

Collective Bargaining Agreement

between

Hi-Pro Feeds LP

(hereinafter known as the “Company”)

and

Grain & General Services Union (ILWU Canada)

(hereinafter known as the “Union”)

Errors & Omissions Excepted

Effective January 1, 2013 to December 31, 2015

~~Tentative Agreement – March 9, 2013~~

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ARTICLE 1 - SCOPE & DEFINITION

Hi-Pro Feeds LP (hereinafter referred to as the "Company") recognizes the Grain & General Services Union (hereinafter referred to as the "Union") for the duration of this Agreement as the sole collective bargaining agent for purposes of collective bargaining in respect of wages and other conditions of employment on behalf of employees of the Company as set out in the Certification Order of the Canada Industrial Relations Board dated February 16, 2012 (which is Board Order No. #10143-U), and as this Order may be amended from time to time.

DEFINITIONS

- 1.1 **REGULAR FULL-TIME EMPLOYEE** - Regular full-time employee shall mean an employee employed to meet ongoing operational requirements on a year-round basis and is scheduled to work the full-time hours contained in Article 15. Regular full-time employees who are laid off shall retain their regular full-time status with the Company while on layoff.
- 1.2 **REGULAR PART-TIME EMPLOYEE** - Regular part-time employee shall mean an employee hired to work on a partial day or partial week basis generally consisting of less hours than defined in the Regular or Compressed Work Schedule in Article 15.
- 1.3 **TEMPORARY EMPLOYEE** - Temporary employee shall mean an employee employed to meet seasonal or temporary operating needs. The only provisions of this Agreement applying to the employment of temporary employees are contained in Schedule B.
- 1.4 **CASUAL EMPLOYEE** - Casual employee shall mean an individual who is hired on a job contract or on an hourly basis for unscheduled or irregular work. The only provisions of this Agreement applying to the employment of casual employees are contained in Schedule B.

1.5 **SENIORITY** - Seniority commences at date of hire with the Company and is only interrupted in accordance with Article 12.11. In the event of a common seniority date occurring in any competition, the tie will be broken based on years of experience with relevant companies. In the event that the tie is not broken by applying the foregoing, the tie will be broken based on the reverse alphabet of the last name. A Board of Arbitration referred to in Article 8 hereof or such other appropriate authority shall have the power to reinstate service forfeited due to termination of employment.

For purposes of calculating seniority, the "Company" includes all continuous service earned with Viterro Inc., Agrico United and any predecessor employer acquired or incorporated into Hi-Pro Feeds LP on or before February 1, 2012.

1.6 **PROMOTION** - shall mean the movement of an employee from a position to a position bearing a higher pay structure.

1.7 **DEMOTION** - shall mean the movement of an employee from a position to a position bearing a lesser pay structure.

1.8 **TRANSFER** - shall mean the movement of an employee from a position to another position bearing the identical pay maximum.

1.9 **REASSIGNMENT** – shall mean the movement of an employee to another position which may or may not bear a lesser pay structure resulting from a layoff or other operational issue.

ARTICLE 2 – SPIRIT AND INTENT

The spirit and intention of this Agreement is to maintain good and amicable relations between the Company and all of its employees covered by this

Agreement, so that the solution of all matters pertaining to conditions of employment may be arrived at by consultation and agreement between the parties hereto and this Agreement is in no sense to be taken as a discouragement to direct negotiations where a solution can be reached by such means without having recourse to the bargaining procedure hereinafter provided.

ARTICLE 3 - MANAGEMENT RIGHTS

- 3.1 The Union recognizes that the Company has sole authority to manage its affairs, to direct its working forces, including the right to hire, to classify, to fix the wages of employees (both at time of hire and throughout the tenure of the employees employment) within the terms of Salary Schedule A hereinafter referred to, to transfer (within the Chilliwack facility), promote, demote and to suspend or discharge any employee for just cause, and to increase or decrease the working force of the Company, to re-organize, close, disband any part of the plant operations as circumstances and necessity may require, subject to the right of any employee concerned to lodge a grievance in the manner and to the extent hereinafter provided.
- 3.2 The Union further recognizes the right of the Company to operate and manage its business in all respects in accordance with its commitments and responsibilities, and to make and alter from time to time, the rules and regulations to be observed by the employees, not inconsistent with the terms of this Agreement.
- 3.3 The Union further recognizes that any current, ongoing or past practice, policy and/or benefit shall not be construed as a representation that any such practice, policy and/or benefit will continue in the future and that the Company

may reorganize its businesses and practices in order to remain productive and competitive.

ARTICLE 4 - COMPANY RELATIONS

- 4.1 It is understood and agreed, inasmuch as the Company recognizes the Union as the employees' bargaining agency, as evidence of good faith, the Union assumes responsibility for its members in their relations with the Company and will use its best efforts to have the employees' responsibility under the contract carried out in letter and spirit and to have its members deliver a fair day's work as called for by the position involved and the reasonable orders of the Company.
- 4.2 The Company shall provide bulletin boards in the facility for official and legitimate Union use.
- 4.3 The Company shall provide all employees with copies of appraisals and evaluations. Further employees shall be given access to their personnel file and/or give a Union representative permission to access their file.
- 4.4 The Company will not discriminate in its hiring and employment practices against persons by reason of age, race, creed, sex, religion, nationality, ancestry or place of origin, political affiliation, union activity, marital status, sexual orientation or physical disability.
- 4.5 The Union will not discriminate in its practices against persons by reason of age, race, creed, sex, religion, nationality, ancestry or place of origin, political affiliation, union activity, marital status, sexual orientation or physical disability.

ARTICLE 5 - MAINTENANCE OF MEMBERSHIP

- 5.1 The Company agrees that as a condition of employment, membership dues or sums in lieu will be deducted from the wages earned by employees in the following categories:
- (a) All employees for whom the Union has bargaining authority under this Agreement.
 - (b) All new employees under this Agreement, as of their first complete pay period following commencement of employment.
- 5.2 Membership dues or sums in lieu so deducted from salaries shall be paid monthly to the General Secretary of the Union within fifteen (15) calendar days following completion of the last payroll period in the calendar month, remittance to be supported by information with respect to each individual employee, including rate of pay, hours worked, seniority date and position, for the period covered by the remittance for that employee.
- 5.3 The Company shall furnish the General Secretary of the Union with staff change lists following each monthly pay period, which shall include the name, location, classification, grade, salary, and effective date of all staff changes, including new hires.

ARTICLE 6 – NO STRIKE –NO LOCKOUT

- 6.1 The Union agrees that neither it, nor any of the employees it represents will collectively, concertedly or individually, during the term of this Agreement and/or any extension thereof, directly or indirectly, cause, permit, call, instigate, induce, sanction or engage in any strike, slowdown, harassment,

sympathy strike, boycott, picketing, and/or any other work interference, either primary, secondary, or other in nature, for any reason whatsoever.

- 6.2 The Company agrees that it will not, during the term of this Agreement and any extension thereof, cause, permit or engage in any lockout. The closing down of the operation or any part thereof or the curtailment of operations for business reasons will not be considered a lockout.

ARTICLE 7 - GRIEVANCES

- 7.1 The Company and the Union agree that it is most desirable to resolve misunderstandings and disputes through discussions between the employee and the supervisor, and both the Company and the Union shall encourage employees to discuss their complaints with their supervisors so as to resolve differences quickly and directly without necessarily having to resort to the following formal process.
- 7.2 Employees may have benefit of representation by Union officials at any of the steps in the procedure, and similarly management representatives may have benefit of counsel.
- 7.3 Formal grievances, whether individual or executive, shall be raised within fifteen (15) days of the date on which the grievance becomes apparent, or ought to have become apparent. Grievances shall be in writing on the approved grievance form, must identify the specific clauses in this Agreement that are being violated and provide specific details in writing with respect to the individuals whose rights have been violated and/or damages resulting from the breach of this Agreement and shall be dealt with in the following manner without stoppage of work.

STEP I - The grievance shall be taken up with the first-line out-of-scope supervisor who shall render a decision within three (3)

working days of the receipt of the grievance. Executive grievances (those submitted by the Union organization rather than by an individual), and grievances which involve appointment to a position within the scope of this Agreement, or dismissal or a suspension in excess of seven (7) calendar days, shall dispense with Step 1.

STEP 2 - Within seven (7) working days of the receipt of the decision in Step 1 in the case of individual grievances, and within fifteen (15) days of the date on which the grievance(s) becomes apparent or ought to have become apparent in the case of executive grievances, the grievance shall be taken up with the appropriate Manager who shall render a decision within seven (7) working days.

In grievances, which involve a dismissal, or a suspension which exceeds seven (7) calendar days, the Company and the Union may combine Steps 2 and 3 of the grievance procedure to expedite the matter.

STEP 3 - In the event that a decision is not rendered within seven (7) working days, or the decision does not lead to a resolution of the grievance in the view of the parties, the General Secretary of the Union or his/her designate shall immediately consult with the Regional Manager or his/her designate. If settlement is not achieved within a further fourteen (14) working days it may be submitted to arbitration as hereinafter provided for.

STEP 4 - A grievance is referred to arbitration by either party giving notice to the other in writing of their intention to do so. Such written notice shall be given within ten (10) working days of the receipt of decision at Step 3, or from the expiry of the time limits at Step 3, whichever is the earlier. Within seven (7) working days of receipt of such written notice, each party shall appoint a nominee. Within a further seven (7) working days the nominees shall meet and appoint

a Chairperson to the Board. If the two nominees fail to agree and fail to appoint a Chairperson within seven (7) working days of their initial meeting, they shall request the Minister of Labour for Canada to appoint a Chairperson of the Arbitration Board and the person so appointed shall be duly empowered to act accordingly. Upon agreement between the Company and the Union the Board may consist of a single arbitrator.

NOTE: Time limitations in the preceding process may be extended by mutual agreement between the parties, provided that requests for extension are made prior to the expiry of the time limitation.

In the event of a grievance, the Company agrees, upon request, to provide the Union with copies of disciplinary and/or appraisal documents that have been served upon the employee which the Company intends to use in regard to the specific grievance. References to disciplinary matters shall be removed from the employee's personnel file after two (2) years providing there have been no further incidents of the same or substantially similar nature during that two (2) year period, and such references, once removed, will no longer be admissible as evidence on any arbitration hearing.

ARTICLE 8 - ARBITRATION BOARD

8.1 The Arbitration Board under Article 6 (Step 4) shall not have authority to alter or change any of the provisions of this Agreement, or to insert any new provisions, or to give any decision contrary to the terms and provisions of this Agreement, but it is agreed that where disciplinary action is involved the Arbitration Board shall have the power to award a penalty or amend a penalty imposed by the Company.

8.2 The decision of the Board or a majority of the arbitrators shall be final and binding upon the parties hereto and upon any employee or employees concerned. If there is no decision by a majority of the Board, then the decision of the Chairperson shall be similarly final and binding.

8.3 No costs of any arbitration shall be ordered to or against either party, but each party shall be responsible for the expenses and/or fees payable to its nominee and for one-half the expenses and/or fees payable to the Chairperson of the Board.

ARTICLE 9 - BENEFIT PLANS

9.1 All eligible employees who have completed ninety (90) calendar days service with the Company shall be entitled to participate in the Company's benefit plans and shall be enrolled on the first of the month following the completion of the ninety (90) day service period.

9.2 Sick leave entitlement, accrual and use of, shall be in accordance with Company Policy.

ARTICLE 10 - RETIREMENT PLAN

10.1 All eligible employees shall, as a condition of employment, participate in the Company's retirement plan as maintained by the Company. These employees shall be enrolled in the plan on the first day of the month following completion of ninety (90) day service period.

ARTICLE 11 - HEALTH & SAFETY

- 11.1 The Company and the Union recognize an employees' right to working conditions which show respect for his/her health, safety and physical well-being.
- 11.2 The parties recognize that the maintenance and development of the employees' general well-being constitute a common objective. Consequently all efforts shall be deployed to prevent and correct any situation and any conduct liable to compromise the health and safety of employees or deteriorate the work environment.

The Company and the Union recognize the need for constructive and meaningful consultations on health and safety matters. To this end, a joint safety committee shall be established.

ARTICLE 12 – VACANCIES, LAY-OFF AND RECALL

VACANCIES

- 12.1 When the Company determines it necessary to fill a vacant position within the scope of this Agreement, the position shall be posted. Vacancies will be open to applicants for seven (7) days. It will be the policy of the Company that in filling posted positions, employees of the Company shall be given first consideration.
- 12.2 Notices of primary vacancies will contain information pertinent to the position being posted such as classification, brief description of core job duties and salary range.

- 12.3 The Company, in its sole discretion, may elect to fill a vacancy to a position by transfer.
- 12.4 The Union may make representations to the Company where the circumstances of the transfer warrant such representations.
- 12.5 When filling vacancies, ability, qualifications and merit as determined by the Company shall be the governing factors.

LAYOFFS

- 12.6 In the event of a lay-off, the Company shall, retain the employees who, based on ability, qualifications and merit, as determined by the Company, are best suited for the positions and in the event two or more candidates are relatively equal, the Company will retain the employee with the greater seniority. The company shall not make decisions that are arbitrary or discriminatory in nature. Recall from layoff will be done on the same basis.
- 12.7 The Company will make a reasonable effort to provide forty-eight (48) hours written notice of lay-off and in any event such notice will not be less than that required under the *Canada Labour Code*.
- 12.8 An employee who is laid off shall endeavor to obtain an alternate position by bidding on vacancies in accordance with Article 10.1. Bumping shall not be permitted.
- 12.9 Notwithstanding any other provision of the Collective Agreement with the exception of the Management's Rights Clause, the Company, in its sole discretion, may reassign an employee who is otherwise subject to layoff, to another position and instead lay off the employee from the reassigned position.

RECALL

- 12.9 Full time and part-time employees on lay-off will maintain their official employment start date and have recall rights for twelve (12) months after which their employment will be deemed to be terminated.
- 12.10 When an employee is to be recalled to work, the Company will attempt to contact the employee by telephone. If telephone contact is not made then a Recall Notice will be sent by registered mail to the Employee's last known address. If the Employee does not respond in person or by telephone to the appropriate Manager within seven (7) calendar days of the Recall Notice being mailed, the Employee will lose their recall rights and employment will terminate.
- 12.11 An Employee shall lose his seniority if he/she:
- (a) Retires;
 - (b) Resigns;
 - (c) Is terminated in accordance with Articles 12.9 and/or 12.10;
 - (d) Is discharged for just cause; or
 - (e) Fails to report for three (3) consecutive shifts except for circumstances beyond the employee's control. Nothing in this clause shall restrict the right of the Company to discharge an employee who is AWOL.

ARTICLE 13 – LEAVES OF ABSENCE

GENERAL LEAVE OF ABSENCE

- 13.1 Leave of absence without pay may be granted to employees for valid reasons as set out by Corporate Policy.
- 13.2 An employee on general leave of absence shall not accumulate sick leave credits, or earn vacation but shall retain the seniority, sick leave credits, and vacation credits earned prior to commencing leave of absence.
- 13.3 Employees on leave of absence shall be required to apply for any extension.

MATERNITY/ADOPTION/CHILD CARE LEAVE

- 13.4 An employee who has at least six hundred (600) hours of service with the Company is entitled to and shall be granted maternity/adoption/child care leave of absence without pay in accordance with the provisions of the *Canada Labour Code*.

BEREAVEMENT LEAVE

- 13.5 After ninety (90) days of service, leave of absence with pay up to three (3) days shall be granted to employees for the purpose of arranging or attending the funeral of members of his/her immediate family. Where major travel or special circumstances are involved, approval may be given to extend the three (3) day limit to five (5) days. Immediate family shall be defined to include only the employee's mother, father, mother-in-law, father-in-law, spouse, daughter, son, sister, brother, sister-in-law, brother-in-law, son-in-law, daughter-in-law, grandmother, grandfather, grandchild, and spouse's grandparents, or equivalent relationship.

JURY LEAVE

13.6 In keeping with the policy that an employee not suffer a loss of pay while serving as a juror, the remuneration to be received by the employee on any working day the employee reports for or serves on jury duty shall be regular rate of pay for the day less jury duty fees receivable for that day.

UNION LEAVE

- 13.7 (a) The Company shall provide leave of absence with pay for two (2) bargaining unit employees to a maximum of six (6) days each for attending negotiations.
- (b) Subject to operational requirements, additional leave shall be granted as requested by the Union. No employee shall experience any loss or interruption in pay, benefits, service or seniority while on such a leave. The Company shall bill the Union for the cost of such additional leave within a month of its occurrence.
- (c) Subject to operational requirements, leaves of absence shall also be granted to elected officers and delegates to attend to the business of the Union. No elected officer or delegate shall suffer any loss or interruption of pay, benefits, service or seniority while on such a leave. The Company shall bill the Union for the cost of such additional leave within a month of its occurrence.
- (d) No employee representative appointed or elected by the Union's members for the purpose of attending grievance or disciplinary meetings or other meetings provided for under this Agreement shall suffer any loss or interruption of pay, benefits, service or seniority while attending such meetings.

MILITARY LEAVE

13.8 Employees who have at least one year of service with the Company shall be entitled to up to two weeks leave of absence without pay per year for the purpose of serving as a member of her Majesty's Canadian Armed Forces. Leaves beyond two weeks in any year may be granted at the discretion of the Company. Upon return from Military Leave, the employee shall be placed in the same or similar position with the same rate of pay as they occupied prior to the leave.

ARTICLE 14 - PROBATION & TERMINATION OF EMPLOYMENT

- 14.1 A newly hired employee shall be on probation for the employee's first ninety (90) days worked or 720 actual hours worked. The probationary period may be extended by agreement between the Union and the Company.
- 14.2 A probationary employee may grieve a dismissal but the answer provided at Step 3 of Article 6 shall be final and binding upon the parties hereto and upon any employee concerned.

ARTICLE 15 - HOURS OF WORK AND OVERTIME

HOURS OF WORK

15.1 The Employer retains the right to schedule hours of work of employees as is necessary to ensure efficient operations and to provide coverage for the determined hours of operation.

REGULAR WORK SCHEDULES AND COMPRESSED WORK WEEK SCHEDULES

- 15.2 Regular schedules for employees shall be defined as up to eight (8) hours per day, averaging forty (40) hours per week and averaging five (5) days of work per week as determined by the Company.
- 15.3 The Company may also implement schedules with variable hours of work per day, including compressed work week schedules, which average up to forty (40) hours per week over the rotation cycle of the schedule as determined by the Company. The Company will consult with employees respecting the conditions and the operation of Compressed Work Week Schedules.
- 15.4 Subject to Article 15.8, the typical workweek shall normally consist of forty (40) hours of work paid at the straight hourly rate and the work day shall normally consist of eight (8) hours' work paid at the straight time hourly rate.

SCHEDULED DAYS OFF

- 15.5 As a norm, employees shall be entitled to two (2) consecutive days off each week except where schedule changes or shift rotation on an employee's regular schedule may result in a variation such as one (1) day off at the time of the change.

OVERTIME

- 15.6 When the needs of the operation require it, employees may be required to work overtime. Employees shall be compensated for authorized overtime.
- 15.7 If an employee is required to work in excess of the hours of a regular work schedule or compressed work week schedule as outlined in Article 15.2, the employee will be paid one and one-half times (1 ½ x) the employee's regular rate for the additional hours worked.

15.8 The parties jointly support a *Canada Labour Code* hours of work averaging permit or modified work schedule permit where required.

NO MAXIMUM OR MINIMUM

15.9 The hours of work as stated in this Article are not to be construed as a guarantee, as a minimum nor as a restriction, for any maximum of hours to be worked.

ARTICLE 16 - CALL OUT, SHIFT DIFFERENTIAL AND TICKET PREMIUM

16.1 Shift Differential – A shift differential of fifty cents (\$.50) per hour shall be paid on all hours worked between 1900 hours and 0700 hours. The shift differential shall not be paid when overtime rates are being paid.

16.2 Call Out Guarantee - A minimum of three (3) hours pay will be paid to an employee who is called out for duty by management after the employee has left the Company premises. The Company and the employee may agree to a lesser amount for less than three hours worked. Any resulting overtime will be compensated at applicable rates.

16.3 A premium of one dollar (\$1.00) per hour shall be added to the base pay as outlined in Schedule A for all relevant trade certificates, as determined by the Company. Employees will receive the higher amount, whether that is the red circled amount or the combination of their classification rate and premium.

ARTICLE 17 - TEMPORARY PERFORMANCE OF HIGHER DUTY

- 17.1 Subject to Article 17.2, an employee assigned to temporary relief in a higher paid classification shall be paid as if he/she had been promoted to same for the entire unbroken time period in which they performed duties at the higher classification.
- 17.2 There shall be a two (2) day waiting period. When an employee has worked two (2) or more days in the higher paid classification they shall be paid at the higher rate of pay starting on the second day in the higher paid classification. Where the employee was assigned to temporary relief for more than two days, the days must be contiguous.

ARTICLE 18 - ABSENCE FROM DUTY

- 18.1 No employee shall absent himself/herself from the Employer's premises during the hours of work except with the consent of supervisory personnel.

ARTICLE 19 - VACATIONS

- 19.1 All employees shall be entitled to three (3) weeks annual vacation for each full year of service. Such vacations are to be taken at times mutually agreed upon between the Company and the employee.
- 19.2 Employees who have completed six (6) years of service shall in the years of service subsequent to the seventh anniversary date of employment earn vacation at the rate of four (4) weeks per year.

- 19.3 Employees who have completed fourteen (14) years of service shall in the years of service subsequent to the fifteenth anniversary date of employment earn vacation at the rate of five (5) weeks per year.
- 19.4 In the case of termination of employment, the Company shall pay to the employee any vacation pay owing to him/her in respect of any prior completed year of employment plus the vacation pay owing to him/her for the current year.

ARTICLE 20 - GENERAL HOLIDAYS

20.1 The following shall be recognized as statutory holidays with pay at regular straight time hourly rates:

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

20.2 In addition to pay for the holiday, an employee required to work on the statutory holiday will be paid not less than one and one-half (1 ½ X) times his/her regular hourly rate of pay for all hours worked on that day.

* Note that starting in 2013, the Company will recognize British Columbia's provincial holiday, Family Day

20.3 For those employees working a modified or compressed work schedule, where the statutory holiday falls on a non-working day, the employee may bank what would have been their regular hours for that day, to be used at time agreed upon between the Company and the employee.

ARTICLE 21 – TECHNOLOGICAL CHANGE

21.1 Technological change shall be defined as:

- (a) the introduction of equipment or material of a different nature or kind than that previously utilized by the Company in the operation of the work, undertaking or business; and
- (b) a change in the manner in which the Company carries on the work, undertaking or business that is directly related to the introduction of that equipment or material.

21.2 In the event the Company plans to eliminate positions as a result of technological change, which results in the permanent layoff of employees, the Company shall give the Union and the employees a minimum of one hundred and twenty (120) calendar days' notice of such. When the notice referred to above indicates that thirty (30%) per cent or more of employees are negatively affected, the Company and the Union agree to meet within thirty (30) days to review the opportunities and options available to employees.

21.3 No lay-offs may become effective until after the notice period is complete.

21.4 This Article is intended to assist employees affected by technological change and accordingly Sections 52, 54, and 55 of the *Canada Labour Code* with respect to Technological Change do not apply during the term of this Agreement.

ARTICLE 22 – SEVERANCE PAY

- 22.1 In the event an employee is terminated as a direct result of a permanent plant closure, consolidation, technological change, contracting out work or for any other reason other than just cause, such employee shall be entitled to severance pay. Severance pay shall be equal to the period of notice provided under the *Canada Labour Code*. For the purposes of severance, service shall include all continuous service with the Company and its predecessor Companies for which severance was not provided.
- 22.2 An employee who is permanently laid off under circumstances to which this Article may apply may elect to abandon his/her recall rights and accept severance pay provided the employee makes the election to take severance during the first three (3) months of his/her layoff. A laid off employee who accepts severance pay shall forfeit his/her employment and all seniority rights, including any further right to recall.
- 22.3 Sections 214 to 229 of the *Canada Labour Code* with respect to Group Terminations do not apply during the term of this Agreement.

ARTICLE 23 - SCALE OF WAGES, CLASSIFICATIONS AND GRADES

- 23.1 The Classifications and annual salary ranges for employees covered by this Agreement shall be set forth in Schedule A which shall form part of this Agreement.
- 23.2 The Employer shall notify the Union of any new or revised classification being introduced to the bargaining unit.

IMPLEMENTATION OF SALARY SCHEDULE A

23.3 The following special conditions shall apply to the implementation of Schedule A – Salary Schedule in recognition of instituting a uniform salary system for all employees:

The classification and annual salary ranges in Schedule A shall apply the month after ratification or as otherwise agreed.

ARTICLE 24 - PART-TIME EMPLOYEES

24.1 Seniority for part-time employees will be earned on the basis of eight (8) hours of work equaling one day service and shall, on completion of the probationary period, be counted from date of commencement.

24.2 Part-time employees will pay Union dues in accordance with the provisions herein.

24.3 Pension and Benefit eligibility for Part-Time employees will be in accordance with Company Policy.

ARTICLE 25 - EFFECTIVE DATE AND DURATION OF AGREEMENT

25.1 This Agreement shall be effective from the 1st day of January, 2013 and shall be valid until the 31st day of December, 2015, and thereafter from year to year unless a written notice is given by either party within the period of four (4) months immediately preceding the date of expiration of the term of this Agreement, of their desire to terminate this Agreement or negotiate a revision thereof, in which case this Agreement shall remain in effect without prejudice to any retroactive clause of a new Agreement until negotiations for

revision or amendments hereto have been concluded and a new Agreement superseding this Agreement has been duly executed.

25.2 The amendments to this Agreement, subject to ratification, are effective on the first of the month following ratification unless otherwise set out in the Letter of Settlement.

Signed at Chilliwack, British Columbia on the day of March, 2013.

On behalf of the Company:

On behalf of the Union:

SCHEDULE A

Employees shall be paid in the following salary ranges according to their classification. An employee's pay level within the range will be determined based on the employee's demonstrated performance, as determined by the company. An employee's placement in the range at time of hire is at the sole discretion of the Company. The parties recognize the salary ranges and the salary paid to individual employees are minimums.

The Company reserves the right to implement, amend and cancel employee retention programs, share purchase programs, incentive plans and market supplement programs in its sole and absolute discretion.

Hi-Pro Compensation Structure - effective January 1, 2013

Previous Title	Revised Title	Classification
Clean Up	Housekeeping	1
Bagger	Stacker	1
Bagger Operator	Bagger Operator	2
Warehouseman	Shipper/Receiver	3
Pellet Mill Operator	Pellet Mill Operator	4
Bulk Unloading	Bulk Receiving	4
Dairy Line Operator	Mixer Operator II	5
Premix Operator	Mixer Operator II	5
Mixer Man	Mixer Operator II	5
Miller Machine Operator	Extruder Operator	5
	Lead	5
	Maintenance I	5
Maintenance Tech	Maintenance II	6
Shift Supervisor	Working Shift Supervisor	7

Classification	Rate of Pay Minimum	Rate of Pay Intermediate	Rate of Pay Maximum
Class 1	\$16.50	\$17.00	\$17.50
Class 2	\$18.50	\$19.00	\$19.50
Class 3	\$21.00	\$21.50	\$22.00
Class 4	\$22.50	\$23.00	\$23.50
Class 5	\$24.50	\$25.50	\$26.50
Class 6	\$27.50	\$27.50	\$28.00
Class 7	\$29.00	\$29.50	\$30.00

The following adjustments will be made to compensation:

- (a) Effective January 1, 2013, and upon implementation of the above Classifications, employees covered by this Agreement, who were placed and/or slotted in the pay ranges according to performance, as determined by the Company, and who received less than a two (2%) pay increase, or were red circled, will be eligible to receive a lump sum payment equal to two percent (2%) of their base pay in accordance with the terms and conditions of the Company policy.

- (b) Effective January 1, 2014, and retroactive to that date, the Company shall increase the above rates of pay by one and one-half percent (1 ½%).

- (c) Effective January 1, 2015, and retroactive to that date, the Company shall increase the above rates of pay by one and one-half percent (1 ½%).

Employees, who have been red circled, will be eligible to receive a lump sum payment equal to the respective rate of pay increase set out in paragraphs (b) to (c) above, of their base pay, which will be paid in accordance with the terms and conditions of the Company policy.

“Base Pay” shall not include over-time pay, shift differential, pay in lieu of vacation and bonus or incentive pay.

SCHEDULE B

The only provisions of this Agreement applying to temporary and casual employees are outlined in this Schedule B.

1. Article 4 Maintenance of Membership.
2. Temporary employees shall be paid within the ranges according to their classification. Payment above these minimums shall be at the discretion of the Employer.
3. A Temporary employee as defined in Article 1.3 who is appointed to a Regular full-time or part-time position as defined in Articles 1.1 and 1.2 shall have his or her seniority recognized from the date the employee was first hired provided that there is no interruption of service.
5. All other entitlements will be in accordance with the *Canada Labour Code*.

SCHEDULE C

BOOT ALLOWANCE: It shall be a condition of employment that appropriate safety footwear be worn where designated by the Company. Regular employees at these worksites who are required to wear safety footwear shall be provided with a payment on an annual basis. The value of the payment shall be one hundred and fifty dollars (\$150.00).