

AGREEMENT

THIS AGREEMENT MADE AND ENTERED INTO AS OF
THE 2ND DAY OF NOVEMBER, 1997

By and Between

PHARMA PLUS DRUGMARTS LTD.
WITH RESPECT TO ITS STORES IN THE
REGIONAL MUNICIPALITY OF OTTAWA, CARLETON

(hereinafter called the "Company")

and

RETAIL, WHOLESALE/CANADA
CANADIAN SERVICE SECTOR DIVISION
OF THE
UNITED STEELWORKERS OF AMERICA

(hereinafter called the "Union")

ARTICLE 1 - PURPOSE

1.01 This Agreement is entered into by the parties hereto in order to provide for orderly collective bargaining relations between the Company and those employees who come within the Bargaining Unit.

1.02 It is the desire of all parties to the Agreement to co-operate in maintaining a harmonious relationship between the Company and its employees, and to provide an amicable method of settling differences or grievances having to do with the interpretation or violation of this Agreement.

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ARTICLE 2 - RECOGNITION

2.01 The Company recognises the Union as the exclusive representative and sole bargaining agent for all employees at its Retail Stores in the Regional Municipality of Ottawa Carleton, save and except Store Managers and persons above the rank of Store Manager, graduate and under-graduate Pharmacists including Pharmacy Interns and Apprentice Pharmacists, and Clerical Administrators assigned to the Regional Office.

2.02 A person classified as a Management Trainee is a member of the bargaining unit until such time as the Company advises the Union that the trainee has successfully completed his training which shall be done within a period up to 12 months for Management Trainees not formerly in the bargaining unit and up to six months for Management Trainees coming formerly from the bargaining unit.

2.03 (a) A regular full time employee shall mean an employee who is normally scheduled to work the normal hours set out in Article 9.01 herein.

(b) A regular part-time employee shall mean an employee who is normally scheduled to work no more than twenty-four hours a week unless relieving for sickness, leaves of absence, holidays or vacations or emergencies.

ARTICLE 3 - DUES COLLECTION

3.01 The Company agrees that the check-off of Union dues and initiation fees or amounts equivalent thereto shall be made on a bi-weekly basis from the wages of the employees of the Company and all shall so authorize the Company. Monies so collected will be remitted to the Union not later than the 25th day of the following calendar month.

Employees will also be required to obtain and maintain membership in good standing in the Union provided that for the purposes of this Agreement, such membership in good standing shall be entirely satisfied by the regular payment of Union dues. The Union shall hold the Company harmless with respect to all dues \$0 deducted and remitted and with respect to any liability which the Company might incur as a result of such deduction and remittance.

3.02 It is understood between the parties of this Agreement that employees who are now members of the Union, or who may become members of the Union shall remain members in good standing, in respect to payment of monthly dues, until the termination date of this Agreement.

ARTICLE 4 - RIGHTS OF PARTIES TO AGREEMENT

4.01 The Union agrees that it is exclusively the function of the Company to direct and control store operations, to maintain the discipline and **efficiency** of the employees and to require employees to observe reasonable Company rules and regulations, to hire, lay-off or assign employees' **working** hours, to suspend, transfer, promote, retire at the normal retirement age, demote, discipline and discharge non-probationary employees for proper cause These are solely to be the rights and functions of the Management provided that these rights shall be exercised with due regard for the rights of the employees and further provided that these rights shall not be used for the purposes of discrimination against any employee.

4.02 Claims of discriminatory demotions and of unjust discipline or discharge shall be subject to the grievance procedure herein, provided that the penalty for proven or admitted misappropriation of funds, theft or other fraudulent actions may be discharge of non-probationary employees.

ARTICLE 5 - NO DISCRIMINATION OR INTIMIDATION

5.01 It is agreed that there will be no discrimination or intimidation by the Company, the Union, or their respective representatives, against any employee because of his Union or non-Union **affiliation** or because of his activity or lack of activity in the Union.

5.02 It is further agreed that there will be no solicitation of members, collection of dues, telephone usage for Union business, or other Union activity on the premises of the Company during working hours, without **first** obtaining permission from the immediate representative of Management.

5.03 The Company and the Union agree that they shall not discriminate against any employee because of race, creed, colour, age, sex, marital status, nationality, ancestry or place of origin in accordance with the provisions of The Ontario Human Rights Code. The Company and the Union agree that every person has the right to be free from harassment in accordance with the provisions of the Ontario Human Rights Code.

5.04 It is understood that wherever this Agreement refers to “he”, it is intended to mean “he” or “she”.

ARTICLE 6 - REPRESENTATION, GRIEVANCE PROCEDURE, ETC.

6.01 The Company agrees that the employee shall have the right to representation by a Grievance Committee of not more than two **(2)** members. This committee shall have the right to confer with the Company on any grievance having to do with the interpretation or violation of this Agreement. It is understood that Stewards and Members of the Grievance Committee have their regular work to perform on behalf of the Company and that if it is necessary to service a grievance during working hours, they will not leave their

work without **first** obtaining permission from the immediate representative of Management.

No individual member or group of employees shall undertake to represent the Local Union at meetings with Management without proper **authorization** from the Local Union.

There shall be an earnest and honest effort to settle all grievances and disputes immediately. The procedure which shall govern the handling of such grievances and disputes between the Company and its employees shall be as follows and not otherwise:

STEP NO. 1

Any employee subject to this Agreement believing he has been unjustly dealt with or that any of the provisions of this Agreement have not been complied with, shall take up the grievance with his Store Manager in an effort to effect a settlement. This matter shall be taken up with the Store Manager within **five (5)** working days after the circumstances giving rise to the complaint have occurred. If the employee does not receive a satisfactory settlement within **forty-eight (48)** hours, he shall place the grievance in writing with the Grievance Committee, to be taken up by them with the employee's Store Manager. It will be submitted on a Grievance Form supplied by the Union and shall include the nature of the grievance and the **section** or sections of the Agreement which are alleged to have been violated.

STEP NO. 2

If the grievance is not then settled within the period of **two (2)** working days, it shall be taken up with the Regional Manager.

STEP NO. 3

If the grievance is not then settled within the period of **seven (7)** working days, it shall be taken up between the Committee, the Personnel Department or their designate, and an International Representative or Business Agent of the Union, who may be

called in at the request of either party. At this time, the Union shall indicate in writing the section or sections of the collective agreement which are alleged to have been violated and the remedy which the grievance requests. In replying to the grievance at this step, the Company shall state its reasons in writing.

STEP NO. 4

If the grievance is not then settled within a period of seven (7) working days, following Step 3, then at the request of either party to this Agreement, the grievance may be referred to Arbitration. If no written request for arbitration is received within twenty (20) days after the decision that the grievance is not settled at Step No. 3, then the grievance shall be deemed to have been settled.

6.02 A complaint or grievance arising directly between the Company and the Union concerning the interpretation, application or alleged violation of the Agreement shall be originated under Step No. 3.

6.03 (a) If the party filing a grievance does not process it from one step to the next within the time limits set out above, then the grievance will be considered to have been dropped by the party instituting the grievance. If the responding party does not respond within the time limits of the grievance procedure, then the grieving party may process the grievance to the next step.

(b) The application of 6.03(a) above shall be subject to the principle that if a grieving party who has missed a time limit can show that there were reasonable grounds for missing the time limit, then the other party shall waive the time limit which has been missed.

(c) In any event, any time limit may be waived by mutual consent in writing.

6.04 **ARBITRATION**

(a) When either party requests that a grievance be submitted to Arbitration, they shall make such requests in writing, addressed to the other party to this Agreement, and at the same time nominate an Arbitrator. Within seven (7) days thereafter, the other party shall nominate an Arbitrator.

The two arbitrators so named shall select a third member to be chairman within fourteen days after the second arbitrator has been nominated and that nomination communicated to the other party. If they are unable to select a chairman then either party may seek the aid of the Labour Management Arbitration Commission in order to appoint a chairman.

(b) No person may be appointed as an arbitrator who has been involved in an attempt to negotiate or settle the grievance.

(c) The Union and the Company concerned shall respectively pay the expenses of and fees payable to the arbitrators selected by each, which may be such per diem fee as may be agreed upon between the arbitrator and the party appointing him. The Company and the Union shall each be responsible for one-half of the expenses of and fees payable to the chairman.

(d) No matter may be submitted to arbitration which has not been properly carried through all previous steps of the grievance procedure.

(e) The proceedings of the Arbitration Board shall be expedited by the parties hereto, and the decision of the majority of the Board will be final and binding upon the parties hereto.

(f) It is understood that the Arbitration Board shall have no authority to render any decision which in any way modifies, changes or amends any part of this Agreement.

(g) Where an Arbitration Board deals with a grievance by an employee who has completed his probationary period, that he has been unjustly discharged, the Arbitrator has the jurisdiction to:

- (a) confirm the Company's actions in dismissing the employee or
- (b) reinstate the employee or
- (c) make any other award which he deems to be just and equitable.

6.05 The Company will **recognize** one steward and one relief steward for each store. Such stewards may be either regular full-time or regular part-time employees who have acquired seniority. The Company will be advised of the names of all stewards and shall be notified of any changes from time to time. The stewards appointed under this Article shall be entitled to act as stewards for **both** part-time employees covered by the Appendix for part-time employees and for full-time employees.

ARTICLE 7 - SENIORITY

7.01 (a) Fundamentally, rules respecting seniority are designed to give employees an equitable measure of security based on continuous service with the Company in the bargaining unit.

There shall be a probationary period for each new employee of **thirty-five (35)** worked days after which the employee **shall** be placed on the seniority list dating back to date of hire. A probationary employee may be discharged for any reason satisfactory to the Company.

7.02 (a) It is agreed that seniority shall govern lay offs by the Company and reemployment of employees, providing the employees are able and willing to perform satisfactorily the work required, subject to the following terms and conditions.

(b) In case a job is discontinued, the employee from said job may exercise his seniority rights, by displacing the least senior full-time employee, or the least senior part-time employee in the same or lower classification whose job he is able and willing to satisfactorily perform. The person so displaced may exercise the same right.

(c) Notwithstanding (a) and (b) above, an employee who has been displaced shall have the first opportunity to return to the original position they were displaced from for a period of six (6) months prior to the position being filled in accordance with 7.03.

(d) There shall be only one Chief Steward who shall have at least one (1) year of service with the Company, and such Chief Steward will have top seniority over all other employees during his term of office. This applies in case of lay offs only.

7.03 (a) Full-time employees who wish to be considered for a promotion, transfer, or a new position shall inform the Human Resources Department using the prescribed form (sample copy attached). When a promotion, transfer, or a new position becomes available, employees who have so informed the Human Resources Department will be considered for the position on the basis of their seniority, knowledge, skill, and ability. If the last three factors are relatively equal, the most senior applicant will be promoted.

(b) Every month the Company will publish for display, on each store bulletin board and to the chief shop steward a list of promotions, transfers, and new positions filled within the bargaining unit during the previous month. This list shall indicate the successful employee's name, classification, seniority, and the store location where the position was filled.

7.04 An employee shall lose his seniority standing and his name shall be removed from all seniority lists and he shall be deemed to have quit for any one of the following reasons:

(i) If an employee quits, and an employee shall be deemed to have quit when he has given his notice in writing or, on failure to give written notice within two (2) days he shall be deemed to have quit.

(ii) If an employee is absent for more than one (1) working day without having applied for and obtained a leave of absence for a definite period from the Company, unless management is notified thereof by the employee or his agent within the second day of such absence, unless prevented from doing so by illness or serious accident.

(iii) The employee fails to report to work at the expiration of his leave of absence.

(iv) If an employee fails to report for work after a layoff within three (3) days after notification by Registered Mail to the last address given to the Company by the employee, that he should return to work.

(v) If the employee is discharged and such discharge is not reversed under the grievance procedure.

(vi) If an employee is laid off for more than six (6) months, or for those employees with two (2) years seniority or more, seniority will be lost as above after twelve (12) months. Seniority will be lost as above if any employee is away from work for more than twelve (12) months except as stipulated as follows:

- (a) After 12 months absence due to sickness or accident, employees will cease to accumulate seniority.
- (b) All Company paid benefits will cease after 18 months except for the employees' right to any LTD and pension benefits then being received.
- (c) If an employee provides medical evidence satisfactory to the Company, indicating they are able to satisfactorily perform the full duties as required, then

 - Such employees who are returning from an absence of two (2) years or less may apply their seniority as per Article 7.02(b). All other employees would be eligible to post for any vacant positions subject to the terms of Article 7.03.
 - Employees returning from these absences as above, will then be treated as a probationary employee as per 7.01(a): Their seniority date upon successful completion of this probationary period would revert back to their reduced seniority date. The waiting period for benefits under Health and Welfare Article 12.04 would resume upon the employee's completion of this probationary period.
 - Future vacation entitlement, etc. would be based upon their reduced seniority date.

Those employees away from work in the bargaining unit, for any other reason, shall lose their seniority as above after 12 months absence.

(vi) If an employee goes on a leave of absence of more than four (4) months unless otherwise agreed upon between the Company and the Union Committee.

7.05 When a regular part-time employee is transferred into a full-time position, his part-time seniority shall be translated into full-time seniority by dividing the employee's part-time seniority by 2.

This shall also apply to the part-time Appendix.

7.06 Separate Bargaining Unit seniority lists for part-time and full-time employees will be prepared by the Company and posted on the bulletin boards in each store and updated every six months. Copies will be supplied to the Union office and Union committee.

ARTICLE 8 - GENERAL WORKING CONDITIONS

8.00 Negotiating Committee

The Company will recognize a Bargaining Committee to negotiate renewals of the collective agreement of no more than five (5) members of the bargaining unit. Members of the Committee shall not lose pay for regularly scheduled hours of work during days on which negotiations occur prior to the commencement of the first conciliation meeting.

8.01 Any member wishing to leave the employ of the Company, shall give the Company one week's notice. The Company shall abide by regulations laid down by the Employment Standards Act in all instances of termination of employment.

8.02 When an employee is to be interviewed by the company regarding discipline or discharge, the employee shall be offered the union steward or another bargaining unit employee to be present to observe the discussion, and such request shall be granted. The chief steward will be promptly notified of any suspension or discharge.

8.03 **JURY DUTY** - If an employee is required to serve as a juror in any court of law or is required by subpoena to attend a court of law in connection with a case arising from the performance of his duties for the Company, or is required by subpoena to act as a witness for the crown, he shall not lose his regular pay because of such attendance provided that he:

- (a) notifies the Company immediately upon his notification that he will be required to attend court.
- (b) presents proof of service requiring his attendance; and
- (c) promptly repays to the Company the amount (other than expenses) paid to him for such service or attendance.

An employee's normal schedule shall not be altered to avoid payment under this clause.

8.04 **NOTICE BOARD** - The Company agrees that the Union shall have the use of its bulletin board for the posting of Union Notices.

8.05 **FIRST AID** - The Company will provide suitable first aid facilities for its employees.

8.06 The Company agrees to supply properly sized uniforms to employees while on duty. It is understood that the Company will not pay any alteration costs incurred

by any employee.

8.07 BUSINESS AGENT VISITS - **Authorized officers** of the Union shall be permitted to enter the premises of the Company during working hours to confer with its Members provided there shall be no interference with the proper transaction of the Company's business and that such Union officers shall first notify Store Management.

8.08 Employees who agree to attend Company meetings during their off hours will be given equivalent time off at a time mutually agreed upon between the employee and the Store Manager. Such meetings will normally be less than one hour in duration and will normally be scheduled at the end of the working day.

8.09 The Company will endeavour to provide adequate areas and facilities for employees' break periods.

8.10 Senior employees shall normally be responsible for carrying monies in excess of \$50.00 outside of the confines of the store. When any employee is asked to carry the money, he shall be accompanied by another employee.

8.11 The Company agrees to display the current Retail, Wholesale/Canada C.S.S.D. of U.S.W.A. decal in each of its stores in a location, to be determined by the District Manager, where it can be viewed by the public.

8.12 LEAVES OF ABSENCE

Any employee with seniority shall be granted leave of absence for a period of up to six months to attend Union Business, or sixty (60) days for personal reasons providing that at least fourteen (14) days notice is given to the Company. The leave shall be granted without pay and without loss of seniority provided that the leave shall not seriously interfere with the business of the Company. Stewards will be granted time off with pay as may

be necessary to service any grievance or potential grievance, arising during working hours. It is understood that Stewards have their regular work to perform on behalf of the Company and that they will not leave their work without **first** notifying the Store Manager.

ARTICLE 9 - HOURS OF WORK AND OVERTIME

9.01 Forty (40) hours of **five (5)** eight (8) hour days shall constitute a regular non-overtime work week.

9.02 Overtime at the rate of time and one-half shall be paid for time worked over forty (40) hours in any one (1) week or over eight (8) hours in any (1) day. All hours worked, in excess of forty (40) hours per week, on a Sunday, shall be paid at the rate of double time of the regular hourly rate. All overtime and Sunday work to be scheduled on a rotating basis. Overtime pay shall not be duplicated nor shall it be pyramided on other payments under this Agreement,

In a week where a paid holiday occurs, the eight (8) hours of the paid holiday will be used as time worked in calculating overtime. There are to be no split shifts.

9.03 All employees shall have a paid fifteen (15) minute rest period for each four (4) hours of work at a time scheduled by the Company. The Company will endeavour to schedule the rest periods close to the middle of each four hour period subject to the operational requirements of the Store.

9.04 If an employee is scheduled to work more than two (2) hours overtime on any day when he or she has already completed eight hours of work for that day, he or she shall be entitled to a meal allowance of two dollars (\$2.00).

9.05 In scheduling night duty, the Company will normally restrict weekly assignments to no more than two nights per week for an employee working in a store which is regularly open five nights a week and to no more than one night per week for an employee working in a store which is regularly open three nights a week. This clause shall not apply to December.

9.06 Each full-time employee will be given a one (1) hour unpaid lunch or supper period for each eight (8) hour shift provided that such period may be shortened to one-half (1/2) hour by mutual agreement of the Store Manager and the employees. This period will be taken as close to the midway point of the shift as is possible in the opinion of the Store Manager.

9.07 A work schedule showing normal hours of work for full-time employees will be posted in ink by Wednesday noon of every other week for the following two (2) week period for the employees' information. Such schedule will normally be changed only by mutual agreement of the Store Manager and the employee except in cases of sickness or accident or where situations arise which are outside the control of the Store Manager. In such instances, the Company will notify the employee the day before such changes.

9.08 In stores that are open to the public for only six hours on Sunday, full-time employees who are working as part of their regular non-overtime work week will be scheduled to work six (6) hours but will be paid for eight (8) hours. Sunday work will be strictly on a voluntary basis unless the employee was hired with Sunday being specified as a regular work day.

9.09 When the Company elects to assign a qualified full-time employee to work in a higher paying classification, that full-time employee shall receive the higher rate of pay for those hours worked in that particular assignment only if that employee has worked in excess of two (2) complete consecutive working days in that particular assignment pursuant

to Articles 9.01, 9.08, and the formula outlined in 13.01.

9.10 Full-time employees, when instructed to respond to a security call, shall receive a minimum of three (3) hours pay at their regular rate of pay. Such employees shall receive time and one-half (1-1/2) this rate only if the employee has worked forty (40) hours that work week.

9.11 An employee appointed by the manager to act as a relief manager will be paid a relief bonus of \$55.00 for each period of five (5) full consecutive days of relief. A relieving employee's day(s) off, statutory holiday, or weekend, will not be considered to interrupt the consecutive days of relief. Such appointments will be mutually agreed.

ARTICLE 10 - VACATIONS

10.01 All employees covered by this Agreement shall be granted vacations with pay on the following basis:

Length of Continuous Service	Length of Vacation
6 months	1 week
1 year	2 weeks
5 years	3 weeks
10 years	4 weeks
15 years	5 weeks
25 years	6 weeks
30 years	7 weeks

10.02 The determination of vacation entitlement for the First six (6) months of service and the first year of service is based on the employees' length of employment from starting date to the next June 30th. For each subsequent year, for five (5) years thereafter, vacation entitlement is based on the period July 1st to June 30th. In the sixth (6th) year, the

eleventh (11th) year, the sixteenth (16th) year and the twenty-sixth (26th) year, vacation entitlement is based on the employee's original starting date.

10.03 Vacations shall be taken in the year in which they are due, and may not be accumulated, unless otherwise mutually agreed upon. To this end, a vacation request schedule will be posted in March in each calendar year and employees may request such vacation periods as they wish provided that where applicable the scheduling of the third, fourth and fifth (3rd, 4th, and 5th) weeks of vacation shall be by mutual agreement of the employee and the Store Manager.

Where the Store Manager determines that requests made before March 15th create difficulty with staffing requirements, seniority shall govern the scheduling of vacation. Thereafter, vacation scheduling will be on a first come first served basis.

10.04 An employee who wishes to receive vacation pay in advance of a scheduled vacation shall send such a request to the Company payroll department in writing attached to the store payroll sheets at least four (4) weeks before the commencement of the vacation.

10.05 If bereavement leave occurs during an employee's vacation period, full-time employees will be credited with the day or days immediately following their vacation period.

ARTICLE 11 - PAID HOLIDAYS

11.01 The following holidays shall be granted with pay to all employees:
New Year's Day Good Friday

Victoria Day	Canada Day
Civic Holiday	Labour Day
Thanksgiving Day	Floating Holiday
Christmas Day	Boxing Day

All employees who have completed their probationary period will be paid a regular day's pay for the above holidays provided he works his scheduled working day before and his scheduled working day after each holiday, unless absent through sickness or accident. Management reserves the right to require sickness to be proven by satisfactory evidence.

An employee who has completed one (1) year of active employment with the Company will be granted one (1) additional non-premium floating holiday annually thereafter, (without loss of or deduction from earnings). Should a new statutory holiday subsequently be declared, it shall replace this floating holiday provided that all employees who have already received their floating holiday in the year in which the new statutory holiday first falls, shall be deemed to have taken the floating holiday in lieu of the statutory holiday. The floating holiday is to be taken within the year it becomes due and is not to be accumulated. The manager shall inform the employees of their entitlement to the float day in that year. The two (2) floating holidays shall be scheduled at a time mutually agreed upon by the employee and their store manager within that year.

11.02 Employees who are required to work on the above holidays shall be paid an additional time and one-half for hours worked.

ARTICLE 12 - SOCIAL SECURITY

12.01 SICK LEAVE WITH PAY

All employees, after completion of three months' continuous service, shall be entitled to receive

pay allowance for absence on account of sickness, subject to the following rules:

- (a) All cases of sickness, to qualify for pay, must be reported by the sick employee to the Store Manager or the senior employee in charge at the store as soon as possible and normally at, or before, the time at which the employee should have reported for duty.
- (b) The allowance for sick pay shall commence on the first day of illness provided the illness is reported as requested in (a) above.
- (c) The maximum sick pay allowance shall be as follows:
 - (i) During the first three (3) months of service - no allowance;
 - (ii) During the following nine (9) months of service (that is the remainder of the first year of service), an employee will be credited with one regular working week to be utilized at any time during the rest of the year but to be earned on the basis of one half day per month up to the maximum of five (5) days. The credit referred to above will be made upon the commencement of the fourth month of service. Effective November 2, 1997 sick leave credits will be accumulated and paid out at ninety percent (90%) of an employees' regular hourly rate. Any sick leave credits accumulated at one hundred percent (100%) of the employees' regular hourly rate prior to the date of ratification will be used up first;
 - (iii) Effective November 2, 1997 upon the commencement-of each subsequent year of service, an employee will be credited with twelve (12) regular working days to be paid at 90 percent of their normal

hourly rate, for sick leave, which credits may be used at any time during the year but which will be earned on the basis of 1 day per month;

(iv) If any employee leaves the employ of the Company, it is agreed that the Company may deduct any used but unearned portion of the sick pay from the wages of the employee;

(v) Effective November 2, 1997 any unused portion of the sick pay credits of an employee may be accumulated to a maximum of fifteen (15) regular working weeks for use in subsequent years. Existing sick leave credits accumulated to date of ratification will remain and be used up prior to the implementation of the above.

(d) Employees hired prior to July 31, 1975 will retain the use of their sick bank which was in excess of ten (10) weeks on July 31, 1975. Employees whose sick days fall below (15) weeks may reaccumulate up to the (15) week maximum.

(e) Management reserves the right to require sickness to be proven by satisfactory evidence.

(f) Sick leave and allowances are approved and provided for cases of illness only, and if it is proven an employee has abused his or her sick leave privilege, such employee may be subject to disciplinary action, which may include discharge.

(g) The above Sick Leave With Pay clause shall be subject to revision if and when the "Unemployment Insurance Act" is revised to include sick pay privileges for employees of the Company.

- (h) Effective January 1, 1986, the current LTD is to commence after 120 days illness for full-time employees.

12.02 ABSENCE DUE TO SICKNESS IN FAMILY

No pay allowance will be granted for absence from regular duty on account of illness of members of employee's family. If absence is necessary for this reason, time off must be taken at the expense of the employee.

12.03 BEREAVEMENT LEAVE WITH PAY

(a) Regular full-time employees, upon completion of three (3) months continuous service shall be granted leave of absence for a period of three (3) days with full pay for the purpose of making arrangement for and attending the funeral of an employee's brother, sister, parent-in-law, grandparent, brother-in-law, sister-in-law or grandchildren and one (1) day in the event of the death of an aunt and uncle. In the event of the death of an employee's spouse, child or parent the paid leave shall be five (5) days. Common law spouse shall be defined as two people of the opposite sex **co-habiting** as man and wife under the same roof for a period of two years.

(b) In order to qualify for bereavement leave with pay, an employee must notify the Personnel Department through the Store Manager or the Assistant Store Manager.

(c) Employees at work, when notified of a bereavement, as per 12.03(a) and (b) above will be paid for all remaining scheduled hours on that day.

12.04 HEALTH AND WELFARE

(a) The Company agrees to pay 100% of the premium rate as at July 25, 1988 for OHIP coverage for each participating and eligible full-time employee and their dependents effective the first of the month following three (3) months of continuous active service.

The above will remain frozen at that premium rate should the premium rate increase in the future.

(b) The Company agrees to pay 100% of the premium cost for Blue Cross Extended Health Care Plan or its equivalent for all participating employees and their dependents effective the first of the month following three (3) months service.

(c) The Company agrees to pay 100% of the premium cost for life insurance, accidental death and dismemberment insurance, semi-private hospital insurance, major medical insurance, pay direct drug insurance and long term disability insurance for all employees and their dependents, where appropriate under the plans, effective the first of the month following three (3) months of service Effective October 1, 1992 each employee shall be entitled to twenty thousand dollars (\$20,000) total life insurance.

(d) The benefits referred to in paragraphs (b) and (c) above shall be as set out in the current Pharma Plus Benefit Brochures. The Union office shall be provided with the benefits brochure referred to above.

(e) The Company may alter carriers from time to time provided the benefit coverage is not reduced.

(f) The Company will continue its present pension and full-time employees

hired after the date of ratification of this agreement will be obliged to contribute to the Pension Plan in accordance with its provisions.

(g) Effective January 1, 1998 the company agrees to provide dental benefits equivalent to those provided by the Ontario Retail Employees Dental Trust Fund as at October 22, 1997.

The Company agrees to identify the current dental coverage provided under the Ontario Retail Employees Dental Trust Fund. The Company shall be free to use other carriers to provide these benefits at their discretion, so long as these negotiated benefits are maintained.

(h) The Company agrees to pay 100% of the premium rate effective July 1, 1989 for an Optical Plan for each participating and eligible full-time employee effective the first of the month following three (3) months of continuous active service. The Plan will be based on the following:

Effective October 1, 1992, \$125.00 maximum per employee for every two (2) years. Coverage will include prescription lenses, including contact lenses and frames.

(i) Part-time employees who become full-time employees will immediately be enrolled in the above benefit plans provided they have six (6) months of continuous part-time service. Otherwise, the normal waiting period will apply.

12.05 PREGNANCY AND PARENTAL LEAVE

Pregnancy and Parental leave shall be in accordance with the Employment Standards Act. Seniority shall be continued during such leaves.

ARTICLE 13 - WAGES

13.01 When an employee is promoted to a higher-rated **classification**, he will continue to receive the same wage rate he was receiving previously, provided his former wage rate is set out in the range of the new classification. If his previous wage rate is not set out in the range of the higher-rated classification, then the employee's wage rate will be that of the next highest rate on the range for the new classification. In **all** cases, the employee's movement across the range of his new **classification** will commence at the rate in the range which is determined above.

13.02 Sales Supervisors being paid at a rate above the maximum will be retained at this red circle rate.

13.03 The wages shall be set out in Schedule "A"

SCHEDULE "A"

Effective June 8, 1997

FULL-TIME

	<u>Start</u>	<u>6 mos.</u>	<u>12 mos.</u>	<u>18 mos.</u>	<u>24 mos.</u>	<u>30 mos.</u>	<u>36 mos.</u>
Sales Supervisor	\$372.81	\$394.25	\$415.69	\$430.68	\$462.84	\$494.99	\$563.40
Merchandise Clerk							
Pharmacy Assistant	7.21	7.50	7.83	8.15	8.79	9.54	10.92
Cosmetician							
Management Trainee	7.21						
Cosmetic Clerk	7.04	7.40	7.71	8.05	8.57	9.22	10.64
Clerk							
Postal Clerk							
Stock Clerk	6.86	7.18	7.50	7.83	8.35	9.01	10.37

Effective June 7, 1998

FULL-TIME

	<u>Start</u>	<u>6 mos.</u>	<u>12 mos.</u>	<u>18 mos.</u>	<u>24 mos.</u>	<u>30 mos.</u>	<u>36 mos.</u>
Sales Supervisor	\$372.81	\$394.25	\$415.69	\$430.68	\$462.84	\$494.99	\$576.92
Merchandise Clerk							
Pharmacy Assistant	7.21	7.50	7.83	8.15	8.79	9.54	11.18
Cosmetician							
Management Trainee	7.21						
Cosmetic Clerk	7.04	7.40	7.71	8.05	8.57	9.22	10.90
Clerk							
Postal Clerk							
Stock Clerk	6.86	7.18	7.50	7.83	8.35	9.01	10.62

13.04 The classification of Management Trainee shall not be subject to the posting or vacancy provisions of this Agreement. The Company may select trainees from any source, but Managers will not return to the position of Manager trainee. However, an employee who has completed his probationary period with the Company may return to his former classification in the bargaining unit if he is an unsuccessful Management Trainee. Any other employees so displaced shall also return to their former classification.

13.05 Cosmeticians shall continue to receive commissions in accordance with Company policy. Such commissions shall be separate from the wage rates for cosmeticians which are set out in Article 13 of the Collective Agreement and shall not be used or affect any other monetary compensation set out in this Agreement. The Company policy shall be made an appendix to this Collective Agreement.

ARTICLE 14 - NO STRIKES - NO LOCKOUTS

14.01 In view of the orderly procedures established by this Agreement for the settling of disputes and handling of grievances, the Union agrees that, during the life of this Agreement there will be no strike, picketing, slowdown or stoppage of work either complete or partial, and the Company agrees that there will be no lockout.

the month of December. Effective June 6, 1998, the above average will be amended to \$47,591. Such sales figures are not to include any amount derived from the sale of tobacco products. The Company accepts the principle that the position of Sales Supervisor is the senior position of responsibility within the bargaining unit and as such, Sales Supervisors will be assigned functions conducive with their abilities and position, above the use of lower classified employees.

(c) (i) Effective November 2, 1997 a cosmetician will be regularly assigned to each store in which the average weekly cosmetic net purchases, as described in Commission Policy, have totalled over \$3,149 per week over a three month period, excluding the month of December. Effective June 6, 1998, the above average will be amended to \$3,225.

(ii) Effective November 2, 1997 either a Cosmetician or a Cosmetic Clerk will be regularly assigned to each store in which the average weekly cosmetic net purchases, as described in Commission

Policy have totalled over \$1,438 per week over a three month period, excluding the month of December. Effective June 6, 1998, the above average will be amended to \$1,524.

- (d) a Pharmacy Assistant will be regularly assigned to each store in which the average number of prescriptions filled per week is maintained at over 800 per week over a three month period.
- (e) the Company reserves the right to reassign the classifications referred to above if sales or number of prescriptions subsequently drop below the appropriate level set out above for a three month period.
- (f) the employment guidelines set out above shall not be utilized to displace employees regularly performing in any of the classifications named above on June 7, 1990.
- (g) for the purpose of determining the cosmetic net sales under (c)(i) and (ii) of this clause, a copy of the

Supplies Analysis report will be made available to the Union Chairperson, on request. The Union Chairperson will also be supplied with Front Shop Sales volumes on a regular basis.

ARTICLE 17 - NOTICE AND SEVERANCE REQUIREMENTS IN CASES OF DISMISSAL

The Company agrees to **abide** by the current Employment Standards Act with respect to notice requirements and severance pay.

ARTICLE 18 - MISCELLANEOUS

18.01 Letters of Understanding and the part-time appendix to this Collective Agreement shall form part of this Collective Agreement.

18.02 Salesmen for Fireco, L'Eggs, Carlton Cards, news vending companies or potato chip companies shall not perform bargaining unit work normally performed by Clerks except that they may order and reset merchandise, and select merchandise for return or credit.

18.03 The Company and the Union agree to establish a Health and Safety Committee composed of two members from the Union and two members from the



Company to meet once every three months to discuss Health and Safety issues which arise in the work place. The Company will respond in writing to all recommendations submitted by the Safety Committee.

ARTICLE 19 - DURATION OF AGREEMENT

19.01 This Agreement shall become effective June 6th, 1997 and shall remain in effect until June 5th, 1999, and thereafter shall be automatically renewed from year to year, unless in any year either party shall furnish the other notice of termination of, or proposed revision of, or addition to, any provisions hereof, not more than ninety (90) days prior to the termination date of this Agreement.

19.02 In such event, negotiation on any such proposed revision or addition to this Agreement shall take place between the parties within thirty (30) days of such notice.

19.03 No terms of this new agreement shall be retroactive prior to the date of **ratification** of the memorandum of settlement by both parties, except wages as expressed in the memorandum.

IN WITNESS WHEREOF the Company and the Union have caused these present to be executed by their duly **authorized** representatives.

DATED this 2nd day of November, 1997.

THE RETAIL WHOLESALE/CANADA
LTD
C.S.S.D. of U.S.W.A.

PHARMAPLUSDRUGMARTS

James Donnelly
R Adams
Agnes Wilkinson
Andrew Wallace
Louise Hogan

[Signature]
[Signature]
[Signature]
[Signature]

APPENDIX A

COSMETIC COMMISSION
POLICY AND PROCEDURES

OBJECTIVE

To **define** how cosmetic commissions are calculated, who receives them and how and when they are paid.

SCOPE

Applies to all personnel classified as Cosmetician, after completion of probationary period, employed by **Pharma Plus Drugmarts Ltd.**, whether full-time or part-time, in the stores covered by the collective agreement with the Retail, Wholesale & Department Stores Union, Local **414**.

Applies to all cosmetic products having the cosmetic coloured ticket, whether delivered from the warehouse or purchased directly from the supplier.

The starting date for this policy is **June 18, 1978**.

HOW CALCULATED

The primary basis for the calculation of cosmetic commissions payable is the net cosmetic sales figure for your store. **This figure** is obtained from data on the Daily Weekly Store Cash Summary and is the same

information that shows for “cosmetic sales” or the Store Performance Report.

-Commission amounts due will be calculated by and paid through the Payroll Department. Any questions regarding the payment of commission should be directed to the Payroll Department.

-Commission will be paid to eligible cosmeticians within 30 days of the end of the relevant quarter. Commission payments will be included on the payroll cheque, and details of the entitlement will be provided.

-Commission quarters are outlined as follows:

1st quarter - Periods 1, 2 and 3

2nd quarter - Periods 4, 5, 6 and 7

3rd quarter - Periods 8, 9 and 10

4th quarter - Periods 11, 12 and 13

-The amount of commission for which the cosmetician(s) in a store are eligible currently remains at 2% of net cosmetic sales.

-Where relevant for purposes of paying commission, bouts worked will include all vacation hours, and exclude sick leave and leaves of absence.

COMMISSION PAYMENT

One Cosmetician/store

-The total scheduled hours for the accounting period are totalled. If the

cosmetician worked 100% of the scheduled hours he/she will receive 100% of the commission. If he/she worked less than 100% of the scheduled hours, the percentage must be calculated.

Example: commission is.....\$2,360.52
 scheduled hours..... 480.00
 hours worked..... 464.00
 464 divided by 480..... 97%
 \$2360.52 X 97%.....\$2,289.70 (commission paid)

Two or more Cosmeticians/store

Where more than one cosmetician is employed in a store during the accounting period, payment is divided according to hours worked plus a quarterly hourly bonus of two years for every year of service as a cosmetician, up to a maximum of 10 years.

Example:

	Start date	Hours	Yrs of	Hrs + Total	Total Comm.
	as Cosm.	Worked	Service	Bonus	Bonus
				Comm.	Hrs. Paid
A)	09/05/81	320	+(8 X 2)	= 336 X \$2500	- 508 = \$1653.54
B)	01/02/80	152	+(10 X 2)	= 172 X \$2500	- 508 = \$ 846.46
				508	\$2500.00

PART-TIME APPENDIX

All matters relative only to part-time employees and their wages and working conditions shall be contained within this Appendix.

ARTICLE 1 - As per "Purpose" Article of the Full-time Agreement.

ARTICLE 2 - As per "Recognition" Article of the Full-time Agreement.

ARTICLE 3 - As per "Dues Collection" Article of the Full-time Agreement,

ARTICLE 4 - As per "Rights of Parties to Agreement" Article of the Full-time Agreement.

ARTICLE 5 - As per "NO Discrimination or Intimidation" Article of the Full-time Agreement.

ARTICLE 6 - As per "Representation, Grievance Procedure, Etc." Article of the Full-time Agreement.

ARTICLE 7 - SENIORITY

7.01 (a) Fundamentally, rules respecting seniority are designed to give employees an equitable measure of security based on continuous service with the Company in the bargaining unit.

There shall be a probationary period for each new employee of thirty-five (35) worked days after which the employee shall be placed on the seniority list dating back to date of hire. A probationary employee may be discharged for any reason satisfactory to the Company.

(b) The Company will endeavour to offer the most senior employee in the store the most scheduled hours and any hours of work beyond those normally scheduled hours of work which arise because of absence due to sick leave or holidays, provided the senior employee has the immediate ability and willingness to perform the work as required, and is available to perform the work immediately.

(c) As of the date of ratification of this Agreement, the Company agrees that two or more part-time employees will not be regularly scheduled in such a manner so as to cause the displacement of full-time employees.

7.02 (a) It is agreed that seniority shall govern lay offs by the Company and reemployment of employees, providing the employees are able and willing to perform satisfactorily the work required, subject to the following terms and conditions.

(b) In case a job is discontinued, the employee from said job may exercise his seniority rights, or the least senior part-time employee in the same or lower classification whose job he is able and willing to satisfactorily perform. The person so displaced may exercise the same right.

(c) There shall be only one Chief Steward who shall have at least one (1) year of service with the Company, and such Chief Steward will have top seniority over all other employees during his term of office. This applies in case of lay offs only.

7.03 (a) Part-time employees who are desirous of becoming full-time employees shall inform the Human Resources Department using the prescribed form (sample copy attached). When a full-time position becomes available, part-time employees who have so informed the Human Resources Department will be considered for the position on the basis of seniority, knowledge, skill, and ability. If the last three factors are relatively equal, the most senior applicant shall be promoted.

Bids by part-time employees will only be considered when bids by full-time employees have been exhausted.

Every month the Company will publish for display, on each store bulletin board and to the chief shop steward a list of promotions, transfers, and new positions filled within the bargaining unit during the previous month. This list shall indicate the successful employee's name, classification, seniority, and the store location where the position was filled.

7.04 As per Article 7.04, (loss of seniority standing and deemed quit), of the full-time Agreement. Also, the following reason shall be included for this Appendix:

- (vii) Failing to report for scheduled hours without prior notification without good cause. Management may require cause related to sickness to be proved by satisfactory evidence.

7.05 As per Article 7.05(a) and 7.05(b) of the full-time Agreement.

7.06 For the purposes of vacation entitlement and placement on the wage rate schedule for a regular part-time employee who has been transferred to a full-time position, his/her "length of service" with the Company at the time of transfer shall be one-half the total of his part-time seniority. "Start date" in full-time Article 10.02 shall mean the newly calculated full-time date under these circumstances. Thereafter, the employer shall accumulate seniority in accordance with the full-time provisions of this Agreement.

ARTICLE 8 - As per Article 8 of the full-time Agreement' on "General Working Conditions", "Jury Duty", "Notice Board", "First Aid", "Wearing Apparel", and 8.08 "Business Agents Visits".

ARTICLE 9 - HOURS OF WORK AND OVERTIME

9.01 (a) Part-time employees shall normally be scheduled to work no more than 24 hours per week unless relieving for sickness, leaves of **absence, holidays** or vacations or emergencies. Where a part-time employee is designated by their manager as a replacement for a full-time employee on maternity leave or an approved leave of absence in excess of four weeks the employee **shall** be paid the appropriate full-time rate and the additional replacement hours will be identified on the schedule.

(b) **Authorized** time worked in excess of the normal eight hour shift or a 40-hour work week shall be paid at the rate of one and one-half (1-1/2) times the employee's basic hourly straight time rate of pay provided no overtime premium will be paid for overtime on an exchange of shifts mutually agreed to between the two (2) employees where approved by the Company.

9.02 It is understood and acknowledged that the **Company** has the right to require employees to perform reasonable overtime work.

9.03 Overtime premium will not be duplicated nor pyramided nor shall other premiums be duplicated or pyramided.

9.04 Employees shall receive a minimum of three (3) hours pay provided that there are three (3) hours work available from the time they report for work until the store is closed. These provisions will apply unless mutually agreed upon between the Company and employee.

9.05 The Company agrees to post an hours of work schedule for all employees by Wednesday noon of each week for the next two (2) weeks for their information. It is understood that such schedule does not constitute a guarantee of work for those weeks. If employees are scheduled to report for work and work is not available **they** will be **notified** the day before not to report for work.

9.06 Employees will be allowed one hour for lunch for each eight (8) hour shift, as close to the half-way point of the shift as possible, provided that such period may be shortened to one-half (1/2) hour on mutual agreement of the Store Manager and the employees. Employees working five (5) to eight (8) hours will receive a one-half (1/2) hour unpaid lunch period. All employees shall have a paid fifteen (15) minute rest period for each scheduled 3 1/2 to 4 hour shift at a time scheduled by the Company.

9.07 No split shifts will be permitted unless each part of the split shift amounts to three (3) hours or more and there are four (4) hours between shifts. These provisions will apply unless mutually agreed upon between the Company and employee.

9.08 As per Article 9.10 of the full-time Agreement

ARTICLE 10 - VACATIONS

10.01 Part-time employees shall receive vacation pay as follows:

- (a) Up to five (5) years of service - 4% of earnings
- (b) Over five (5) years of service - 6% of earnings
- (c) Over ten (10) years of service - 8% of earnings
- (d) Over fifteen (15) years of service - 10 % of earnings

ARTICLE 11 - PAID HOLIDAYS

11.01 Employees are eligible to receive holiday pay for a Statutory Holiday provided they complete a probationary period and:

- (a) they have earned wages on at least 10 working days during the four (4) weeks immediately preceding the holiday;
- (b) they have worked their regular scheduled day before and after the holiday.

The payment for the holiday for the employees will be based on the total hours worked during the four (4) weeks preceding the holiday divided by twenty (20).

ARTICLE 12 - SOCIAL SECURITY

12.01 Effective November 2, 1997, all **part-time** employees who have regularly worked for the Company for at least one (1) continuous year shall be entitled to receive a sick pay allowance at ninety percent (90%) of their regular hourly rate for absence from normally scheduled **work on** account of sickness. All sick time accrued prior to the date of ratification will be paid at one hundred percent (100%) of their regular hourly rate. The following rules shall apply:

- (a) Employees who on January 1st, 1981 have regularly worked for the Company for more than one continuous year shall be credited with one (1) hour of sick pay allowance for every twenty-five (25) hours actually worked by the employee during the twelve (12) months immediately prior to January 1, 1981, up to a maximum of forty-eight (48) hours of sick pay allowance. The same system of credit shall be applied in each subsequent year of continuous employment.
- (b) Subject to rule (a) above, after June 6, 1985 when a part-time employee commences his/her second year of continuous employment and subsequently upon the commencement of each year of continuous

employment thereafter they shall be credited with two hours of sick pay allowance per year for every twenty-five (25) hours actually worked by the employee during the previous twelve (12) months up to a maximum of forty-eight (48) hours of sick pay allowance.

- (c) The sick pay allowance shall commence on the first day of illness, provided the illness is reported as requested in (d) below and shall cover only those hours for which the part-time employee would normally have been scheduled to work
- (d) All cases of sickness, to qualify for allowance, must be reported by the employee to the Store Manager (or his designate) before, or at, the employee's scheduled reporting time where possible.
- (e) Sick pay allowance may be accumulated from year to year up to a maximum of 96 hours of sick pay allowance.
- (f) The Company reserves the right to require sickness to be proved by satisfactory evidence.
- (g) Sick leave and allowances are approved and provided for illness only, and if it is proven that an employee has abused their sick leave, such employee shall be discharged.
- (h) In the event that a full-time employee is transferred into a part-time position his date of commencement of employment shall remain the same. If the transferred employee had regularly worked for the Company for more than one continuous year, his part-time sick pay allowance for the time prior to the commencement of his next year of

continuous employment shall be one half of his outstanding annual full-time sick pay allowance for the year in which the transfer occurred.

12.02 BEREAVEMENT LEAVE

Part-time employees shall be granted a leave of absence without loss of pay for scheduled hours, for consecutive days after the passing away of the family member as follows:

4 days in the event of the death of an employee's spouse, child or parent.

3 days in the event of the death of an employee's brother/sister, parent-in-law, grandparent, brother/sister-in-law, grandchildren.

1 day in the event of the death of an employee's aunt/uncle.

12.03 DENTAL PLAN

Effective January 1, 1998 the Company agrees to provide part-time dental benefits equivalent to those provided by the Ontario Retail Employees Dental Trust Fund as at October 22, 1997. As per the Plan document, part-time employees shall be covered by the benefits of the Plan on the first day of the month coincident with, or first following, one year's continuous employment.

12.04 PREGNANCY AND PARENTAL LEAVE

Pregnancy and Parental leave shall be in accordance with the Employment Standards Act. Seniority shall be continued during pregnancy leave.

12.05 OPTICAL PLAN

Effective October 1, 1992 an optical plan shall be provided to employees who have completed three (3) years of service. Coverage shall be one hundred twenty-five dollars (\$125.00) maximum per employee every two years.

ARTICLE 13 - WAGES

13.01 The wages for part-time employees shall be set out in the schedule to this Appendix.

ARTICLE 14 - NOTICE AND SEVERANCE REQUIREMENTS IN CASES OF DISMISSAL

As per Article 17 of the full-time Agreement.

ARTICLE 15 - As per "No Strikes - No Lockouts" Article of the full-time Agreement.

ARTICLE 16 - As per "Miscellaneous" Article 18.04 of the full-time Agreement.

SCHEDULE B

WAGE SCHEDULE

PART-TIME

June 8, 1997

	<u>Start</u>	<u>6 mos.</u>	<u>12 mos.</u>	<u>18 mos.</u>	<u>24 mos.</u>	<u>30 mos.</u>	<u>36 mos.</u>
Part-time Rates of Pay	6.85	6.85	6.86	7.18	7.60	7.94	8.90

Cosmetician &
Pharmacy AssistantIn accordance with the appropriate rates
set out in the full-time Collective Agreement.

For the initial three (3) month period when a part-time Cosmetician may be working with a full-time Cosmetician, the part-time Cosmetician shall not be entitled to any commissions.

June 7, 1998

	<u>Start</u>	<u>6 mos.</u>	<u>12 mos.</u>	<u>18 mos.</u>	<u>24 mos.</u>	<u>30 mos.</u>	<u>36 mos.</u>
Part-time Rates of Pay	6.85	6.85	6.86	7.18	7.60	7.94	9.11

Cosmetician &
Pharmacy AssistantIn accordance with the appropriate rates
set out in the full-time Collective Agreement.

For the initial three (3) month period when a part-time Cosmetician may be working with a full-time Cosmetician, the part-time Cosmetician shall not be entitled to any commissions.

LETTER OF UNDERSTANDING

January 7, 1981

Dear Mr. Collins,

The Company accepts the principle that the position of Sales Supervisor is the senior position of responsibility within the Bargaining Unit and as such, Sales Supervisors will be assigned functions conducive with their abilities and position, above the use of lower classified employees.

Yours truly,

J.P. Riordon
Vice President, Personnel

LETTER OF UNDERSTANDING

January 7, 1981

Dear Mr. Collins,

I wish to confirm the Company's undertaking that, if during the term of this Collective Agreement, the Company commences new warehousing or manufacturing operations within the Regional Municipality of Ottawa-Carleton, it will advise the Union prior to opening. Furthermore, the Company agrees that it will not voluntarily **recognize** any union as collective bargaining agent for the employees involved in the new operations.

Yours **truly**,

J.P. Riordon
Vice President, Personnel

LETTER OF UNDERSTANDING

October 7, 1982

Dear Mr. Collins,

Stores with outside receiving doors will be supplied with a winter coat and gloves for the use of employees involved in receiving stock.

Yours truly,

S. Mezei
Director of Operations

LETTER OF UNDERSTANDING

October 13, 1992

Dear Jim:

This letter will confirm the commitment of **Pharma Plus Drugmarts Ltd.** to adhere to the principles set out in the **OSHAWA GROUP HARASSMENT POLICY**, and to post a copy of the Policy in each store.

Sincerely,

Ernie Gec
Director, Employee Relations

