

EXPIRY DATE: FEBRUARY 7, 2004

BETWEEN: **CANADA SAFEWAY LIMITED**, a body corporate, carrying on business in the **City of DRYDEN**, in the Province of Ontario, hereinafter referred to as the "COMPANY",

AND: **UNITED FOOD & COMMERCIAL WORKERS, LOCAL 175**, chartered by the United Food & Commercial Workers International Union, hereinafter referred to as the "UNION".

WHEREAS: The Company and the Union desire to co-operate in establishing and maintaining conditions which will promote a harmonious relationship between the Company and the employees covered by this Agreement, to provide methods for fair and amicable adjustment of disputes which may arise between them and to promote efficient operation.

NOW, THEREFORE, THE UNION AND THE COMPANY MUTUALLY AGREE AS FOLLOWS:

SECTION 1 - RECOGNITION

1.01 The Company recognizes the Union as the sole collective bargaining agent for all employees coming under the jurisdiction of the Agreement, save and except the Store Manager, Assistant Store Manager, Meat Department Manager, Bakery Department Manager, and persons above the rank of Store Manager.

The promotion to Second Assistant Manager, Produce Manager and Deli Manager/Operator shall be at the sole discretion of management.

1.02 In the event the Company creates new departments within the stores, the Company and the Union agree to meet to negotiate rates of pay and other conditions specific to the new department. In the event agreement cannot be reached, at the request of either party the matter may be referred to arbitration in accordance with the Arbitration section of this agreement.

1.03 Wherever the words "part-time employees" are used in this Agreement, they shall also include Students, unless Students are specifically excluded.

1.04 In this Agreement the use of masculine terms shall mean the feminine and vice-versa unless otherwise indicated by the content.

SECTION 2 - UNION SECURITY

2.01 The Company agrees to retain in its employ within the Bargaining Unit as outlined in Section 1 of this Agreement, only members of the Union in good standing. The Company shall be free to hire or rehire new employees who are not members of the Union, provided said non-members, whether part-time or full-time, shall be eligible for membership in the Union and shall make application on the official membership application form within ten (10) calendar days from date of hire or rehire and become members within thirty (30) calendar days.

2.02 The Company agrees to provide each new employee and rehired employee, at the time of employment, with a form letter outlining to the employee his or her responsibility in regard to payment of Union Dues and Initiation Fees.

2.03 The Company agrees to forward Exhibit One, duly completed, as attached to this Agreement, to the Union within ten (10) calendar days from date of hire or rehire of an employee, as per Section 2.02 above. The Union shall bear the expense of printing and mailing the letter, the contents to be such that it is acceptable to the Company.

2.04 The Company agrees to provide the Union, once a month, with a list containing the names of all employees who have terminated their employment during the previous month.

SECTION 3 - DEDUCTION OF UNION DUES

3.01 The Company agrees to deduct from each employee affected including new hires, the amount of weekly union dues and initiation fees as are authorized by regular and proper vote of the membership of the Local Union. The Union will advise the Company as to the amount of initiation fees to deduct on an instalment basis.

3.02 Union dues deducted during the month shall be submitted to the Union within twenty (20) calendar days following the completion of the Company's four (4) or five (5) week accounting period.

3.03 The Company agrees to list monthly on the Dues Deduction Sheet, the names and social insurance numbers of the employees whom deductions were made and the amount of each deduction including the names of employees who have terminated their employment and new hires.

3.04 Union dues deductions, deducted from the Company's payroll during the calendar year shall be included on the T-4 Income Tax forms that are provided by the Company.

SECTION 4 - HOURS OF WORK

4.01 An employee who works thirty-seven (37) hours per week for thirteen (13) consecutive weeks shall qualify as a full-time employee, but such employee will be subject to Section 17 of this Agreement.

This provision shall not apply to Students or other employees hired for a specific project or group of assignments.

4.02 The basic work week for full-time employees will be thirty-seven (37) hours per week as scheduled by management, but all shifts will be full hours or one-half ($\frac{1}{2}$) hour periods.

4.03 In a week in which one (1) statutory holiday occurs, the normal basic work week for full-time employees shall be twenty-nine (29) hours.

4.04 In the event the Company observes two (2) statutory holidays in one (1) week, full-time employees shall receive thirty-seven (37) hours pay for twenty-two (22) hours during that week.

4.05 1. The Company will endeavour to schedule one (1) of the employee's Saturday/Sunday or Sunday/Monday combinations to coincide with the employee's vacation once per year provided it does not interfere with the efficient operation of the business and provided the employee advises the Company in writing at least one (1) month before the commencement of his vacation.

2. The Company will schedule full-time employees two (2) consecutive days off (Saturday/Sunday or Sunday/Monday) once every four (4) weeks, except in the week of a statutory holiday, so that employees involved receive an equal number of Saturday/Sunday and Sunday/Monday combinations off. Should an employee prefer to have some other days off at the time he or she would normally be scheduled two (2) days off, as set out above, the employee shall advise the Company by Thursday noon of the preceding week and in such event, the employee will forfeit his or her two (2) consecutive days off in that four (4) week period.

4.06 1. The Company shall post a weekly full-time schedule and a weekly part-time schedule in ink not later than Thursday, 6:00 p.m. of each week for the following week. If the new schedule is not posted by Thursday, 6:00 p.m., then the schedule already posted shall apply for the following week. The Company has the right to call in other part-time employees not previously scheduled to work if required by the business.

2. The schedule of employees working full-time may be changed without notice in the event of an unscheduled absence of employees or in the event of emergencies, such as a snowstorm, flood, breakdown of machinery, or other instances of force majeure. In all other cases, at least forty-eight (48) hours notice of change must be given, or four (4) hours additional pay in lieu of notice.

The foregoing shall not apply to employees other than full-time. Notice to such other employees shall be given as far in advance as possible by the Company.

3. Time Sheets

The Company shall provide either a time clock or time sheets or a time clock or similar recording device to enable employees to record their own time for payroll purposes. Employees shall record their own time at the time they start and finish work and the time they commence and return from meal periods and such other recordings as may be required by the Company. Where time sheets are used, the employees will record their time in ballpoint pen. Time sheets shall be in the form mutually agreed upon.

The employees will record their time in ball point pen. Any employee who, for any reason, fails to record all time worked shall be penalized as follows:

First Violation - A written warning.

Second Violation - A one (1) day suspension without pay during one (1) week; the employee will be permitted to work only four (4) days during such week.

Third Violation - A one (1) week suspension without pay.

Management agrees to assume its full responsibility in seeing that all employees are compensated for all time worked.

Warnings or suspensions shall be implemented within one (1) month of notification by the Union to do so unless a longer period is mutually agreed upon by the Union and the Employer, or in the event that the requested suspension becomes subject to the Grievance Procedure. Any dispute arising as a result of the above provision shall be subject to the Grievance and Arbitration articles of the Agreement.

Any employee who is working on Saturday will have the opportunity to complete his/her time card at the end of the shift.

4.07 1. Meal Periods

A meal period without pay for employees working a daily shift of six (6) hours or more shall be of not less than thirty (30) nor more than sixty (60) minutes uninterrupted duration unless otherwise mutually agreed between the Company and the employee. The meal period shall start not earlier than three (3) hours nor later than five (5) hours after commencement of the employee's shift. Times at which such meal periods are taken shall be scheduled by management.

Employees working a six (6) hours shift may, by mutual agreement between the Store Manager and the employee, forego their meal period.

2. Rest Periods

The Company agrees to grant uninterrupted rest periods with pay to all employees working a six (6) or more hour shift, one (1) rest period granted before, and one (1) after the meal period. An employee working less than six (6) hours and more than three (3) hours will receive one (1), fifteen (15) minute rest period.

The Company will attempt to schedule rest periods near the middle of a shift (or near the mid point between start or finish and the meal break), but in any event not until one hour after the commencement of work nor less than one hour before either the meal period or the end of the shift and shall not be combined with the meal period.

3. If an employee is required to work overtime on the completion of an eight (8) hour shift, and if the Company does not schedule a meal period without pay, then the employee will be scheduled a fifteen (15) minute rest period with pay within half an hour of the end of the first shift, providing the overtime is for two (2) hours or more.

4.08 Emergency Pay and Change in Work Schedule

In the event of snowstorm, any employee working full-time who reports late for work, but in any event, within the first three (3) hours of his scheduled shift, shall receive pay for his full shift. All other employees shall be paid only for the hours worked. It is further understood that overtime rates will not apply until an employee has completed eight (8) working hours.

In the event of fire, flood, breakdown of machinery, or other instances of force majeure, the Company will endeavour to provide employment in such other of its stores not so affected.

4.09 Night Stocking

1. In stores where night stocking is in effect, one (1) or more days per week, there will be one (1) employee appointed on night stocking crew to act as Lead Hand. A premium of fifty (50¢) cents per hour will be paid to the Lead Hand for all time so appointed, including statutory holiday pay and overtime.

2. Normal night stocking for full-time employees shall not exceed two (2) months over a four (4) month period.

3. No employee shall be scheduled to work alone on night stocking in any store except in cases of emergencies.

4. Unless he is willing to do so, no employee will be scheduled to commence work earlier than ten (10) hours from the completion of his last work assignment (thirty (30) hours when changing from days to nights).

5. Except in cases of emergency, or the regular interchange of employees to or from the night shift, employees will be given one (1) week's notification of change from the day shift to the night shift or vice versa.

SECTION 5 - OVERTIME

5.01 All time worked in excess of the normal basic work week, as defined in Section 4, subsection 4.02, 4.03 and 4.04, or the regular working day scheduled by the Company, which shall not exceed the scheduled work day of the employee, as outlined in subsection 4.02 of this Agreement, shall be paid for at the rate of time and one-half the employee's regular rate, provided that both daily and weekly overtime shall not be paid for, or as a result of the same hours.

5.02 All time worked by regular, full-time employees on their scheduled day off, when forty-eight (48) hours notice has not been given, and no emergency exists, shall be paid for at the rate of double time of the employee's hourly rate for all time so employed.

5.03 Full-time employees working on statutory holidays, designated in Section 6 of this Agreement, shall be paid the regular, hourly rate they would have received had they not worked, plus an additional double time said hourly rate for all time required to be on duty. Employees other than full-time, working on statutory holidays, designated in Section 6 of this Agreement, shall be paid their regular, hourly rate they would have received had they not worked, plus additional time and one-half (1½) said hourly rate for all the time required

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to be on duty.

5.04 All overtime must be authorized by management.

5.05 Overtime shall be by mutual consent and where practical, shall be offered to the most senior employee on the shift, provided the employee has the ability and qualifications to perform the work of the required overtime. If the senior employee does not wish to accept the overtime, the management will assign the job function to such employee who is available and has the ability and is qualified to do the work.

5.06 When the store is not open for Sunday business, any full-time employee scheduled to work on Sunday shall be paid double time his regular hourly rate of pay for all hours worked. Any employee, other than full-time, scheduled to work on Sunday shall be paid time and one-half (1½) his regular hourly rate for all hours worked.

5.07 The following conditions shall apply when the store is open for Sunday business:

1. Sunday work for full-time employees will be voluntary in departments where there are available part-time employees to work on Sunday.

2. The Company will staff part-time employees in the store on Sunday on a volunteer basis to the extent possible.

3. In insufficient staff are available, the Company may schedule employees in reverse order of seniority.

4. It is the intention of the Company and the Union that all employees cooperate in the rotation of Sunday work. Should staffing shortages arise, the Company and the Union will meet and resolve the staffing difficulties by way of a fair rotation system.

5. All work done on Sunday will be at regular rates plus one (\$1.00) dollar per hour. If an employee is entitled to receive the night stocking premium the one (\$1.00) dollar per hour premium would be in addition.

6. Sunday shall be the first of the week for payroll purposes.

5.08 Compensating time off shall not be given in lieu of overtime pay.

5.09 Premium Rate for Night Shopping

All employees who are scheduled to work twenty-two (22) hours or more per week and who are required to work after 6:30 p.m. when the store is open for night shopping, shall receive sixty (60¢) cents (sixty-five (65¢) cents effective April 25, 1999) per hour in addition to their regular hourly rate of pay for each half hour worked after 6:30 p.m. Premium pay for night shopping shall not be added to the employee's hourly rate for the purpose of computing overtime, under subsection 5.01.

5.10 Full-time cashiers will not work more than two (2) nights shopping per week unless otherwise mutually agreeable between the Company and the employee.

5.11 Night Shift Premium

Any employee called to work between the hours of 11:00 p.m. and 7:00 a.m. shall receive sixty (.60¢) cents (sixty-five (65¢) cents effective April 25, 1999) per hour over his regularly established rate for each full hour worked. All employees who work the majority of their hours between 11:00 p.m. and 7:00 a.m. shall receive the premium for the full shift. This shift rate shall not be added to an employee's hourly rate for the purpose of computing overtime and there shall be no overlapping of premiums.

SECTION 6 - STATUTORY HOLIDAYS

6.01 The following days shall be considered holidays, for which regular, full-time employees shall suffer no reduction in pay on account of the closing of the Company's stores:

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

and any other day or portion of a day generally observed by the Retail Grocery and Meat stores and designated as a holiday by the Company.

If the Company opens its stores on November 11th, each employee will be given a float holiday as a statutory holiday on a day mutually agreed to during the month of November.

Failing agreement, management shall schedule the floater in conjunction with an employee's regular day off. For the purpose of this clause, senior employees will have preference in scheduling.

6.02 In order for an employee, full-time or part-time, to receive Statutory Holiday pay, he must:

1. not have been voluntarily absent from work on the scheduled work day prior to and following such holiday;
2. have worked his full regular designated weekly hours for the week in which holidays, a holiday or portion of a holiday occur, except for bonafide illness.

It is understood that any employee on leave of absence granted by the Company, at the request of the employee, shall not qualify for statutory holidays with pay if he is absent on both his last scheduled work day prior to and his first scheduled work day following the statutory holiday.

Any employee receiving a payment under the Weekly Sickness and Accident Plan, or Workers' Compensation, for the full week in which the statutory holiday or holidays occur, shall not be entitled to the statutory holiday provision of this Agreement.

6.03 All part-time employees who have been employed thirty (30) calendar days or more and have worked an average of at least thirty-two (32) hours or more per week in the four (4) weeks preceding the week in which a statutory holiday occurs, shall receive eight (8) hours pay at his or her regular hourly rate for each holiday.

6.04 All part-time employees who have been employed thirty (30) calendar days or more and have worked an average of at least twenty (20) hours work, but less than thirty-two (32) hours per week in the four (4) weeks preceding the week in which a statutory holiday occurs, shall receive six (6) hours pay at his or her regular hourly rate for each holiday.

6.05 All part-time employees who have been employed thirty (30) calendar days or more and have worked an average of at least ten (10) hours a week, but less than twenty (20) hours per week in the four (4) weeks preceding the week in which a statutory holiday occurs, shall receive three (3) hours pay at his regular hourly rate for each holiday.

SECTION 7 - WAGES

7.01 The minimum hourly rate of wages for all employees coming under this Agreement shall be as per Appendix "B" of this Agreement provided that where an individual employee's weekly or hourly wage is higher, such wage or hourly rate of wages shall not be reduced by reason of this Agreement. The rates of pay provided in Appendix "B" are minimum rates and apply to the job classifications and not to the individual.

7.02 New employees will be classified according to previous comparable experience in a unionized, self-serve food store. The Company shall not be required to recognize previous experience of new employees who have not worked in a unionized self-serve food store in the past two (2) years. The maximum credit granted will be 1,000 hours (2,000 hours for bakers and meatcutters).

7.03 It shall be the responsibility of the employee to supply reasonable proof of his or her previous experience within forty-five (45) calendar days of employment. Otherwise, all claim for credit for previous experience shall be forfeited by the employee. Reasonable proof will mean that if past employment records are not obtainable, the Union records, income tax records, or other similar documents will be acceptable. The hourly rate for recognized credit will be effective from the first day of employment.

The Company will have the right to demand proof of past experience from the employee affected, in establishing his or her proper wage scale.

7.04 Call-In Time

All employees, except as provided below, called in and who report for work shall, if required to work less than four (4) hours, receive four (4) hours pay at the regular hourly rate.

7.05 Students

Paragraph 7.04 above shall apply to Students on days other than school days. It shall also apply when stores are open for night shopping on school days. On school days other than when stores are open for night shopping, Students may be paid for only those hours worked, except when employed for less than two (2) consecutive hours, in which event they shall receive a minimum of two (2) hours pay at the regular, hourly rate.

7.06 This four (4) hour minimum would also apply to any Student called in for night stocking if he were brought in to start his shift one-half ($\frac{1}{2}$) hour or later after store closing time.

7.07 Travel Time

Any employee who is transferred, at the request of the Company, from one store to another during the regular working day, shall be paid his or her regular hourly rate for all travelling time. Employees shall be compensated for actual expenses of public transportation or its equivalent or the actual cost of taxi fare, if such transportation is required by the Company.

SECTION 8 - RELIEVING RATES OF PAY**8.01 Store Manager**

Any employee relieving a Store Manager for more than one (1) consecutive day in the employee's home store and immediately in a store other than the home store, shall receive a minimum of \$1.65 per hour (maximum \$61.05/week), in addition to his or her hourly rate of pay, for all time so employed.

8.02 Assistant Store Manager

New employees assigned to relieve an Assistant Store Manager for a period of more than one (1) consecutive working day shall receive a premium of \$1.30 per hour, maximum \$48.00 per week for all time so employed.

8.03 Bakery Department Manager, Meat Department Manager, Produce Department Manager

Employees assigned to relieve a Bakery Department Manager, Meat Department Manager, or Produce Department Manager for a period of more than one (1) consecutive working day shall receive a minimum of sixty-five (.65¢) cents per hour in addition to their regular hourly rate of pay for all time so employed.

8.04 Second Assistant Store Manager and Deli Manager

Employees assigned to relieve a Second Assistant Store Manager or Deli Manager for a period of more than one (1) consecutive working day shall receive a minimum of fifty (.50¢) cents per hour in addition to their regular hourly rate of pay for all time so employed.

8.05 Head Cashier

Employees assigned to relieve a Head Cashier for a period of more than one (1) consecutive working day shall be paid the minimum rate established for Head Cashier in this Agreement, for all time so employed.

8.06 In the event of an employee's rendering temporary service in a classification in which the rate is lower than has been received by him or her, his or her regular rate shall not be reduced.

SECTION 9 - VACATIONS WITH PAY

9.01 Each year's requirements for any employee to qualify for the respective periods of vacation with pay as set forth below are that they have worked for the Company not less than ninety-five (95%) percent of the regular, full-time assigned working hours during a continuous twelve (12) month period, but time for absence from work not to include:

1. the period of vacation;
2. the aggregate of periods not exceeding thirty (30) working days in all, comprising:
 - a) time during which the employee has been authorized by the Company to be absent from work;
 - b) time in respect of which the employee files with the Company a certificate, signed by a duly qualified medical practitioner, that he or she was unfit to work during that time, by reason of his or her illness or injury.

Where a full-time employee does not qualify for vacations with pay as outlined above, he shall receive vacation pay calculated at two (2%) percent of his total wages earned for each week of vacation entitlement for which no vacation allowance has been paid.

9.02 Full-time employees with less than one (1) year's service by April 1st will receive an amount equal to four (4%) percent of their total wages earned during the period of employment, for which no vacation allowance has been paid up to April 1st. Such employees may be allowed a leave of absence without pay up to two (2) consecutive weeks during the months of April 1st to September 30th, inclusive, unless otherwise mutually agreed to between the employee and the Company.

9.03 Vacation entitlement for full-time employees based on years of continuous full-time service will be as follows:

With the exception of part-time employees going to full-time as set out in clause 9.15.

One (1) or more years by April 1st - two (2) weeks vacation with pay;

Five (5) or more years by April 1st - three (3) weeks vacation with pay;
(Effective in 1997 - three (3) or more years by April 1st - three (3) weeks vacation with pay).

Eight (8) or more years by October 1st - four (4) weeks vacation with pay;

Thirteen (13) or more years by October 1st - five (5) weeks vacation with pay;

Eighteen (18) or more years by October 1st - six (6) weeks vacation with pay;

Effective in 1995 -

Twenty-three (23) or more years by October 1st - seven (7) weeks vacation with pay.

9.04 Full-time employees shall be granted a minimum of two (2) consecutive weeks of vacation with pay during the months of April 1st to September 30th, except as indicated in clause 9.05 and 9.06, or unless otherwise mutually agreed to between the Company and the employee.

Full-time employees entitled to three (3), four (4), five (5) or six (6) weeks vacation with pay shall be granted such vacation consecutively except during the months of June, July, August, September and December unless otherwise mutually agreed.

9.05 When employees are scheduled to take their vacations during the months of June, July, August, September and December, the Company shall grant a minimum of two (2) weeks consecutively. The balance of the vacation entitlement during that period shall be scheduled by the Company unless otherwise mutually agreed to between the Company and the employee.

9.06 The vacation period for those employees entitled to three (3), four (4), five (5), and six (6) weeks vacation shall be May 1st to September 30th, unless otherwise mutually agreed to between the employee and the Company.

9.07 The Company reserves the right to determine the vacation period for each employee, subject to the provisions above and the provisions of Section 17 of this Agreement.

9.08 When a holiday occurs during an employee's vacation, an extra day's vacation pay shall be paid if the holiday is one for which the employee would have received pay had he been working, unless otherwise mutually agreed to between the employee and the Company.

9.09 An employee's approved scheduled vacation dates will not be changed by the Company without two (2) weeks prior notice, and in no event will they be changed if the employee produces evidence of more than fifty (\$50.00) dollars obligations committed, prior to the two (2) weeks notice.

9.10 Full-time employees who work less than one (1) year and whose employment is terminated, shall receive vacation with pay in the amount of four (4%) percent of their earnings, for the period of time for which they have not received any vacation pay.

9.11 Part-time employees will receive vacation pay allowance based on their previous year's earnings, January 1st to December 31st. Entitlement will be based on years of continuous service with the Company by December 31st of each year as outlined below:

Less than five (5) years	-	4%
Five (5) years and more (Effective in 1997, three (3) years and more payable in 1998)	-	6%
Eight (8) years and more	-	8%
Thirteen (13) years and more	-	10%
Eighteen (18) years and more	-	12%
Effective in 1995, Twenty-three (23) years and more (Payable in 1996)	-	14%

9.12 The Company will endeavour to grant time off, up to a maximum of six (6) weeks to part-time employees for vacation purposes, provided the employee makes the request in writing at least one (1) month in advance and the requested vacation does not interfere with the efficient operation of the business.

9.13 Part-time employees vacation pay shall be paid to all part-time employees during the month of April of each year.

9.14 Vacation entitlement must be taken in the calendar year and shall not be carried over to the next calendar year.

9.15 Upon successful completion of the probationary period a part-time employee proceeding to full-time employment after January 29, 1979 will be credited with the number of hours accumulated during the employees continuous service with the Company as a part-time employee and provided the employee's service is continuous from part-time to full-time. The credited hours will be balanced with the hours of a regular full-time employee to establish the appropriate yearly credit for future vacation entitlement as provided in Section 9 of the Agreement.

9.16 Employees (first full-time, then part-time) will be given an opportunity to indicate a preference for vacation period before April 15th of each year and no later. The finalized schedule will be posted by May 1st and thereafter shall not be changed unless by mutual agreement between the Company and the employee. A copy of the finalized vacation schedule shall be posted in the lunch room throughout the vacation period.

SECTION 10 - MANAGEMENT'S RIGHTS AND FUNCTIONS

10.01 The Management of the Company and the direction of the working force, including the right to plan, direct and control store operations, to maintain the discipline and efficiency of the employees and to require employees to observe Company rules and regulation; to hire; to lay off, or assign employees working hours; to transfer; to promote; to demote; to discipline, suspend or discharge employees for proper cause, are to be the sole right and function of the Management.

10.02 The Company shall be the sole judge as to the merchandise to be handled in its stores.

10.03 The foregoing enumeration of management's rights shall not be deemed to exclude other functions not specifically set forth. The management, therefore retains all rights not otherwise specifically covered in this Agreement.

10.04 The exercise of the foregoing rights shall not alter any of the specific provisions of this Agreement.

SECTION 11 - HEALTH HAZARDS

11.01 The Union may discuss with the Company any working conditions which the Union believes are, in their opinion, detrimental to the health of the employees.

11.02 The Company agrees to maintain adequate heating in all its stores.

SECTION 12 - NOTICE OF LAY OFF OR STORE CLOSING

12.01 The Company will give any full-time employee with six (6) months service one (1) week's notice of lay off or store closing.

SECTION 13 - PAYMENT FOR MEETING ATTENDANCE

13.01 When the Company requires an employee to be present at a meeting called by the Company, time spent at such meeting will be considered as time worked. This provision shall not apply to dinner meetings, where attendance by an employee is voluntary.

SECTION 14 - STRIKES AND LOCKOUTS

14.01 It is mutually agreed that there shall be no strikes, lockouts, stoppages of work or slowdowns during the life of this Agreement.

SECTION 15 - UNION REPRESENTATIVES VISITS TO STORES

15.01 Duly authorized representatives of the Union shall be entitled to visit the store for the purpose of observing working conditions, interviewing members and unsigned employees, and to ensure that the terms of the Collective Agreement are being implemented.

15.02 The interview of an employee by the Union Representative shall be permitted after notifying the Store Manager and shall be:

1. carried on in a place in the store designated by Management;
2. held whenever possible during the lunch period. However, if this is not practical;
3. during regular working hours. Time taken for such interview in excess of five (5) minutes shall not be on Company time unless with the approval of management;
4. held at such times as will not interfere with service to the public. No interview shall be held on Friday, Saturday, or any day after 4:00 p.m. or on the day preceding a statutory holiday, except in cases of employees who work only Fridays, Saturdays, or after 3:30 p.m.

15.03 Union Representatives shall be permitted to review the Hours of Work Schedule and in the event of any discrepancies, they shall be presented under Section 25 of this Agreement.

15.04 Upon request, a copy of the relevant work schedule will be given to the Shop Steward to investigate and attempt to resolve potential problems with the scheduling of hours.

15.05 Upon request the Steward will be given an opportunity to update the posted schedule from the Master schedule.

SECTION 16 - LEAVES OF ABSENCE

16.01 The Company agrees to allow time off work without pay for one (1) employee within the bargaining unit to attend Union Conventions or two (2) designated to attend negotiations for a period of not more than ten (10) calendar days. The Union will give the Company two (2) weeks notice in regard to such requests to attend Conventions and negotiations.

The Union may request up to nine (9) months leave of absence without pay or benefits for one (1) employee to work in an official capacity for the Union. The Company may grant or deny this leave at its discretion. In the event it is granted, the employee will continue to accrue bargaining unit seniority.

16.02 Leave of absence without pay for legitimate personal reasons may, at the discretion of the management, be granted without loss of seniority. Application for such leave must be made in writing with a copy to the Company and a copy to the Union. The Company's reply will be made in writing to the employee concerned within twenty-one (21) days of receipt of the request.

16.03 A female employee with twelve (12) months of continuous service with the Company shall be granted a maternity leave of absence without pay.

Said employee shall be re-employed by the Company after the birth, and must do so within seventeen (17) weeks from the commencement of her leave.

During such leave of absence, wage adjustments under the automatic progression schedule shall cease.

She shall be returned to the same classification she held prior to the leave of absence and shall receive any general wage increase granted during such leave.

The employee will be required to notify the Company in writing as soon as possible regarding the pregnancy and will be required to give the Company at least two (2) weeks notice of her desire to return to work following such leave. The Company may require the employee to take a medical examination by a duly qualified medical practitioner designated by the Company to establish that she is physically capable of performing such work, prior to her returning to work.

In the event of miscarriage, the leave of absence will terminate six (6) weeks from the date of the miscarriage; however, the employee will be allowed to return to work one (1) week following the presentation of a satisfactory certificate from her doctor.

Benefits will not accumulate or be paid during the maternity leave of absence, but benefits accumulated prior to the leave shall be maintained. Seniority will accumulate during the maternity leave of absence.

In cases of physical complications, the employee may request an extension of her leave of absence up to, but not exceeding an additional twelve (12) weeks, provided such request is accompanied by a doctor's certificate setting out the nature of the complications but in no event will the employee be entitled to more than the legislated maximums of parental and maternity leave.

16.04 The requesting and granting leaves of absence shall be in writing. The Company's reply to requested leave of absence will be in writing.

SECTION 17 - SENIORITY

FULL-TIME

17.01 Seniority for full-time employees shall be defined as the length of continuous service with the Company as a full-time employee in the store.

17.02 Unless merit, fitness and ability of an employee is greater than other employees regularly working full-time involved, length of continuous service with the Company shall govern in cases of layoff, promotions, reduction to part-time employment and rehire.

17.03 Employees regularly working full-time, laid off or reduced to part-time shall be recalled to full-time first by seniority whenever a full-time position becomes available or is created, provided:

1. In the event of layoff, no more than six (6) months have elapsed since the last day worked by the employee, and;
2. In the event of reduction to part-time, the employee reports for duty within twenty-four (24) hours from the time of recall, and;
3. the employee is capable of performing the work.

17.04 Employees regularly working full-time recalled within six (6) months of their layoff or reduction to part-time shall retain their previous length of service for the purpose of this Section.

17.05 The six (6) month and twenty-four (24) hour deadlines contained in 1) and 2) above, respectively, shall be extended if upon recall an employee is unable to report due to illness or accident. Any extension granted shall only be for the duration of the illness or incapacity from accident, and the Company may require the employee to provide written confirmation from a doctor of such illness or accident.

17.06 The Company, when reducing hours of work in a store, agrees they will not reduce the regular scheduled hours of a full-time employee for the purpose of replacing such hours with part-time help.

PART-TIME

17.07 1. Seniority for part-time employees, except Courtesy Helpers or Trainees, shall be defined as the length of service with the Company as a part-time employee since his most recent date of continuous employment in the store covered by this Agreement.

Part-time employees will only have seniority within the part-time seniority list in the store.

2. Seniority for Trainees shall be the length of service since their most recent

date of continuous employment as a Trainee.

Trainees will only have seniority within the Trainee seniority list in the store.

3. Seniority for Courtesy Helpers shall be the length of service with the Company as a Courtesy Helper since his most recent date of continuous employment.

Courtesy Helpers will only have seniority within the Courtesy Helper seniority list in the store, subject to the same provisions as part-time employees in subsection 17.09. Courtesy Helpers who are promoted into another classification will have a new seniority date, commencing from the date of their reclassification.

17.08 When scheduling or calling in part-time employees, unless fitness and ability are greater than other part-time employees involved in the store, preference of available hours of work shall be given to senior, part-time employees within the store, insofar as this is consistent with their availability and willingness to perform the work. If a senior, part-time employee refuses to work a shift scheduled by the Company, the Company may at its discretion give the next employee in the line of seniority the available hours.

17.09 Regular, part-time employees who are desirous of becoming full-time employees shall inform the Company in writing with a copy to the Union office. If a vacancy occurs in the full-time staff, the Company agrees to fill the vacancy in accordance with seniority and ability from amongst those employees who have indicated in writing their desire to become full-time; in such case, the employee will be on a trial period for thirty (30) calendar days and if during that time the employee does not meet the requirements of the Company, the employee will revert to his former position.

All applications must be made on the understanding that the employee will accept a work assignment in any of the Company's stores, within the area covered by the Collective Agreement.

17.10 A part-time employee who has no working hours for a consecutive six (6) month period shall be dropped from the Company's payroll records.

GENERAL

17.11 Seniority of an employee shall be considered broken and all rights forfeited when an employee:

1. voluntarily leaves the service of the Company;
2. is discharged for proper cause;

3. fails to report back to work within fourteen (14) days of the time of being recalled after layoff. The fourteen (14) calendar days may be extended by mutual agreement between the Company and the employee or the Union, if the employee concerned is not able to return to work due to sickness or accident. Recall from layoff will be sent by registered mail to the employee's last known address. It is the employee's responsibility to keep the Company informed of any change of address;

4. is absent from work without written leave of absence authorized by the Company, or fails to return to work on the completion of an authorized leave of absence unless a reason satisfactory to management is given by the employee. Sickness or inability to communicate with the Company shall be considered a satisfactory reason.

17.12 In the event an employee's status changes from full-time to part-time, either at the direction of, or with the permission of the Company, his seniority date will be the date of his most recent appointment to part-time from trainee or courtesy Helper or if no part-time trainee or courtesy helper service exists, his most recent continuous service date with the Company, whatever may be applicable.

17.13 The Company agrees to give one (1) week's notice prior to changing an employee's status from full-time to a part-time basis.

17.14 The Company agrees to provide the Union every six (6) months with:

- 1.** a seniority list of full-time employees within the area covered by the collective bargaining agreement;
- 2.** a seniority list of part-time employees on a store-by-store basis;
- 3.** a seniority list of Trainee employees on a store-by-store basis;
- 4.** a seniority list of Meat Trainee employees on a store-by-store basis;
- 5.** a seniority list of Bakery Trainee employees on a store-by-store basis;
- 6.** A seniority list of Courtesy Helper employees on a store-by-store basis.

17.15 The Company will notify the Union in writing, once a month, of the names and dates of employees put on the full-time seniority list, on cards supplied by the Union and satisfactory to the Company, or such other system as mutually agreed.

SECTION 18 - TECHNOLOGICAL CHANGES

18.01 The Company agrees to notify the Union at least three (3) months in advance of any technological change that may result in the displacement of employees.

18.02 Any full-time or a part-time employee with more than 2000 hours of service displaced due to technological change shall be trained for any new positions created by the technological change, or retrained for a new position presently in existence within the bargaining unit, provided they have sufficient seniority to displace a junior employee. Said employee shall be given the 2501 hour level for four (4) weeks (150 hours), the 3001 hour level for the next four (4) weeks (150 hours) and the top rate thereafter in that classification, unless said employee has exercised his seniority for a position to which he had previous experience, in which instance, he will remain at the top rate of pay or the rate in the scale for the classification he had previous experience. If the employee is successfully retrained within the period given a new employee under Section 33.01 of this Agreement, then the employee will progress through the acceleration period as indicated above.

18.03 If said employee cannot satisfactorily be retrained in that position, he or she shall be afforded an opportunity based on seniority to work part-time in his or her former classification, if said classification is still in existence; otherwise, he or she shall be terminated with severance pay, as below.

18.04 If an employee refuses part-time employment, he or she shall be considered to have terminated employment with the Company. Any regular full-time employee with one (1) or more years service, whose employment is terminated by the Company under this provision shall receive one (1) week's severance pay for each year of continuous full-time service, up to a maximum of fifteen (15) weeks pay.

18.05 This clause does not apply to employees who accept other employment with the Company, outside the jurisdiction of this Agreement.

18.06 The Company will attempt, to the best of their ability, to find a job within the bargaining unit for full-time employees with less than one (1) year's seniority, and part-time employees. If it is not possible, said employees will be terminated.

SECTION 19 - MERGER OF BUSINESS

19.01 In the event ownership of the Company passes to another Company, the relevant sections of the Ontario Labour Relations Act shall apply.

19.02 The Company will notify the Union as far in advance as is possible in connection with any change of ownership or management of any of their stores.

SECTION 20 - SUPPLIERS' REPRESENTATIVES

20.01 Except prior to store opening and one (1) week thereafter, or during store remodelling to a maximum of one (1) week, suppliers' representatives, other than rack jobbers will not price products in stores, stock or replenish merchandise other than to rotate or check code dating on shelf stock or provide advice.

SECTION 21 - DISPLACED EMPLOYEES - CLOSING OF DEPARTMENT

21.01 When a full-time employee with more than 2000 hours of service is displaced due to a department closing or a job becoming redundant and who has sufficient seniority to displace a junior employee, the Company agrees to give training to said employee, for a position presently in existence with the bargaining unit. Said employee shall be given the 2501 hour level for 4 weeks (150 hours), the 3001 hour level for the next 4 weeks (150 hours), and the top rate thereafter in that classification, unless said employee has exercised his seniority for a position to which he had previous experience, in which instance, he will remain at the top rate of pay or the rate in the scale for the classification he had previous experience. If the employee is successfully retrained within the time period given a new employee, under Section 33.01 of this Agreement, the employee may then exercise his seniority rights over junior, full-time employees within that classification. If the employee is successfully retrained within the period given, then the employee will progress through the acceleration period of the new classification. If said employee cannot be satisfactorily be retrained in that position, he or she shall be afforded an opportunity, based on seniority, to work part-time in his former classification, if such classification is still in existence; otherwise, he shall be terminated with severance pay as below.

21.02 If an employee refuses part-time employment, he shall be considered to have terminated employment with the Company. Any regular, full-time employee with one (1) or more year's service whose employment is terminated by the Company under this provision, shall receive one (1) week's severance pay for each year of continuous full-time service, up to a maximum of fifteen (15) weeks pay. This clause does not apply to employees who accept other employment with the Company, outside the jurisdiction of this Agreement.

21.03 The Company will attempt, to the best of their ability, to find a job within the bargaining unit for full-time employees with less than one (1) year's seniority, and part-time employees. If it is not possible, said employees will be terminated.

SECTION 22 - COURT'S DECISION

In the event of any articles or portions of this Agreement being held improper or invalid by any Court of Law or Equity or Labour Relations Board, such decision shall not invalidate any other portions of this Agreement than those directly specified by such decision to be invalid, improper or otherwise unenforceable.

SECTION 23 - HEALTH AND WELFARE

23.01 Health and other Welfare benefits shall be as contained in Appendix "A" of this Agreement.

SECTION 24 - CASH SHORTAGES

24.01 No employee may be required to make up cash register shortages unless he or she is given the privilege of checking the money and daily receipts upon starting and completing the work shift and unless the employee has exclusive access to the cash register during the work shift, except as specified below.

24.02 No employee may be required to make up registered shortages when management exercises the right to open the register during the employee's work shift, unless the register is open in the presence of the employee and the employee is given the opportunity to verify all withdrawals and/or deposits.

SECTION 25 - ADJUSTMENT OF GRIEVANCES

25.01 Any complaint, disagreement or difference of opinion between the Company, the Union or the employees covered by this Agreement which concerns the interpretation, application, operation or alleged violation of the terms and provisions of this Agreement, shall be considered as a grievance.

25.02 Information

Where the Union requires information regarding accumulated hours of work for the purpose of establishing the pay rate of an employee, the Company agrees to co-operate to supply such information back to a period of two (2) years or such longer time as may be required to establish his or her proper rate of pay.

25.03 In any grievance regarding hours worked by an employee and the amount paid to an employee, the Company shall promptly supply such information in respect to the two (2) pay periods immediately prior to the request. If information for a longer period is required,

the normal process of the grievance procedure shall apply.

25.04 the Union shall not use the foregoing provision to request information that does not pertain to a specific grievance of an employee.

25.05 The Shop Steward or, in the absence of the Shop Steward, another employee in the bargaining unit, chosen by the employee from within the store, shall be present when a member of the bargaining unit is:

1. given a reprimand that is to be entered on the employee's file;
2. suspended; or
3. discharged.

The Shop Steward shall be given a copy of any discipline at the time of the meeting. If the Steward is not present, a copy will be sent to the Union office or faxed.

It is understood that the above provision will not apply to regular work performance reviews. It is further understood that regular work performance reviews will not be construed as discipline by the Company.

25.06 Any employee, the Union or the Company may present a grievance. Any grievance which is not presented within twenty (20) calendar days following the event giving rise to such grievance or within fourteen (14) calendar days of the last day worked when relating to a discharge grievance, shall be forfeited and waived by the aggrieved party.

25.07 All grievances shall be submitted in writing.

25.08 the procedure for adjustment of grievances and disputes by an employee shall be as follows:

1. by a discussion between the employee and the Union Representative, or the employee's immediate superior.
 - a. When an employee takes a grievance to the Union Representative, Step One of the Grievance Procedure shall be considered complied with, providing the Union Representative files the grievance in writing with the Store Manager or his designate. The Store Manager shall reply to the grievance in writing within five (5) calendar days, to the Union. After five (5) calendar days, the Union Representative may proceed to Step Two.

b. If an employee takes a grievance to his immediate superior, and a satisfactory settlement has not been reached within five (5) calendar days, then:

25.09 The Union Representative or Representatives may take the matter up with the Company official designated by the Company to handle Labour Relations matters. If the matter is not taken up within ten (10) calendar days of the date the Union received the written reply to the grievance in Step One, it will be deemed to have been abandoned and further recourse to the Grievance Procedure shall be forfeited.

25.10 If a satisfactory settlement cannot be reached, then upon request of either party, within fourteen (14) calendar days of receiving the final, written decision from either party, but not thereafter, the matter may then be referred to a Board of Arbitration selected as per Section 26.

25.11 Except in unusual circumstances, the employee shall be given a copy of reprimands, suspensions or notice of discharge which are to be entered in the employee's personnel file.

SECTION 26 - SELECTION OF A BOARD OF ARBITRATION

26.01 After one of the parties indicates they are taking the matter to Arbitration, each party to this Agreement will have fourteen (14) calendar days to appoint their nominee. If one of the parties fails to appoint his nominee within said fourteen (14) calendar days, it shall be considered that said party has waived the right to appoint their nominee, and the one appointed nominee will be entitled to proceed to select a Chairman for the Arbitration Board, and the Arbitration Board will be entitled to proceed.

26.02 When both nominees have been appointed, they shall have seven (7) calendar days to agree on a mutually acceptable Chairman. If they cannot agree, either party to this Agreement may request the Minister of Labour for the Province of Ontario to appoint a Chairman.

26.03 The parties may mutually agree that a single Arbitrator may be appointed in the place of a Board of Arbitration. In the event that the parties agree on a single Arbitrator, the Arbitrator shall have the same powers as a Board of Arbitration under the Agreement.

26.04 The Board of Arbitration shall receive and consider such material evidence and contentions as the parties may offer and shall make such independent investigation as it deems essential to a full understanding and determination of the issues involved. In reaching its decision, the Board of Arbitration shall be governed by the provisions of this Agreement, and shall render its decision as soon as reasonably possible.

26.05 In the event of termination, discharge or suspension of an employee, the Board of Arbitration shall have the right to sustain the Company's action or reinstate the employee with full, part or no back pay, with or without loss of seniority, or to settle the matter in any way it deems equitable.

26.06 The decision of the majority of the members of the Arbitration Board shall be the decision of the Arbitration Board; and if there is no majority decision, the decision of the Chairman shall be the decision of the Arbitration Board.

The decision of the Board of Arbitration shall be final and binding upon all parties concerned.

26.07 The Board of Arbitration shall not be vested with the power to change, modify or alter any of the terms of this Agreement, except as indicated in Section 26.05 above. All grievances submitted shall present an arbitrable issue under this Agreement and shall not depend on or involve an issue or contention by either party which is contrary to any provision of this Agreement or which involves the determination of a subject matter not covered by or arising during the term of this Agreement.

26.08 It is the intention of the parties that this article shall provide a peaceful method of adjusting all grievances, so that there shall be no suspension or interruption of normal operation, as a result of any grievance. The parties shall act in good faith in accordance with the provisions of Section 25 of this Agreement.

26.09 The expense and fee of the Chairman of the Arbitration Board shall be borne equally by the parties to the Arbitration proceedings; the fee and expenses of the Union nominee shall be borne by the Union, and the fee and expenses of the Company's nominee shall be borne by the Company.

SECTION 27 - BULLETIN BOARDS AND SHOP STEWARDS

27.01 The Company agrees that during the term of this Agreement, it will maintain its present policy to make space available to the Union on the existing Bulletin Board in each of its stores for the purpose of posting notices directly relating to the employees of that store, provided such notice shall first receive the approval of management.

27.02 The Company agrees to make space available on the Bulletin Board to the Union for a card indicating the name of the Shop Steward of this store. The size and said card to be by mutual agreement between the Company and the Union.

27.03 The Company agrees to allow Shop Stewards, designated by the Union, to wear their Shop Steward badge while on duty, providing the size of the badge is acceptable to the Company, except in Bakery or Meat Departments.

SECTION 28 - DECALS OR SHOP CARDS

28.01 The Company agrees that during the term of this Agreement, it will continue its present policy of permitting the Union to supply and install its store cards or decals, one for each of the stores covered by this Agreement, provided however that such decal or card shall first be approved by management and be located as directed by the Store Manager. Such decal or card shall be displayed in a prominent position.

SECTION 29 - SMOCKS AND APRONS

29.01 The Company agrees that during the term of this Agreement, it will maintain its present policy of lending and laundering smocks and aprons to employees who are required to wear same, or such other arrangements as may be mutually agreed to between the employee and the Company. All parties must mutually agree prior to any change being made in the present practice.

SECTION 30 - JURY DUTY

30.01 Full-time and part-time employees who have averaged twenty-four (24) hours or more in the four (4) weeks preceding and who are summoned to Jury Duty shall be paid wages amounting to the difference between the amount paid them for jury services and the amount they would have earned had they worked on such days. This does not apply if the employee is excused from Jury Duty for the rest of the day or days and fails to report back to work, or if Jury Duty occurs on the employee's scheduled day off.

Employees required to appear in court as a witness on behalf of the Company will be paid wages amounting to the difference between the amount paid to them for witness fees and the amount they would have earned on such days had they been scheduled to work on those days.

SECTION 31 - BEREAVEMENT PAY

31.01 Full-time and part-time employees averaging twenty-four (24) hours or more per week in the four (4) weeks preceding the bereavement, may be granted time off from work, with pay, to a maximum of three (3) consecutive scheduled work days, in the event of death in the immediate family. The length of such time off work shall be determined by the Company, provided the employee attends the funeral. The term "immediate family" shall mean spouse, common-law spouse, parent, step-parent, child, step-child, brother or sister, mother or father-in-law, sister-in-law, brother-in-law, grandchildren and grandparents.

31.02 Part-time employees averaging less than twenty-four (24) hours per week in the four (4) weeks preceding the bereavement may be granted the necessary time off up to one (1) day without loss of pay to attend the funeral in the event of death in the immediate family as defined above.

31.03 In those instances that additional leave of absence is required to travel to attend the funeral or to conclude estate matters, the employee shall request such leave from Store Management. Any additional leave the Company may grant shall be without pay or benefits otherwise entitled under the Collective Agreement.

SECTION 32 - PHYSICAL EXAMINATIONS

32.01 Where the Company requires an employee to take a physical examination, doctor's fees for the examination shall be paid by the Company. The time taken off the job shall also be paid at the employee's regular hourly rate.

SECTION 33 - PROBATIONARY PERIOD

33.01 New employees shall be on probation for 200 hours worked or four (4) months, whichever is first. Probationary employees may be discharged at the discretion of the Company within the above time limits and said employees shall have no recourse to the grievance and arbitration sections of this Agreement.

SECTION 34 - EMPLOYEE/UNION CO-OPERATION

34.01 The employees agree to uphold the rules and regulations of the Company in regard to punctual and steady attendance, proper notification in case of necessary absence, conduct on the job and all other reasonable rules and regulations established by the Company.

34.02 The employees agree to co-operate with the Company in maintaining and improving safe working conditions and good housekeeping of the stores and caring for equipment and machinery.

34.03 The Union agrees to co-operate when requested by the Company in correcting any inefficiencies of the members which might necessitate discharge.

34.04 The Company agrees that it will not discriminate against any employee for reporting to the Union of a violation of any provisions of the Agreement or performing services on a Union Committee outside of working hours nor shall the Union intimidate or discriminate against any employee who does not wish to participate in any of the Union's activities.

34.05 The Union and the Company agree to co-operate in establishing and maintaining a Safety Committee at the Store. The Company recognizes the Union's right to appoint a maximum of two (2) employees to the Committee.

SECTION 35 - TRAINING AND EDUCATION FUND

35.01 The Company agrees to contribute five (5¢) cents per hour (six (6¢) cents effective January 2, 2000; seven (7¢) cents effective January 7, 2001; eight (8¢) cents effective January 6, 2002) into the Northwest Ontario Commercial Workers Training and Education Fund. The hours for which the Company will contribute will be the same as contributed for in the Dental Plan under A-2 and shall be remitted in the same manner.

SECTION 36 - EXPIRATION AND RENEWAL

36.01 This Agreement shall be effective from **February 10, 2002**, and shall remain in effect until **February 7, 2004**, and thereafter from year to year, but either party may, not less than thirty (30) days or more than ninety (90) days before the expiry date or the anniversary of such expiry date from year to year thereafter, give notice in writing to the other party of a desire to terminate such Agreement or to negotiate a revision thereof.

36.02 When the required notice for termination or revision is given by either party, negotiations in connection with same will be started promptly and expeditiously conducted, so that if it is reasonably possible, same may be mutually and satisfactorily concluded within the notification period.

The only changes that are retroactive are as specifically mentioned.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE DULY EXECUTED THIS AGREEMENT.

SIGNED THIS _____ DAY OF _____, 2002.

FOR THE UNION:

FOR THE COMPANY:

APPENDIX "A"

The Company agrees, during the term of this Collective Agreement to make available the following benefits to eligible employees regularly working full-time and to other non full-time employees, as indicated below, or as decided upon in either a Dental Trust Agreement or Pension Trust Agreement.

A-1

GROUP INSURANCE BENEFITS

A-1.01 The Company agrees to pay the premiums for the Group Insurance Benefits for eligible employees.

Effective for new originating disabilities, the weekly indemnity benefit will be seventy (70%) percent of an eligible employee's regular weekly wage rate.

A-1.02 1. Full-time employees shall accumulate credits at the rate of one-half ($\frac{1}{2}$) of one-fifth ($\frac{1}{5}$ th) of the basic work week for each full month of employment, up to a maximum of twenty (20) days. Credits shall accumulate only on full-time employment, following the completion of a three (3) month full-time employment eligibility period.

2. Part-time employees shall commence to accumulate sick leave credits on the basis on one-half ($\frac{1}{2}$) of one-fifth ($\frac{1}{5}$ th) of the basic work week for each four (4) week reporting period that they work in excess of one hundred and twenty-eight (128) hours.

3. The four (4) week reporting period shall be the same four (4) week reporting periods that are used in determining their eligibility for dental benefits under the Northwest Ontario Commercial Workers Dental Plan.

4. After working thirteen (13) consecutive weeks in excess of thirty-two (32) hours, the part-time employees shall be eligible to commence accumulation at the commencement of the next reporting period.

5. All paid time off, such as statutory holidays, sick pay from accumulated sick leave credits and time off taken as vacations (for which they have already received vacation pay) shall be counted for the purpose of determining hours worked in that reporting period.

In order for a part-time employee to receive credit under the clause for vacation absences the employee must give, in writing, to the Store Manager a letter

indicating the weeks of vacation he intends to take and request for the credit to be granted.

6. Part-time employees shall accumulate credits at the rate of one-half ($\frac{1}{2}$) of one-fifth ($\frac{1}{5}$) of the basic work week for each reporting period that they work in excess of one hundred and twenty-eight (128) hours up to a maximum of forty-eight (48) hours per year and a total maximum of one hundred and sixty (160) hours, following the completion of the thirteen (13) week eligibility period.

7. In determining the number of hours to be credited as paid time off taken in respect to vacations mentioned above, the number of hours shall be determined by averaging the hours worked in the three (3) preceding reporting period immediately prior to the reporting periods in which the employee takes the time off for vacation.

8. Sick leave pay shall be applied only to absences on the employee's regularly scheduled work days and shall not be applied to any days for which the employee is receiving Weekly Indemnity benefits.

A-1.03 The Company may require the employee to provide a doctor's certificate, verifying any absence due to disability.

An employee will not be prevented from returning to work from an absence of three (3) days or less because he has not yet obtained a required doctor's certificate.

A-1.04 **1.** The Company shall apply any accumulated sick leave to absences due to sickness not covered by insured Weekly Indemnity Benefits (or similar benefits) and may supplement Weekly Indemnity Benefits (or similar benefits) with unused Sick Leave Credits in an amount equal to but not to exceed the employee's normal earnings.

2. Employees who have not yet qualified to be covered by the Company Group Insurance Benefits or who were not entitled to be qualified for said plan prior to July 9, 1990 and who subsequently qualified as indicated above, and who restrict their availability, and as consequence average less than thirty-two (32) hours during any thirteen (13) week period, shall be disqualified from the Company Group Insurance Plan.

3. The Company may supplement for full-time employees only, weekly indemnity benefits with unused sick leave credits to a maximum of the employees normal earnings.

A-1.05 In order to qualify for sick pay, employees must notify the Store Manager, or in his absence, the next highest ranking employee available, prior to the starting time or as soon as possible on the first day of absence. Said employee shall also inform the Company, as indicated above, of the estimated length of illness and must notify the Company when ready to return to work. Upon request, the employee will inform the

Company where he may be contacted relative to his illness.

The Company agrees to give employees the telephone number and to inform them of any changes.

A-1.06 Providing an employee is entitled to Weekly Indemnity Benefits and a claim has been properly completed and filed with the Company, in cases where the employee does not receive Weekly Indemnity payment within three (3) weeks of receipt of claim, upon request by the employee, an advance payment will be paid to the employee. In such cases, the employee agrees to reimburse the Company when the Weekly Indemnity payment is received.

A-1.07 Employees, if found abusing the privilege, shall be disciplined by the Company. In such cases, the Company may discontinue or reduce the benefit of the employee or terminate the employee.

A-2

NORTHWEST ONTARIO COMMERCIAL WORKERS DENTAL PLAN

A-2.01 The Company agrees to make a dental contribution to the "Northwest Ontario Commercial Workers Dental Plan of twenty-four (24¢) cents per hour, maximum not to exceed eight dollars and eighty-eight (\$8.88) cents per week (twenty-five (25¢) cents per hour effective April 25, 1999, maximum not to exceed nine dollars and twenty-five (\$9.25) cents per week) for each straight time hour of actual work, sick pay, (not including Weekly Indemnity) vacations, and Statutory Holidays to the maximum of the basic work week, in respect to all employees in the bargaining unit.

Effective February 6, 2000 and February 11, 2001 the Company agrees to increase dental contributions by one (1¢) cent per hour if required to maintain the current fee guide as determined by the Plan Administrator.

A-2.02 Such contributions will be forwarded to the Trust within twenty-one (21) days following the Company's four (4) or five (5) week accounting period.

A-2.03 The Plan will be controlled by a Board of Trustees, made up of an equal number of representatives of each side, to a maximum of four (4) on each side.

A.2.04 The Trustees shall appoint a Chairman from the Trustees, on a yearly, rotating basis, and the Secretary shall be appointed from the opposite side. These positions are to be rotated from year to year from each party.

A.2.05 It is agreed that in the event the Government of Canada or the Province of Ontario provides a non-contributory Dental Care Plan with similar benefits, the Company's obligations to continue contributions to the Northwest Ontario Commercial Workers Dental Plan and the Company's contribution in respect to the cost of these benefits shall cease. It is further understood, should a Government Plan create duplicate benefits, then these benefits shall be deleted from the Northwest Ontario Commercial Workers Dental Plan and the Company's contribution in respect to the cost of these benefits shall cease.

A-2.06 A maximum coverage payment of claims of the Northwest Ontario Commercial Workers Dental Plan shall be as determined from time to time by the Board of Trustees.

A-3

CANADIAN COMMERCIAL WORKERS INDUSTRY PENSION PLAN

A-3.01 The Company agrees to contribute to the "Canadian Commercial Workers Industry Pension Plan", the sum of fifty-two (52¢) cents per hour for future service credit (fifty-five (55¢) cents per hour effective December 31, 1995; fifty-eight (58¢) cents per hour effective December 29, 1996; sixty-one (61¢) cents per hour effective January 4, 1998; sixty-five (65¢) cents per hour effective January 3, 1999) for all regular hours paid, sick pay (not including Weekly Indemnity), full-time employees vacation as entitled under subsection 9.03, and Statutory Holidays for all employees in the bargaining unit and for all probationary employees to a maximum of the basic work week as indicated in Article 4.02.

A-3.02 Contributions, along with a list of employees for whom they have been made, the amount of the weekly contribution for each employee and the number of hours worked or paid according to the above 3.01 shall be forwarded by the Company within twenty-one (21) days after the close of the Company's four (4) or five (5) week accounting period. The Company agrees to pay interest at a rate established by the Trustees on all contributions not remitted as stipulated above.

A-3.03 In the event changes in contribution rate for pension is agreed to by the Company in Alberta retail negotiations, the Company agrees to implement said change on the same effective date as agreed to in the Alberta Retail Agreement.

A-4**PRESCRIPTION DRUGS**

A-4.01 The Company agrees to pay the twenty-five (\$25.00) dollars deductible for eligible employees claiming prescription drugs under the Company Group Insurance benefits.

A-5**LONG-TERM DISABILITY BENEFIT**
(Effective January 2, 1984)

A-5.01 After three (3) months full-time employment, full-time employees shall become eligible for Long-Term Disability benefits in accordance with the terms of the Company's Plan.

The monthly income benefit is payable when the disabled employee has exhausted his/her benefit under the Company's Weekly Indemnity Plan and the benefit payable (if any) from Employment Insurance. Benefits are payable to the earliest attainment of age 65, death, recovery or attainment of that age at which an employee may retire on an unreduced pension or the equivalent of an unreduced pension through a supplemental payment available from any private pension plan to which the Company contributes.

A-5.02 Subject to the terms of the Plan, a qualifying employee's maximum benefits shall be sixty (60%) percent of his base weekly earnings at date of disability to a monthly maximum of one thousand five hundred (\$1,500) dollars (less income from other sources).

A-5.03 No other benefits of this Collective Agreement will be paid to an employee who is on Long-Term Disability. After thirty (30) months disability, the employee's service will be automatically terminated.

A-5.04 Notwithstanding the above, all matters of the Plan including the determination of an employee as disabled, will be as determined by the Insurance Carrier.

APPENDIX "B"**WAGES****SERVICE CLERK, FOOD CLERK ***

June 16, 2002
17.82

* For Employees Hired Prior to July 9, 1990

MEAT CUTTER

Hours	June 16, 2002
0 – 4 months (0-660 hours)	8.10
4 – 8 months (661-1320 hours)	9.30
8 – 12 months (1321-1980 hours)	10.32
12 – 16 months (1981-2640 hours)	11.34
16 – 20 months (2641-3300 hours)	12.35
20 – 24 months (3301-3960 hours)	13.36
24 – 27 months (3961-4455 hours)	14.36

Over 27 months (over 4455 hours)	19.19
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HEAD CASHIER
(As designated by Management)

Hours	June 16, 2002
0 – 3 months (0- 495 hours)	13.99
Over 3 months (over 495 hours)	17.82

**PRODUCE MANAGER/
2ND ASSISTANT MANAGER**

Hours	June 16, 2002
0 – 3 months (0- 495 hours)	15.00
Over 3 months (over 495 hours)	18.94

JOURNEYMAN BAKER

June 16, 2002
19.19

BAKERY OPERATOR

June 16, 2002
18.78

ICE DECORATOR

Hours	June 16, 2002
0 – 4 months (0-660 hours)	8.10
4 – 8 months (661-1320 hours)	9.86
8 – 12 months (1321-1980 hours)	11.27
12 – 14 months (1981-2310 hours)	12.65
Over 14 months (over 2310 hours)	17.94

DELI MANAGER/OPERATOR

Hours	June 16, 2002
0 – 3 months (0- 495 hours)	13.40
3 – 6 months (495-990 hours)	14.81
Over 6 months (over 990 hours)	18.32

BAKERY PRODUCTION

Hours	June 16, 2002
0 – 3 months (0- 495 hours)	8.10
3 – 6 months (495-990 hours)	9.30
6 – 9 months (991-1485 hours)	10.14
9 – 12 months (1486-1980 hours)	11.08
12 – 15 months (1981-2475 hours)	11.98
15 – 18 months (2476-2970 hours)	12.88
Over 18 months (over 2970 hours)	17.76

**FOR EMPLOYEES HIRED INTO THESE CLASSIFICATIONS EFFECTIVE JULY 9,
1990**

SALES/SERVICE CLERK

Hours	June 16, 2002
Start	7.59
501 – 1000	8.84
1001 – 1500	10.09
1501 – 2000	11.34
2001 – 2500	12.60
2501 – 3000	13.85
3001 – 3500	15.10
Over 3500	17.55

**FLORAL/VARIETY/PHARMACY
TECHNICIAN/REFRESHMENT
CENTER/STORE RECORDS CLERK**

Hours	June 16, 2002
Start	7.59
501 – 1000	8.88
1001 – 1500	10.18
1501 – 2000	11.47
2001 – 2500	12.76
2501 – 3000	14.06
3001 – 3500	14.70
Over 3500	16.55

TIER II**FOR EMPLOYEES HIRED AND PROMOTED TO REGULAR PART-TIME SERVICE CLERK****AFTER APRIL 18, 1999 (which shall include the classification of Service Clerk, Food Clerk, Head Cashier, Sales Service Clerk, Floral/Variety/Pharmacy/Store Records Clerk)**

Hours	June 16, 2002
0 – 500	7.20
501 – 1000	7.40
1001 – 1500	7.80
1501 – 2000	8.20
2001 – 2500	8.60
2501 – 3000	9.00
3001 – 3500	9.40
3501 – 4000	9.80
4001 – 4500	10.20
4501 – 5000	10.60
5001 – 5500	11.00
5501 – 6000	11.40
6001 – 6500	11.80
6501 – 7000	12.20
7001 – 7500	12.60
Over 7500	14.35

**TIER II
FOR EMPLOYEES HIRED AND PROMOTED TO REGULAR MEAT CUTTER OR
BAKERY
(including Cake Decorator) AFTER APRIL 18, 1999**

Hours	June 16, 2002
0 – 500	\$8.00
501 – 1000	8.47
1001 – 1500	8.93
1501 – 2000	9.40
2001 – 2500	9.87
2501 – 3000	10.33
3001 – 3500	10.80
3501 – 4000	11.27
4001 – 4500	11.73
4501 – 5000	12.20
5001 – 5500	12.67
5501 – 6000	13.13
6001 – 6500	13.60
6501 – 7000	14.07
7001 – 7500	14.53
Over 7500	16.75

COURTESY HELPER

Hours	June 16, 2002
0 – 500	6.60
501 – 1000	7.18
1001 – 1500	7.75
1501 – 2000	8.33
Over 2000	8.90

COURTESY HELPERS

1. No part-time employee other than Helpers can apply for hours to be worked in the Courtesy Helper Classification.

2. The primary duties of the Courtesy Helper shall be bagging, carrying out groceries, handling of baskarts, parcel pick-up, product returns, bottle returns, bottle sorting, getting change, replenishing the supply of bags, price checks and wrapping flowers during special promotions (e.g. Valentine's Day).

The secondary duties of the Courtesy Helper may include clean up of product spills and breakages, sweep or damp mop or clean up lunch rooms and washrooms and the front store floor area, collecting garbage in service area of the store and cleaning parking lot.

Courtesy Helpers may be used to provide customer services outside of the store, such as carry-out duties from a senior citizen bus to a home.

3. The Courtesy Helper classification will apply one to new employees hired after ratification.

4. No existing employee will be laid off or reduced to part-time as a result of the introduction of Courtesy Helpers.

5. Any grocery clerk who is totally available five (5) days per week (one of which shall be Saturday), must be scheduled at least eight (8) hours per week in weeks that Courtesy Helpers are working. This does not apply to employees hired after April 18, 1999.

6. In the event courtesy helpers perform tasks not contemplated in (2) above, the senior available part-time employee will receive pay for the full Courtesy Helper shift.

7. Section 17.02 does not apply to Courtesy Helpers. The Company agrees to give consideration to the employees in the Courtesy Helper classification before hiring new employees into the Sales/Service Clerk classification. A Courtesy Helper who may be considered for a position of Sales/Service Clerk may be placed on an assessment period. The assessment period shall be a maximum of two hundred (200) hours worked or 4 months whichever is shorter. An employee who is successful in being hired into the new classification will go to the next higher rate of pay in the new classification.

- 8.** A Courtesy Helper will not be schedule or called in to work more than:
 - a.** Twenty-four (24) hours per week from the week following the week of Labour Day holiday to the week prior to Victoria Day holiday.
 - b.** Twenty-eight (28) hours per week from the week prior to Victoria Day holiday to the week of the September Labour Day holiday, inclusive.

LUMP SUM PAYMENTS FOR CURRENT EMPLOYEES

Effective June 16, 2002 and February 9, 2003:

All full-time employees on the payroll will receive a lump sum payment of \$500 less statutory deductions.

Part-time employees averaging 32 or more hours in the three full periods prior to each of these dates will receive a lump sum payment of \$400 less statutory deductions.

Part-time employees averaging 28 or more hours in the three full periods prior to each of these dates will receive a lump sum payment of \$350 less statutory deductions.

Part-time employees averaging 24 or more hours in the three full periods prior to each of these dates will receive a lump sum payment of \$300 less statutory deductions.

Part-time employees averaging 20 or more hours in the three full periods prior to each of these dates will receive a lump sum payment of \$250 less statutory deductions.

Part-time employees averaging 16 or more hours in the three full periods prior to each of these dates will receive a lump sum payment of \$200 less statutory deductions.

Part-time employees averaging 8 or more hours in the three full periods prior to each of these dates will receive a lump sum payment of \$100 less statutory deductions.

For the purpose of calculating lump sum payments for part-time employees, average hours shall include both trainee and regular hours paid.

Courtesy Helper employees who have averaged at least 4 hours/week prior to each of these dates will receive a lump sum payment of \$75 less statutory deductions.

The lump sums payable June 16, 2002 are applicable to only those employees who were on the payroll of the Company on the date of expiry of the past Collective Agreement and who continue to be on the payroll on the date of ratification. The lump sums payable in 2003 are applicable not only to those employees on the payroll of the Company on the date of ratification, but also to employees who may be hired after that date but no later than June 1, 2002 and who continue to be on the payroll on the date of payment in 2003. The lump sums shall be paid within fifteen (15) days of the dates referred to above.

APPENDIX "C"

BAKERY PRODUCTION DEPARTMENT ONLY

This Agreement shall apply to the In-Store Bakery Production Department employees, except as follows:

C-1.01 Production Work Definition

Production work shall be defined as any work performed in the processing of raw products.

C-1.02 Wages

The length of previous comparable experience in the Bakery Industry shall be credit to a maximum of 2,000 hours to new employees for the purpose of determining their proper wage scale.

APPENDIX "D"

EMPLOYEE WORKFORCE RESTRUCTURING

D-1 The intent of this program is to allow the Employer to reorganize through a Voluntary Employee Buyout (Appendix E) and restructure the existing workforce and yet to give an opportunity to regular part-time eligible employees to increase their hours of work in the store, and protect the existing hours of regular part-time employees. Tier I employees are employees hired or promoted to regular part-time prior to April 18, 1999.

D-2 Scheduling new employees after the buyout.

The purpose of the buyout program is to obtain hours of work from current full-time or part-time employees who terminate their employment with the Company and to enable the Company hire new employees at the new pay scales in Appendix B (applicable to those hired after April 18, 1999), subject to the right of existing part-time employees to maximize their hours as set forth in D-4 below.

D-3 Buyout hours obtained - Definition.

The buyout hours obtained under Appendix "E" will produce 1664 hours from each full-time employee. The regular part-time hours made available through the buyout will be determined by averaging the regular part-time hours per week worked, based on the 52 week period ending May 25, 2002.

D-4 Maximizing Hours of existing part-time employees by working Tier II hours in their Groups as per D-5.

Once the Company has, through the buyout and/or attrition, achieved a maximum of 40% of hours in the store for Tier II employees, any hours that become available because of the termination of a full-time or part-time employee, shall be available to existing (pre April 18, 1999) regular part-time employees, by seniority in their classification in their department in the store, to increase their weekly hours, providing they are available to work those hours and are competent to do the normal requirements of the job.

When new hours become available due to the reasons above, the Company agrees to co-operate with the Union and the JLM Committee in reviewing new schedules to maximize hours, providing the new schedules result in no additional hours to the Company and provide the same coverage in a department in a store. If, after these tests have been met, changes to a schedule can be accommodated, then the Company will implement it. The same Company/Union co-operation shall apply in D-

5 below. This will not involve the creation of full-time jobs under 4.01.

Existing part-time employees (as of the date of expiry of the past collective Agreement) shall be given an opportunity to maximize their weekly hours of work in addition to their regular weekly hours worked in a store by working Tier II hours which become available as a result of the buyout or normal attrition in the workforce following ratification as well as the hours currently in place in the Agreement referred to as trainee hours. These Tier II hours are to be worked at the wage rates for new hires effective April 18, 1999 (in the groupings that the existing part-time employees presently belong as outlined in D-5 below). Such hours will be at the applicable rates as per Appendix "B" up to a maximum of 37 hours per week when combining their regular hours at existing rates with their Tier II hours. After one week's notice in writing, said employees shall work the Tier II hours for not less than one calendar month, without changing their selection. For the purposes of this section, calendar month shall mean the month beginning the first Sunday and ends on the Saturday that follows the last Sunday in the month.

The hours worked by existing part-time employees in their current regular classification shall take precedence over Tier II hours. The Company shall, in scheduling all part-time employees, give preference in available regular hours to senior part-time employees, within their department, prior to newly hired and/or junior part-time employees, insofar as this is consistent with the availability and willingness of the senior part-time employees to perform the work and provided they have the ability to perform the normal functions of the job.

It is understood that when an existing part-time employee obtains Tier II hours, these Tier II hours shall not be added to their regular hours at existing rates for the purpose of obtaining benefits that could only have been acquired if they had reached a certain level of hours in their original regular part-time classification, except pension and dental benefits. Therefore, an existing part-time employee, if he/she has not reached top rate, can accumulate separately and not combined, hours at their regular classification rate and separate hours in the Tier II hours scale, separate and independent from each other.

Existing regular part-time employees who have a trainee rate of pay will have that rate converted to the next higher rate on the Tier II scale and will be credited with the hours required to maintain that rate. Thereafter, they will progress up the new scale in accordance with Tier II hours worked.

D-5 Scheduling Groups

A maximum of forty percent (40%) of all hours worked in the bargaining unit in each store per week will be designated as "Tier II hours" to be worked by new employees under Appendix B (rates for employees hired after April 18, 1999 - Tier II rates of pay) or existing regular part-time employees at their Tier II rate of pay. The 40% will be reached by adding existing Trainee hours to hours acquired through the 2002 buyout. In the event that the 40% additional hours is not obtained through the buyout, then the hours obtained by existing employees terminating their employment will be Tier II hours until the 40% is reached. Attrition for full-time will be thirty-two (32) hours per week. Attrition for part-time will be their average regular weekly hours worked over the fifty-two (52) week period prior to the termination.

After the maximum referred to above is reached, all subsequent attrition from existing employees will go to maximize existing employees under D-4, unless said employee(s) are not available.

The application of the 2002 buyout will require a new "base hours" calculation in order to determine the appropriate percentage of hours bought plus old Trainee hours in each store. The base hours calculation period will be May 27, 2001 to May 25, 2002.

These hours will be allocated only in the following groupings:

- Front End - Cashier, Customer Service, Cash Office, File Maintenance
- Grocery - Clerk, Records Clerk, Bulk
- Variety - Clerk
- Produce - Clerk, Floral
- Meat - Cutter, Production, Seafood
- Meat Sales - Wrapper
- Deli - Clerk
- Bakery Production - All production
- Bakery Sales

It is understood and agreed that Tier II hours at new hire rates can only exist if employees in one of the above groupings takes the buyout, by normal attrition in the bargaining unit, if Trainee hours existed under the previous collective agreement or if current employees (Tier I) are not available to work the regular hours. (For example, if no one in the Grocery Department in a store avails themselves of the buyout and no trainee hours existed in this department, the Grocery department therefore will have no hours available or new employees performing the work and the work will continue to be performed by either full-time or existing part-time employees).

D-6 Scheduling of current Regular Part-time Employees - No loss of hours.

Current regular part-time employees will not lose any regular hours normally worked as a result of the implementation of this program.

D-7 Maximum Hours for New Hires

New part-time employees shall not work more than thirty (30) hours per week.

The "Tier II Hours" created by the 2002 buyout and existing trainee hours that are worked by New Hires will be scheduled in accordance with current method of scheduling under Section 17. This shall be intended to mean that preference in available hours of work in a week shall be given to senior part-time employees within the department in accordance with their availability, providing they have the ability to perform the normal functions of the job.

D-8 Promotion of Courtesy Helpers

In the hiring of employees into the departments, the Company would consider employees in the Courtesy Helper classification before hiring new employees. Such consideration will be on the basis of skill, ability, attitude and seniority. A Courtesy Helper employee who is promoted into a department as a Tier II employee would have a new seniority date equal to the date of the appointment. He will be given the next higher wage rate in the wage scale for employees hired after April 18, 1999 and will be credited with the number of the hours required to maintain that rate.

D-9 Joint Labour Management Committees.

A Joint Labour/Management Committee composed of a maximum of two Company representatives and two Union representatives referred to as the Main Committee shall oversee the implementation of this Appendix and endeavour to resolve any and all problems or issues arising out of this program. In addition, a Joint Labour/Management Committee in each store shall be appointed by the Company and the Union who similarly shall attempt to resolve any and all issues dealing with these problems or issues. It is understood that the store level committees can be overruled by the Main Committee.

The Company agrees that the store JLM Committee shall meet every week, if required. It will be the intention of management to schedule the appropriate time to perform their duties to a maximum of one hour uninterrupted during a scheduled shift for the JLM Committee member(s) to complete their calculations, review schedules and resolve problems or issues which may arise from the buyout and the wage scales for new hires. The Union appointed committee member(s) will have access to all appropriate information required.

The Company agrees to provide the Committee and its members with full disclosure and all information required to carry its mandate.

The Company agrees to include the number of hours worked as a regular employee and the number of Tier II hours worked for each week.

- D-10** The Company and the Union agree that all parties involved in implementing this Appendix D shall act in good faith and put their best effort to ensure that the goals and opportunities of the program are met.
- D-11** The Main Joint Labour Management Committee and certain negotiating committee members will meet with store managers and shop stewards whenever it is deemed necessary to fully explain all aspects of the buyout program and accompanying changes before implementation.

APPENDIX "E"

1. Purpose

The purpose of the buyout program is to allow the Company to restructure its labour costs by offering existing eligible employees the opportunity to take a voluntary buyout, thereby severing their employment relationship with the Company. This, in turn, will allow the Company to hire new employees at the wage rates for employees hired after April 18, 1999 (Appendix B) to replace those employees who have voluntarily left the employment of the Company.

2. Eligible Employees

All full-time and part-time employees in the employ of the Company on June 16, 2002, other than Meat Cutters and Meat Wrappers (see E-6), shall be eligible for the buyout, subject to their meeting the following specific conditions:

- (i) Only employees whose regular hourly rate of pay equals or exceeds \$13.50 in the week preceding June 16, 2002 shall be eligible;
- (ii) The employee must have worked a minimum of seventy-four (74) hours during the fifty-two (52) weeks preceding ratification;
- (iii) Employees who are not actively at work June 16, 2002, but who are nevertheless on the payroll of the Company due to their being on maternity leave, parental leave, sickness or injury leave, Workers' Compensation, short-term disability, long-term disability, or other long-term approved leave of absence are not eligible for the buyout unless:
 - (a) he/she returns to work and resumes her normal duties within six (6) months of the buyout date;
 - (b) he/she must perform his/her normal duties for a minimum of six (6) months from the date of return; and
 - (c) he/she must have been eligible to receive the buyout had he/she been actively at work June 16, 2002 (i.e. the \$13.50 per hour criterion).

Upon completion of the six (6) month period of work, the employee will be eligible to apply for the voluntary buyout. The buyout will be based on the average of hours worked during the six (6) month period divided by the weeks the employee worked.

Employees on vacation, bereavement leave, jury duty leave, sick days under Appendix A-1 June 16, 2002 shall be deemed to be actively at work for the purpose of this buyout.

3. Numerical Limitations on the Buyout

- (i) The Company reserves the right to limit the number of employees eligible for the buyout in any classification and department, so as not to affect the efficient operation of the business. The Company shall exercise its discretion under this provision in good faith and in a reasonable manner
- (ii) In the event applications in excess of the 40% referred to in D-5 occurs, the buyout would be awarded to full-time employees first, and then to regular part-time employees in order of seniority standing in the bargaining unit subject to the discretion vested in the Company under 3 (i) above.
- (iii) In the event the Company does not proceed with Counter Ready Meat, the Meat Department employees would be offered a buyout, applied only to the Meat Department.

4. Calculation of Average Hours based on Hours Actually Worked

The calculation of the average hours for a part-time employee will be determined by the average hours actually worked by each employee, based on the 52 week period ending May 25, 2002 divided by fifty-two (52). Hours worked for part-time employees refer to regular hours worked. (It does not include trainee hours).

5. Timing of the Buyout and Related Procedural Steps

- (i) The buyout shall be a one time only offer and shall be made available to employees in the bargaining unit by October 20, 2002 or such later date as may be mutually agreed upon by the Company and the Union, in writing. Notwithstanding this clause, the Company has the right to implement retention/attraction incentives during the term. A second buyout may be offered in any of the three towns in reaction to the opening of a new competitor, if mutually agreed between the Company and the Union.

- (ii) On or before October 20, 2002, the Company will send to each eligible employee actively employed in the bargaining unit an offer, in writing, detailing the amount of the buyout and the average hours used to determine the buyout for said employee. The Union shall be provided with a printout of this information, by alphabetical order, for verification. The employee(s) shall have thirty (30) calendar days from date of receipt of the offer in which to make an application for the buyout. The Company will then have a maximum of thirty (30) calendar days to reply to the employee and to indicate whether or not his/her application for a buyout has been accepted. It should be understood that for employees who otherwise meet the eligibility requirements in E-2 (i) and (ii) the only ground(s) upon which the Company can withhold its consent to an application are the limitations recited in Clause E-3 (i) and (ii).
- (iii) Once an employee declares his/her intent to take the buyout, in writing, on forms supplied by the Company and approved by the Union, he/she shall be deemed to have resigned from the Company for all purposes on the date that the Company remits to the employee a cheque or proof of a bank account deposit or proof of depositing said amount in an RRSP, or other form mutually acceptable to the Company and the employee, acting on the advice of the Union. The date of resignation may be extended by the mutual written agreement between the Company and the employee.
- (iv) The maximum amount of time between the employee receiving notice of acceptance for the buyout and termination will be four weeks.
- (v) Seniority within the store, department and classification (subject to the limitations noted in 3 (i) above) will apply in the decision of order of termination as it relates to the buyout. For greater clarity, this means senior employees in the store, department and classification will be given the option of leaving first or staying last, if more than one employee is selected for the buyout from within the store, department and classification.
- (vi) Any employee who is accepted, and who resigns, will have the right to apply for work with the Company after the completion of the buyout. Such employees, if rehired, will not be entitled to credit for previous experience under the collective agreement and will be, for all purposes, a new employee.
- (vii) The parties agree that any legislated, contractual or negotiated notice or severance is not required as a result of the employee's decision to resign and take the buyout.

6. The Meat Department Employees

Meat Cutters and Meat Wrappers employed in the Meat Department(s) shall not be eligible for this voluntary buyout but will be covered by the terms of the Letter of Understanding covering Counter Ready Meat, provided however, that if the Company does not implement Counter Ready Meat in its retail stores before November 2, 2003 then the Meat Cutters and Meat Wrappers shall be entitled to accept the voluntary buyout referred to in this Appendix on the same basis and subject to the same conditions as outlined for other employees, the only difference being that the operative date(s) and time limits for implementation and the determination of eligibility shall be by reference to November 2, 2003.

7. General Conditions

No current full-time employees will be reduced to part-time as a direct result of the implementation of the buyout program. No management employee outside of the bargaining unit will pressure any employee to take the buyout as it is a voluntary decision on the part of each and every employee.

8. The buyout schedule shall be as follows:

52 Week Average of Hours actually Worked preceding May 26, 2002 * Hourly Rate											
m	To	0-3.99	4-7.99	8-11.99	12-15.99	16-19.99	20-23.99	24-27.99	28-31.99	32-35.99	36+ and full-time **
.00	Over	2,000	6,100	10,200	14,300	18,400	22,500	26,600	30,000	30,000	30,000
.00	\$19.99	1,900	5,800	9,600	13,500	17,300	21,200	25,000	28,900	30,000	30,000
.00	\$18.99	1,800	5,400	9,000	12,600	16,300	19,900	23,500	27,100	30,000	30,000
.00	\$17.99	1,700	5,100	8,400	11,800	15,200	18,600	22,000	25,300	28,700	28,700
.00	\$16.99	1,600	4,700	7,900	11,000	14,100	17,300	20,400	23,600	26,700	26,700
.00	\$15.99	1,400	4,400	7,300	10,200	13,100	16,000	18,900	21,800	24,700	24,700
.00	\$14.99	1,300	4,000	6,700	9,300	12,000	14,700	17,300	20,000	22,700	22,700
.50	\$13.99	1,200	3,600	6,100	8,500	10,900	13,400	15,800	18,200	20,700	20,700

*This cut-off date shall not apply to the Counter Ready Meat Buyout when offered. The date of the Meat Buyout will be determined at the time Counter Ready Meat is introduced. (#6 in the Letter of Understanding regarding Counter Ready Meat)

** Employees (including Meat Department employees) who have been in the employ of the Company in the bargaining unit for twenty (20) continuous years or more will receive an additional buyout enhancement in the amount of \$500/year for each full year of service over twenty (20) years to a maximum of \$5000.

LETTERS OF UNDERSTANDING

BETWEEN: **CANADA SAFEWAY LIMITED,
DRYDEN, ONTARIO**

AND: **UNITED FOOD & COMMERCIAL WORKERS,
LOCAL 175**

The parties to this Agreement do hereby agree as follows:

(1)

EXPRESS CHECKSTAND

Employees will not be required to work in the Express Checkstand for longer than four (4) hours in any one (1) day except in the case of an emergency. There will be a five (5) minute leeway to complete the order of a customer and/or the transfer of a cash register to another employee.

(2)

PART-TIME SCHEDULING - DEPARTMENT AND CLASSIFICATION

For all employees hired after August 15, 1988 and all employees who do not, on August 15, 1988, work regularly in more than one department, the language of 17.08 will be interpreted as providing preference in available hours on a weekly basis within the department and classification.

Employees who currently regularly work in more than one department will be allowed to continue to work in those departments they are currently working in, provided they must first work all required hours in their home department. All call-ins will be done within the department and classification and if insufficient employees are available, then the senior capable employee outside the department may be called. It is understood that for the purposes of call-ins, employees regularly working in the department will be considered as within the department.

In the event of a significant reduction in hours in a department, an employee defined in paragraph 2 above, may request a transfer to another department, or additional hours in another department. The Company will not unreasonably withhold permission for such transfer or additional hours provided the employee is able to perform the full scope of the duties efficiently in the new department.

It is understood that this letter will not be used to achieve short-term inter-department transfers or short-term additional hour claims. For the purposes of this letter, 'significant' will be defined as a reduction in an individual's weekly hours of twenty (20%) percent or more calculated by comparing a four (4) week period with the adjacent four (4) week period, not to include the vacation period contained in Article 9.02.

(3)

SEXUAL HARASSMENT

The Company and the Union agree that the retail locations covered by this Collective Agreement should be free of sexual harassment, and the Company and the Union agree to co-operate with each other in preventing and eliminating sexual harassment if same should occur in the locations covered by this Collective Agreement.

(4)

INFORMAL STORE MANAGER - SHOP STEWARD MEETINGS

The Company and the Union acknowledge the fact that increased communication between the parties leads to increased harmony in the work place. To that end both parties endorse regular informal Store Manager - Shop Steward meetings.

(5)

PART-TIME SCHEDULING

Part-time employees will not be required or scheduled to work in excess of five (5) days per week.

(6)

INJURED ON SHIFT

The Company agrees to pay any employee injured during a shift for the balance of the employee's scheduled shift.

(7)

TRAINING

No employee will have his hours reduced as a result of another employee receiving training hours in that week.

(8)

MEMORANDUM TO STORE MANAGEMENT PERSONNEL

Management shall forward the following Memorandum to Store Management Personnel, a copy of which shall be posted on the Bulletin Board in each store:

I) Employees Hours of Work Schedule

It is one of the responsibilities of the Management to:

1. estimate, plan and schedule the work to be done each day, and
2. schedule the hours of work of each employee, so that work assignments shall be completed in an efficient manner. Any employee schedule to work a full shift shall be required to work the full shift, less rest periods. It should be your objective to establish the employees' schedules so that all work (including clean-up duties) is completed in the full shift.

The Union agrees to a five (5) minute leeway each day, which is not intended to be part of the work schedule. Rather, this is to take care of the extra few minutes required to complete a job in progress at quitting time.

All time worked in excess of the five (5) minute leeway shall be paid at overtime rates.

Please plan and arrange your employee work schedule in accordance with the foregoing. We insist upon strict compliance with this provision, as well as all other sections of the Union Agreement.

The words "full shift" shall mean the following: eight (8) hours where a six (6) to a five (5) day store operation exists, or four (4) hours where a five and one-half (5½) day store operation exists.

II Withdrawal Cards

Withdrawal cards shall be given to members of the Union covered by the attached agreement, in accordance with provisions of the United Food & Commercial Workers International Constitution.

(9)

STORE MANAGEMENT AND SHOP STEWARD CO-OPERATION

1. The Store Management should welcome Shop Stewards and employees in their stores bringing complaints or alleged grievances to the attention of the Store Manager.
2. The Shop Stewards must appreciate and understand the fact that the Store Manager's duty and responsibility is to run the store according to the company's policies and specifications.
3. Store Managers and Shop Stewards must jointly encourage employees in the stores to have their concerns resolved by the Store Manager and/or Shop Steward on matters dealing with the Agreement.
4. The Shop Stewards must, in all cases, perform their duties as employees of the Company to the best of their ability, which is the main reason and purpose of their job.
5. The Store Managers should introduce new employees to their Shop Stewards, who should be given some time during working hours to talk to and welcome new employees.
6. A meeting should take place regularly, or as regularly as necessary, between the Store Manager and the Shop Stewards to discuss any concerns which the employees may have brought to the attention of the Shop Stewards.
7. The full-time Union Representatives will encourage the Shop Stewards to approach Store Managers and attempt to resolve concerns at the local store level.
8. The Store Managers should, therefore, make every speedy effort to do same.
9. It should be understood by Shop Stewards that, although they have an important function to perform as Shop Stewards, they should nevertheless, to the best of their ability, work to achieve the missions and objectives of the Company.

(10)

BI-WEEKLY PAYROLL

The Union agrees that the Company may change its payroll to a bi-weekly payroll: that is, paid every second week, and the Union agrees that the Company, if they do so,

shall have complied with the Agreement. It may also include a direct deposit.

When the Company decides to switch to this other payroll system, it shall follow the following procedure:

1. Give employees at least ninety (90) calendar days' notice of change;
2. Assist employees by advancing one or two weeks' pay in the event of a personal financial hardship, one time only at the beginning of change-over;
3. In the event of a direct deposit, it shall pay to the financial institution of the employee's choice, if an employee has a bank account. If the employee does not have a bank account, the Company shall be free to designate such bank location;
4. The Company shall provide detailed account of earnings and deductions as previously done;
5. Union dues shall continue to be calculated and the amount paid on a weekly basis;
6. Income tax rates shall be calculated when switching to a two week pay period as if it were on a weekly period, in accordance with the Department of Revenue;
7. Vacation pay shall be paid in advance on the last regular bi-weekly day of the deposit.

(11)

RELIEVING RATES

Any employee at top rate who in the past twelve (12) months relieved the Produce Manager or Second Assistant Store Manager and received more than fifty (.50¢) cents per hour for such relief will be allowed to continue receiving such rate if designated to relieve in the future. The parties will agree upon a list of such employees.

(12)

EMPLOYEES WORKING IN TWO CLASSIFICATIONS

Where the Company chooses to preserve a full-time job by working an employee in two classifications, preference will be given to have the work performed within the department.

(13)

FULL-TIME EMPLOYEES REDUCED TO PART-TIME

No full-time employee will be reduced to part-time because of a person with no bargaining unit seniority being put into the bargaining unit.

(14)

REGULAR PART-TIME/TRAINEE PROMOTED FROM COURTESY HELPER

Regular part-time or Trainee employee who was promoted from the Courtesy Helper classification may revert to the Courtesy Helper classification not less than three (3) months from the date of his promotion. He may not revert more than once in twelve (12) months. When reverted, he shall recapture his original courtesy helper seniority and hours credit. If such employee is subsequently again promoted to trainee, his seniority date will be the date of the promotion. He will, in addition, be credited with the total hours worked as trainee or regular part-time to establish his new wage rates.

(15)

1. The Company and the Union both accept the principle that as seniority increases so too should the probability of opportunities for work that may be offered to employees outside their regular classifications and department. This does not impose on the Company an obligation to train nor does it preclude the Employer from consideration the skill, ability, aptitude and availabilities of competing employees. The Company agrees to act fairly and in good faith when assessing these qualities. The qualifications as outlined above, as they apply to Customer Service, shall be determined by the Company.

2. No Front-End employee (excluding Courtesy Helpers) will be scheduled more weekly hours than a senior willing, available, front-end employee, except where senior trained employees are unavailable or no senior employees have been trained in the job to be performed.

3. The Joint Labour Management (J.L.M.) Committee will be charged with the responsibility of dealing with shift rotation issues.

4. The Company will have the right to appoint, at its sole discretion, a maximum of two (2) Training Assistant Managers per store. The hours worked by Training Assistant Managers will not be considered as available hours under Article 17.08 of the agreement. No existing employee will experience a reduction in hours as a result of the appointment of a Training Assistant or lock-up person. Lock-up Clerks will receive hours solely for lock-up

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shifts unless their weekly scheduled hours are in line of seniority.

If a full-time Training Assistant is required and such employee is promoted out of seniority and subsequently relinquishes such position, he shall be reduced to part-time immediately and shall have no right to recall. It is understood that the promotion to full-time of such junior Training Assistant will not result in the reduction of the normal hours of work of any employee.

The Company will not schedule more than three (3) Training Assistants and/or Lock-up Clerks in any one week, except for illness, vacation relief, or other instances of unscheduled absence.

(16)

Rack Jobbers

The parties agree that Carleton Cards qualifies as a rack jobber.

(17)

Wage Loss Replacement Program

The parties to this Agreement agree that the employees share of the Unemployment Insurance Commission's Wage Loss Replacement Program will be used to pay, in part, the increased contribution to the Dental Plan negotiated in the 1984-86 Collective Agreement.

(18)

Counter Ready Meat

The Company is prepared to enter into this Letter of Understanding on the basis that the terms and conditions of this Letter will be in substitution for some of the provisions of Section 18 relating to bumping and severance pay entitlement, but only in respect of the introduction of Counter Ready Meat.

Should the Company decide to introduce Counter Ready Meat the following terms and conditions shall apply:

1. **Buyout**

Meat Cutters whose jobs become redundant and Meat Wrappers whose jobs are affected by the operation of bumping due to the introduction of Counter Ready Meat shall be eligible to accept the buyout offered to other employees in the bargaining unit in accordance with the Buyout Schedule set forth in Appendix E-8. It is understood that employees who accept the buyout will not receive severance pay under Section 18 or 21 of the Agreement.

After the implementation of Counter Ready Meat, the Company will still require Meat Wrappers in each store.

2. **Eligibility Requirements**

Given that the introduction of Counter Ready Meat will result in the displacement of employees on a permanent basis due to the restructuring of the Meat Department, it is understood that Meat Cutters whose jobs become redundant and Meat Wrappers whose jobs are affected by bumping are eligible to accept the Buyout if they meet the following conditions, namely:

- (i) That their regular hourly rate of pay equals or exceeds \$13.50 per hour in the week preceding the implementation of Counter Ready Meat; and
- (ii) That they have worked a minimum of seventy-four (74) hours during the fifty-two (52) weeks preceding the date of implementation.

Employees who are on the payroll of the Company but who are not actually at work at the time of implementation will be eligible for the buyout provided they fulfil the two (2) preceding conditions.

3. **Bumping**

(a) Meat Cutters and those Meat Wrappers whose jobs are affected by the operation of bumping and who do not avail themselves of the buyout or who are ineligible for the buyout will be entitled to exercise the following seniority (bumping) rights in sequential order:

- (i) First, to bump a full-time junior employee in any classification in any department save and except the "key" jobs as defined in clause (b) below. The employee will be limited to one choice only;
- (ii) Second, if an employee cannot bump into a full-time position, then he/she will become a part-time employee in his/her department and displace the most junior employee in the same department and classification;

- (iii) Third, if (ii) is not possible then he/she (including an employee with part-time status at the date of implementation) may displace the most junior employee in another department;
- (iv) In the exercises of the above rights, full-time or part-time employees may not impact "key" jobs as defined in clause (b);

(b) Key Jobs

Key Jobs are defined as Deli Manager, Floral Manager, Variety Operator, Customer Service, File Maintenance, 2nd Assistant Manager, Produce Manager, Head Cashier, Bakery Production, Bakery Operator, Ice Decorator.

4. Rates of Pay

Meat Department employees who take a job in another department will be governed by Section 18.02/21.01 of the Agreement for the purpose of establishing their rates of pay, provided however, that the following condition shall also be applicable:

Should a Meat Cutter demonstrate the ability to be fully productive in the Meat Wrapper functions, after 111 hours worked, such employee would be placed at the top rate of the Sales/Service Clerk classification if that employee were previously on top rate. Such employee would be paid at the 3000 hours level for the Sales/Service Clerk classification during this 111 hour period. (e.g. A Meat Cutter who cannot work the wrapping/pricing machine effectively or who does not know the product codes would not be eligible. For these Meat Department employees who exercise their seniority to take a Meat Wrapping job they shall be paid in accordance with Section 18.02/21.01).

5. Meat Production Trainees shall not be entitled to apply for the buyout but they shall be reclassified in accordance with the rates of pay for employees hired or promoted after April 18, 1999 in Appendix B.

SIGNED THIS _____ DAY OF _____, 2002.

FOR THE UNION:

FOR THE COMPANY:
