Jury Duty

23.02 (a)

Subject to providing the Company with prior written notice, an employee who is called for jury duty shall be paid straight time wages, less any allowance received from the Court for regular hours absent from work. The employee will be required to provide the Company with proof of attendance prior to any payments for lost wages.

23.02 (b)

The employee will be required to report to work and work either his full normal shift or the balance of his shift when he is not required to attend court as a result of the subpoena referred to in (a) above.

Association Leave

23.03

The Company shall grant a leave of absence without pay to employees that are:

23.03 (a)

Appointed or elected as a full-time officer except that not more than two (2) employees at any one time will be granted such leave, provided such leave does not exceed one (1) year for each employee.

23.03 (b)

Appointed or elected as Association representative to attend to Association business, except that not more than three (3) employees at any one time will be granted such leave and not more that one (1) from any one department and provided that such leave does not exceed thirty (30) days for each employee.

23.04

The Association in requesting leave, in accordance with Section 23.03 above, shall give the Company a minimum of fifteen (15) calendar days written notice requesting the leave.

23.05

The leave granted by the Company in Section 23.03 (a) above may be extended, upon mutual agreement, in writing, between the Company and the Association.

23.06

An employee appointed or elected to a full-time position with the Association shall maintain Company seniority but shall not be entitled any other benefits contained in this agreement.

23.07

Employees granted leave in accordance with Section 23.03 of this Article may return to their former assignment subject to their seniority and provided that they can satisfactorily perform the required work. Such employees will provide the Company with a minimum of thirty (30) days prior written notice of his intention to return to work.

Compassionate Leave

23.08

The Company may allow an employee a leave of absence without pay, for compassionate or personal reasons. Such leave will require prior written approval by the Company and an employee request must be submitted in writing as far in advance as possible.

23.09

Should a leave request be granted to an employee in accordance with Section 23.03, Sub-Section (b) for the purpose of attending labour movement training sessions, work shops, seminars, conventions or conferences and in accordance with Section 23.08 of the Article, such approval will be conditions that the employee exhausts his annual vacation benefits before the approved leave day(s) start.

ARTICLE 24 SAFETY

24.01

The Company and the Association recognize the benefits to be derived from safe working conditions and work practices. Accordingly, it is agreed that employees, Association Representatives and Company Supervisors, at all levels, shall cooperate to promote safe work practices, safe and healthier working conditions and the enforcement of safety rules. Further, employees of the Company are fully obligated to comply with all reasonable rules of conduct and safety established by the Company.

[Reference Letter of Understanding RE: H.A.C.C.P.]

24.02 (a)

It shall be the duty of an employee to report immediately to his immediate supervisor any unsafe working condition(s). When such situations arise, the supervisor, with the employee and the Association safety representative, if he is on

shift, will investigate the matter.

The supervisor is responsible for maintaining a safe working environment within his area and shall arrive at a speedy resolution to the identified situation. In determining the extent of the identified unsafe condition and the necessary corrective action, the supervisor may seek the opinion of others or call upon any or all available resources.

24.02 (b)

The Company does not want an employee to work in any situation which is unsafe or hazardous. Where an employee is able to demonstrate, on reasonable grounds, that a condition of hazard exists at a work location, the employee shall not be subject to discipline by reason of refusing to work at that place. In the event this situation arises, the employee will first immediately notify his immediate supervisor. The employee concerned may request the assistance of an Association safety representative.

24.03 (a)

The Company and the Association shall work together in establishing a joint site safety committee consisting of four (4) employee representatives, one (1) each representing fabrication, cooler/shipping, receiving and the maintenance areas and four (4) representatives appointed by the Company.

24.03 (b)

The Company and the Association recognize that the joint site safety committee can be a significant contributor to the promotion of safety and should be in place and maintained. It shall be the duty of the joint safety committee to promote the desire on the part of all employees to work safely, to keep the premises and equipment in such condition that they will be safe for all employees, and to promote and advocate the observance of all safety rules and regulations

24.03 (c)

The Company and the Association shall each appoint one (1) of their appointees to the joint site safety committee to act as a Co-Chairperson of the joint site safety committee. The Co-Chairpersonship of the joint site safety committee will alternate every two (2) months or as otherwise mutually agreed.

24.03 (d)

The Association will notify the Company, in writing, of the names of their appointees of the joint site safety committee and the areas that they represent

24.03 (e)

The Association and/or the Company may also nominate other employees as temporary replacements for the permanent joint site safety committee members who may be absent from time to time.

24.03 (f)

The Company shall post the names of the permanent members of the joint site safety committee to the bulletin board(s).

24.04 (a)

Once every month the joint site safety committee, on a date and time mutually agreed upon, shall inspect a specific work area of the Operation. Immediately after each inspection the committee shall meet to prepare a report of its findings and to set a date and location for/of the next inspection and shall, as soon as possible thereafter, submit its findings to the Plant Superintendent, the joint safety committee, the Association and the Director of Inspections administering the Occupational Health and Safety Act for the Province of Alberta.

24.04 (b)

The general duties of the committee shall be to make a thorough inspection of the pre-selected section of the premises for the purpose of determining hazardous conditions, to investigate unsafe practices and to receive complaints and recommendations with respect to these matters.

24.04 (c)

The safety tour shall be comprised of the Co-Chairperson, and the employee and Company safety representatives.

24.05

If required, once every six (6) months, the joint site safety committee will tour the entire operation.

24.06

Whenever a serious accident occurs, whether or not involving injury, the employee safety committee chairperson, or his designate, shall be immediately notified by the Company and permitted access to the place of the accident to participate in the investigation along with the Company's safety committee chairperson or his designate. Copies of the resultant investigation report will be circulated to all members of the joint safety committee. This provision shall be subject to the Occupational Health and Safety Statute and Regulations of the Province of Alberta.

24.07 (a)

Time spend during an employee's regular working hours on monthly safety inspections and subsequent on site meetings will be considered time worked and will be used for the purpose of calculating overtime entitlement.

24.07 (b)

Time spent on or off the Company's plant operations, outside an employee's

scheduled regular working hours, as required by the joint site safety committee on monthly inspections and subsequent meetings, will be paid at the employee(s) regular master file straight time rate and such time will be used for the purpose of calculating overtime entitlement.

24.08

Employees are encouraged to put forth to the joint safety committee, suggestions for improvements or alternative, in order to improve the safety effectiveness of the Company's operations.

24.09

The Company and the Association may, upon mutual agreement, change the terms of reference and the composition of the joint safety committee to improve its effectiveness providing such changes do not contravene either the Company's corporate policies and procedures dealing with health and safety or any existing applicable Governmental legislation or regulations.

24.10

The Company will institute general safety meetings on a regular basis on Company time. Suggestions and/or complaints tendered by employees at these general meetings shall be discussed and recorded and then forwarded to the joint safety committee for their review and action at the next regularly scheduled committee meeting.

24.11 (a)

The Company shall supply safety equipment, as listed (but neither equal nor limited to) in Section 24.12 of this Article, on a loan basis to employee's that are deemed by the Company to require such equipment in the performance of any work the employee may be assigned.

24.11 (b)

The equipment referred to in Section 24.11, Sub-section (a) above shall not be removed from the company's plant site.

24.11 (c)

The employee loaned such equipment referred to in Section 24.11, Subsection (a) above shall be required to sign for the article(s) loaned and return said article(s) in good and serviceable condition, fair wear and tear excepted, to the Company when either his assignment no longer requires the use of such article(s) or when the employee(s) is laid off or terminates his employment with the Company.

24.11 (d)

An employee(s) who fails to return a loaned article(s) in accordance with Section 24.11, Sub-section (c) above shall be charged with the replacement cost of the article(s) in question.

24.11 (e)

Employees shall maintain and not deface in any way, equipment supplied by the Company.

24.11 (f)

The nature of the work and the conditions under which the work is performed, as determined by the Company, will govern the issuance of any safety equipment.

24.12

Safety Equipment

Hard Hats

Chin Straps

Mesh Gloves

Knife Scabbards

Safety Glasses

Safety-Locks

Rubber Gloves

Aprons, Gloves & Face Shields for handling corrosive substances.

Welder's Apron, Gloves, Goggles, Helmet & Shield.

Hard Hat Liners

Hearing Protection

Aprons & Belly Pads

Wrist Guards

Steel Toes Rubber Boots

Switch Gear Locks

Electrician's High Voltage Gloves

24.13

Time spent on or off the Company's plant operations, outside an employee's scheduled regular working hours, as required to attend meetings or group work sessions so as to complete requisite job function safety training, will be paid at the employee(s) regular master file straight time rate and such time will be used for the purpose of calculating overtime entitlement.

24.14 (a)

The cost of annual medical examinations, required in compliance with the Government of Canada Meat Inspection Act and/or such other health regulation(s) that the Company may be required to comply with to become a recognized (listed) supplier of meat products (eg: the European Economic Community of the United States Department of Agriculture), shall be paid for by the Company and shall be completed without loss of pay by the employee.

24.14 (b)

All new and/or rehired employees shall be required to take a pre-employment medical examination prior to starting his first shift. The cost of such pre-employment medical examination shall be paid for by the Company.

24.14 (c)

Medical examinations required by the Company, other than those required under Section 24.13, Sub-Sections (a) and (b) above, shall be paid for by the Company and shall be completed without loss of pay by the employee.

24.14 (d)

The Company shall specify the name(s) of the medical physician(s) to complete the required medical examination.

24.15 (a)

The possession of and/or use of alcohol, illicit drugs or other illicit mind and/or illicit behaviour altering substance(s) by any employee during the work day, or prior to that work day if the employee shows any sign of residual impairment, shall be immediate grounds for suspension and may, after investigation, result in the employee(s) termination of employment with the Company.

24.15 (b)

Positive drug screens will be sent to a recognized medical laboratory for confirmatory testing.

24.15 (c)

A confirmed positive drug test in an employee or the confirmed presence of alcohol on the breath of an employee, which tests have been taken for good and proper reason, will result in administrative or disciplinary action being taken by the Company against the employee up to and including the termination of the employee's employment.

ARTICLE 25

WORK CLOTHING AND SPECIALTY TOOLS

25.01 (a)

(i)

The Company shall supply protective clothing and specialty tools, as listed (but neither equal nor limited to) Section 25.02 of the Article, on a loan basis to regular full-time employees that are deemed by the Company to require such protective clothing and specialty tools in the performance of any work the employee may be assigned.

(ii)

Probationary employees must supply their own CSA approved steel-toed work boots.

25.01 (b)

The protective clothing and speciality tools referred to in Section 25.01 (a) above shall not be removed from the Company's plant site.

25.01 (c)

The employee loaned such protective clothing and speciality tools shall be required to sign for the article(s) loaned and return said article(s) in good and serviceable

condition, fair wear and tear excepted, to the Company when either his assignment no longer requires the use of such article(s) or when the employee(s) is laid off or terminates his employment with the Company.

25.01 (d)

An employee who fails to return a loaned article(s) in accordance with Section 25.01, Sub-Section (c) above shall be charged with the replacement cost of the article(s) in question.

25.01 (e)

The Company shall provide a laundry and maintenance programme, for the items of protective clothing that are launderable, that shall provide each employee who requires such launderable protective clothing with one (1) item of each such article deemed as required by the Company to perform the work assigned. On the return of a soiled article(s) the employee shall be issued a clean article(s) on a loan (1) for one (1) exchange. Employees shall be responsible for the return and pick-up of these launderable clothing articles at designated points.

25.01 (f)

Employees shall maintain and not deface in any way, protective clothing or specialty tools supplied on loan to an employee by the Company.

25.01 (g)

The nature of the work and the conditions under which the work is performed, as determined by the Company, will govern the issuance of any protective clothing or speciality tools to any employee or group of employees.

25.02

Protective Clothing

Freezer Coats	Gloves
Hair Nets	Head Covers
Oilskin Sleeves	Oilskin Aprons
Oilskin Pants	Oilskin Jackets
Smocks	Coveralls

Specialty Tools

Knives	Steels
Meat Trimmer Hooks	

25.03 (a)

All safety footwear shall be C.S.A. approved.

25.03 (b)

In the area(s) of the Company's operation where employees are required to wear safety footwear, the affected employees shall be required to purchase and provide

their own safety footwear.

25.03 (c)

To offset the cost of such safety footwear purchases by the employees, the Company will provide regular employees with a cash allowance of Fifty Dollars and No Cents (\$50.00) payable once per full contract year upon presentation to the Company of bona lide proof of purchase for replacement safety footwear together with the safety footwear being replaced.

25.03 (d)

The cash allowance referred to in Section 25.03, Sub-section (c) of this Article shall be repayable on a pro rata basis should the employee quit or is terminated in his first year of service.

**ARTICLE 26
TOOL ALLOWANCE**

26.01

The company shall pay to an employee classified as a certified tradesman a monthly tool allowance equivalent to two (2) hours pay at regular straight time, provided such employees have a minimum tool kit.

26.02

The Company shall reimburse certified journeymen tradesmen for the loss of tools and cabinets damaged by fire or disaster, not caused by any employee, while on Company property. Such tradesmen shall provide the Company with a list of their tools on Company property. The listing of such tools must be verified by the employee's immediate supervisor and filed in the employee's confidential personnel dossier in order to qualify for the indemnification for any claim loss.

26.03 (a)

The Company shall provide to employees on a loan/return basis specialty tools that are not normally a part of a tradesman's required tool kit.

26.03 (b)

The employee loaned such tools referred to in Section 26, Sub Section (a) above shall be required to sign for the tool(s) loaned and return said tool(s) in good and serviceable condition, fair wear and tear excepted, to the Company.

26.03 (c)

An employee(s) who fails to return a loaned tool(s) in accordance with Section 26.03, Sub-section (b) above shall be charged with the replacement cost of the tool(s) in question.

**ARTICLE 27
TERM OF AGREEMENT**

27.01

This agreement shall be in full force and effect from the 04th day of June, 1999 to the 28th day of July, 2002.

27.02

The provision of Section 27.01 of this Article shall be subject to the right of either party to give written notice not more than one hundred and twenty (120) calendar days or less that sixty (60) calendar days prior to the original or any subsequent termination date of this Agreement, requiring the other party to commence collective bargaining with the intent of concluding a renewal Agreement

27.03

Should either party give written notice to the other party pursuant to Section 27.02 of this Article, this Agreement shall thereafter continue in full force and effect until the Association or the Company shall give written notice of other action, and such other action has commenced, in accordance with the Labour Relations Code of the Province of Alberta, or the parties conclude a renewal Agreement

APPENDIX 'A I' (for the Foothills Plant Operation)

Attached to and forming part of the Collective Agreement dated 04 June, 1999 between XL Meats Plant Operations, Divisions' of XL Foods Inc. and the XL Meats Employees' Association.

CLASSIFICATION AND HOURLY RATES OF PAY
XL MEATS FOOTHILLS OPERATIONS

Pay Class	Group Title	Typical Functional Requirements	Pay Class Hourly Rate		
I	Labourer Entrance Level		\$8.75	\$9.15	\$9.50
	Probationary employee, minimum six continuous months of service				
II	Labourer-1		\$10.25	\$10.65	\$11.00
	Rate effective after completion of six months continuous service				
III	Labourer-2		\$10.75	\$11.15	\$11.50
	Learner level - 1 rate effective after 180 days worked				
IV	Labourer-3		\$11.35	\$11.75	\$12.10

V	Learner level - 2 rate effective after 270 days worked Labourer-4 Learner level - 4 rate effective after 360 days worked	\$12.00 \$12.40 \$12.75
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General Labour .unskilled:

Junior" knife
 Scraper - bone dust
 Grade Applicator
 Re-packer - leakers
 Whizard Knife
 Push to Scale (Receiving)
 Insert Certification Stickers
 Helper - maintenance group

Pay Class	Group Title	Typical Functional Requirements	Pay Class Hourly Rate
VI	Production Worker – 1 Junior Level		\$12.23 \$12.63 \$12.98

Must demonstrate & maintain proven ability in function typical for through pay class VI functions and demonstrate the capacity and proficient in functions typical of those functions listed in pay class advance to available work in function typical for pay class VII.

Semi Skilled Labour:

	Push to Holding Cooler Strapper	
VII	Production Worker - 2 Intermediate Level	\$12.48 \$12.88 \$13.23

Must demonstrate & maintain proven ability in functions typical for pay class I through pay class VII functions and demonstrate the capacity and ability to be proficient in functions typical of those functions listed in pay class VIII to advance to available work in functions typical for pay class VIII.

Semi Skilled Labour:

	Carton Former Bagger Push Beef on Drop Table Intermediate knife	Bone Guard Sort Trim	
VIII	Production Worker - 3 Senior Level		\$12.72 \$13 12 \$13.47

Must demonstrate & maintain proven ability in functions typical for pay class I through pay class VII functions and demonstrate the capacity and ability to be proficient in functions typical of those functions listed in pay class IX to advance to available work in functions typical for pay class IX.

Semi Skilled Labour:

Pull Tenders	Label Applicator
Palletizing	Sanitation
Boxing	Pallet Recording
Push to Head Rail &	Breaking Saw
Rail Scale	Receiving

Pay Class	Group Title	Typical Functional Requirements	Pay Class Hourly Rate
IX	Production Worker -4 Seasoned Level		\$13.19 \$13.59 \$13.94

Must demonstrate and maintain proven ability in functions typical for pay class I through pay class IX functions and demonstrate the capacity and ability to be proficient in functions typical of those functions listed in pay class X to advance to available work in functions typical for pay class X.

Semi Skilled Labour:

	Senior knife*	Cryovac Operator	
	Truck Driver**	Scale Cartons	
	Truck Loader /	Selector	
	Fork Lift Operator		
X	Production Worker - 5 Advanced level		\$13.67 \$14.07 \$14.42

Must demonstrate and maintain proven ability in functions typical for pay class I through pay class X functions and demonstrate the-capacity and ability to be proficient in functions typical of those functions listed in pay class XI to advance to available work in functions typical for pay class XI.

Skilled Labour:

	Advanced *knife	
X-A	Production Worker-SA Skilled level	\$13.90 \$14.30 \$14.65

Must demonstrate and maintain proven ability in functions typical for pay class I through pay class X-A functions and demonstrate the capacity and ability to be proficient in functions typical of those functions listed in pay class XI to advance to available work in functions typical for pay class XI.

Skilled Labour

Breaking Saw
Chime saw

Pay Class	Group Title	Typical Functional Requirement	Pay Class Hourly Rate
XI	Production Worker - 6 Superior level		\$14.25 \$14.65 \$15.00

Must demonstrate and maintain proven ability in functions typical for pay class I through pay class XI functions.

Skilled Labour:

Superior* knife
Senior Superior * sawman

XII	Maintenance Tradesman - 1		\$14.25 \$14.65 \$15.00
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Non Ticketed Tradesman:

Entrance level-journeyman
or
Journeyman with 2nd class ticket

Fireman boiler & pressure vessel
or
Building operator "B" certificate

XIII	Maintenance Tradesman - 2		\$16.90 \$17.30 \$17.65
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Advanced Level - Journeyman***:

Journeyman***with 1st class ticket
 (other than when at entrance level)
 with(when required)
 Fourth class engineer .boiler & pressure vessel

or

Building operator “A” certificate

Pay Class	Group Title	Typical Functional Requirements	Pay Class Hourly Rate
XIV	Maintenance Tradesman - 3		\$18.05 \$18.45 \$18.80

Superior Level -- Journeyman***

The position functions listed in Appendix “A I” are typical of the types of work to be performed in a given pay Classification are not intended to restrict the types of work individual employees shall be required to perform, but shall be utilized to establish a classified rate of pay for all employees.

The terms “Pay Class” and “Pay Class Hourly Rate” in Appendix “A I” denote(s) a pay scale for the typical job function and is/are not a posted job classification(s).

- Effective 17 July, 2002 a \$0.75 hourly increase will be applied to each pay class.
- Effective 14 July, 2003 a \$0.40 hourly increase will be applied to each pay class.
- Effective 13 July, 2004 a \$0.35 hourly increase will be applied to each pay class.

Required knife competencies for the indicated “Foothills Plant’ function levels are as follows:

Junior +	Intermediate +	Senior +	Advanced +	Superior
Trimming	Flanks	Ribs	Cross Ribs	Fully Bones Proficient
Flap Meat	Plates	Shanks	Bone & Trim Butts Skills	For all Knife
Skirts	Necks	Shoulder Clods	Bone Strip Loins	
Diced Beef	Baby Heads	Butt Tenders	Bone Hips	
Round Bones		Trimming Short Loins	Bone Chucks	
Tri Tip		Trimming Tenderloins Trimming Inside Rounds Trimming Outside Rounds		

***Must possess, as a prerequisite to the employee’s selection, and maintain, as a requisite of continued employment, a valid Alberta Operator’s Licence together with any requisite equipment endorsements in the appropriate Licence class for the type of truck operated.

***Must possess, as a prerequisite to the employee’s selection, and maintain, as a requisite of continued employment, a valid Alberta Journeyman Ticket(s) for the trade discipline(s) specified and/or required.

APPENDIX 'A II' (for the Brandon Street Plant Operation)

Attached to and forming part of the Collective Agreement dated 04 June, 1999 between XL Meats Plant Operations, Divisions' of XL Foods Inc. and the XL Meats Employees' Association.

CLASSIFICATION AND HOURLY RATES OF PAY
XL MEATS - BRANDON STREET PLANT OPERATIONS

Pay Class	Group Title	Typical Functional Requirements	Pay Class Hourly Rate		
I	Labourer Entrance level Probationary employee, minimum <u>six continuous months of service</u>		\$8.75	\$9.15	<u>\$9.50</u>
II	Labourer – 1 Rate effective after completion of six months Continuous service		\$10.25	<u>\$10.65</u>	<u>\$11.00</u>
III	Labourer – 2 Learner level – 1 Rate effective after 180 days worked.		\$10.75	\$11.15	\$11.50
IV	Labourer – 3 Learner level – 2 rate effective after 270 days worked.		\$11.35	\$11.75	\$12.10
V	Labourer – 4 Learner level – 4 Rate effective after 360 days worked		\$12.00	\$12.40	\$12.75

General Labour – unskilled

- Scrape
 - Push to cooler
 - Box maker
 - Wizard knife
 - Bagger
 - Strap/palletize
 - Ross operation and fill
 - Cryovac operation and fill
 - Trim & scale
 - Unload trailers
 - Unpack/unbox
 - Pay Class
- Pack-off
 - Tray fill operation and fill
 - Junior* knife
- Helper – maintenance group
 - Janitor – day shift

Pay Class	Group Title	Typical Functional Requirements	Pay Class Hourly Rate
VI	Production Worker – 1 Junior Level		\$12.23 \$12.63 \$12.98

Must demonstrate & maintain proven ability in function typical for pay class I through pay class VI functions and demonstrate the capacity and ability to be proficient in functions typical of those functions listed in pay class VII to advance to available work in function typical for pay class VII.

Semi Skilled Labour:

Floor scale operator Sort, pack trim & pack combo LaPalmatere operator Sanitation work			
VII	Production Worker -2 Intermediate Level		\$12.48 \$12.88 \$13.23

Must demonstrate & maintain proven ability in functions typical for pay class I through pay class VII functions and demonstrate the capacity and ability to be proficient in functions typical of those functions listed in pay class VIII to advance to available work in functions typical for pay class VIII.

Semi Skilled Labour:

- Sausage formulator
- Pack-off
- Sort trim, strap & pelletize

Intermediate*knife

VIII	Production Worker -3 Senior level	\$12.72 \$13.12 \$13.47
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Must demonstrate & maintain proven ability in functions typical for pay class I through pay class VII functions and demonstrate the capacity and ability to be proficient in functions typical of those functions listed in pay class IX to advance to available work in functions typical for pay class IX.

Semi Skilled Labour:
Scale Cartons
Truck Driver**
Central Processing Bandsaw operator

Pay Class	Group Title	Typical Functional Requirements	Pay Class Hourly Rate
IX	Production Worker - 4 Seasoned Level		\$13.19 \$13.59 \$13.94

Must demonstrate and maintain proven ability in functions typical for pay class I through pay class IX functions and demonstrate the capacity and ability to be proficient in functions typical of those functions listed in pay class X to advance to available work in functions typical for pay class X.

Semi Skilled Labour:
Senior knife
Shipper

X	Production Worker – 5 Advanced Level	\$13.67 \$14.07 \$14.42
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Must demonstrate and maintain proven ability in functions typical for pay class I through pay class X functions and demonstrate the capacity and ability to be proficient in functions typical of those functions listed in pay class XI to advance to available work in functions typical for pay class XI.

Skilled Labour:
Advanced*knife

XI	Production Worker - 6 Superior Level	\$13.75 \$14.15 \$14.50
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Must demonstrate and maintain proven ability in functions typical for pay class I through pay class XI functions,

Skilled Labour:
Superior*knife

XII	Maintenance Tradesman -1	\$14.25 \$14.65 \$15.00
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Non Ticketed Tradesman:
Entrance Level - Journeyman or Journeyman with 2nd class ticket.
Fireman - boiler & pressure vessel or
Building operator - "B: certificate

Pay Class	Group Title	Typical Functional Requirements	Pay Class Hourly Rate
XIII	Maintenance Tradesman —2		\$16.90 \$17.30 \$17.65

Advanced Level – Journeyman***
Journeyman***with 1st class ticket (other than when at entrance level) with
(when required) Fourth class engineer .boiler & pressure vessel

or

Building operator "A" certificate

XIV	Maintenance Tradesman -3	\$18.05 \$18.45 \$18.80
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Superior Level .Journeyman***

The position functions listed in Appendix "A II" are typical of the types of work to be performed in a given pay classification are not intended to restrict the types of work individual employees shall be required to perform; but shall be utilized to establish a classified rate of pay for all employees.

The terms "Pay Class" and "Pay 'Class Hourly Rate" in Appendix "A II" denote(s) a pay scale for the typical job function and is/are not a posted job classification(s).

- Effective 17 July, 2002 a \$0.75 hourly increase will be applied to each pay

class.

- Effective 14 July, 2003 a \$0.40 hourly increase will be applied to each pay class.
- Effective 13 July 2004 a \$0.35 hourly increase will be applied to each pay class.

“Required knife competencies for the indicated “Brandon Street Plant” function levels are as follows:

Junior +	Intermediate+	Senior+	Advanced+	Superior
Whizzard Knife	Remove Flank	Remove Rib Eye	Blade Round	Fully Proficient
Defat Knife Shoulder & neck	Feather Bone Back Strap Rib Cage	Remove Shoulder Clod Remove Strip Loins Neck & Shoulder (chuck) Tenderloin Trim Cuts	Top Butt (Aitche Bone removal) Hip	For all Skills

**Must possess, as a prerequisite to the employee’s selection, and maintain, as a requisite of continued employment, a valid Alberta Operator’s Licence together with any requisite equipment endorsements in the appropriate Licence class for the type of truck operated

***Must possess, as a prerequisite to the employee’s selection, and maintain, as a requisite of continued employment, a valid Alberta Journeyman Ticket(s) for the trade discipline(s) specified and/or required.

APPENDIX 'B' GLOSSARY OF TERMS

Arbitration Board Shall mean a three (3) person board or when appropriate, a single arbitrator.

Association Means the XL Meats Employees' Association.

Bargaining Unit Shall mean the unit of persons defined as employees with the "certifications" granted to the XL Meats Employees' Association in 2004, as amended.

Complaint Shall mean a difference over the interpretation, application, administration or alleged violation of a provision(s) in the Collective Agreement, that has been submitted in writing on a prescribed form from one (1) party to the other party clearly specifying the nature of the matter(s) at issue, the article(s) and/or section(s) and/or sub-section@)in dispute and the remedies sought.

There are two (2) categories of Complaints:

(a) Individual Complaint

An individual complaint Occurs when the subject matter of the complaint is specific to the employee who initiates the complaint, in regards to the application of the terms and conditions of the collective agreement.

(b) Policy Complaint

The basis for a policy complaint will always lay with the interpretation and application of the collective agreement as that interpretation or application effects a work

group/crew or the entire work force. A policy complaint can be generated by either the company or the association.

Company Shall mean XL Meats, Foothills and Brandon Street Plant Operations, divisions of XL Foods Inc.

Dependent Child Shall mean any biological child, legally adopted child or stepchild who is not married and for whom you provide financial support for the basic necessities of life. The child must be a resident of Canada and not eligible under this contract as a Covered Person, and must be one of the following:

- (a) under the age of eighteen (18); or
- (b) twenty-five (25) and a registered student in full-time

attendance at an accredited college or university. For the purpose of this definition, full-time attendance will be deemed to include any period of up to four (4) months between any two (2) period of full-time attendance; or

- (c) unable to work in self-sustaining employment due to serious and permanent disability. Such disability must have existed while the child satisfied to conditions under 9 (a) or (b) above. You must provide satisfactory proof to Met Life as often as requested that the child remains unable to work for these reasons and remains dependent on you for financial support for the basic necessities of life.

Employee-Eligible Shall mean an employee who is a regular employee that has completed the level of continuous service with the company required to qualify for participation in the various health and welfare programs contained within the collective agreement.

Employee-Regular Shall mean an employee of the company, within the bargaining unit, that is no longer a probationary employee, as defined by the collective agreement, who has achieved a seniority rights status and who is a member in good standing of the association.

Fee Guide-Dental Shall mean the schedule of fees for dental services/procedures as set and published from time to time by the Alberta Dental Association and which fees guides are used by the Company's dental plan insurance

carrier to establish the limits of their financial responsibility for the dental service/procedure being, or to be completed.

Funeral

Shall mean the formal ceremonies connected with the burial or cremation of a deceased person and shall include to mean a memorial service provided that such funeral or memorial service is conducted in the customary time and public location immediately following the death of such person and provided that the customary public notice of such a formal funeral or memorial service is published.

Lead Hand

Shall mean an employee who has been selected and appointed by the Company as the person in charge of a specific and limited work area, or a specific production function(s), or work crew and who regularly performs production work or other work unrelated to supervisory duties and without having any genuine management rights such as the right to hire or fire or recommend such action.

Master File Rate

Shall mean the normal rate of pay for an employee, as set out in Appendix "A" attached to and forming part of the Collective Agreement, for the applicable pay class for the employee's regularly assigned job function(s) exclusive of any allowances, premiums or overtime master file rate (M.F.R.) of an employee shall be the rate on which pay related calculations will be based.

Medical Certificate

Shall mean a written documentation that fully and specifically details the nature and extent of an employees' sickness or injury that has been prepared by the medical physician attending such sick or injured employee and which medical physician is licensed to practice in the Province of Alberta. The medical certificate must provide sufficient details with respect to the employees' sickness or injury that will:

(a) fully satisfy the requirements of the Government of Canada's Meat inspection act or such other legislation or regulations that may now or hereafter govern the processes, materials and equipment used by the company in the preparation, fabrication and handling of food products which will be used for human consumption; or

(b) confirm that the employee is physically and mentally able to do the available work.

Meeting

Shall mean a meeting called by the Company that requires the employees in general to attend a general business or information meeting, or specific employees in particular to participate in training sessions, or specific employees in particular to participate in committees that have been constituted in accordance with the provision of the collective agreement, but shall not include meetings between the company and the association that are specifically required for the purposes of collective bargaining.

Parties

Shall mean the company and the association.

Regular or Straight
Time Rate of Pay

Shall mean the rate of pay for the pay class and typical job functions therein as identified in Appendix "A" attached to a forming part of the Collective Agreement exclusive of any allowances, premiums or overtime.

Spouse

Shall mean one person, who resides in Canada, who is not eligible under this contract as a Covered Person, and is;

(a) the person to whom you are lawfully married through an ecclesiastical or civil ceremony; or

(b) a person of the opposite sex who has been living with you for a continuous period of at least one (1) year, and has been publicly represented by you as your spouse

Supervisor

Shall mean a salaried employee of the Company functioning in a position of designated authority, from the first level of supervision and above, over a group of hourly rated employees to accomplish an assigned task(s) and/or work operation.

APPENDIX 'C'

BETWEEN: XL MEATS
AND: XL MEATS EMPLOYEES ASSOCIATION
RE: ARTICLE 11

For the intention of administering this agreement, the Foothills Hourly paid plant employees and the Brandon Street Hourly paid plant employees will remain distinct and separate for the purposes of seniority, overtime, lay-off, vacation, plant shut-down or job classifications.

APPENDIX 'C I'

BETWEEN: XL MEATS
AND: XL MEATS EMPLOYEES ASSOCIATION
RE: ARTICLE 21

For the purpose of calculating vacation pay, the total hours payable will be multiplied by the employees current master file rate, or the master file rate at December 31 of the preceding year, whichever is the greater. Two percent (2%) of this total shall be the employee's vacation pay for each week of vacation entitlement.

APPENDIX 'C II'

BETWEEN: XL MEATS
AND: XL MEATS EMPLOYEES ASSOCIATION
RE: ARTICLE 24

H.A.C.C.P. has been recognized as a logical tool towards a modern, scientifically based inspection system. The system application of H.A.C.C.P. will help ensure the consistency of food safety programmes. The key element of a H.A.C.C.P.

based system is its preventative nature and the exercising of control throughout the manufacturing process, at critical steps. By doing so, defects which could impact on the safety of the food being processed can be readily detected and corrected before the product is completely processed.

The association recognized the benefits to be derived by both the consumer and the employees from the principles of H.A.C.C.P. Your association encourages all members to follow the H.A.C.C.P. principles of personal hygiene and H.A.C.C.P. job procedures.

NEW COLLECTIVE BARGAINING AGREEMENT

Wednesday, July 17, 2002

Confirming the following changes to our agreement ratified by the association members July 13TH, 2002.

TERM: Three (3) Years Three (3) Months - (39 Months) due October 2005.

WAGES: \$ 1.50 per hour wage increase over the term of the agreement.

SCHEDULE: \$ 0.75 per hour upon ratification.
\$ 0.40 per hour after twelve (12) months.
\$ 0.35 per hour after twenty-four (24) months.
\$ 1.50 per hour Total

BONUSES: Ratification bonus (as follows)
\$ 200.00 - 2 to 3 Years.
\$ 300.00 - 3 to 4 Years.
\$ 400.00 - 4 to 5 Years.
\$ 500.00 - 5 to 6 Years.
\$ 600.00 - 6 to 7 Years.
\$ 700.00 - 7 to 8 Years.
\$ 800.00 - 8 to 9 Years.
\$ 900.00 - 9 to 10 Years.
\$ 1,000.00 - 10 to 11 Years.
\$ 1,100.00 - 11 and up.

PENSION: \$0.25 per hour contributed to Pension Fund. The Association may decide to add this to the hourly wage as an alternative to the Pension Fund. Contribution to be effective only after three (3) months service.

HOLIDAY

PAY: Only change is after fifteen (15) years or more service, increase paid holiday to 23 days.

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