

COLLECTIVE AGREEMENT

BETWEEN

PARMALAT DAIRY & BAKERY INC.
Belleville Plant

Belleville, Ontario

--- and ---

**BLACK DIAMOND CHEESE
EMPLOYEES INDEPENDENT UNION**
Local 555

Affiliated with the C.E.P., C.L.C.

Contract Expires
February 28, 2012

04192 (08)

This AGREEMENT entered into as of the 24th day of February, 2007

**BETWEEN: PARMALAT DAIRY & BAKERY INC.
Belleville Plant**

hereinafter referred to as the "Company"
OF THE FIRST PART

--- and ---

**BLACK DIAMOND CHEESE EMPLOYEES
INDEPENDENT UNION**
LOCAL 555
AFFILIATED WITH THE C.E.P., C.L.C., O.F.L.
hereinafter referred to as the "Union"
OF THE SECOND PART

ARTICLE I Purpose

- 1.01 The general purpose of this Agreement is to provide orderly collective bargaining relations between the Company and the Union, and to provide machinery for the prompt and equitable disposition of grievances, and to establish and maintain satisfactory working conditions, hours and wages for all employees who are subject to the provisions of this agreement.

ARTICLE II Relationship

2.01 Harassment & Discrimination

The Company and the Union recognize their joint responsibilities in providing a harassment and discrimination free work place environment.

The Company and the Union agree that there shall be no discrimination practiced with respect to any employee by reason of age, marital status, sex, race, creed, colour, national origin, political or religious affiliation, sexual orientation, or handicap all of which as defined in the Human Rights Code of Ontario, or by reason of membership in a union or by reason of lawful activity in the Union. In the event of handicap within the meaning of the Human Rights Code, both the Company and the Union accept their duty to accommodate the employee within the meaning of the Ontario Human Rights Code.

When it is alleged that there has been a violation of this clause the Company and the Union shall be provided with the full particulars of the grounds upon which such discrimination is alleged to have occurred.

- 2.02 The Union agrees that there will be no Union activity during working hours except that which is necessary in connection with negotiations and the handling of grievances as hereinafter provided.

ARTICLE III
Union Recognition

- 3.01 In accordance with the certification issued by the Ontario Labour Relations Board on April 27, 1984, the Board doth certify Black Diamond Cheese Employees Independent Union as the bargaining agent of all employees of Black Diamond Cheese (Belleville) a division of Parmalat Dairy & Bakery Inc., in Belleville, Ontario, save and except supervisors, persons above the rank of supervisors, office and sales staff and maintenance stock room personnel.
- 3.02 The employees who do not belong to the bargaining unit are not allowed to do the work of a member of the bargaining unit if the work can be accomplished by employees covered by Union certification, except in the following cases: training, teaching or development purposes, or on a temporary basis during the period necessary to find a substitute when one or more employee(s) require(s) help or must be replaced.

ARTICLE IV
Management Rights

- 4.01 The Union acknowledges that it is the exclusive function of the company to:
- a) Maintain order, discipline and efficiency;
 - b) Hire, discharge, suspend, transfer, promote, demote or otherwise discipline employees, for proper cause, provided that a claim of discriminatory promotion or demotion, or a claim that an employee has been discharged or disciplined without proper cause, may be the subject of a grievance and dealt with as hereinafter provided;
 - c) Make maintain and enforce rules and regulations not inconsistent with the provisions of this Agreement, governing the conduct of the employees; and
 - d) Generally to manage the industrial enterprise and without restricting the generality of the foregoing, to determine the number of personnel required from time to time, the standards of performance for all jobs, the methods, procedures, machinery and equipment to be used, schedules of work and all other matters concerning the Company's operation not otherwise specifically dealt with elsewhere in this agreement, provided that this will not be used for the purpose of discrimination against any employee or the Union or to avoid any of the provisions of this agreement.

ARTICLE V
Strikes and Lockouts

- 5.01 The Company agrees that it will not cause or direct any lockout of its employees and the Union agrees that there will be no strikes or other collective action detrimental to the relationship and purpose of this Agreement.

ARTICLE VI
Union Security

- 6.01 The Company will deduct from the wages payable to all employees excluding students an amount equivalent to the regular monthly dues of the Union and/or the amount of any uniform assessment. The Company will remit such deductions, along with a list showing the name and the rate of pay of the employees from whom the deductions were taken, to the Secretary-Treasurer of the Local Union by the 18th of the following calendar month.
- 6.02 As a condition of continued employment all present and future hourly rated employees covered by this Agreement, must in addition to applying for and maintaining membership in the Union, sign a Union deduction card for weekly dues. The payroll deduction authorization form for weekly dues will become effective from day one of hiring.
- 6.03 The Union agrees that it will indemnify and save harmless the Company from any and all claims and disputes that may arise through any internal Union disputes or by it acting hereunder.
- 6.04 a) When an employee is to receive a written warning, a disciplinary suspension or be terminated, they have the right to have a member of the Executive Committee, or a steward or a designated alternate steward at work at the time of the meeting, present as a witness. In the absence of the forgoing named union members, they will have the right to have another member of the bargaining unit present as a witness.
- b) An employee, upon request, will have the right to review their disciplinary record either individually or jointly with their steward or Union Officer in the presence of the employee's Supervisor or a Management Representative. Disciplinary letters, disciplinary notations of any kind will be removed from employees records after fifteen (15) months of active employment from the month of issue. Active employment shall be broken by a leave of absence of more than fourteen (14) continuous days but will not be broken by Vacation Leave and/or Union Leave. If broken, a fifteen-(15) month period of active employment shall be calculated by the knitting process.
- 6.05 During the life of this Contract any reduction in the work force on a permanent basis will be the subject of discussion with the Union. If the Company plans plant closure, reduction of staff or anticipates that the introduction of a new technology in the form new equipment will result in employees, whose immediate jobs are directly altered thereby, being placed in a different occupational classification or being removed from their occupational classification due to lack of work, then when the company knows the changes that are expected to apply to these employees, it will arrange for an early discussion of these changes with the Union. The Company shall notify the Union Executive three (3) months in advance or earlier where possible of intent to institute changes in working methods or facilities which would involve the discharge or laying off of employees.

- 6.06 The employer agrees to acquaint new employees with the fact that a collective agreement is in effect and to introduce a new employee to a member of the Union Executive.
- 6.07 Within one month of signing this agreement and every six months thereafter, or as otherwise agreed, the Company will provide to the president or Chief Steward of the Local Union the following information:
- a) A seniority list showing employee's name, clock number, seniority date and current job classification.
 - b) An address list showing names, addresses, postal codes and telephone numbers, as currently indicated in the Company records.
 - c) Other lists of qualifications or training records related to seniority members of the bargaining unit.
 - d) The Company will inform the Union of any changes to the above information as soon as they are informed.
- 6.08 The Company will provide bulletin boards in mutually satisfactory locations throughout the plant and warehouses for the convenience of the Union in posting notices of Union activity. All such notices must be signed by the proper officer of the Local Union and submitted to the Operations Manager or their authorized representative for approval before being posted.
- 6.09 In the conduct of the business the company will, at times, and for various reasons have the need for outside contractors (e.g. to address peaks in workload and emergency situations, for legitimate economic reasons, when a lack of expertise or specialized equipment exists, major capital renovations and installations).

However, the company agrees that contractors will not be used with the express purpose or intent of displacing an employee covered by this agreement. The intent of this agreement is to fully utilize employees to their maximum available time and resources and to achieve the common goal of reducing the use of contractors and costs.

The Labour Management Committee will review current contract work in light of this agreement. The Labour Management Committee will also actively seek ways of avoiding unnecessary contracting out.

- 6.10 An employee may volunteer for an assignment to be performed outside of the bargaining unit for up to three (3) months and during such time they will continue to remit union dues. The three (3) month period may be extended upon mutual agreement between the Company, Union and Employee. During such assignment the employee shall not have any responsibility for discipline or discharge over any bargaining unit employee.

ARTICLE VII
Representation

- 7.01 a) In addition to Stewards as detailed in Article 8.04 the Company will recognize three (3) Union Committees as follows:
1. Executive committee consisting of six (6) employee members.
 2. Grievance committee consisting of three (3) employee members.
 3. Negotiating Committee consisting of six (6) employee members.
- b) Meetings between the Company and the Union Executive committee will be held as may be necessary. Matters to be discussed at any such meeting shall be listed in an agenda to be submitted by either party at least seventy-two (72) hours, excluding Saturdays, Sundays and recognized holidays as described in Article 22.01 of this agreement, prior to the day upon which the meeting is to be held.
- c) The Union will notify the Company in writing of the names of Stewards and the names of Union Representatives on the committees provided for in this Article within seven (7) calendar days of their appointment.
- d) The Company will compensate the Negotiating Committee for a regular shift's pay for time spent in negotiations provided the timing and duration of negotiating meetings are mutually agreed between the Company and the Union.

ARTICLE VIII
**Qualifications of Stewards, Officers
and Members of Committees**

- 8.01 The Union agrees that employees shall not be eligible to serve as Officers, Stewards, or members of any Union Committee until after they have successfully completed the full time probation period.
- 8.02 The Union acknowledges that Officers, Stewards, and members of Committees have regular duties to perform on behalf of the Company, and that such persons will not leave their regular duties without obtaining the permission of their foreperson or immediate supervisor. Such permission shall not be unreasonably withheld.
- 8.03 It is clearly understood that Union Officers and Stewards will not absent themselves unreasonably in order to deal with the grievances of employees and therefore the Company will compensate such employees for time spent handling grievances up to and including Step 3 at their applicable rate of pay and that this does not apply to time spent on such matters outside normal plant working hours.
- 8.04 The Company acknowledges the right of the Union to appoint or otherwise select up to nine (9) Stewards. The nine (9) stewards will be designated as follows: 3 day shift, 2 afternoon shift, 1 night shift, 1 sanitation, 1 DC day shift and 1 DC afternoon shift.

Alternate Stewards may be appointed should a regular Steward be on lay-off or leave of absence.

ARTICLE IX Grievance Committee

- 9.01 The Company acknowledges the right of the Union to appoint or otherwise select a Grievance Committee of not more than three (3) employees, one of which may be the Steward where the grievance arises. At no time will the grievor be part of the Grievance Committee. However, this does not prevent the grievor from being present during one of the steps of the grievance procedure if the Grievance Committee so requests.

ARTICLE X Grievance Procedure

- 10.01 The parties of this agreement are agreed that it is of the utmost importance to adjust complaints and grievances as quickly as possible. If an employee has a complaint, it shall be discussed with their immediate supervisor (or in their absence, the Production manager or their designate). At this Meeting the Union Steward or chief steward may be present. The complaint will be taken up within (7) working days after the circumstances giving rise to a complaint that has occurred.
- 10.02 If such complaint is not settled to the satisfaction of the employee concerned within twenty-four (**24**) hours (Saturdays, Sundays and recognized holidays excluded), of the discussion with their immediate supervisor in Article 10.01, then the following steps of the grievance procedure may be invoked within a further three (3) working days.
- 10.03 Step No 1:
The Steward shall state the nature of the grievance of the employee in writing, including the Article or Articles of the contract that are alleged to have been violated, a brief description, and the adjustments requested, and shall deliver a copy to the immediate supervisor of the employee concerned or, in their absence, the Production Manager or their designate. The supervisor or their designate shall state their decision or their refusal to make a decision in writing with appropriate reasons and deliver a copy to the Steward within three (3) working days. Failing settlement then:
- 10.04 The Steward (or in their Absence the Chief Steward), shall upon receiving the written answer to the grievance, take the matter up with the Grievance Committee, which may in turn, if deemed necessary, take the matter up with the representatives of the Company within three (3) working days (Saturdays, Sundays and recognized holidays excluded), or at a time mutually agreed upon by Management and the Union.
- 10.05 Step No. 2:
If the grievance is not settled at this meeting or within three (3) working days thereafter or within any longer period which may be mutually agreed to then the grievance shall be taken up as follows:

- 10.06 Step No. 3:
A meeting will be held with the Grievance Committee and the Operations manager or their designated representative of the Company. A representative of the Communications, Energy and Paperworkers Union may be present if required by the Union. If the grievance is not settled within a period of three (3) working days, or within any longer period as may be arranged at the time, then at the request of either party, the grievance may be referred to arbitration.
- 10.07 If arbitration is to be invoked, the request for arbitration must be made in writing within seven (7) working days (Saturdays, Sundays and Recognized Holidays excluded), after the grievance has been dealt with in Step No.3.
- 10.08 It is understood that a Steward or Chief Steward may intercede on behalf of the Steward's constituents on alleged contract violations regardless of whether or not the action was instituted by an individual or group on their behalf.

ARTICLE XI

Arbitration

- 11.01 a) When either party requests that a grievance be submitted to arbitration by an arbitrator appointed by the parties they shall make such request in writing addressed to the other party to this Agreement.
- b) If the parties cannot agree on the choice of an arbitrator referred to in Article 11.01 (a) either party may request the Ministry of Labour of the Province of Ontario to appoint such an arbitrator. The decision of the arbitrator shall be final and binding on both parties.
- 11.02 Notwithstanding Article 11.01 either party may decide, by notifying the other party in writing, to submit the grievance to a Board of Arbitration composed of one person appointed by the Company, one person appointed by the Union and a third person to act as Chairperson chosen by the other two (2) members of the Board. Should the nominees to the Board fail to agree on the chairperson either party may request the Minister of Labour of the Province of Ontario to name the Chairperson.
- 11.03 No person may be appointed as a nominee or an arbitrator who has been involved in an attempt to negotiate or settle the grievance.
- 11.04 The parties shall jointly and equally bear the expenses of the Arbitrator or the Chairperson to a Board of Arbitration. Each party shall, whenever required, bear the expense of its nominee to a Board Arbitration.
- 11.05 No matter may be submitted to arbitration which has not been properly carried through all previous steps of the grievance procedure.
- 11.06 The Arbitrator or the Board of Arbitration shall not be authorized to make any decision inconsistent with the provisions of this Agreement, nor to alter, modify, or amend any part of this Agreement.

- 11.07 The proceedings of the Arbitrator or Arbitration Board will be expedited by the parties hereto, and the decision of the majority of such Board (or Arbitrator if sole adjudicator) will be final and binding upon the parties hereto.
- 11.08 At any stage of the grievance procedure including arbitration the conferring parties may have the assistance of the employee or employees concerned and any necessary witnesses, and all reasonable arrangements will be made to permit the conferring parties to have access to the plant to view disputed operations and to confer with the necessary witnesses.

ARTICLE XII Discharge Cases

- 12.01 a) In the event an employee is discharged and they feel they have been discharged without just cause, they shall file their grievance commencing with Article 10.06, Step 3, WITHIN THREE (3) WORKING DAYS OF THE DISCHARGE.
- b) While probationary employees may not be discharged without just cause, it is recognized by the parties that a lesser standard exists for just cause when determining whether an employee on probation is a suitable candidate for continuing employment.
- 12.02 Such special grievances may be settled by confirming the Management's action in dismissing the employee, or by reinstating the employee with full compensation for the time lost, or by any other arrangement which is just and equitable in the opinion of the conferring parties.
- 12.03 When an employee has been dismissed, they shall have the right to interview their Steward for a reasonable period of time before leaving the plant premises.

ARTICLE XIII Management

- 13.01 It is understood that the Management may bring forward at any meeting held with the Union Grievance Committee any complaint with respect to the conduct of the Union, its officers, committee members, or stewards, and that if such complaint by management is not settled to the mutual satisfaction of the conferring parties, it may be treated as a grievance and referred to arbitration in the same way as a grievance of an employee.
- 13.02 It is further understood that the Executive committee may bring forward at any meeting with management any complaints with respect to the conduct of the Management personnel which affects the members of the Union and that if such complaint is not settled to the mutual satisfaction of the conferring parties, Step No.3 of the grievance procedure will automatically be invoked.

ARTICLE XIV Seniority

- 14.01 a) All employees shall be on probation until they have completed forty-five (45) days of work for the Company in any nine (9) consecutive month period, following which they shall become regular employees and will be given plant seniority credit for 45 days prior to the date on which they become a regular employee. For the purpose of calculating the number of days worked the 4 day work week will be counted as a 5 day Monday to Friday work week. Saturday and Sunday overtime will count as days worked. Maximum days worked in 1 week is 7 days.

Article 14.01 will be interpreted as follows for on-call employees who are hired by the Company into full-time positions:

Those who have completed their 45 probationary shifts (within prior 9 consecutive months)

1. Their seniority date will be established on the date made full-time and they will be assigned the next available seniority clock number as of this date of hire to full-time.
2. If more than one on-call employee is hired to full-time on same date, the Company will assign the next available seniority clock number(s) first to the employee(s) with the highest number of hours of work accumulated in the preceding nine consecutive months, and so on.

Those on-call employees made full-time who have not yet completed their 45 probationary shifts (within prior 9 consecutive months)

- Upon completion of their remaining probationary shifts, their seniority date will be established on the date made full-time and they will be assigned the next available seniority clock number as of this date of hire to full-time.
 - If more than one former on-call employee completes their full-time probationary period on the same date, the Company will assign the next available seniority clock number(s) first to the employee(s) with the highest number of hours of work accumulated in the preceding nine consecutive months, and so on.
- b) Lay-off and recall of probationary employees will be based on days worked. Employees with the least number of days worked are first to be laid-off and last to be recalled. Should 2 or more employees have the same number of days worked, lay-off, recall and overtime will be done by the lottery system.
- c) Clock numbers will be assigned on the basis of plant seniority except as adjusted under the terms of this Agreement. If two or more employees complete the probationary period on the same day, clock numbers will be determined by a lottery system.

d) The plant seniority of an employee means the length of continuous service with the bargaining unit since the seniority date established in section 14.01 (a).

14.02 a) An employee shall lose their seniority and their employment shall be deemed terminated upon the following conditions:

1. The employee quits or resigns for any reason;
2. The employee is discharged for just cause and not reinstated by the grievance procedure;
3. The employee retires or is retired;
4. The employee is laid off for a period of fifteen(15) months or more;
5. The employee fails or refuses to return to work after a lay-off, within five-(5) work days without a reasonable excuse after notice in writing by the Company has been sent by registered mail to their last known address, recalling the employee to work. A copy of this letter shall go to the Union Executive.

b) The Company will inform the President or the Chief Steward of the local union when an employee with seniority has been terminated in accordance with the provisions of Article 14.02 (a).

ARTICLE XV

Leaves of Absence

15.01 a) The Company may grant a leave of absence without pay to any regular employee for legitimate personal reasons. Except in emergency situations, thirty (30) calendar days notice is required. Any person who is absent with permission shall accumulate seniority during such leave of absence.

b) Where extended overseas travel to visit relatives is involved, a one week leave of absence without pay will be granted subject to the following provisions:

1. Total length of absence from the plant not to exceed four (4) weeks.
2. Only two (2) employees will be granted leave in a calendar year for the above purpose. Any further leaves could be granted solely at the discretion of the Company.
3. Seniority shall govern leaves granted but is restricted to once in a five (5) year period.
4. If the Plant operations are curtailed the leave can be disallowed.

15.02 Leave of Absence for Union Business

Regular employees not exceeding three (3) in total from the plant at any one time, shall be granted a leave of absence without pay for a specified period of up to ninety (90) calendar days. An employee on an approved leave of absence for the Union business may, with at least seventy-two (72) hours notice prior to the expiration of leave, apply for an extension. Consistent with the need to maintain efficient plant operations the leave may be extended. Consistent with the need to maintain efficient plant operations additional stewards and members of the Union committees, as recognized in Article 7, may request a leave of absence without pay for Union business. Such leave for additional employees shall not exceed ninety (90) calendar days.

With fourteen (14) days notice, the Executive Committee will be granted a leave of absence without pay for the National CEP Convention and the Ontario Council meeting.

The Company will pay employees on an approved leave of absence for Union business at their regular rate for their regularly scheduled hours. The Union will promptly reimburse the Company in full, by cheque.

15.03 Leave of Absence for Public Office:

Any employee elected to Municipal, Provincial, or Federal public office which requires the full time services of the employee will be granted a leave of absence without pay and without loss of seniority for the term of office to which the employee is elected.

15.04 Leave of Absence for Sickness or Injury:

Any regular employee who is absent because of sickness or injury, will be granted leave of absence without pay and will retain and accumulate seniority up to twenty-four (24) months at which time an employee will continue on an unpaid leave of absence without further accumulation of seniority. An employee exercising rights under this clause, must notify the Company at the earliest possible time when they will be able to return to work and must satisfy the Company that they are capable to return. Such an employee will be returned to their former job if such job is in existence and providing their return is in accordance with seniority. After an excessive absence from the job due to sickness or injury, a reasonable time of instruction, and assistance will be recognized. Notwithstanding Article 15.05 the Company agrees to continue its present contributions towards the premiums for the benefit plans covered by this Agreement with respect to regular employees absent due to sickness or non-compensable injury for a period of thirty (30) weeks from the date of the first absence due to sickness or injury. Following the thirty (30) week period any further coverage would be subject to Article 15.05.

15.05 Employees while on leave under the foregoing provisions are responsible for the full cost of any benefit plans to which they subscribe. Arrangements must be made with the Human Resources Department for payment of premiums.

15.06 Pregnancy and Parental Leave of Absence

A regular employee shall be granted Pregnancy and Parental leave as defined in the Employment Standards Act. Employee benefits will be maintained and seniority will continue to accumulate during the above leave.

- 15.07 All requests for leave of absence must be in writing and will be replied to in writing except in cases of emergency. In such cases the employee will notify the Company as soon as possible.
- 15.08 The Company agrees to notify the Union when an employee is granted a written leave of absence.
- 15.09 A leave of absence may be granted upon notification to the Company, if circumstances beyond the control of the employee delay their return to work from vacation. This leave will not be unreasonably withheld.
- 15.10 Bereavement Leave
- a) If requested by an employee who has completed the probationary period a leave of absence of up to five (5) working days with pay will be granted in connection with and coincidental with the funeral service of the employee's current spouse or child provided such leave of absence is for day(s) on which the employee would otherwise have been scheduled to work. An additional day will be granted when an employee is required to travel three hundred (300) kilometres or more one way .
 - b) If requested by an employee who has completed the probationary period a leave of absence of up to three (3) working days with pay will be granted in connection with and coincidental with the funeral service of the employee's parents or legal guardian, sister, brother, grandfather, grandmother, grandchildren, current father-in-law, mother-in-law, sister-in-law, brother-in-law, grandfather-in-law and grandmother-in-law. An additional day will be granted when an employee is required to travel three hundred (300) kilometres or more one way.
 - c) If requested by an employee who has completed the probationary period a leave of absence for one (1) working day with pay will be granted for the purpose of attending the funeral of an aunt or uncle as well as the aunt or uncle of the employee's current spouse. An additional day will be granted when an employee is required to travel three hundred (300) kilometres or more one way.
 - d) The relatives referred to in this Article (15.10) are deemed to include those related through adoption and recognized common law relationships.
- 15.11 Jury Duty and Subpoenaed Witness Pay
- The Company will pay the employee the difference between what is received for jury duty pay and what **is** normally received for the employee's regular work day each day the employee is required to serve. The Company will pay the employee what is normally received for the employee's regular work day for the time the employee **is** required to be a subpoenaed witness.

ARTICLE XVI
Health and Safety

- 16.01 The Company and the Union recognize the right to refuse unsafe work contained in the Occupational Health and Safety Act. The Company will post a copy of this provision in the work place. The Company and the Union support this right. If the legislation changes the Company and the Union will meet to create a process for resolving work refusals.
- 16.02 a) The Company will make reasonable provisions for the safety and health of the employees during their hours of employment. The Company will provide a posted policy pertaining to transportation for injured workers.
- b) The Company and the Union agree that it will recognize a Health and Safety Committee consisting of three (3) members appointed by the Company and three (3) regular members and up to two (2) alternates appointed by the Union. The purpose of the Health and Safety Committee will be to identify hazards, investigate incidents, analyze incidents and data and make recommendations for the improvements of Health and Safety in the plant. The Company will provide the hourly joint health and safety committee members one (1) hour of preparation time to be observed prior to regularly scheduled monthly health and safety committee meetings.
- 16.03 Effective March 1, 2007 regular full time employees who have acquired seniority will be eligible to receive, upon submission of a proper receipt, reimbursement from the Company of up to a maximum of one hundred sixty (\$160) dollars toward the purchase of Company Approved C.S.A. approved safety boots or shoes in the contract year. Such allowance will also include one pair of insoles. Effective March 1, 2011, the reimbursement will increase to one hundred seventy (\$170) dollars.
- 16.04 The Company agrees to pay all regular employees their regular rate of pay for such a period as necessary to ensure that the employee does not lose any pay between the time of the accident and the time compensation begins, providing the accident is compensable under the Worker's Compensation Board's rules and regulations. The Company will not pay employees for absence from work caused by medical appointments.

ARTICLE XVII
Credited Service

17.01 Credited service will be defined as accumulated service with Black Diamond Cheese after December 1,1987. For those employees hired after December 1,1987 credited service will start accumulating the day following the completion of the probationary period and the employee will then be given forty-five (45) days credited service.

Article 17.01 will be interpreted as follows for on-call employees who are hired by the Company into full-time positions:

Credited service shall be established under Article 17 for on-call employees using either the date on which the on-call employee is hired to full-time status, or that they complete their 45th probationary shift, whichever occurs later. The Company will then count back 45 working days (excluding statutory holidays and weekend shifts) to establish the credited service start date.

17.02 a) Employees will be credited with service during the following absences but only after the employee has returned to work from such period of absence, promptly upon being able to do so:

- 1 Absences up to twenty-four (24) months due to sickness or accident, where such absence is supported by acceptable medical evidence.
2. Approved absences due to vacation, jury service and bereavement.
3. Authorized leave of absence up to a maximum of thirty (30) days for each leave of absences.

(b) Credited service will not accumulate during periods of lay-off, during a strike or lock out or during periods of absence in excess of twenty-four (24) months due to sickness or accident.

17.03 The credited service of an employee shall be considered broken, and there shall be no obligation to rehire when:

- 1) The employee quits or resigns for any reason;
- 2) The employee is discharged for just cause and not re-instated by the grievance procedure;
- 3) The employee retires or is retired;
- 4) The employee is laid off for a period of fifteen (15) months or more;

- 5) The employee fails or refuses to return to work after a lay-off, within five-(5) work days time without a reasonable excuse after notice in writing by the Company has been sent by registered mail to the employee's last known address, recalling the employee to work.

17.04 It is understood that credited service shall not mean seniority and applies only where it is specifically referred to in the Collective Agreement.

**ARTICLE XVIII
Hours of Work
Lunch and Rest Periods
Guarantees**

18.01 The start times mentioned below may be earlier for some jobs, if it is required, in order to have the lines ready to run.

Jobs in Class 1 will normally be 8 or 10 hours in duration. Jobs above Class 1 will normally be 8.5 or 10 hours in duration.

In order to allow staggered starts, the start times may be varied within the following guide lines:

Day Shift:	6:00 a.m. to 8:00 a.m. (Monday through Friday)
Afternoon Shift:	2:30 p.m. to 4:30 p.m. (Monday through Friday)
Night Shift:	11:00 p.m. to 1:00 a.m. (Sunday through Thursday)
Sanitation Shift:	10:00 p.m. to 12:00 p.m. (Monday through Friday)

When there is more than one start time within the same job posting the senior employee will be allowed to choose their preferred start time.

Senior employees will be placed on ten (10) hour shifts if they are available on their job.

Employees wishing to work eight (8) or eight and one-half (8 ½) hour shifts must indicate their preference in writing. Employees will be allowed to change their preference on April 15 and September 15 each year.

18.02 The shift and hours arrangements outlined in schedule 18.01 could be subject to change. In order for this to be accomplished, discussions between the Company and Negotiating Committee will be held. Failing agreement the matter will be submitted to an arbitrator in accordance with the provision of Article 1 ■ .

- 18.03 a) It is the intention of the Company, unless circumstances necessitate a change to leave employees on a shift for a period of one week. The Company will notify the employees on Thursday by 2:00 p.m. what their shift change will be for Monday of the following week. Employees at work shall be considered notified via the scheduling board. This clause is not meant to imply that there will be regular shift rotation.
- b) When there is a requirement for employees to be temporarily transferred to the day shift the temporary vacancies will be filled in order of seniority, provided that the transfer does not negatively impact the efficient operation of the plant. Notwithstanding Article 18.03 a) employees temporarily transferred to the day shift may be recalled to their posted shift with twenty-four (24) hours notice if required by the Company.

Note: Class 1 & 2 will be moved by seniority. Class 3 and above will be moved by seniority when not required on their job posting.

- 18.04 a) Employees, on all shifts shall be granted a twenty (20) minute paid lunch period except for the ten (10) hour shift where it shall be a thirty (30) minute paid lunch period.
- b) An employee who is expected to continue at work for more than three (3) hours past their regular quitting time will receive a twenty (20) minute lunch period with pay.
- 18.05 a) The Company will grant a rest period of twelve (12) minutes in the first half and twelve (12) minutes in the second half of each shift. The periods to be allotted at the discretion of the Department Supervisor.
- b) The Company will grant a twelve (12) minute rest period in overtime, provided the overtime exceeds two (2) hours. The foregoing shall be repeated every four (4) hours thereafter.
- c) Lunching and smoking on Company premises will be confined to areas designated by the Company.

18.06 The Company agrees that once a regular employee starts a work week there will be work for the balance of the employee's scheduled work week or pay in lieu, providing the employee is available for work during the employee's scheduled hours for the balance of the week, unless the reason for the lack of work is beyond the control of the Company. The employee must be willing to do the available work offered by the Company.

It is understood that the Company does not guarantee work or pay in lieu under this Article for employees substituting for absent employees or on a temporary recall of less than one (1) weeks duration.

- 18.07 Employees reporting for work at their scheduled time, unless notified not to report, shall be guaranteed their scheduled hours of work or pay in lieu thereof, provided the reason for lack of work is not beyond the control of the Company and the Company did not notify the employees three (3) hours prior to their scheduled starting time.
- 18.08 Good attendance is the personal responsibility of each employee. Failure of an employee to be on the job promptly and regularly inconveniences fellow employees and adversely affects the efficient operation of the business. Such behaviour can result in corrective action up to and including termination of employment.

Employees are expected to report all absences, detailing the reason and duration of the absence, to the Supervisor on duty as soon as they know they will be unable to report to work at the start of their scheduled shift.

Article XIX Overtime Provisions Call in Pay

- 19.01 Overtime shall be paid at the rate of one and one half (1½) the regular rate for all work:
- a) in excess of normal hours a day or shift,
 - b) on Saturday, Sunday and paid plant holidays.
- 19.02 a) Double the regular rate shall be paid for all overtime hours worked in excess of four (4) hours overtime on daily shift Monday to Friday inclusive.
- b) Double the regular rate shall be paid for all hours worked in excess of four (4) hours on Sundays and paid plant holidays.
- 19.03 Subject to the provision of 19.05, 19.06, 19.08, 19.09 and 19.10 b) overtime will be assigned on the basis of seniority to available employees who can, without assistance, perform in a satisfactory manner the work required to be done. It is agreed, however, that the seniority provision in distributing overtime will be waived for overtime required on production trials and/or research and development work.
- 19.04 The company will give the employees as much notice as possible when overtime is required.
- 19.05 Once an employee has indicated their agreement to work an overtime shift, the employee will be committed to working the shift in the same manner as an employee would any normal shift.
- 19.06 Preference for overtime in the maintenance unit with respect to jobs already in progress at the end of a shift will be given to the employee on the job.
- 19.07 a) Preference for unplanned overtime in operating lines with respect to jobs already in progress at the end of a shift will be given to the employee on the job, however when such work is expected to exceed two (2) hours it will be offered

to the senior employee(s) on the shift in the operating lines who can without assistance perform the work in a satisfactory manner.

Where job rotation exists within the same job classification on the same shift and scheduled work day, such overtime will be offered in seniority order to the employees on the job rotation.

- b) Preference for unplanned overtime at the Distribution Centre with respect to jobs already in progress at the end of a shift will be offered to the senior employee at work at the Distribution Centre who can without assistance perform the work in a satisfactory manner. However, when such work is expected to exceed two (2) hours it will be offered to the senior employee(s) who can without assistance perform the work in a satisfactory manner.

19.08 a) Nothing in the provision of this agreement shall be interpreted as obligating the company to schedule an employee to work more than thirteen and one-half (13%) consecutive hours or more than thirteen and one-half (13%) hours in a day. There must be at least six (6) hours between shifts before they are not considered consecutive. The thirteen and one-half (13%) hours may be extended to seventeen (17) hours in emergencies.

It is understood that Friday night scheduled overtime shall be posted in increments of five (5) hours or less unless mutually agreed to by the parties.

- b) Weekend overtime (Saturday, Sunday & Statutory Holidays), posting overtime for weekend. No employee shall be allowed to work more than ten (10) hours unless it is an emergency or for inventory.
- c) **All** overtime shall be posted with a starting and finishing time, excluding inventory.

19.09 Scheduled Overtime Procedure:

Management Responsibilities

1. Overtime opportunity listings will be posted as soon as practical at all facilities covered by the bargaining certification with interested employees affirming their interest to work the scheduled overtime by identifying their job preference and signing their name (or initialing the sheet) and where required, their clock number. If any of the required information is missing the employee will not be eligible for the overtime opportunity. Employees that do not indicate a job preference are still eligible for the overtime but will be placed where needed.
2. The overtime opportunity listing will indicate when, where and what work is required, or expected to be performed, and when the listing will be removed from the bulletin board. Once overtime assignments are completed, the list will be posted at all facilities covered by the bargaining certification.
3. The first priority in assigning jobs is that the most senior employees as possible are awarded the overtime. Senior employees will be allowed their preference of job assignment as long as the first priority is met.

4. If additional employees are required to fill in on the original posting, after it has been awarded, the employees on the original sign up sheet will be offered the work (they have the right to refuse at this point however) and a revised schedule of employees will then be posted at all facilities covered by the bargaining certification. If there are no more employees available on the original posting the company may fill the overtime with on-calls first then students.
5. If additional overtime is required once the original posting has been awarded, then an additional overtime sheet will be posted at all facilities covered by the bargaining certification for a twenty-four (24) hour period. If time does not permit a twenty-four (24) hour period, then the senior people will be notified of the availability of the overtime.
6. Supervisors will respond to questions regarding the posted overtime assignments prior to the overtime being worked.

If the senior qualified employee has been inadvertently missed for overtime the employee shall be paid for the applicable hours of overtime missed at the appropriate overtime rate provided the employee has fulfilled their responsibilities.

Employee Responsibilities:

7. Employees must sign the overtime sheet and include their clock number where required, to indicate their availability to work.
8. Employees must inform the Company of where they can be contacted to be advised of overtime assignments.
9. If an employee has a job assignment preference (e.g. Distribution Center, lab, Packing Area Attendant) it must be indicated on the sheet when they sign up. Employees can express a preference for up to two jobs. Employees that do not indicate a job preference are still eligible for the overtime but will be placed where needed.
10. If an employee has indicated that they will only work if their job preference is available for them and that job is not available on the overtime or another senior employee is awarded the job, the employee will not be awarded any other job assignment on the overtime posting.
11. Errors in how overtime has been posted or in who has been scheduled for overtime will be brought to the immediate attention of the employee's supervisor, prior to the overtime being worked. Should the employee not make every reasonable effort to notify the Company of the error prior to the overtime being worked, they shall have no claim to the missed overtime.

19.10 Call In Pay

If an employee is not notified before leaving a work period that the employee's services will be required before the next work period and the employee is requested to report to work between such work periods, then the employee will be paid time and one-half (1½) for hours worked (not less than an amount equal to four (4) hours at one and one-half (1½) times the regular rate).

Article XX Job Posting

- 20.01 a) Where a job vacancy occurs or a new job is created, the Company will post notice of the vacancy for two (2) working days (Saturdays, Sundays and Recognized Holidays excluded). The notice shall set out a general outline of the job and qualifications required for the job, classification wage rate and shift. Candidates applying for the job will be considered according to the following factors:

- (i) Seniority
- (ii) Skill, ability and efficiency.

Where factors (ii) between candidates are relatively equal in the judgement of the Company, factor (i) shall govern, providing the employee has the necessary ability to perform the job in question. The Company recognizes that certain posted positions require more skills than others and intends to maintain training in order that employees may upgrade these skills so that they may become more proficient in their jobs. Management will maintain the right as to when to begin or cease the training. Training will normally start as soon as possible.

Such decisions are subject to the grievance procedure.

A decision on job posting will be made within five (5) days unless mutually agreed upon.

In the event the Company determines the employee cannot perform the required duties following five working days of commencing their training, the employee will be returned to their previous job. All backup moves will be similarly reversed.

- b) An employee who has successfully bid to a job posting under Article 20 shall not be entitled to bid in a posted job for one (1) year from the date of their successful bid, unless such employee is displaced from their job or is applying for a higher paid job.

An employee classified in Class 1 & 2 who moves within Class 1 or 2 to a different shift through job posting will be restricted to moving a maximum of twice per year.

- c) It is understood and agreed that all job vacancies that need to be filled for more than thirty (30) working days, and which operate more than twenty-eight (28) hours per week shall be posted.
- d) When a new job is created or an existing job has been changed, the Company agrees to discuss with the Union Committee the appropriate classification prior to posting. Failing agreement the dispute will be taken up with the Plant Manager or designate and representative of the Union if requested by either party. Failing agreement the matter will be submitted to a single arbitrator.
- e) No employee, other than through the application of Article 23 or 20.01(k), shall be transferred to another job within the bargaining unit without the employee's consent. If an employee consents to being transferred to another job, the employee shall have the right to return to their former job within five (5) working days. It is agreed that this consent will not be unreasonably withheld.
- f) Rate protection is designed to protect an employee's "regular rate" in the event the employee is temporarily transferred to a lower rated job. The "regular rate" is established when an employee has acquired a job through job posting or transfer and has become "qualified" as referred to in Article 20.01(h). An employee who is temporarily transferred to a lower rated job shall maintain their regular job rate. Employees temporarily transferred to a higher rated job shall receive the higher rate for all hours worked on the job. An employee who works twenty-eight (28) hours or more in a week at the higher rate shall receive the higher rate for the entire week, if the employee is "qualified" as referred to in Article 20.01(h).

An employee permanently demoted or transferred to a lower rated job shall be paid at their regular rate immediately prior to the permanent demotion or transfer for a period of six months (6) and thereafter will be paid at the lower rate.

- g) Once a job awarded under Article 20 has been granted, the training period will commence within sixty (60) days, unless otherwise agreed to with the Union.
- h) "Qualified" shall mean the ability to perform the job without instruction or assistance.
- i) Aptitude tests including specific job skill tests shall not be deemed a prerequisite to awarding or determining the acceptability of employees applying for new jobs, except for the laboratory and maintenance where technical abilities and/or academic abilities are required.
- j) When the successful job applicant has been posted, if the applicable rate is higher than the employee's rate, the higher rate shall apply after thirty (30) days or when the job commences, whichever comes first.

- k) In the event no suitable applicant is available, through the above procedure, the Company shall fill the vacancy through its normal employment channels, or ask a willing employee to transfer to the posted vacancy and normal job posting provisions will apply.
- l) Where a temporary vacancy caused by illness, injury or leave of absence exceeds thirty (30) weeks, the Company will post a temporary job posting. Article 20.01 will apply to the posting of this temporary vacancy. When the employee whose absence created the temporary vacancy returns to work the employee shall assume their original job. When it becomes clear that the employee, whose absence created the temporary vacancy, will not return to work, the job shall be awarded to the successful applicant of the temporary job posting.

20.02 Any employee who wishes to leave their current job can request a transfer for legitimate reasons. Requests for transfer will go to Human Resources and a copy to the Secretary of the Union. Action will be taken on these requests if in the interest of the Company and the Union.

- a) Requests for transfers must be replied to in writing by the Company within fifteen (15) working days.
- b) Requests for transfers are non-valid after three (3) months.
- c) The transfers would be to an available posting that was mutually agreeable to the employee, Union and Company at the earliest possible date.

ARTICLE XXI Vacation Plan

21.01 Vacations will be based on continuous service as a full-time employee computed to January 1st in the year in which the vacation is to be taken.

21.02 First Vacation:

Employees who, as of January 1st, have less than one year's continuous service as a full-time employee will receive one day vacation pay for each completed month of continuous service as a full-time employee up to a maximum of ten (10) days however each employee is entitled to two (2) weeks vacation time off scheduled in accordance with Article 21.07. Such employees will receive vacation pay in an amount equal to their straight time daily earnings (exclusive of shift or other premiums) times the number of days of vacation to which they are entitled.

21.03 Vacation Scale:

In the next and subsequent years, full-time employees will receive vacations with pay based on years of continuous service as a full-time employee as follows:

- After one (1) year continuous service..... 2 weeks
- After five (5) years continuous service 3 weeks
- After eleven (11) years continuous service. 4 weeks
- After seventeen (17) years continuous service..... 5 weeks
- After twenty-five (25) years continuous service..... 6 weeks

21.04 Method of Calculating Vacation pay:

Vacation pay for each week of vacation (excluding vacation pay for first vacation under 21.02) for employees will be the greater of 2.1% of the previous years earnings as reported on the employee's T-4 slips or the normal weekly hours at the regular straight time rate (exclusive of shift or other premiums) reduced by one fifty-second (1/52nd) for each week of absence, excepting absences which are:

- i. Up to 30 days annually due to lay-off, leave of absence other than injury or sickness (in which case only the three (3) day waiting period is included), or work stoppage beyond the Company's control.
- ii. Due to sickness for any period that the employee is entitled to receive sick pay under Schedule B.
- iii. Up to a maximum of thirty (30) weeks due to any one disability covered by Workers' Compensation.

Employees on lay-off, maternity leave or Long Term Disability, whose vacation pay is adjusted as a result of this provision, will nevertheless be entitled to vacation time off in accordance with the vacation scale.

21.05 Completion of Required Service After January 1st:

Employees who, after January 1st and prior to the end of the calendar year, reach the service required to entitle them to an additional week of vacation, in accordance with the vacation scale, will become eligible for such additional week of vacation on completion of the required years of service. Such week may be taken earlier in the year. However, if the employee ceases employment with the Company prior to completing the required years of service, the monies advanced for that additional week will be deducted from their final pay.

21.06 Carry Over of Vacations:

Employees who are entitled to more than two (2) weeks of vacation may carry over one (1) week to three (3) weeks of vacation into the next vacation year. A maximum of eight (8) employees total (all shifts) will be allowed to take their carry over vacation at the same time. The carry over weeks of vacation must be used before April 1st but not to be taken during the two weeks of March Break. Carry over vacation is subject to Vacation Scheduling procedures in Article 21.07. Weeks of carry over vacation will be paid on the basis of the calendar year in which they have been accrued. Employees may, if they wish, be paid for those weeks of earned vacation in excess of two.

It is not the intention of the Company to require employees to use their vacation entitlement while on layoff, sick leave or parental or pregnancy leave. Therefore the Company will automatically cancel the scheduled vacation of employees who are on lay-off or sick leave at the time of their vacation period is scheduled to begin. The affected employees may then reschedule their vacation in accordance with the normal plant practice.

21.07 Vacation scheduling:

a) Winter Vacation Scheduling

For vacations to be taken between January 2nd and April 30th of each year, an employee shall make a written request, by January 15th of that year, to their supervisor. Preference in vacations will be based on seniority in accordance with their posted shift and job. After January 15th, vacation requests for time prior to April 30th, shall be on a first come first serve basis.

The above will not affect the application of Article 21.07 b) for vacations after April 30th of any year.

b) Vacation schedules will be posted by April 30th of each year and will not be changed without the consent of the affected employees, except as provided herein. Consistent with efficient plant operations, preference in vacations will be based on seniority in accordance with their posted shift and job. During the months of June, July, August and September, a maximum of three (3) weeks will be allowed until all employees have had an opportunity to schedule vacations. During any other month, an unbroken vacation will be allowed.

If an employee accepts a job posting or is transferred which results in conflicting vacations, the junior employee may be required to reschedule their vacation if the conflict affects the efficient operation of the plant.

21.08 Vacation Pay on Termination & Retirement

Employees who are discharged with cause and are not reinstated will receive only such vacation pay as is required under the Employment Standards Act of Ontario.

Employees who terminate voluntarily, who are terminated by the Company without cause or who retire will be paid accrued but unpaid vacation pay in the year of separation in accordance with Article 21.03 and 21.04.

ARTICLE XXII Recognized Holidays

22.01 The ten (10) paid plant holidays recognized by the Union and the Company are as follows:

New Years Day	Civic Holiday
Good Friday	Labour Day
Victoria Day	Thanksgiving Day
Canada Day	Christmas Day
Christmas Eve Day	Boxing Day

The Company will schedule two (2) floating holidays with pay during the Christmas and New Year's break, providing the Company can meet its customer needs. In the event the Company cannot schedule the floating holidays during this period, they will be rescheduled.

Note: The extra one day holiday granted in the 1980 contract is to be used as a floater until such time "Heritage Day" becomes a government Recognized Holiday at which time the floater will be used as the Recognized Holiday.

22.02 Each employee shall, for each of the Recognized Holidays stated above be eligible to receive holiday pay at their straight time hourly rate for their regularly scheduled hours for the day of the observance of the recognized holiday provided:

- a) They have worked 45 days for the Company.
- b) They have worked the day immediately prior to and following such holiday. However, employees who have been excused from their work day prior to and/or following such holiday shall receive holiday pay providing they work their day immediately prior to and following the day from which they have been excused. Leave of absence of over one (1) week duration are not included in the above.
- c) Notwithstanding Article 22.02 b) above, an employee with seniority who is on lay-off prior to the observance of a recognized holiday shall be eligible to receive their normal hours pay at their straight time hourly rate for such holiday, provided the employee has worked at least twelve (12) shifts during the four (4) weeks immediately preceding the observance of the recognized holiday.

- d) Illness for not more than one day prior to or after the paid plant holiday will not require a medical certificate, when the Company is notified, to qualify for paid plant holiday pay.

- 22.03 a) When a paid plant holiday occurs during an employee's vacation, the employee may choose to have either an extra day off with pay or the plant holiday pay in lieu of the extra day off.

Where, as a result of this provision, more than one employee would be absent for an essential operation, the Company may require the junior employee to receive holiday pay in lieu of an extra day off with pay.

- b) An employee absent from work due to a non-occupational illness or injury and who is in receipt of weekly indemnity benefits will receive the difference between the amount of the weekly indemnity benefit and an amount the employee would normally receive as recognized holiday pay for any recognized holiday that occurs during the thirty (30) week period the employee is in receipt of weekly indemnity benefits.

- 22.04 Canada Day is to be observed on the Friday or Monday closest to the official date. If it falls on a Wednesday then it will be observed on the preceding Monday unless otherwise agreed to.

ARTICLE XXIII Displacement

- 23.01 a) In the event of a reduction in the number of employees in a job the employees therein having the least plant seniority will automatically displace the employees with the least plant seniority on the same shift provided they possess the qualifications and plant seniority to do so. Employees who are ineligible to remain on their posted shift through the above application will move into an open job they can perform on their preferred shift. It is the employee's responsibility to inform Human Resources, in writing, by April 30th of their second choice of shift preference for that year.

If senior employees are unable to displace because they do not have the qualifications to do so then employees on other jobs will be moved to enable, as far as practicable, the reduction to occur in order of plant seniority. The move will be made so that the most junior employees, as possible, will be displaced.

- b) Employees who are ineligible to remain on their posted shift through the application of Article 23.01 a) will displace, the junior employee on the shift of their choice, whose job they can perform.

Lay-Off Purposes - It is the employee's responsibility to inform Human Resources, in writing, by April 30th of their second choice of shift preference for that year.

- 23.02 a) Employees reduced or moved through the application of Article 23.01 will be assigned jobs so as to enable as far as is practicable the reduction to occur in order of plant seniority.
- b) In the event that more than one option will enable the reduction to occur in order of plant seniority the employees affected, with the most plant seniority that reduces the options to one, will be provided the opportunity to indicate their preference of job assignment.
- c) Prior to notifying any members of a shift change or reassignment due to a reduction in the work force the Company will review the proposed assignments with two members of the Union Executive Committee.
- 23.03 a) Employees who have been reduced or laid off as a result of a reduction of work shall be the first promoted to a vacancy in their job provided they have the plant seniority to return to their posted shift.
- b) Employees with seniority will be recalled from lay-off in accordance with their plant seniority
- c) Employees notified of permanent lay-off will, provided they have the plant seniority to do so, be given the opportunity to train and displace the employee with the least plant seniority. This provision does not include any jobs that require formal and technical education.
- 23.04 Regular full time employees on layoff will be recalled by seniority unless choosing a different option with the Company at the time of lay off on the form provided. A copy of such form will be given to the Union. It is mandatory for the recalled employee to work such periods of employment made in accordance with the foregoing decision.
- 23.05 During the recall period a full time employee who is recalled will be paid at their regular rate in accordance of Article 20.01 f) of the body of the agreement.
- 23.06 Employees shall be given notice of layoffs no later than Thursdays at 2:00 p.m., except in cases where the Company closes down the plant's production due to mechanical breakdowns or any other reasons beyond the Company's control.
- 23.07 The Company will give the Chief Steward a copy of the lay-off notice posted on the bulletin board at the time the posting is made. They will also advise the Chief Steward of the number of employees being recalled and will give the reasons why an employee with more seniority is not returning.
- 23.08 The Company and the Union Executive Committee shall review the displacement procedures not later than one year after the date of ratification and may by mutual agreement of the parties amend any provisions contained in Article 23.

**ARTICLE XXIV
Plant Closure**

- 24.01 In the event of the permanent discontinuance of all the operations, or a major unit, Distribution, Natural or Process, of the Belleville plant of the Company, permanent full-time employees
- i) with five (5) or more years service,
 - ii) who have not retired under the provisions of the Company Pension Plan,
 - iii) who continue to work in a satisfactory manner as long as their services are required by the Company, and
 - iv) who have been laid off for fifteen (15) months or who have been laid off for thirteen (13) weeks and have waived their right to recall will be eligible to receive severance pay of one thousand five hundred (\$1,500) dollars for each completed year of employment.
- 24.02 The above fulfils all the Company's obligations under Article 40 (a) of the Employment Standards Act and anyone choosing Severance pay under Article 24.01 of this Collective Agreement shall have no further claim to the Company.

**ARTICLE XXV
ATTACHED SCHEDULES & APPENDICIES**

- 25.01 Attached hereto and forming part of this Agreement are the following schedules and appendicies:

Schedule "A" Wages and Classifications.

Schedule "B" Benefit Plan of the various coverages afforded regular employees.

Schedule "C" Pension Plan.

Schedule "D" Student Help outlining conditions governing same.

Appendix "A" On-Call outlining conditions governing same.

**ARTICLE XXVI
Termination or Modification**

- 26.01 This Agreement shall remain in force until February 28, 2012 and shall continue in force from year to year thereafter unless in any year not more than ninety (90) calendar days and not less than sixty (60) calendar days, before the date of its termination, either party shall furnish the other with notice of termination or proposed revision of this Agreement.
- 26.02 In Witness Whereof, each of the parties hereto has caused this Agreement to be signed by its duly authorized representatives this day of , 2007.

BLACK DIAMOND CHEESE
EMPLOYEES INDEPENDENT UNION,
LOCAL 555, AFFILIATED WITH
C.E.P., C.L.C., O.F.L.

PARMALAT DAIRY & BAKERY INC.
Belleville Plant

Betty Tracze

Jamey Heaton

Rick Williams Lisa Cleaver

Scott Clapp

Tim Thompson

Peter Farrell

Dan Comrie

SCHEDULE "A"
Wages and Classifications

A.01 Wages and Classifications

	Effective Mar. 1, 2007	Effective Mar. 1, 2008	Effective Mar. 1, 2009	Effective Mar. 1, 2010	Effective Mar. 1, 2011
CLASS 1	19.05	19.53	20.02	20.52	21.03
Cafeteria/Store Attendant Cheddar Loader/Packer Filling Line Loader/Packer General Labourer – Bags & Cardboard IWS Loader/Packer					
CLASS 2	19.05	19.53	20.02	20.52	21.03
Cheese Handler - Cheddar Line - Weigh-up Naturals Cryovac Loader/Packer Checking					
CLASS 3	19.21	19.69	20.18	20.69	21.20
Blend/Prep/Cheese Handler Cheese Cutting/Machine Operator (to include natural cheese slice operator) Cutter/Shredder/Cheese Handler-Shred Cutter/Shredder/KBI/FS Shred Baader Operator Packer-Palletizer (FS Shred)					
CLASS 4	19.36	19.85	20.34	20.85	21.37
Checking Attendant Chemical Handler Cryovac/Palletizer/Scale Operator Die Maintenance FMC or FMC Sassib Grinder Attendant Packaging Attendant Packing Area Attendant KBI Line Attendant Packing Machine Operator Raw Material Supplier Spread Labeller/Case Piler Warehouse					
CLASS 5	20.22	20.73	21.25	21.78	22.32
Control Panel/Filler/Operator Grinder/Blender Operator/ Cheese Handler/Blend Prep Hayssen/Tiromat Operator					

	Effective Mar. 1, 2007	Effective Mar. 1, 2008	Effective Mar. 1, 2009	Effective Mar. 1, 2010	Effective Mar. 1, 2011
Line tech KBI Scale Operator (Shred) Sanitation					
CLASS 6 Kustner Operator Vertical Hayssen/Case Packer Operator	20.33	20.83	21.35	21.89	22.44
CLASS 7 Line One Operator Casting Line	20.53	21.04	21.57	22.11	22.66
LABORATORY Lab Technician	20.22	20.73	21.25	21.78	22.32
MAINTENANCE Mechanical Technologist - M2 Electrical Technologist - M2	26.63 26.63	27.30 27.30	27.98 27.98	28.68 28.68	29.39 29.39

A.02 Tool Allowance

The Company agrees to participate in a tool allowance up to a maximum of one hundred and sixty (\$160) dollars effective March 1, 2007 per mechanic in each year of the contract paid upon proof of purchase. Effective March 1, 2010 increase to one hundred and seventy (\$170). Any unpaid portion of the Company contribution cannot be carried over year to year.

A.03 Cost Of Living Allowance

The Cost of Living Allowance (C.O.L.A.) is to be one (1) cent per hour for each .4 of a point increase in the 1971 - 100 Canada All Items C.P.I. above five (5) percent for the period from 1 March 2007 to 29 February 2008 and folded into the wage rates in Schedule "A" effective 1 March 2008.

The Cost of Living Allowance (C.O.L.A.) is to be one (1) cent per hour for each .4 of a point increase in the 1971 - 100 Canada All Items C.P.I. above five (5) percent for the period from 1 March 2008 to 28 February 2009 and folded into the wage rates in Schedule "A" effective 1 March 2009.

The Cost of Living Allowance (C.O.L.A.) is to be one (1) cent per hour for each .4 of a point increase in the 1971 - 100 Canada All Items C.P.I. above five (5) percent for the period from 1 March 2009 to 28 February 2010 and folded into the wage rates in Schedule "A" effective 1 March 2010.

The Cost of Living Allowance (C.O.L.A.) is to be one (1) cent per hour for each .4 of a point increase in the 1971 - 100 Canada All Items C.P.I. above five (5) percent for the period from 1 March 2010 to 28 February 2011 and folded into the wage rates in Schedule "A" effective 1 March 2011.

The Cost of Living Allowance (C.O.L.A.) is to be one (1) cent per hour for each .4 of a point increase in the 1971 - 100 Canada All Items C.P.I. above five (5) percent for the period from 1 March 2011 to 28 February 2012 and folded into the wage rates in Schedule "A" effective 1 March 2012.

There will be no cap on the C.O.L.A. Increases will be rounded to the nearest cent (0.4 rounded down, 0.5 rounded up).

A.04 Starting Rate:

The starting rate for new employees will be eighty (80) percent of the rate of the job or jobs they perform. Automatic increases of five (5) percent of the job rate will be granted on the completion of the probationary period, six (6) months credited service and nine (9) months credited service. After twelve (12) months credited service the job rate will be paid.

Class M2 Tradesman in the Maintenance Department will be paid the job rate.

A.05 Shift Premium

- (a) Effective March 1, 2007, an hourly shift premium of sixty-four (64) cents shall be paid for all hours worked on shifts starting between 12:00 p.m. (noon) and 5:59 p.m. and seventy-four (74) cents for all hours worked on shifts starting between 6:00 p.m. and 3:00 a.m.
- (b) On Saturdays the shift premium will be one and one-half (1 1/2) times normal rate for all hours worked.

- (c) On Sundays and Recognized Holidays the shift premium will be one and one-half (1 1/2) times normal rate for first four **(4)** hours and two (2) times normal rate for any hours in excess of four **(4)** hours.
- (d) When an employee is required by the Company to "swipe out" and then "swipe back in" before starting overtime, then a new starting time is established and the applicable shift premium will apply.

SCHEDULE "B"
Benefit Plan

B.01 The Company shall pay 100% of the present premium costs for the following group insurance plans.

Life Insurance	Long Term Disability
Accidental Death & Dismemberment	Extended Health Care
Weekly Indemnity	Dental Plan (Part "A")

As per normal, the waiting period for benefit and pension entitlement commences as of the date that the employee is hired into a full-time position, except as provided in the company pension plan.

B.02 During periods of lay-off the company will continue to pay the following group insurance premiums for employees on lay-off based upon one (1) month for every two (2) completed years of service provided the employees on lay-off are normally available for recall and have not lost their seniority and employment in accordance with the provisions of Article 14.02 (A) of the Collective Agreement.

Life Insurance	Dental Plan
Major Medical	Accidental Death & Dismemberment

B.03 All of the benefits referred to in this schedule and highlighted in Table B "1" (opposite page) shall be as more particularly described in the Group Insurance Plan documents.

B.04 The Company will provide the Union with copies of all insurance contracts entered into on the employees behalf. The Company will also provide all employees with updated booklets describing the benefits covered by this Collective Agreement.

B.05 The Company has the obligation to select the carrier(s) in respect of any of the plans or policies listed in this schedule provided that if any carrier is changed an equivalent level of benefits will be maintained. Should an employee have a dispute concerning payment of benefits under any plan or policy outlined herein the Company will use it's best efforts to assist the employee in adjusting any settlement of any such dispute.

B.06 The amendments and increases in the amount of coverage listed in Table B "1". Points of Information is to become effective as set out in Table B "1". An employee absent on the effective date must return to active employment in order to qualify for the increased coverages.

B.07 An employee who is eligible to receive weekly indemnity benefits for an illness and who is absent the amount of hours equivalent to one (1) week under Article 18.01, shall be reimbursed for the first day of the waiting period at the W.I. benefit rate. An employee who is eligible to receive W.I. benefits for an illness and who is absent the amount of hours equivalent to two (2) weeks under Article 18.01, shall be reimbursed for the second and third days of the waiting period at the W.I. benefit rate. In order to qualify for payment of the above reimbursements the employee must complete and submit a "Request for Weekly Indemnity Waiting Period Reimbursement" form to human resources within 15 days of their return to work from disability leave.

Table B "1"
Points of Information for Employees Regarding Benefits
(Premiums 100% Company Paid)

Benefit	Eligibility	Effective March 1, 2007 unless otherwise specified	Comments
Life Insurance	3 Months	Spouse \$5,000 Employee 2 X Annual Earnings to next highest \$1,000	
Accidental Death & Dismemberment	3 Months	Employee \$15,000	
Weekly Indemnity	3 Months	66% to a maximum of \$600.00 per week	Effective March 1, 2007 - \$600.00 maximum per week
Extended Health Care	3 Months	<ul style="list-style-type: none"> • Semi Private Hospital • Drug Card 80% reimbursed • Vision care \$220.00/2 years • Eye Exam/2 years (with receipt) to a maximum of \$65.00 	No Deductible Effective March 1, 2011 - \$230.00/2 years
Dental Plan	1 Year	<ul style="list-style-type: none"> • ODA Fee Guide March 1, 2007- 2006 Fee Guide March 1, 2008 - 2007 Fee Guide March 1, 2009 - 2008 Fee Guide March 1, 2010 - 2009 Fee Guide March 1, 2011 - 2010 Fee Guide • Basic Preventative • Major Restorative- 50% co-insurance • Orthodontic Benefit- 50% co-insurance; Child Only. 	Up to \$1500.00 per year for each covered person Up to \$1000.00 per year for each covered person Effective March 1, 2007 - Up to \$1200.00 lifetime Maximum for each covered child.
Pension Plan	1 Year	Money Purchase Plan. Company to contribute \$26.00/week of credited service. See Table B-"2" Voluntary Pension Contributions	Effective March 1, 2008 increased to \$27.00/week Effective March 1, 2009 increased to \$28.00/week Effective March 1, 2010 increased to \$29.00/week Effective March 1, 2011 increased to \$30.00/week
Long Term Disability (L.T.D.)	6 Months	Equal to 60% of your basic monthly earnings less C.P.P. disability off-set to a maximum insurance payment of \$3,000.00/month	

Additional Information including Eligible Expense! and Summary Descriptions of Plan Benefits are contained the Benefit Booklets

**Table B "2"
Voluntary Pension Contributions**

Benefit	
Pension Plan	<p>Money Purchase Plan(Cont')</p> <p>In addition the company will match 100% of the employee voluntary contribution of \$18.00 per week effective March 1, 2007. Effective March 1, 2008 the company will match 100% of the employee voluntary contribution of \$20.00 per week. Effective March 1, 2009 the company will match 100% of the employee voluntary contribution of \$22.00 per week. Effective March 1, 2010 the company will match 100% of the employee voluntary contribution of \$24.00 per week. Effective March 1, 2011 the company will match 100% of the employee voluntary contribution of \$26.00 per week.</p> <p><i>Explanation Note:</i></p> <p>The effect of this provision is that the company in the first year (2007) of the contract is prepared to match the employee's contributions of \$18.00 dollars. If the employee chooses not to contribute this voluntary contribution the company will not make its matching contribution. The employee will still receive the benefit of the increased basic contribution. An employee currently making voluntary contributions in excess of this amount will not need to make additional contribution to qualify for the company contribution. Once an employee commences the above voluntary contributions, they are required to continue such participation.</p>

SCHEDULE "C"
Canada Pension Plan

- C.01 Premiums for the Canada Pension Plan are to be paid equally by the Company and the employee.

SCHEDULE "D"
Student Help

- D.01 The Collective Agreement has no jurisdiction over student help, with the exception of the time limit in D.03.
- D.02 No regular employee will be laid off and replaced because of student help.
- D.03 The periods required for the use of student help will be restricted to April 1 to September 30 and December 1 to December 31, unless otherwise agreed to by the Company and the Union.
- D.04 Student help does not accumulate seniority, and has no rights under this contract.
- D.05 Students may be used for overtime provided full time and on-calls have been offered it first. Students will only be used in non-operator jobs unless mutually agreed to by both parties.
- D.06 Once renewal for a Collective Agreement has commenced according to Article 25.01 of the Collective Agreement, student help cannot be used unless such help falls under the time limits of Schedule D.03, unless otherwise agreed to by the Company and the Union.

APPENDIX "A" - ON-CALL

Preamble

The parties recognise the need for On-Call employees in addition to the Student employees. All matters relating to On-Call employees including their wages, hours and working conditions shall be only as set out in this Appendix. Full Time employees on lay off will be offered work before the use of On-Call employees and students.

ARTICLE I

1.01 Purpose - As set out in Article I of the main body of the Agreement

1.02 On-Call Work Force

On-call employees will be utilised in cases of absenteeism, vacation periods, peak customer demands, couponing and other such work which is of an on-call nature. The Company agrees that the number of on-call employees (exclusive of student employees) working at any one time will not exceed 15% of full time employees, except where mutually agreed.

ARTICLE II - Relationship - As set out in Article II of the main body of the Agreement.

ARTICLE III - Union Recognition - As set out in Article III of the main body of the Agreement.

ARTICLE IV - Management Rights - As set out in Article IV of the main body of the Agreement.

ARTICLE V - Strikes and Lockouts - As set out in Article V of the main body of the Agreement.

ARTICLE VI - Union Security - As set out in Article VI of the main body of the Agreement except 6.08 which is not applicable.

Note: Article 6.04 b.) reference to fifteen (15) months shall be deemed to read "2600 hours worked.

ARTICLE VII – Representation - The interests of On-Call employees will be represented by the full time stewards and various union committees set out in the body of the Collective Agreement.

ARTICLE VIII - Qualifications of Stewards, Officers and Members of Committees - Does Not Apply.

ARTICLE IX - Grievance Committee - Does Not Apply.

ARTICLE X - Grievance Procedure - As set out in Article X of the main body of the Agreement.

ARTICLE XI - Arbitration - As set out in Article XI of the main body of the Agreement.

ARTICLE XII - Discharge Cases - As set out in Article XII of the main body of the Agreement except as follows:

12.01b) A probationary On-Call employee may be discharged at the sole discretion of the Company. Such employee does not have recourse to the grievance and arbitration Articles of this Agreement.

ARTICLE XIII - Management - As set out in Article XIII of the main body of the Agreement.

ARTICLE XIV - Seniority

14.01 An On-Call employee shall acquire seniority after completing a probationary period of forty-five (45) shifts worked or three hundred and sixty (360) hours in any nine (9) consecutive month period.

An On-Call listing of employees according to hours worked shall be prepared each January and July and a copy will be sent to the Union.

It is further understood that any On-Call employee shall not be subject to Article 14.01 a) of the main body of the Agreement, probationary period, if successful on a permanent job posting and has completed the On-Call probationary period.

ARTICLE XV - Leave of Absence - Does Not Apply

ARTICLE XVI - Health and Safety - As set out in Article XVI Articles 16.01, and 16.02 of the main body of the Agreement.

After 1040 hours worked, the Company will reimburse 50% of the cost of the CSA approved safety boots subject to the submitting of a receipt.

ARTICLE XVII - Credited Service - Does Not Apply. (For full time employees who become On-Call employees see Article XXVII Voluntary Transition to On-Call).

ARTICLE XVIII - Hours of Work

- 18.01 a) Schedules of work are not a guarantee of hours of work per day or per week, or of days of work per week.
- b) Normally, On-Call employees may be scheduled up to thirty (30) hours per week to be worked in five (5) days or less.
- c) An On-Call employee may exceed thirty (30) hours in a week periodically without affecting their on-call status.

ARTICLE XIX - Overtime Provisions

- 19.01 Overtime shall be paid at the rate of one and one half (1½) the regular rate for all hours worked in excess of normal hours a day (8, 8.5 or 10 hours as the case may be) or after 40 or 42.5 hours, as the case may be, worked in a week. There shall be no duplicating or pyramiding of premium hours.
- 19.02 In the special case of weekend or statutory holiday overtime, where qualified regular full time employees are unavailable to work, On-Call employees can be used in conjunction with this Article.

ARTICLE XX - Job Posting

- 20.01 The Company will advise employees when it has a permanent full time vacancy that it wishes to fill so that interested employees may make application for the position. The Company will give consideration to applications received from On-Call employees after full time employees have exercised their seniority rights under Article 20 of the body of the Agreement. Candidates applying for a full time job will be considered according to the following factors:
- (i) Seniority
 - (ii) Skill, ability and efficiency.

Where factors (ii) between candidates are relatively equal in the judgement of the Company, factor (i) shall govern, providing the employee has the necessary ability to perform the job in question. An On-Call employee who has completed the On-Call probation period and who becomes a full time employee will not be required to complete the full time probation period.

Effective March 1, 2008:

- a) An On-Call employee who is awarded a full-time job posting and who has completed two-thousand (2,000) hours worked within the last twenty-four (24) month period will be paid the full job rate.
- b) An On-Call employee who is awarded a full-time job posting and who has completed one-thousand (1,000) hours worked within the last twenty-four (24) month period will be paid the full job rate six (6) months from their full time date of hire. For clarity, on full time date of hire the employee will be paid ninety (90%) percent of the full time job rate. After three-months (3) service the employee will be paid ninety-five (95%) percent of the full time job rate.

ARTICLE XXI - Vacation Plan

- 21.01 On-Call employees will receive vacation pay and time off in accordance with the Employment Standards Act.

On-call employees shall accumulate vacation pay in accordance with the Employment Standards Act as set out in the On-Call Appendix up until the date they are hired into a full-time position. (This vacation pay will be held in accordance with practice and paid

out to the employee at the beginning of the next calendar year.) Effective upon being hired into a full-time position, the employee will then be covered by Article 21 of the main body of the collective agreement, including but not limited to Article 21.02 "First Vacation".

ARTICLE XXII - Recognized Holidays

22.01 On-call employees will be eligible for Statutory Holidays and pay in accordance with the Employment Standards Act.

ARTICLE XXIII - Displacement- Does not apply. (For full time employees who become On-Call employees see Article 27.02 Voluntary Transition to On-Call).

ARTICLE XXIV - Plant Closure- Does not apply. (For full time employees who become On-Call employees see Article 27.03 Voluntary Transition to On-Call).

ARTICLE XXV - Termination and Modification - as set out in Article XXV of the main body of the Agreement.

ARTICLE XXVI -Wage Rates

26.01 On-Call employees will be paid 80% of the job classification in which they work.

26.02 Effective March 1, 2007, an hourly shift premium of sixty-four (64) cents shall be paid for all hours worked on shifts starting between 12:00 p.m. (noon) and 5:59 p.m. and seventy-four (74) cents for all hours worked on shifts starting between 6:00 p.m. and 3:00 a.m.

ARTICLE XXVII - Voluntary Transition to On-Call

27.01 In the event a full time employee on the payroll voluntarily agrees to reduce their employment status to On-Call, then notwithstanding anything to the contrary in this Appendix " A the following conditions shall apply:

- a) Any employee so choosing this option shall meet with the Company and the Union to establish the hours of work available, qualifications and priority of being called, establishing an agreement.
- b)
 - i) If the employee has one year of active employment at the time of converting to On-Call, the employee will be paid at their full time job rate for any hours worked during the one year period following their date of conversion; thereafter, they will be paid at the On-Call rate.
 - ii) When a full time employee reverts back to On-Call status their years of service will be converted to hours for placement on the On-Call list.
- c) The Company will continue to pay for one year the present premium cost to maintain the life insurance, accidental death and dismemberment, extended health care and dental plan (Part A) at the level it was immediately prior to

becoming On-Call. Continued eligibility will be subject to the On-Call employee working an average of twenty hours or more per week in the previous quarter (reviewed quarterly based on the effective date of the original layoff). Following this eligibility period of up to one year, the employee will pay one-half ($\frac{1}{2}$) of the required premium cost and the Company will pay one-half ($\frac{1}{2}$) for 1 additional year, if they elect to continue the benefits specified above.

- d) During the first year as an On-Call employee, the rate of vacation pay accrual will be based on their entitlement as a full time employee immediately prior to converting to On-Call; thereafter, their vacation pay will be in accordance with the provisions for On-Call employees.
- e) A regular full time employee who retires and is rehired within one year of their retirement date as an On-Call employee shall be exempt from serving a probation period.
- f) A regular full time employee who voluntarily converts to On-Call shall only be entitled to be rehired to full time employment once during their employment with the Company. If the employee is rehired to full time within one year from the date they converted to voluntary On-Call, they shall be credited with their previous full time seniority plus their On-Call hours worked converted in accordance with this Appendix.
- g) Any regular full time employee choosing the On-Call option per above will be eligible for benefit under Article XXIV Plant Closure provided the employee has been on the On-Call status for less than 15 months.

ARTICLE XXVIII

28.01 If an On-Call employee reports for work at their scheduled time and there is no work available for the on-call employee they will be given two (2) hours work at some other job, or two (2) hours' pay at their regular hourly rate, unless the on-call employee has received prior notification of not less than two (2) hours not to report for work. This clause will not apply if work is not available as a result of causes beyond the reasonable control of the Company.

February 24, 2007

Betty Tracze, President

Black Diamond Cheese Employees'
Independent Union, Local 555
Affiliated with the C.E.P., C.L.C., O.F.L.

LETTER OF UNDERSTANDING

RE: CUT AND WRAP OPERATIONS

During the 1996 set of negotiations the Union and the Company focused on the competitiveness of the Cut and Wrap area of the plant.

We agreed to reductions in the compensation provisions of the Collective Agreement and enhanced employment security. As a result the Company consolidated its Cut and Wrap operation at Black Diamond.

If during the term of the Collective Agreement the Cut and Wrap operation ceases to exist at Black Diamond, and this results in a reduction in the Core Complement as set out in the applicable Letter of Understanding, the remaining employees will then be subject to the compensation and employment security terms of the Collective Agreement which expired February 28, 1996. This is applicable to employees on the payroll as at the date of cessation of the Cut and Wrap operation who were also employed at February 28, 1996.

Jamey Heaton
Director of Operations

Lisa M. Cleaver
Manager, Human Resources

February 24, 2007

Betty Tracze, President

Black Diamond Cheese Employees'
Independent Union, Local 555
Affiliated with the C.E.P., C.L.C., O.F.L.

**LETTER OF UNDERSTANDING
RE: EMPLOYMENT SECURITY**

CORE COMPLEMENT

The economic health of the Company and consequently the security of all depends on the success of our shared commitment. Therefore the parties hereto agree that:

- 1) The Core Complement shall consist of 247¹ employees.
 - i) In any month where the workforce requirement drops below 247, all options for value added work will be utilized.
 - ii) If during January and February value added work is not available for the excess workforce, up to 20 employees per week will be required to take vacation.
 - iii) Any senior employees who volunteer to take vacation will reduce the number 20.
 - iv) If annual volume exceeds 41 M kgs, the mandatory vacation requirement will be cancelled. Volume is the current estimate of annual production.

- 2) The Core Complement will not be adjusted during the term of this Collective Agreement except for the following circumstances:
 - i) Significant loss/gain of volume (cumulative 500,000 kg or greater from plan)
 - ii) Loss of operational capability or supply
 - iii) Capital improvements

¹ 247 is the agreed core complement number effective July 1, 2001. Within 30 days from signing the new collective agreement the parties agree to meet to resolve adjustments to the core complement number reflecting business changes at Black Diamond since July 1, 2001.

- 3) In addition the size of the Core Complement will be reviewed for adjustment quarterly by the Labour-Management Committee.
- 4) The size of the Core Complement will be posted by the Labour-Management Committee quarterly if changes occur.
- 5) Training for the Core Complement may take place at any time in order to align the Core Complement.
- 6) Those employees substituting for absent employees within the Core Complement may not be considered part of the Core Complement for training purposes.
- 7) The Core Complement may be affected if Black Diamond warehousing is relocated outside of the cities of Trenton, Belleville and Napanee.

Jamey Heaton
Director of Operations

Lisa M. Cleaver
Manager, Human Resources

February 24, 2007

Betty Tracze, President

Black Diamond Cheese Employees'
Independent Union, Local 555
Affiliated with the C.E.P., C.L.C., O.F.L.

LETTER OF UNDERSTANDING

RE: ACCOMMODATION

During the 2007 set of negotiations the Union and the Company agree it is appropriate to leave selected **jobs** un-posted, subject to operational needs, to allow for temporary accommodation initiatives. Jobs to be considered for this are grinders, Baaders, store attendant, bags/cardboard and checking.

Jamey Heaton
Director of Operations

Lisa M. Cleaver
Manager, Human Resources

February 24, 2007

Betty Tracze, President

Black Diamond Cheese Employees'
Independent Union, Local 555
Affiliated with the C.E.P., C.L.C., O.F.L.

LETTER OF UNDERSTANDING

RE: PLANT FORK LIFT QUALIFICATION RE: OVERTIME AT D.C.

In order to ensure that forklift operators from the plant are competent to perform the forklift work required in the Distribution Centre environment in overtime or relief situations the following changes are agreed to on ratification:

- a) The Company will only award Distribution Centre fork lift qualified overtime to those employees who have worked at the DC, and who have received the orientation on all material handling equipment at the DC.
- b) To be eligible for placement in DC overtime employees should also be familiar with the required work procedures, SAP transactions, truck model specific operating instructions and loads being handled. These skills are obtained through work exposure to the specific work requirements within the DC operating environment.

To acquire additional skilled employees the Company will post for the following requirements within 30 days of ratification:

- All plant employees who are DC qualified with a current forklift license who have not been orientated on the new forklifts and who are prepared to be available for periodic DC overtime must attend the necessary orientation on the DC material handling equipment. In order to maintain your eligibility for DC overtime work you must have either worked in the DC in the prior 12 months or have completed the yearly DC forklift orientation to be held annually by the Company for DC qualified employees.

The Company and the Union agree to determine the complete listing of those requiring orientation at the DC within two (2) weeks following ratification.

Jamey Heaton
Director of Operations

Lisa M. Cleaver
Manager, Human Resources

RECALL PROCEDURE FOR FULL TIME EMPLOYEES ON LAY-OFF

Short Notice - within two (2) hours or less of shift start time and including after a shift has started.

In order of FT seniority, based on the employee's recall election, a single call is placed to the number that the employee has provided for recall purposes.

If the employee is not spoken with during the single call for any reason, to confirm that they will be reporting to work, the Company proceeds to call the next person(s) on the recall list until the required number of employees have been obtained. There are no second calls by the Company.

Normal Notice - more than two (2) hours prior to the start of the shift but less than the normal scheduling posting time.

In order of FT seniority, based on the employee's recall election, a single call to the number that the employee has provided for recall purposes.

If the employee is not spoken with during that initial call, the Company proceeds to call the next person(s) on the recall list until the required number of employees has been obtained, subject to the following:

No Answer or Busy Signal: On the initial call, if there is no answer or a busy signal is encountered, the Company will proceed to call the next person(s) on the recall list, however, the Company will, at least two (2) hours prior to the starting time, place another call to the number where no answer or a busy signal was encountered, prior to filling all of its requirements on that occasion.

Voice Messaging/Answering Machine: On the initial call, a message will be left advising that the Company has called to recall the employee for a work opportunity stating that the employee has until two (2) hours before the start of the shift to contact the Company of their availability after which the Company will proceed to fill its requirements according to the Short Notice procedure set out above

Next Week Notice - The prior Thursday (regular Posting) for the following Monday.

In order of FT seniority, based on the employee's recall election, the Company will attempt to contact the employee until noon on the last scheduled working day of the week, subject to the following:

No Answer or Busy Signal: On the initial call, if a busy signal is encountered or there is no answer, the Company will make two (2) additional attempts up to noon on the last scheduled working day of the week to call the employee at the number where a busy signal or "no answer" was encountered. Following noon on the last scheduled working day of the week the Company will proceed to call the next person(s) on the recall list to fill its requirements in accordance with the procedure outlined in "Short Notice."

Voice Messaging/Answering Machine: A message will be left the day before the last working day of the week advising that the Company has called to recall the employee for a work opportunity, and that unless the employee contacts the Company before noon on the last working day of the week, it will proceed to call the next person(s) on the recall list in accordance with the procedure outlined in "Short Notice." Should the Company be unable to leave a voice message the day before the last working day of the week, the procedure outlined under Normal Notice will be used for those employees with an answering machine

When Employee is Reached by Phone Directly – it is understood that the employee is committed to the recall and work schedule.