

**COLLECTIVE
AGREEMENT**

BETWEEN

**PARMALAT DAIRY AND BAKERY INC.,
(BRAMPTON)**

and

**RETAIL WHOLESALE CANADA
CAW DIVISION
LOCAL 462**

EFFECTIVE DATE: JUNE 7, 2001

EXPIRY DATE: APRIL 5, 2004

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This Agreement is made and entered into this 7th day of June, 2001

Between Parmalat Dairy and Bakery Inc., (Brampton)
(hereinafter called the "Company")

and Retail Wholesale Canada, CAW Division, Local 462
(hereinafter called the "Union")

ARTICLE I - PURPOSE

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

ARTICLE 2 - RECOGNITION

2.01 The Company recognizes the Union as the sole bargaining agent of its employees at Brampton Ontario, save and except supervisors, office staff, sales staff, and persons above the rank of supervisor, persons regularly employed for not more than twenty-four (24) hours per week, and persons excluded by subsisting collective agreement.

2.02 Supervisors outside the bargaining unit will not perform bargaining unit work except where such work is due to emergencies beyond the control of the Company, to provide training and instruction, to conduct research and development, where immediate action is required to ensure the safety or well-being of employees, merchandise, equipment, or facilities, or as necessary incidental to the performance of regular supervisory duties.

While the Company reserves the right to contract work out, where the Company intends to contract work out, the Company shall give notice to the Union a minimum of thirty (30) days prior to the implementation of the contracting out and meet with the Union to explore and give due consideration to finding alternatives to minimize the effect of job losses.

2.03 Temporary employees shall not be covered by the terms of the Collective Agreement. A "temporary employee" shall be defined as one engaged by the Company to replace a regular employee who is on leave of absence, long or short-term disability, or workers' compensation for a period which does not exceed six (6) continuous months. The Union shall receive notice of

persons engaged to fill these absences. A temporary employee shall also include persons engaged to replace regular employees on vacation relief during the period between April 15th and October 15th of any given year. There shall be no more temporary employees employed than are actually replacing union employees.

A temporary employee who remains in the employ of the Company for longer than the above stated six (6) month period, or who has been accepted by the Company as a regular full-time employee, shall thereupon cease to be considered a temporary employee. Should this occur, continuous service since the last date of hire as a temporary employee shall be included in the computation of the employee's probationary period. Temporary employees engaged in vacation relief outside of the respective time periods for those engagements will be considered as being hired as regular probationary employees.

The Company agrees that part time and agency hours will be kept to a bare minimum and that part time and agency help (excluding those persons designated as Temporary employees), will not be used to the extent of replacing or preventing the hiring of full time employees.

ARTICLE 3 - MANAGEMENT RIGHTS

3.01 The Union acknowledges that it is the exclusive function of the Company to:

- (a) maintain order, discipline, efficiency and quality;
- (b) hire, classify, re-classify, direct, transfer, promote, layoff, retire in accordance with the Company's retirement policy, discharge or otherwise discipline employees for reasonable cause, subject to the provisions of this Agreement;
- (c) generally to manage the industrial enterprise in which the Company is engaged and, without restricting the generality of the foregoing, to determine services, technology changes, the quality of production, the kinds and locations of tools, the kinds and location of plants, machines and equipment to be used, schedules of production to be followed including the scheduling of employees, the scheduling of shifts, and the scheduling of overtime, materials to be used, processes and methods to be used, the number of employees to be employed, the content of jobs, and the curtailment, extension, limitation, or cessation of operations or any part thereof, and all other matters concerning the operation of the Company's business not specifically dealt with elsewhere in this Agreement;

- (d) make, maintain and alter, from time to time, reasonable rules and regulations to be observed by all the employees. A copy of the rules will be given to the Union before posting. Such rules and regulations will be discussed with the Union before implementation.

- 3.02** An employee who has not completed their probationary period may be discharged at the sole discretion of the Company, such discretion will not be used arbitrarily, in bad faith or in a discriminatory fashion. Notwithstanding the foregoing, the Company agrees that on request, the matter of lay-off or release of a probationary employee will be discussed with the Chief Steward or their designate.
- 3.03** The Company agrees that it will not exercise its functions in Article 3 – Management Rights, in a manner inconsistent with the express provisions of this Agreement.
- 3.04** The exercise of progressive discipline by management or a decision not to invoke discipline for reasonable cause or discharge for just infractions shall not be construed as in any way a waiver or abandonment of its Management rights.
- 3.05** The Company will supply the Union and post a list of management employees acting in a supervisory capacity and will indicate their appropriate job title.

ARTICLE 4 – NO STRIKES AND NO LOCKOUTS

- 4.01** During the term of this Agreement and in consideration of the relations established by it, neither the Union, its representatives nor its members shall cause, sanction, authorize, or take part in any strike, either partial or complete, or other action interfering with or causing interruption to or stoppage of production nor shall the Company cause or practice any lockout.
- 4.02** The Union agrees that it will not involve any employee of the Company, either directly or indirectly, in any dispute which may arise between any other employer and its employees during the employees' normal working hours.

ARTICLE 5 – UNION REPRESENTATION

- 5.01** (a) The Company acknowledges the right of the Union to appoint or otherwise select according to its By-Laws a plant committee which shall be composed of not more than seven (7) stewards plus a Chief Steward. Each shift shall have at least one (1) steward, where possible.

- (b) All stewards shall have at least one (1) year's seniority and shall be regular employees of the Company during their term of office. Should no employees with at least one (1) year's seniority choose to hold office of Union Steward then the Union may select a member which has less seniority as per its By-Laws.
- (c) The name and area of each of the stewards from time to time selected shall be given to the Company in writing and signed by a Union Official or the Chief Steward. The Company shall not recognize any steward until it has been so notified. It shall be the responsibility of the Company to inform the lower management and supervisory staff of these appointments.
- (d) It shall be the steward's duty to represent employees in presenting grievances under Article 7 – Grievance Procedure.

5.02 The Company undertakes to instruct all members of its supervisory staff to cooperate with the stewards in the carrying out of the terms and requirements of this Agreement

5.03 The Union undertakes to secure from its officers, stewards and members their co-operation with the Company and with all persons representing the Company in supervisory capacity.

5.04 The privileges of stewards to leave their work without loss of basic pay to attend Union business is granted on the following conditions:

- (a) Employees will have an opportunity to discuss grievances at work so long as it does not affect the operation of the business.
- (b) The time shall be devoted to the prompt handling of necessary Union business.
- (c) The steward and employee concerned shall inform the Supervisor concerned before leaving their work.
- (d) The Company reserves the right to limit such time if it deems the time so taken to be excessive.
- (e) It is understood and agreed that the absence from work by a steward to attend to Union business shall not interfere with the regular conduct of business including the servicing of customers.
- (f) All grievances shall be held during grievors' working hours where practical.

5.05 Negotiating Committee

The Union may select a Negotiating Committee comprised of up to five (5) employees. When employees are attending negotiating sessions with the Company, they will continue to be paid by the Company at the employee's regular rate of pay, and the Union will reimburse the Company for such amount paid.

5.06 Labour Management Committee

There shall be a Labour Management Committee consisting of up to three (3) members of the bargaining unit and three (3) members of Management. The Committee may meet once each month at the request of either party but in any event shall meet at least once each quarter. Where a meeting is requested by either party, the request shall be in writing addressed to the other party, and shall be accompanied by an agenda of items the requesting party wishes to discuss.

ARTICLE 6 – NO DISCRIMINATION

6.01 The parties agree to abide by the provisions of the Human Rights Code and the Labour Relations Act.

ARTICLE 7 – GRIEVANCE PROCEDURE

7.01 Grievances shall be dealt with as set out below in order to arrive at a decision as quickly, efficiently and as justly as possible.

7.02 A grievance shall be defined as a complaint regarding the meaning, interpretation, application or alleged violation of this Agreement, or in the case of an employee who has acquired seniority under this Agreement, a complaint that the employee has been improperly laid off or recalled or discharged or disciplined without cause.

7.03 No grievance shall be considered where the events giving rise to it occurred or originated more than three (3) of the employee's full working days before the filing of the grievance.

Grievances, properly arising under this Agreement shall be adjusted and settled as follows:

Stage 1

Within three (3) of the grievor's full working days following the events giving rise to the grievance the employee with the assistance of a steward, shall present a signed, dated, written statement of the grievance on a form supplied by the Union to the employee's shift supervisor with a copy to the

Department Manager. The nature of the grievance, the Article of the Agreement that has been allegedly misapplied or misinterpreted and the nature of the relief or remedy sought shall be clearly set out in the grievance. The written grievance shall not be subject to change at Stage 2 except by mutual agreement of the parties. The shift supervisor, after meeting with the grievor and his/her steward, shall deliver the decision within three (3) of the grievor's full working days following the day on which the grievance was presented to the supervisor. Failing settlement, then:

Stage 2

Within three (3) of the grievor's full working days following the decision given under Stage 1, the union may present the signed, dated, written statement of such grievance to the employee's Department Manager or designate and the employee, accompanied by a steward and the Chief Steward, shall meet within ten (10) days with such persons as management may desire, to consider the grievance. The Department Manager or designate shall render a decision in writing within three (3) of the grievor's full working days following the day on which the meeting was held.

Stage 3

Within three (3) of the grievor's full working days after the decision is given under Stage 2, the union may present the grievance to the Plant Manager. The Plant Manager shall meet within fifteen (15) working days of receipt of the grievance with the aggrieved employee, his/her steward, the Chief Steward and the full time representative of the Union to consider the employee's grievance. The Plant Manager will render a decision in writing within three (3) full working days following the day the meeting was held.

7.04

(a) Policy Grievances.

The Union may file a "Policy Grievance" which may not be used to bypass the regular grievance procedure. A Policy Grievance is defined as one which alleges a misinterpretation or violation of a provision of this Agreement and which, because of the nature or scope of the subject matter, could not otherwise be instituted as an individual employee grievance.

Such Policy Grievance shall be filed in writing within five (5) full working days of the occurrence of the initial incident giving rise to the complaint. The grievance must be signed by the Chief Steward and shall be heard at Stage 3 of the Grievance Procedure.

(b) The Company shall have the right to lodge a grievance with the Union concerning the meaning, application or interpretation of any provision

of this Agreement. The grievance shall be filed in writing with the Union by senior management within five (5) full working days of the incident giving rise to the complaint. A meeting shall be held between representatives of the Company and the Union as promptly as possible after the filing of the grievance. The grievance shall be answered in writing by the Union within five (5) full working days following such meeting.

7.05 Discharge Grievances

An employee, other than a probationary employee, claiming that the employee has been discharged from employment without just cause shall file a signed, dated, written statement of such grievance setting out the nature of the grievance and the specific remedy sought at Stage 3 of the Grievance Procedure within five (5) of the grievor's full working days of the discharge.

7.06 Any step of the Grievance Procedure may be waived by mutual agreement in writing between the Company and the Union.

7.07 If final settlement of the grievance is not reached at Stage 3 and if the grievance is one which concerns the interpretation or alleged violation of the Agreement, then the grievance may be referred in writing by either party to arbitration as provided in Article 10 below at any time within fifteen (15) working days after the decision is given under Stage 3, and if no such written request for arbitration is received within the time limit, then it shall be deemed to have been abandoned.

7.08 Any of the above time limits may be extended by mutual agreement in writing.

ARTICLE 8 - DISCIPLINE

8.01 Employees will have the right to the presence of a readily available steward during disciplinary meetings intended to result in documented discipline, suspension or discharge from employment. The Union will be provided with a copy of written records of discipline. The Company will inform the employee of their right to have a steward present and the employee must sign a waiver if they decline.

8.02 When an employee has been suspended or discharged, the employee shall have the right to interview their steward for a reasonable period of time before leaving the premises and provided that the circumstances do not give rise to a concern over the health or safety of other persons or property.

ARTICLE 9 – EMPLOYEE RIGHTS

- 9.01**
- (a) An employee will have the right to review their personnel file annually upon providing reasonable notice to the Company.
 - (b) Records of discipline will be removed from an employee's personnel file after two (2) years.
 - (c) The grievor has a right to have a steward present during any discussion with management regarding their grievance. The Company will inform the employee of their right to have a steward present and the employee must sign a waiver if they decline.
 - (d) It is agreed that should the Company deem it necessary to introduce a mandatory or random drug testing program during the time of this Collective Agreement, that such a program will be implemented through joint co-operation between the Company and the Union.
 - (e) Employees will be afforded the right to a Leave of Absence on their next scheduled working day following the birth of their child.

ARTICLE 10 - ARBITRATION

- 10.01** Any difference arising between the parties relating to the interpretation, application or administration of this Agreement, including any questions as to whether a matter is arbitrable, which has been properly carried through all of the requisite stages of the Grievance Procedure outlined in Article 7 and which has not been settled or abandoned may be referred to a single Arbitrator or by mutual agreement to a Board of Arbitration at the written request by registered mail of either of the parties hereto.
- 10.02** The Board of Arbitration will be composed of one (1) person appointed by the Company, one (1) person appointed by the Union and the third (3rd) person to act as Chairman chosen by the other two (2) members of the Board.
- 10.03** Should the parties fail to agree on a single Arbitrator, or the nominees fail to agree on a Chairman, the Minister of Labour for the Province of Ontario shall be requested to nominate a person to act as a single Arbitrator, or Chairman in the event of an agreement to a Board of Arbitration by the parties, in accordance with the provisions of the Ontario Labour Relations Act for resolving such impasses.
- 10.04** (a) The Arbitrator or the Board of Arbitration shall not have jurisdiction to

amend, alter, modify, or add to, any of the provisions of this Agreement, nor to substitute any new provisions in lieu thereof, nor to give any decision inconsistent with the terms and provisions of this Agreement. Further, the Arbitrator or Board is not authorized to deal with nor to adjudicate any matter not specifically assigned to it by the written grievances specified in Article 7 or not covered by this Agreement or arising outside the terms of this Agreement.

- (b) The Arbitrator or the Board of Arbitration shall have jurisdiction to amend, alter, modify or add to any disciplinary action that may be brought to its attention.

10.05 No monetary adjustments shall be made retroactive prior to the date of the original complaint or event as properly identified in accordance with Article 7.03, 7.04 and 7.05. An employee shall be obligated to mitigate damages as fully as possible and any monetary adjustment will be reduced by any employment income received by the grievor for the period applicable.

ARTICLE 11 - SENIORITY

11.01 (a) Seniority will be recognized on a departmental basis and will be based on the length of the employee's continuous service with the Company since their last date of hire as a full-time employee within this bargaining unit.

- (b) Effective October 1st, 1991, all employees transferred into this bargaining unit from another plant shall be considered as new hires and their seniority shall start from the new date of hire.

11.02 A new employee will be considered on probation for the first four hundred and eighty (480) hours worked in any twelve (12) month period and will have no seniority rights during that time. After completing four hundred and eighty (480) hours worked the employee's seniority shall date back to their last date of hire within the bargaining unit.

11.03 Employee seniority lists shall be established for each of the following departments:

- (1) U.H.T. and U.H.T. warehouse;
- (2) Q.C.;
- (3) Building Maintenance;
- (4) Fluid Milk and dry storage warehousing.

11.04 Department seniority lists, showing each employee's name and seniority date, shall be posted permanently by the Company in each department. The

Chief Steward shall receive a copy of the master seniority list. Seniority lists shall be brought up to date by the Company every three (3) months. Employees with the same seniority date will be ranked alphabetically.

11.05 In cases of temporary transfers, the employee shall retain their seniority in the original department from which the employee was transferred. Unless extended by mutual agreement, temporary transfers will not exceed thirty (30) days. A temporary transfer shall not affect any persons' hours or essential job duties in any way, in the department into which the transfer occurs.

- 11.06**
- (a) Seniority is the principal of granting preference to employees in matters of lay-off, recall from lay-off, promotion and demotion, provided the senior employee has adequate skill, competency and efficiency. Training will be provided by the Company, as deemed necessary by the Company for specific job categories. If, after a predetermined training period, the employee fails to satisfy adequate job performance, the Company reserves the right to return the employee to their original position and retain bidding rights.
 - (b)
 - (i) Layoff shall be by department
 - (ii) Layoffs which are anticipated to exceed five (5) working days and recall from such layoffs shall be governed by seniority. Training as set out in 11.06(a) shall apply to enable an employee to displace a junior employee and maintain employment and avoid being laid off. The displaced employee will be laid off.
 - (iii) Employees on layoff with recall rights from any department will be given first opportunity in other departments before new employees are hired.
 - (iv) When it is anticipated that a layoff will exceed five (5) working days, the employees affected will be given seven (7) calendar days' notice.
 - (c) Recall Procedure
 - (i) At the time of layoff, the employee will inform the Company of their correct address and telephone number on a form provided by the Company. Failure to do so relieves the Company of any responsibility in not being able to contact the employee during their layoff.
 - (ii) The employee to be recalled will be contacted by telephone and will be given three (3) full working days to report to work.

- (iii) If the employee to be recalled in (ii) above claims that they are working elsewhere and needs time to give notice, the employee will be given seven (7) calendar days from the date of the telephone call to report for work.
- (iv) If the employee to be recalled cannot be contacted by telephone, they will be sent a registered letter by Priority Post informing them that the employee must report to work within seven (7) calendar days of mailing of the letter.
- (v) A copy of the recall notice will be provided to the Union.
- (vi) Recall to temporary work shall not affect the employee's right to be recalled to a full-time position. Employees recalled to temporary work shall be paid at the appropriate job rate with benefits. Full time employees on layoff shall be offered in seniority order, a position which the Company is filling or is entitled to fill using a "Temporary " employee.

11.07 Any employee who has been transferred to a position outside of the bargaining unit and who returns to the bargaining unit shall be considered as a new hire and their seniority shall start from the date of that new hire.

11.08 Promotions to supervisory positions shall not be subject to the provisions of this Agreement

11.09 Seniority shall terminate and an employee shall cease to be employed by the Company when he:

- (a) voluntarily quits the employ of the Company;
- (b) is discharged for cause and is not reinstated through the Grievance Procedure or Arbitration;
- (c) is laid off for a continuous period of twelve (12) months or the length of the employee's seniority, whichever is the shorter;
- (d) fails to report for work within the time limits set out in the Recall Procedure in Article 11.06(c), unless extenuating circumstances exist which are accepted by the Company in the exercise of its reasonable discretion;
- (e) fails to return to work upon the termination of an authorized leave of absence unless a justifiable reason is given to the Company;
- (f) accepts gainful employment while on leave of absence without first obtaining the consent of the Company in writing;

- (g) is absent from work for three (3) consecutive days without a reason acceptable to the Company.

11.10 It shall be the duty of the employees to notify the Company promptly of any change of their address. If an employee should fail to do this, the Company will not be responsible for failure of a notice to reach such employee.

11.11 An employee's reinstatement after sick leave will be conditional on the employee supplying, when requested, a note from a physician. When the employee is requested to attend at a Company-selected doctor, the Company shall pay the cost of the note.

11.12 Job Posting

- (a) All permanent job vacancies which the Company deems necessary to fill and newly created positions shall be posted on the bulletin boards for a period of five (5) working days.
- (b) The posting will indicate the job title and classification, the department, the particular shift, start time, days of work, the supervisor, and the rate of pay, qualifications required for Maintenance, Lab Technicians and any other mutually agreed positions requiring qualifications.
- (c) Applications will be made in writing and to be valid must be delivered to the Company no later than the end of the fifth (5th) day of posting.
- (d) Any employee in the bargaining unit may make application for a vacancy in accordance with the Collective Agreement.
- (e) Applications received within the time limit will be separated into two groups:
 - Group 1 - from employees in the department in which the vacancy exists
 - Group 2 - all other applications.
- (f) The Company will consider first the applications in Group 1, and only if there is no successful applicant, will the Company consider applications from Group 2. If there are no successful applicants in Group 2, the Company will be free to fill the vacancy from any source it may desire.
- (g) In considering the applications, the Company will apply the procedure set out in Article 11.06(a), however if there are no successful applicants, the Company may fill the vacancy from any source it may

desire. The Company will notify the successful applicant of its decision within seven (7) days from the closing date of the posting. With the exception of distribution, the Company would normally place the successful applicant on the job within a period of four (4) weeks of the employee's acceptance. In the event the successful applicant is not placed on the job within the four (4) week period, the Company will provide an explanation to the Union and the parties will mutually agree to an extension.

- (h) Only employees who have filed a valid and timely application may grieve the Company's decision in filling the vacancy.
- (i) Any vacancy can be filled at the discretion of the Company on a temporary basis for a period not to exceed fifteen (15) days, or such longer period as may be agreed upon between the parties.
- (j) The vacancy, if any, created by the filling of the first posting shall be posted and filled in the same manner as set out above. Any vacancy created by the filling of the second (2nd) posting shall be filled at the discretion of the Company.
- (k) All new hires and successful applicants to job postings and Company awarded jobs as a result of the posting procedure being exhausted, shall not bid on any position for a period of twelve (12) months from the closing date of the posting or date of hire.
- (l) The successful applicant to a job posting will have the right to return to the employee's former position within the first fifteen (15) working days on the job following their placement.
- (m) The successful job posting will not affect the employee's vacation schedule if it has already been approved unless there is a conflict with the previously scheduled vacation of an employee within the department to which he/she has bid.

ARTICLE 12 – APPROVED LEAVES OF ABSENCE

12.01 (a) Personal Leave

While it is the prerogative of the Company to grant a leave of absence, an employee who has completed their probationary period may apply in writing for a leave of absence without pay for legitimate personal reasons. The Company shall consider the individual circumstances, the urgency and the importance of the reason for the request and the efficient operation of the Company at the time of

leave. A request for such leave shall be made in writing stating reasons:

- (i) in the event of a leave for one (1) day at least one (1) week in advance of the desired date of the leave; or
- (ii) in the event of more than one (1) day at least, except in extenuating circumstances, one (1) month prior to the desired commencement date of the leave.

In the event that the Company grants such leave, it shall confirm the terms in writing:

- (i) by the following day in the event of a one (1) day leave; or
- (ii) within one (1) week in the event of a leave of more than one (1) day.

In the event the Company does not grant the leave, it shall notify the employee of its decision in writing in accordance with the above time limits.

- (b) A personal leave of absence shall not be granted for the purpose of allowing an employee to take another position, to temporarily try out new work or to venture into business for themselves and no employee shall accept gainful employment or venture into business for themselves while on such leave of absence without the prior consent of the Company.

12.02 Union Leave

The Company will grant leave of absence without pay to a delegated Union member or members to attend Union conventions or conferences; it being agreed that Union Leave shall be kept to a minimum, that not more than one (1) employee from any department may be absent at any one time and that the Company may refuse such leave if it adversely affects the efficient operation of the Company. If the Union requests more than one (1) employee from a department, the Company will make every effort to accommodate this request.

12.03 Bereavement Leave

- (a) In the event of the death of the employee's spouse, child, father, mother, brother, sister or parent-in-laws the Company will grant a leave of absence without loss of pay not to exceed five (5) working days. In the event of the death of grandparents or grandchildren, three (3) days will be allowed. In the event of the death of an aunt, uncle,

brother-in-law or sister-in-law, one (1) day will be allowed. Such leave must be taken at the time of bereavement.

- (b) For the purpose of this Article “spouse” shall be defined in accordance with the Family Law Act of Ontario.

12.04 Jury Duty and Crown Witness Leave

Any employee who is required to serve on a jury or subpoenaed as a Crown witness shall be paid the difference between the amount paid for such service and their normal pay, computed at their normal hourly rate, for hours lost from work up to forty (40) hours in a week subject to the following provisions:

- (a) employees must notify the supervisor within one (1) working day after receipt of notice of selection for jury duty or being served the summons to appear as a Crown witness;
- (b) any employee called for Jury Duty or subpoenaed as a Crown witness, and who is temporarily excused from attendance at court, must report for work if more than half their scheduled shift remains;
- (c) employees selected for Jury Duty or subpoenaed as a Crown witness, who are on other than the day shift, shall be assigned to the day shift for those days they are required to serve as a juror or Crown witness.

In order to be eligible for such payments, the employee must furnish a written statement from the proper public official, showing the date and time served, and the amount of pay received.

- 12.05** Employees shall continue to accrue seniority while on an authorized leave of absence.

ARTICLE 13 – HOURS OF WORK

- 13.01** The following paragraphs and sections are intended to define the normal hours of work and shall not be construed as a guarantee of hours of work per day or per week, or of days of work per week.

- 13.02** (a) The normal work week for all departments shall consist of forty (40) hours per week to be worked as set out below:
- (i) five (5) days of eight (8) hours; or
 - (ii) four (4) days of ten (10) hours each; or

- (iii) any other mutually agreed upon by the Company and the Union
- (b) If, during the term of this Agreement, the laws restricting retail sales on Sundays are repealed or substantially changed so as to affect the sale of dairy products, this Agreement may be re-opened for the sole purpose of re-negotiating Article 13.02. If the parties are unable to agree on the revisions of Article 13.02, the Article shall remain in effect as it is.
- (c) The Company agrees to post a work schedule in each department and will give one (1) week's notice prior to a permanent change in the schedule. The Union agrees that in order to ensure the efficient and competitive operation of the business, the Company must be able to make temporary adjustments to individual schedules on short notice. In such cases, the Company agrees to give as much notice as possible subject to the following minimum:
 - (i) forty-eight (48) hours' notice for the change of an employee's day off;
 - (ii) twenty-four (24) hours' notice for a change of more than four (4) hours in an employee's starting time;
 - (iii) for the transfer of an employee to another shift, twenty-four (24) hours' notice if it is the first time the employee has been so transferred in the last six (6) months; if it is not the first such time then forty-eight (48) hours' notice is required.

(d) Shift Rotation

All other departments will not be subject to shift rotation other than maintenance. The implementation of non rotating shift in the Q.C. and U.H.T. departments will commence January 1, 1996 by seniority.

If a new product line is developed, the length of training time prior to the commencement of shift rotation will be discussed and agreed upon by the parties.

13.03

- (a) Overtime at the rate of time and one-half (1 ½) the employee's regular rate of pay shall be paid for hours worked in excess of the employee's scheduled hours of work (eight (8), ten (10), or such other number as agreed upon under Article 13.02) provided the employee works their full scheduled hours for that week. The Company will consider hours not worked due to holidays as contained in Schedule "C" and Approved Leaves of Absence as outlined in Article 12 as time worked. Where the employee does not work their full scheduled

weekly hours, overtime will be paid for all time worked in excess of forty (40) hours in six (6) days.

- (b) The Company will allow one (1) opportunity each calendar year for an employee to have a day's absence, other than on a Saturday, considered as a regular day worked solely for the purpose of calculating overtime for that week.
- (c) Provided an employee has worked their full scheduled weekly hours as defined in (a) above, the employee will be paid either one and one-half (1 ½) to twice (2) the employee's regular hourly rate for all authorized hours worked on non-scheduled days as set out below:

If Regular Work Week is Scheduled in:	1 ½ Rate On:	Double Time Rate On:
<ul style="list-style-type: none">• 5 days	<ul style="list-style-type: none">• 6th day	<ul style="list-style-type: none">• 7th day
<ul style="list-style-type: none">• 4 days	<ul style="list-style-type: none">• 5th day	<ul style="list-style-type: none">• 6th or 7th days
<ul style="list-style-type: none">• 3 days	<ul style="list-style-type: none">• 4th day	<ul style="list-style-type: none">• 5th, 6th, 7th days

An employee who has not worked their full scheduled weekly hours and works on a non-scheduled day that week will be paid their regular hourly rate of pay for time worked on the non-scheduled day until the employee has completed forty (40) hours of work that week, after which they will be remunerated for overtime hours as set out above.

The first non-scheduled day worked will be classified the sixth (6th) day worked (fifth [5th] day in a four [4] day work week) and the second (2nd) non-scheduled day worked will be classified as the seventh (7th) day worked (sixth [6th] day in a four [4] day work week).

13.04 Overtime premiums shall not be paid more than once for any hour worked, and there shall be no pyramiding of overtime.

13.05 An overtime list for indicating employee availability for overtime will be posted weekly.

Overtime will be offered according to the following procedure:

(a) Unscheduled

Overtime which is an extension of a regular shift or which is unforeseeable will be first offered to the senior employee on shift who performs the work in the department in which the overtime is required.

Thereafter, overtime would be offered by seniority among employees who have signed the overtime list. However, in the case of maintenance employees who are working on a machine, the work will be offered to the employee who is actually performing the work on the day the overtime is required.

If insufficient employees are found to perform the required overtime, the junior employee actually performing the work shall be required to perform the necessary overtime.

(b) Scheduled Overtime

Overtime which is scheduled in advance will be offered to the senior employee on the overtime list established for the department within which the overtime is required and who is able to perform the work.

- (c) Employees will co-operate in overtime work with the understanding that an individual employee may refuse a request to work overtime for personal reasons.
- (d) In the case of an employee who calls in absent a full scheduled shift in advance, then overtime would be offered from the scheduled overtime list for the department.
- (e) The parties agree that signing the overtime availability list is a declaration of intent to work overtime. If an employee having signed the list then declines the overtime their name will be stricken from the list for the remainder of that calendar week. If an employee having signed the list then declines the overtime for Saturday their name will be stricken from the list for the following calendar week.
- (f) Once an employee is assigned overtime they cannot be bumped by another employee from the overtime assignment.

13.06 If an employee finds that they are unable to report for work, the employee will notify the Company one (1) hour before the start of their shift.

13.07 If an employee is called back to work after completing their regular day's work and having left the Company's premises or is on their day off, the employee shall be guaranteed the greater of four (4) hours' straight time pay or the amount of pay they would otherwise receive for having worked the overtime.

13.08 There shall be no split shifts. No employee will be required to take time off for overtime worked.

- 13.09** There shall be one fifteen (15) minute rest period in the first half of each shift and one fifteen (15) minute rest period in the second half of each shift to be granted at time or times selected by the Company. A fifteen (15) minute break can be taken prior to commencing overtime scheduled in excess of two (2) hours. An additional fifteen (15) minute break is allowed at the commencement of every subsequent two (2) hours of overtime.
- 13.10** There shall be a one-half ($\frac{1}{2}$) hour unpaid lunch period as close to the mid-point of each shift as is practical, except when an employee is required to work through their lunch period, in which case the employee will have the option of:
- (a) taking their lunch period at a later time that shift;
 - (b) ending their regular shift one-half ($\frac{1}{2}$) hour early and being paid for the full shift;
 - (c) working their full shift and being paid one-half ($\frac{1}{2}$) hour of overtime.

ARTICLE 14 - SAFETY

- 14.01** The Company and the Union will co-operate in the enforcement of safety rules and regulations and the provisions of the Health and Safety Act of Ontario.
- 14.02** The joint Health and Safety Committee will consist of five (5) union members and five (5) members of Management. All appointees must be employees of the Company. Regular Health and Safety meetings will be held once each month.

ARTICLE 15 – BULLETIN BOARDS

- 15.01** The Company will extend to the Union the privilege of using bulletin boards to be located on the Company's premises in locations designated by the Manager, provided that notices to be posted thereon by the Union:
- (a) are signed by an authorized signing officer of the Union; and
 - (b) have received the prior approval of the Manager, or some person designated by him.

ARTICLE 16 - ATTACHMENTS

- 16.01** Attached hereto and forming part of this Agreement are the following

schedules:

- Schedule "A" – Wage Rates and Classifications
- Schedule "B" – Union Security and Check-off
- Schedule "C" – Vacations and Statutory Holidays
- Schedule "D" – Insurance

ARTICLE 17 - MISCELLANEOUS

17.01 Tool allowance

- (a) All maintenance employees hired by the Company must have their own tools required for the job.
- (b) All maintenance employees who have one (1) year's service as a maintenance employee as of July 1st in any year will receive a tool allowance of two hundred and fifty dollars (\$250.00) on July 1st of each year.
- (c) All maintenance employees who have less than one (1) year's service as a maintenance employee, on July 1st in any year, will receive a tool allowance of twenty dollars (\$20.00) a month for each full month of service as a maintenance employee up to July 1st of that year.
- (d) Maintenance personnel who are required to be on call shall be paid twelve (12) hours' straight time pay for carrying the beeper and for any call-in work which may be required.

17.02 (a) Shift Premium

There shall be a shift premium for all production shifts starting at 2:00 p.m. or later of fifty-five cents (\$0.55)

(b) Sick Days

Each employee is allowed two (2) sick days per year at regular daily rate of pay.

17.03 Temporary Transfers

Any employee, who, for the convenience of the Company, is temporarily transferred for a period of four (4) hours or more to another job for which the rate of pay is different from that in effect for such employee's regular job, shall be paid while so employed as follows:

- (a) If the rate of pay for the job to which the employee is transferred is

less than the employee's regular pay, they shall receive their own higher rate of pay.

- (b) If the rate of pay for the job to which the employee is transferred is higher than the employee's regular pay, they shall receive the higher rate of pay for the job to which they are temporarily transferred.

An employee who, for the convenience and benefit of the employee, is temporarily transferred to another job instead of being laid off due to lack of work, breakdown of machinery or other like cause, shall be paid the applicable job rate while so employed.

17.04 Uniforms

The Company will supply and launder uniforms as required. The Company will exercise control over the design and content of the uniform. Coats and vests will only be replaced upon return of old coats and vests.

- 17.05** The Company will pay for the C.S.A. approved safety shoes or boots to a maximum of \$300 per year to the employees who are required to wear them. The Company will exercise control over the style, quality etc., of the shoes and boots. Reimbursement will be made on the next pay after proper receipt from employee is received.

17.06 Overtime Meal Allowance

Employees who work four (4) hours or more past their regular shift shall receive seven dollars (\$7.00) meal allowance.

17.07 Pay Day

With the possible exception of weeks in which a statutory holiday falls, employees will be paid every other Thursday for all hours worked to the end of the previous two (2) week pay period. All new employees hired after June 7, 2001 must use direct deposit.

- 17.08** The Company shall pay the sum of \$3,000 to the CAW Social Justice Fund annually.

- 17.09** The parties agree to a \$3,000 lifetime maximum on Fertility Drugs.

- 17.10** Wherever the singular or masculine is used in this Agreement, it shall be considered as if the plural or feminine has been used where the parties hereto so require.

ARTICLE 18 - SEVERANCE

18.01 In the event of the permanent discontinuance of all or part of the Brampton operation, a regular full time employee who is permanently laid off in the above situation shall be eligible for enhanced severance pay calculated on the basis of two (2) weeks regular pay per year or part thereof of completed continuous service with the Company up to the date of layoff, to a maximum of fifty-two (52) weeks pay. To be eligible for this enhanced severance the employee must work to the date of release as determined by the Company. Such employees must relinquish seniority and recall rights upon receipt of severance pay. In this situation , Insurance benefit coverage for Life, ADD, Dental, Vision care and Major Medical will be continued for such employee until the earlier of obtaining employment or three (3) months after the month in which the permanent layoff commenced.

ARTICLE 19 - DURATION

19.01 This Agreement shall be considered effective from the 7th day of June, 2001 to the 5th day of April, 2004 and shall automatically continue thereafter for annual periods of one (1) year each, unless either party notifies the other in writing within the period of ninety (90) days before the date of expiry that it desires to amend or terminate this Agreement.

IN WITNESS WHEREOF the Company has affixed its corporate seal evidence by signature of its proper officers thereunto properly authorized and the proper officers of the union have set their hands and seals.

SIGNED AT 16 Shaftsbury Lane, Brampton, Ontario this _____ day of _____, 2001.

Parmalat Dairy and Bakery Inc.

Retail Wholesale Canada
CAW Division Local 462

SCHEDULE "A"**WAGE SCHEDULES****1.01 Wage Schedule For Employees Hired On or Before April 5, 1998.**

Effective June 11, 2001 employees classified as Lab Technicians, employees classified in Group 5 and Mechanical Technologists will be paid according to this schedule regardless of their date of hire.

JOB CLASSIFICATION**Effective June 7, 2001**

<u>Group 1</u> Utilities, Palletizers and Packers, Janitors	\$16.62
<u>Group 2</u> Multi Pack	\$17.64
<u>Group 3</u> Filler Operator, Pasteurizer Mix Maker, Senior PLE Op., Wash-Up, Lab. Technician, Milk Receiver, Shipper/Receiver	\$20.20
<u>Group 4</u> Process Technicians	\$20.45
<u>Group 5</u> Operating Eng. A	\$22.74
Operating Eng. B	\$22.24
Mechanic A	\$22.24
Mechanic B	\$20.70
Mechanic C	\$18.66
Electrician	\$25.80
Mechanical Technologist	\$25.80
Electrical Technician	\$22.74

Note: The qualifications for the Mechanical Technologist will be an Ontario Millwright license, 5 years experience, ability to troubleshoot and program PLC's, and successfully pass the Parmalat Canada testing program. This test will be administered by the Company in conjunction with a recognised Community College testing criteria.

1.02 Wage Scale For Employees Hired After April 5, 1998

JOB CLASSIFICATION	Effective June 7 /01	Effective April 6 /02	Effective April 6 /03	Effective April 6/04
<u>Group 1</u> Utilities, Palletizers and Packers, Janitors	\$14.17	\$14.99	\$15.80	\$16.62
<u>Group 2</u> Multi Pack	15.04	15.91	16.77	17.64
<u>Group 3</u> Filler Operator, Pasteurizer Mix Maker, Senior PLE Op., Wash-Up, Milk Receiver, Shipper/Receiver	17.22	18.21	19.21	20.20
<u>Group 4</u> Process Technicians	17.43	18.44	19.44	20.45

1.03 Lead Hand Premium – Twenty dollars (\$20.00) per week.

1.04 Probationary rates shall be ten percent (10%) less than the classification rate.

1.05 Both Parties agree that “Red Circling” of employees shall be discontinued upon the implementation of this agreement and shall not be introduced again in any form or manner. Employees shall be paid the rates as set out in the Collective Agreement only.

1.06 Retroactivity: The Company will pay retroactive pay at the rate of 30¢ per hour for all regular hours worked between April 6, 2001 and May 29, 2001.

1.07 The Company will make a lump sum payment of \$1000 on the second pay day following June 7, 2001, to full time employees who were actively employed on May

28, 2001.

1.08 The Company will make the following lump sum payments to full time employees (excludes Mechanical Technologist) actively employed on the payroll on the second pay day of the following months:

April 2002	\$700
April 2003	\$600

SCHEDULE "B"

UNION SECURITY AND CHECK-OFF

1. The parties hereto mutually agree that all employees of the Company covered by this Agreement who are presently members of the Union or who may become members of the Union, must remain members of the Union and all new employees must join the Union at the completion of their probationary period.
2. Except for the purposes of Article 5.04 (a) the Union and/or the employees covered by this Agreement will not engage in Union activities during working hours or hold meetings at any time on the premises of the Company without permission of the Manager.
3. The parties agree that there shall be a compulsory check-off of all employees who come within the bargaining unit to which this Agreement applies.
4. Upon receipt of written notification of the regular Union dues from the Union, the Company agrees to deduct from the wages of each employee in the bargaining unit the amount of said regular Union dues and to remit the said amount to the Union. The deduction shall be made from the second pay of the month and remitted to the local union office by the 15th of the following month.
5. The deduction along with a list of names from whom such deductions have been made and the employee's regular rate, shall be forwarded to the Local Union Offices: 6800 Campobello Road, Mississauga, Ontario L5N 2L8.
6. The Union agrees to save the Company harmless from any and all claims which may be made against the Company by employees for amounts deducted in accordance with No. 4 above.

SCHEDULE "C"

VACATION AND PAID HOLIDAYS

PAID HOLIDAYS

1. Each employee who has completed their probationary period shall be entitled to a holiday on the following days:

New Year's Day	Good Friday
Victoria Day	Canada Day
Civic Holiday	Labour Day
Thanksgiving Day	Christmas Day
Boxing Day	

Provided the employee has worked the last scheduled working day preceding the holiday and the first scheduled working day after the holiday. The fact that an employee is on scheduled days off or the fact that an employee is on vacation shall not affect their right to such holiday. If an employee misses either the last scheduled working day preceding the holiday or the first scheduled working day after the holiday but not both due to lay-off, injury or hospitalized illness, the employee shall not thereby lose their holiday pay. Employees on lay-off both the scheduled working day before and the scheduled working day after the holiday will be paid for the holiday if the employee qualifies for such payment as set out in the *Employment Standards Act*.

- (a) All eligible employees will be paid a regular day's pay for the above holidays whether they work or not, and employees who work shall be paid one and one-half (1 ½) times their hourly rate for the day plus their day's pay.
 - (b) If a paid holiday falls during an employee's vacation the employee will be given the option of a day's pay or an extra day off at the end of their vacation period.

If a paid holiday falls on a regular day off the employee will be given the option of either receiving a day's pay at regular rate or a day off in lieu with pay at time mutually agreeable, but no later than the employee's next annual vacation.
 - (c) Any future government declared holiday shall be included as a paid holiday.
2. Full time employees by seniority who are able to perform the work will be given the opportunity to work on a statutory holiday before part-time or temporary help are called in.

3. Floating Holidays

- (a) The Company will grant each employee who has completed their probationary period by March 31st of that year two (2) floating holidays. Any employee who completes their probationary period between April 1st and September 30th, shall be entitled to one (1) floating holiday. Employees who do not complete their probationary period by September 30th, shall not be entitled to any floating holiday for that calendar year.
- (b) The individual employee's floating holiday will be scheduled at least thirty (30) days prior to the day it is to be taken unless otherwise arranged by mutual consent between the Company and the employee.
- (c) All floating holidays must be scheduled no later than October 15th, failing which the days will be paid out on the pay day prior to Christmas without a day being taken off.

4. Vacations

Vacation pay shall be calculated on gross earnings. Vacation entitlement will be determined by the employee's anniversary date with the Company.

- (a) All employees who have acquired one (1) year's seniority with the Company receive two (2) weeks vacation with pay at a time or times convenient to the Company and shall receive as vacation pay four percent (4%) of such employee's gross earnings with the Company in the previous calendar year.
- (b) All employees who have acquired five (5) years seniority with the Company receive three (3) weeks vacation with pay at a time or times convenient to the Company and shall receive as vacation pay six percent (6%) of such employee's gross earnings with the Company in the previous calendar year.
- (c) All employees who have acquired ten (10) years seniority with the Company receive four (4) weeks vacation with pay at a time or times convenient to the Company and shall receive as vacation pay eight percent (8%) of such employee's gross earnings with the Company in the previous calendar year.
- (d) All employees who have acquired twenty (20) years seniority with the Company shall receive five (5) weeks vacation with pay at a time or times convenient to the Company and shall receive as vacation pay ten percent (10%) of such employee's gross earnings with the Company in the previous calendar year.

(e) Vacation Schedule

All employees who have one (1) year's seniority with the Company shall be entitled to take two (2) weeks of vacation between March 1st and August 31st.

- (f) Vacation posting shall be the first week of October. It must be completed by November 15th.
- (g) Seniority will prevail in the choice of all dates until October 31st and thereafter it will be first come, first serve.
- (h) Vacation pay will be calculated on gross earnings in the previous calendar year as shown on the employee's T4 statement less taxable benefits.
- (i) Once the finalized vacation schedule has been approved and posted, vacation dates may not be changed except by mutual agreement between the employee and the Company.
- (j) Employees must take their vacation in increments of one (1) week. Employees on vacation are deemed to be unavailable for work or call in. Vacation is determined to commence at the end of the last scheduled work day and ends at the start of the next scheduled work day.

SCHEDULE "D"

INSURANCE

1. For all eligible full-time employees who have completed their probationary period the Company will pay 100% of the premiums for the following insurance plans currently in effect subject to the eligibility requirements of the plan:

- (a) Employer Health Tax;
- (b) Ontario Blue Cross semi-private coverage or its equivalent;
- (c) Dental Plan at the O.D.A. fee schedule applicable to the current year;
- (d) 1-4-26 Weekly Indemnity plan;
- (e) Prescription Drug plan;
- (f) Long-Term Disability;
- (g) Life Insurance; \$45,000;
- (h) Vision Care; \$200.00 every two (2) year per family member.

NOTE: Should any of the amendments to the Weekly Indemnity plan result in a reduction of Unemployment Insurance premiums, the Union agrees that the entire reduction will be retained by the Company.

2. For employees who are laid off the Company will continue to pay its share of premiums for the insurance set out above to the end of the month in which the employees are laid off.

3. The Pension Plan to be continued.

4. The insurance plans shall be administered in accordance with the terms, conditions, rules and regulations of the respective plans.

LETTER OF UNDERSTANDING

BETWEEN

PARMALAT DAIRY AND BAKERY INC. (Brampton)

and

**RETAIL WHOLESALE CANADA,
CAW DIVISION,
LOCAL 462**

The parties agree that the following shift schedules are established by consensus between supervisors and employees within the effected departments and are endorsed as part of the negotiation process.

Fluid Milk – Milk Receivers (2)

4:00 a.m. – 4:00 p.m.	Tuesday and Wednesday)Week 1
4:00 a.m. – 4:00 p.m.	Saturday) <u>36 hours</u>
4:00 a.m. – 4:00 p.m.	Sunday and Monday)Week 2
4:00 a.m. – 4:00 p.m.	Thursday and Friday) <u>48 hours</u>

It is understood that this procedure does not restrict Management Rights under Article 3.01 to schedule shifts.

DATED at Brampton, Ontario this _ day of _____, 2001.

Parmalat Dairy and Bakery Inc.

Retail Wholesale Canada
CAW Division Local 462