COLLECTIVE AGREEMENT

Medicine Hat

Between

ADM MILLING CO. Medicine Hat, Alberta

And

UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION (CLC) Local 1118

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THIS AGREEMENT made and entered into this 7th day of March 2011, by and between ADM MILLING CO. hereinafter referred to as the "Company" and the UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION (CLC) Local 1118, affiliated with the Canadian Labour Congress, hereinafter referred to as the "Union."

In consideration of the mutual agreements herein contained, and the terms and conditions as hereinafter set out, the parties hereto agree as follows:

ARTICLE | RECOGNITION

Section 1.01 Recognition

The Company recognizes the Union as the sole and exclusive bargaining agent for its production and maintenance employees employed at its Medicine Hat, Alberta, flour mill located at 1222 Allowance Avenue, save and except supervisors, technical employees, laboratory employees, administration, sales, guards, and all other employees.

Section 1.02 Union Membership

The Company agrees that all employees shall become and remain members in good standing with the Union. For purposes of this Agreement, membership and good standing requirements shall be satisfied by the payment of the regular prescribed initiation fee and weekly dues as specified by the Union.

Section 1.03 Checkoff

A - The Company agrees to automatically deduct regular weekly dues as specified by the Union. Such dues shall be a specific amount and shall be deducted in accordance with the Company's uniform dues deduction policy. Such deductions will be promptly remitted to the Union.

B - The Union shall defend, indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that may arise out of or by reason of action taken or not taken by the Company for the purpose of complying with the checkoff provisions of this Agreement.

ARTICLE II MANAGEMENT RIGHTS

Section 2.01 Management Rights

A - The Company retains ny and all management rights not expressly limited by the specific terms of this collective Agreement. Among these rights, but not intended as a wholly inclusive list, shall be the right to manage the plant and direct the workforce; to plan, direct and control plant operations; to determine the means, methods, processes and schedules of production; to determine the products to be manufactured or

processed, and the plant or facility at which they are to be manufactured or processed; to determine the location of its plants and the continuance of its operating departments; to transfer work temporarily or permanently between plants; to temporarily or permanently close the plant or any portion thereof during the term of the collective Agreement; to promote, demote or transfer employees from one job to another; to decide on "make" or "buy" decisions; to determine the number of personnel needed; to determine schedules, shift assignments, and hours of work including overtime; to determine the number of shifts; to demote, discipline, suspend or discharge employees for just cause; to maintain order; to hire, rehire, or recall employees; to lay off or relieve employees from duty because of lack of work or any other legitimate reason; to make and enforce reasonable plant rules and regulations; to make and enforce safety rules; to control absenteeism; to assign employees to work and designate the duties of the employees; to change, modify, eliminate or reassign job duties; to set the wage rates for newly created jobs: to install, use and move cameras and other surveillance equipment, whether the cameras or other equipment are visible or hidden; to contract work out or in, including maintenance and construction work, or to have such work performed by other Company personnel; and to make any decisions or changes which in the opinion of management, the efficient operation of the plant requires.

B - The Company agrees that it will not exercise its functions in a manner inconsistent with the specific provisions of this Agreement, and an alleged violation thereof shall be subject to the grievance procedure. It is understood that the express provisions of this Agreement constitute the only limitations upon the Company's rights.

ARTICLE III GRIEVANCE & ARBITRATION PROCEDURE

Section 3.01 Grievance Procedure

The parties to this Agreement shall attempt to resolve grievances as quickly as possible. No grievance shall be considered where the circumstances giving rise to it occurred or originated more than 7 full calendar days before the filing of the grievance. An employee or the Union may discuss problems orally with the supervisor in an attempt to seek a solution prior to the commencement of the formal grievance procedure. A grievance may be filed by an employee(s) or the Union. Formal grievances will be processed promptly using the following procedure:

Step 1 (Oral)

Between the aggrieved employee and his immediate supervisor accompanied, if the employee desires, by a steward.

Step 2 (in Writing)

By conference between the Union Committee and the Plant Manager and/or his representative(s). Such conference to be held within 7 calendar days of the Step 1 meeting between the supervisor and the grievant. The Company's written answer will be given within 10 days after the meeting between the supervisor and the grievant.

Step 3

Between the Step 2 participants and a representative(s) of the President of ADM Milling Co., and a representative of the International Union and/or his authorized representative(s). Such 3rd Step meeting will be held within 30 calendar days

following written notification to the Plant Manager, or his representative, that the Union wishes to proceed from Step 2 to Step 3. The Company will give a written answer to the Union mailed within 30 calendar days.

Section 3.02 Procedure for Discharges or Suspensions Over 5 Days

An employee discharged or suspended over 5 days may present a grievance in writing through the Committee Chairman to management at Step 2 of the grievance procedure, provided such grievance is presented to management within 7 calendar days of the discharge or suspension.

Section 3.03 <u>Arbitration Procedure</u>

A - In the event arbitration is to be invoked, the request must be made in writing to the other party within 7 working days or such further period, as is mutually agreed upon by the Company and the Union. At this time, both parties will attempt to come to an agreement of selecting a single arbitrator.

B - The parties shall select an arbitrator by exchanging lists reflecting the names of 5 arbitrators. The individual whose name first appears on both lists shall be accepted by the parties as the arbitrator. If the parties do not succeed in selecting an arbitrator on the first exchange of lists, this procedure will be repeated. If the parties do not succeed in selecting an arbitrator within 30 calendar days, the appointment shall be made by the Minister of Labour of the Government of Canada at the request of either party.

Section 3.04 Jurisdiction of the Arbitrator

The Arbitrator shall not have jurisdiction to alter or change any of the provisions of this Agreement or to substitute any new provisions in lieu thereof, or to give any decision not consistent with the terms and provisions of this Agreement or to deal with any matter not covered by this Agreement. The decision of the Arbitrator shall be final and binding upon the Company, the Union and the employees.

Section 3.05 Expenses

Each party shall bear the expense of its own representatives at the arbitration hearing and the cost of the Arbitrator shall be borne equally by the Company and the Union.

Section 3.06 Time Limits

Time limits as set forth in this Article may be extended by mutual agreement between the parties. If any Company representative fails to answer within the time limits, the grievance will be considered as being automatically progressed to the next step.

ARTICLE IV SENIORITY

Section 4.01 Plant and Department Seniority

A - For the purposes of establishing seniority rules, seniority shall be considered on a plant and departmental basis. Wherever used in this Agreement, the term "plant seniority" shall mean the employee's total accumulated seniority from the employee's latest date of hire. Department seniority shall mean the employee's continuous service in the department from the employee's latest date of entry into the department.

B - Employees' seniority as covered in this Agreement shall apply only to employment at ADM Medicine Hat, Alberta, flour mill and shall not apply elsewhere.

Section 4.02 Seniority List

The Company will maintain and post a seniority list which shall be updated every 6 months. Department seniority lists shall also be maintained for all departments. Copies of all seniority lists shall be posted and furnished to the Union.

Section 4.03 Probationary Period

An employee shall be regarded as a probationary employee until he has completed 90 calendar days within the bargaining unit. Absences of 7 consecutive calendar days or more will not count toward fulfillment of the probationary period. He shall not have seniority standing until the completion of this period. The discharge of a probationary employee shall not be subject to the grievance and arbitration procedure of this Agreement. Upon completion of the probationary period, the employee's name shall appear on the Company's seniority list as of his latest date of hire with the Company.

Section 4.04 Consideration of Qualifications

The application of the seniority provisions of this Agreement must be governed by whether the employee is qualified to perform the job required. Terms referring to "qualified" or "qualifications" when used in this Agreement mean qualified to competently perform the job, without further training, in a safe, efficient and productive manner. If the employee is not so qualified, the applicable seniority provisions shall not apply. The Company may employ testing procedures to determine potential qualifications for entry into the Maintenance Department.

Section 4.05 <u>Filling Permanent Vacancies</u> (Except Maintenance and Job Classifications in the Line of Progression)

A - When new jobs are created or the Company determines it is necessary to fill a permanent vacancy, such job will be filled by department seniority from the employees within the department where the vacancy occurs, provided that, in the opinion of management, such employee is capable of learning and performing the job in a safe, efficient and productive manner. If a permanent vacancy is not filled from employees in the

department where the vacancy occurs, such vacancy will be posted for bid and filled from those employees signing the posting on the basis of plant seniority, provided, however, that such employee is, in the opinion of management, capable of learning and performing the job in a safe, efficient and productive manner.

Note 1A: Permanent vacancies may also be filled by hiring employees from outside the workforce if, in Management's opinion, no suitable employee is available in the bargaining unit.

Note 2A: An employee who returns from an absence of up to 30 days because of vacation, leave of absence, funeral leave, jury duty, or occupational or non-occupational illness or injury may make application retroactively for any permanent vacancies posted during his absence, provided that he does so within 2 working days following his return to work.

Note 3A: For entry into Maintenance, see Section 4.06 - Maintenance Classifications - Entry & Training.

B - An employee bidding or permanently assigned or transferred to a new job will have a fair trial period (15-day maximum) on such job. An employee shall be returned to his old job if he is unable to perform the new job satisfactorily.

Section 4.06 Maintenance Classifications - Entry & Training

A - Entry into the Maintenance job classifications will be either by assignment, provided the employee is agreeable to such assignment, or by hiring from outside. The following criteria, among others, may be used in the selection of Maintenance personnel:

- 1. Results from a Company-designated test battery to measure maintenance aptitude, interest and other skills and characteristics.
- 2. Physically able to perform all types of plant maintenance work.
- 3. Willing and able to perform high work.
- 4. Willing and able to continually work overtime and emergency call-in or call-back work subject to applicable law.
- 5. Willing and able to take formal trade school courses as selected by management and to take such courses on a continuing basis during the training period.
- 6. Must have shown good job proficiency, had a good attendance record, and have been a productive employee in previous jobs performed in the plant.
- B Employees in Maintenance Training Grades 1 through 3 must advance through the 3 training grades into the Maintenance classification or be disqualified. Time spent in each training grade will be approximately as follows:

Training Grade 3 -- 24 Months Training Grade 2 -- 18 Months Training Grade 1 -- 6 Months

An employee with obvious maintenance skills may be advanced at a faster rate. Advancement through the training grades will be based on management's judgment of the employee's maintenance skills and job performance. An employee who is not progressing satisfactorily to the Maintenance classification may be kept in any grade for longer than the above-listed time, or he may be disqualified. An employee who is disqualified within 12 months of entering his training will, if possible, return to his previous job classification. An employee disqualified after 12 months in training will be transferred to the Utilityjob classification.

C - An employee in training may be required to take formal trade school courses applicable to the plant maintenance work. Such courses must be approved by management prior to enrollment. The Company will pay for tuition, books, supplies and approved expenses, but not for time spent at such course.

D - The Maintenance Training Program shall not restrict the Company from hiring qualified Maintenance employees from outside.

<u>Section Note</u>: The Company will post a notice when a maintenance vacancy is to be filled through the testing program. An employee interested in entering the Maintenance job classifications may indicate so by signing the notice. The Company may be selective in choosing the employees to be tested (such selectivity will be based on criteria listed in paragraph A of this Section).

Section 4.07 Entry and Line of Progression - Operator II & Operator I Job Classifications

A - The following job classifications are included in the Line of Progression from the Operator II job classification to the Operator I job classification:

Milling Department Line of Progression

- 1. Operator I
- 2. Operator II

B - Entry - Entry into the Operator II job classification will be either by assignment of the most capable employee, provided the employee is agreeable to such assignment, or by hiring from outside. An employee will not be assigned to the Operator II job unless he has the capability to advance to the Operator I job classification within the Line of Progression. The Company may employ testing procedures to determine which employees are the most capable of progressing through the jobs in the Line of Progression. In addition, such factors as the employee's proficiency, productivity and attendance in previous jobs performed in the plant will be considered by the Company in selecting the employee to be transferred. If the Company determines that 2 or more employees are equally capable, the senior employee will be awarded the job.

C - <u>Progression</u> - An employee in the Operator II Line of Progression job classification must accept promotion to the Operator I job classification. Permanent



vacancies in the Operator I classification will be filled by the employee in the Operator II classification who has been in that lower classification the longest consecutive period of time, provided he is qualified to perform the job. If the Company chooses to fill a temporary vacancy by progression, any qualified employee in the Operator II job Classification may be selected to be temporarily transferred. An employee who refuses to progress or who is disqualified from the Line of Progression will be assigned a job in the Utility classification, provided his seniority is sufficient.

Section 4.08 Filling Temporary Vacancies

To provide for flexible and efficient operations, temporary vacancies which the Company determines are necessary to fill may be filled with any employee by temporary transfer or through the overtime provisions of this collective Agreement.

Section 4.09 Temporary Transfers

An employee may be temporarily transferred to any job in any area of

Section 4.10 Layoffs and Recalls

the plant.

A - Layoffs from the plant will be made on the basis of plant seniority, provided the remaining employees have, in the Company's opinion, the qualifications and ability to perform the functions necessary to the efficient and safe operation of the plant without further training. The Company will notify employees of a layoff as far in advance as is possible.

B - Laid off employees will be recalled to the plant in the order of their plant seniority provided that those called back have the qualifications and ability to perform the functions necessary to the efficient and safe operation of the plant without further training.

<u>Section Note</u>: Maintenance employees may not be bumped and may be laid off or recalled out of seniority order.

<u>Section Note 2</u>: An employee who is laid off must keep the Company advised of his address and where he may be reached by telephone if he desires to be recalled.

Section 4.11 Disqualifications

If an employee (who has completed his trial period in a job classification) is no longer able to perform the required duties of his classification, he may be transferred to the Labourer job classification, provided his seniority is sufficient and he is qualified to perform the job in a safe and efficient manner. The provisions of this Section do not apply to an employee who is being discharged for cause because of his job performance.

Note: An employee may not voluntarily give up his job or disqualify himself.

Section 4.12 Loss of Seniority

An employee will lose his seniority rights and employment, and his name shall be removed from the Company seniority list for any of the following reasons:

- 1. The employee voluntarily guits his employment or retires.
- 2. The employee is discharged for just cause.
- 3. The employee is laid off and fails to notify the Company within 48 hours after being notified to return to work by registered mail forwarded by the Company to his last listed address on the records of the Company that he will return within 7 calendar days or, having given notice, fails to report for work within 7 calendar days. It shall be the duty of the employees to notify the Company promptly in writing of any change in address or telephone number. If an employee fails to do this, the Company will not be responsible for failure of a notice to reach such employee and any notice sent by the Company by registered mail to the last address which appears on the Company's personnel records shall be deemed to have been received by the employee on the 2nd working day after the day it was mailed.
- 4. The employee has been off work for any reason for a period of 12 consecutive months subject to the provisions of applicable law of the Canada Labour Code. This provision shall not apply to leaves of absence for full-time Union positions.
- 5. The employee fails to return to work promptly after the expiration of any leave of absence granted to him without furnishing a reasonable explanation.
- 6. The employee either falsifies the reason for a leave of absence, or fails to abide by the terms of the leave, or works at other employment during the leave.
- 7. The employee is absent from work for 3 consecutive days without good cause or fails to notify the Company of his absence.

ARTICLE V HOURS OF WORK AND OVERTIME

Section 5.01 Intent and No Pyramiding

This Article is intended to set forth the normal hours of work and to provide a basis for computing overtime and premium pay, and shall not be construed as a guarantee or limitation on overtime hours or on hours of work per day or per week, nor shall anything in this Agreement be so construed as to permit the pyramiding or duplicating of overtime or premium payments. Hours for which overtime or premium payments are made shall not be used to compute overtime or premium pay for any other hours. Whenever more than one premium could be applied to the same hours, only the larger will be paid. For purposes of this Section, shift differentials are not considered as premium payments.

Section 5.02 Workday and Workweek

The workday is a 24-hour period running from 7 AM one day to 7 AM the following day. The workweek begins at 7 AM Monday and ends at 7 AM the following Monday. The workday and workweek may be different for some individuals or shifts in the interest of efficient or less costly operations.

Section 5.03 Starting Times, Shifts and Schedules

A - The Company may vary shift schedules, starting times and quitting times for different areas or operations of the mill or for individual employees.

B - The normal workweek contains 5 consecutive workdays scheduled Monday through Sunday. However, the Company may vary or change the number of hours scheduled, the number of shifts scheduled, the manpower requirements of the various shifts and the scheduling of workdays and hours for business reasons or efficient operations. Employees may be scheduled to eat-on-the-job or have a 30-minute unpaid lunch period. Any area of the mill or portion of the employees may be scheduled in more than one way.

C - Multiple shifts may be scheduled and may be rotated (for example: 8-4, 4-12 and 12-8 or two 12's).

D - Prior to implementing a new shift schedule, the Company will notify the Union of the change. The Union will be given an opportunity to review and discuss the changes with the Company. The Company retains the sole right to vary shift schedules, starting times, and quitting times.

Section 5.04 Daily and Weekly Overtime Pay

All hours worked in excess of 40 straight time hours in any one workweek or 8 straight time hours in any one workday shall be compensated for at the rate of 1 1/2 times the employee's straight time hourly rate.

Note 1: An employee who works continuously beyond his regularly scheduled shift and continues working into the next day, or his scheduled day off, or into a new workweek shall receive 1 1/2 times his straight time hourly rate (or double time if applicable) for such hours he works beyond the start of a new day. Such hours shall not be used to create overtime or premium payments during the employee's regular scheduled shift.

Note 2: For purposes of satisfying the 40 straight time hour requirement, the following unworked hours shall count as straight time hours of work up to 8 hours per day or 40 hours per week for days the employee was either scheduled to work or was laid off: (1) a worked or unworked holiday for which the employee is paid, provided it falls on an employee's scheduled straight time day of work, or (2) a paid absence resulting from either bereavement leave, jury duty or vacation time off, or (3) 8 hours per day for Union members who miss work as a result of attending approved union business, or (4) 8 hours per day for days absent while entitled to benefits under Weekly Indemnity.

Section 5.05 7th Consecutive Day of Work Premium

During periods when the mill is scheduled on a 1-, 2- or 3-shift operation (or any combination thereof), an employee will be paid 2 times his regular rate of pay for work performed on his 7th consecutive day of work in the workweek provided he has worked 40 straight time hours during the workweek.

Note: For purposes of satisfying the 40 straight time hour requirement, the following unworked hours shall count as straight time hours of work up to 8 hours per day or 40 hours per week for days the employee was either scheduled to work or was laid off: (1) a worked or unworked holiday for which the employee is paid, provided it falls on an employee's scheduled straight time day of work, or vacation time off, or (2) a paid absence resulting from either bereavement leave, jury duty, or vacation time off, or (3) 8 hours per day for Union members who miss work as a result of attending approved union business, or (4) 8 hours per day for days absent while entitled to benefits under Weekly Indemnity.

Section 5.06 Call-In Pay

An employee, who is called in for emergency or overtime work on his scheduled day off or called back after he has finished his shift and left the plant and premises, will be paid at his applicable hourly rate for such unscheduled hours worked or 4 hours' pay at his straight time hourly rate, whichever is greater. An employee called back or called in to start in advance of his regular starting time and who continues to work on into his scheduled shift, shall not qualify for the 4-hour guarantee provided for in this Section.

Section 5.07 Overtime

A - The Company shall have the right to schedule overtime when it is required. Employees with the skill, ability and qualifications will perform required work and will cooperate fully in working necessary overtime.

B - Maintenance employees must stay until released when assigned to jobs which are necessary to complete from a breakdown or production standpoint.

Section 5.08 <u>Distribution of Overtime</u>

Employees will perform necessary overtime assignments. Daily and weekly overtime will be filled by active, qualified employees whose bid job classifications are operating. Such employees will be assigned to daily and weekly overtime on the basis of the man-on-the-job concept. If active employees in the job classification are not available, the Company may, subject to qualifications, next offer the overtime to the senior qualified employee in the department. When necessary, the employee with the least seniority who is available and qualified must work the overtime.

Note 1: The term man-on-the-job means the employee who is actually performing a specific task or job. If more than one man-on-the-job is involved, then the employee who is performing the specific task will be offered the overtime. If the employee

performing the task declines the overtime, it will be offered to employees in the same department who are qualified to perform the work.

<u>Note 2</u>: Employees whose jobs are in operation may not turn down overtime in their own jobs in order to work overtime in another job.

<u>Note 3</u>: If overtime (including call-ins) is misassigned, an employee so affected shall have the opportunity to make up such missed overtime as soon as is practical within a 30 calendar day period at any time mutually agreeable between the Company and the employee.

Note 4: If the overtime is less than a full shift, the overtime will be offered to the employee working on the job on the shift immediately adjoining the overtime opportunity.

Note 5: Employees required to work overtime in excess of two hours without prior notice will be provided \$12 in lieu of a meal.

ARTICLE VI JOB CLASSIFICATIONS AND RATES OF PAY

Section 6.01 Job Classifications and Rates of Pay

The following hourly rates will apply during the term of this Agreement:

	Hourly Rates Effective				
Job Classifications	<u>02-27-10</u>	02-27-11	<u>02-27-12</u>		
Mill					
Operator I	\$23.24	\$23.64	\$23.99		
Operator II	21.59	21.86	22.19		
Shipping					
Shipper I	22.22	22.49	22.83		
Shipper II	21.96	22.23	22.56		
Red Circle Utility	18.85	18.85	18.85		
Elevator					
Operator I	22.06	22.33	22.66		
Operator II	21.71	21.98	22.31		
Maintanana					
Maintenance Electrician	25.68	26.68	27.58		
Millwright	25.68 25.68	26.68	27.58 27.58		
Maintenance	23.48	23.75	24.11		
Training Grade 3	22.85	23.12	23.47		
Training Grade 2	22.22	22.49	22.83		
Training Grade 1	21.59	21.86	22.19		
Plantwide					
Utility	16.81	17.08	17.34		

NOTES APPLICABLE TO JOB CLASSIFICATIONS

- 1. Employees in any job classification will perform any jobs or duties to which they may be assigned. Each "job classification" may include a wide variety of different jobs, tasks and duties, some of which may cross job classification lines. Maintenance, housekeeping and lubrication duties may be required of any employee. Employees who either perform maintenance duties or assist in performing maintenance duties will be paid at the rate of their own regular job classification. The Company shall have no obligation under this collective Agreement to establish a light duty job or classification.
- 2. There are no minimum crew or job manning requirements. The Company has the sole right to determine the number of employees in any job classification as well as the right to determine crew size in the plant or any portion thereof, provided there is no violation of the Canada Labour Code. Classified jobs may be filled, vacated or permanently discontinued at the Company's discretion.
- 3. If employees within the bargaining unit do not possess the necessary skills to fill a vacancy, the Company may fill such vacancy by hiring from outside.
- 4. Temporary Employees shall not be entitled to Company Benefit Plans, Seniority, Recall Rights, or any other provisions of this Agreement.
- 5. The rate of pay for Probationary Employees shall be \$14.00 per hour
- 6. Safety is a shared responsibility. Employees' job responsibilities include their personal safety and collectively, that of their fellow employees.
- 7. If, due to a layoff, a current employee as of February 27, 2004, is bumped into the Plant Wide Utility position, the employee will be paid the red-circled rate.

Section 6.02 Shift Differentials

A - 2nd or 3rd Shifts - A shift differential is paid in addition to an employee's regular straight time hourly rate if he is scheduled and working on either the 2nd or 3rd shift. The 2nd shift differential is 65¢ per hour. The 3rd shift differential is 95¢ per hour.

Note 1A: If an employee is scheduled on a 2nd or 3rd shift and is involved in a continuous work period requiring him to work on more than one shift, then the shift on which he has been scheduled establishes the shift differential, if any, for all hours worked during the continuous work period. An employee who is scheduled on the day or 1st shift does not qualify for shift differential pay even though he works on the 2nd or 3rd shifts. Shift differentials are not applicable to call-ins or call-backs unless such an assignment continues on into the employee's regularly scheduled 2nd or 3rd shift. If an employee is on a regular schedule which requires him to overlap 2 shifts, then the shift on which He is scheduled the greatest number of hours determines the shift differential, if any. Should he be scheduled an equal number of hours on 2 shifts, then the higher shift differential will apply.

B - 2 Rotating 12-Hour Shifts - A shift differential is paid in addition to an employee's regular straight time hourly rate if he is scheduled and working on either of 2 rotating 12-hour shifts. Such shift differential is 90¢ per hour.

C - A shift differential is paid in addition to an employee's regular straight time hourly rate if he is scheduled and is working on a Tuesday through Saturday or Wednesday through Sunday schedule. Such shift differential is 50¢ per hour.

<u>Section Note</u>: Shift differentials are not added to an employee's base rate for purposes of computing overtime, or for any unworked hours for which the employee is paid such as holidays, jury duty, and funeral leave.

Section 6.03 Rates of Pay - Temporary Transfers

A - If an employee is temporarily transferred for Company convenience to a lower-ratedjob classification, he will continue to receive the rate of pay for his regularjob classification.

B - If an employee is temporarily transferred by the Company to a higher-ratedjob classification, he will receive the higher rate of pay provided he works on the upgraded job for 4 hours or more. This provision applies only when the employee is specifically assigned to fill a temporary vacancy created by the absence of an employee from work. It does not apply to employees who may relieve for breaks or who may be supplementing the workforce performing various tasks or jobs performed by employees in other job classifications.

Section 6.04 Permanent Transfers

An employee who is permanently transferred to a lower-rated job classification will receive the lower rate at the time he begins work in the lower-rated job. If he is permanently transferred to a higher-rated job classification, he will receive the rate of the higher-rated job after he has completed his training and trial period and can satisfactorily perform the duties of the job with no more supervision than is required by other employees on the same job.

Section 6.05 Temporary Employees

Temporary employees may be hired for up to 120 working days per calendar year to supplement the workforce. Such employees will not be entitled to benefits under this Agreement nor will the provisions of this Agreement apply to them. Such Temporary Employees will not accrue seniority as a result of such temporary employment. Temporary Employees are not considered probationary employees. The rate of pay for Temporary Employees shall be \$12.00 per hour.

Section 6.06 Creation of New Job Classification

A - If the Company creates a new job classification, the Company will establish a rate for such classification and, if requested by the Union, shall after no more than 120 days of job experience, negotiate with the Union a permanent rate for such classification.

B - Such negotiated rate will be retroactive to the date that the job was established. If the negotiation of such rate reaches an impasse, there shall be no arbitration of such wage rate. In the event of such impasse, the rate negotiation will be deferred to the next regular negotiation of the contract and the provision of retroactivity shall be as provided in this Section.

Section 6.07 Temporary Supervisor and Leadperson

A - An employee assigned as a Temporary Supervisor shall be paid an hourly rate which is \$2.00 higher than the highest rate in the department in which he acts as Temporary Supervisor.

B - An employee assigned as a Leadperson shall be paid an hourly rate which is 50¢ higher than the highest rate in the department in which he acts as a Leadperson.

C - Temporary Supervisor or Leadperson positions may be filled at the Company's discretion by assignment subject to the employee's willingness to accept such assignment. Leadpersons may be used in any department where lead duties are desirable. Leadpersons will perform regular duties in addition to their lead duties. Temporary Supervisor and Leadperson positions may run for indefinite periods of time and may be filled or vacated at the Company's discretion.

ARTICLE VII VACATIONS

Section 7.01 Vacation Eligibility

A - Vacations will be earned on January 1 each year to be taken between January 1 and December 31 and will be based on the completed years of continuous service by the employee as of January 1, according to the following schedule:

Years of Continuous Service	Weeks of <u>Vacation Time</u>	Vacation Pay
Less than 1	One day for each month of service up to a maximum of 10 days	4%
1 through4	2 weeks	4%
5 through 9	3 weeks	6%
10 through 17	4 weeks	8%
*18 or more	5 weeks	10%

<u>Note 1A</u>: Percentage is calculated on the basis of the previous calendar year's earnings subject to the provisions of the Federal Canada Labour Code.

Note 2A: The ability to be off the 5th week is subject to operational requirements.

*Note 3A: Employees hired after February 27, 2004, will not be eligible for a 5th week of vacation.

B - An employee shall be eligible for the additional week of vacation or vacation pay, when he has worked past his 5th and 10th anniversary date of employment. He shall be eligible for pay in lieu of his 5th week of vacation at the time he crosses his 18th anniversary date of employment.

C - The amount of vacation time off will be reduced by 1/52 for each 40 straight time hours of absence for any reason (except personal illness up to 30 days annually) during the previous calendar year. In the application of this provision, an employee with 1 to 5 years of continuous service will not have his vacation time reduced to less than 2 weeks. Employees with 6 or more years of continuous service will not have his vacation time reduced to less than 3 weeks.

D - Vacation pay will be paid at the time the employee takes his vacation provided the Company has 7 days of advanced notice.

Section 7.02 Vacation Pay for Inactive Employees

On or after January 1, an employee who is in an inactive status because of illness, injury, approved leave of absence, layoff, or for any other reason who has not taken his earned vacation (that vacation to which he became eligible on January 1) may request pay in lieu of such unused earned vacation. Such employee will not be considered to be in a vacation status as a result of receiving his vacation pay, nor will he be granted vacation time off without pay at a later date.

Section 7.03 Vacation Pay for Terminated Employees

An employee who leaves the employ *of* the Company for any reason will receive vacation pay as follows:

- 1. <u>Earned Vacation</u> Earned vacation is defined as a vacation for which the employee became eligible on the January 1 date prior to his termination and such unused earned vacation shall be paid to him upon his termination of employment.
- Prorated Vacation Prorated vacation for an employee whose employment terminates for any reason will be calculated from January 1 to his last day of work in the calendar year.

Section 7.04 Scheduling of Vacation Period

A - The choice of vacation time shall be given to an employee according to his department seniority for employees who sign the vacation schedule between January 1 and March 1 subject to the operational requirements of the business. After March

- 1, vacations will be scheduled on a first-come, first-served basis, subject to the operational requirements of the business. All vacations are granted subject to the Plant Manager's approval. Vacations after March 1 shall be granted at such times as found most suitable considering both the wishes of the employees and the requirements of plant operations. All requests must be made at least 24 hours in advance.
- B To accommodate as many employees as possible for vacations during the months of July and August, a limit of 2 consecutive weeks may be imposed during this time.
- C Vacations may be taken in weekly increments of one or more weeks at a time. Vacations cannot be postponed and allowed to accumulate from year to year but must be taken each calendar year.

Section 7.05 Pay In Lieu of Vacation

Pay in lieu of vacation for earned vacation in excess of 3 weeks per calendar year, or any portion thereof may be granted to an individual employee at the employee's option. Holiday pay is not added to vacations paid for under this Section.

Section 7.06 Holiday Pay During Vacations

If a holiday is observed during an active employee's vacation, he will be granted an additional day, with pay at a time mutually acceptable to the Company and the employee.

Section 7.07 Rehired Employees

Employees who have lost their seniority and who are later rehired will be entitled to vacations on the basis of their latest employment date.

ARTICLE VIII HOLIDAYS

Section 8.01 Recognized Holidays

For purposes of the Agreement, the following 12 days will be recognized as holidays during the calendar year:

New Year's Day
Third Monday in February
Good Friday
Victoria Day
Dominion Day

Labour Day
Thanksgiving Day
Remembrance Day
Christmas Day
Boxing Day

Civic Day New Year's Eve Day

Holidays will be observed on the days on which they occur except as follows. A holiday occurring on Sunday will be observed on the following Monday. A holiday occurring on

Saturday will be observed on the preceding Friday. Christmas Day, Boxing Day and New Year's Day will be observed on the calendar day where they fall.

Section 8.02 Pay for Holidays Worked

When an employee works on the holiday, he shall receive 1 1/2 times his straight time hourly rate for all hours worked plus 8 hours holiday pay.

Section 8.03 Pay for Holidays Not Worked

A - An employee who is not required to work on a recognized holiday will be paid holiday pay for that holiday equivalent to 8 hours at his regular straight time hourly rate provided he meets all of the following requirements:

- 1. The employee has earned wages on at least 15 days during the 30 calendar days immediately preceding the recognized holiday.
- 2. Employees who were unable to work 15 of the 30 days immediately preceding the holiday will receive 1/20 of the wages earned during the 30 days immediately preceding the holiday.

Note 1A: Unworked holiday pay for which the employee is eligible will be offset by any other pay or other form of Company compensation which the employee may receive for the same day.

B - If an employee is scheduled to work on a holiday and fails to work as scheduled without a cause acceptable to the Company, the employee will not qualify for holiday pay as provided in paragraph A of this Section.

Section 8.04 Holidays Considered as Time Worked

Only holidays for which the employee is eligible to receive holiday pay, and which fall on the employee's scheduled day of work, whether worked or not worked, will be considered as time worked for the purpose of computing overtime pay.

ARTICLE IX TIME OFF FROM WORK

Section 9.01 Jury Duty and Crown Witness

A - When an employee is summoned for jury duty or as a Crown witness in a court of law and must lose time from work as a result of such summons, the employee will pay to the Company any monies received for such jury or witnessee duty (not including expense monies) and the employee will receive the pay he would have received had he been working. Such pay shall not exceed 8 straight time hours per day or 40 straight time hours per week.

- B The employee shall furnish evidence to the Company that he reported for or performed jury duty or appeared as a witness on the days for which he claims payment.
- C The employee is required to report for work on days or part days when he is not required on jury duty or as a witness in a court of law.

Section 9.02 Bereavement Pay

- A Should a death occur in the immediate family of an employee, he may request bereavement leave provided he attends the funeral. "Immediate family" shall mean spouse, son, daughter, brother, sister, mother, father, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandchildren, stepson or stepdaughter.
- B The employee shall be granted such time off with pay up to a maximum of 3 days to attend the funeral. This will not include pay for days on which the employee is not scheduled to work. Bereavement pay shall not exceed a maximum 8 straight time hours per day.
- C In the event of the death of an employee's grandparents, brother-inlaw, sister-in-law, stepbrother, stepsister, stepmother or stepfather, he will be granted time off with pay (up to 8 straight time hours) for purposes of attending the funeral on his scheduled day of work.

Section 9.03 Leaves of Absence

Leaves of absence up to 30 calendar days, without pay and without loss of seniority, may be granted (except for gainful employment elsewhere) by the Plant Manager.

<u>Note</u>: The conditions of all leaves of absence shall be in writing with copies for the Company and the Union. If an employee violates the conditions of his leave of absence, it may be just cause for discipline up to and including discharge.

ARTICLE X HEALTH AND WELFARE

Section 10.01 Group Insurance

The group insurance program in effect on the effective date of this Agreement is a separate document and will continue in effect during the term of this collective Agreement.

<u>Note</u>: The Company will continue to pay Alberta Health Care premiums for employees who have attained seniority.

Section 10.02 Pension

The pension plan for bargaining unit employees at the Medicine Hat flour mill is a separate document whose term will run concurrently with the term of this Agreement.

Section 10.03 Injury on the Job

An employee injured on the job will be sent for first aid and treatment. If further treatment is required, the employee will go to a doctor or hospital of his choice. If the employee is sent home or to a hospital by the doctor administering first aid, he will be paid for the balance of the shift on which the injury occurred. Transportation shall be provided by the Company to his home if required.

Section 10.04 Maternity Leave

A - Maternity leave of absence without pay and without loss of seniority shall be granted and administered in accordance with the provisions of the Canada Labour Code, as amended from time to time.

B - An employee returning to work after a maternity leave shall provide the Company with at least 2 weeks' notice.

Section 10.05 Health and Safety

A - The Company shall make provisions in accordance with applicable Canada Labour Code regulations for the health and safety of its employees during the hours of employment by issuing rules and regulations as well as operating policies and procedures.

B - Health and Safety rules, regulations, policies and procedures shall be strictly adhered to, including the wearing or use of personal protective equipment, wearing apparel and other health and safety equipment required by the Company.

ARTICLE XI GENERAL PROVISIONS

Section 11.01 Non-Discrimination

The Company agrees that there will be no discrimination, interference, restraint, or coercion by the Company or by any of its representatives, with respect to any employee because of his membership in or connection with the Union. Whenever the male gender is used in the Agreement, it shall be interpreted to apply equally to the female gender.

Section 11.02 Supervisors Working

There shall be no restriction on supervisors or other Company personnel performing any type or amount of work at any time.

Section 11.03 Executive Committee

A - The names of the Executive Committee shall be given to the Company in writing. A member of the Executive Committee shall be entitled to leave his work during working hours in order to carry out his functions under the Agreement for the investigations and processing of grievances, attendance at meetings with management, and participation in contract negotiations. Permission to leave work during working hours for such purposes shall first be obtained from the supervisor. All time spent in performing the above duties shall be considered to be time worked; providing payment shall only be made for time actually lost in the regular scheduled straight time hours of work for that day.

B - A member of the Executive Committee shall be present at meetings between the Company and the Union to discuss matters of common concern.

C - The Company will notify in writing the President or the Chief Steward or his designated representative on the same date that an employee is discharged or suspended. Such notice shall state the reason for the dismissal or suspension.

Section 11.04 Reporting Requirements - Absences and/or Lateness

In the event an employee is unable to report for work as scheduled, he shall be required to notify the Company of this fact by phone or some other reasonable method prior to the start of his shift. This notification must also include the employee's reason(s) for his failure to report as well as stating the time of his anticipated return. Continued failure on the part of the employee to comply with this requirement will subject that employee to disciplinary action up to and including discharge by the Company. It is also understood that this reporting requirement does not eliminate the additional responsibility on the part of the employee to further prove the legitimacy and need for any such absence or lateness.

Section 11.05 Reinstatement Requirements Following Sickness or Injury

An employee's reinstatement following sickness or injury will be conditional on his supplying, when requested, a certificate from the Company's physician that he is capable of performing his regular duties. Where there is a dispute between the medical diagnosis of the Company's physician and the employee's physician, the employee and the Company will be bound by the certificate obtained from a 3rd physician to be chosen by mutual agreement between the employee and the Company. The cost of the certificate obtained from the Company physician and the 3rd physician will be paid by the Company.

Section 11.06 Rest Periods

A ten (10) minute rest period will be provided in the middle of each four (4) hours of work (or as close thereto as may be practical considering the requirements of plant operations) for each employee.

Section 11.07 Tools

The Company agrees to replace for employees, those tools which employees supply and use in their regular work, and which are broken or worn out by regular in-plant usage up to a maximum of \$200.00 per calendar year.

Section 11.08 Bulletin Boards

The Union shall have use of plant bulletin boards for the posting of notices relating to Union business. Such notices must be signed by a Union officer and approved by the Company prior to being posted.

Section 11.09 <u>Technological Changes</u>

The parties agree to comply with the requirements of the Canada Labour Code concerning such changes.

ARTICLE XII NO STRIKES OR LOCKOUTS

Section 12.01 No Strikes or Lockouts

During the term of this Agreement, there shall be no strikes, sympathy strikes, curtailment of work, interference with the operations of the Company, or interference with production caused by or engaged in by the Union or any members thereof. Employees may be disciplined up to and including discharge for engaging or participating in any of the foregoing activities in violation of this Section 12.01. The Company will not lockout any of its employees during the term of this Agreement.

ARTICLE XIII SCOPE AND TERM OF AGREEMENT

Section 13.01 Term of Agreement

This Agreement shall remain in full force and effect from 7 AM February 27, 2010, to 7 AM, February 26, 2013. The termination of the existing agreement and the negotiation of the new contract will be in accordance with the Canada Labour Code.

Section 13.02 Separability

All provisions of this Agreement shall be subject to the laws of Canada. Should any part hereof or any provision herein contained be rendered or declared invalid by reason of existing or subsequently enacted legislation or by a decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof and they shall remain in full force and effect.

Section 13.03 Complete Agreement

This collective Agreement and a Letter of Agreement dated February 27, 2010 represent the complete agreement between the parties and shall supersede and replace all prior agreements and understandings, oral or written, expressed or implied, between the parties hereto and shall constitute the entire agreement between the parties. Past practices, procedures and understandings may be changed or eliminated by management unless specifically prohibited by the provisions of this Agreement. This Agreement may be amended in any of its provisions by mutual agreement of both parties. If agreements are made after the effective date of this Agreement, they must be in writing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONALUNION (CLC) Local 1118

ADM MILLING CO.

/s/ Albert Johnson	/s/ R. Flaig
U.F.C.W. Local 1118 President	ADM Plant Manager
/s/ Ben Hermann	/s/ M. Freebairn
U.F.C.W. Local 1118 Unit Chair	ADM Commercial Manager
/s/ Helmut Henschke U.F.C.W. Local 1118 Chief Shop Steward	/s/ C. Mandracchia ADM Vice President, HR Canada

THE TWELVE-HOUR SCHEDULE

	WEEK 1								WEEK 2						
	M	Т	W	TH	F	S	S		<u>M</u>	T	W	TH	F	S	<u>S</u>
Shift A Shift B Shift C Shift D	D N	D · N	D N	D N	D N	D N	D N		N D	N D	N D	N D	N D	N D	N D
	WEEK3 M T W TH F S S								W <u>M</u>	EEK T	4 W	TH	F	S	<u>S</u>
Shift A Shift B	N D	D	D	D	D	D	D		D	N D	N D	N D	N	N	N
Shift C Shift D	•	N	N	N	N	N	N		N		D		D	D	D

LETTER OF AGREEMENT

Effective - February 27, 2010 Between

ADM MILLING CO. for its Medicine Hat, Alberta, flour mill and THE UNITED FOOD A JD COMMERCIAL WORKERS INTERNATIONAL UNION (CLC) LOCAL 1118.

The parties agree to the following items which shall remain in effect during the term of the current labour Agreement between the parties dated February 27, 2010 to February 26, 2013.

I. REIMBURSEMENT FOR WORK BOOTS

The Company will agree to contribute \$130 each calendar year so the employees may purchase work boots as required by the Company. The employee may be required to provide proof of purchase prior to being reimbursed.

II. WORK CLOTHING

The Company will supply employees with 2 sets of work uniforms by April 1st of each year.

III. SURVEILLANCE EQUIPMENT

Before installing any type of hidden surveillance equipment, the Company will meet with the Union's Executive Committee.

IV. 12-HOUR SCHEDULE

The following provisions will apply to a rotating 12-hour schedule:

- A. The 12-hour schedule to be followed as per Appendix A of the Collective Agreement.
- B. The job classifications and departments involved will be determined by management.

C. Hours of Work

Day shift 7 AM to 7 PM Night shift 7 PM to 7 AM

D. Work Day

7 AM one day to 7 AM the next day

E. Work Week

Starts Monday 7 AM and terminates the following Monday at 7 AM.

F. <u>Daily and Weekly Overtime Pay</u>

All time worked by an employee over 12 straight time hours in any one day or over the scheduled 36 or 48 straight time hours in any one workweek will be paid for at the rate of 1 1/2 times.

<u>Note</u>: The week of the 48-hour schedule, 1 1/2 times will be paid after 44 hours straight time hours of scheduled work.

G. 7th Consecutive Day of Work Premium

An employee shall be paid 2 times his regular rate of pay for work performed on his 7th consecutive day of work in the workweek, provided he has worked his scheduled 36 or 48 straight time hours in the workweek.

H. Meal Periods and Rest Periods

- 1) One meal period per shift.
- 2) Three rest periods per shift.

I. Shift Premiums

- 1) A shift premium of 90¢ is applicable to all hours worked.
- Shift premiums will not be used in calculation of overtime pay or other benefit entitlement.

J. Paid Holidays

- 1) All holidays will be paid at 8 hours regular pay.
- 2) Work performed on holiday paid at time and one-half.
- Paid holidays falling during a vacation period will be paid at 8 hours regular pay.

K. <u>Vacations</u>

- 1) A vacation week equals a work week.
- 2) Vacation pay = 2% per week.

L. <u>Bereavement Leave and Jury Duty</u>

Bereavement and jury duty will be paid at straight time for those hours normally scheduled to work.

M. Departmental Seniority

An employee required to change departments for a continuous operation and returned to his original department at the completion of the continuous operation will not lose his original departmental seniority.

N. Schedule Changes

Employees will be given as much notice as possible before implementation or termination of this scheduling system.

V. RED CIRCLE PLANT WIDE UTILITY

The current Red Circled employees, Mike Ferre and Garnet Lockhart, who are presently receiving the Red Circle Plant Wide Utility rate, will receive a \$450.00 lump sum payment in the first year of the contract effective 02-27-2010, \$560.00 lump sum payment in the second year of the contract effective 02-27-2011, and \$600.00 lump sum payment in the third year of the contract effective 02-27-2012.

These two (2) employees will be Red Circled in their current Red Circle Plant Wide Utility rate and will continue to receive the annual lump sum payments agreed upon until they permanently transfer or bid to another job classification.

The two (2) Red Circled employees will remain at the rate of \$18.85 until the Plantwide-Utility classification rate surpasses them.

The parties have executed this Letter of Agreement on this 7 day of March 2011.

UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION (CLC) Local Union 1118

ADM MILLING CO.

/s/ Albert Johnson/s/ R. FlaigU.F.C.W. Local 1118 PresidentADM Plant Manager

/s/ C. Mandracchia

ADM HR Canada Representative

