

Collective Agreement

between

Heartland Livestock Services

and

Grain and General Services Union

(ILWU • Canada)

Unit 1.4

Effective

January 1, 2012 - December 31, 2014



New wording from the memorandum of settlement is printed in red.

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ARTICLE 1 - SCOPE AND DEFINITIONS

THE COMPANY recognizes THE UNION for the duration of this Agreement as the sole bargaining agent for the purpose of collective bargaining in respect to wages and other conditions of employment on behalf of the employees of Heartland Livestock Services employed in the Province of Saskatchewan, except those who are casual employees and those who are incumbents of the following positions:

Chief Operating Officer, General Manager, IT Manager, Manager Cattle Operations, Manager Planning and Development, Controller, Chief Accountant, Market Centre Manager, Manager Livestock Sales Services, Manager Electronic Sales, Manager Special Sales, Sales Manager, Senior Marketing Representative/Auctioneer, Marketing Representative/ Auctioneer, Marketing Representative/Salesperson, Supervisor Order Buying, Yard Foreman/Woman, Private Secretaries to Out-of-Scope Personnel.

FISCAL YEAR - means: a 12 (twelve) month period beginning January 1, and ending the following December 31.

CASUAL EMPLOYEE - means:

- a) an employee engaged on a partial day and/or week on an irregular basis, or
- b) an employee engaged on a regular working day basis and working less than thirteen hundred (1300) hours (excluding overtime hours) in a fiscal year.
- c) The time period for casual accumulation of hours shall be from January 1 to December 31.

SEASONAL EMPLOYEE - means:

- a) A new employee category, separate and distinct from the current Casual category, hired for a specific seasonal fixed work term between September 15 and April 15. Such term may be extended by mutual agreement between Management and the Union.

Seasonal employees shall be in the scope of the collective agreement.

There shall be a maximum of one seasonal employee per location as required, subject to the Company's discretion.

It is recognized that at the end of such employment, the employee will be terminated.

- b) Seasonal employees shall not be able to exercise seniority rights outside their location with respect to this agreement. Seasonal employees shall not be employed by the company so as to displace regular employees nor shall a seasonal employee be hired or employed while a regular employee is on layoff in the location. A seasonal employee shall have the first opportunity to return to a seasonal position at the yard they were laid off from. A seasonal employee who is hired into a full time position shall be recognized as a regular employee with their seniority dating from the last date of hire.
- c) The probationary period for a seasonal employee shall be their first season of employment.
- d) Employees hired on seasonal status shall have access to all benefit plans during their seasonal employment with the Company, except that seasonal employees shall have access to the Pension Plan only after 700 hours of employment in a calendar year.
- e) Seasonal employees shall be paid the start rate for the classification they fill.

SENIORITY - shall be defined as all service with the Company excluding casual service, unless such service is continuous with subsequent service.

- a) Accrual - Seniority shall continue to accrue during Maternity Leave, Child Care Leave, Union Leave, unpaid Sick Leave, Disability Leave, Workers' Compensation Leave, or lay off due to technological change adjustment.
- b) Maintenance of Seniority - Seniority shall be maintained but shall not accrue during lay off other than due to technological change, or leave of absence without pay other than that referred to above, in paragraph a).
- c) Loss of Seniority - An employee shall forfeit seniority only for resignation or termination of service, failure to report on recall from lay off within the notice period set out herein. Seniority accumulated prior to such resignation or termination shall be forfeited unless reinstated by the parties hereto, or a Board of Arbitration referred to in Article 7, hereof, or such other appropriate authority.

PROMOTION - Promotion shall mean the movement of an employee from a position to a position bearing a higher pay structure.

DEMOTION -- Demotion shall mean the movement of an employee from a position to a position bearing a lesser pay structure.

TRANSFER - Transfer shall mean the movement of an employee from a position to another position bearing the identical pay maximum.

ARTICLE 2 - SPIRIT AND INTENTION

1. The parties to this Agreement share a commitment to the competitive success of the business and high standards of customer service. The purpose of this Agreement is to establish employment conditions, which will support achievement of these results.
2. The intention of this Agreement is to maintain good and amicable relations between the Company and employees covered by this Agreement, so that a solution of all matters pertaining to conditions of employment may be arrived at by consultation and agreement between the parties hereto, and to set out the terms and conditions of employment applying to these employees. This Agreement is in no sense to be taken as a discouragement to direct negotiations where a solution can be reached by such means without having recourse to the bargaining procedure hereinafter provided.
3. Any Letters of Understanding or other undertakings respecting application of past collective agreements or maintenance of practices pre-dating this Agreement shall be null and void unless specifically continued by written agreement between the Union and the Company.

ARTICLE 3 – RECOGNITION

1. The Union recognizes that the Company has the sole authority to manage its affairs, to direct its working forces, including the right to hire, to fix wages within the terms of Schedule “A” (Article 30) hereinafter referred to, to transfer, promote, demote and to suspend or discharge any employee for just cause, and to increase or decrease the working force of the Company, to reorganize, close, disband any Department or Section thereof from time to time as circumstances and necessity may require, subject to the right of any employee concerned to lodge a grievance in the manner and to the extent hereinafter provided.
2. The Union further recognizes the right of the Company to operate and manage its business in all respects in accordance with its commitments and responsibilities and to make and alter from time to time, the rules and regulations to be observed by the employees, not inconsistent with the terms of this Agreement.

ARTICLE 4 - COMPANY RELATIONS

1. It is understood and agreed, in as much as the Company recognizes the Union as the employees' bargaining agency, as evidence of good faith, the Union assumes responsibility for its members in their relations with the Company and will use its best efforts to have the employees' responsibility under the contract carried out in letter and spirit and to have its members deliver a fair day's work as called for by the position involved and the reasonable orders of the Company.

2. The Company will not discriminate in its hiring and employment practices against persons by reason of age, race, creed, sex, nationality, ancestry or place of origin, political affiliation, union activity, marital status, or physical disability, except to the extent provided by law as a bona fide occupational requirement.

ARTICLE 5 - MAINTENANCE OF MEMBERSHIP

1. The Company agrees upon receipt of signed authorization cards from members of the Union to deduct from the salaries payable to such members the amount of membership dues payable by such members.

2. The Company agrees that as a condition of employment, membership dues or sums in lieu will be deducted from the wages of all newly-hired employees, hired on or after certification of the unit by the Saskatchewan Labour Relations Board, as of their first complete pay period following their commencement of employment.

3. Membership dues or sums in lieu so deducted from salaries shall be paid monthly to the General Secretary of the Union within fifteen calendar days following completion of the last payroll period in the calendar month, remittance to be supported by information with respect to each individual employee, including the period covered by the remittance for that employee.

4. The Company shall furnish the General Secretary of the Union with monthly staff change lists by the 15th day of the following month, which shall include the name, location, classification, grade, salary, and effective date of all staff changes, including new hires.

5. Every employee who is now or hereafter becomes a member of the Union shall maintain his membership in the Union as a condition of his employment, and every new employee whose employment commences hereafter shall, within thirty (30) days after the commencement in his employment, apply for and maintain membership in the Union, and maintain membership in the Union as a condition of his employment,

provided that any employee in the appropriate bargaining unit who is not required to maintain his membership or apply for and maintain his membership in the Union shall, as a condition of his employment, tender to the Union the periodic dues uniformly required to be paid by the members of the Union.

ARTICLE 6 - GRIEVANCES

The Company and the Union agree that it is most desirable to resolve misunderstandings and disputes through discussions between the employee and the supervisor, and both the Company and the Union shall encourage employees to discuss their complaints with their supervisors so as to resolve differences quickly and directly.

Formal grievances, whether individual or executive, shall be raised within fifteen (15) calendar days of the date on which the grievances become apparent, or ought to have become apparent. Grievances shall be in writing on the approved grievance form and shall identify, where applicable, the section or sections of the agreement claimed to have been violated.

Grievances shall be dealt with in the following manner without stoppage of work:

STEP 1: (Marketing Centers Only)

The grievance shall be taken up with the Marketing Centre Manager (or his designate) who shall render a decision within three (3) working days of the receipt of the grievance. Grievances, which involve dismissal or suspension in excess of seven (7) calendar days, Head Office grievances, and executive grievances shall dispense with Step 1.

STEP 2: Within seven (7) working days of the receipt of the decision in Step 1 the grievance shall be taken up with the Chief Operating Officer (or his designate) in the case of marketing centre grievances or the Controller in the case of Head Office grievances, who shall render a decision within seven (7) working days.

In grievances which involve dismissal or suspension which exceeds seven (7) calendar days, the Company and the Union may combine steps two and three of the grievance procedure to expedite the matter.

STEP 3: In the event that a decision is not rendered at Step 2, or the decision does not lead to resolution in the view of the parties, the General Secretary of the Union or his/her designate shall immediately consult with the Chief Operating Officer, Heartland Livestock Services or his/her designate. If after fourteen (14) working days from the date of submission at Step 3 an amicable settlement is not arrived at, it may be submitted to arbitration as hereinafter provided for.

STEP 4: A grievance is referred to arbitration by either party giving notice to the other in writing of their intention to do so. Such written notice shall be given within ten (10) working days of the receipt of decision at Step 3, or from the expiry of the time limits at Step 3, whichever is the earlier. Within fourteen (14) days of receipt of such written notice, the parties shall meet and appoint a single Chairperson to the Board. If the parties fail to agree and fail to appoint a Chairperson within fourteen (14) working days of their initial meeting, they shall request the Minister of Labour for Saskatchewan to appoint a Chairperson to the Arbitration Board and the person so appointed shall be duly empowered to act accordingly.

Time limitations in the preceding process may be extended by mutual agreement between the parties, provided that requests for extensions are made prior to the expiry of the time limitation.

Employees may have benefit of representation by Union officials at any of the steps in the procedure, and similarly management representatives may have benefit of counsel.

In the event of a grievance, the Company agrees, upon request, to provide the Union with copies of disciplinary and/or appraisal documents which have been served upon the employee, which the Company intends to use in regard to the specific grievance.

References to disciplinary matters shall be removed from the employee's personal file after two (2) years providing there have been no further incidents of the same or substantially similar nature during that two-year period, and such references, once removed, will no longer be admissible as evidence in any arbitration hearing.

ARTICLE 7 - ARBITRATION BOARD

1. The Arbitration Board established under Article 6, (Step 4) shall not have authority to alter or change any of the provisions of the Agreement, or to insert any new provisions, or to give any decision contrary to the terms and provisions of the Agreement, but it is agreed that where disciplinary action is involved the Arbitration Board shall have the power to award a penalty or amend a penalty imposed by the Company.

2. The decision of the Board or a majority of the arbitrators shall be final and binding upon the parties hereto and upon any employee or employees concerned. If there is no decision by a majority of the Board, then the decision of the Chairman shall be similarly final and binding.

3. No costs of any arbitration shall be ordered to or against either party, but each party shall be responsible for the expenses and/or fees payable to its representative and for one-half (1/2) the expenses and/or fees payable to the Chairman of the Board.

ARTICLE 8 - BENEFIT PLANS

The Company's present policy and subsequent amendments (in accordance with bylaws of the plans concerned) providing, Group Income Replacement Insurance, Group Life Insurance, Accidental Death and Dismemberment, Group Dental Plan and Extended Health including Vision shall be continued during the term of this agreement. The current cost-sharing arrangements will continue.

Specific coverage is outlined in the benefits booklet handed out to all eligible employees, and summarized below.

1. GROUP LIFE INSURANCE

- 1) All eligible employees who have completed ninety (90) days' **continuous** service with the Company shall contribute to the Group Life Insurance Plan adopted by the Company and the Union. Such contributions shall be made by payroll deduction in accordance with the terms and conditions of the Group Life Insurance Plan outlined herein.
- 2) The Company and the Union agree to review jointly the Plan referred to in Section 1 above on an annual basis, including its performance, experience, and financial viability.
- 3) Effective October 1, 1990, for the term of this Agreement, employees who retire prior to their sixty-fifth (65th) birthday shall, on retirement, be entitled to cover their group life insurance coverage to individual life insurance coverage at the group life insurance rates provided under Policy 770352. Retirees exercising this option shall pay 100% of the premium for such coverage.
- 4) The Company will participate in the Group Life Insurance Plan designated as Policy 770352 carried by GroupSource
- 5) Life Insurance –Three times annual salary to a maximum amount of \$250,000.00.
 - \$3,000.00 paid up policy at retirement for employees who are fifty years of age or older at February 1, 2000. All other employees are ineligible for this paid up policy. As of August 1, 2002, all employees who qualify for the \$3000 paid up policy will, in place of the \$3,000 paid up policy, be paid an exgratia

payment of \$1,750.00. The payment will be made directly to the employee upon retirement.

- Waiver of Premium for total disability to cease at retirement.
- Premiums shared equally between the employee and the Company.
- Optional Life Insurance available in units of \$10,000 to a maximum of \$250,000 with smoker/nonsmoker, male/female and age banded rates for employees, spouses and children, 100% employee paid.
- Dependant life insurance, \$10,000 for spouse, \$5,000 for each dependant, 100% employer paid.

2. ACCIDENT INSURANCE

- 1) All eligible employees who have completed ninety (90) days' **continuous** service with the Company shall contribute to the Accident Insurance Plan adopted by the Company and the Union. Such contributions shall be made by payroll deduction in accordance with the terms and conditions of the Plan.
- 2) Accidental Death and Dismemberment coverage equivalent to the amount of life insurance coverage to a maximum amount of \$250,000.00.
- 3) Accidental Death and Dismemberment benefits payable are for loss of:

| Loss of | Amount |
|---|--|
| Total paraplegia, hemiplegia or quadriplegia or use of both arms, or both legs, or one arm and one leg on the same side of the body. | 200% of basic group life insurance benefit |
| Both arms or both legs or both hands or both feet, or sight of both eyes, or one hand and one foot, or use of both hands or both feet, or one hand or arm and one leg, or sight of one eye and one hand or one foot, or speech and hearing in both ears | 100% of basic group life insurance benefit |
| One arm or one leg, or use of one arm, or one leg. | 75% of basic group life insurance benefit |

| | |
|--|---|
| One hand, or one foot, or speech, or hearing in both ears, or sight of one eye, or use of one hand, or one foot. | 66 2/3% of basic group life insurance benefit |
| The thumb and index finger of the same hand or, four fingers of one hand, or hearing in one ear. | 33 1/3% of basic group life insurance benefit |
| All toes of one foot. | 25% of basic group life insurance benefit |

Rehabilitation benefit to a maximum of \$10,000.00 of eligible expenses.

Repatriation benefit to a maximum of \$10,000.00 of eligible expenses.

Home and vehicle modification to a maximum of \$10,000.00 of eligible expenses.

Critical Disease Benefit equal to 10% of basic life benefit.

- 4) All employees, ninety (90) days from the date of employment are required to participate in the GroupSource Life Insurance Plan, Policy 770352 as a condition of employment.
- 5) Premiums for A.D.D. coverage shall be paid by the Company.

3. DENTAL PLAN

All eligible employees who have completed ninety (90) days' **continuous** service with the Company are covered by a "user-pay" dental plan based on the GroupSource paid premium plan.

Effective February 1, 2000 the Company agrees to pay 80% of the cost of eligible basic services and 50% of the cost of eligible major restorative and orthodontic services as defined by the GroupSource Plan. Combined maximum of \$3,500/per year/insured employee/ person for eligible basic services and eligible major restorative services. Orthodontic services shall have a lifetime maximum of \$3,500 coverage per insured employee/person. The balance of the cost to be borne by the employee.

Basic services shall include exam, cleaning and x-ray once every twelve (12) months.

Implants and fluoride treatment for adults are excluded from coverage.

4. SICK LEAVE AND DISABILITY INCOME PLANS

In the case of sickness, or disability arising out of sickness, all eligible employees who have completed ninety (90) days or more continuous service with the Company shall be entitled to benefits in accordance with the following plans:

A. SICK LEAVE - PLAN A

- 1) Effective August 1, 2003, employees who qualify for benefits shall be eligible for a total of seven (7) sick day credits per calendar year. Accumulation or carry-over from previous years is not permitted.
- 2) Employees on payroll as at July 31, 2003 shall retain sick days accrued up to August 1, 2003 under the previous plan (i.e. one and one quarter (1 ¼) days earned per month worked, less sick days used, up to a maximum 250 days).
- 3) Employees can use the sick leave credits they have accumulated prior to August 1, 2003 only after they have exhausted their seven (7) sick days per year entitlement under the new sick leave plan to bridge them to the threshold for coverage under the Long Term Disability Plan (i.e. Plan C).

Once the employee's accrued sick leave credits have been exhausted, he/she shall be covered by the Short-Term Disability Plan (i.e. plan B).

- 4) Employees who are entitled to payment of wages during sick leave shall be paid at the rate of pay that would apply if the employee were not absent on sick leave to the limit of his/her accumulated sick leave credits and to a maximum of one hundred and nineteen (119) calendar days in any one illness.
- 5) All sick leave usage under this Plan shall be deducted from accumulated sick leave credits.
- 6) Sick leave allowance payments shall not extend beyond normal retirement age.
- 7) When sick leave allowance payments have expired, an employee may be granted leave of absence without pay as provided for in Article 14, Clause 1, Leave of Absence.
- 8) Sick leave allowance payments for the first day of any sickness may be withheld at the discretion of the Company.
- 9) All recipients of sickness and disability allowance payments must provide on request of the Company, medical reports of their condition.

- 10) An employee on paid sick leave shall only accumulate vacation credits for the first two (2) months of sick leave.
- 11) Sickness and disability allowance payments under this Plan will not apply to any employee receiving compensation under the Workers' Compensation Act.

B. EXTENDED SICK LEAVE - PLAN B

- 1) If an employee is sick for seven (7) consecutive days (paid or unpaid), on the eighth (8) workday he/she will be eligible for the Short-Term Disability Plan (Plan B). The STD provides benefits in the amount of $66 \frac{2}{3}$ per cent of regular earnings to a maximum earnings ceiling of the Unemployment Insurance Commission program at the time of disability, for (a) the period of absence due to sickness in excess of a two week waiting period in any one illness, or (b) where sick leave credits in Plan A exceed two (2) weeks, benefits from this plan shall commence at the expiration of sick leave credits in Plan A.
- 2) Maximum benefits payable in any one illness shall be seventeen (17) weeks or for one hundred and nineteen (119) calendar days.
- 3) Benefits under this plan shall be reinstated immediately on return of an employee to work following an illness.
- 4) Benefits under this plan shall not extend beyond normal retirement age.
- 5) The regular rate of pay which an employee is receiving at time of illness shall be used in determining benefits under this Plan.
- 6) All recipients of benefits under this Plan must provide, on request of the Company, medical reports on their condition.
- 7) An employee on sick and/or extended sick leave shall only accumulate vacation credits for the first two (2) months of sick leave.
- 8) Benefits under this Plan shall not apply to any employee receiving compensation under the Workers' Compensation Act.
- 9) The Premiums for this insurance shall be paid by the Company.

C. DISABILITY INCOME - PLAN C

- 1) Employees, who have completed ninety (90) days continuous service with the Company, shall as a condition of employment become members of the Disability Income Plan C designated as Group Policy No. 770352 carried by GroupSource.
- 2) Group Policy No. 770352 will provide a benefit of the lesser of 60% of gross monthly salary to a maximum of the lesser of \$15,000 or 100% of net salary.
- 3) If the employee is on the defined contribution pension plan, the insurance company will contribute both employee and employer contributions to the employee's pension at the same rate as if the employee was still at work service.
- 4) The Company agrees to write to the GroupSource to register the following:
 - a) The right of any claimant to representation by a person(s) appointed by the Union provided the claimant has so indicated his/her desire in writing.
 - b) That the insurer subject to (a) above shall communicate directly with a person(s) appointed by a claimant with respect to his/her claim.
 - c) That the insurer subject to (a) above shall automatically send copies of all correspondence to the Union with respect to claims submitted by any of its members.
- 5) The premiums for this insurance shall be paid by the employee.

D. INTEGRATION OF BENEFITS OF PLAN A, B, AND C

- 1) Benefits from the three plans -- the Sick Leave Plan A and Extended Sick Leave Plan B, and the Disability Income Plan C -- shall be integrated.
- 2) Employees eligible for benefits under Sick Leave Plan A and Extended Sick Leave Plan B shall be covered by benefits under the two plans for a period not to exceed one hundred and nineteen (119) calendar days in any one illness.
- 3) When the period of such illness exceeds one hundred and nineteen (119) calendar days, provisions of the Disability Income Plan shall apply from the one hundred and twentieth (120th) day of the illness.
- 4) The Company and the Union agree to review Plan B and Plan C on an annual basis including their performance, experience, and financial viability.

5. EXTENDED HEALTH CARE PLAN

The Company shall provide an Extended Health Care insurance plan to all eligible employees who have completed ninety (90) days' **continuous** service as follows:

- 1) The Insurance Company will pay 80% of prescription drugs. This is a managed health care plan with drug card – life style drugs excluded; generic drugs where available.
- 2) The Insurance Company will pay 100% of all other eligible expenses as provided by the insurance carrier (no deductibles).
- 3) The Company shall pay all of the premiums for Extended Health.
- 4) Temporary employees are excluded.
- 5) The benefit shall be pro-rated for part-time employees.

6. VISION CARE

The Company shall provide a Vision Care insurance plan to all eligible employees who have completed ninety (90) days' **continuous** service as follows:

- 1) The Insurance Company will pay 100% of eligible expenses for prescription eyeglasses or contact lenses required as a result of a medical condition to correct the employee's (and eligible dependants') vision.
- 2) The benefit maximum reimbursement shall be \$300 for adults in any twenty-four (24) consecutive months and \$100 for children in any 12 (twelve) consecutive months.
- 3) Premiums shall be paid by the Company.
- 4) Temporary employees are excluded.
- 5) The benefit shall be pro-rated for part-time employees.

ARTICLE 9 - PENSION PLAN

1. Heartland Livestock Services/Grain Services Union (ILWU • Canada) Defined Contribution Pension Plan, effective September 19, 2001, arises out of and forms part of the Collective Agreement between the Company and the Union.

2. Ninety (90) days from the date of employment with the Company, all full-time employees engaged on or after September 20, 2001 shall, as a condition of employment, join the Heartland Livestock Services/Grain Services Union (ILWU • Canada) Defined Contribution Pension Plan.
3. Employee (EE) and Employer (ER) premium contributions to the Heartland Livestock Services/Grain Services Union Defined Contribution Pension Plan as a percentage of regular salary shall be:

| | EE | ER |
|------------------------------------|-------|-------|
| September 20, 2001 – July 31, 2003 | 4.57% | 4.57% |
| August 1, 2003 | 5.00% | 5.50% |

The (6) six employees who qualify for the retirement allowance referenced in Article 9.5 below will have an employer (ER) contribution of 5.75% (instead of 5.5%) effective August 1, 2004.

4. Responsibility for Heartland Livestock Services to participate in, and contribute to previous plans provided through Saskatchewan Wheat Pool, including the Saskatchewan Wheat Pool/Grain Services Union (ILWU • Canada) Pension Plan and the Saskatchewan Wheat Pool and Affiliated Companies Accumulation Pension Plan, will be terminated effective September 19, 2001 and be replaced with the Heartland Livestock Services (Grain Services Union (ILWU • Canada) Defined Contribution Pension Plan referenced above.
5. Effective February 1, 2000 the retirement allowance will be eliminated except as provided herein. Employees who have fifteen (15) years of service on February 1, 2000 shall retain and continue to accrue the retirement allowance as provided for in the Company Policy.

ARTICLE 10 - BOOT ALLOWANCE & UNIFORM POLICY

Each yard maintenance employee shall be entitled to a Boot Allowance each year as set out below. Persons employed for part of the year shall be entitled to only a prorated portion of this allowance. The allowance shall be \$120 per year paid on employees' regular pay check the first full pay period after Aug. 1.

The allowance is paid to these employees to purchase safety boots, which are to be worn in the workplace.

ARTICLE 11 - WORKERS' COMPENSATION ACT

1. In all cases of temporary total disability, as defined by the Workers' Compensation Board in its administration of the Workers' Compensation Act, sustained by an employee as a result of an occupational accident covered by the Workers' Compensation Act, the Company agrees to continue to pay the employee an amount equal to his/her net earnings (after income tax) prior to injury for one full pay period. If the period of disability is longer than one pay period the employee will receive payment directly from the Workers' Compensation Board.
2. In the event the Workers' Compensation Board reduces compensation payments below one hundred per cent (100%), salary payments will be adjusted to the percentage of compensation as determined by the Board.
3. The maximum period under Workers' Compensation Act payments on which vacation time shall accumulate shall not exceed two (2) months in any fiscal year.

ARTICLE 12 - SENIORITY

1. No employee shall acquire seniority until he/she has completed satisfactorily a probationary period of ninety (90) days, at which time his/her seniority shall be retroactive to the date of hiring.
 - a) In the matter of demotion and lay-off, seniority on a bargaining unit basis shall prevail subject to qualifications, ability and merit.
 - b) Where it is elected by the Company to fill a vacancy to a position within the scope of this Agreement, the position shall be posted. In the selection process seniority on a bargaining unit basis shall prevail subject to qualifications, ability and merit. An applicant having more seniority than the appointed applicant may request reasons in writing for not receiving the appointment.
 - c) Notwithstanding (b), the Company in its sole discretion may elect to fill a vacancy to a position within the scope of this Agreement by transfer. Employees may submit requests for transfer and the Company shall maintain such requests on a transfer list. The Union may make representation to the Company where the circumstances of the transfer in its view warrant such representation or where the Union feels that the transfer interferes with the rights accorded by this Agreement.
 - d) Where the selection process described in (b) does not result in appointment being made, the Company may fill the position by other means.

2. In the matter of short-term and seasonal lay-off, seniority on a branch basis shall prevail.
3. An employee who is appointed to an out-of-scope position shall not accumulate seniority, but shall retain the seniority he/she earned prior to his/her appointment. Within one (1) year of such appointment he/she may exercise his/her earned seniority to return to his/her former in-scope position, but after one (1) year he/she may exercise his/her earned seniority only to return to a vacant in-scope position graded not higher than that which he/she occupied prior to his/her out-of-scope appointment.
4. It shall be the policy of the Company in filling vacancies beyond the scope of this Agreement to give first consideration to present employees.
5. Job vacancies shall be posted in all yards for a period of ten (10) calendar days to allow for receipt of applications from present staff members except in the case of a vacancy occurring in the Clerk class and the Yardperson Class.

ARTICLE 13 - LAY-OFF AND RE-EMPLOYMENT

When the necessity arises to make a reduction in working strength, employees shall be laid off and shall possess re-employment rights pursuant to the following provisions:

1. Regular employees shall be given as much advance notice of lay-off as possible.
2. Employees with the least classification seniority in the class where the lay-offs are occurring will be laid-off first.
3. **SHORT-TERM LAY-OFF**
 - a) A short-term lay-off is defined as a temporary reduction in work expected to last less than six (6) months. The employee(s) shall be given a Notice of Temporary Lay-off.
 - b) Short-term lay-off within a classification shall be conducted in the inverse order of seniority with the junior most employee(s) being laid-off first on a location basis.
 - c) Laid-off employees shall be entitled to bump the junior employee in a lower classification at that location, provided they have greater seniority and subject to qualifications and ability.
 - d) Employees shall be required to give written notice of their intention to bump not later than forty-eight (48) hours following receipt of notice of lay-off.

- e) Employees shall be recalled on a classification basis in the inverse order of lay-off. Employees on short-term lay-off shall be recalled to their original location only.
- f) An employee whose lay-off extends past six (6) months, shall automatically gain all rights provided for under the long-term lay-off provision.

4. LONG-TERM LAY-OFF

- a) A long-term lay-off is defined as a lay-off expected to last six (6) months or more (e.g. permanent closure, position elimination, etc.).
- b) Employees shall be entitled to notice of lay-off as provided in the Saskatchewan Labour Standards Act legislation.
- c) An employee who has received notice of long-term lay-off shall be entitled to the following:
 - i. To apply for posted vacancies in accordance with Article 12 - Seniority.
 - ii. To be advised of all impending vacancies in the bargaining unit.
 - iii. To go on lay-off with recall rights for twelve (12) months from the date of initial lay-off (either short-term or long-term).
 - iv. To accept a demotion to an entry-level vacancy, subject to qualifications and ability, in the location in which he/she is employed.
 - v. To bump the junior-most person in a lower classification, subject to qualifications and ability, at that location.
 - vi. To bump the junior-most person in a lower classification, subject to qualifications and ability, in the bargaining unit. Where a housing move is necessary, a moving allowance of a maximum of one thousand dollars (\$1,000) (with receipt) will be provided.
 - vii. To sever his/her employment and be paid severance at a rate of two (2) weeks per year of service (pro-rated for partial years) to a maximum of twenty-six (26) weeks' payout. On long-term lay-offs, severance pay would include notice of lay-offs as provided in Saskatchewan Labour Standards Act. Where a short-term lay-off becomes a long-term lay-off, severance would not include notice given under the short-term lay-off.

- d) An employee who accepts a demotion as a result of exercising rights in i), iv), v), and vi) in c) above shall have their pay adjusted according to the demotion formula outlined in Schedule A, Item 5(e).
- e) Employees shall be required to give written notice of their intentions to bump not later than seven (7) calendar days following the notice of long-term lay-off.
- f) Once an employee has notified the Company of his/her intention to take lay-off (i.e. option C (iii) above), he/she can no longer access the bumping options.
- g) Call back under option C (iii) above shall be on a classification basis in the inverse order of lay-off.

5. Employees who are laid off shall have the right to defer receipt of vacation pay until a time subsequent to recall to work. This does not imply they have a right to take vacation time after they return to work.

ARTICLE 14 - LEAVE OF ABSENCE

1. Leave of absence without pay may be granted regular employees for valid reasons.
2. a) An employee who has one or more years of service shall be granted Maternity and Parental leave as per Saskatchewan Labour Standards.
3. a) An employee on leave of absence shall not accumulate seniority, vacations or sick leave, but he/she shall retain the seniority, vacations or sick leave he/she earned prior to commencing his/her leave of absence.
 - b) Provided leave of absence does not extend beyond six (6) months, the employee may return to his/her former position; but should his/her leave of absence be of longer duration, then he/she may only exercise his/her seniority to return to a vacant position for which he/she is qualified.

Where leave of absence is for educational purposes the period of six (6) months may be extended at the discretion of the Company to a period not in excess of twelve (12) months.
4. Employees on leave of absence shall be required to apply for an extension annually.
5. Leave of absence with pay chargeable to an employee's sick leave credits may be granted for matters of pressing necessity. The application of Pressing Necessity Leave shall include attending to an employee's sick child. Requests to use sick leave credits for this purpose shall be made in writing to corporate management. Requests may be rejected or granted to an extent considered to be fair and reasonable to management on the basis of the particular situation encountered.

In the event of a serious illness of a spouse, parent, or child, which requires the attendance of an employee, leave as provided for in this Article will be granted.

6. In keeping with the policy that an employee not suffer a loss of pay serving as a juror, the remuneration to be received by the employee on any working day the employee reports for or serves on jury duty, shall be the employee's regular rate of pay for the day less jury duty fees receivable for that day.

7. After ninety (90) calendar days or more service, leave of absence with pay up to three (3) consecutive days shall be granted to employees for the purpose of arranging or attending the funeral of members of his/her immediate family. Where major travel or special circumstances are involved, approval may be given to extend the three-day limit to five (5) days. Immediate family shall be defined to include only the employee's mother, father, mother-in-law, father-in-law, spouse, son, daughter, sister, brother, sister-in-law, brother-in-law, son-in-law, daughter-in-law, grandmother, grandfather, grandchild, and spouse's grandparents.

ARTICLE 15 - PROBATION AND TERMINATION OF EMPLOYMENT

1. On initial appointment or promotion all employees shall be required to serve a probationary period of ninety (90) days. This period may be extended to one hundred and eighty (180) days by mutual agreement between the Company and the Union.

2. Employees who fail to qualify on promotion during the probationary period shall revert to their former position without loss in seniority.

3. Upon termination of employment by the Company for reasons other than just cause, the Company shall give:

a) seven (7) calendar days' written notice or salary in lieu thereof to probationary employees;

b) fourteen (14) calendar days' written notice or salary in lieu thereof to regular employees. Termination of employment of regular and probationary employees for just cause shall be without notice.

Employees may terminate their employment with the Company by giving:

a) seven (7) calendar days' written notice to the Company in the case of being a probationary employee;

b) fourteen (14) calendar days' written notice to the Company in the case of being a regular employee.

ARTICLE 16 - SEVERANCE ALLOWANCE - TECHNOLOGICAL CHANGE

When an employee's position is eliminated as a result of technological change or reorganization resulting from technological change, then pursuant to Article 26 Technological Change Adjustment, the employee shall be entitled to two (2) weeks' pay for each year of service, pro-rated for part years.

ARTICLE 17 - WAGE/SALARY MAINTENANCE AND DEMOTION FORMULA

When an employee demotes as a result of technological change or reorganization resulting from technological change, the following shall apply:

1. The employee shall continue to receive the wage/salary being received prior to demotion for a period not to exceed six (6) months.
2. Upon commencement of the seventh (7th) month, the employee's wage/salary shall be reduced by one-half of the difference between the wage/salary being received prior to demotion and the maximum rate of pay of the employee's new position; and,
3. Upon commencement of the thirteenth (13th) month, the employee's wage/salary shall be reduced to the maximum rate of the wage/salary of the new position.

ARTICLE 18 - TEMPORARY PERFORMANCE OF HIGHER DUTY

1. An employee who is temporarily assigned to relieve in a higher paid position in excess of two (2) weeks shall be paid as if he/she had been promoted to same.
2. When it is known in advance that the period of temporary relief will exceed sixty (60) days, the position shall be posted as a temporary vacancy and selection for same shall be subject to Article 12, Section 2 (Seniority).
3. When temporary relief has occurred for thirty (30) working days and the regular incumbent has not returned, the position shall be posted as a temporary position unless otherwise agreed to by the Company and the Union. Selection for such vacancies shall be subject to Article 12, Seniority, Section 2.
4. Experience obtained by an employee during a temporary relief assignment shall not qualify the employee for promotion to a vacancy unless such experience is gained from assignment to a temporary vacancy, which has been posted.

ARTICLE 19 - HOURS OF WORK AND OVERTIME

1. a) Head Office:

Head Office employees shall work thirty-seven and one-half (37½) hours per week, comprised of seven and one half (7½) hours per day, Monday through Friday.

Overtime shall be paid at one and one-half (1½) times the normal rate for the first three (3) hours in any one day worked in excess of seven and one-half (7½) hours. Overtime shall be paid at twice (2) the normal rate for hours worked in excess of ten and one-half (10½) hours in any one day. Saturday and/or Sunday work will be paid for on the basis of one and one-half (1½) times the normal rate for the first three (3) hours and at two (2) times the normal rate for the fourth (4th) and subsequent hours so worked.

b) Branch Employees:

Branch employees shall work a five (5) day, forty (40) hour week with two (2) consecutive days of rest. Normal hours of work shall fall between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. Management reserves the right to alter starting times of employees who usually work normal hours when the needs of the operation dictate and to require employees who usually work Monday through Friday to work Saturday on a particular occasion when the needs of the operation dictate. Management also reserves the right to fix shifts in accordance with the needs of the operation but where fixed shift arrangements other than 4:00 p.m. to 12 midnight and 12 midnight to 8:00 a.m., are to be entered into for a period in excess of one (1) week, the Union Office in Regina shall be notified.

Overtime shall be paid to Branch employees at one and one-half (1½) times the normal rate for the ninth (9th) through the eleventh (11th) hours worked in any one day and at two (2) times the normal rate for the twelfth (12th) and subsequent hours worked in any one day. Branch employees required to work on their first and/or second day of rest shall be paid at the rate of one and one-half (1½) times the normal rate for the first three (3) hours and at two (2) times the normal rate for the fourth (4th) and subsequent hours so worked.

Accountant's Overtime

2. Overtime to a maximum of forty (40) hours time off may be credited to a time off in lieu bank at the employee's discretion. Overtime hours will be banked at the rate of one and one-half (1 ½) hours of paid time off for each one (1) hour of overtime worked, or two (2) hours of paid time off for each hour of overtime worked at the double time rate.

3. Overtime shall be approved by the Yard Manager. Banked time off referred to above shall be by mutual agreement between the employee and management. Banked time off will be paid out on termination of employment, at any time at the Company's discretion or on receipt of layoff notice. Managers and employees shall co-operate to ensure all banked time off shall be brought to zero (0) by September 15 of each year.

ARTICLE 20 - SHIFT DIFFERENTIAL

a) A shift differential of sixty-five cents (.65) per hour will be paid for all hours worked between the hours of 5:00 p.m. and midnight for which overtime is not being paid.

b) A shift differential of seventy-five cents (.75) per hour will be paid for all hours worked between midnight and 8:00 a.m., for which overtime is not being paid.

ARTICLE 21 - CALL OUT GUARANTEE

A minimum of three (3) hours of pay at overtime rates will be paid to an employee who is called out for duty by management after the employee has left the Company premises. An employee who is required to work on a day of rest or General Holiday shall be guaranteed a minimum of three (3) hours of pay at overtime rates for such call out.

ARTICLE 22 - VACATIONS

1. All employees shall be entitled to three (3) weeks annual vacation for each full year of service. Such vacations are to be taken at times mutually agreed upon between the Company and the employee.

2. a) Employees who have completed nine (9) years of service shall in the years of service subsequent to the ninth anniversary date of employment earn vacation at the rate of four (4) weeks per year.

b) Employees who have completed seventeen (17) years of service shall in the years of service subsequent to the seventeenth anniversary date of employment earn vacation at the rate of five (5) weeks per year.

c) Employees who have completed twenty-seven (27) years of service shall in the years of service subsequent to the twenty-seventh (27th) anniversary date of employment earn vacation at the rate of six (6) weeks per year.

3. In the case of termination of employment, the Company shall pay to the employee any vacation pay owing to him/her in respect of any prior completed year of employment plus the vacation pay owing to him/her for the current year.
4. Extended vacation leave without pay may be given at the discretion of the Company.
5. A vacation roster system shall be adopted and shall be posted in all Branch Locations once the schedule has been mutually agreed to as outlined in Section 1 above.

ARTICLE 23 - GENERAL HOLIDAYS

Employees shall be entitled to the following recognized holidays with pay:

| | |
|------------------------|-----------------|
| New Year's Day | Family Day |
| Good Friday | Easter Monday |
| Victoria Day | Canada Day |
| First Monday in August | Labour Day |
| Thanksgiving Day | Remembrance Day |
| Christmas Day | Boxing Day |

In the event Family Day, Easter Monday, Thanksgiving Day, or Remembrance Day falls on a Branch's regular sales day, a preparation day immediately prior to a sale day, or a special sale day, and the Branch schedules the employee to work on that General Holiday, then those employees will be entitled to a floating day off in lieu of the general holiday. The Company will provide one (1) month notice to the employee(s) affected and to the Union.

The floating day must be taken within six (6) months of the general holiday worked and at a time mutually agreed between the Company and the employee.

Other than in circumstances referenced above, in the event that an employee is required to work the whole or part of a general holiday, he/she shall be entitled to one and one-half (1 1/2) times his/her normal rate of pay for the period so worked in addition to the regular day's pay for the general holiday. Employees on rotating shifts who work on a general holiday which is also their scheduled day of rest shall in addition to the foregoing be assigned an alternate day of rest with pay or receive payment in lieu.

ARTICLE 24 - HEALTH AND SAFETY

The Company and the Union recognize an employee's right to working conditions, which show respect for his/her health, safety, and physical well being.

The parties recognize that the maintenance and development of the employees' general well being constitute a common objective. Consequently, all efforts shall be deployed to prevent and correct any situation and any conduct liable to compromise the health and safety of employees or deteriorate the work environment.

The Company and the Union recognize the need for constructive and meaningful consultations on health and safety matters. To this end, joint safety committees shall be established.

ARTICLE 25 - TECHNOLOGICAL CHANGE

1. "Technological Change" means:

a) the introduction by the Company into the Company's work, undertaking or business of equipment or material of a different nature or kind than previously utilized by the employer in the operation of the work, undertaking or business;

b) a change in the manner in which the Company carries on the work, undertaking or business that is directly related to the introduction of that equipment or material; or

c) the removal or relocation outside of the appropriate unit by the Company of any part of the Company's work, undertaking or business.

d) **Nothing in this section is intended to imply or mean that a Technological Change would apply in circumstances in a closure of a Heartland facility where there is another Heartland facility within 100 kilometers.**

Nothing in this section limits the application of clause 2(f) and sections 37, 37.1, 37.2 and 37.3 of the Saskatchewan Trade Union Act or the scope of those obligations imposed by those provisions.

2. In the event the Company plans to effect a technological change that is likely to affect the terms, conditions or tenure of employment of a significant number of such employees, the Company shall give notice of the technological change to the Union and to the Minister at least ninety (90) days prior to the date on which the technological change is to be effected. The notice shall be in writing and shall state:

a) the nature of the technological change;

b) the date upon which the Company proposes to effect the technological change;

- c) the number and type of employees likely to be affected by the technological change;
 - d) the effect that the technological change is likely to have on the terms and conditions or tenure of employment of the employees affected; and
 - e) the number of jobs and job classifications to be abolished and the number of new jobs and job classifications to be created by the proposed technological change or reorganization to the maximum extent that such information is then available.
3. The Minister of Labour for the Province of Saskatchewan may by regulation specify the number of employees or the method of determining the number of employees that shall be deemed to be “significant” for the purpose of subsection (2).
4. Where the Union receives notice of a technological change given, or deemed to have been given, by an employer pursuant to subsection (2), the Union may, within thirty (30) days from the date on which the Union received the notice, serve notice on the Company in writing to commence collective bargaining for the purpose of developing a workplace adjustment plan.
5. Where the Union has served notice to commence collective bargaining under subsection (4), the Company shall not effect the technological change in respect of which the notice has been served unless:
- a) a workplace adjustment plan has been developed as a result of bargaining collectively, or
 - b) the Minister has been served with a notice in writing informing the Minister that the parties have bargained collectively and have failed to develop a workplace adjustment plan.
6. If the Union and the Company fail to agree by bargaining collectively respecting the technological change, the matter may be referred to the conciliation process as provided for in The Trade Union Act of Saskatchewan.
7. Collective bargaining with respect to the scope and rate(s) of pay of new or revised job classifications created as a result of technological change or reorganization proposed by the Company shall be in accordance with Article 28.4 of this agreement.

ARTICLE 26 - TECHNOLOGICAL CHANGE ADJUSTMENT

1. When insufficient vacancies exist to accommodate employees displaced as a result of technological change or reorganization resulting from technological change, the Company may temporarily lay-off employees subject to recall, subject to the following conditions:

a) Where notice has been provided under Article 25, Section 2, no lay-offs will occur in redundant positions during the period of notice; and,

b) Within that three (3) month period, the Company and the Union will meet to jointly review available job creation and employee relocation measures;

c) An employee who is rendered redundant or displaced from his/her job as a result of technological change or reorganization resulting from technological change, shall endeavor to obtain an alternate position by bidding on vacancies and shall be given an opportunity to fill any vacancy for which the employee has seniority and which he/she is able to perform, subject to the employee being given a reasonable period in which to acquire the necessary qualifications for the position.

d) When a position or positions are available in the Company, but require training or retraining of an employee the Company may offer such training or retraining to employees displaced as a result of technological change or reorganization resulting from technological change and such employees will be paid the rate in grade of the position in which the employee is the incumbent while engaged in such training or retraining.

e) If there is no vacancy, and retraining is not available the employee shall be entitled to exercise seniority to maintain employment in the bargaining unit and to avoid temporary lay-off.

2. When the Company is unable to provide alternative employment through 1(a) to (e), the employee shall exercise the option of accepting severance or being temporarily laid-off subject to recall.

3. The Company shall notify employees on lay-off of any vacancies occurring in the bargaining unit subject to the employee ensuring the Company is provided with a current telephone number and mailing address.

4. When an employee who is laid-off work under this Article is recalled to a position bearing a lesser rate of pay than the employee received prior to lay-off, the

employee shall be subject to the provisions of Article 17 Wage/Salary Maintenance and Demotion Formula.

5. When an employee who is laid-off work under this Article is recalled to work the said employee shall be recalled in order of seniority.

6. An employee who declines a recall to a position bearing a lesser rate of pay shall subsequently be recalled only to positions bearing an equal or higher rate of pay unless he/she indicates otherwise by registered letter to the Company and the Union.

7. The Company shall provide a minimum of two (2) weeks' written notice of recall to work, a copy of which shall be sent to the Union. The employee will have seven (7) days from receipt of such notice to advise the Company of his/her intention to return to work.

8. An employee who is laid-off under this Article shall continue to accumulate seniority for the purpose of filling job vacancies.

ARTICLE 27 - CONTRACTING OUT

1. The Company will advise the Union in the event it plans to contract out work normally done by employees who are members of the bargaining unit if such results in employees being permanently laid-off. The Union shall be given ninety (90) days' notice of the Company's intentions.

2. When the Company has given the Union written notice, representatives of both parties shall meet to review the Company's plans with the objectives of finding alternatives to the contracting out and identifying the implications for affected employees. If the parties are unable to agree on alternatives, the following Worker Adjustment Process shall apply to affected employees.

3. WORKER ADJUSTMENT PROCESS

This Worker Adjustment Process shall apply to employees affected by a Company decision to contract out work normally performed by employees in the bargaining unit, which would cause permanent lay-off.

1. The employees shall receive notice of permanent lay-off and therefore have the right to exercise seniority in accordance with Article 12 - SENIORITY, to maintain employment in the bargaining unit.

OR

2. The employee shall have the right to accept a severance allowance and sever their employment relationship with the Company. The severance allowance shall be two (2) weeks' regular salary for each full year of recent and continuous service with the Company. A part year of service will be pro-rated.

OR

3. The employee may elect to retire and receive Early Retirement benefits when such is offered.

4. Where an employee with three (3) or more years' service accepts a demotion under this provision to a lesser paid position and his/her current salary is above the maximum for the newly assigned position, his/her salary shall be reduced to the maximum of his/her new range according to the following formula:

- i) One-third (1/3) reduction on assignment to the new position
- ii) One-third (1/3) reduction six (6) months after assignment to the new position;
- iii) One-third (1/3) reduction one (1) year after assignment to the new position.

5. Employees who may be displaced as a result of another employee exercising seniority shall have the rights set out above. This adjustment process shall be available to any affected employee who is on leave of absence or on Workers' Compensation or Disability benefits.

ARTICLE 28 - SCALE OF WAGES AND CLASSIFICATIONS

1. Employees hired on or before June 30, 1997

- a) Scale of Wages and Classifications shall be as set forth in Schedule A1 - attached hereto, and such schedule shall form part of this Agreement.
- b) Employees at the top of their classification range will be "red circled" until such time as the top of the new schedule (i.e.: Schedule A2 attached) surpasses the top of Schedule A1.

2. Employees hired on or after July 1, 1997

- a) Scale of Wages and Classifications shall be as set forth in Schedule A2 attached hereto, and such schedule shall form part of this Agreement.

3. Wage scale increases as shown in Schedules A1 and A2 are as follows:
 - a) All wage rates in effect on December 31, 2011 shall be increased by 3.00 % starting January 1, 2012.
 - b) All wage rates in effect December 31, 2012 shall be increased by 3.00% starting January 1, 2013.
 - c) All wage rates in effect December 31, 2013 shall be increased by 3.25% starting January 1, 2014.

4. The salaries for new positions or revised positions shall be the subject of negotiations between the Company and the Union. When a job description for a new position has been submitted to the Union by the Company, negotiations shall commence respecting the scope and salary for the position within ten (10) calendar days. Where agreement cannot be reached regarding the rate of pay within five (5) working days of commencement of negotiations, the position may be advertised at the lesser of the two rates proposed by the parties and may be filled on this basis. The advertisement of the position will note the fact that negotiations relative to the pay rate are continuing. The actual rate for the position remains the subject of continued negotiations, or may be referred to an appeals procedure (to be devised within the life of this contract). Exceptions to this procedure shall be subject to agreement between the Company and the Union.

5. Eligible employees shall be advised of new positions not listed in Schedules A1 and A2, Scale of Wages and Classifications, by posting.

ARTICLE 29 - EFFECTIVE DATE AND DURATION OF AGREEMENT

This Agreement shall be effective from the 1st day of January, 2012 and shall be valid until the 31st day of December 2014 and thereafter from year to year unless a written notice is given by either party not less than thirty (30) days nor more than sixty (60) days prior to December 31 in any year, of their desire to terminate this Agreement and/or negotiate a revision thereof, in which case this Agreement shall remain in effect without prejudice to any retroactive clause of a new Agreement until negotiations for revision or amendment hereto have been concluded and a new agreement superseding this Agreement has been duly executed.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE HEREUNTO SUBSCRIBED THEIR HANDS AND SEALS THE DAY AND YEAR FIRST ABOVE WRITTEN.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

For The Union

For The Company

DATE: _____

DATE: _____

SCALE OF WAGES AND CLASSIFICATIONS

Schedule A1

Employees hired on or after July 1, 1997

| January 1, 2012 to December 31, 2012 | | | | | | |
|--------------------------------------|---------|---------|---------|---------|---------|---------|
| Classification | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 |
| Branch Employees | | | | | | |
| Caretaker/Janitor | \$2,310 | \$2,401 | \$2,494 | \$2,595 | \$2,698 | |
| Sr. Yardworker | \$2,310 | \$2,401 | \$2,494 | \$2,595 | \$2,698 | |
| Yard Clerk | \$2,410 | \$2,505 | \$2,604 | \$2,708 | \$2,815 | |
| Cameraperson | \$2,410 | \$2,505 | \$2,604 | \$2,708 | \$2,815 | |
| Auctioneer III | \$2,410 | \$2,505 | \$2,604 | \$2,708 | \$2,815 | |
| Transport Operator | \$2,627 | \$2,731 | \$2,840 | \$2,951 | \$3,069 | |
| Branch Accountant | \$3,876 | \$4,011 | \$4,144 | \$4,290 | \$4,430 | \$4,586 |
| | | | | | | |
| Regina H O Employees | | | | | | |
| Steno II | \$2,410 | \$2,505 | \$2,604 | \$2,708 | \$2,815 | |
| Acctg Clerk I * | \$2,410 | \$2,505 | \$2,604 | \$2,708 | \$2,815 | |
| Acctg Clerk II * | \$2,691 | \$2,852 | \$2,965 | \$3,083 | \$3,206 | |
| Accountant | \$3,876 | \$4,011 | \$4,144 | \$4,290 | \$4,430 | \$4,586 |

| January 1, 2013 to December 31, 2013 | | | | | | |
|--------------------------------------|---------|---------|---------|---------|---------|---------|
| Classification | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 |
| Branch Employees | | | | | | |
| Caretaker/Janitor | \$2,379 | \$2,473 | \$2,569 | \$2,673 | \$2,779 | |
| Sr. Yardworker | \$2,379 | \$2,473 | \$2,569 | \$2,673 | \$2,779 | |
| Yard Clerk | \$2,482 | \$2,580 | \$2,682 | \$2,789 | \$2,899 | |
| Cameraperson | \$2,482 | \$2,580 | \$2,682 | \$2,789 | \$2,899 | |
| Auctioneer III | \$2,482 | \$2,580 | \$2,682 | \$2,789 | \$2,899 | |
| Transport Operator | \$2,706 | \$2,813 | \$2,925 | \$3,040 | \$3,161 | |
| Branch Accountant | \$3,992 | \$4,131 | \$4,268 | \$4,419 | \$4,563 | \$4,724 |
| | | | | | | |
| Regina H O Employees | | | | | | |
| Steno II | \$2,482 | \$2,580 | \$2,682 | \$2,789 | \$2,899 | |
| Acctg Clerk I * | \$2,482 | \$2,580 | \$2,682 | \$2,789 | \$2,899 | |
| Acctg Clerk II * | \$2,772 | \$2,938 | \$3,054 | \$3,175 | \$3,302 | |
| Accountant | \$3,992 | \$4,131 | \$4,268 | \$4,419 | \$4,563 | \$4,724 |

| January 1, 2014 to December 31, 2014 | | | | | | |
|--------------------------------------|---------|---------|---------|---------|---------|---------|
| Classification | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 |
| Branch Employees | | | | | | |
| Caretaker/Janitor | \$2,456 | \$2,553 | \$2,653 | \$2,760 | \$2,869 | |
| Sr. Yardworker | \$2,456 | \$2,553 | \$2,653 | \$2,760 | \$2,869 | |
| Yard Clerk | \$2,563 | \$2,664 | \$2,769 | \$2,880 | \$2,993 | |
| Cameraperson | \$2,563 | \$2,664 | \$2,769 | \$2,880 | \$2,993 | |
| Auctioneer III | \$2,563 | \$2,664 | \$2,769 | \$2,880 | \$2,993 | |
| Transport Operator | \$2,794 | \$2,904 | \$3,020 | \$3,139 | \$3,264 | |
| Branch Accountant | \$4,122 | \$4,265 | \$4,407 | \$4,563 | \$4,711 | \$4,878 |
| | | | | | | |
| Regina H O Employees | | | | | | |
| Steno II | \$2,563 | \$2,664 | \$2,769 | \$2,880 | \$2,993 | |
| Acctg Clerk I * | \$2,563 | \$2,664 | \$2,769 | \$2,880 | \$2,993 | |
| Acctg Clerk II * | \$2,862 | \$3,033 | \$3,153 | \$3,278 | \$3,409 | |
| Accountant | \$4,122 | \$4,265 | \$4,407 | \$4,563 | \$4,711 | \$4,878 |

*Promotion from the Clerk I to Clerk II Class:

*Promotion from the Clerk I to Clerk II class shall occur upon completion of eighteen (18) months of satisfactory service in the Clerk I class.

Schedule A2

Employees hired on or before June 30, 1997

| January 1, 2012 to December 31, 2012 | | | | | | |
|--------------------------------------|---------|---------|---------|---------|---------|---------|
| Classification | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 |
| Branch Employees | | | | | | |
| Janitor | \$2,802 | \$2,889 | \$2,982 | \$3,072 | | |
| Clerk I | \$2,481 | \$2,553 | \$2,625 | | | |
| Clerk II | \$2,625 | \$2,702 | \$2,780 | \$2,863 | \$2,950 | \$3,034 |
| Yardman | \$2,981 | \$3,069 | \$3,171 | \$3,275 | | |
| Clerk III | \$3,035 | \$3,132 | \$3,180 | \$3,338 | \$3,449 | |
| Sr. Yardman | \$3,334 | \$3,448 | \$3,559 | | | |
| Truck Operator | \$3,470 | \$3,584 | \$3,703 | \$3,826 | \$3,964 | |
| Maint Supervisor | \$3,470 | \$3,584 | \$3,703 | \$3,826 | \$3,964 | |
| Auctioneer III | \$3,470 | \$3,584 | \$3,703 | \$3,826 | \$3,964 | |
| Camera Person | \$3,626 | \$3,749 | \$3,876 | \$4,011 | \$4,144 | \$4,290 |
| Branch Accountant | \$3,876 | \$4,011 | \$4,144 | \$4,290 | \$4,430 | \$4,586 |
| | | | | | | |
| Regina H O Employees | | | | | | |
| Accountant | \$3,876 | \$4,011 | \$4,144 | \$4,290 | \$4,430 | \$4,586 |
| Acctg Clerk I * | \$2,653 | \$2,730 | \$2,817 | \$2,903 | \$2,991 | \$3,085 |
| Acctg Clerk II * | \$2,991 | \$3,085 | \$3,188 | \$3,289 | \$3,393 | \$3,509 |
| Steno II/Jr Livestock Clerk | \$2,506 | \$2,580 | \$2,653 | \$2,730 | \$2,819 | \$2,903 |

| January 1, 2013 to December 31, 2013 | | | | | | |
|--------------------------------------|---------|---------|---------|---------|---------|---------|
| Classification | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 |
| Branch Employees | | | | | | |
| Janitor | \$2,886 | \$2,976 | \$3,071 | \$3,164 | | |
| Clerk I | \$2,555 | \$2,630 | \$2,704 | | | |
| Clerk II | \$2,704 | \$2,783 | \$2,863 | \$2,949 | \$3,039 | \$3,125 |
| Yardman | \$3,070 | \$3,161 | \$3,266 | \$3,373 | | |
| Clerk III | \$3,126 | \$3,226 | \$3,275 | \$3,438 | \$3,552 | |
| Sr. Yardman | \$3,434 | \$3,551 | \$3,666 | | | |
| Truck Operator | \$3,434 | \$3,551 | \$3,666 | | | |
| Maint Supervisor | \$3,434 | \$3,551 | \$3,666 | | | |
| Auctioneer III | \$3,574 | \$3,692 | \$3,814 | \$3,941 | \$4,083 | |
| Camera Person | \$3,735 | \$3,861 | \$3,992 | \$4,131 | \$4,268 | \$4,419 |
| Branch Accountant | \$3,992 | \$4,131 | \$4,268 | \$4,419 | \$4,563 | \$4,724 |
| | | | | | | |
| Regina H O Employees | | | | | | |
| Accountant | \$3,992 | \$4,131 | \$4,268 | \$4,419 | \$4,563 | \$4,724 |
| Acctg Clerk I * | \$2,733 | \$2,812 | \$2,902 | \$2,990 | \$3,081 | \$3,178 |
| Acctg Clerk II * | \$3,081 | \$3,178 | \$3,284 | \$3,388 | \$3,495 | \$3,614 |
| Steno II/Jr Livestock Clerk | \$2,581 | \$2,657 | \$2,733 | \$2,812 | \$2,904 | \$2,990 |

January 1, 2014 to December 31, 2014

| Classification | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 |
|-----------------------------|---------|---------|---------|---------|---------|---------|
| Branch Employees | | | | | | |
| Janitor | \$2,980 | \$3,073 | \$3,171 | \$3,267 | | |
| Clerk I | \$2,638 | \$2,715 | \$2,792 | | | |
| Clerk II | \$2,792 | \$2,873 | \$2,956 | \$3,045 | \$3,138 | \$3,227 |
| Yardman | \$3,170 | \$3,264 | \$3,372 | \$3,483 | | |
| Clerk III | \$3,228 | \$3,331 | \$3,381 | \$3,550 | \$3,667 | |
| Sr. Yardman | \$3,546 | \$3,666 | \$3,785 | | | |
| Truck Operator | \$3,546 | \$3,666 | \$3,785 | | | |
| Maint Supervisor | \$3,546 | \$3,666 | \$3,785 | | | |
| Auctioneer III | \$3,690 | \$3,812 | \$3,938 | \$4,069 | \$4,216 | |
| Camera Person | \$3,865 | \$3,986 | \$4,122 | \$4,265 | \$4,407 | \$4,563 |
| Branch Accountant | \$4,122 | \$4,265 | \$4,407 | \$4,563 | \$4,711 | \$4,878 |
| | | | | | | |
| Regina H O Employees | | | | | | |
| Accountant | \$4,122 | \$4,265 | \$4,407 | \$4,563 | \$4,711 | \$4,878 |
| Acctg Clerk I * | \$2,822 | \$2,903 | \$2,996 | \$3,087 | \$3,181 | \$3,281 |
| Acctg Clerk II * | \$3,181 | \$3,281 | \$3,391 | \$3,498 | \$3,609 | \$3,731 |
| Steno II/Jr Livestock Clerk | \$2,665 | \$2,743 | \$2,822 | \$2,903 | \$2,998 | \$3,087 |

*Promotion from the Clerk I to Clerk II Class:

*Promotion from the Clerk I to Clerk II class shall occur upon completion of eighteen (18) months of satisfactory service in the Clerk I class.

1. RECLASSIFICATION

If the responsibility and duties of a job change, the position shall be examined when so requested by the employee. The request by the employee can be made at any time, providing a request respecting the position to be examined has not been processed in the preceding six months of the date of request. The request for examination by the employee shall be on the prescribed form in writing, and shall be submitted to the immediate supervisor of the work area. The supervisor shall add comment to the form respecting the request and shall within three (3) working days of the receipt of the request, forward it to the controller for examination. The Company shall notify the employee and the signatory supervisor of the result of that examination.

The employee may, if not satisfied, (i) request verbal elaboration from the Company, and/or (ii) enter into the grievance process as outlined in Article 6. (Subject to change during the life of this Agreement if mutually acceptable appeals procedure is arrived at.)

Notwithstanding the foregoing, the Company reserves the right to examine and reclassify positions where in the view of the Company circumstances warrant it, even though no request to do so has been received.

2. ADMINISTRATION OF PAY PLAN

A. Increment and Increment Dates

a) An employee shall receive a regular increment within the salary range established for the assigned position subject to (c) at the intervals outlined in Schedules A1 and A2. Where an employee is on lay-off or leave of absence without pay for a period in excess of three (3) months the increment date shall be delayed by the period of absence without pay.

b) The employee's increment date shall be adjusted on promotion only where the promotion provides an increase of two (2) increments or more to the first of the month following the specific interval enunciated in Schedules A1 and A2.

c) In cases where an employee has not performed satisfactorily his/her increment may be withheld. In such cases, the employee shall be told why his/her work is not satisfactory and every assistance will be given to help the employee improve performance. Following normal practice, serious cases of unsatisfactory work may lead to dismissal. An employee will be supplied with a copy of his/her annual appraisal upon request.

B. Promotion Formula

- (i) An employee, on promotion, shall have his/her salary set at the greater of:
 - a. the minimum of the salary range of the new position; or
 - b. a step in the salary range for the new position that provides an increase in salary.
- (ii) Whenever an employee's anniversary date occurs on the same date as a promotion, the employee shall receive his/her increment before the promotion formula is applied.

C. Demotion Formula

When due to staff reductions, an employee who has completed three (3) or more years' service, accepts a demotion to a lesser-paid position and his/her current salary is above the maximum for the newly assigned position; his/her salary shall be reduced to the maximum of his/her new range according to the following formula:

- (i) One-third (1/3) reduction on assignment to the new position;
 - (ii) One-third (1/3) reduction six (6) months after assignment to the new position;
 - (iii) One-third (1/3) reduction one (1) year after assignment to the new position.
- a) Appointment of new employees in the salary ranges of the classes Stenographer, Accounting Clerk and Entry Level Clerk, may be at other than the minimum step but not higher than the fourth step, on the basis of one step for each two years of outside related experience in the case of annual increments, and one step for each year of related experience in the case of six-month increments. The onus shall be on the employee to provide details of previous employment so that its relativity can be evaluated. Consideration will be given in this regard to experience within another bargaining unit of the Company, although the experience may not be directly related, and to the experience value of post-secondary education although it may not be a requisite for the position, to an extent deemed reasonable by the Company.

3. SUSTENANCE AND TRAVEL ALLOWANCE

The mileage rate paid to employees for use of private vehicles on Company business shall be tied to the Heartland Livestock Services mileage rate.

Where required, the Company will reimburse employees for receipted lodging expenses.

The living-away or sustenance allowance shall be \$10.50 per single meal to a maximum of \$21.00 per day.

LETTER OF UNDERSTANDING

APPENDIX I

RE: LETTERS OF UNDERSTANDING

All letters of understanding currently in force between the Company and the Union shall be extended for the period of the agreement. During the term of the agreement the parties will assemble and catalogue all such letters of understanding for identification and an ongoing record.

APPENDIX II

RE: ARTICLE 12 - SENIORITY - UMPIRE PROCESS

The Company and the Union hereby agree to the following procedure for the time period set out below for the filling of vacancies posted pursuant to Article 12 - Seniority, of the collective agreement covering employees of the Heartland Livestock Services, Saskatchewan.

1. When filling vacancies, seniority shall prevail subject to ability, qualifications, and merit. If in the determination of the Company there are good business reasons for not appointing a senior candidate to the vacancy, the candidate(s) and the Union shall be advised as to the successful candidate and as to the reason for the decision.
2. If an employee so affected disputes the Company's reasons for not appointing the employee to the vacancy, the following process shall be followed. The employee shall have seven (7) working days in which to refer the Company's reasons to an Umpire for a determination if such is justification for not appointing the senior candidate to the vacancy. The Umpire shall hear the matter within seven (7) working days of the referral and shall, within a further three (3) working days, provide a brief decision as to the reasons given by the Company.
3. If the Company's decision regarding the appointment is referred to an Umpire, the Company shall not make the appointment to the vacancy prior to the determination of the Umpire.
4. It is agreed that only one employee's reference to an Umpire shall be considered for any given vacancy. The Umpire shall have the authority to determine the general procedure followed at the hearing of the matter. Each party shall be responsible for

one-half the expenses and/or fees payable to the Umpire. The employee shall have the benefit of representation by the Union and the Company shall have the benefit of representation by staff of the Company's Human Resources Division and/or the Company. Neither side will use legal counsel.

5. Decisions of the Umpire under this procedure shall be final and binding on the parties and upon any employee or employees concerned with respect to the dispute at hand. Advocates before the Umpire shall be limited to the submission of four (4) cases involving only the Company and the Union.

6. This procedure shall continue in force for the term of this Agreement. Any dispute referred to the Umpire during the term of this procedure shall be processed through to conclusion, notwithstanding that the term of the Agreement may have expired.

All of the above Letters of Understanding set out in Appendices I - II being:

Signed at Regina, Saskatchewan the _____ day of _____, 2013.

For the Union

For The Company

LETTER OF UNDERSTANDING

BETWEEN:

HEARTLAND LIVESTOCK SERVICES,
(hereinafter referred to as "the Company")

And

GRAIN SERVICES UNION (ILWU Canada) Unit 1.4
(hereinafter referred to as "the Union")

The parties agree that any new safety equipment required in the future (e.g. Shin pads, safety head gear, etc.) shall be purchased, and supplied, by the Company. This does not apply to currently required safety equipment such as safety boots for which the company pays an allowance as set out in the collective agreement.

The Union shall be notified of any new safety equipment which is required.

For Grain Services Union

For Heartland Livestock Ltd.

Dated this ____ day of September, 2013