

COLLECTIVE AGREEMENT
BETWEEN

**SWISS WATER DECAFFEINATED
COFFEE COMPANY INC.**

(the "Company")

AND

**UNITED FOOD
AND COMMERCIAL
WORKERS
INTERNATIONAL**

LOCAL 247
(the "Union")

2005 - 2009

AGREEMENT

BETWEEN

SWISS WATER DECAFFEINATED COFFEE COMPANY INC.

AND

**UNITED FOOD AND COMMERCIAL WORKERS UNION
LOCAL 247**

CHARTERED BY THE UNITED FOOD AND COMMERCIAL
WORKERS INTERNATIONAL UNION

2005 - 2009

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AGREEMENT DATED THIS _____ DAY OF _____, 2005.

BETWEEN:

SWISS WATER DECAFFEINATED COMPANY INC.

3131 Lake City Way,
Burnaby, British Columbia
V5A 3A3

(Hereinafter referred to as the “**Company**”)

OF THE FIRST PART

AND:

UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL 247

14936 32ND AVENUE,
SURREY, B.C.
V4P 3R5

(Hereinafter referred to as the “**Union**”)

OF THE SECOND PART

WHEREAS it is the intent and purpose of the parties hereto that this Agreement will promote and improve industrial and economic relationship between the employees and the Company and to set forth herein the basic agreement covering rates of pay, hours of work, and conditions of employment to be observed between the parties hereto.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

ARTICLE 1 - DEFINITION

1.1 - **EMPLOYEE**

The term “employee” as used in this Agreement includes all employees of the Company employed in the Swiss Water Plant as set out in Appendix “A.”

1.2 - **REGULAR EMPLOYEE**

The term “regular employee” as used in this Agreement means an employee who has completed the probation period and who is employed to work the standard work week.

1.3 - **PART-TIME EMPLOYEE**

- (a) The term “part-time employee” as used in this Agreement means an employee who has completed the probation period and who is employed to work less than the standard week except as provided in Article 1.3(b).
- (b) Part-time employees may work the standard work week for the purpose of relieving regular employees.
- (c) Part-time employees who are assigned to work on unusual assignments of a temporary nature may work the standard work week. When the company considers that such an unusual assignment exists, the Union will be notified, and the Company will advise the Union of the nature of the assignment. When part-time employees are terminated at the conclusion of their assignment, they shall be paid vacation allowance in accordance with Employment Standards.
- (d) All regular hours worked by a part-time employee shall be credited to the employee’s part-time seniority, which shall only be used for the purpose of computing a seniority date in the event a part-time employee is hired and transferred to full-time employment.

1.4 - **PROBATION EMPLOYEE**

The term “probation employee” as used in this Agreement means an employee who has not completed the probation period.

1.5 - **PROBATION PERIOD**

- (a) The term “probation period” as used in this agreement means the first 672 hours worked. All new employees are on probation and the Company shall have the right to dispense with the services of any probation employee during the probation period.
- (b) After completing the probation period, an employee who is employed to work the standard work week shall be designated as a regular employee and shall then be entitled to rank for seniority as of the date when he first entered the employment of the Company. After completing the probation period, a part-time employee shall be entitled to rank for seniority in accordance with the total number of hours worked by him (since his most recent date of employment by the Company) and his seniority shall apply only as against other part-time employees.

1.6 - **EMPLOYEE OUTSIDE BARGAINING UNIT**

The foregoing Article 1.1 shall not apply to Swiss Water Sales personnel, Management and supervisory staff, those employed in a confidential capacity, those with the authority to employ or dismiss and those excluded by the Labour Code.

1.7 - **NUMBER AND GENDER**

Throughout this Agreement, when the context so requires or permits, the singular number shall be read as if the plural were expressed, and the masculine gender as if the feminine or neuter, as the case may be, were expressed.

1.8 - **DISABLED EMPLOYEE**

The term 'disabled employee' as used in this Agreement means a regular employee who has not been at work for six (6) consecutive months or more due to a disability.

A disabled employee shall retain his seniority and his regular employee status for the purpose of the Pension Plan, Basic Medical Insurance and the Extended Health Benefits Plan, but not for the purposes of entitlement to any other benefit provided by this Agreement.

ARTICLE 2 - UNION RECOGNITION

2.1 - **BARGAINING AGENT**

The Company recognizes the Union as the exclusive bargaining agent for the employees as defined in Article 1 during the term of this agreement and agrees to negotiate with the Committee selected by the Union and/or an appointed Representative looking toward a peaceful and amicable settlement of any differences that may arise between the Company and the Union.

2.2 - **DISCRIMINATION**

There shall be no discrimination against any employee because of Union activities.

2.3 - **UNION DUES DEDUCTION**

All employees shall, as a condition of employment, become and remain members in good standing of the Union. The company will have all new employees sign a dues deduction authorization, and a Union application card, which will be forwarded to the Union office. The Company agrees to deduct each month, out of wages due to such employees, the appropriate Union dues and any special levies of such employees.

Monies deducted shall be forwarded by the employer to the Secretary-Treasurer of the Union not later than fifteen (15) days following the end of every second bi-weekly pay period, and accompanied by a written statement of the names of the employees for whom the deductions were made and the amount of each deduction. Union dues shall be shown on the T4 slips.

In the event of a change in the amount of Union dues or assessments or in the levying of a fine, the Union will give the Employer at least eight (8) weeks prior notice of the effective date of the change or deduction as the case may be.

2.4 - **UNION SECURITY**

The Company agrees that persons employed outside the Bargaining Union shall not, for the duration of the Agreement, perform work which is being performed by Union members except in a situation which is an emergency. This clause shall not apply to administrative office employees where the work is part of their regular duties.

2.5 - **BULLETIN BOARDS**

The Company shall provide a reasonable number of bulletin boards, the number and location to be agreed upon by the Union Executive and the Company, for the purpose of posting Union notices and official papers. All such material may be posted only upon the authority of the Union Executive. The Union may post a union sticker on the bulletin boards in order to identify where official Union notices shall be posted.

ARTICLE 3 - MANAGEMENT

The Management and the direction of the working force, including the right to hire, suspend or discharge for just cause, to assign to jobs, to transfer employees from within the Bargaining Unit to positions outside the Bargaining Unit as covered by this Agreement, to increase and decrease the work force, to determine products to be handled, produced or manufactured, the schedule of production and methods, processes and means of production or handling is vested exclusively in the Company, provided that this will not be used for the purpose of discriminating against any employee, or to avoid any of the provisions of this Agreement.

ARTICLE 4 - HOURS OF WORK

4.1 - **CONTINUOUS WORK SCHEDULE**

- (a) The standard work week for regular employees working on the continuous process shall be the tour of duty described in the posted schedule.
- (b) Employees working the continuous process work schedule shall have rest and lunch periods as follows:
 - (i) a fifteen (15) minute period during the first four (4) shift hours.
 - (ii) a thirty (30) minute period during the second four (4) shift hours.

- (iii) a fifteen (15) minute period during the third four (4) hours.

During such rest or lunch periods employees shall relieve each other in order to continue, subject to the needs of the operation, all necessary supervision of equipment and processes.

- (c) Although overtime is not compulsory except where provided in this Agreement, employees working the continuous process work schedule shall not leave their place of work at the end of the shift before their regular replacement or a qualified replacement has reported for work, unless they make arrangements to do so with their Supervisor.

4.2 - **ALTERNATE WORK SCHEDULE**

- a) The standard work week for regular employees not on the continuous process work schedule shall be eight (8) hours per day, exclusive of a thirty (30) minute lunch period, forty (40) hours per week, Monday to Friday, inclusive. Part-time employees shall have the first opportunity to work weekends and statutory holidays, at straight time rates.
- (b) Employees working the alternate work schedule shall have a fifteen (15) minute rest period, one prior to lunch break, and one following lunch breaks, and after two (2) hours worked on overtime, providing such overtime exceeds the two (2) hour period, with the times at which such rest periods shall be taken to be subject to the approval of the Company. A fifteen (15) minute rest period is to be taken at the end of a regular shift prior to the overtime being worked, if such overtime will be two (2) hours or more.

4.3 - **OVERTIME**

For regular employees, overtime rates shall apply in respect of hours worked in excess of their respective standard work week schedules. Such overtime rates shall be double time.

The above overtime rates shall apply to part-time employees on the alternate work schedule for hours worked in excess of eight (8) in a day or forty (40) hours in a week, and to part-time employees on the alternate work schedule for hours worked in excess of eight (8) in a day or forty (40) hours in a week, and to part-time employees on the continuous work schedule for hours worked in excess of twelve (12) hours in a shift or forty-eight (48) in a tour of duty.

4.4 - **BANKED OVERTIME (“BOT”)**

Regular employees shall have the option to be paid or to bank all overtime worked, except for statutory holiday pay which may not be banked. At the end of each calendar year, unused BOT hours in excess of one hundred and sixty (160) hours for each regular employee will be paid out. A regular employee may take up to a maximum of one hundred (100) hours of BOT as scheduled time off during a calendar year. Such banked overtime hours shall first be scheduled

during shutdown periods referred to in Article 10.4. When BOT is taken as time off, or paid out, it will be paid at the rate of pay in effect for the employee's classification at that time. Regular employees may request a payout of accumulated BOT four times per year. Requests for payouts will be granted in March, June, Sept., and Dec. for payment on the last pay period of these months.

ARTICLE 5 - STATUTORY HOLIDAYS

5.1 - STATUTORY HOLIDAYS

The following are statutory holidays recognized by this Agreement:

- | | |
|----------------|------------------|
| New Year's Day | Labour Day |
| Good Friday | Thanksgiving Day |
| Easter Monday | Remembrance Day |
| Victoria Day | Christmas Day |
| Canada Day | Boxing Day |
| B.C. Day | |

and any other day so proclaimed as a Statutory Holiday by the Government of Canada or the Government of the Province of British Columbia. It is agreed that in addition to the statutory holidays listed above, that an additional floating holiday shall be declared and such date shall be declared and such date shall be mutually agreed upon.

5.2 - STATUTORY HOLIDAY QUALIFICATIONS

- (a) Regular employees shall be paid their regular day's pay for the statutory holidays and the floating holiday set forth in Article 5.1. In addition to payment for the statutory holidays and the floating holiday, double time shall be paid for all work performed on the aforementioned holidays.
- (b) For regular employees, if the Statutory Holiday falls on a scheduled day off, their next scheduled working day shall be designated as the statutory holiday.
- (c) Regular employees on the continuous process work schedule who are scheduled to work on their statutory holiday shall have the option to take the day off provided replacements can be found (including replacement at overtime rates).
- (d) Regular employees shall be entitled to all statutory holidays or floating holiday specified in Article 5.1 whether they fall on a regular scheduled work day or not, provided that to qualify for the benefits of this Section in respect to any one of the said holidays, a regular employee must have worked on his last scheduled working day preceding such holiday and his first scheduled working day next following such holiday. If the regular employee is absent due to illness, or is on sick leave on scheduled

working days, such absence shall be reviewed by management and may be considered as time worked.

- (e) (i) Part-time employees who do not work on a statutory holiday shall be paid statutory holiday pay in accordance with Employment Standards.
- (ii) A part-time employee who works on a statutory holiday shall be paid for his hours worked. In addition, he shall receive statutory holiday pay equal to straight time pay for his hours work, but not more than eight (8) hours pay.

ARTICLE 6 - WAGES

6.1 - WAGE SCALE

- (a) The Company agrees to pay all employees covered by this agreement not less than the hourly rate set out in the wage schedule in Appendix "A."
- (b) Regardless of age or sex, equal pay for equal work shall prevail if the work ordinarily carried out can be performed without assistance.
- (c) Paydays shall be bi-weekly.

6.2 - EMPLOYEE TEMPORARILY PLACED ON ANOTHER JOB

When an employee is temporarily removed from his regular work and placed on other work for a period of two (2) hours or more in any one day, he shall be paid his regular rate of pay, or the basic rate of the other work, whichever is the greater, provided he can do the work without assistance.

6.3 - JOB CLASSIFICATION CHANGES

Before new job classifications are established, or existing job classifications are changed, by changes in the character of duties and responsibilities as deemed necessary or advisable by the Company, the Union Office shall be advised in writing. A rate shall be set by the Company. If, after a trial period of thirty (30) calendar days, the Union deems the adjustment made by the Company to be unsatisfactory, the dispute shall be settled pursuant to the Grievance Procedure herein provided.

ARTICLE 7 - SENIORITY

7.1 - SENIORITY LISTS

Seniority lists shall be supplied by the Company to the Union when requested. Such lists to include all employees covered by this Agreement. The first list shall

include all regular employees in Plant classifications, the second list shall include all regular employees in the Laboratory classification and the third list shall include all part-time employees. Each of such three (3) lists shall set out the name, classification, and date of employment for each employee. The Company shall be responsible for maintaining copies of seniority lists on all bulletin boards.

7.2 - **PART-TIME TO REGULAR EMPLOYEES**

A part-time employee may apply for posted job vacancies or full-time employment. Hiring and transfer to full-time status will be subject to the part-time employee successfully fulfilling all the requirements of the Company's selection process for new full-time applicants to the Company, which includes an evaluation of past performance, testing, and the result of personal interviews. In the event of such transfer the name of the employee concerned shall be deleted from the seniority list for part-time employees and shall be placed on the seniority list for regular employees. On such latter list in respect of an employee so transferring, there shall be set out a date which is not his true date of employment but is a date computed retroactively from his date of transfer, on the basis of one calendar day for each six (6) regular hours worked on the continuous process work schedule, but for regular hours worked on the alternate work schedule - one day for each eight (8) regular hours and one (1) month for each twenty-two (22) days so calculated.

7.3 - **REGULAR EMPLOYEES TO PART-TIME**

It shall be permissible for regular employees to transfer to part-time status, and in the event of such transfer, the name of the employee concerned shall be deleted from the seniority list for regular employees, and placed upon the appropriate seniority list for part-time employees. On such latter list, in respect of an employee so transferring, the amount of regular hours worked as a regular employee will be used as the employee's part-time hours.

7.4 - **PAY IN LIEU OF NOTICE**

Two (2) weeks notice or pay in lieu of notice, shall be given to employees (other than part-time or probationary employees) should any lay-off become necessary, but an employee may be discharged for cause without notice, and with wages merely to date of discharge.

7.5 - **LAY-OFF - CAUSES BEYOND COMPANY CONTROL**

In the event of a lay-off due to causes beyond the control of the Company, it is understood that it will be not necessary for the Company to give notice as provided for in Article 7.4. Should such temporary lay-off extend beyond a two-week period, the Company and Union shall meet to discuss the length of such extension.

7.6 - **LAY-OFFS AND RECALL**

In lay-offs, regular employees shall be laid-off in reverse order of their Company seniority (least senior first), and vice-versa when recalling, except where the more senior employee does not have the qualifications or training to perform the work to be done. A regular employee shall not be laid off as long as a probation or part-time employee is working, provided the regular employee has the qualifications and training to perform the work to be done.

7.7 - **PLANT CLOSURE/PARTIAL CLOSURE**

The Closure Agreement referred to in this article is negotiated in good faith between the Company and the Union to provide as much protection and help as possible to employees in the event of a full or partial closure. This article will at least comply with Employment Standards Act.

In the event of a closure of all or part of the business, the Company will notify the Union, in writing, as far in advance as possible.

The Company agrees to meet with the Union to discuss the contemplated shutdown. The Company and the Union will put into place an Industrial Adjustment Committee, comprised of two Company and two Employee representatives, to provide outplacement services for employees. Such services could include, but are not limited to, resume writing, counseling, job search assistance and retraining. The full scope of the Committee's responsibilities will be defined by the Committee members.

An employee, excluding an employee on probation, who is permanently laid-off or terminated as described above, shall be entitled to benefit as per Article 14 of the collective agreement.

7.8 - **JOB VACANCIES**

(a) When jobs in the Swiss Water Plant are available, a notice so advising will be posted on the Swiss Water Plant bulletin board for 7 working days. Application shall be made in writing to the Swiss Water Plant Supervisor as indicated on the job posting, with a copy to the Union office. The Company shall send a copy of the job posting to the Union office. If a job posting is cancelled by the Company, the Union shall be notified in writing and the reason thereof.

7.9 - **JOB AWARDS**

Length of service shall be the governing factor in job awards, providing the factors of qualifications, merit and ability are relatively equal among those applying for the position posted.

In the event that the senior applicant is not given a trial period, the Company agrees to discuss the matter with the Union prior to filling the job vacancy. The

Company's decision on the selection of an applicant for a posted or re-posted position shall be made known within two (2) weeks from the date of the posting or re-posting.

The normal internal progression to Operator 1 is from the ranks of fully qualified Operator 2's. However, the Company retains the right to hire fully qualified Operator 1's from outside the Swiss Water Plant.

7.10 - **PROBATIONARY PERIOD ON AWARDED POSITIONS**

Employees who receive job awards as outlined in Article 7.9, will receive training on the job procedures during a probationary period which will not exceed 672 hours worked. If, within such probationary period an employee cannot perform the work in the new position in a satisfactory manner, or is dissatisfied with the job award, it is agreed that such an employee will revert to his former position and rate of pay.

7.11 - **EXPERIENCED EMPLOYEES**

The Company shall retain the right at all times to see that the required minimum number of experienced employees are available on each shift to ensure proper and efficient operation. An employee shall be considered experienced upon completion of the probationary period within his particular classification.

7.12 - **LOSS OF SENIORITY**

Seniority and employment shall be lost if an employee:

(a) voluntarily leaves the employ of the Company

or

(b) is discharged for just cause

or

(c) after a lay-off fails for four (4) working days, in the case of an employee working the continuous process work schedule, or five (5) working days in the case of an employee working the alternate work schedule, to report for work after being recalled by telephone and letter delivered to his address last known to the Company.

or

(d) has been out of employment by the Company for a period of six (6) consecutive months or longer without a leave of absence.

It is agreed that employees laid off are subject to recall providing they keep the Company informed of their current address and telephone number.

7.13 - **NOTICE TO UNION OF EMPLOYMENT CHANGES**

Names of employees covered by this Agreement who are hired, transferred, discharged or resign, shall be submitted to the Union office once each pay period. This will include a written copy of each notification of lay-off and actual lay-offs issued to employees.

ARTICLE 8 - LEAVE OF ABSENCE

A request by a regular employee for leave of absence without pay and for good reason will receive full consideration by the Company and will be granted providing the regular employee has completed two (2) years' full time service, the period of leave not to exceed three (3) months. Such leave to be granted once every two (2) years. Application for such leave shall be made in writing at least four (4) weeks prior to the date leave is desired to commence and copies of said application shall be given to the Swiss Water Plant Supervisor, and the Union. The Company's decision thereon will be binding and copies shall be forwarded to the regular employee and the Union. Any regular employee receiving more than four (4) calendar weeks as leave of absence will not qualify for vacation payment as per Article 10.1. Vacation pay for these regular employees will be calculated on the percentage basis only.

Management will consider special requests for leave of absence of longer than three (3) months providing management is given three (3) months written notice prior to making this request, and it is understood that for leaves of absence of longer than three (3) month all monetary benefits normally upheld by the Company shall be discontinued until employment recommences.

ARTICLE 9 - MATERNITY LEAVE

Maternity leave will be granted per current British Columbia legislation.

ARTICLE 10 - VACATIONS

10.1 - **VACATION ENTITLEMENT**

Annual vacation with pay is provided to all regular employees. For the purposes of vacation, the vacation year is January 1 to December 31. The length of vacation is determined by the length of continuous service.

Vacation Entitlement Re: New Hire (Regular Only)

a) Hired between January 1st and June 30th of any calendar year:

VACATION TIME	TO BE TAKEN AFTER
1 WEEK	6 MONTHS OF SERVICE
2 WEEKS	ANNIVERSARY DATE OF HIRE AND BEFORE DECEMBER 31ST

EXAMPLE

HIRED: June 1st, 1997

VACATION: After December 1st, 1997 [1week]

After June 1st, 1998 and before [2 weeks]
December 31st, 1998

Note: Thereafter, vacation is allocated on a calendar year basis (January 1st to December 31st).

b) Hired between July 1st and December 31st of any calendar year:

VACATION TIME	TO BE TAKEN AFTER
1 WEEK	6 MONTHS OF SERVICE
1 WEEK	ANNIVERSARY DATE OF HIRE AND BEFORE DECEMBER 31ST

OR

VACATION TIME	TO BE TAKEN AFTER
2 WEEKS	ANNIVERSARY DATE OF HIRE AND BEFORE DECEMBER 31ST

EXAMPLE

HIRED: September 1st, 1997

VACATION: After March 1st, 1997 [1week]

After September 1st, 1998 and [1 week]
before December 31st, 1998

OR

After September 1st, 1998 and [2 weeks]
before December 31st, 1998

Note: Thereafter, vacation is allocated on a calendar year basis (January 1st to December 31st).

Vacation is earned by virtue of service performed in the previous calendar year. Once an employee is beyond the first year adjustment period as per Article 10.1 a) and b), the vacation schedule is as follows:

YEARS OF SERVICE	VACATION	VACATION PAY
1 to < 3	2 Weeks	4%
3 to < 8	3 Weeks	6%
8 to < 13	4 Weeks	8%
13 to < 18	5 Weeks	10%
18+	6 Weeks	12%

Three (3), four (4), five (5) and six (6) week vacation entitlements may be taken at any time in the calendar year in which the anniversary date of service falls.

10.2 - VACATION PAY

a) A regular employee's vacation pay shall be calculated on the following basis, whichever is the greater:

2% times the number of weeks of entitlement times gross earning earned during the previous calendar year;

or

Number of weeks of entitlement times the base rate for the job classification at which he or she is employed at the time of vacation at the normal hours per week.

b) In this Article 10.2, for regular employees who are working on the continuous process work schedule, a week of vacation means forty-two (42) hours pay.

10.3 - **PAY ENTITLEMENT PRIOR TO VACATION**

Employees shall receive their vacation pay on their last regular pay day prior to the vacation, providing the Company has received two (2) full weeks notice in writing.

10.4 - **VACATION SCHEDULING**

Each regular employee shall submit his request for vacation no later than March 1st of each year. The vacation schedule shall be posted by April 1st of each year.

Vacations will be granted as follows:

- a) There will be a minimum of one (1) production shutdown per calendar year. The shutdown will be for a minimum of fourteen (14) calendar days. All regular employees, with the exception of Maintenance Personnel, may take their earned vacation, and time owing during those periods.
- b) Vacations outside of the production shutdown period will be granted by seniority providing the schedule does not interfere with the normal operations of the business. No more than one (1) employee on the continuous work schedule may be off at any one time. All Vacation must be scheduled before BOT leave will be granted.

All earned vacation must be taken as paid time off or must be paid out by the end of the calendar or vacation scheduling year.

10.5 - **DEFERRED VACATIONS**

If a regular employee is under the care of a physician due to injury or illness prior to his vacation commencement, then the regular employee shall have the option to postpone his annual scheduled vacation to a week open for vacation scheduling.

10.6 - **TERMINATION VACATION ALLOWANCE**

In the event that a regular employee leaves the service of the company, all vacation earned in the prior year and owed by not being taken in the current year, plus the pro-rated amount earned as a result of the time worked in the current year, will be paid to the employee or his/her estate.

10.7 - **PART-TIME EMPLOYEE ENTITLEMENT**

Part-time employees shall earn vacation pay based on their records of continuous service with the Company, and such vacation pay shall be a percentage of the part-time employee's gross earnings from January 1st to December 31st, as follows:

YEARS OF SERVICE	VACATION PAY
------------------	--------------

1 to < 3	4%
3 to < 8	6%
8 to < 13	8%
13 to < 18	10%
18+	12%

Payment of part-time employees' vacation pay entitlement shall be made on their first regular payday following December 31st, and on date of termination.

ARTICLE 11 - SAFETY AND HEALTH

11.1 - **PROVISIONS FOR SAFETY AND HEALTH**

The Company shall continue to make reasonable provisions for safety and health of its employees at the plant during the hours of their employment.

11.2 - **FIRST AID ATTENDANTS**

It is agreed that First Aid facilities and a qualified First Aid Attendant holding an Occupational First Aid certificate shall be provided for by the Company. Where a regular employee within the Bargaining Unit holds a valid Occupational First Aid certificate, the following premiums shall be paid in addition to his regular rate:

- Level 3 - Occupational First Aid - \$0.75/hour
- Level 2 - Occupational First Aid - \$0.60/hour
- Level 1 - Occupational First Aid - Nil

11.3 - **SAFETY COMMITTEE**

There shall be a Safety Committee as provided for under the Workers' Compensation Act, composed of representation on behalf of the Company and the Union, the said representatives on behalf of the Union shall be appointed by the Union members in each area. Monthly meetings of the said committee shall be held and minutes posted on bulletin boards.

ARTICLE 12 - GRIEVANCE AND ARBITRATION PROCEDURES

12.1 - **DEFINITION OF GRIEVANCE**

“Grievance” means any complaint or claim brought by the Company or the Union or by any employee concerning discipline or discharge, or relating to wages, hours of work or working conditions, or related to interpretation, application or alleged violation of this Agreement.

12.2 - **GRIEVANCES TO BE IN WRITING**

All grievances shall be in writing, signed by the **party** making the grievance. No grievance shall be considered if the alleged circumstances occurred more than twenty (20) working days prior to its presentation to the Company.

12.3 - **GRIEVANCE COMMITTEE**

There shall be a Grievance Committee consisting of members designated by the Union, who will be afforded such time off with pay as may be required to attend meetings with management, held at the request of management or the Grievance Committee.

12.4 - **STEPS IN PROCESSING A GRIEVANCE**

The steps to be taken in the handling of any grievance shall be as follows:

FIRST:In the case of a grievance by any individual employee, such employee, with a Shop Steward, shall meet as soon after presentation of the grievance as may be mutually convenient with his immediate Supervisor. The Company shall inform the employee and the Shop Steward of its decision within twenty-four (24) hours of the termination of the meeting.

This step may be omitted if the grievance concerns the dismissal of an employee.

SECOND: If settlement is not achieved by the first step, or if such step is not applicable, a meeting will then be held between a representative or representatives of the Union and the Company. The party to whom the grievance was presented shall make its decision known within seventy-two (72) hours of the termination of the meeting.

THIRD: If settlement is not achieved by the second step, the following shall apply upon the agreement of both parties.

Where a difference arises between the parties relating to the dismissal, discipline or suspension of an employee, or to the interpretation, application, operation or alleged violation of this agreement, including any question as to whether a matter is arbitrable, during the term of the collective agreement, Vince Ready or a substitute agreed to by the parties, shall at the request of either party:

- a) investigate the difference
- b) define the issue in the difference, and
- c) make written recommendations to resolve the difference within five (5) days of the receipt of the request; and for those five (5) days from that date, time does not run in respect of the grievance procedure.

Should this process not result in settlement of the grievance, either party may proceed to arbitration, in accordance with Article 12.7, without prejudice to the written recommendation.

12.5 - **STEPS IN PROCESSING A COMPANY GRIEVANCE**

A Company grievance shall be in writing and shall be presented to a member of the Union Grievance Committee or to a Union Official. A meeting will then be held between the Union Grievance Committee and the Company and if no settlement is reached, may be submitted to arbitration.

12.6 - **TIME LIMITS**

Any grievance not appealed from the decision in the first or second steps of the Grievance Procedure within five (5) working days, shall be considered settled on the basis of the last decision. The parties may waive and/or enlarge any of the above time limits by mutual agreement.

12.7 - **ARBITRATION**

If settlement is not achieved by the third step, the grievance shall be submitted to arbitration.

- a) this step may be invoked by any party giving written notice to the other party concurrently with the decision required under the preceding step, or within forty-eight (48) hours thereafter.
- b) the arbitration board shall be composed of one person appointed by mutual agreement between the Union and the Company; within five (5) working days of the giving of notice of invocation of this step, the parties shall select the Arbitrator. Should the Union and the Company fail to agree upon a single Arbitrator within five (5) days, then application shall be made to the Minister of Labour of the Province of British Columbia requesting the appointment of an Arbitrator.
- (c) the decision of the Arbitrator shall be final and binding on both parties.
- (d) the Arbitrator shall not have the power to alter or change any of the provisions of this Agreement, or to substitute any new provisions for any existing provisions, nor to give any decision inconsistent with the terms and provisions of this Agreement.

ARTICLE 13 - DISCIPLINARY CASES

- (a) All reprimands and letters of discipline issued to employees shall be forwarded to the Union Office.
- (b) If an employee is discharged, laid off, or suspended from employment and such employee alleges that he has been unjustly dealt with, such discharge, lay-off, or suspension shall constitute a matter to be taken up under the method of adjusting grievances herein provided. Should it be decided or agreed that an injustice has been done to an employee, the Company shall reinstate such employee with no loss of seniority and shall pay full compensation for the time lost or such lesser sum as may be agreed upon between the Company and the Union, or recommended by the Arbitrator, as the case may be.

ARTICLE 14 - SEVERANCE PAY

14.1 - SCALE OF SEVERANCE PAY

When employment of a regular employee is terminated by the Company for reasons other than those set out in Article 14.2 below, the Company, in addition to accrued vacation pay, shall pay a regular employee the following:

After two (2) years of service, one (1) week's pay for every year of service to a maximum of thirty-five (35) weeks which would be attained in the 35th year of service.

14.2 - SEVERANCE PAY - RESIGNATION

The above shall not apply when a regular employee retires, resigns or is discharged for just cause.

ARTICLE 15 - JURY DUTY

Each employee other than a probation employee who is summoned to and reports for jury duty or is subpoenaed as a witness, as prescribed by applicable law (subject to the eligibility requirements set out below), shall be paid by the Company the difference between the employee's regular straight time hourly wage rate for the number of hours up to the hours of a regular working day that he otherwise would have been scheduled to work, and daily jury duty fee paid by the court (not including travel allowance or reimbursement of expenses). In order to receive payment under this Article, an employee must meet all of the following eligibility requirements:

- (a) the employee shall have given prior notice to the Company that he has been summoned for jury duty.
- (b) the employee shall furnish satisfactory evidence to the Company that he reported for or performed jury duty on the days for which he claims payment.

- (c) the employee would otherwise have been scheduled to work for the Company on the day for which he claims payment.

The employee shall remit to the Payroll Department any fees received from the Courts for the jury duty performed (except for expenses reimbursed by the Courts).

ARTICLE 16 - LABOUR DISPUTES

The Company agrees that in the event of a legal strike amongst the employees of a concern with which the Company is doing business, it will not ask, require, or in any way force or compel members of the Union to service such a strike-bound firm by crossing any legally established picket lines. In any event, it is agreed that the Company will not require employees to cross any legal picket line at any of the Company's place of business operations or employment.

Should a question regarding "hot goods" arise, it shall immediately be referred by the Union representative to the Company's Industrial Relations Department for joint discussions and consideration.

ARTICLE 17 - COMPASSIONATE LEAVE

The Company shall provide up to three (3) days compassionate leave from work with pay for regular employees in the event of a death in the immediate family, for purposes of arranging and/or attending the funeral. If travel outside the Province of British Columbia is necessary in order to arrange and/or attend the funeral, up to an additional two (2) days paid leave from work shall be provided, if required.

Immediate family includes:

spouse, parent, child, brother, sister, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandmother, grandfather, or any other relative in the household of the employee.

Compassionate leave with pay does not extend to periods of time when an employee is already absent (or would be absent) from his job for other reasons.

ARTICLE 18 - SICK LEAVE

18.1 - SICK LEAVE ENTITLEMENT

- a) Upon completion of the probation period and commencing on the first day of the following month, each full time regular employee shall be granted a credit of four (4) hours sick leave for each calendar month completed thereafter, up to a maximum of four hundred (400) hours.

- b) Regular employees will not be credited with or paid sick pay for those full months during which they are on leave of absence.

18.2 - **SICK LEAVE PAY**

- a) Payment of sick leave time used as a result of sickness or accident will be at eighty percent (80%) of the regular employee's classified rate.
- b) A regular employee shall not be entitled to receive sick pay in excess of that which he has accumulated.

18.3 - **SICK LEAVE PAY-OUT**

- a) Regular employees may request a pay-out of unused accumulated sick leave not more than twice per year. Instruction notices directing regular employees to apply for such pay-out of accumulated unused sick leave will be posted during the month of April for pay-out in mid-May, and in October for pay-out in mid-November. Such pay-out will be based on the number of hours of accumulated unused sick leave credited to the regular employee and will be paid at one hundred percent (100%) of the regular employee's classified rate.
- b) Regular employees who retire, are terminated (except those terminated for just cause), or who voluntarily leave the employee of the Company, shall be paid unused sick leave at one hundred percent (100%) of the regular employee's classified rate. The provisions of the Article 18.3(b) shall not apply to those regular employees who are terminated for just cause.
- c) When a regular Union employee is promoted to an Administrative position, he shall be paid unused sick leave, up to the time he ceases to be covered by this Agreement, at one hundred percent (100%) of his classified rate.
- d) If a regular employee is transferred to part-time, he shall be paid his unused sick leave at one hundred percent (100%) of his classified rate at the time of transfer.

18.4 - **ABUSE OF SICK LEAVE PLAN**

Wilful abuse of any of the provisions of the sick leave plan will result in disciplinary action being taken by Management.

ARTICLE 19 - UNION BUSINESS LEAVE

19.1 - **LEAVE WHEN APPOINTED TO UNION OFFICE**

The Company will grant leave of absence without pay to employees who are appointed to Union Office for a period of up to, and including one (1) year. Further leave of absence may be granted by mutual consent. The employees who obtain this leave of absence shall return to the Company within thirty (30) calendar days after the completion of the term of employment with the Union.

19.2 - **LEAVE TO ATTEND ON UNION BUSINESS**

The Company will grant leave of absence without pay to a maximum of two (2) employees at any one time, who are elected or appointed as Representatives to attend Labour Conventions, Union Meetings, seminars, and negotiations, in order that they may carry out their duties on behalf of the Union.

19.3 - **NOTICE TO EMPLOYER RE: UNION LEAVE**

In order for the employer to replace the employee with a competent substitute, it is agreed that before the employee receives this leave of absence, as set forth in Article 19.1 and 19.2 above, the employer will be given due notice in writing; in the case of Article 19.1 - two (2) months; and in the case of Article 19.2 - fourteen (14) calendar days.

ARTICLE 20 - GENERAL

20.1 - **EMPLOYEE RESPONSIBILITY**

The Union guarantees that its members will faithfully and diligently perform their respective duties for the Company and will at all times carry out their individual responsibilities according to the regulations, methods and systems of the Company.

20.2 - **FIDELITY BOND**

The Union accepts notice that it is a requirement of the Company that each employee be covered by a fidelity bond, and agrees that the Company shall have the right to terminate the employment of an employee who may be unacceptable to the Company's bonding company, regardless of seniority or any other considerations.

20.3 - **WEARING APPAREL**

The Company will continue to supply and launder coveralls and smocks where necessary.

The Company will provide reimbursement of up to one hundred dollars (\$100.00) per calendar year for steel-toed boots upon receipt of proof of purchase. Such reimbursement shall be made only to those employees who work in areas where safety boots are required by the Company or Workers' Compensation Board.

20.4 - **NO LOSS OF EARNINGS ON W.C.B.**

When a regular employee's claim for Workers' Compensation is accepted by the Workers' Compensation Board of British Columbia the Company will pay the employee, up to a maximum of four (4) weeks of compensable illness or accident, the difference between his regular earnings less normal and required deduction, and the amount received from the Workers' Compensation Board. If the regular employee has not received a cheque from the W.C.B. by his next pay day, then the Company will make an appropriate advance payment, and the employee will sign an authorization to reimburse the Company.

ARTICLE 21 - HEALTH AND WELFARE BENEFITS

21.1 - **INSURED BENEFIT PLANS**

Regular employees of the Company will become eligible for the benefits as provided by the Benefit Plan arranged by the Company and listed below.

- a) Swiss Water Decaffeinated Coffee Company Inc. Medical Plan – May 31,2000

Includes:

- MSP
- Extended Health Care

- b) Dental Insurance Plan

Plan A	100%
Plan B	75%
Plan C	75% to a maximum of \$1,000

- c) Group Life Insurance Plan - \$25,000, reducing by 50% at age 65

- d) Weekly Indemnity Plan – Short Term Disability

Waiting Period:

Accidental Injury	none
Disease	3 days

If you are hospitalized for at least 24 hours prior to the last day of the waiting period for disease, benefits will begin on the day you are hospitalized.

Maximum benefit period: 26 weeks

Amount 70% of weekly earnings to a maximum of \$900. Any amount of STD Insurance over \$650 is subject to approval of evidence of insurability.

- e) Swiss Water Decaffeinated Coffee Company Inc. Contact Employee Assistance Plan.

- f) Long Term Disability plan

No waiting period for existing employees at January 1, 2007. New employees subsequent to January 1, 2007 will have a six month waiting period.

Benefit of 67% of monthly earnings following a 180 day elimination period.

If an employee's earnings entitles them to a monthly benefit in excess of a pre-defined amount, then the excess amount would have to be approved by the insurer based on a medical questionnaire.

There will be a pre-existing condition clause that states if an employee has received treatment/consultation for any condition within a limited period prior to the effective date of this benefit, and a disability results from this same condition, then there will be an exclusion from eligibility.

The definition of a disability is a limited period own occupation and any occupation period thereafter.

21.2 - **RRSP**

Effective June, 1998 and thereafter, during the term of the current Collective Agreement between the Union and the Company and any renewals or extensions thereof the Company agrees to make payments to an RRSP Plan (the new Plan) for each employee working in job classifications covered by the Collective Agreement equal to ten percent (10%) of his gross earnings.

It is understood and agreed that employees shall be eligible and shall become members in the new Plan and new Fund and contributions shall commence being made to the new Fund only after they have become regular employees or when a part-time employee works five hundred (500) hours or more in two consecutive years, the Company will thereafter contribute to the Plan an amount equal to 10% of his gross earnings in each year.

It is understood and agreed that contributions by the Company shall be payable in respect to the gross earnings of regular employees regardless of whether or not they are members of the Union, so long as they are subject to the Collective Agreement. It is further understood and agreed that gross earnings shall include holiday pay vacation, pay, overtime and any other similar earnings received by the employee pursuant to the Collective Agreement. Contributions shall be forwarded by the Company to the Trust Company or other financial institution designated to receive these and shall do so not later than twenty-one (21) days after the close of the Company's normal four (4) week or monthly accounting periods.

The Company agrees it will continue to assist in the administration of the Plans by carrying out those functions described herein such as providing such forms as may be required from time to time in connection with the Plans' operations and arranging for their completion and working with the Trustees and their actuary in the processing of payments of benefits which become due to members.

ARTICLE 22 - TECHNOLOGICAL CHANGE

During the term of this Agreement, any disputes arising in relation to adjustment to technological change shall be discussed between the bargaining representatives of the two parties to this Collective Agreement:

- (a) The employer will give to the Union in writing at least sixty (60) days' notice of any intended technological change that:
 - (i) affects the terms and conditions of security of employment of a significant number of employees to whom this Collective Agreement applies, and
 - (ii) alters significantly the basis upon which the Collective Agreement applies.

The parties of this Agreement shall meet to discuss this technological change, and if the dispute cannot be settled in direct negotiations, either party may refer the matter to an arbitration board pursuant to Article 12 of this Agreement, bypassing all other steps in the grievance procedure.

- (b) Upon referral to the arbitrator he shall decide whether or not the Company has or intends to introduce a technological change and if so finding shall inform the Minister of Labour of this finding and may then or later make any one or more of the following orders:
 - (i) that the change be made in accordance with the terms of the Collective Agreement unless the change alters significantly the basis upon which the Collective Agreement was negotiated;
 - (ii) that the employer will not proceed with the technological change for such period, not exceeding ninety (90) days, as the Arbitrator considers appropriate;
 - (iii) that the employer reinstate any employee displaced by reason of the technological change;
 - (iv) that the employer pay to that employee such compensation in respect to his displacement as the Arbitrator considers reasonable;
 - (v) that the matter be referred to the Labour Relations Board (under Section 77 of the Labour Code of British Columbia).

ARTICLE 23 - DURATION OF CONTRACT

The Company and the Union mutually agree that this Agreement shall be effective June 1, 2005 to May 31, 2009 – a 4 year term unless written notice of intent to amend or terminate is given by either party to the other party within four (4) months prior to the expiration of the Agreement or any yearly period. Within ten (10) days after receipt of such notice, the parties to this Agreement shall begin to negotiate. During such period of negotiation, this agreement shall remain in full force and effect.

SIGNED THIS _____ DAY OF _____, 2005.

ON BEHALF OF THE COMPANY:

ON BEHALF OF THE UNION:

Jeff MacVicar

Lou Regenwetter, Assistant to the President

Burt Dennis

Rob Gander

Peter Lee

APPENDIX A

CLASSIFICATIONS AND WAGE SCHEDULE

Classifications	June1/05 Year 1 Rate	June 1/06 Year 2 Rate	June 1/07 Year 3 Rate	June 1/08 Year 4 Rate
Maintenance	4.50% increase \$28.93	2.50% increase \$29.65	2.80% increase \$30.48	3.30% increase \$31.48
Process Operator 1	2.50% increase \$26.27	2.50% increase \$26.93	2.80% increase \$27.68	3.30% increase \$28.59
Process Operator 2 (>6,000 hrs)	2.50% increase \$24.64	2.50% increase \$25.26	2.80% increase \$25.96	3.30% increase \$26.82
Process Operator 2 (3,000 hrs to 6,000 hrs)	0.00% increase \$21.11	1.00% increase \$21.32	1.00% increase \$21.53	1.00% increase \$21.75
Process Operator 2 (<3,000 hrs)	\$20.00	1.00% increase \$20.20	1.00% increase \$20.40	1.00% increase \$20.61
Process Helper (<2 years)	0.00% increase \$14.90	1.00% increase \$15.05	1.00% increase \$15.20	1.00% increase \$15.35
Process Helper (>2 years)	0.00% increase \$15.90	1.00% increase \$16.06	1.00% increase \$16.22	1.00% increase \$16.38
Warehouse (RH)	2.50% increase \$25.87	2.50% increase \$26.52	2.80% increase \$27.26	3.30% increase \$28.16
Warehouse	2.50% increase \$20.61	2.50% increase \$21.13	2.80% increase \$21.72	3.30% increase \$22.44
Warehouse (<2,000 hours)	\$15.90	1.00% increase \$16.06	1.00% increase \$16.22	1.00% increase \$16.38
Lab Technologist (SM)	2.50% increase \$26.27	2.50% increase \$26.93	2.80% increase \$27.68	3.30% increase \$28.59
Lab Technologist	2.50% increase \$21.68	2.50% increase \$22.22	2.80% increase \$22.84	3.30% increase \$23.60

4th Class Power Engineering Certificate - \$0.75/hour

APPENDIX A-1

Charge Hand Rate

The rate of pay for maintenance personnel who are required to direct and/or supervise the work of outside contractors in the Plant (excluding service calls) at any time, and/or Plant employees during the shutdown periods shall be 105% of the hourly rate for the position. The Company shall give advance notice of any day in which the employee will be required to act in this capacity.

APPENDIX A-2

Shift Differential

Employees working the continuous process work schedule who begin their shift at 6:30 pm shall be paid an additional \$.50 per hour premium.

LETTER OF UNDERSTANDING #1

RE: ARTICLE 1.2 – REGULAR EMPLOYEE

It is the intent of the Company to staff and run the operation with regular employees working the standard work week schedules. The Company may use part-time employees as required, and in accordance with the terms of the Agreement, with a ratio of 3 regular employees to 1 part-time employee as a guideline.

LETTER OF UNDERSTANDING #2

RE: OVERTIME

It is the intent of the Company to minimize overtime work.

Where a work assignment may result in overtime being performed the Company will follow the procedure set out below:

A. Work Assignment on Days

1. If the work assignment is expected to be two (2) hours or less, the senior employee in the classification on shift will be assigned the work.
2. If the work assignment is expected to exceed two (2) hours, then the Company will offer the work to the Process Operators in the classification, by seniority, who are scheduled off shift.
3. If such employees are not available, the Company will offer the work to the Process Operators #1 or #2 who are working the alternate work schedule.
4. If such employees are unable to perform the work assignment, the Company will first assign the work to qualified part-time employees or probation part-time employees, whom the Company deems qualified for the work assignment, to work at straight time rates.
5. If the work assignment goes unfilled, then the most junior available employees trained for it will be assigned to perform it.

B. Work Assignment on Nights

1. If the work assignment is expected to be two (2) hours or less, the senior employee in the classification on shift will be assigned the work.
2. If the work assignment is expected to exceed two (2) hours, then the Company will first assign the work to qualified part-time employees or probation part-time employees, whom the Company deems qualified for the work assignment, to work at straight time rates.
3. If such employees are not available, the Company will offer the work to regular employees in the classification by seniority, who are scheduled off shift. An employee is not eligible for this assignment if he has just completed a shift.
4. If such employees are not available, the Company will offer the work to the Process Operators #1 or #2 who are working the alternate work schedule.
5. If the work assignment goes unfilled, then the most junior available employees trained for it will be assigned to perform it, provided they have 8 hours off work immediately preceding the shift.

SIGNED THIS _____ DAY OF _____, 2005.

ON BEHALF OF THE COMPANY:

ON BEHALF OF THE UNION:

Jeff MacVicar

Lou Regenwetter, Assistant to the President

Jeff Belford

Rob Gander

LETTER OF UNDERSTANDING #3

RE: ARTICLE 10 - VACATIONS

It is understood, that for the term of the collective agreement signed this date, the following employees will be entitled to seven (7) weeks vacation with pay based on 14% of their gross earnings from January 1st to December 31st of the previous year:

Ronald Health

Signed this _____ day of _____, 2005.

ON BEHALF OF THE COMPANY:

ON BEHALF OF THE UNION:

Jeff MacVicar

Lou Regenwetter, Assistant to the President

Jeff Belford

Rob Gander

LETTER OF UNDERSTANDING #4

RE: COMPRESSED WORK WEEK SCHEDULE

A compressed work week schedule may be implemented by the company for certain positions excluding Process Operator 1 & 2. The standard work week for employees on the compressed work schedule shall consist of four (4) consecutive ten (10) hour shifts, exclusive of a thirty (30) minute lunch break, with three (3) days off.

Regular employees on the Compressed Work Week Schedule shall be paid their regular day's pay for the Statutory Holiday and the Floating Holiday set forth in Article 5.1. In addition to payment for the Statutory Holiday and Floating Holiday, double time shall be paid for all work performed on the aforementioned holidays.

Employees working the Compressed Work Week Schedule shall have two (2) fifteen (15) minute rest periods, one prior to lunch break, and one following lunch break. A fifteen (15) minute rest period is to be taken at the end of the regular shift prior to overtime being worked, if such overtime will be two (2) hours or more.

SIGNED THIS _____ DAY OF _____, 2005.

ON BEHALF OF THE COMPANY:

ON BEHALF OF THE UNION:

Jeff MacVicar

Lou Regenwetter, Assistant to the President

Burt Dennis

Rob Gander

Peter Lee