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**Maplegrove
COLLECTIVE AGREEMENT**

between

**NATIONAL GROCERS CO. LTD.
(hereinafter called the "Company")**

and

**UNITED FOOD AND COMMERCIAL WORKERS UNION
LOCAL 1000A
(hereinafter called the "Union")**

April 15, 2006 - July 31, 2010

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ARTICLE 1 - RECOGNITION

- 1.01 (a) The Company recognizes the Union as the exclusive bargaining agent for those employees that are identified in “Appendix C.01 and C.02” to this Agreement, and who are located at Fresh Distribution Facility, 1105 Fountain Street North, Cambridge, Ontario.
- (b) For the purpose of this Agreement there shall be the following two (2) distinct departments covered by this Agreement- Transport, and – Warehouse.

All matters relative to Transport employees shall be governed by Appendix “E” and “F” to this Agreement.

Employees shall acquire seniority rights based on the length of service while in a department of the bargaining unit. For greater clarity seniority obtained by an employee in one department has no application to rights or privileges with respect to the other department, and an employee shall receive no credit for that seniority if they move for any reason from one department to the other.

- (c) The Company also recognizes the Union as the exclusive bargaining agent for any new National Grocers facility opened, as well as any new Loblaws facility that may be opened in the future.
- 1.02 It is not the intention of the Company to normally utilize persons outside of the bargaining unit to perform bargaining unit work. However, the Union recognizes that the nature of the Company’s business emphasizes the need to react quickly and cost-effectively to changes that are necessary for the benefit of the business. In the event that the Company determines that it is necessary for persons outside of the bargaining unit to perform bargaining unit work, the performance of such work shall not occur without the consent of the Union and such consent shall not be unreasonably withheld.

- 1.03 (a) Full-time employees are those employees who normally work the hours provided for in Article 10.01 herein.
- (b) Part-time employees are those employees who normally work thirty (32) hours per week or less. All matters relative to part-time employees shall be governed by Appendix “A” of this Agreement.

ARTICLE 2 - FUNCTIONS OF MANAGEMENT

- 2.01 The Union agrees that the Company has the exclusive right and power to manage its business, to direct the working forces and to suspend, discharge or discipline employees for just and sufficient cause, to hire, promote, demote, transfer or lay off employees, to establish and maintain reasonable rules and regulations

covering the operation of the business, provided however, that any exercise of these rights and powers in conflict with any of the provisions of this Agreement shall be subject to the provisions of the grievance procedure as set out herein.

2.02 The Union also agrees that the Company has the exclusive right and power to study or introduce new or improved production methods or facilities and the Union agrees to co-operate with the Company in the installation of any such methods and in the education of its members for the necessity of such changes and improvements.

2.03 The Company therefore, retains all rights not otherwise specifically covered in this Agreement, provided however that any exercise of these rights and powers in conflict with any of the provisions of this Agreement shall be subject to the provisions of the grievance procedure as set out herein.

ARTICLE 3 - UNION SECURITY

3.01 (a) The Company agrees that all employees will become and remain, as a condition of employment, members of the Union during the life of this Agreement.

(b) The Company shall require new employees to make application for membership in the Union at the time of their hiring.

The Company shall collect membership initiation fees as may be established by the Union and forward the application form and such fees to the Union with the regular monthly dues remittance,

The Union agrees to issue a letter to all new hires which will inform them that the workplace is a union shop and membership in the Union and payment of initiation fees and dues is compulsory.

(c) The Company agrees to deduct from the pay of each regular employee, as a condition of employment, such dues as may from time to time be set by the Union and to forward the amount so deducted to the Secretary-Treasurer of the Union.

(d) The Company agrees to continue to provide the Union with dues information in the electronic machine readable format it is currently provided in, or in such other format as is mutually agreeable to the Company and the Union. The Company further agrees to record the annual union dues deductions for each employee on his T4 form.

(e) The Company agrees to forward to the Union office on a monthly basis, a complete alphabetical listing of all employees, including their home address, starting date, plant location, department and social insurance number, separated into full-time and part-time.

- 3.02 The Company agrees to recognize a reasonable number of stewards appointed by the Union who shall be recognized for the purposes of investigating and processing grievances. It is understood that the stewards have their regular work to perform on behalf of the Company and when it is necessary to service a grievance they will not leave their work without seeking the prior approval of their Supervisor, which shall not be unreasonably withheld. When resuming their regular work, they will report to their Supervisor. With this understanding, the Company will pay for any regular hours lost by the stewards in handling grievances during working hours.
- 3.03 The Company will recognize a Union bargaining committee comprised of a maximum of five (5) employees for the purpose of negotiating this Agreement and the renewal of this Agreement. With this understanding, the Company will pay such members of the bargaining committee for any regular hours lost during such negotiations.
- 3.04 Authorized representatives of the Union shall be entitled to visit the warehouse for the purpose of observing working conditions, interviewing members and unsigned employees and ensuring that the terms of this Agreement are being implemented. The interviewing of an employee shall be permitted after the Supervisor has given his consent, which shall not be unreasonably withheld.
- 3.05 Part-time employees shall pay to the support of the Union the amount of weekly dues, which will be checked off. The Company shall indicate on a check-off form if an employee is a part-time employee.

ARTICLE 4 - ADJUSTMENT OF GRIEVANCES

- 4.01 It is understood that the Company, the Union or any employee has a right to lodge a grievance with respect to any matter arising out of this Agreement or concerning the interpretation, application or alleged violation of this Agreement.
- 4.02 Any employee believing that he has been unjustly dealt with or that the provisions of this Agreement have not been complied with, shall have the right to place such grievance in the hands of the Union for review and adjustments by the Company, if necessary. Grievances shall be processed as follows:

Step One

Between the employee concerned, the appropriate steward, and the Supervisor. The grievance must be filed within ten (10) working days after the event giving rise to the grievance occurs and within this period of time it shall be discussed at this Step. The Supervisor shall give an oral decision within five (5) working days from the date the discussion took place. If the Union wishes to appeal to the next Step, the grievance shall be reduced to writing and notice of appeal filed within

five (5) working days from the date of the decision of the Company representative referred to above

Step Two

Between the employee concerned, the Union representative, the Supervisor or Department Manager, Warehouse Manager and/or their delegates. The discussion at this Step shall be held within seven (7) working days of the date of the appeal. The decision of the Company at this Step shall be in writing and be made within four (4) working days of the date of the meeting. Should the Union wish to appeal, such notice of appeal must be filed in writing with the Head Office of the Company within one (1) week of the decision of the Company at Step Two.

Step Three

The grievance shall be forwarded to the Head Office of the Company, which shall have one (1) week to dispose of the grievance. The disposition shall be in writing and returned to the officers of the Union. If considered necessary by the parties, a meeting may be held and may also include the interested persons. If a meeting is held, the decision shall be given to the other party within seven (7) days from the date of the meeting.

- 4.03 Grievances filed as a result of a suspension or dismissal must be filed by the grievor within (5) working days from the date of notification of the suspension or dismissal.
- 4.04 The above-mentioned time limits may be extended by mutual agreement between the Company and the Union.

ARTICLE 5 - ARBITRATION

- 5.01 (a) In the event that a grievance is not satisfactorily resolved as provided for in this Agreement, the Company or the Union may refer the grievance to arbitration for resolution within thirty-one (31) days from the date of the decision in Step Three. The parties agree that grievances will be referred to sole arbitrators, provided that up and until the selection of the arbitrator, either party may, by notice to the other party, require that a particular grievance be referred to a 3 member board of arbitration.
- (b) The party requesting arbitration shall advise the other party in writing of its request, together with a statement as to the issue to be arbitrated and shall include in its notice the name and address of its nominee to a board of arbitration. The other party shall, within one (1) week of its receipt of such notice, nominate its member to the board of arbitration and so advise the other party.

- (c) If the two nominees are unable to agree upon the choice of a third member to act as chairperson, the Minister of Labour for the Province of Ontario shall be requested to appoint a chairperson.
- (d) The board of arbitration so constituted shall hear the dispute and the decision of the majority shall be the decision of the arbitration board, and if there is no majority, the decision of the chairperson shall be final and binding upon the parties affected by the grievance,
- (e) The arbitrator or board of arbitration shall not have jurisdiction to alter or modify any of the provisions of this Agreement, nor to substitute any new provisions in lieu thereof, nor to make any decision inconsistent with the terms and provisions of this Agreement.
- (f) Each of the parties to this Agreement will bear the expense of the nominee appointed by it and shall share equally the expense of the chairperson.
- (g) The parties to this Agreement may mutually agree that a 3 member board of arbitration be appointed in the place of a single arbitrator. In the event that the parties agree to a 3 member board of arbitration, such board of arbitration shall have the same powers as sole arbitrator under this Agreement and must comply with the provisions of Article 5.01 (e).

ARTICLE 6 - DISCHARGE & DISCIPLINE

- 6.01 (a) No employee, except employees during their probationary period, shall be discharged or disciplined except for just cause. The Union agrees to co-operate in any endeavor to correct inefficiencies of employees which might necessitate disciplinary action.
- (b) Discharge and discipline grievances may be settled by confirming the Company's decision or by re-instating the discharged or suspended employee with compensation for time lost, less interim earnings if applicable or by any other arrangement which is just and equitable in the opinion of the Company and the Union.
- 6.02 The Company agrees that whenever an interview is held with an employee regarding his work or conduct, which becomes part of his record, the steward or a Union representative shall be present at such interview. The Union representative or steward will leave the meeting if requested to leave by the employee.
- 6.03 (a) All disciplinary warnings or reprimands which are placed in an employee's record and all notices of demotion for cause, discharge or suspension, shall be in writing and shall contain the reason for the warning, reprimand, suspension or discharge. One (1) copy shall be given to the employee and one (1) copy shall be forwarded to the Union office within seven (7) days of the incident giving rise thereto.

Failure to provide any of the copies referred to herein shall not render the discipline null and void.

- (b) A disciplinary warning or reprimand which is not in writing shall not be adduced into evidence against an employee in any subsequent disciplinary proceeding or any grievance settlement procedure in which the employee is involved.
- (c) Disciplinary warnings and/or reprimands which predate a disciplinary action by more than twenty-four (24) months shall not be adduced into evidence against the employee in any subsequent disciplinary proceedings or any grievance settlement procedure in which the employee is involved.

ARTICLE 7 - STRIKES & LOCKOUTS

7.01 There shall be no strike or lock-out during the term of this Agreement. The Company has the exclusive right to determine what merchandise will be handled in its warehouse, except that the Company agrees that in the event of a legal strike in the plant of a supplier, it will not handle merchandise from such plant, provided however that merchandise that was on the premises of the Company or in transit to the Company's premises at the time such legal strike commenced, will be handled. In the event of strikes, lock-outs or other similar problems involving suppliers of goods or services, the Company and the Union agree to meet and discuss such situation as it involves the parties to this Agreement, to endeavor to solve such problems in the best interest of the Company, the Union and the employees, to the best abilities of the parties.

ARTICLE 8 - SENIORITY

8.01 Employees shall acquire seniority rights based on the length of service while in the bargaining unit. For the purpose of this agreement, there shall be "areas" which the Employer has the right to determine based on the operational needs of the business. The work areas will be posted and may be changed by the Employer following a discussion with the Union. Employees will typically work within their area, but may be required to perform work outside their area. Overtime assignments will be based on these areas.

Notwithstanding the fact that seniority accrual is based on length of service in the bargaining unit, seniority is to be applied on an area basis unless otherwise provided for herein.

8.02 (a) An employee shall not acquire seniority rights during a probationary period of ninety (90) worked days of accumulated service, or longer period if mutually agreed upon by the Union and the Company and such agreement shall not be unreasonably withheld. Once an employee has successfully completed the probationary period, his seniority shall date back to the last day of hiring.

- (b) Notwithstanding any other provision to the contrary that may be contained elsewhere in this Collective Agreement, the Company shall have the right to terminate an employee during his probationary period for less than just cause.
- 8.03** The continuous length of service of an employee in the bargaining unit shall be the determining factor in layoffs which result in the reduction of the work force and recalls from layoff, subject to the provisions of Article **8.05** hereinafter provided.
- 8.04** (a) No probationary, or part-time employees will be employed in the bargaining unit if a full-time employee is laid off or working less than the normal full-time hours provided that the full-time employee possesses the qualifications and ability necessary to perform the work.
- (b) For clarity the provisions of **8.04** (a) shall not apply in the event of the following:
 - (i) A non-assured full time employee may be laid off. Prior to a non-assured full time employee being laid off the Employer and the Union will meet in advance to review whether any adjustment to part time schedules may be made prior to the lay off taking place.
 - (ii) A non-assured full time employee who is laid off will have the option to be placed on the part time seniority list and shall be paid the end rate of the part time wage scale. They will maintain recall rights of 18 months from the date of layoff. They will be placed on the part time seniority list based on their full time and, if applicable, part time uninterrupted part time length of service.
- 8.05** (a) For the purposes of this Agreement, a lay-off shall be defined as a period of one (1) full working day of no work or more.
- (b) Where an employee is affected by a lay-off, he shall have the following options:
 - (i) he can accept the lay-off; or
 - (ii) he shall exercise his rights under Article **8.06**;
 - (iii) if the affected employee is unable to displace a more junior employee he shall be deemed to be laid off.
- 8.06** If the Company permanently reduces the number of employees within a particular job classification or shift, the affected employees shall be deemed to be surplus and shall be so notified. The following process shall be followed. The Employer shall provide the affected employees with a complete list of available positions. The affected employees will be required to preselect their bumps based on available positions. Employees will be given five (5) days to complete their

preselection. In the event they fail to do so the employee will be slotted in the available positions remaining.

Where an employee is affected as a result of such surplus, the following will apply:

- (a) Any employee(s) who is declared surplus under this provision shall have the right to exercise their seniority to displace the most junior employee within any shift and any classification of his choice provided the employee has more seniority and the qualifications and ability necessary to perform the work.
- (b) Any junior employee(s) who is displaced from his job under this provision by a more senior employee(s) shall similarly be entitled to exercise his seniority in accordance with 8.06(a), if further displacement of employee(s) occur the last displaced employee(s) would have the opportunity provided the Company determines an operational requirement to remain on the shift from which he is displaced.
- (c) An employee(s) who is displaced in accordance with the above provisions shall be eligible for recall for a period of eighteen (18) months from the date of his displacement for recall to that classification and/or shift from which he was displaced,
- (d) Where employees are affected by a department closing, substantial relocation of product to another location or technological change, the company will notify the union at least 60 days prior. The provisions above will be implemented as soon as reasonably possible to allow employees affected to be trained in order to allow them to exercise their seniority as effectively as possible.

8.07 An employee shall lose all seniority and his employment shall automatically be terminated if any of the following should occur:

- (a) he voluntarily leaves the employ of the Company;
- (b) he is discharged and not reinstated through the Grievance procedure as herein provided for;
- (c) he is absent from work for more than three (3) working days without reasonable cause;
- (d) he fails to return to work after a lay-off within seven (7) days of the delivery by registered mail of notice of recall;
- (e) he fails to return to work upon the conclusion of a leave of absence without reasonable cause;

- (f) he fails to take a medical examination by a duly qualified medical practitioner when required to do so by the Company;
- (g) if he is not recalled to work from a lay-off, his name shall be retained on the seniority lists for a minimum of six (6) months, up to a period equal to his bargaining unit seniority as at the date of lay-off, to a maximum of eighteen (18) months;
- (h) he is granted a leave of absence and then uses such leave of absence for reasons other than those provided for in Article 13.02 herein.

8.08 A seniority list shall be placed on the bulletin board and will be revised by the Company during the months of January and July in each calendar year. Copies of these lists will be forwarded to the Union. Such lists shall contain the employee's name, his classification and his start date, The list forwarded to the Union shall also include the employee's address and telephone number.

8.09 (a) An employee's seniority shall continue to accumulate on each occasion that he is absent from work because of illness, injury or approved absences.

(b) When an employee is absent from work because of sickness or disability, he shall not lose seniority except as provided in Articles 8.07 (c), (f), and (h) of this Agreement. Upon his return to work, he shall be returned to his former position at the applicable rate of pay, provided that the returning employee possesses the qualifications and ability necessary to perform the work. In the event that the return of the employee results in the displacement of another employee who was permanently assigned to such position, then the displaced employee shall be returned to his former position.

In the event that the returning employee is unable to satisfy the requirements of his former position, the Company and the Union shall meet to determine alternate employment for such employee.

8.10 (a) When an employee is permanently transferred or promoted to a position outside his bargaining unit, he will retain his bargaining unit seniority and continue to accumulate seniority under this Agreement for a period of six (6) months from the date of such transfer or promotion. After such six (6) month period, the employee shall have no accumulated seniority under this Agreement. The Union will be notified of such transfer or promotion.

Should the employee return to his bargaining unit within such six (6) month period, they shall return to their former position. However, if their former position has been declared surplus then they shall exercise their rights under Article 8.06. If the returning employee elects not to accept the position he shall be deemed to be laid off. An employee who declines the position in these circumstances shall not trigger the provisions of Article 8.04.

- (b) Where an employee accepts an assignment to a position outside his bargaining unit on a temporary basis, he shall continue to accumulate seniority and be covered for applicable benefits and upon completion of the assignment he shall be returned to his former job and shift on completion of such assignment.

8.11 In the event of a lay-off, employees shall receive notice of lay-off or pay in lieu of notice as set out in the Employment Standards Act of Ontario as follows:

- (a) full-time employees with up to two (2) years of service will receive one (1) week's notice or one (1) week's pay in lieu thereof;
- (b) full-time employees with more than two (2) but less than five (5) years of service will receive two (2) week's notice or two (2) week's pay in lieu thereof;
- (c) full-time employees with more than five (5) but less than ten (10) years of service will receive four (4) week's notice or four (4) week's pay in lieu thereof;
- (d) full-time employees with more than ten (10) but less than twenty (20) years of service will receive eight (8) week's notice or eight (8) week's pay in lieu thereof;
- (e) full-time employees with more than twenty (20) years of service will receive ten (10) week's notice or ten (10) week's pay in lieu thereof;
- (f) the above-mentioned sub-paragraphs (a) and (e) shall be implemented in lieu of the provisions contained in the current Employment Standards Act of Ontario, for employees who have less than three (3) months or more than twenty (20) years of full-time continuous employment with the Company, respectively;
- (g) full-time employees with three (3) or more years of continuous service, if terminated for reasons other than cause will be provided with a severance allowance of one (1) week's pay for each year of service to a maximum of five thousand dollars (\$5,000); this provision is in addition to any entitlement for notice of lay-off and the Employment Standards Act of Ontario.

8.12 It shall be the duty of employees to notify the Company promptly in writing of any change in their address or telephone number. The Company will not be responsible for failure of any notice to reach an employee who has not so notified the Company.

ARTICLE 9 - JOB POSTINGS & VACANCIES

9.01

Permanent Vacancies

- (a) Permanent vacancies shall be defined as a vacancy within one of the full-time classifications identified in “Appendix C” hereto and which will be in existence for more than thirty (30) continuous working days and shall exclude any vacancy:
 - (i) where there is less than forty (40) hours of available work to be performed; or
 - (ii) which is caused by the temporary absence of an employee by reason of illness, disability or approved leave of absence. For the purpose of this clause specifically, the term “temporary” shall be defined as a period of no more than three (3) continuous months.
- (b) All permanent vacancies shall be posted unless there is an employee who possesses recall rights to the position as provided for in this agreement. All job postings shall designate the shift (days, afternoons or nights), the area, the days of the week and the starting and quitting times.
- (c) All vacancies shall be filled first by full time employees, then by part time employees based on the provisions of Article A.08 (d) of the part time appendix of this agreement.
- (d) Selection to such vacancy shall be on the basis of bargaining unit seniority provided that the employee who is applying for the vacancy possesses the qualifications and ability necessary to perform the work in question.
- (e) If a successful applicant is unable to perform the normal requirements of the position he shall be returned to his former position at his former rate of pay.
- (f) If there is no successful applicant for a permanent vacancy, the Company shall have the right fill the vacancy either by assigning the vacancy to any employee within the bargaining unit or by filling the vacancy from outside the bargaining unit.
- (g) A successful applicant for a permanent vacancy, or an employee who is assigned to fill such vacancy, shall be paid the rate for such vacancy.
- (h) A successful applicant for a permanent vacancy shall be prohibited from applying for another permanent vacancy for a period of **six (6)** months, from the awarding of the original vacancy. This prohibition shall not apply for permanent vacancies with a higher rate of pay.

9.02 **Temporary Vacancies**

- (a) For the purpose of this Agreement, a temporary vacancy shall be defined as a vacancy lasting thirty (30) working days or less.
- (b) An employee who fills a temporary vacancy shall receive his own rate of pay or the rate of the position in which he is working, whichever is greater.

9.03 (a) **Daily Upgrades**

Daily upgrades will be done from the General Warehouse classification only. Once an employee has been upgraded to a preferred job, they will no longer be considered for further upgrades throughout the shift. Upgrades will be determined by the Employer in advance of the shift and the employee will be assigned by the Employer based on the preference sheet which has been completed by the employee. The onus is on the employee to advise the supervisor of any changes they wish to make to the preference sheet, such change shall take effect the following work week. This process of daily upgrades will result in no delay of the start up of the shift because the employees will be assigned based on the preference sheet. The preference sheet will list all General Warehouse employees ranked in order of seniority. Preference sheets will be developed in the distribution centre.

ARTICLE 10 - HOURS OF WORK & OVERTIME

10.01 The regular work week for full-time employees shall normally consist of forty (40) hours consisting of five (5) days of eight (8) hours or four (4) days of ten (10) hours, from Sunday to Saturday. It is understood that the Company retains the right to establish various shift configurations not specifically provided for herein, provided that such shifts are in accordance with applicable legislation. It is understood that the implementation of such shifts shall not occur without prior discussion with the Union. Further, nothing herein shall be construed as a guarantee of daily or weekly hours to be worked or paid, unless specifically provided for,

- 10.02 (a) Starting and quitting times and the arrangements of shifts shall be determined by the Company.
- (b) The Company shall provide an employee with a minimum of two (2) weeks notice, prior to moving such employee from one shift to another (i.e. days to nights; days to afternoons etc.) or when an employee is moving to another location on a permanent basis.
- (c) An employee's scheduled starting time shall not be changed during the week in which he is working. For clarity a change in start time within the shift as defined in Article 20.01 (a) shall not trigger a job posting.

10.03 An employee who is scheduled to work, and who reports for work as scheduled and who completes his scheduled shift, shall be guaranteed his scheduled hours of work for that day or pay, at his regular rate of pay, in lieu of work. This provision shall not apply in the event of an act of God in which case the employee shall be guaranteed four **(4)**hours work or pay in lieu of work.

10.04 For the purpose of calculating the pay of an employee who works overtime and the pay of an employee who is late reporting for work, the hour shall be deemed to be divided into twelve (12) units of five (5) minutes each and the following shall apply:

- No overtime shall be paid where less than five (5) minutes of overtime is worked and thereafter overtime shall be calculated and paid to the nearest full five (5) minutes of overtime worked;
- When an employee is late reporting for work, he will be paid commencing with the fifth minute of the unit of five (5) minutes in which he reports.

10.05 If an employee has completed his day's work and has gone home and is subsequently called back to work by the Company, he shall be paid a minimum of four **(4)** hours pay at one and one-half (1%) times his regular rate of pay regardless of how little time he is required to work.

10.06 (a) Overtime shall be on a voluntary basis

- (i) Overtime that occurs within an area shall be offered to employees in that area by overall bargaining unit seniority, regardless of classification, within the specific shift where the manpower is required, to those who are then at work and possess the necessary qualifications.
- (ii) In the event that there are not sufficient volunteers, or if more employees are required, the work will then be offered by bargaining unit seniority to the remaining employees who are then at work and who possess the qualifications and ability to perform the work.

(b) Early Start Overtime

This shall apply when employees are asked to report to work in advance of their regular start time on their specific shift.

The maximum is five (5) hours for eight **(8)** hour shifts and three (3) hours for ten (10) hour shifts. This shall not trigger Extra Day overtime on any specific shift. The employer reserves the right to call Extra Day overtime on any specific shift.

Employee will be assigned to functions based on overall seniority and qualification. They are considered to be in the General Warehouse classification. From that point on, Article 9.03/LOU Daily Upgrades applies.

(c) Extension of Shift

This shall apply when employees are asked to remain at work beyond the completion of their regular shift.

The maximum is five (5) hours for eight (8) hour shifts and three (3) hours for ten (10) hour shifts. This shall not trigger Extra Day overtime on any specific shift. The employer reserves the right to call Extra Day overtime on any specific shift.

Employees will be assigned to functions based on overall seniority and qualification. They are considered to be in the General Warehouse classification. From that point on, Article 9.03/LOU Daily Upgrades applies.

(d) Extra Day Overtime

Employees asked to work Extra Day overtime shall not be eligible for Early Start on that particular day unless the employer has exhausted Early Start overtime from the regularly scheduled employees and there is still a need.

Employees will be assigned to functions based on overall seniority and qualification. They are considered to be in the General Warehouse classification. From that point on, Article 9.03/LOU Daily Upgrades applies.

- (e) In all scenarios, the parties will adhere to the *Employment Standards Act* with respect to the maximum hours in a work day and work week. Working overtime shall not preclude an employee from completing their regular work week, as per 10.01. Administration of article 10.07 (Overtime Premiums) will remain consistent with the current practice.

10.07 Overtime Premiums

- (a) Overtime at the rate of one and one-half (1½) times the employee's regular hourly rate of pay shall be paid for all hours worked in excess of his regularly scheduled number of hours on that day or forty (40) hours in a week.
- (b) Overtime at the rate of one and one-half (1½) times the employee's regular hourly rate of pay shall be paid for all hours worked on the employee's scheduled day off.
- (c) Overtime at the rate of two (2) times the employee's regular hourly rate of pay shall be paid for all hours worked on a Paid Holiday in addition to the pay for such Holiday.

- (d) When an employee works overtime during a shift or shifts for which a shift premium is payable under this Agreement, such shift premium will not be included in the calculation of the employee's applicable overtime rate.
- 10.08 (a) Where an employee works three (3) hours or more of overtime in a day, he will be granted a paid fifteen (15) minute rest period upon the completion of the third overtime hour and shall be entitled to a further paid fifteen (15) minute rest period after completing each three (3) hours of overtime work.
- (b) Where an employee working four (4) ten hour shifts works two (2) hours or more of overtime in a day, he will be granted a paid fifteen (15) minute rest period upon the completion of the second overtime hour and shall be entitled to a further paid fifteen (15) minute rest period after completing each three (3) hours of overtime work.
- 10.09 Where three (3) hours or more of overtime is contemplated, the Company will, where possible, give affected employees at least two (2) hours notice before the completion of their regular shift.
- Where less than three (3) hours overtime is involved, the Company will endeavor to give the affected employees as much notice as possible.
- 10.10 An employee is entitled to two (2) rest periods not exceeding a total of forty (40) minutes, one in the first half and one in the second half of his shift, without loss of pay.
- 10.11 Employees shall be paid weekly by cheque, or at the option of the Company, by direct deposit, not later than Friday of each week.

ARTICLE 11 - VACATIONS

- 11.01 (a) Employees who joined the Employer after May 1st and who have been employed for less than one (1) year shall receive vacation with pay during the following year on the following basis:

<u>Date of Employment</u>	<u>Vacation With Pay</u>
March 16 (current year) - April 15 (current year)	1 day
February 16 (current year) - March 15 (current year)	2 days
January 16 (current year) - February 15 (current year)	3 days
December 16 (previous year) - January 16 (current year)	4 days
September 16 (previous year) - December 15 (previous year)	5 days
August 16 (previous year) - September 15 (previous year)	6 days
July 16 (previous year) - August 15 (previous year)	7 days
June 16 (previous year) - July 15 (previous year)	8 days
May 16 (previous year) - June 15 (previous year)	9 days

May 1 (previous year) - May 15 (previous year)	10 days
Prior to May 1 (previous year)	10 days

- (b) Each employee who, as of September 30th in any year, has been employed for one (1) year or more but less than five (5) years will be granted a vacation of two (2) weeks to be taken during the following year.
- (c) Each employee who, as of September 30th in any year, has been employed for five (5) years or more but less than ten (10) years will be granted a vacation in that year of three (3) weeks.
- (d) Each employee who, as of September 30th in any year, has been employed for ten (10) years or more but less than twenty (20) years will be granted a vacation in that year of four (4) weeks.
- (e) Each employee who, as of September 30th in any year, has been employed for twenty (20) years or more but less than thirty (30) years shall be entitled to five (5) weeks vacation with pay provided that one (1) of these five (5) weeks shall be taken during the months of January to May and/or September 1 to November 15th, at a time to be selected by the employee, subject to the approval of the Company;
- (f) Each employee who, as of September 30th in any year, has been employed for thirty (30) years or more shall be entitled to six (6) weeks vacation with pay provided that two (2) of these six (6) weeks shall be taken during the months of January to May and/or September 1 to November 15th, at a time to be selected by the employee, subject to the approval of the Company.

Vacation entitlement will be calculated on each year of service ending with September 30th.

- 11.02 (a) The vacation pay allowance referred to in this Article will be calculated as follows:
- (i) an employee who is entitled to two (2), three (3), four (4), five (5), or six (6) weeks of vacation will receive two (2), three (3), four (4), five (5), or six (6) weeks pay respectively, calculated at his rate per hour at the time he goes on vacation or 4%, 6%, 8%, 10%, or 12% respectively of his total earnings in the previous calendar year, whichever is greater;
 - (ii) the percentage payment referred to throughout this Article shall apply to the total earning of the employee during the previous calendar year as shown on the employee's T4 and T4A forms;
- (b) Employees who are absent for one (1) year or more shall not be entitled to vacation pay.

- 11.03 Employees who are terminated for just cause shall be paid vacation pay in accordance with the Employment Standards Act of Ontario R.S.O. 1980.
- 11.04 Where a Paid Holiday as provided for in this Agreement occurs during an employee's vacation period, the employee shall take another day in lieu thereof, or be paid for such Holiday, at the option of the Company.
- 11.05 The vacation schedule for the bargaining unit shall be posted by April 1st of each year and employees shall have the right to select vacation time in accordance with bargaining unit seniority. The Company is entitled to maintain a work force which is sufficient to perform the work and therefore reserves the right to refuse any request for vacation time and to have such vacation time rescheduled for an alternate date. The Company undertakes to give consideration to any undue hardship suffered by the employee as a result of such rescheduling.
- 11.06 Vacations are not cumulative nor can they be carried over from year to year. Employees who are entitled to four (4) weeks or less of vacation shall take no more than two (2) weeks of vacation during July and August. Employees who are entitled to five (5) weeks or more of vacation shall take no more than three (3) weeks of vacation during July and August. Arrangements may be made mutually between the Company and the employees to take care of special circumstances.
- 11.07 Vacations are to be taken in increments of five (5) days, unless otherwise agreed to by the Company.

ARTICLE 12 - PAID HOLIDAYS

- 12.01 (a) The following Paid Holidays shall be recognized as legal holidays:

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

- (b) The floater holiday will be taken by mutual agreement or at the employees discretion on their birthday. If the floater holiday is not taken, it will be paid upon request.

In the event that the federal or provincial governments should declare any other day(s) a legal holiday, the Company agrees to recognize such day(s) as a Paid Holiday.

- 12.02 To qualify for pay for a Paid Holiday, the employee:

- (a) must have been in the employ of the Company for three (3) months;

- (b) must work his last scheduled working day preceding the Paid Holiday and his first scheduled working day after the Paid Holiday, unless he was absent with permission;
 - (c) must have performed work on at least twelve (12) days in the four (4) weeks immediately preceding the Paid Holiday.
- 12.03 An employee who is in receipt of Workers' Compensation or weekly indemnity benefits shall be paid the difference between payment received by Workers' Compensation or by weekly indemnity and the pay he would have otherwise received had he not been absent, provided he has worked within fifteen (15) days prior to the Paid Holiday.
- 12.04 Should a Paid Holiday occur during an employee's leave of absence, he shall not be paid for such Paid Holiday.
- 12.05 When a Paid Holiday falls on a Monday, for those employees who are scheduled to work on a Monday afternoon or night shift, the Paid Holiday will be deemed to be the Monday afternoon or night. For those employees scheduled to work a Sunday shift, the holiday will be deemed to be the Sunday afternoon or night. When a Paid Holiday falls on any other day than a Monday, the afternoon or night before shall be deemed to be the holiday. The provisions of this clause are directory only and the Company reserves the right to make whatever adjustments are required to satisfy the needs of the business,

ARTICLE 13 - NOTICE OF ABSENCE & LEAVE OF ABSENCE

- 13.01 Employees are expected to attend work regularly. Employees shall notify the appropriate persons designated by the Company of their intent to be absent prior to the commencement of their shift, giving the reason why the employee is unable to report, when he expects to return to work and how he can be reached relative to his absence.
- An employee who fails to give such notification, shall be subject to disciplinary measures unless he has a reason which is acceptable to the Company.
- 13.02 An employee who wishes a leave of absence for legitimate personal reasons shall make such request in writing to the Company, at least two (2) months in advance of the proposed commencement date of such leave of absence, except in the case of personal emergency. The employee's request shall contain:
- his reasons for the proposed absence;
 - the commencement date of the proposed leave of absence; and

- the length of the proposed leave of absence.

The permission of the Company will not be unreasonably withheld.

- 13.03 Employees shall be eligible for maternity/paternity leave in accordance with the Employment Standards Act of Ontario.
- 13.04 The Company agrees that an employee appointed by the Union as a full-time representative shall be granted a leave of absence without pay while serving in such capacity. Such persons shall continue to accumulate seniority while serving as Union representative and shall be entitled to return to the bargaining unit should their services be terminated by the Union, with full accumulated seniority.
- 13.05 The Company will not grant an employee's request for leave of absence for the purpose of employment with another company, or becoming self-employed.

ARTICLE 14 - BEREAVEMENT LEAVE

- 14.01 (a) The Company agrees that in the event of bereavement in the immediate family of a full-time employee, meaning parent/step-parent; spouse; child; brother or sister, if the funeral is attended, to allow such time off as is necessary, not to exceed five (5) calendar days in succession and to pay for the days which he would otherwise have worked, for his regular scheduled hours at his regular hourly rate. If the employee is unable to attend the funeral, he shall be allowed one (1) day off without loss of regular pay.
- (b) The Company agrees that in the event of the death of a full-time employee's mother-in-law or father-in-law, if the funeral is attended, to allow such time off as is necessary, not to exceed three (3) calendar days in succession and to pay for the days which he would otherwise have worked, for his regular scheduled hours at his regular hourly rate. If the employee is unable to attend the funeral, he shall be allowed one (1) day off without loss of regular pay.
- (c) The Company agrees that in the event of the death of a full-time employee's grandchildren, grandmother or grandfather, daughter/son-in-law or brother/sister-in-law, he shall be allowed bereavement leave of one (1) day with pay at his regular hourly rate, provided the funeral takes place on his regularly scheduled working day.

ARTICLE 15 - JURY DUTY

- 15.01 An employee who is required to serve on a jury shall be compensated for days actually spent on jury duty when he would otherwise have been at work.

- 15.02 Such employee shall receive the difference between his jury fees and his normal day's pay for that time he would have been regularly employed had he not been serving on the jury. The employee shall be required to report immediately upon being excused or released from jury duty when such reporting is reasonable under the circumstances.
- 15.03 The claim of an employee shall be verified by presentation of his jury duty cheque however, no payment shall be made for any hour for which the employee receives compensation by the Company for any other reason. Payment shall not be withheld pending submission of the jury duty cheque.
- 15.04 Any employee subpoenaed to attend as a witness on behalf of the Company or the Crown shall be entitled to the difference between his witness fee and his normal day's pay.

ARTICLE 16 - UNIFORMS

- 16.01 (a) It is a condition of employment that all employees covered by this Agreement wear safety shoes at all times while on duty, The Company will pay fifty-five dollars (\$55.00) (tax included) to each employee as a contribution toward the cost of safety shoes to a maximum of one (1) pair per year. Effective in 2007 this allowance shall be increased to eighty dollars (\$80.00)(tax included). Such payment shall be made on August 31st of each year.
- (b) Safety footwear must be in good repair, capable of protecting the employee's feet in a manner they were originally designed to do. I.A.P.A. guidelines will be used as the determining factor when quality of footwear is in question.
- 16.02 The Employer shall provide a freezer coat as well as overalls to those employees who are desirous of wearing a freezer coat rather than a parka in the produce, dairy, and meat areas to a maximum of one (1) per year. It is understood that these coats and equipment are not to be removed from the Employer property at the end of the shift unless mutually agreed upon.
- 16.03 The Employer will provide employees in the produce and dairy areas a freezer suit based on individual requests. However, such employees will not then be eligible for any other protective clothing as defined in Article 16 herein.

ARTICLE 17 - GENDER

17.01 Wherever the masculine gender is used in this Agreement, it shall be deemed to include the feminine.

ARTICLE 18 - DISCRIMINATION

- 18.01 (a) The Company and the Union agree that there will be no discrimination against any employee which is contrary to the Human Rights Code, provided that the retirement of an employee within the provisions of the pension plan shall not amount to discrimination.
- (b) Where the obligation of the Employer and the Union to accommodate an employee via the Human Rights Code, may conflict with the terms and provisions of the collective agreement, the Employer and the Union may by mutual consent, modify the collective agreement to meet the conditions of the accommodation of the employee.

ARTICLE 19 - GENERAL

- 19.01 Employees shall promptly report to the Company any loss or damage to merchandise, property or equipment or shortage of merchandise and where possible, give a statement indicating the cause thereof, Failure to do so can result in disciplinary action.
- 19.02 The Union agrees that it will encourage its members to uphold the rules and regulations of the Company in regard to punctual and steady attendance, proper and sufficient notification in case of absence and conduct on the job.
- 19.03 The Company agrees to provide to interested full-time employees the Credit Union Deduction Plan, provided it is understood that such deduction shall be for the sole purpose of deposits into the Credit Union Fund.
- 19.04 (a) It is understood that when an employee is required by the Company to depart from his normal work location on an errand, transportation shall be provided if such transportation is requested by the employee. When an employee carries out such an errand in his own vehicle, he shall be reimbursed to the extent of twenty-four point eight cents (24.8) per kilometer (forty (40) cents per mile) driven while on such errand.
- (b) It is further understood that when an employee is required by the Company to leave his home in his own vehicle, on an assignment at a destination other than his normal work locations, such an employee shall be reimbursed to the extent of twenty-four point eight (24.8) cents per kilometer (forty (40) cents per mile) per

additional kilometer/mile for the number of kilometer/miles he drives which are over and above the kilometer/miles from his work to his normal work location.

- (c) The Company agrees that an employee carrying out an errand or an assignment referred to in subparagraphs (a) and (b) herein, shall receive a minimum kilometer/mile reimbursement of four dollars (\$4.00).

19.05 The Union may use the warehouse bulletin boards for the posting of Union notices. All such notices must be approved by the Warehouse Manager before being posted on the bulletin boards and such approval shall not be unreasonably withheld.

19.06 Attached hereto and forming part of this Agreement are the following appendices:

Appendix "A" - Part-time Employees
Appendix "B" - Health & Welfare
Appendix "C" - Wages/Classifications/COLA
Appendix "D" Pension
Appendix "E" Full time Transport
Appendix "F" Part time Transport

ARTICLE 20 - PREMIUMS

20.01 (a) In addition to the rates of pay set out in Appendix "C" to this Agreement, for those employees covered by Article 1.01 (a) of this Agreement, the Company will pay an afternoon shift premium of fifty-five (**55**) cents per hour and a night shift premium of sixty-five (65) cents per hour, to employees who are regularly assigned to such shifts, for all hours worked on such shifts. For the purpose of this Collective Agreement the following definitions shall apply:

- the day shift shall be any shift that commences between 4:00 a.m. and 11:59 a.m. inclusive;
- the afternoon shift shall be any shift that commences between 12:00 noon and 7:59 p.m. inclusive; and
- the night shift shall be any shift that commences between 8:00 p.m. and 3:59 a.m. inclusive, It is understood that shifts with a start time between 12:00 midnight and 2:00 a.m. shall receive the night shift premium.

(b) In the event that a shift overlaps with another shift, it is understood that the employee shall be paid the shift premium that is applicable for the majority of the hours for which he is scheduled to work.

(c) Employees who work in the freezer, in any classification shall be paid a premium of forty (40) cents per hour for each hour worked in the freezer.

- 20.02 There shall be no pyramiding of any premiums provided for in this Agreement.
- 20.03 Premiums referred to in this Article shall not form part of an employee's regular hourly rate as provided for in Appendix "C" of this Agreement.

ARTICLE 21 - CHRISTMAS BONUS

- 21.01 The Company agrees to provide a Christmas bonus to full-time employees. The payment will be as follows:
- one (1) week's pay to all full-time employees who have been continuously employed by the Company for more than one (1) year as at December 15th of the current year; or
 - three quarters ($\frac{3}{4}$) of a week's pay to all full-time employees who have been continuously employed by the Company for more than nine (9) months as of December 15th of the current year; or
 - half ($\frac{1}{2}$) of a week's pay to all full-time employees who have been continuously employed by the Company for more than six (6) months as of December 15th of the current year.
- 21.02 The Company agrees to provide in the year in which they retire, the Christmas bonus to those full-time employees who retire after June 30th, as outlined in Article 21.01 of this Agreement.

ARTICLE 22 - TERM OF AGREEMENT

- 22.01 Unless changed by mutual consent, this Agreement shall continue in full force and effect April 15, 2006 and expiring on July 31, 2010 and shall continue automatically thereafter for one (1) year periods unless one (1) of the parties hereto notifies the other party within ninety (90) days immediately prior to the expiration date, that it desires to amend the Agreement.
- 22.02 Negotiations shall begin within fifteen (15) days following notification for amendment, as provided for in the previous paragraph.
- 22.03 If, pursuant to the negotiations, an agreement is not reached on the renewal or amendment of this Agreement or the making of a new Agreement prior to the expiry date, this Agreement shall continue in full force and effect until a new agreement is ratified between the parties or unless conciliation proceedings prescribed under the Ontario Labour Relations Act have been completed, whichever date should first occur.

APPENDIX “A”
PART-TIME EMPLOYEES

- A.01 The Company and the Union agree that part-time employees are not entitled to any of the rights or benefits of this Agreement, or any Appendix to this Agreement, unless specifically provided for.
- A.02 The following are the terms and conditions relating to the employment of part-time employees. In the event of a conflict between the terms of this Appendix and the main body of this Agreement or any Appendix thereof, the terms of this Appendix shall prevail.
- A.03 Part-time employees shall not normally work more than thirty-two (32) hours per week, and total usage of part-time employees shall not normally exceed the equivalent of thirty-five percent (35%) of the regular warehouse hours except:
- (a) during the period from May 1 up to and including September 30;
 - (b) during the period from December 1 up to and including January 15;
 - (c) during the full week in which Thanksgiving falls and during the full week preceding the week in which Thanksgiving occurs;
 - (d) during the full week in which Easter falls and during the full week preceding the week in which Easter occurs;
 - (e) during the full week in which any “Insiders” falls and during the full week preceding the week in which any “Insiders” occurs and during the full week after the week in which any “Insiders” occurs; or
 - (f) when replacing a full-time employee who is absent for any reason whatsoever, for the duration of such absence and the parties can utilize any combination of part time employees to replace such absent full time employee.
- A.04 Part-time employees who work more than thirty-two (32) hours per week, outside of the periods set forth in Article A.03 herein, for more than six (6) consecutive weeks without a break, will be reclassified to full time in accordance with Article A.08 (d).
- A.05 Part-time employees shall be entitled to vacation pay as provided for in the Employment Standards Act of Ontario R.S.O. 1980.
- A.06 Part-time employees shall be entitled to Statutory Holiday pay as provided for in the Employment Standards Act of Ontario R.S.O. 1980 except that the employee must have worked a minimum of thirty-two (32) hours in the four (4) weeks preceding the Statutory Holiday,

- A.07 The Company agrees to provide all part-time employees who have one (1) year of service as of December 31 in any year, with a safety boot allowance of \$55.00 (tax included). Effective in 2007 this allowance shall be increased to eighty dollars (\$80.00)(tax included). Such payment shall be made on or about the first week of every second February thereafter. Part time employees shall be provided uniforms as provided to full time employees under Article 16.
- A.08 (a) After a part-time employee has actually worked, in any twelve (12) month period, a total of ninety (90) days he shall be deemed to have acquired seniority for the purpose of this Appendix and his name shall be placed on the seniority list hereinafter provided for and dated back to his last date of hire.
- (b) A separate seniority list will be established for part-time employees and will be revised by the Company at least every six (6) months. Such lists will show the employee's name and date of last hire and be forwarded to the Union office.
- (c) The Company shall assign hours of work to part-time employees. In the assignment of such hours the Company may consider the seniority of the part-time employee, provided the employee has the ability and qualifications necessary to perform the normal requirements of the job to which he is being assigned.
- (d) After a part-time employee has acquired seniority, as defined herein, he will be entitled to bid for permanent job vacancies and newly created jobs which are posted in accordance with Article 9 of this Agreement. If any posted vacancy or new job is not filled by a full-time employee, and such vacancy or new job is intended to increase the complement of the full-time bargaining unit, then a part-time employees will be considered based on the following criteria. The specific criteria are outlined in a Letter of Understanding #4, which may be amended upon the mutual agreement of the parties. These employees shall then be eligible to be hired full time on the basis of seniority.
- (e) Whenever a part-time employee is converted to full-time he will be credited in the full-time bargaining unit for seniority purposes with **fifty** percent (50%) of his seniority up to a maximum of one (1) year, and upon such conversion, he shall not be required to serve a probationary period as though he were a new hire. Such seniority will then apply in the full-time bargaining unit in accordance with the terms of this Agreement.
- (f) A part-time employee who has acquired seniority in accordance with the provisions of this Appendix shall lose all seniority and his employment shall automatically be terminated if any of the following should occur:
- (i) he voluntarily leaves the employ of the Company;
 - (ii) he is discharged and not reinstated through the Grievance procedure;

- (iii) he is not recalled to work from a lay-off of within a period of time equal to his seniority, to a maximum of six (6) months;
- (iv) he fails to return to work after a lay-off within seven (7) days of the delivery by registered mail of notice of recall without reasonable cause;
- (v) he fails to return to work upon the conclusion of a leave of absence without providing reasonable cause;
- (vi) he fails to take a medical examination by a duly qualified medical practitioner when required to do so by the Company;
- (vii) he refuses an offer of work on three (3) occasions within any three (3) month period without reasonable cause.

A.09 Overtime is voluntary for part time employees and a part-time employee shall be paid at the rate of one and one-half (1½) times his regular hourly rate for all hours worked in excess of eight (8) hours in a day if he is scheduled to work for eight (8) hours on that day, or ten (10) hours per day if he is scheduled for ten (10) hours on that day or if he works in excess of forty (40) hours in a week.

A.10 (a) The Company agrees that in the event of bereavement in the immediate family of a part-time employee, meaning parent/step-parent; spouse; child; brother or sister, if the funeral is attended, to allow such time off as is necessary, not to exceed five (5) calendar days in succession and to pay for the days which he would otherwise have worked, for his regular scheduled hours at his regular hourly rate. If the employee is unable to attend the funeral, he shall be allowed one (1) day off without loss of regular pay.

(b) The Company agrees that in the event of the death of a part-time employee's mother-in-law or father-in-law, if the funeral is attended, to allow such time off as is necessary, not to exceed three (3) calendar days in succession and to pay for the days which he would otherwise have worked, for his regular scheduled hours at his regular hourly rate. If the employee is unable to attend the funeral, he shall be allowed one (1) day off without loss of regular pay.

(c) The Company agrees that in the event of the death of a part-time employee's grandchildren, grandmother or grandfather, daughter/son-in-law or brother/sister-in-law, he shall be allowed bereavement leave of one (1) day with pay at his regular hourly rate, provided the funeral takes place on his regularly scheduled working day.

A.11 A part-time employee who is scheduled to work, and who reports for work as scheduled shall be guaranteed three (3) hours work or pay in lieu of work, at his regular rate of pay. This provision shall not apply in the event of an act of God.

A.12 The continuous length of service of a part-time employee in the bargaining unit shall be the determining factor in lay-offs which result in the reduction of the workforce and recalls from lay-offs.

A.13 For the purpose of part-time employee covered by this Agreement, a lay-off shall be defined as a period of seven (7) continuous working days of no work.

A,14 In addition to the terms and conditions set forth in this Appendix, part-time employees shall also be entitled to the privileges of the following provisions of the Collective Agreement:

- Article 1
- Article 2
- Article 3
- Article 4
- Article 5
- Article 6
- Article 8.01
- Article 8.12
- Article 10.02 (a)
- Article 10.04
- Article 10.05
- Article 10.07 (c) (d)
- Article 10.08
- **Article 10.10**
- Article 10.11
- Article 13
- Article 15
- Article 18.01
- Article 19.01
- Article 19.02
- Article 19.04
- Article 20
- Article 22

and any other Article that specifically refers to part-time employees.

APPENDIX “B”
HEALTH & WELFARE

B.01 **Sharing of Costs**

- (a) Eligible employees shall contribute two percent of their gross straight time earnings, towards the costs of the benefits outlined in Articles B.04 through B.11 inclusive.

B.02 **Eligibility**

All full-time employees of the Company are eligible for insurance on the following dates:

- (a) for life insurance, accidental death and dismemberment, semi-private hospital and ambulance expense insurance, on the first day of the month next following his/her date of employment;
- (b) for weekly indemnity insurance, on the first day of the month following his/her date of continuous full-time employment with the Company;
- (c) for prescription drug expense insurance and the optical plan, on completion of three (3) months of continuous full-time employment;
- (d) for dental expense insurance, on the first day of the month following three (3) months of continuous full-time employment; and
- (e) for long term disability insurance, on the completion of one (1) year of continuous full-time employment provided an employee has attained age 18 and has not attained normal retirement age.

B.03 Eligible dependent as used herein shall mean:

- (a) the spouse of an employee; and
- (b) any unmarried dependent child of the employee, from birth to age twenty-one (21) and any unmarried children who are mentally or physically infirm to any age.

B.04 **Life Insurance**

- (a) The amount of life insurance shall be \$50,000.00.
- (b) The insurance for an insured employee who becomes totally disabled before normal retirement age, will be continued during the continuance of total disability until the employee recovers or attains normal retirement age. The insurer and/or the Company shall reserve the right to require the employee to submit to physical

examination by physicians designated by it. Total disability means continuous disability which, during the first two (2) years of total disablement, prevents an employee from performing any and every duty pertaining to the employee's own occupation and thereafter from engaging in any occupation for which the employee is fitted through education, training or experience.

- (c) Where an insured employee terminates employment, other than because of total disability, the employee shall have the option of obtaining from the insurer within thirty (30) days of termination an individual Insurance Policy as provided for in the Insurance Contract. This policy shall be for an amount not greater than the amount of Life Insurance and shall be subject to the insurer's normal underwriting rules, except that this Insurance shall not be subject to the employee supplying evidence of insurability.

B.05 Accidental Death & Dismemberment

- (a) Accidental Death and Dismemberment Insurance is payable in the event of death which results from injury caused accidentally and within 365 days of such injury on the basis of 100% of the amount set out in Article B.05(b). Benefits will be paid for certain dismemberment's as set out in Article B.05(b).
- (b) The amount of Accidental Death and Dismemberment Insurance shall be \$50,000 for any of the following:
- loss of life
 - loss of both hands
 - loss of both feet
 - loss of the sight of both eyes
 - loss of one hand and one foot
 - loss of one foot and the sight of one eye.

The amount of Accidental Death and Dismemberment Insurance shall be \$15,000 for any of the following:

- loss of one hand
 - loss of one foot
 - loss of the sight of one eye.
- (c) Accidental Death and Dismemberment benefits are not payable for any loss resulting directly or indirectly, wholly or partially from any of the following causes:
- (i) suicide or willfully self-inflicted injuries, while sane or insane;
- (ii) committing or attempting to commit a criminal offense as defined in the Criminal Code of Canada;

- (iii) war or hostilities of any kind, whether or not the insured person was actually participating therein, and whether or not war was declared;
- (iv) Injuries sustained by the insured person as the result of driving a vehicle if, when the injuries were sustained, the blood of the insured person contained in excess of eighty (80) milligrams of alcohol per 100 milliliters of blood.

“Vehicle” means a vehicle that is drawn, propelled or driven by any means other than muscular power, and includes an aircraft, automobile, truck, motorcycle, moped, snowmobile and boat.

B.06 Weekly Indemnity Insurance

- (a) An insured employee who is totally disabled and unable to work due to sickness or an accident not covered by Workers’ Compensation, will be paid a weekly benefit commencing on the first day of absence due to an accident or hospitalization and the fourth scheduled day of absence due to a sickness. The amount of the benefit and the maximum period for which the benefit is payable shall be as set out in the following schedule:

Years of Continuous Full-time Employment with the Company

At Least	But Less Than	Amount of Weekly Benefit	Maximum Period
First of the month next following date of hire	3 years	75% of basic weekly wage	26 weeks
	after 3 years	85% of basic weekly wage	26 weeks

The weekly benefit shall be determined based on basic weekly wage and service as of the date of commencement of disability.

- (b) It is not required that the insured employee be confined to home, but the employee must be under the regular care and attendance of a licensed physician during the period for which benefits are being claimed.
- (c) Certification of illness for loss of time benefits, up to a maximum of ten (10) weeks for each period of disability, will be accepted if completed by a licensed Chiropractor, Podiatrist or Oral Surgeon.
- (d) A disability resulting from the same cause as a previous disability will be treated as a continuation of the previous disability unless the employee has returned to work on a continuous full-time basis for at least fourteen (14) days.

- (e) Weekly benefits are not payable for the following:
 - (i) disability for which an employee receives benefits under any Workers' Compensation or similar law;
 - (ii) disability resulting from willfully, self-inflicted injury or from any attempt at self-destruction;
 - (iii) disability of an employee who is not under treatment by a physician or surgeon duly licensed to practice medicine, or during the first four (4) weeks of disability of an employee who is not under treatment by a licensed Chiropractor;
 - (iv) pregnancy where a female employee is not disabled;
 - (v) any period during which a female employee is on a pregnancy leave of absence in accordance with this Agreement.

B.07 Long Term Disability (LTD)

- (a) Upon receipt and approval of the insurer of due proof that an insured employee has become totally and continuously disabled for a period of twenty-six (26) weeks, a monthly benefit shall be paid to the employee until the earliest of the following dates:
 - (i) the date on which the employee shall cease to be totally disabled;
 - (ii) the date on which the employee attains normal retirement age;
 - (iii) the date of the employee's death.
- (b) total disability means continuous disability which, during the first two (2) years of total disablement, prevents an employee from performing any and every duty pertaining to the employee's own occupation and thereafter from engaging in any occupation for which the employee is fitted through education, training or experience.
- (c) The amount of the monthly benefit payable with respect to disability shall be the amount of monthly benefit in effect for the employee on the date of commencement of the disability as set out in the following schedule:

Portion of Basic Monthly Wage	Benefit as a Percentage of Basic Monthly Wage
First of \$3,030.00	66%

Subject to a maximum monthly benefit of \$ 2,000.00

- (d) If the disability income benefit receivable by the disable employee from all sources, including Workers' Compensation benefits, exceed 71% of the employee's average earned monthly income during the two (2) year period immediately prior to the date of disablement, payment under this benefit will be reduced so that the income benefits from all sources shall not exceed 71% of such average earned monthly income.
- (e) Under no circumstances will the total monthly benefit payable under this policy, together with other income replacement sources payable because of disability, be less than the amount shown in the above schedule.

LTD benefits will not be reduced by virtue of any amount received on behalf of any dependents of an LTD recipient.

- (f) It is not required that the insured employee be confined to home, but the employee must be under the regular care and attendance of a licensed physician during the period for which benefits are being claimed.
- (g) LTD benefits are not payable with respect to disabilities resulting from any of the following:
 - (i) willfully self-inflicted injury or any attempt at self-destruction;
 - (ii) any condition for which the employee is not under the care of a physician or surgeon duly licensed to practice medicine;
 - (iii) war or hostilities of any kind, whether or not the employee was actually participating therein and whether or not war be declared;
 - (iv) pregnancy where a female employee is not disabled;
 - (v) any period during which a female employee is on a pregnancy leave of absence in accordance with this Agreement.

B.08 Semi-Private Hospital & Ambulance Expense

- (a) Upon receipt and approval by the insurer of due proof that an eligible employee or dependent has been confined in a licensed hospital, the insurer shall, subject to Article B.12, re-imburse the employee for the amount charged by the hospital for room and board in excess of the expenses covered by the provincial hospital insurance plan up to an amount equal to the difference between the charges for standard ward and standard semi-private accommodation for each day of confinement during any one period of disability, whether from one or more than

one cause, The maximum payable under this benefit in respect to hospitalization in the Province of Quebec is the actual differential rate.

- (b) Upon receipt and approval by the insurer of due proof that an eligible employee or dependent has incurred expense in respect of the use of a hospital or professional motor car ambulance, the insurer will, subject to Article B.12, reimburse the employee for such expense, provided that payment will be made only in respect of a disability where hospital confinement is required and only if the insurer is satisfied that the physical condition of the individual precluded the use of other means of transportation.

B.09 Prescription Drug Expense

- (a) Prescribed drugs are to be purchased at participating drug stores. Employees will be issued an identification card, which will be valid for one (1) year. Upon presentation of this card, to a participating drug store, the employee will be required to pay a fifty (50) cent deductible for each prescription.
- (b) For prescribed drugs not purchased at a participating drug store, the employee will be required to fill out a claim form for each receipt within ninety (90) days of the date of purchase. After processing the claim, the Company will re-imburse the employee for the amount of the prescription less a fifty (50) cent deductible.
- (c) Covered expenses are drugs dispensed on a prescription of a duly qualified medical practitioner for the use of an employee or eligible dependent. Insulin is covered with or without a prescription. Diabetic **supplies** are covered when purchased on the prescription of a duly qualified medical practitioner. Oxygen will be covered when prescribed. Injectable drugs, serums and vaccines are covered when administered by a qualified person, but excluding the actual charge of administration. The following expenses are excluded:
 - (i) patent or proprietary medicines;
 - (ii) vitamins, vitamin preparations or food supplements;
 - (iii) prescriptions paid for by any other agency or plan;
 - (iv) drugs in excess of one (1) month's supply, the normal quantity required for the illness, or the amount prescribed by the doctor;
 - (v) appliances of any kind such as canes, inhalant devices, crutches, wheelchairs, trusses, abdominal supports, diaphragms, bandages, dressings, first-aid supplies and household remedies;
 - (vi) medication or medicines other than those referred to in sub-item (i) above, which are normally considered over-the-counter preparations and not requiring a prescription;

- (vii) cost of delivery.
- (d) All benefits paid under this coverage will be insured and shall be subject to Article B.12.

B.10 Dental Care

- (a) Upon receipt by the insurer within ninety (90) days from the date of billing by the dentist and approval by the insurer of due proof that an eligible employee or dependent has incurred expenses for covered dental services, the insurer will, subject to Article B.12, re-imburse the employee for one hundred percent (100%) of the charges for covered dental services listed under Article B.10 (b) Part “A”; ninety percent (90%) of the charges for covered dental service listed under Article B.10 (c) Part “B”, subject to \$2,000.00 in a twenty-four (24) month benefit period for services under Part “A” and/or Part “B” and, after satisfying a deductible of \$50.00 for each treatment plan, fifty percent (50%) of the charges for dental services listed under Article B.10 (d) Part “C”, subject to a maximum lifetime benefit of \$1,000.00. Benefits provided under Parts “A” and/or “B” exclude that portion of any charge which is in excess of the prevailing Ontario Dental Association (ODA) schedule of fees.
- (b) **Part “A”** - Covered dental services shall be the following:
 - (i) oral examination and diagnosis; but not more than once in any nine (9) month period for employees and dependents age 18 or over;
 - (ii) complete series of periapical films but not more than once in any five (5) year period;
 - (iii) prophylaxis including scaling and polishing of teeth but not more than once in any nine (9) month period for employees and dependents age 18 or over;
 - (iv) bitewing x-rays but nor more than once in any nine (9) month period for employees and dependents age 18 or over;
 - (v) topical application of any anti-cariogenic agent (e.g. stannous fluoride) but not more than once in any nine (9) month period for employees and dependents age 18 or over;
 - (vi) plastic fillings (amalgam, silicate, acrylic or equivalent);
 - (vii) emergency treatment;
 - (viii) space maintainers not involving the movement of teeth;

- (ix) periodontal treatment including surgery and post-surgical treatment, excluding prosthesis and appliances;
 - (x) endodontic treatment (root canal therapy);
 - (xi) oral surgical procedures, including the removal of teeth (erupted, unerupted, or impacted);
 - (xii) general anesthesia in connection with oral surgery;
 - (xiii) x-rays in connection with oral surgery;
 - (xiv) injections of antibiotic drugs by the attending dentist;
 - (xv) one (1) oral hygiene instruction per insured individual per life-time.
- (c) **Part “B” - Covered dental services:**
- (i) inlays and crowns;
 - (ii) complete dentures;
 - (iii) partial dentures;
 - (iv) fixed bridgework;
 - (v) repair or recementing of crowns, inlays, bridgework and denture or relining of dentures;
 - (vi) periodontal prosthesis or appliances.
- Part “B” benefits do not provide:**
- (i) services which are-cosmetic in nature;
 - (ii) dentures and bridgework (including crowns and inlays forming the abutments) to replace a tooth or teeth removed before the participant or dependent became insured for this benefit;
 - (iii) dentures which have been lost, stolen or mislaid;
 - (iv) prosthetic devices which were ordered before the participant or dependent became insured for this benefit, or which were ordered while the participant or dependent was insured for this benefit but are installed more than thirty (30) days after termination of the insurance;
 - (v) replacement of an existing partial or full denture or fixed bridgework unless:

- (1) the replacement is required to replace an existing denture or bridgework which was installed at least five (5) years prior to the replacement; or
- (2) the replacement is required to replace an immediate temporary denture provided that the replacement by a permanent denture is required and takes place within twelve (12) months from the date of installation of the immediate temporary denture;
- (vi) the addition of teeth to an existing partial denture or fixed bridgework unless the addition is required to replace one or more teeth removed while the participant or dependent is insured for this benefit;
- (vii) services directly associated with any single series beyond those for which provision is made in the prevailing Ontario Dental Association (ODA) schedule of fees.

(d) **Part “C”**

This benefit applies to orthodontic treatment for an employee or eligible dependent under age 20, who is covered for dental insurance. Eligible charges are those made for an “orthodontic treatment plan” that prior to treatment has been reviewed by the insurance carrier and returned to the dentist, showing estimated benefits and is required by an overbite of at least four (4) millimeters, cross-bite or protrusive or retrusive relationship of at least one cusp.

An “orthodontic treatment plan” is a report on a form satisfactory to the insurance carrier that among other things describes the recommended treatment, gives the estimated charge and is accompanied by cephalometric x-rays, study models, and other supporting evidence.

The benefit will be paid in equal installments beginning when the orthodontic appliances are first inserted, and monthly thereafter for the estimated duration of the treatment plan, as long as the patient remains covered. If benefits are being paid on termination of coverage, they will be continued for charges incurred during the rest of the quarterly installment period in progress.

- (e) The services set out in Article B.10 hereof shall be subject to the following limitations for which dental expense insurance is not payable:
 - (i) services covered by Workers’ Compensation or similar statute;
 - (ii) services which the employee is eligible for, or entitled to, under any statute;

- (iii) services for which re-imburement is provided under any other group or individual insurance policy, any government insurance plan or by reason of the legal liability of any other party;
 - (iv) services required because of willfully self-inflicted injuries;
 - (v) services by other than a dentist except those services which may be performed by legally qualified auxiliary personnel under the supervision of a dentist;
 - (vi) charges for a procedure for which an active appliance was installed before the patient was covered.
- (f) If employment is terminated because of retirement at normal retirement age or in the event of a lay-off where an employee receives a UIC Separation Certificate indicating a work shortage is the reason for separation, the insurance will be continued for an employee and any eligible dependants for up to three (3) months following the last month worked by the employee.

B.11

Optical Plan

- (a) The Optical Plan shall provide for reimbursement of eligible expenses for the following:
 - (i) eye examinations by an optometrist, but for not more than one (1) examination in a period of twenty-four (24) months, and twelve (12) months in the case of a dependent child under age 18, provide benefits are not payable for the examination under any government medical care insurance plan;
 - (ii) optical appliances, provided such appliances are necessary for the correction of vision and are prescribed by a physician or optometrist and repairs to such appliances, subject to maximum total eligible expenses of \$200.00 during the twenty-four (24) month period ending on the date an eligible expense for such appliances is incurred;
 - (iii) optical appliances which are prescribed by an ophthalmologist as a result of a surgical procedure, subject to maximum total lifetime eligible expenses of \$200.00 for such appliances in respect of any one surgical procedure;
 - (iv) contact lenses, where an ophthalmologist certifies that such contact lenses are necessary as a result of a surgical procedure or for the treatment of keratoconus, and that satisfactory correction of vision cannot be obtained through the use of eye glasses, subject to maximum total lifetime eligible expenses of \$150.00 in respect of any one surgical procedure or for the treatment of keratoconus.

B.12 Coordination of Benefits

Where the spouse and/or family of an active full-time employee are provided with insurance coverage's by virtue of such spouse's and/or family's employment, then the co-ordination of benefit coverage will occur. Where such other coverage's are provided, the amount of benefit provided in the employee's health and welfare plan shall be equal to the amount otherwise payable by the Company less the full amount which would be provided by virtue of the spouse's employment in the absence of any benefits provided by the Company.

B.13 The Company shall pay an employee for time lost, resulting from a compensable accident, during the period on the first day which is not covered by Workers' Compensation Board coverage.

B.14 (a) The Employer agrees to pay the full OHIP premium for all full time employees and their eligible dependents, subject to Article B.12. The Employer agrees to pay the full cost of any subsequent increases in this premium. The Union agrees that any cost savings resulting from any other government action shall accrue solely to the benefit of the Employer. For Ontario employees who are residents in the Province of Quebec, the reference to OHIP premium shall be replaced with a reference to the individual income tax levied by the Province of Quebec for the provision of benefits comparable to those benefits available under OHIP.

(b) The Employer shall pay an employee for the cost of additional visits to a licensed chiropractor beyond the ten (10) visits OHIP provides to a maximum of ten (10) additional visits per year. Payment for such visits will be based on the OHIP fee structure.

APPENDIX “C”
WAGES/CLASSIFICATIONS/COLA

C.01 Full-time Classifications & Rates of Pay

The following are the minimum hourly rates of pay for all full-time employees covered by the terms of this Agreement:

<u>Classification</u>	<u>Start Rate</u>	<u>6 mo.</u>	<u>12 mo.</u>	<u>18 Mo.</u>	<u>24 mo.</u>	<u>30 mo.</u>	<u>36 mo.</u>	<u>42 mo.</u>	<u>48 mo.</u>	<u>54 mo.</u>	<u>60 mo.</u>
Warehouseperson	14.00	14.30	14.60	14.90	15.20	15.50	15.80	16.10	16.40	16.70	22.252
Clerk	14.00	14.30	14.60	14.90	15.20	15.50	15.80	16.10	16.40	16.70	22.252
Janitor	14.00	14.30	14.60	14.90	15.20	15.50	15.80	16.10	16.40	16.70	22.252
Machine Operator	14.10	14.30	14.60	14.90	15.20	15.50	15.80	16.10	16.40	16.70	22.402
Receiver/Loader	14.10	14.30	14.60	14.90	15.20	15.50	15.80	16.10	16.40	16.70	22.552
Driver	18.00	18.10	18.20	18.30	18.40	18.50	18.60	18.70	18.80	18.90	22.552

Full time Employees hired prior to the date of ratification

Effective the pay following the date of ratification all active full time who are at the end rate of pay shall receive a \$2000 lump sum payment.

Effective October 29, 2006 all active full time who are at the end rate shall receive a \$1000 lump sum payment.

Effective October 28, 2007 all active full time employees who are at the end rate shall receive a lump sum payment of \$3300.

Effective October 26, 2008 all active full time employees who are at the end rate of pay shall receive a \$1000 lump sum payment.

Effective October 31, 2009 all active full time employees who are at the end rate of pay shall receive a lump sum payment of \$1000.

Active full time employees hired prior to the date of ratification who are not at the end rate of pay will receive a lump sum payment of \$1,500 on the pay following the date of ratification, Full time employees hired prior to the date of ratification who are not at the end rate of pay will receive a lump sum payment of \$750 on the above mentioned dates. It is understood that in lieu of the \$750 payment due on October 28, 2007, these employees shall be entitled to a \$3,050 payment on that date.

Full time employees will have an option of transferring their lump sum payment into the Company sponsored RRSP program provided they are eligible to do so in accordance with CCRA rules.

C.02 **Part-time Rates of Pay**

The following shall be the minimum hourly rates of pay for all part-time employees covered by the terms of this Agreement:

<u>Start</u>	12	24
<u>Rate</u>	<u>mo.</u>	<u>mo.</u>
\$12.00	\$12.50	\$13.50

Active part time employees on the payroll who were hired prior to the date of ratification who are at the end rate of pay shall receive \$500, all other active part time shall receive \$250 on the above mentioned dates.

The following shall be the minimum hourly rates of pay for all part-time Transport employees covered by the terms of this Agreement:

<u>Start</u>	12	24
<u>Rate</u>	<u>Mo.</u>	<u>Mo.</u>
\$16.00	\$17.00	\$18.00

C.03 **COLA**

There shall be no Cost of Living Adjustment (COLA) to the standard hourly rates of the full-time employees covered by this Agreement for the life of the Agreement. All adjustments shall be incorporated into the standard hourly rates and shall be made quarter annually on the Monday closest to the first days of February, May, August and November based on the Consumer Price Index (CPI) for Canada (1986 = 100), published by Statistics Canada.

It is agreed that an increase or decrease of 0.325 in the CPI reflects an increase or decrease of one (1) cent per hour.

The increases will be applied quarterly and folded into the end rates each quarter. Any decreases in the CPI will not reduce the wages below the basic wages, plus contractual increases. (e.g. COLA increase of .6 cents in first quarter, CPI decrease of .8 cents in second quarter then only .6 cents can be taken off wage rates).

C.04 The Company may, from time to time, introduce, modify and/or eliminate an incentive program. Any program would be in addition to the prevailing wage progression scales.

APPENDIX “D”

PENSIONS

Section 1 - Effective Date, Purpose and Duration

- 1.01 The purpose of this Agreement is to provide for payment of Pension and certain other benefits to eligible employees in the amounts, and upon fulfillment of the conditions, as herein specified.
- 1.02 The Company shall maintain, for the duration of this Agreement, a Pension Plan to provide the benefits herein provided.
- 1.03 (a) This Agreement shall continue in effect until the Agreement to which it is appended, shall be terminated as herein provided.
- (b) Anything herein which might be construed to the contrary, notwithstanding however, it is understood that termination of this Agreement shall not have the effect of automatically terminating the Pension Plan maintained pursuant to Section 1.02 hereof.

Section 2 - Definitions

In this Agreement, which is an Appendix to another Agreement, the following words and phrases shall have the following meanings unless a different meaning is specifically required by the context hereof.

- 2.01 “Actuary” shall mean the actuary or firm of actuaries retained by the Company, but independent thereof. Such actuary or a member of such firm shall be qualified through Fellowship in the Canadian Institute of Actuaries.
- 2.02 “Agreement” shall mean this Appendix “D” to an Agreement between Loblaw's Supermarkets Limited and United Food and Commercial Workers Union, Local 1000A.
- 2.03 “Company” shall mean Loblaw's Supermarkets Limited acting through its Board of Directors or any person authorized by that Board of Directors to act on its behalf.
- 2.04 “Continuous Service” shall mean unbroken full-time employment with the Company and shall include periods of annual vacation granted by the Company, approved leaves of absence, periods of lay-off and periods of time lost due to sickness or accident whether or not subject to Workers' Compensation. Continuous Service shall be considered to have been broken when the seniority rights of an employee are terminated.

2.05 "Credited Interest" shall mean interest on Member contributions to the Plan compounded annually from the end of the Plan Year in which contributions were made to the first day of the calendar month in which a determination thereof is to be made. Provided however, that such compounding shall commence from May 1st, 1972 for determinations being made in respect to contributions made prior to that date. The rate of interest used in compounding Credited Interest in any Plan Year shall be the average of the rate in effect on the first day of each month during the previous Plan Year for non-checking savings accounts administered by the Bank with which the Company transacts the majority of its banking business.

Effective January 1, 1988, Credited Interest in respect to a Member's required contributions to the Plan shall be calculated on the basis of the yields of five-year personal fixed term chartered bank deposit rates, as determined from CANSIM B14045, published monthly in the Bank of Canada Review, averaged over a reasonably recent period, such averaging period not to exceed twelve (12) months.

Interest shall be credited at the end of each Plan Year. The method of crediting interest for each Plan Year shall be as follows:

- (i) In respect of a Member's required contributions, together with Credited Interest, outstanding at January 1 of that Plan Year, the full applicable rate of interest described above; and
- (ii) In respect of a Member's required contributions made during that Plan Year, one half of the applicable interest rate described above, multiplied by the fraction of the year (incompleted months) during which the contributions were made during such Plan Year and to amortize any initial unfunded liability or experience deficiency in accordance with the requirements of the Pension Benefits Act, after taking into account the assets of the Pension Fund, the earnings thereon, the contribution of Members during the year and all other relevant factors.

2.06 "Credited Past Service" shall mean the number of complete years (with complete months computed as twelfths of a year) of a Member's Continuous Service prior to January 1st, 1979 but excluding the first six (6) months of Continuous Service and all service rendered prior to the Member's attainment of age 21.

2.07 "Earnings" shall mean compensation received from the Company as an employee and shall include all taxable income which must be included in computing a Statement of Remuneration Paid (D.N.R. Form T4) for that employee.

2.08 "Employee" shall mean any person regularly employed by the Company on a full-time or part-time basis who is represented by the Union.

- 2.09 "Member" shall mean an eligible employee who has completed the enrollment forms provided by the Company and who continues to be entitled to rights and benefits under the Plan.
- 2.10 "Inflation Adjustment Factor" shall mean:
- (a) for Section 7.05 as determined for January 1, 1990 and each subsequent January 1st:
 - (i) 75% of the percentage change in the Consumer Price Index during the twelve (12) month period ending on the determination date up to a maximum of a 10% increase in the CPI, less one per cent (1%);
 - (b) for Section 7.06 as determined for January 1, 1991 and each subsequent January 1st:
 - (i) 75% of the percentage change in the Consumer Price Index during the twelve (12) month period ending on the determination date **up** to a maximum of a 10% increase in the CPI, less one per cent (1%).
- 2.11 "Normal Retirement Date" shall have the meaning set out in Section 5 hereof.
- 2.12 "Participatory Service" shall mean the number of complete years (with complete months computed as twelfths of a year) of a Member's continuous participation in the Plan prior to January 1st, 1979. In computing Participatory Service, the date upon which the Member's contributions first became payable in his most recent period of participation shall be taken as the beginning of Participatory Service.
- 2.13 "Past Service Earnings" shall mean the total remuneration received by the Member from the Company as reported on the Statement of Remuneration Paid (T4) issued by the Company for the calendar year 1978, provided that for a Member with a period of disability and/or leave of absence in the calendar year 1978, such remuneration shall be taken as the greater of:
- (a) (i) the total remuneration received by the Member from the Company as reported on the Statement of Remuneration Paid (T4) issued by the Company for the calendar year 1977;
- Plus
- (ii) the total obtained if the amounts the Member received in the calendar year 1977 from Workers' Compensation, the Company's Weekly Indemnity Plan and the Company's Long Term Disability Insurance Plan are added together; provided however, that if such total is less than \$500.00, it shall be taken as zero;
- and

- (b) the sum of
 - (i) the total remuneration received by the Member from the Company as reported on the Statement of Remuneration Paid (T4) issued by the Company for the calendar year 1978;

Plus

 - (ii) the total obtained if the amount the Member received in the calendar year 1978 from Workers' Compensation, the Company's weekly Indemnity Plan and the Company's Long term Disability Insurance Plan are added together; provided however, that if such total is less than \$500.00, it shall be taken as zero.

- 2.14 "Pension Benefits Act" shall mean The Pension Benefits Act of Ontario and regulations thereunder as amended from time to time.

- 2.15 "Pension Fund" shall mean the assets of the Plan which are held administered and invested by the Trustee.

- 2.16 "Plan" shall mean:
 - (i) for the period prior to May 1st, 1972, the Pension Plan established by the Company on May 1st, 1946, as amended to April 30th, 1972 and evidenced by the terms and conditions thereof substantially presented in the booklet (revised and re-issued May 1967) distributed to Members; and
 - (ii) for the period on and after May 1st, 1972.

- 2.17 "Plan Year" shall have the same meaning as in the Plan. At the effective date of this Agreement, a Plan Year means the twelve (12) months period commencing January 1st each year and ending December 31st of that year.

- 2.18 "Spouse" shall mean, at the date a determination of marital status is required, a person of the opposite sex to the Member:
 - (a) to whom the Member is legally married, and from whom the Member is not living separate and apart; or
 - (b) with whom the Member has been living in a conjugal relationship for a continuous period of at least three (3) years; or
 - (c) with whom the Member has been living in a relationship of some permanence, if they are natural or adoptive parents of a child, both as defined in the Family Law Act, 1986 of Ontario, except that if the above definition differs from the definition of "Spouse" in any other Applicable Legislation, such other definition shall take precedence, where applicable.

If a Member is survived by both a legal Spouse and a common-law Spouse, the term "Spouse" shall mean the legal spouse, unless the Member has designated his common-law Spouse by name as his Beneficiary, on a designation from filed with the Company, in which event the term "Spouse" shall mean the named common-law Spouse.

- 2.19 "Year's Maximum Pensionable Earnings" or "YMPE" shall mean the Year's Maximum Pensionable Earnings as defined each year under the Canada Pension Plan, as amended from time to time. This shall also be known as "Canada Pension Plan Ceiling".

Section 3 - Government Approval

- 3.01 The Company's obligation to provide the benefits herein provided is subject to the requirement that acceptance by the Minister of National Revenue of the Plan and any amendments thereto as a "Registered Pension Fund or Plan" as defined in the Income Tax Act, entitling the Company to deduct its contributions hereto under the Income Tax Act or any other applicable tax laws in Canada (as such laws are now in effect or are hereafter amended or enacted) is obtained and that such acceptance is continued thereafter. The obligation to provide the benefits as herein provided is subject also to the requirement that the Plan is accepted for registration under all applicable laws now or hereafter enacted and that such acceptance and registration is continued thereafter. The Company shall submit the Plan and any amendments thereto and such reporting information in connection therewith as may be required for the purpose of obtaining such acceptance and registration.
- 3.02 In the event that any change in the Plan is necessary to obtain such acceptance and continued registration, a corresponding revision shall be made in this Agreement. Provided however, that such a change in the Agreement shall be a matter for further negotiations between the parties. In negotiating any such revision, the parties shall adhere as closely as possible to the intent of the Company and the Union as expressed in this Agreement.

Section 4 - Eligibility

- 4.01 Each full-time employee in the service of the Company on May 1st, 1972, who was a Member of the Plan as it existed on April 30, 1972 will automatically continue as a Member of the Plan on May 1st, 1972.
- 4.02 A full-time employee in the service of the Company on April 30, 1972, who was not then a Member shall be required, as a condition of employment, to become such on the first day of the month next following the later of:
- (a) the date he would have been required to become a member pursuant to the provisions of the Plan as constituted on April 30th, 1972; and

- (b) the date upon which he has completed six (6) months of Continuous Service.
- 4.03 Each full-time employee who commences employment on or after May 1st, 1972, shall be required to join the Plan as a condition of employment on the first day of the month coincident with or immediately following completion of six (6) months of Continuous Service provided he has not then attained his Normal Retirement Date.
- 4.04 Full-time employees who commence employment on or after October 16, 1988 will be required to join the Plan as a condition of employment on the first day of the month coincident with or immediately following completion of one (1) year of service, provided they have not attained Normal Retirement Date,
- 4.05 Part-time employees who have either 700 hours worked in each of two consecutive calendar years or have earned 35% of the YMPE after December 31, 1985 are eligible to join the pension plan any time after January 1, 1988, provided they have not attained their normal retirement age or have elected early retirement.
- 4.06 If an employee's Continuous Service is broken and they are later re-employed, they shall, for the purposes of this Plan, be regarded as a new employee who has not had previous service with the Company except with respect to any vested benefits which he may have to his credit in the plan for their previous service.
- 4.07 Each eligible employee and each Member of the Plan shall be provided with a written explanation of the terms and conditions of the Plan and amendments thereto applicable to them together with an explanation of their rights and duties with respect to the benefits available to them under the Plan and any other information required to be furnished to them under any applicable Pension Legislation.

Section 5 - Retirement Date

- 5.01 The Normal Retirement Date for a Member will be the first day of the month next following attainment of age 65.
- 5.02 A member who is within ten (10) years of Normal Retirement Date may retire prior to his Normal Retirement Date and shall be entitled to receive the benefits prescribed by Section 7.02 hereof.
- 5.03 Notwithstanding the provisions of Section 5.02 above, a Member who was a participant in the Plan prior to May 1st, 1972 and who accrued, prior to that date, retirement benefits which were payable in an unreduced form in the event of retirement at age 60, may elect to retire under the conditions specified in Section 5.02 above except that "ten (10) years" shall be read as fifteen (15) years".

Section 6 - Contributions

6.01 Member Contributions Subject to an election pursuant to Section 6.02 hereof, each member shall contribute, by payroll deductions, from his date of enrollment to his date of retirement or to such earlier date as his Continuous Service shall be broken, a percentage of his Earnings in each Plan Year as shown in the table set out in Section 6.06, less the amount that the Company must withhold from such Earnings in respect of contributions to the Canada or Quebec Pension Plan.

6.02 A Member, who was such on April 30th, 1972 and who elected in 1966 not to contribute on a basis whereby his subsequent contributions to the Plan would be offset by an amount approximating his contributions to the Canada or Quebec Pension Plan, may elect to contribute, by payroll deductions, a percentage of his Earnings in each Plan Year as shown in the table set out in Section 6.06. In the event such a Member elects to contribute pursuant to Section 6.01 above, he shall not be entitled, thereafter, to elect to contribute pursuant to this Section 6.02.

6.03 A member who is not in receipt of Earnings shall not be required or permitted to contribute to the Plan during such period. Provided however, that a member who has been absent from work and in receipt of short-term sickness or accident benefits or on authorized leave of absence without pay may elect to repay what their contributions would have been during such period, provided that they are repaid by the end of the calendar year immediately following the calendar year in which the absence occurs.

6.04 The Company shall contribute to the Pension Fund in each Plan Year, at such intervals and within such periods of time as prescribed by the Pension Benefits Act, such amounts as prescribed by the Actuary, as are necessary to provide the pension benefits accruing to Member during such Plan Year and to amortize any initial unfunded liability or experience deficiency in accordance with the requirement of the Pension benefits Act, after taking into account the assets of the Pension Fund, the earnings thereon, the contribution of Members during the year and all other relevant factors.

6.05 Notwithstanding sections 6.01, 6.02 and 6.03, Members shall not be required or permitted to contribute in respect of Plan Years 1984-1989.

6.06

<i>Plan Year</i>	<i>Rate</i>
Prior to 1981	5%
1981	3%
1982	2 1/2%
1983	2%
1984-1989	NIL
1990	1/2 %
1991	1%

- 6.07 Members will continue to contribute to the Canada or Quebec Pension Plan as required.

Section 7 - Amount of Pension

7.01 Each Member who retires at their Normal Retirement Date shall receive a Pension, commencing on their Retirement Date and payable in equal monthly installments. Each monthly installment shall be equal to one-twelfth (1/12) of the sum of the following (as may be applicable):

- (a) 35% of the amount described in (i) or (ii) as applicable;
 - (i) for members contributing pursuant to Section 6.02 at August 5th, 1980, the amount shall be five percent (5%) of the Member's earnings for each Plan Year after December 31st, 1978 to his date of retirement or to such earlier date as his Continuous Service shall be broken;
 - (ii) for all other Members the amount shall be five percent (5%) of the Member's Earning for each Plan Year after December 31st, 1978 or his date of enrollment if later, less the amount the Company must withhold from such Earnings in respect to contributions to the Canada or Quebec Pension Plan, to December 31st, 1988;
 - (iii) for all members the amount shall be 1.25% of the Canada Pension Plan Ceiling plus 1.75% of the Member's Earnings over the Canada Pension Plan Ceiling in each year of Continuous Service after December 31st, 1988 to their date of retirement or to such earlier date as their Continuous Service is broken.

Plus

- (b) the annual Pension accrued prior to May 1st, 1972 by virtue of the Member's additional voluntary contributions prior to that date pursuant to the provisions of the Plan as constituted on April 30th, 1972;

Plus

- (c) if, having not elected prior to February 1st, 1973 to contribute pursuant of Section 6.01 hereof with effect from January 1st, 1973, the Member makes contributions pursuant to Section 6.02 hereof, an amount equal to 1.67% of the Member's Past Service Earnings multiplied by his Participatory service;

Plus

- (d) if the Member is required or elects prior to February 1st, 1973, to contribute pursuant to Section 6.01 hereof on and after January 1st, 1973 an amount equal to the sum of the following;

- (i) 1.25% of that part of the Member's Past Service Earnings which does not exceed \$10,400.00, multiplied by their Credited Past Service;
 - (ii) 1.75% of that part of the member's Past Service Earnings which exceeds \$10,400.00, multiplied by their credited Past Service;
 - (iii) if the Member elected in 1966 not to contribute on a basis whereby his subsequent contributions to the plan would be offset by an amount approximating his contributions to the Canada or Quebec Pension Plan, an amount of \$164.00.
- (e) the Annual Pension accrued pursuant to Section 7.03 hereof;

Plus

- (f) the result obtained, if positive, when the amount in (c) or (d) is subtracted from the Pension benefits the Member accrued pursuant to the provisions of the Plan prior to August 5th, 1980 in respect of their service, and required contributions to the Plan prior to August 5th, 1980. In computing these previously accrued Pension benefits, any amount which was payable in an unreduced form on retirement at age 60 shall be actuarially increased to its equivalent assuming retirement at age 65 prior to making the subtraction required by the immediately preceding sentence of this paragraph (f).

7.02 **A** Member who retires on or before December 31st, 1976 and prior to their Normal Retirement Date in accordance with Section 5.02 hereof shall be entitled to elect either:

- (a) a deferred retirement income with payments commencing on their Normal Retirement Date equal to the Pension accrued pursuant to Section 7.01 above to his Early Retirement Date; or
- (b) an immediate retirement income in the same amount as determined in Section 7.02 (a) but reduced one-half of one percent (1/2 of 1%) for each complete month that such early retirement precedes their Normal Retirement Date,

A Member who retires prior to December 31st, 1980 but after December 31st, 1976 and prior to their Normal Retirement Date in accordance with Section 5.02 hereof shall be entitled to elect either:

- (i) a deferred retirement income with payments commencing on their Normal Retirement Date equal to the Pension accrued pursuant to Section 7.01 above to their Early Retirement Date; or
- (ii) an immediate retirement income in the same amount as determined in Section 7.02 (a) but reduced by one-quarter of one percent (1/4 of 1%) for

each complete month that such early retirement precedes the first day of the month next following the Member's attainment of age 63.

A Member who retires after December 31st, 1980 and prior to their Normal Retirement Date in accordance with Section 5.02 hereof shall be entitled to elect either:

- (i) a deferred retirement income with payments commencing on his Normal Retirement Date equal to the Pension accrued pursuant to Section 7.01 above to their Early Retirement Date; or
- (ii) an immediate retirement income in the same amount as determined in Section 7.02 (a) but reduced by one quarter of one percent (1/4 of 1%) for each complete month that such early retirement precedes the first day of the month next following the Member's attainment of age 62.

Notwithstanding Section 7.02 (b) above, a Member who retires after December 31st, 1980 and prior to their Normal Retirement Date and has both attained the age of 55 and completed 30 years of Continuous Service to such early retirement date may elect to receive an immediate retirement income in the same amount as determined in Section 7.02 (a) above,

Notwithstanding any other provisions of this Section 7.02, the cost of the retirement benefit under this Plan, exclusive of benefit purchased with member's voluntary contributions, payable pursuant to this Section 7.02 shall not exceed the cost of a maximum retirement benefit, as specified in Section 7.04 hereof, payable at age 60 as a single life annuity guaranteed for ten (10) years.

7.03

A member who becomes disabled after May 1st, 1976 shall accrue Pension benefits from the onset of such disability if he received benefits under the Company's Long-term Disability Insurance program that result from such disability. He shall continue to accrue Pension benefits during such period as they are in receipt of benefits under the Company's Long Term Disability program (excluding any period of rehabilitation wherein he receives earnings from the Company).

- (a) The rate of accrual for the Plan year in which the Member becomes disabled will be based on the amount of Pension that would have accrued during that year had the disability not occurred, as is estimated by the Actuary using the Member's rate of Earnings in effect at the date the disability occurred, less the Pension accrued by the member for the Plan Year pursuant to Section 7.01 (a) hereof;
- (b) The rate of accrual for each subsequent Plan Year (with parts hereof used to compute a partial benefit) during the continuance of such disability benefits will be based on the amount of Pension accrued to the Member's credit in the plan Year in which they became disabled.

- 7.04 Notwithstanding any other provision of this Agreement, in no event shall the annual retirement benefit payable under this Plan, exclusive of the benefit purchased with Member's voluntary contributions, in respect of the retirement or termination of service of a Member or termination of this Plan exceed;
- (a) the lessor of;
 - (i) 2% of the average of the Member's best three (3) consecutive years of remuneration from the Company for each year of pensionable service, to a maximum of 35 years;and
 - (ii) \$1,715.00 multiplied by the Member's years of pensionable service with the Company not exceeding 35 years;or
 - (b) such other maximum benefit as may be specified under the administrative rules of the Department of National Revenue pertaining to the registration of Employees' Pension Plans, as they may be amended or replaced from time to time.

However, such maximum benefit shall not apply to Annual Pensions of 2% of current YMPE or less per year of service.

7.05 "Cost of Living Increases" - Effective January 1, 1990 on each January 1st following the later of the commencement of a pension and age 65, as long as the pension continues to be paid to the Member, Spouse or beneficiary, as applicable, the portion of that pension earned in respect of service from January 1st, 1990 shall be adjusted on a percentage basis by the Inflation Adjustment Factor described in Section 2.10 (a).

7.06 "Active Benefit Indexation" - Effective January 1, 1991 on each January 1st until the later of commencement of a pension and age 65, the pension earned by active members as the previous January 1 shall be adjusted on a percentage basis by the Inflation Adjustment Factor described in Section 2.10 (b)

Section 8 - Commencement & Duration of Retirement Benefits

8.01 Pensions shall be payable to a Member as of their Normal Retirement Date, shall in no event be payable with respect to any prior month, and shall be payable on the first of each month thereafter during the life of such Member, ceasing with the last payment to which they were entitled immediately prior to their date of death and subject to Section 10, and any election made under Section 12.02.

- 8.02 Notwithstanding Section 8.01 above, the Pension for a Member electing to receive a Pension prior to their Normal Retirement Date pursuant to Section 7.02 (b) hereof, shall commence on the later of:
- (i) the first day of the month next following the date of the member's written application for Early Retirement; or
 - (ii) the first day of the month coincident with or next following the Early Retirement Date requested in the Member's written application.
- 8.03 Notwithstanding any other provisions of this Agreement, a retired Member who is in receipt of a Pension under the Plan will continue to receive such Pension if they return to active service with the Company. In all other respects they shall be considered an employee of the Company.

Section 9 - Termination of Employment

Benefit for Service Prior to January 1, 1987

- 9.01 If a Member's continuous service is broken other than as a result of their death or retirement, their membership in the Plan will cease and they will receive in a lump sum a refund of the sum of:
- (i) their contributions on and after May 1st, 1972 and prior to January 1987 with Credited Interest;
- Plus
- (ii) the sum of
 - (a) contributions made to the Plan by the Member prior to May 1st, 1972;
 - (b) interest credited to those contributions prior to May 1st, 1972 pursuant to the provisions of the Plan as constituted from time to time prior to that date;
 - (c) Credited Interest on the sum of (a) and (b) computed from May 1st, 1972. Such refund shall be in lieu of any other benefits accrued under the Plan in respect of Continuous Service prior to January 1, 1987.
- 9.02 If at the date of the break in his Continuous Service as set out in Section 9.01 above, the Member has completed five (5) or more years of Continuous Service, they may elect the refund as in the proceeding paragraph or they may elect to leave their contributions in the Plan and receive as a deferred Pension commencing at Normal Retirement Date 100% of the Pension accrued under the

Plan pursuant to Section 7.01 hereof for Continuous Service prior to January 1, 1987.

9.03 Notwithstanding the foregoing, the Member shall not in any case receive a smaller amount of deferred vested Pension than could be provided by the refund specified by Section 9.01 above.

9.04 In the event there is a break in the Continuous Service of a Member which would entitle them to a cash refund pursuant to Section 9.01 above and they have attained age 45 and have completed ten (10) or more years of Continuous Service, they shall not be entitled to the refund of their required contributions made after January 1st, 1965 and shall receive, in lieu thereof, a deferred Pension commencing at their Normal Retirement Date equal to the Pension accrued to their credit to January 1, 1987 pursuant to Section 7.01 hereof which is in excess of the Pension accrued prior to January 1st, 1965 under the Plan as constituted on that date. Such deferred Pension shall not be subject to surrender or commutation.

9.05 **Benefit For Service on or After January 1, 1987**

(a) **Before completion of two (2) years of Plan Membership.**

If a member terminates his employment with the Company by reason other than retirement, death or disability before the completion of two years of Plan membership, he shall be entitled to receive a lump sum of his contributions made to the Plan on or after January 1, 1989, if any, with credited interest thereon;

(b) **After completion of two (2) years of Plan Membership.**

If a member terminates his employment with the Company by reason other than retirement, death or disability after the completion of two years of Plan membership, he shall be fully vested and entitled to receive deferred pension commencing at his normal retirement date, calculated in accordance with section 7.01 in respect of his years of continuous service while a Plan Member on and after January 1, 1987.

9.06 **Portability**

In lieu of the Pension accrued under Section 9.02, 9.04, and 9.05, a terminated Member may elect to transfer the commuted value of such Pension to:

- (a) another pension plan in which the Member is a member or former member, provided the terms of the other pension plan permit such a transfer;
- (b) the member's eligible prescribed (locked-in) retirement savings arrangement;

- (c) an insurance Company licensed to transact business in Canada, for the purchase of an immediate or deferred life annuity. Such transfer shall not be made until the financial institution receiving such funds agrees to administer the funds on a locked-in basis, in accordance with the Pension Benefits Act, 1987 regarding such locked-in amounts, and subject to the regulations thereunder limiting such transfers when the solvency of the Plan may be impaired. The commuted value shall be calculated in the manner prescribed under the Pension Benefit Act.

- 9.07 Notwithstanding the foregoing, any former Member who has terminated employment other than by reason of death, retirement or disability, and who is entitled under the terms of the Plan to a deferred pension commencing at his Normal Retirement Date, may elect to commence payment of the pension at any time within ten (10) years of his Normal Retirement Date, in which event the pension payable shall be the actuarial equivalent of the pension that would otherwise be payable at his Normal Retirement Date.

- 9.08 Notwithstanding any provision of Section 9, a member whose Continuous Service is broken after the date on which they are eligible for an unreduced early retirement from the Plan may not elect lump sum refund of their contributions to the Plan but must receive an immediate or deferred pension accrued to the date of the break in the Continuous Service.

Section 10 - Benefits on Death

- 10.01 If a Member should die prior to their Normal Retirement Date, or their Early Retirement Date if such was elected, his Designated beneficiary will receive a refund of the sum of:
 - (a) their contributions on and after May 1st, 1972 prior to January 1, 1987 with Credited Interest;

Plus
 - (b) the sum of:
 - (i) contributions made to the Plan by the member prior to May 1st, 1972;
 - (ii) interest credited to those contributions prior to May 1st, 1972 pursuant to the provisions of the Plan as constituted from time to time prior to that date;
 - (iii) Credited Interest on the sum of (a) and (b) computed from May 1st, 1972.

- 10.02 If a Member, who has terminated employment and, prior to January 1, 1987, elected or was required to leave all or a portion of their contributions in the Plan pursuant to Section 9 hereof, should die prior to their Normal Retirement Date,

their Designated Beneficiary shall receive whichever of the following amounts is applicable:

- (a) if the Member did not receive a refund of any contributions, the amount provided in Section 10.01 above;

or

- (b) if the member received a refund of contributions, the Member's death benefit pursuant to Section 10.01 above in the records of the Plan at their date of termination less the amount of any refund they received at that time and the result accumulated with Credited Interest to their date of death.

10.03 For service on and after January 1, 1987

(a) Before completion of two (2) years of Plan Membership.

If a Member dies while in the service of the Company prior to their retirement date and before they have completed two (2) years of Plan membership, their Beneficiary will receive a refund of the Member's contributions made to the Plan on and after January 1, 1987, if any, with Credited Interest thereon.

(b) After completion of two (2) years of Plan Membership.

If a Member dies while in the service of the Company before his Retirement Date and has completed two (2) years of Plan membership at the date of his death, or if a Member dies following his termination of employment but prior to the commencement of any deferred pension payable under the Plan;

- (i) the member's Spouse or, in the absence of a surviving Spouse, the member's beneficiary, shall be entitled to receive a lump sum amount equal to the commuted value of the member's deferred pension entitlement, calculated in accordance with Section 7.01 in respect of his service on and after January 1, 1987, and determined immediately prior to his death.
- (ii) the Member's Spouse may elect, in lieu of the lump sum amount payable under paragraph (i), to receive an immediate or deferred pension payable on or before the surviving Spouse attains age sixty-five (65), the commuted value of which is equal to the lump sum amount to which the surviving Spouse would be entitled under paragraph (i) above.

The Member's surviving spouse, if any, must elect in the period of time described under the Pension Benefit Act to receive either a lump sum amount of an immediate or deferred pension. If the Spouse fails to elect within the prescribed period of time, the Spouse shall be deemed to have elected to receive a deferred pension under paragraph (ii).

A Member and his Spouse may jointly waive the spousal entitlement under this Section in a form prescribed under the Pension Benefits Act, in which event the death benefit shall be payable to the Member's beneficiary in accordance with paragraph (i) above.

Notwithstanding the foregoing, a Spouse who is living separate and apart from the Member at the date of the Member's death shall not be entitled to the benefit payable under this Section, unless such Spouse is the member's designated beneficiary.

10.04 Death after Retirement

If a Member should die after they have retired the remainder of the form of Pension elected in accordance with Section 12 hereof shall be paid to the Spouse or Designated Beneficiary.

Section 11 - Designated Beneficiary

11.01 A Member may, by written notice communicated to the Company during such Member's lifetime, designate a person to receive the benefits payable under the Plan on their death and may also by written notice communicated to the Company during such Member's lifetime alter or revoke such designation from time to time, subject always to the provisions of any annuity, insurance or other contract or law governing designation of beneficiary from time to time in force which may apply to such member. Such written notice shall be in such form and shall be executed in such manner as the Company in its discretion may from time to time determine.

11.02 In the instance where their beneficiary of a deceased member is their spouse the Member may elect or, in default of such election, after death the spouse may elect that settlement of the death benefits under Sections 10.01 and 10.02 of the Plan hereof be made in any one of the following ways;

- (a) in the form of a Life Annuity, with or without a guaranteed period providing that such guaranteed period shall not exceed the lesser of fifteen (15) years and the period from date of death of the Member to the day before the date on which the spouse's 86th birthday would occur;
- (b) in the form of a deferred Life Annuity starting before the spouse attains age 65, with or without a guaranteed period provided that such guaranteed period shall not exceed the lesser of fifteen (15) years and the period from the date of death of the member to the day before the date on which the spouse's 86th birthday would occur;
- (c) in a lump sum.

If however, the beneficiary is other than the Member's spouse, the death benefit shall be paid to the person so designated in the form of a lump sum.

- 11.03 If, on the death of a Member, there should be no Designated Beneficiary, or if the person designated by the Member as his beneficiary shall not be living, such sums as may be payable on or after his death shall be payable to the estate of such Member.

Section 12 - Optional Types of Pension

12.01 (a) Normal Form for members without Spouses

The normal type of pension under the Plan for a Member without a Spouse at the date at which payment of their pension benefits commence, or for a Member who has a Spouse from whom they are living separate and apart at that date, is one payable for the entire lifetime of the retired member and guaranteed for 60 months in any event.

(b) Normal Form for Members with Spouses

The normal type of pension under the Plan payable to a Member who has a Spouse from whom they are not living separate or apart at the date on which payment of their pension benefits commence is a joint and survivor form of pension which is payable for the entire lifetime of the retired Member and which, following the member's death, continues to their Spouse, if surviving, in an amount equal to **sixty (60%)** per cent of the benefit payable to the member immediately prior to their death, and payment of which shall continue for the entire lifetime of the surviving Spouse. The initial amount of such benefit shall be reduced in order to make the actuarial value of the joint and survivor benefit equal to the actuarial value of the regular benefit payable in accordance with Section 12.01 (a).

The Member and the member's Spouse may jointly waive the requirements of this Section 12.01 (b) **by** completing and delivering to the Company a written waiver in the form prescribed by the pension benefits Act within the twelve (12) month period immediately prior to the date upon which payment of that pension benefit is to commence, provided that this waiver is not revoked by either the Member or their Spouse prior to the commencement of the pension. Benefits shall then be payable in accordance with Section 12.01 (a) or 12.02, as applicable.

- 12.02 Each Member may elect to receive, in lieu of the normal Pension, an optional form of pension in an actuarially equivalent amount to 12.01 (a) above, provided such election, in writing, is filed with the Company at least thirty (30) days prior to the member's date of retirement. No election will be permitted which would result in a guaranteed period exceeding the Member's normal life expectancy. The optional types of Pension which are available to all members are as follows:

(a) **Life-Ceasing at Death**

While the amount of Pension under this option is greater than that payable under any other option, payments of Pension cease with the payment immediately preceding the Member's death, regardless of the number of payments they have received.

(b) **Life-Guaranteed 60 Months**

This type of Pension provides payments for the entire lifetime of the retired Member and guarantees that, should the member die after the Pension has commenced but before they have received sixty (60) monthly payments thereof, the payments shall be continued to their Designated Beneficiary or estate until sixty (60) payments in all shall have been made.

(c) **Life-Guaranteed 120 Months**

This type of Pension provides payments for the entire lifetime of the retired member and guarantees that, should the Member die after their Pension has commenced but before they have received one hundred and twenty (120) monthly payments thereof, the payments shall be continued to their Designated Beneficiary or estate until one hundred and twenty (120) payments in all shall have been made.

(d) **Life-Guaranteed 180 Months**

This type of Pension provides payments for the entire lifetime of the retired Member and guarantees that, should the Member die after their Pension has commenced but before they have received one hundred and eighty (180) monthly payments thereof, the payments shall be continued to their Designated Beneficiary or estate until one hundred and eighty (180) monthly payments in all shall have been made. This option is not available to Members retiring after Normal Retirement Date.

(e) **Joint and Survivorship Pension**

A Member who desires to have his Pension continue for the lifetime of a joint annuitant, may elect one of the following joint or survivorship Pensions:

- (i) a joint and survivorship Pension which shall continue in the same amount as had been received by the Member prior to the date of their death;
- (ii) a joint and survivorship Pension which shall reduce to sixty (60%) per cent of the amount that had been received by the Member prior to the date of their death.

The amount of the adjusted Pension depends on the specified option chosen, the age of the Member at retirement and the age and sex of the joint annuitant.

The election under this sub-section may be canceled upon notification from the Member more than thirty (30) days prior to his retirement date or if the joint annuitant dies prior to the Member's retirement. In the case of the death of the joint annuitant before the member retires under the Plan, the Pension will become payable at the Retirement Date of the Member as if this option had not been elected. In such case, the Member may make another election under the terms of this Section 12.

(f) **Pension Integrated with Government Pensions**

Any Member who retires before he is eligible to receive benefits under the Canada or Quebec Pension Plan and Old Age Security Act, may elect to receive their Pension under the Plan paid in a greater amount to the date on which they become eligible for such statutory benefits, then decreasing to a lesser amount thereafter so as to provide, as far as practicable, a level income after retirement date through the integration of Pension benefits under this Plan with those payable under the Old Age Security Act, and the Canada or Quebec Pension Plan, as amended to date of retirement. For married members this benefit would also provide for joint and survivorship sixty (60%) per cent.

12.03 The Group Annuity Table for 1983 with an interest rate of eight (8%) per cent shall be used in computing actuarially equivalent benefits pursuant to Section 12.02 hereof.

Section 13 - General Provisions

- 13.01 No payment of Pension benefits shall commence until the Member has filed satisfactory proof of age with the Company. A Member who has named a joint annuitant shall also be required to provide satisfactory proof of age for such joint annuitant.
- 13.02 If the amount of the retirement income or deferred retirement income payable to the participant is less than two (2%) per cent of the YMPE in the year of termination or retirement, or such other amount as may be permitted in accordance with the Pension Benefits Act from time to time, the participant may receive a lump sum payment equal to the amount required to provide such benefit or the actuarial equivalent thereof quarterly, semi-annual or annual payments, at the sole discretion of the Company.
- 13.03 Nothing in this Agreement shall be taken to mean that any change will be made in benefits paid or in the process of payment to employees (or their heirs and assigns) who terminated, died or retired on or before December 1st, 1973).
- 13.04 Benefits under the Plan shall not be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge or to attachment or legal process for debts of the person receiving such benefits.
- 13.05 The Company shall provide the Union with the following in respect of employees who are Members:
- (a) information as to sex, date of birth, date of employment, classification;
 - (b) pension, death and termination benefits accrued to the Plan Year End immediately preceding any termination date of the Collective Agreement between the parties to this Agreement;
 - (c) the contribution information contained in the Annual Information Return prepared each year pursuant to the Pension Benefits Act.

APPENDIX "E"

FULL-TIME TRANSPORT EMPLOYEES

- E.01 The company and the Union agree that full time employees in the Transport Department are not entitled to any rights or benefits of this Agreement or any Appendix to this Agreement, unless specifically provided for.
- E.02 The following are the terms and conditions relating to the employment of full time transport employees. In the event of a conflict between the terms of this Appendix and the main body of this Agreement or any Appendix thereof, the terms of this Appendix shall prevail.
- E.03 In addition to the terms and conditions set forth in this Appendix, full time employees shall also be entitled to the privileges of the following provisions of the Collective Agreement: Articles 1.01(a), 1.01(b), 2.02, 2.03, 3, 4, 5, 6, 7, 8.02, 8.04(a), 8.05, 8.07, 8.08, 8.09, 8.10, 8.11, 8.12, 11, 12, 13, 14, 15, 17, 18, 19.01, 19.02, 19.03, 19.05, 20, 21, 22, Appendices "B", "C" and "D", Letters of Understanding #1, #7, #8, #9, #10, #11 and #12, with the understanding that any references in these provisions to "Warehouse" shall be changed as necessary to references to "Transport".
- E.04 (a) Full-time Transport employees are those employees who normally work the hours provided for in Article E.12 herein.
- (b) Part-time Transport employees are those employees who normally work twenty-four (24) hours per week or less. All matters relative to part-time employees shall be governed by Appendix "F" of this Agreement.

FUNCTIONS OF MANAGEMENT

- E.05 The Union agrees that the Company has the exclusive right and power to manage its business, to direct the working forces and to suspend, discharge or discipline employees for just and sufficient cause, to hire, promote, demote, transfer or lay off employees, to contract work, to establish and maintain reasonable rules and regulations covering the operation of the business, provided however, that any exercise of these rights and powers in conflict with any of the provisions of this Agreement shall be subject to the provisions of the grievance procedure as set out herein.

SENIORITY

- E.06 The continuous length of service of an employee in the Department shall be the determining factor in layoffs which result in the reduction of the work force and recalls from lay-offs, subject to the provisions of Article 8.05 of the Agreement.

LAYOFF

E.07 If the Company permanently reduces the number of employees within a particular job classification or shift, the affected employees shall be deemed to be surplus and shall be so notified. The following process shall be followed. The Employer shall provide the affected employees with a complete list of available positions. The affected employees will be required to preselect their bumps based on available positions. Employees will be given five (5) days to complete their preselection. In the event they fail to do so the employee will be slotted in the available positions remaining.

Where an employee is affected as a result of such surplus, the following will apply:

- (a) Any employee(s) who is declared surplus under this provision shall have the right to exercise their seniority to displace the most junior employee within any shift and any classification of his choice provided the employee has more seniority and the qualifications and ability necessary to perform the work.
 - (b) Any junior employee(s) who is displaced from his job under this provision by a more senior employee(s) shall similarly be entitled to exercise his seniority in accordance with E.07(a), if further displacement of employee(s) occur the last displaced employee(s) would have the opportunity, provided the Company determines there is an operational requirement, to remain on the shift from which he is displaced.
 - (c) An employee(s) who is displaced in accordance with the above provisions shall be eligible, for a period of eighteen (18) months from the date of his displacement, for recall to that classification and/or shift from which he was displaced.
- E.08 In the event that an employee suffers a license suspension through a driving conviction or for medical reasons is unable to operate the necessary Company equipment, the Company will make a reasonable effort to place him in an alternate position within the Department, provided he immediately possesses the ability and qualifications necessary to perform the work in question and further provided his employment will not result in the lay-off of another employee. By mutual agreement of the parties, the Company may place the individual in a full time position in the Warehouse Department. Such employee shall receive the hourly rate for the classification to which he is assigned. Following reinstatement of his license, he will be reclassified to his former position.

VACAI ES/BII ANSFERS

E.09 Permanent Vacancies

- (a) Notices of permanent vacancies will be posted in the Department where the vacancy occurs. Permanent vacancies shall be defined as a vacancy within one of the full-time classifications identified in "Appendix C" to the Agreement and

which will be in existence for more than thirty (30) continuous working days and shall exclude any vacancy:

- (i) where there is less than forty (40) hours of available work to be performed; or
 - (ii) which is caused by the temporary absence of an employee by reason of illness, disability or approved leave of absence. For the purpose of this clause specifically, the term “temporary” shall be defined as a period of no more than three (3) continuous months.
- (b) Notices of vacancy will remain posted in the Department where the vacancy occurs for a period of five (5) working days. All such job postings shall designate the shift (days, afternoons or nights), the days of the week and the starting and quitting times. Selection to such vacancy shall be on the basis of Departmental seniority provided that the employee who is applying for the vacancy possesses the qualifications and ability necessary to perform the work in question.
- (c) If a successful applicant is unable to perform the normal requirements of the position he shall be returned to his former position at his former rate of pay.
- (d) If there is no successful applicant for a permanent vacancy, the Company shall have the right to fill the vacancy either by assigning the vacancy to any employee within the bargaining unit or by filling the vacancy from outside the bargaining unit.
- (e) A successful applicant for a permanent vacancy, or an employee who is assigned to fill such vacancy, shall be paid the rate for such vacancy.

E.10 Temporary Vacancies

- (a) For the purpose of this Agreement, a temporary vacancy shall be defined as a vacancy lasting thirty (30) working days or less.
- (b) Where the Company knows that a temporary vacancy shall be in existence for more than ten (10) continuous working days, then such vacancy shall be offered by seniority to those employees in the Department who work on the shift where the temporary vacancy exists, provided that employee selected possesses the qualifications and ability necessary to perform the work in question. All temporary vacancies of ten (10) working days or less shall be assigned by the Company.
- (c) An employee who fills a temporary vacancy shall receive his own rate of pay or the rate of the position in which he is working, whichever is greater.

E.11 Annual Job Bid

Every February, those full-time employees within the Driver classification shall be entitled to select their preferred start time in order of their Departmental seniority. The timing of the first and any subsequent annual job bid may be changed, by mutual agreement of the Company and the Union, based on operational requirements. It is understood that such start times are subject to change, notwithstanding the job bid. The Company designate(s) and the Union designate(s) shall meet to determine the rules governing such bid. In the event of any dispute concerning the rules, but not the timing, of the bid, the Company position shall be deemed as final.

HOURS OF WORK & OVERTIME

- E.12 The regular work week for full-time employees shall normally consist of forty (40) hours consisting of five (5) days of eight (8) hours or four (4) days of ten (10) hours, from Sunday to Saturday. It is understood that the Company retains the right to establish various shift configurations not specifically provided for herein, provided that such shifts are in accordance with applicable legislation. It is understood that the implementation of such shifts shall not occur without prior discussion with the Union. Further, nothing herein shall be construed as a guarantee of daily or weekly hours to be worked or paid, unless specifically provided for.
- E.13 (a) Starting and quitting times and the arrangements of shifts shall be determined by the Company.
- (b) The Company shall provide an employee with a minimum of two (2) weeks' notice, prior to moving such employee from one shift to another (i.e. days to nights; days to afternoons etc.).
- (c) An employee's scheduled starting time shall not be changed during the week in which he is working. For clarity a change in start time within the shift as defined in Article 20.01 (a) of the Agreement shall not trigger a job posting.
- E.14 The Company shall guarantee to provide forty (40) hours of work each week to each employee who has acquired seniority and who reports for work on time, who is available to work the full week and is not displaced by another employee pursuant to any provision of this Agreement, and further provided that the employee performs whatever work is assigned to him. Such guarantee, which exclusive of overtime, shall be reduced by eight (8) hours or four (4) hours per week as the case may be, in any work week in which one (1) of the holidays in Article 12 of the Agreement is observed.
- E.15 For the purpose of calculating the pay of an employee who works overtime and the pay of an employee who is late reporting for work, the hour shall be deemed to be divided into twelve (12) units of five (5) minutes each and the following shall apply:

- no overtime shall be paid where less than five (5) minutes of overtime is worked and thereafter overtime shall be calculated and paid to the nearest full five (5) minutes of overtime worked;

when an employee is late reporting for work, he will be paid commencing with the fifth minute of the unit of five (5) minutes in which he reports.

E.16 If an employee has completed his day's work and has gone home and is subsequently called back to work by the Company, he shall be paid a minimum of four (4) hours' pay at one and one-half (1-1/2) times his regular rate of pay regardless of how little time he is required to work.

E.17 (a) The Company reserves the right to determine the manner in which work is to be performed. The Company agrees that work will normally be performed by bargaining unit employees, provided that such work can be performed at regular rates of pay. If work cannot be performed at the regular hourly rate, the Company reserves the right to have the work performed by employees outside of the bargaining unit.

Notwithstanding the above, the Company also reserves the right to have work performed on an overtime basis. In the event that the Company elects to have work performed on an overtime basis, such overtime for full-time employees shall be voluntary and may be offered as hereinafter provided.

- (b) Overtime shall be offered to employees in the following order:
 - (i) by seniority to those employees who are then at work;
 - (ii) by seniority to the remaining employees within the Department who possess the qualifications and ability necessary to perform the work in question.
 - (iii) in the event that there are not sufficient volunteers, or if more employees are required, the work will then be offered by bargaining unit seniority to part-time Transport employees who possess the qualifications and ability to perform the work in question.
- (c) Notwithstanding paragraph E.17(a), overtime to be performed on a "run" is to be performed by the Driver who has been assigned to that "run". Such overtime is not voluntary,
- (d) Extra day overtime shall be offered by seniority, by shift, by qualifications and ability necessary to perform the work, Extra day overtime will be defined as a day outside of an employee's regular work schedule.
- (e) For the purpose of paragraph E.17 (b) of this Appendix, an employee who is

filling a temporary vacancy shall be deemed to be an employee who normally performs the work in question.

E.18 Overtime Premiums

- (a) Overtime at the rate of one and one-half (1-1/2) times the employee's regular hourly rate of pay shall be paid for all hours worked in excess of his regularly scheduled number of hours on that day or forty (40) hours in a week.
- (b) Overtime at the rate of one and one-half (1-1/2) times the employee's regular hourly rate of pay shall be paid for all hours worked on the employee's scheduled day off.
- (c) Overtime at the rate of two (2) times the employee's regular hourly rate of pay shall be paid for all hours worked on a Paid Holiday in addition to the pay for such Holiday.
- (d) When an employee works overtime during a shift or shifts for which a shift premium is payable under this Agreement, such shift premium will not be included in the calculation of the employee's applicable overtime rate.

- E.19
- (a) Where an employee works three (3) hours or more of overtime in a day, he will be granted a paid fifteen (15) minute rest period upon completion of the third overtime hour and shall be entitled to a further paid fifteen (15) minute rest period after completing each three (3) hours of overtime work.
 - (b) Where an employee working four (4) ten hour shifts works two (2) hours or more of overtime in a day, he will be granted a paid fifteen (15) minute rest period upon the completion of the second overtime hour and shall be entitled to a further paid fifteen (15) minute rest period after completing each three (3) hours of overtime work.

- E.20 Where three (3) hours or more of overtime is contemplated, the Company will, where possible, give affected employees at least two (2) hours' notice before the completion of their regular shift.

Where less than three (3) hours overtime is involved, the Company will endeavour to give the affected employees as much notice as possible.

- E.21 An employee is entitled to two (2) rest periods not exceeding a total of forty (40) minutes, one in the first half and one in the second half of his shift, without loss of pay.
- E.22 Employees shall be paid weekly by cheque, or at the option of the Company, by direct deposit, not later than Friday of each week.

- E.23 Each Driver shall have a minimum of eight (8) hours off duty after completion of his shift, before being required to report for further duty.

UNIFORMS

- E.24 The Company shall determine the nature, design and quality of any uniform that employees are required to wear. Uniforms shall be provided for all full-time Drivers and the cost shall be borne 100% by the Company. Uniforms will be issued once every two (2) years. Eligible employees shall be able to select based upon their personal preference from the list of Company approved uniform items, up to the maximum total value of the uniform package for that year.
- E.25 Gloves shall be provided for truck employees and will be replaced by exchange, when necessary, Lined gloves for winter use will be provided.
- E.26 (a) It is a condition of employment that employees covered by this Agreement wear safety shoes at all times while on duty. The Company will pay fifty-five dollars (\$55.00) (tax included) to each employee as a contribution toward the cost of safety shoes to a maximum of one (1) pair per year except for full-time employees who have not completed their probationary period. Effective in 2007 this allowance shall be increased to eighty dollars (\$80.00)(tax included). Such payment shall be made on or about February 1 of each year.
- (b) Safety footwear must be in good repair, capable of protecting the employee's feet in a manner they were originally designed to do. I.A.P.A. guidelines will be used as the determining factor when quality of footwear is in question.

PAST PRACTICE

- E.27 All recognized past practices between the Company and the Union, which were in existence prior to the ratification of this Agreement, shall cease to be recognized by the Company or the Union unless the practice has been specifically provided for in this Agreement.

APPENDIX "F"

PART TIME TRANSPORT EMPLOYEES

- F.01 The Company and the Union agree that part-time employees are not entitled to any of the rights or benefits of this Agreement, or any Appendix to this Agreement, unless specifically provided for.
- F.02 The following are the terms and conditions relating to the employment of part-time employees. In the event of a conflict between the terms of this Appendix and the main body of this Agreement or any Appendix thereof, the terms of this Appendix shall prevail.
- F.03 Part-time employees shall not work more than twenty-four (24) hours per week, and total usage of part-time employees shall not exceed the equivalent of twenty percent (20%) of the regular Transport hours except:
- (a) during the period from May 1 up to and including September 30;
 - (b) during the period from December 1 up to and including January 15;
 - (c) when replacing a full-time employee who is absent for any reason whatsoever, for the duration of such absence.
- F.04 Part-time employees who work more than twenty-four (24) hours per week, outside of the periods set forth in Article F.03 herein, for more than thirteen (13) consecutive weeks without a break, shall be converted to full-time status.
- F.05 Part-time employees shall be entitled to vacation pay as provided for in the Employment Standards Act of Ontario R.S.O. 1990 as amended.
- F.06 Part-time employees shall be entitled to Statutory Holiday pay as provided for in the Employment Standards Act of Ontario R.S.O. 1990 as amended except that the employee must have worked a minimum of thirty-two (32) hours in the four (4) weeks preceding the Statutory Holiday.
- F.07 (a) It is a condition of employment that employees covered by this Agreement wear safety shoes at all times while on duty. The Company agrees to provide all part-time employees who have one (1) year of service as of December 31 in any year, with a safety boot allowance of \$55.00 (tax included). Effective in 2007 this allowance shall be increased to eighty dollars (\$80.00)(tax included). Such payment shall also be made on or about the first week of every second February thereafter.

- (b) Safety footwear must be in good repair, capable of protecting the employee's feet in a manner they were originally designed to do. I.A.P.A. guidelines will be used as the determining factor when quality of footwear is in question.
- F.08 (a) After a part-time employee has actually worked, in any twelve (12) month period, a total of ninety (90) days he shall be deemed to have acquired seniority for the purpose of this Appendix and his name shall be placed on the seniority list hereinafter provided for and dated back to his last date of hire.
- (b) A separate seniority list will be established for part-time employees in the Transport Department and will be revised by the Company at least every six (6) months. Such lists will show the employee's name and date of last hire and be forwarded to the Union Office.
- (c) The Company shall assign hours of work to part-time employees. In the assignment of such hours the Company shall consider the seniority of the part-time employee, provided the employee has the qualifications and ability necessary to perform the normal requirements of the job to which he is being assigned. The Company will post part time schedule for the following week by Thursday at 3 p.m. Where a part time employee is required beyond the hours they are on the schedule they will be called in to work.
- (d) After a part-time employee has acquired seniority, as defined herein, he will be entitled to bid for permanent job vacancies and newly created jobs which are posted in accordance with Article E.09 of Appendix "E". **If** any posted vacancy or new job is not filled by a full-time employee, and such vacancy or new job is intended to increase the complement of the full-time bargaining unit, then the Company undertakes to consider part-time employees who possesses the qualifications and ability to perform the normal requirements of the vacancy or new job. Notwithstanding the foregoing, part-time employees shall be selected to fill such vacancies in order of seniority, provided they meet the following criteria:
1. Attendance:
 - Absenteeism - must be at the Transport Department average or less during the preceding six (6) months.
 - Lates - must be at the Transport Department average or less during the preceding six (6) months.
 2. Employee Record:
 - Disciplinary record - must be no discipline during the preceding six (6) months.
 - Safety / Accident record - the employee's safety record will be reviewed by the parties.

3. Preventable Accidents:

The employee shall have no infractions in the last six (6) months.

The parties may by mutual agreement amend the above criteria.

- (e) Whenever a part-time employee is converted to full-time he will be credited in the full-time bargaining unit for seniority purposes with fifty percent (50%) of his seniority up to a maximum of one (1) year, and upon such conversion, he shall not be required to serve a probationary period as though he were a new hire. Such seniority will then apply in the full-time bargaining unit in accordance with the terms of this Agreement.
- (f) A part-time employee who has acquired seniority in accordance with the provisions of this Appendix shall lose all seniority and his employment shall automatically be terminated if any of the following should occur:
 - (i) he voluntarily leaves the employ of the Company;
 - (ii) he is discharged and not reinstated through the grievance procedure;
 - (iii) he is not recalled to work from a lay-off of within a period of time equal to his seniority, to a maximum of six (6) months;
 - (iv) he fails to return to work after a lay-off within seven (7) days of the delivery by registered mail of notice of recall without reasonable cause;
 - (v) he fails to return to work upon the conclusion of a leave of absence without providing reasonable cause;
 - (vi) he fails to take a medical examination by a duly qualified medical practitioner when required to do so by the Company;
 - (vii) he refuses an offer of work on three (3) occasions within any three (3) month period without reasonable cause.

F.09 Overtime is voluntary and a part-time employee shall be paid at the rate of one and one-half (1-1/2) times his regular hourly rate for all hours worked in excess of eight (8) hours in a day if he is scheduled to work for eight (8) hours on that day, or ten (10) hours per day if he is scheduled for ten (10) hours on that day or if he works in excess of forty (40) hours in a week.

F.10 (a) The Company agrees that in the event of bereavement in the immediate family of a part-time employee, meaning parent/step-parent; spouse; child; brother or sister, if the funeral is attended, to allow such time off as is necessary, not to exceed five (5) calendar days in succession and to pay for the days which he would otherwise have worked, for his regular scheduled hours at this regular

hourly rate. If the employee is unable to attend the funeral, he shall be allowed one (1) day off without loss of regular pay.

- (b) The Company agrees that in the event of the death of a part-time employee's mother-in-law or father-in-law, if the funeral is attended, to allow such time off as is necessary, not to exceed three (3) calendar days in succession and to pay for the days which he would otherwise have worked, for his regular scheduled hours at his regular hourly rate. If the employee is unable to attend the funeral, he shall be allowed one (1) day off without loss of regular pay.
- (c) The Company agrees that in the event of the death of a part-time employee's grandchildren, grandmother or grandfather, daughter/son-in-law or brother/sister-in-law, he shall be allowed bereavement leave of one (1) day with pay at his regular hourly rate, provided the funeral takes place on his regularly scheduled working day.

F.11 A part-time employee who is scheduled to work, and who reports for work as scheduled shall be guaranteed three (3) hours work or pay in lieu of work, at his regular rate of pay. This provision shall not apply in the event of an act of God.

F.12 In addition to the terms and conditions set forth in this Appendix, part-time Transport employees shall also be entitled to the privileges of the following provisions:

- Articles 1.01(a), 1.01(b), 2.02, 2.03, 3, 4, 5, 6, 7, 13, 15, 17, 18, 19.01, 19.02, 19.05, 20, 22, Appendix "C" and Letters of Understanding #9, #10 and #11 of the Collective Agreement with the understanding that any references in these provisions to "Warehouse" shall be changed as necessary to references to "Transport"; and
- Articles E.05, E.13(a), E.15, E.16, E.18(c) & (d), E.19, E.21, E.22 and E.27 of Appendix "E" to the Collective Agreement.

and any other Article that specifically refers to part-time Transport employees.

LETTER OF UNDERSTANDING #1

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the “COMPANY”)**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the “UNION”)**

Notwithstanding any provision to the contrary that may be contained elsewhere in this Collective Agreement, the Company and the Union agree that any changes in the field of health and welfare, (excluding S.I.B., AD&D and Life Insurance), pensions and Christmas bonus granted to the major UFCW store employees’ bargaining unit that may occur during the term of this Agreement, will be applicable to the bargaining units represented in this Collective Agreement.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING # 2

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the "COMPANY")**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the "UNION")**

All full time warehouse employees who are on the payroll of the Company as of the date of ratification of this agreement shall be guaranteed a full time position for the term of this agreement except in the event of fire or Act of God.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING # 3

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the "COMPANY")**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the "UNION")**

All full time transport employees who are on the payroll of the Company as of the date of ratification of this agreement shall be guaranteed a full time position until March 31, 2010 except in the event of fire or Act of God.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING #4

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the “COMPANY”)**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the “UNION”)**

The following criteria will be used by each distribution centre to determine those part time employees who will be eligible to be hired by seniority for full time positions,

1) Performance:

Standards - 95% and greater.

Assembly Errors - Must be at the distribution centre average or less during the preceding six (6) months.

2) Attendance:

Absenteeism - must be at the distribution centre average or less during the preceding six (6) months.

Lates - must be at the distribution centre average or less during the preceding six (6) months.

3) Employee Record:

Disciplinary record - must be no discipline during the preceding six (6) months.

Safety/Accident record - the employees safety record will be reviewed by the parties.

Part time employees will be ranked according to the above criteria. An employee satisfying each of the criteria will be ranked a good employee. Employees satisfying 2 of the 3 criteria will be ranked a fair employee. An employee who does not meet the criteria in any of the areas will be classified as unsatisfactory. Employees will be ranked within these criteria in order of seniority based on all the distribution centres. **All** part time employees in the good category will be hired in order of seniority.

The parties may by mutual agreement amend the above criteria.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING #5

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the "COMPANY")**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the "UNION")**

Full time employees who are assigned to the Freezer area are not eligible for the boot allowance, in lieu of the Company providing freezer boots and such boots shall be replaced on an exchange basis only.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING #6

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the “Company”)**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the “Union”)**

Re: Opening of Fountain Street Distribution Facility

Notwithstanding any terms in the collective agreement to the contrary, the parties have agreed to the following:

1. The Company will use its best efforts to project total full time job requirements which it anticipates for the Fountain Street distribution facility when it is fully operational (“the projected full time jobs”). At present, the Company anticipates that this will be achieved by the end of March, 2002, at which point there will be approximately 350 full time jobs in two operating areas: grocery and perishable. The Company will also use its best efforts to identify for each shift and in each area the number of employees in the Warehouse-person classification who will be performing the jobs of janitor and clerk.
2. The Company will post all the projected full time jobs, first to full time employees in existing Local 1000A distribution facilities, secondly to full time employees in non-Local 1000A distribution facilities and thirdly to part time employees in existing Local 1000A distribution facilities. This process will be completed before the Fountain Street distribution facility opens. The manner in which the Company will conduct this “initial application process” is as described in this letter of understanding.
3. The Company will prepare an application form consisting of a list of all of the projected full time jobs. For each job, the list will specify (a) the classification, (b) for the Warehouse-person classification, whether the position is janitor or a clerk, (c) the shift, and (d) the area of the building in which the employee will normally work. “Shift” shall mean the days of the week, and the time of day (i.e. day, afternoon or evening) that the employee holding the job will be regularly scheduled to work. For the purposes of this letter of understanding, a “job” shall be understood to have all 4 of these characteristics attached to it. The application form will also indicate a date by which it must be returned to the Company in order to be considered (“the closing date”).

Posting of Jobs to Full Time Employees at Local 1000A Distribution Facilities

4. Copies of the application form will be made available to all full time employees in the Local 1000A distribution facilities at approximately the same time. The application forms will be made available to employees a reasonable amount of time prior to the closing date.
5. An employee will be entitled to apply for as many jobs on the list as the employee wishes by marking on the list the jobs in which the employee is interested. In applying for jobs, the employee shall indicate an order of preference. For greater clarity, an employee may apply for jobs notwithstanding Article 9.01(h) of the distribution facilities collective agreements.
6. The Company will award the projected full time jobs to applicants on the basis of seniority provided that the employee who is applying for the vacancy possesses the qualifications and ability necessary to perform the work in question. For this purpose, the full time seniority lists at all of the Local 1000A distribution facilities will be considered to be dove-tailed.

Posting of Jobs to Full Time Employees at Non-Local 1000A Distribution Facilities

7. Following completion of the job posting at Local 1000A distribution facilities, the remaining jobs will be posted at the Company's distribution facilities in Kitchener, Chatham, London and at Fortino's in Hamilton, in the following manner.
8. Copies of the application form, showing the remaining jobs, will be made available to all full time employees in the non-Local 1000A distribution facilities at approximately the same time. The application forms will be made available to employees a reasonable amount of time prior to the closing date.
9. An employee will be entitled to apply for as many jobs on the list as the employee wishes by marking on the list the jobs in which the employee is interested. In applying for jobs, the employee shall indicate an order of preference for the jobs applied for and the employee may qualify their application for a particular job, for example, indicating that they only want the job if the result of the initial posting process would be that their seniority would place them in the top 5 most senior employees who will hold the same job at the Fountain Street distribution facility, on the basis of bargaining unit seniority.
10. The Company will award the projected full time jobs to applicants on the basis of seniority and any preferences expressed on the application forms received by the closing date provided that the employee who is applying for the vacancy possesses the qualifications and ability necessary to perform the work in question. For this purpose, the full time seniority lists at the Kitchener, Chatham, London and at Fortino's in Hamilton distribution facilities will be considered to be dove-tailed.

Posting of Jobs to Part Time Employees at Local 1000A Distribution Facilities

11. Following completion of the posting of jobs at the Company's distribution facilities in Kitchener, Chatham, London and at Fortino's in Hamilton, the remaining jobs will be offered to part time employees at Local 1000A distribution facilities in the following manner.
12. Copies of the application form will be made available to all part time employees in the Local 1000A distribution facilities at approximately the same time. The application forms will be made available to employees a reasonable amount of time prior to the closing date.
13. An employee will be entitled to apply for as many jobs on the list as the employee wishes by marking on the list the jobs in which the employee is interested. In applying for jobs, the employee shall indicate an order of preference.
14. The Company will award the projected full time jobs to applicants on the basis of seniority provided that the employee who is applying for the vacancy possesses the qualifications and ability necessary to perform the work in question and has completed the probationary period. For this purpose, the part time seniority lists at all of the Local 1000A distribution facilities will be considered to be dove-tailed.

Determination of Seniority for Applicants at the Fountain Street Distribution Facility

15. Employees who obtain positions at the Fountain Street distribution facility through the initial application process shall be given bargaining unit seniority for application inside the Fountain Street distribution facility based on a dove-tailed seniority list constructed in the following manner:
 - (a) Employees employed full time at any Local 1000A distribution facility as of the closing date of the application process (i.e. "current full time employees") will be credited with their bargaining unit seniority in that distribution facility.
 - (b) Employees employed full time as of the closing date of the application process at the Kitchener, Chatham, London and at Fortino's in Hamilton distribution facilities (i.e. "new employees"), will be credited with their bargaining unit seniority in those distribution facilities.
 - (c) Employees employed part time as of the closing date of the application process at any Local 1000A distribution facility (i.e. "current part time employees"), will be credited with their bargaining unit seniority in that distribution facility in accordance with Appendix A, Article A.08 of the distribution facilities collective agreements.

Finalization of Seniority Lists

16. Within one month following the completion of the initial job posting, the Company will prepare the seniority lists described in paragraphs 15 and 16. A copy of the lists will be provided to Local 1000A and to any employee who obtained a position through the initial posting of jobs. Employees shall have 60 days in which to file a complaint with the committee established by paragraph 23 with respect to their placement on either one of the seniority lists. Subject to any complaints which are filed, the seniority lists shall be taken as final and correct for all purposes at the end of the 60 day period.

Start Up Period

17. The period from the date of opening until the Fountain Street distribution facility is fully operational shall be considered to be the “start up period”. The start **up** period shall end as of the date that the last of the distribution facilities in Kitchener, Chatham, London or Fortino’s in Hamilton closes, but in any event shall be deemed to end as of April 30, 2002, unless the parties mutually agree to extend the end date. It is recognized that not all of the projected full time jobs will exist until the end of the start up period and that during the start up period, employees may be required to perform work which is not their own job. The assignment of work during the start up period will be governed by the following principles:
 - (a) The Company will permanently transfer employees from existing Local 1000A distribution facilities to the Fountain Street distribution facility as soon as possible, having regard to the requirements of the shift structure at the Fountain Street distribution facility. Such employees will be canvassed in order of bargaining unit seniority to transfer on a voluntary basis, provided that if there are insufficient volunteers, the company may transfer such employees in reverse order of bargaining unit seniority. All such transfers will be accomplished no later than the end of the start up period.
 - (b) Employees will “own” the job which they obtain as a result of the application procedure described in this letter of understanding.
 - (c) Once an employee who obtained a job through the initial application process is permanently transferred to the Fountain Street distribution facility, the employee will be placed in the job which they own once it permanently exists.
 - (d) With respect to an employee who is not performing the job which the employee owns:
 - (i) The Company will use its best efforts to place the employee, on a day to day basis, in preferred jobs on the basis of seniority within the bargaining unit; and
 - (ii) The employee will not be required to work on a shift other than the shift of the job which the employee owns, unless the employee agrees.

- (iii) The Company will have the right to use temporary employees in the following situations:
- If the Company is unable to satisfy its manpower requirements through the use of the portability provisions set out in Article 8.06(e) of the distribution facilities collective agreements, for example because of the lack of surplus staff at the other distribution facilities;
 - notwithstanding the requirements of Article 8.06(e) of the distribution facility collective agreements, to replace an employee who obtained a job through the initial application process while that employee is absent on vacation.

Set UP Period

18. Notwithstanding paragraph 18, for a set up period, the Company may seek volunteers from the employees who obtained a job through the initial application process to join a “set up crew”. Members of the set up crew will be assigned work in accordance with a set up shift structure to be established by the Company in consultation with the Union. The following principles will apply to the set up crew:
- (a) The Company will seek volunteers first from full time employees in existing Local 1000A distribution facilities in order of seniority, secondly to full time employees in non-Local 1000A distribution facilities in order of seniority and thirdly to part time employees in existing Local 1000A distribution facilities in order of seniority to join the set up crew.
 - (b) If insufficient volunteers are obtained through sub-paragraph (a), the Company may use temporary employees on the set up crew in the following situations:
 - (i) if the Company is unable to satisfy its manpower requirements through the use of the portability provisions set out in Article 8.06(e) of the distribution facilities collective agreements, for example because of the lack of surplus staff at the other distribution facilities;
 - (ii) notwithstanding the requirements of Article 8.06(e) of the distribution facility collective agreements, to replace an employee who obtained a job through the initial application process while that employee is absent on vacation.
 - (c) Employees will “own” the job which they obtain as a result of the application procedure described in this letter of understanding.
 - (d) Once an employee who obtained a job through the initial application process is permanently transferred to the Fountain Street distribution facility, the employee will be placed in the job which they own once it permanently exists.

- (e) With respect to an employee who is not performing the job which the employee owns:
 - (i) the Company will use its best efforts to place the employee, on a day to day basis, in preferred jobs on the basis of seniority within the bargaining unit; and
 - (ii) the employee will not be required to work on a shift other than the set up shift which the employee volunteered to work on, unless the employee subsequently agrees to work on another shift.
- (f) The set up period will end as of September 30, 2001, or such later date as the parties mutually agree. Following the end of the set up period, this paragraph will cease to apply and employees on the set up crew will be assigned work in accordance with paragraph 18.

Other

- 19. An employee employed full time at any Local 1000A distribution facility as of the closing date of the application process (i.e. "current full time employee") who obtained a job as a result of the initial application process cannot be involuntarily displaced from that job, except for cause. However, such employees are subject to daily downgrades, provided that any other employees have been subject to downgrades first. If such an employee voluntarily leaves the job, or is removed for cause, the employee's rights under this paragraph come to an end.
- 20. Following the end of the start up period, the Company may fill the job of any employee who obtained a job through the initial application process, but who continues to be employed at the Kitchener, Chatham, London or Fortino's in Hamilton distribution facilities, through the use of daily upgrades, until the employee transfers to the Fountain Street distribution facility.
- 21. The parties will meet to discuss any other issues arising from the opening of the Fountain Street distribution facility and the integration of seniority of employees from various distribution facilities.
- 22. The Company and the Union agree to establish a committee to attempt to resolve any disputes about the assignment of work during the start up period, placement on seniority lists or any other matter arising from the implementation of this letter of understanding. If the committee is unable to resolve the dispute, it is agreed that the terms of this letter of understanding may be enforced through the grievance and arbitration provisions of the Fountain Street distribution facility collective agreement.

Dated at Toronto, Ontario this day of 2001

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING # 7

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the “COMPANY”)**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the “UNION”)**

Re: Vacation Schedules for Warehouse Employees

It is agreed during the period of June 1 to September 30 each year a minimum of 10% of the number of full time employees in an area, by shift may schedule vacation during any given week. During a short week from June 1 to September 30 each year a minimum of 8% of the number of full time employees in an area, by shift may schedule vacation. Outside this time frame a minimum of 8% of the number of full time employees in an area, by shift may schedule vacation during a given week.

The Company and Union shall meet each year, prior posting the vacation schedule to determine if there are week (s) where the minimum percentage vacation criteria (which is outlined above) may be exceeded, while still meeting the needs of the business.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING # 8

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the “COMPANY”)**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the “UNION”)**

Daily Upgrades/Preferred Job Function

DAILY UPGRADES

Upgrades will be determined by the employer as required. The Company will fill the Shift Structure on a daily basis, if required, by upgrading employees who are on regular time from the General Warehouse classification only, by seniority and qualifications. Shift Structure is defined as the number of posted employees in a classification normally scheduled to work on any given day on any given shift.

Once an employee has been upgraded, he will no longer be considered for further upgrades throughout the shift, unless he is subsequently downgraded by the Company. In the event downgrades are necessary, they shall be done in reverse order of the upgrades that were executed.

PREFERRED JOB FUNCTION

All employees within a classification, as defined in Appendix ‘C’ (C.01), will be permitted to state their preferred job function within their classification by submitting a preference sheet to their supervisor during the prior week. It is understood that employees may change their preferences on a weekly basis by submitting a new preference sheet.

GENERAL

If at any time during the shift, there is a requirement to upgrade additional employees into a classification over and above the shift structure, the employer will make its best effort to assign employees within that classification to their preferred job function by seniority and qualification.

The remaining position(s) will be filled by upgrading employee(s) from the General Warehouse classification, including those employees on overtime regardless of their posted classification, by seniority and qualification. It is agreed that no employee will be moved/upgraded until they

have completed their present task/order. These processes will not result in undue delay because employees will be assigned based on their stated preferences.

Should any issues arise from the application of the foregoing, the parties will meet to discuss.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING # 9

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the “COMPANY”)**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the “UNION”)**

The Company and Union will meet following negotiations to discuss issues or concerns related to the quality disciplinary process.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING # 10

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the “COMPANY”)**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the “UNION”)**

The Company will provide equipment and/or training as required for full time retiree’s that convert to part time status for the purpose of renewing their AZ license. The Company will continue to provide the equipment and training to these employees as required on an annual basis.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING #11

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the “COMPANY”)**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the “UNION”)**

Re: Opening of Fountain Street Distribution Facility Transport Department

The reference to continuous length of service in the bargaining unit in Article 8.03 of the collective agreement shall be deemed to be a reference to continuous length of service in the warehouse department.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING # 12

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the “COMPANY”)**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the “UNION”)**

Early Retirement

The severance package will be based on 3 weeks pay per year of completed full time service or salary continuance to age 65 whichever is the lesser.

Those full time employees who will be age 55 or older as of June 30, 2006 will be offered the severance package outlined above. Eligible employees will be allowed to retire any time after mid October 2006. The vacancy created as a result of any retirement shall be posted.

The same offer of early retirement will be made in the years 2007 to 2009 to employees who attain age 55 or older during this time frame. The timing of their departure will be managed to meet the needs of the business.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING # 13

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the “COMPANY”)**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the “UNION”)**

This will confirm that for employees who are absent due to sickness or disability or maternity or paternity leave shall have their severance pay handled in the same manner as the Real Canadian Superstores with Local 1000A.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING # 14

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the “COMPANY”)**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the “UNION”)**

The Company will maintain the current number of Monday to Friday, Sunday to Thursday and Tuesday to Saturday shifts.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING # 15

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the “COMPANY”)**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the “UNION”)**

A full time employee may continue to work full time subsequent to age 65, at which point their benefits plan will switch to the current retiree benefits plan. A full time employee will continue to accrue pension service until age 69 at which point they must begin to collect their pension.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING # 16

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the “COMPANY”)**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the “UNION”)**

Pursuant to section 17 of the Employment Standards Act, 2000 (the ESA), the Company and the Union agree that members of the bargaining unit may work in excess of 48 hours per week, but not more than 60 hours per week.

This agreement to work excess hours shall continue in full force and effect for the duration of this Collective Agreement.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING # 17

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the “COMPANY”)**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the “UNION”)**

The Company will meet with the Union in advance of March 2010 to discuss its plans for transport. In the event of a complete closure, employees shall be entitled to the following enhanced severance pay and applicable pension growth in benefits.

Severance pay based on 3 weeks pay per year of completed service as of the date of their departure or the equivalent of salary continuance of age 65 whichever is the lesser. Their service will be based on completed full time years of service as of the date of closure. This payment is contingent on business as usual and an orderly operation of the business. A full time driver shall be allowed to exit the business, provided they give 2 weeks written notice of their intention to leave early and shall receive their enhanced severance as of the date of their departure.

Part time

A part time employee who is severed shall be eligible to receive 3 weeks pay per year of completed part time service as of the date of closure with a minimum of \$1,000 to a maximum of \$10,000. A weeks pay for a part time employee will be calculated based on the average of the 12 weeks prior to the closure or the 52 weeks prior to the closure whichever is the greater. It is understood that the average shall not exceed 40 regular hours. This severance payment is contingent on business as usual and an orderly wind down of the business.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING #18

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the “COMPANY”)**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the “UNION”)**

Portability

It is further understood that the permanent portability provisions of the agreement shall apply only to the Freemont and Surveyor’s Road facilities in the event of a major transfer of business or their closure or in the event of the complete closure of Maplegrove transport operations. The Company will canvass the affected employees in Freemont and/or Surveyor’s Road facilities or Maplegrove transport to determine the number of individuals who are committed to transfer to Maplegrove warehouse. Once this number is known, the Company will offer a voluntary enhanced severance to Maplegrove warehouse employees up to a maximum number of employees who have expressed a commitment to transfer to Maplegrove warehouse.

The vacancies created by the voluntary severance offer shall be posted and filled within Maplegrove. Following this, the provisions of 8.06 (e) shall apply.

The enhanced severance will consist of 3 weeks pay per completed years of service or the equivalent of salary continuance to age 65 whichever is the lesser. Their service will be based on completed full time years of service as of their departure date. It is understood that the severance payments referred to shall be deemed to include any payment in the nature of termination pay or severance pay required at law or by any other provision of the collective agreement and shall have statutory deductions made.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING #19

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the “COMPANY”)**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the “UNION”)**

It is agreed that for the life of the agreement Article 9.01(h) regarding the 6 month bar for a job posting shall not apply.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

LETTER OF UNDERSTANDING #20

Recognition Agreement

between

**NATIONAL GROCERS CO. LTD.
(hereinafter referred to as the "COMPANY")**

and

**UFCW LOCAL 1000A
(hereinafter referred to as the "UNION")**

Re: Opening of Fountain Street Distribution Facility Transport Department.

The Company hereby agrees to recognize the Union as the bargaining agent for the employees in the Transport Department at its Fountain Street Distribution Facility more particularly described in the amendments to the Recognition clause of the collective agreement applicable to that facility set out in the Agreement Concerning Opening of Fountain Street Distribution Facility Transport Department between the parties. Without restricting the generality of the foregoing the Company agrees to recognize an extension of the Union's existing bargaining rights at the Fountain Street Distribution Facility to include the Transport Department of that Facility.

Dated at Toronto, Ontario this day of 2007

FOR THE COMPANY

FOR THE UNION

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