

COLLECTIVE AGREEMENT

Between

**MASTERFEEDS
A DIVISION OF AGP, INC.**

KOMOKA PLANT, KOMOKA, ONTARIO
(hereinafter called "the Company")

- and -

**LOCAL 15 OF THE COMMUNICATIONS, ENERGY AND
PAPERWORKERS UNION OF CANADA**
(hereinafter called "the Union")

00486 (08)

ARTICLE I - RECOGNITION AND COVERAGE

- 1.01 The Company agrees to recognize the Union as the sole and exclusive bargaining agent of all employees of Masterfeeds, a Division of AGP, Inc. located at Lot 6, Concession 2, in the Township of Lobo, Middlesex, Ontario, save and except foremen, persons above the rank of foreman, office and sales staff and persons hired for watchman duties.
- 1.02 All employees who have completed the probationary period shall, as a condition of employment, join the Union and authorize the deduction of such initiation fee and monthly union dues as are uniformly prescribed for all members of the Union. A new employee shall commence paying union dues with the regular monthly deduction coincident with or next following his second pay day.
- 1.03 Upon receipt of proper notification from the Union, the Company will deduct from union members, such special assessments as are levied by the Union in accordance with its Constitution and By-Laws.
- 1.04 It is the intention of the Company to utilize the skills and experience of its employees. When required because of economic justification, skill requirements, necessary equipment or work not normally associated with the plant, the Company will engage outside services. In such cases, other than routine matters, the Company will advise the Union and discuss the situation if requested to do so, prior to instituting the change.
- 1.05 Non-bargaining unit employees will not perform bargaining unit work except:
- (a) those specifically provided by the agreement;
 - (b) for the purposes of training;
 - (c) in emergencies;

ARTICLE II - NEGOTIATING COMMITTEE AND STEWARDS

- 2.01 The Company acknowledges the right of the Union to appoint or otherwise select a negotiating committee of not more than two employees to deal with matters which properly arise from time to time in connection with the renewal or modification of the Agreement. Each member of the negotiating committee shall have at least one year's service with the Company.
- 2.02 The Company acknowledges the right of the Union to appoint or otherwise select two union stewards to deal with grievances of employees. Such stewards shall have at least one year's service with the Company. It is understood that a steward will not leave his assigned duties for the purpose of servicing grievances or other union activity without first obtaining permission from his foreman and, when resuming his regular duties, will report to his foreman. Such permission will not be unreasonably withheld.

- 2.03 The Union shall notify the Company in writing of the names of the stewards and the negotiating committee men designated to transact union business with the Company.

ARTICLE III - RESERVATION OF MANAGEMENT FUNCTIONS

- 3.01 The Union acknowledges that it is the exclusive function of the Company to :
- (a) maintain order, discipline and efficiency;
 - (b) hire, retire, discharge, classify, transfer, assign, direct, promote, demote, lay-off and suspend or otherwise discipline employees, for just cause, subject to the provisions of this Agreement, and
 - (c) generally to manage the industrial enterprise in which the Company is engaged, and without restricting the generality of the foregoing, the kinds and locations of equipment, machines and tools to be used, the products to be handled, processed or manufactured, the scheduling and methods of production, the allocation and number of employees required by the Company from time to time.
- 3.02 All the functions, powers and authorities which the Company has not specifically abridged, delegated or modified by the Agreement, will be recognized as being retained by the Company.

ARTICLE IV - RELATIONSHIP

- 4.01 The Company agrees that there shall be no discrimination, interference, restraint or coercion exercised against any employee because of his membership in, or connection with the Union.
- 4.02 The Union agrees that there will be no union activity on the premises of the Company during working hours, except as permitted by this Agreement or with the permission of the Company.

ARTICLE V - HOURS OF WORK AND OVERTIME REGULATIONS

- 5.01 The standard work week shall be 40 hours, and the standard work day shall be 8 hours. The foregoing does not constitute a guarantee of either daily or weekly hours. The Company will pay for hours worked except where otherwise stated in the Agreement. Overtime regulations shall not be a limitation upon the number of hours per day or days per week that the Company may operate its plant or schedule its employees.

- 5.02 Authorized work performed in excess of the standard work week or standard work day shall be paid at the premium rate of time and one-half the employee's regular straight time rate of pay. The Company will give as much notice of such overtime work as possible.
- 5.03 a) It is understood that overtime will be offered in order of seniority amongst those qualified to perform the work. The Company shall approach such employees on a voluntary basis, but in the event that sufficient volunteers are not available, the Company will direct the qualified junior employees to perform the required overtime work. Notwithstanding this previous provision, it is understood that employees performing specific tasks or jobs may be retained to complete the assignment (e.g. shift continuation).
- b) In the event that an employee is overlooked by the Company, such person shall notify the Company and the Company shall schedule such employee for future overtime as a substitute without penalty to the Company.
- 5.04 Authorized work performed on Sunday and time worked in excess of twelve consecutive hours, will be paid at double the straight time rate of pay.
- 5.05 An employee who is required to work a minimum of two hours' overtime after the completion of his regular shift shall be paid a \$6.00 meal allowance. An additional meal allowance shall be paid after each additional four hours of overtime.
- 5.06 The Company will schedule for each employee, a break period of ten minutes during the first half and a second break period of ten minutes during the second half of each regular shift.
- 5.07 An employee called in to perform emergency work not continuous with his regular work period nor previously scheduled by the Company, shall be paid a minimum of four hours' pay at time and one-half his regular straight time rate.
- 5.08 The Company will provide every employee with seniority, eight hours' work or eight hours' pay at his straight time rate for each regularly scheduled shift that the employee performs work for the Company, subject to the following conditions :
- The employee will carry out, conscientiously, work assigned to him and if such employee fails to do so, the Company will be absolved from the guarantee for that day.
 - An employee who is late for work or loses time for other reason, shall have the guarantee reduced by the time so lost.

- The guarantee shall not apply if the company is unable to provide work due to an Act of God or reason beyond its control.
- The guarantee does not apply in case of emergency call-in or other work performed at overtime rate.
- In the event of a forced shutdown or curtailed operations, for reasons beyond the control of the Company, or in cases where an employee fails to notify the foreman of his intention to return to work, following a period of absence, this provision shall not apply.

ARTICLE VI - PLANT HOLIDAYS

6.01 Employees with thirty days' service or more shall be paid for New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day, and Boxing Day for the standard number of hours which would have normally been worked by them respectively, at the employee's regular straight time rate of pay; provided, however, the employee works not less than fifteen days during the thirty calendar days immediately preceding the holiday. An employee who is otherwise eligible but fails to work a minimum of fifteen days during the thirty calendar days preceding the holiday, shall not be disqualified from receiving holiday pay, provided he works the shift before and the shift following the holiday.

Eligible employees will be paid for four additional holidays (one will be Heritage, if proclaimed). These holidays may be taken any time during the year but, not normally during busy periods or consecutive with the employee's annual vacation. The employee will give one week's notice of the holiday he wishes to take and the day selected will be to the mutual convenience of the Company and the employee. It is understood that not more than one employee from a department, nor two from the plant, will take the same holiday. It is understood that no more than one (1) of the floaters (additional holidays) may be carried over into the next calendar year providing both the employee and Company agree but the carried over day must be used prior to January 31st of the next year.

6.02 When a plant holiday(s) falls on a weekend, the Company and the Union shall discuss the matter and arrange a suitable work schedule for observing the holiday(s).

11.3An employee required to work on any of the above designated plant holidays, will receive time and one-half his regular straight time rate for work performed, in addition to any plant holiday pay to which he may be entitled under Paragraph 6.01.

- 6.04 If an eligible employee who is required to work on a plant holiday fails to do so, he will not be paid for the holiday, unless his absence is due to illness attested to by a doctor's certificate, if the Company considers such evidence to be necessary, or other reason acceptable to the Company.
- 6.05 When a plant holiday falls within an employee's vacation period, the employee may elect to receive holiday pay as provided in this Article VI, or to receive an alternate day off with pay as the plant holiday. Should the employee be required to work on the alternate day, he shall be considered to have worked on a plant holiday.

ARTICLE VII - VACATIONS WITH PAY

- 11.3The Union acknowledges that the Company has the right to schedule vacations at any time during the year, however, a sincere effort will be made to grant vacations at the time or times wanted by the employee, giving longer service employees preference. Where the Company deems it possible, employees from two different classifications may be allowed to take vacations at the same time. Vacations of more than three weeks will not necessarily be scheduled consecutively. Should the Company elect to close the plant for a one or two week vacation period, all eligible employees will take vacations at that time, provided their services are not required for particular work.
- 11.4A notice will be posted on February 1st of the current calendar year, requesting employees to state their choice of vacation dates. Such notice will be removed by the Company on February 28th and the vacation schedule prepared in accordance with the other provisions of this Article and posted within seven days. Requests to re-schedule vacation periods after that date, will be considered by the Company, provided the re-scheduling does not interfere with the vacations of other employees or with the efficient operation of the plant.
- 7.03 An employee who has completed his probationary period and has more than six months' but less than twelve months service with the Company, by July 1st of the current year, shall be entitled to one week's vacation. Pay for such vacation shall be 4% of the employee's earnings for the period ending June 30th of the current year.
- 7.04 An employee with one year or more but less than five year's service by July 1st of the current year, shall be entitled to two weeks' vacation. Pay for such vacation shall be 4% of the employee's earnings for the twelve month period ending June 30th of the current year.

- 7.05 An employee with five years' or more, but less than ten years' service by July 1st of the current year, shall be entitled to three weeks' vacation. Pay for such vacation shall be 6% of the employee's earnings for the twelve month period ending June 30th of the current year.
- 7.06 An employee who has completed ten years' or more, but less than eighteen years' service by July 1st of the current year, shall be entitled to four weeks' vacation. Pay for such vacation shall be 8% of the employee's earnings for the twelve month period ending June 30th of the current year.
- 7.07 An employee who has completed eighteen years' service or more, but less than twenty-six years' service by July 1st of the current year, shall be entitled to five weeks' vacation. Pay for such vacation shall be 10% of the employee's earnings for the twelve month period ending June 30th of the current year.
- 7.08 An employee who has completed twenty-six years' service or more by July 1st of the current year, shall be entitled to six weeks' vacation. Pay for such vacation shall be 12% of the employee's earnings for the twelve month period ending June 30th of the current year.
- 11.3 An employee with one or more years' of service by July 1st of the current year, will be entitled to vacation pay as described in Paragraphs 7.04, 7.05, 7.06, 7.07 or 7.08, except that if the employee has worked 1,600 hours or more during the vacation year, his vacation pay will not be less than 40 hours' pay at his basic straight time rate for each week of vacation entitlement. In the case of an employee who works less than 1,600 hours during the vacation year, his vacation pay will be calculated at the ratio that his hours worked bear to 1,600. For purposes of this article, vacation time plus time spent on negotiations, will be considered time worked.
- 7.10 When the vacation is scheduled prior to July 1st, vacation pay in such instances shall be computed at the appropriate percentage up to one week prior to the vacation period. Each employee shall receive his vacation pay and the basis of the pay calculation prior to his vacation date. The employee concerned shall then be entitled to any balance of his vacation pay as specified in Paragraphs 7.03, 7.04, 7.05, 7.06, 7.07, 7.08 or 7.09, whichever is applicable, after July 1st.
- 7.11 An employee voluntarily quitting or leaving his employment for other reason, during the vacation year, shall receive vacation pay in accordance with the Canada Labour Code.

ARTICLE VIII - GRIEVANCE PROCEDURE

8.01 It is the mutual desire of the parties hereto that complaints of employees shall be adjusted as quickly as possible, and it is generally understood that an employee has no grievance until he has first given to his supervisor, an opportunity to adjust his complaint, and that such complaint shall be registered within fifteen working days of the alleged circumstances coming to the knowledge of the employee. The employee may request the presence of his steward when registering his complaint.

8.02 If such complaint is not settled to the satisfaction of the employee concerned, it may be taken up as a grievance within five working days, in the following manner and sequence:

Step No. 1 between the aggrieved employee, who may be accompanied by the union steward and the foreman, at which time a written record of the grievance on a standard form, to be supplied by the Company, shall be submitted and signed by the employee. Failing a settlement within not more than three full working days, then;

Step No. 2 within five full working days, following the decision of Step No. 1, between the aggrieved employee, the union steward and the manager or other authorized representative of the Company. A representative of the Union will attend, if requested by either party.

Step No. 3 Failing a settlement under Step No. 2 of any difference between the parties arising from the interpretation, application, administration or alleged violation of the Agreement, including any question as to whether a matter is arbitrable, such difference or question may be taken to arbitration, as provided in Article IX. If no written request for arbitration is received within twenty days after the decision in Step No. 2 is given, it shall be deemed to have been settled or abandoned.

8.03 Saturdays, Sundays and plant holidays will not be counted in determining the time within which any action is to be taken or completed in each of the steps of the Grievance Procedure, or under Article IX. Any and all time limits fixed by this Article and Article IX, may at any time be extended by agreement between the Company and the Union.

8.04 All decisions arrived at between the representatives of the Company and the Union shall be final and binding upon the Company, the Union and the employee or employees concerned.

- 8.05 When a complaint or grievance which affects the rate of pay of an employee is settled and as a result, the employee receives an increase in his rate, such increase shall be paid retroactively to the date the error was made or such other date as may be agreed upon.
- 8.06 If an employee with seniority is dismissed or suspended for any reason and feels he has been unjustly dealt with, he may inform his steward who shall, if a grievance is to be filed, file such written grievance with the Company within five days of the suspension or dismissal. The dismissal or suspension shall then be dealt with under the grievance procedure herein, beginning with the 2nd Step. Notice of dismissal or suspension, and the reason therefore, shall be given in writing with a copy to the Union on the same date.
If subsequently it is decided that the employee was unjustly dismissed or suspended, he shall be reinstated in his former job and compensated for such time lost as is determined by the grievance or arbitration procedure, or such other settlement as is deemed to be just and equitable.
- 8.07 It is understood that in the case of any general allegation by the Union that the Company has violated this Agreement, in such a manner that an individual employee could not rightly process the grievance under this Article VIII, the Union may present such allegation to the Company at the 2nd Step level of the Grievance procedure.

ARTICLE IX - ARBITRATION

- 9.01 Whenever either party to the Agreement submits any grievance to arbitration, written notice shall be given to the other party formally stating the subject of the grievance and the Agreement clause allegedly violated, and at the same time, nominating an Arbitrator. If the recipient of the notice does not agree with the nomination, the parties will meet forthwith and attempt to select an alternative. If the parties fail to agree on the selection of an Arbitrator, the Federal Minister of Labour will be requested to make the appointment. As soon as the Arbitrator is appointed, he shall convene a meeting, hear the evidence and representations of the parties, and render a decision as soon as possible.
- 9.02 No person shall be selected as an Arbitrator who has been directly involved in attempts to negotiate or settle the grievance.
- 9.03 No grievance shall be considered by the Arbitrator unless it has been properly carried through all previous steps of the Grievance Procedure.
- 9.04 The Arbitrator shall not have jurisdiction to alter or change any of the provisions of this Agreement, or to substitute any new provisions in lieu thereof, or to give any decision inconsistent with the terms and provisions of this Agreement, or to deal with any matters not covered by the Agreement.
- 9.05 The parties will jointly bear the expenses of the Arbitrator.

ARTICLE X - NON-INTERRUPTION OF WORK

- 10.01 The Company agrees that there will be no lock-out during the term of this Agreement.
- 10.02 The Union agrees that during the term of this Agreement, there will be no strike, slowdown or other stoppage of work or interference with production, and will hold its members to this responsibility.

ARTICLE XI - SENIORITY

- 11.01 An employee's seniority date shall be his last date of employment by the Company in the bargaining unit since which there has been no quit or discharge to break his continuous service.
- 11.02 a) A new employee will be on probation and will not acquire seniority until he has worked for sixty (60) working days, accumulated over a period of six consecutive months. On completion of this probationary period, his seniority shall be established as the date sixty (60) consecutive working days prior to the day on which he completed his probationary period. The discharge of a probationary employee shall not be the subject of a grievance.
- b) Employees hired for temporary periods (e.g. corn harvest, replace regular employees who are absent due to illness or injury, vacation replacement) will not acquire seniority. Such employees will only be hired if no regular employee is on lay off. In the event that a person is hired for a temporary period, he/she shall not be deemed part of the bargaining unit. In the event he/she is offered permanent employment and accepts, he/she shall be hired in accordance with Article 11.02 a) and the sixty (60) worked days shall commence on the first working day after the offer of employment is made. Upon attaining seniority, the person shall be credited with the worked days from his temporary employment period (e.g. back date seniority date to the total number of worked days
- 11.3A probationary employee may, at the discretion of the Company, be paid a rate of ninety (90%) percent of the rate for the job as shown in Schedule I.
- 11.4A seniority list showing each employee's seniority date will be prepared by the Company and posted on the plant bulletin board as required. An employee who believes his seniority is incorrectly shown may take the matter up as a grievance.
- 11.05 An employee shall lose all seniority and his name shall be removed from the employment records of the Company when he:
- a) quits,

- b) is discharged for just cause,
- c) is laid off for a period exceeding twenty-four months or fails to report from lay-off when recalled, as provided in Paragraph 12.03,
- d) receives severance pay as provided herein.

11.06 When an employee is promoted out of the bargaining unit, he will continue to accumulate seniority for a period of six months after which time he will lose all bargaining unit seniority.

ARTICLE XII - LAY-OFF AND RECALL

12.01 When it becomes necessary to reduce the working force of employees, seniority will prevail so long as it does not prevent the Company from maintaining a working force of employees who possess the skill, ability, experience and physical fitness to capably perform the work which is available and are willing to do such work at the scheduled rate for the job. In such cases where an employee with seniority accepts a lower rated job, rather than be laid off, his regular rate will be protected for a maximum period of thirty days. Short time operation is not considered lay-off for purposes of this paragraph.

12.02 Laid off personnel will be recalled from lay-off on the basis of seniority, provided those recalled possess the skill, ability, experience and physical fitness to capably perform the work which is available. Recall will be made by telephone and if this means is unsuccessful, the employee will be advised by telegram or registered letter at the last address he made known to the Company.

12.03 An employee who is laid off for a period in excess of twenty-four consecutive months or one who fails to report from lay-off when recalled, will have his seniority standing cancelled and his name removed from the employment records of the Company.

12.04 It is the responsibility of the employee to keep the Company informed at all times as to his current address and nearest telephone number.

ARTICLE XIII - TEMPORARY TRANSFER, PROMOTION AND JOB POSTING

13.01 An employee temporarily assigned to a higher rated job, shall be paid at the higher rate, providing the assignment exceeds one hour's duration. An employee temporarily assigned to a lower rated job will continue to receive his regular rate, except in cases where such employee requests a lower rated job or is assigned to a lower rated job for health reasons. Temporary assignments should not be confused with regular transfers or promotions, or with job changes caused by a lay-off.

13.02 In the case of promotions to jobs with higher rate of pay within the bargaining unit, the skill, ability and physical fitness of the employee shall be

the governing factors and, where ability is sufficient, seniority shall prevail.

- 13.03 When the Company elects to fill a permanent job vacancy that occurs within the complement of job classifications covered by this Agreement, notice of such vacancy shall be posted on the bulletin board for three working days. An employee may indicate his desire to be considered for the vacancy by adding his name to the job poster. Applicants will be considered by the Company in accordance with paragraph 13.02.

ARTICLE XIV - WAGE RATES

- 14.01 Wage rates shall be in accordance with the Schedule of Wage Rates attached hereto as Schedule I.

ARTICLE XV - BULLETIN BOARDS

- 15.01 The Company shall provide reasonable space on bulletin boards in the plant for the posting of official union notices. All such notices shall be submitted to the Manager.

ARTICLE XVI - LEAVE OF ABSENCE

- 16.01 The Company may grant leave of absence to any employee for legitimate personal reasons and any person who is absent with written permission, shall not lose his seniority.
- 16.02 In the case of leave to attend union business, it is understood that, normally, not more than one employee will be absent at any one time.
- 16.03 In the event of the death of an immediate relative, leave of absence up to three consecutive days will be granted the bereaved employee. Such employee shall be paid his straight time basic rate, excluding shift or other premium for the scheduled hours he otherwise would have worked during such leave. "Immediate relative" shall mean an employee's mother, father, spouse, son, daughter, brother, sister, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandparents or grandchildren. "Employee" shall mean a regular full-time employee of the Company.

- 16.04 When an employee is called by the Crown for jury duty or as a subpoenaed witness and must as a result, lose time from work, the Company agrees to pay such employee the difference between the fee received from the Crown and the employee's straight time basic rate, excluding shift or other premium, for the scheduled hours he otherwise would have worked.

ARTICLE XVII - WELFARE BENEFITS AND SAFETY

- 17.01 The Company agrees to pay the premium cost of the following insurance plans, subject to the conditions set forth in a letter from the Company to the Union, attached to this Agreement which shall be continued during the term of this Agreement.
- Accident & Sickness Benefits Insurance Plan
 - Group Life Insurance Plan
 - Major Medical Insurance Plan
 - Prescription Drug Insurance Plan
 - Dental Insurance Plan
 - Long Term Disability Insurance Plan
 - Vision Care
- 17.02 The Company agrees to continue to make reasonable provisions for the safety and health of its employees at the plant during the hours of employment, and the Company will comply with the Federal Occupational Health and Safety legislation.
- 17.03 When an employee, while carrying out his assigned duties, is disabled as a result of an industrial accident, he shall be paid for the remainder of his scheduled shift (less any amount that the employee may receive from Workers' Compensation).
- 17.04 The Union will appoint or otherwise select two employees to act as members of a plant safety committee. Such committee will meet periodically with the Plant Manager.
- 17.05 The company agrees to provide to non-seasonal employees a safety shoe allowance of up to \$100.00 per pair as required, provided that the worn out pair being replaced are turned into the company.

ARTICLE XVIII - SEVERANCE PAYMENT

- 18.01 When the plant or a department is closed down and the Company is unable to offer other employment to the employees who are permanently displaced, a separation payment will be paid to each such employee on the basis of one week's pay for each complete year of service. Three months' notice will be provided in the event of the permanent closure of the plant or a department.

The foregoing payments are subject to the following conditions :

- (a) the employee is actively employed by the Company or is carried on the lay-off list;
- (b) employees who are off sick or receiving Workers' Compensation but continue to hold seniority, will be eligible;
- (c) no employee will be granted a severance payment totalling more than he would have earned at his straight time rate of pay from the date of his lay-off until his normal retirement date;
- (d) the closing down of the plant does not result from strike, fire, explosion or government action;
- (e) the employee continues to work for the Company in a satisfactory manner for as long as his services are required.

It is understood that receipt of separation payment cancels seniority. If later rehired, no payment of the separation payment will be required or allowed and no seniority cancelled as a result of the separation payment will be reinstated.

ARTICLE XIX - TERMINATION

19.01 This Agreement shall be in effect September 7, 2000 to September 6, 2003, and continue automatically thereafter during annual periods of one year each, unless either party notifies the other in writing within 90 days prior to the annual expiration date that it desires to amend or terminate this Agreement.

19.02 If, pursuant to such negotiations, agreement on the renewal or amendment of this Agreement is not reached prior to the expiration date, this Agreement shall be automatically extended until consummation of a new Agreement or completion of the conciliation proceedings prescribed under the Canada Labour Code whichever should first occur.

Signed at KOMOKA, ONTARIO, this _____ day of _____

FOR THE UNION :

FOR THE COMPANY :

SCHEDULE 1

SCHEDULE OF WAGE RATES

	<i>Effective Sept. 7/00</i>	<i>Effective Sept. 7/01</i>	<i>Effective Sept.7/02</i>
Pellet Mill Operator	\$15.07	\$15.40	\$15.75
Batch Scale Operator	\$15.07	\$15.40	\$15.75
Receiving/Elevator Operator	\$15.07	\$15.40	\$15.75
Maintenance Man	\$15.27	\$15.60	\$15.95
Labourer	\$14.80	\$15.13	\$15.48
Temporary Employee	70% of Labourer Rate		

In addition to the above wage rates, a shift premium of 45 cents per hour shall be paid for work performed on a regularly scheduled afternoon shift and 55 cents for a regularly scheduled night shift. Shift premiums as hereinbefore described shall also be payable on regular scheduled shifts on Saturday, Sunday or plant holidays. It is understood that whenever overtime rate is paid for work beyond eight hours, no additional premium shall be paid.

Where an employee in maintenance is required to provide his own tools, the Company agrees to replace any such tool that is broken or worn out on the job. It is understood that the Company is not responsible for replacement if the breakage is due to misuse or negligence or if it is not necessary to the normal performance of the job.

**LOCAL 15 of the COMMUNICATIONS,
ENERGY AND PAPERWORKERS UNION
OF CANADA**

MASTERFEEDS, A DIVISION OF AGP, INC.

September 1, 2000

Negotiating Committee,
Local 15 (Komoka Plant),
Communications, Energy and
Paperworkers Union of Canada
c/o Masterfeeds, A Division of AGP, Inc.
Komoka, Ontario

Dear Sirs,

Employee Health and Welfare Insurance Benefits

This letter sets forth the basis on which the Company agrees, during the term of our current Collective Agreement, to pay the cost of employee health and welfare insurance benefits.

The Company will pay the premium cost of the Accident and Sickness Plan underwritten by Great-West Life Assurance Co. for employees who have completed their probationary period and otherwise have fulfilled the eligibility requirements of the underwriter. The weekly benefit will be 66% of the employee's earnings which are insurable under the Unemployment Insurance Act. An insured employee will be eligible for benefits from the first day of absence, due to a non-occupational accident and from the fourth day (first day if hospitalized during the waiting period) where the absence is due to a bona fide sickness and the benefit will be payable for a maximum of twenty-six weeks.

The Company will pay the premium cost of \$31,000 of Group Life Insurance for employees who have completed their probationary period and otherwise fulfilled the eligibility requirements of the underwriter. Life insurance in the amount of \$1,000 shall be provided for the eligible employee's spouse. Effective September 1, 2001, the Life Insurance shall increase from \$31,000 to \$32,000. Effective September 1, 2002, the Life Insurance shall increase from \$32,000 to \$33,000.

The Company will pay the premium cost of the Major Medical Plan, \$25/\$50 deductible and a Prescription Drug Plan with a deductible of \$10 for the insured employee and \$10 for his dependents for employees who have completed the probationary period and otherwise qualify for this insurance.

The Company will pay the premium cost of a Dental Insurance Plan for active employees who have completed their probationary period and otherwise qualify and for their eligible dependents. Such dental plan will provide benefits equivalent to the basic Blue Cross Plan No. 7. Effective January 1, 2001, the 2000 Ontario Dental Association schedule of fees will apply. Effective January 1, 2002, the 2001 Ontario Dental Association schedule of fees will apply. Effective January 1, 2003, the 2002 Ontario Dental Association schedule of fees will apply.

The Company will pay the premium cost of a Long Term Disability Insurance Plan for eligible employees who have completed the probationary period and otherwise qualify. The disability benefit under the plan shall be 55% of basic earnings, excluding overtime or other premium to a maximum of \$1,500. No benefits are payable for the first twenty-six weeks of disability or the period of time during which disability benefits are payable under the Unemployment Insurance Act. Canada Pension Plan and other legislated benefits shall be integrated with the long term disability benefit.

It is understood that payment of these insurance premiums by the Company is in lieu of any employee entitlement to a future premium reduction under the Unemployment Insurance Act.

The Company will pay the premium for the Semi-Private Hospital Plan for eligible employees and their eligible dependents. The maximum daily benefit of this plan is \$110.00 effective September 7, 1997.

Effective September 1, 2001, a Vision Care Plan (inclusive of safety glasses), will provide a \$125.00 benefit per covered person per twenty-four (24) month period.

It is further understood that payment by the Company of group life, hospital, medical-surgical, major medical, drugs, dental, vision care and weekly benefits insurance premiums, as above described, is conditional upon the employee performing work for the Company during the month in which the premiums fall due. Benefit premiums will be paid by the Company for three months after the month the eligible employee last worked if their absence is due to accident or illness.

The Company may elect at some future date to transfer the underwriting and administration of one or more of these benefit plans to another insurance carrier with the understanding that in this event, the benefits that will be provided by the new carrier, will be similar or substantially similar to those in effect at this date.

Would you please indicate the Union's concurrence with this understanding by countersigning the duplicate copy of this letter and return it to the Company.

Yours very truly

MASTERFEEDS, A DIVISION OF AGP, INC.

**Countersigned for Local 15
COMMUNICATIONS, ENERGY AND
PAPERWORKERS UNION OF CANADA**

September 1, 1997

Negotiating Committee,
Local 15 (Komoka Plant),
Communications, Energy and
Paperworkers Union of Canada
c/o Masterfeeds, A Division of AGP, Inc.
Komoka, Ontario

Dear Sirs,

This will confirm the agreements reached at our recently concluded negotiations that:

1. The Company agrees that if any of the following job categories which have been deleted from the "Schedule of Wage Rates" in the Agreement is reinstated, it will be done with appropriate rate adjustments, as if the job had continued as one of the active jobs;

Micro Mix Operator
Fertilizer Operator
Truck Driver
Lead Hand
Custom Mill Operator
Swing Operator

MASTERFEEDS, A DIVISION OF AGP, INC.

**Countersigned for Local 15
COMMUNICATIONS, ENERGY AND
PAPERWORKERS UNION OF CANADA**

September 1, 1997

Negotiating Committee,
Local 15 (Komoka Plant),
Communications, Energy and
Paperworkers Union of Canada
c/o Masterfeeds, A Division of AGP, Inc.
Komoka, Ontario

Subject: THIRD SHIFT

In the event that a third shift is required, the Company will determine its staffing requirements and meet with the Union to discuss the issues of seniority with respect to the filling of such shifts, including, where required, rotation and backfilling needs.

Yours truly,

MASTERFEEDS, A DIVISION OF AGP, INC.

**Countersigned for Local 15
COMMUNICATIONS, ENERGY AND
PAPERWORKERS UNION OF CANADA**

September 1, 2000

Negotiating Committee,
Local 15 (Komoka Plant),
Communications, Energy and
Paperworkers Union of Canada
c/o Masterfeeds, A Division of AGP, Inc.
Komoka, Ontario

Subject: CROSS TRAINING

Employees agree with the principle of cross training and will work with the Company in being cross trained as determined by the Company. It is understood that an employee will not be disciplined under this letter.

Yours truly,

MASTERFEEDS, A DIVISION OF AGP, INC.

**Countersigned for Local 15
COMMUNICATIONS, ENERGY AND
PAPERWORKERS UNION OF CANADA**

September 1, 2000

Negotiating Committee,

Local 15 (Komoka Plant),
Communications, Energy and
Paperworkers Union of Canada
c/o Masterfeeds, A Division of AGP, Inc.
Komoka, Ontario

Subject: WEEKEND WORKERS

In the event that the Company considers the use of weekend workers, the Company will determine its staffing requirements and meet with the Union (and employees) to discuss the issues of seniority with respect to the filling of such shifts, including, where required, rotation, lay-off procedure, and integration with the regular operational schedule.

Yours truly,

MASTERFEEDS, A DIVISION OF AGP, INC.

**Countersigned for Local 15
COMMUNICATIONS, ENERGY AND
PAPERWORKERS UNION OF CANADA**
