

300 employees

Unit No. 212

COLLECTIVE AGREEMENT

BETWEEN

RICHTREE MARKETS, INC.  
(HEREINAFTER REFERRED TO AS THE "COMPANY")

AND

SERVICE EMPLOYEES INTERNATIONAL UNION  
LOCAL 204  
A.F.L., C.I.O., C.L.C.  
(HEREINAFTER REFERRED TO AS THE "UNION")

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**ARTICLE 1 - PURPOSE**

1.01 The purpose of this Agreement is to further harmonious relations between the parties and advance their mutual interests. To this end the parties have agreed to the following articles.

**ARTICLE 2 - RECOGNITION**

2.01 The Company recognizes the Service Employees International Union, Local 204 affiliated with the SEIU, A.F. of L., C.I.O., C.L.C. as the sole and exclusive bargaining agent of all employees of Move1 Restaurants Limited at BCE Place, 181 Bay Street and 42 Yonge Street, in the Municipality of Metropolitan Toronto, save and except supervisors and persons above the rank of supervisor, management trainees, maintenance engineers, office and clerical staff and students employed during the school vacation period.

**ARTICLE 3 - MANAGEMENT RIGHTS**

3.01 Subject to the provisions of this Collective Agreement the Union on behalf of itself and the employees acknowledges that the Company shall continue to have all its rights, powers, and authority to manage its operations and to direct its employees. Without restricting the generality of the foregoing, those rights of the Company include the right to:

- (a) maintain order, discipline, efficiency, productivity and confidentiality of its affairs. The parties agree that the employer maintains an inherent right to discipline employees;
- (b) suspend, hire, discharge, transfer, reassign on a permanent or temporary basis, classify, promote, demote, rehire, or discipline employees;
- (c) relieve employees from duty for lack of work, transfer work from one job to another or from one position to another, and set and control the work performance;
- (d) make, enforce and alter from time to time, rules, regulations and policies governing the conduct of the working force and the operation of the business, including without limitation, image, attitude, positive

customer and employee and employer relations and a positive representation of the Company; and

- (e) determine the nature and kind of business conducted by the Company, concepts of restaurants, the methods and techniques of work, the content of jobs, the schedules of work, the number of employees to be employed, the extension, limitation, curtailment or cessation of operations or any part thereof and to determine and exercise all other functions and prerogatives traditionally exercised by management.

#### **ARTICLE 4 - UNION SECURITY**

4.01 The Company shall deduct from each employee an amount equal to the regular monthly Union dues from all employees covered by this Agreement.

4.02 The Union office shall direct in writing the amount and method of such dues deduction. This amount will include any initiation fees. The Union shall notify the Company of any changes therein and such notification shall be the Company's conclusive authority to make the deductions specified.

4.03 Such dues shall be deducted from the first pay of each month for full-time employees, and may be deducted from every pay for part-time employees. In the case of newly hired employees, such deductions shall commence in the month following their date of hire.

4.04 Dues deducted by the 15th of the month shall be remitted monthly to the Union, no later than the end of the month in which the dues were deducted. Such remittance shall include all pertinent employee information i.e. name, social insurance number, address and status.

4.05 Union dues deductions shall be included on Employee T4 slips.

4.06 Employees who were members of the Union as of the signing of this Agreement or who become members of the Union after the signing of this Agreement shall retain their Union membership in accordance with the Union constitution and by-laws during the life of the Agreement.

4.07 In consideration of the above the Union agrees to indemnify and save harmless the Company against any claim or liabilities arising or resulting from the operation of this Article.

#### **ARTICLE 5 - INTERVIEW PERIOD**

5.01 It is mutually agreed that within seven (7) calendar days of the hire of a new employee that a Union shop steward will have an opportunity to interview each new employee and that a representative of management may be present at such interviews if so desired.

5.02 The purpose of the interview, which shall not exceed fifteen (15) minutes, shall be to inform the employee that a Collective Agreement is in effect, to give the employee a copy of the Collective Agreement, and to inform employees of the provisions of the Union Security Article. The Company shall provide copies of the Collective Agreement for each employee being interviewed.

#### **ARTICLE 6 - DISCIPLINE AND DISCHARGE**

6.01 No employee shall be discharged or disciplined except for just and sufficient cause.

6.02 Discipline shall be subject to the principal of progressive discipline.

6.03 A copy of all disciplinary letters related to suspension or discharge shall be copied to the chief shop steward.

6.04 No employee shall be discharged solely on the basis of a customer comment card.

6.05 The parties agree that theft, violence, threats of violence, tampering with the computer system, sabotage of property, and misappropriation of funds are serious offences and will be met with serious discipline including discharge as penalties subject to the grievance and arbitration article of this Agreement.

6.06 The parties confirm that the mechanism for the resolution of grievances whether they be individual, group or policy, is the grievance and arbitration procedure or other appropriate legal forum.

**6.07** There shall be no discrimination against or intimidation or harassment of any employee due to race, creed, colour, national origin, sex, sexual orientation, age, or political affiliation, union activity, medical condition, physical or emotional handicaps.

## **ARTICLE 7 - GRIEVANCE PROCEDURE**

**7.01** For the purpose of this Agreement, a grievance is defined as a difference arising either between a member of the bargaining unit and the Company or between the parties hereto relating to the interpretation, administration or alleged violation of this Agreement.

**7.02** The grievance shall identify the nature of the grievance, the remedy sought and state that the Agreement has been violated and shall be in the form attached as Schedule "C" or such amended form as the Union shall determine and provide.

**7.03** During a disciplinary discussion, when formal discipline is imposed or at any stage of the formal grievance procedure an employee shall have the right, upon request, to the presence of his/her steward. In the case of suspension or discharge, the Company shall notify the employee of his right in advance.

**7.04** It is the mutual desire of the parties hereto that complaints shall be adjusted as quickly as possible and it is understood that an employee has no grievance until he has first given his immediate supervisor the opportunity of adjusting his complaint. The grievor may have the assistance of a union steward if he/she so desires.

**7.05** Such complaint shall be discussed with his immediate supervisor within five (5) calendar days after the circumstances giving rise to it have occurred or ought reasonably to have come to the attention of the employee.

**7.06** Failing settlement within the five (5) calendar days, the following steps of the grievance procedure shall be followed within the time limits provided for otherwise the parties acknowledge that no grievable matter exists.

**7.07** The parties may mutually agree in writing to extend or waive these contractual time limits.

**7.08** The employee shall submit the grievance, in writing on the form, and signed by him and a shop steward (or the Business Agent)

to his immediate supervisor within five (5) calendar days following his immediate supervisor's decision. The employee may be accompanied by a union steward. The immediate supervisor will deliver his decision in writing within three (3) calendar days following the day on which the written grievance was presented to him. Failing settlement then:

7.09 Within five (5) calendar days following the decision in the immediately preceding step, the grievance shall be submitted in writing to the Director of Operations or his designate.

7.10 A meeting will then be held between the Director of Operations or his designate and the designated union steward who may be accompanied by the union business agent within five (5) calendar days of the submission of the grievance at Step 2, unless extended by mutual agreement of the parties in writing.

7.11 The decision of the Director of Operations shall be delivered in writing to the Union within three (3) calendar days following the date of such meeting.

#### 7.12 Policy Grievance

A complaint or grievance arising directly between the Company and the Union concerning the interpretation or alleged violation of the Agreement shall be originated at Step 2 within ten (10) calendar days following the circumstances giving rise to the grievance.

7.13 It is expressly understood, however, that the provisions of this Article may not be used with respect to a grievance directly affecting an employee which he could have instituted himself and the regular grievance procedure shall not be thereby by-passed.

#### 7.14 Group Grievance

Where a number of employees have identical grievances and each one would be entitled to grieve separately, they may present a group grievance, in writing identifying each employee who is grieving, to the Director of Operations or his designate within ten (10) calendar days after the circumstances giving rise to the grievance have occurred. The grievance shall then be treated as being initiated at Step 1 and the applicable provisions of this Article shall then apply with respect to the handling of such grievance.



### 7.15 Grievance Mediation

Failing settlement under the above procedure, the matter in dispute will proceed to grievance mediation. The grievance mediation process and any settlement reached shall be without prejudice to either party. The parties agree that legal counsel shall not be used in grievance mediation and that the cost of the mediator will be shared. If no settlement is reached at grievance mediation, then either party may take the matter to Arbitration as provided in Article 9.

### 7.16 Grievance Mediation Procedure

The parties agree to implement a Grievance Mediation procedure in accordance with the following provisions:

- (a) Either party, with the agreement of the other party, may submit a grievance to Grievance Mediation at any time within ten (10) days after the Employer's decision has been rendered at Step 2. Where the matter is so referred, the Mediation process shall take place before the matter is referred to Arbitration.
- (b) Grievance Mediation will commence within twenty-one (21) days of the grievance being submitted to Mediation.
- (c) The Grievance Mediation process is without prejudice to any position either party may take should the matter be referred to Arbitration.
- (d) No matter may be submitted to Grievance Mediation which has not been properly carried through the grievance procedure, provided that the parties may extend the time limits fixed in the grievance procedure.
- (e) The Mediator **will** be from Independent GSO Mediation, or any other firm the parties agree upon.
- (f) Proceedings before the Mediator shall be informal. Accordingly, the rules of evidence will not apply, no record of the proceedings shall be made and legal counsel shall not be used by either party.
- (g) If possible, an agreed statement of facts will be provided to the Mediator, and if possible, in advance of the Grievance Mediation Conference.

- (h) The Mediator will have the authority to meet separately with either party.
- (i) If no settlement is reached within five (5) days following Grievance Mediation, the parties are free to submit the matter to Arbitration in accordance with Article 8.04. In the event that a grievance which has been mediated subsequently proceeds to arbitration, no person serving as the Mediator may serve as an Arbitrator. Nothing said or done by the Mediator may be referred to at Arbitration.
- (j) The Union and Employer will share the cost of the Mediator, if any.

## ARTICLE 8 - ARBITRATION

8.01 All individual grievances submitted to arbitration shall be arbitrated by a sole arbitrator.

8.02 Should the parties not be able to agree on a mutually acceptable sole arbitrator, the grieving party shall be able to refer the matter to a sole arbitrator to be selected by special appointment by the Minister of labour.

8.03 When either party submits a matter to arbitration that request shall be in writing to the other party within ten (10) calendar days of the decision from the last step in the grievance process. Should the parties agree mutually to a panel arbitration the grieving party shall name that party's nominee. Within five (5) calendar days thereafter the other party shall notify the first of the name its appointee; provided, however, that if such party fails to appoint a nominee as herein required, the Minister of Labour for the Province of Ontario shall have power to effect such appointment upon application by the grieving party. If there is a Board, the two nominees so appointed shall appoint a third to act as chairman of the Arbitration Board. If they are unable to agree upon a chairman within a period of seven (7) calendar days from the appointment of the second of them, either of the parties may then request that the Minister of Labour for the Province of Ontario make the appointment of the Chairman.

8.04 No person may be appointed as an Arbitrator who has been involved in an attempt to negotiate or settle the grievance.

8.05 The fees and expenses of the Arbitrator including the cost of hearing rooms shall be borne equally by the parties. The arbitrator shall have no authority to add to, subtract from, modify, change, alter or ignore in any way the provisions of this Agreement or any mutually agreed upon and expressly written supplement or amendment thereto or to extend its duration.

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

8.07 The arbitrator shall have the power to extend the time for the taking of any step in the grievance procedure provided that the arbitrator is satisfied that there are reasonable grounds for the extension.

8.08 The proceedings of the sole arbitrator or Arbitration Board will be expedited by the parties hereto and the decision of the arbitrator or majority of a Board of Arbitration will be final and binding upon the parties. Should a majority decision not be possible then the decision of the Chairman shall be final and binding on the parties hereto.

#### **ARTICLE 9 - RIGHT TO UNION REPRESENTATION**

9.01 **An** employee shall have the right to be represented at any discussion with supervisory personnel which the employee believes might be the basis of disciplinary action. At any meeting that could lead to disciplinary action the Employer will notify the affected employee of their right to a steward.

9.02 The Union office will be sent a copy of discharge or suspension notices given to employees within three (3) calendar days of the notice being given to the affected employee.

(a) Subject to its business requirements and upon prior notice to the Director of Operation or his designate, the employer agrees to give the Union Business Agent access to the premises for the purpose of attending grievance meetings or otherwise assisting in the administration of this Agreement.

(b) Subject to (a) above the Union Business Agent shall have access to the Company's premises for the lawful transaction of Union business. The Business Agent shall

notify the Company of his arrival at the Company's premises and his departure and shall not interfere with the operation of the business.

- (c) There shall be no Union meetings or activities on the Company's premises subject to the other provisions of this Agreement.
- (d) Meetings with employees shall not be held in public areas of the restaurant.

#### **ARTICLE 10 - UNION REPRESENTATION**

10.01 The Union will notify the Employer in writing of the names and areas of employment of the persons authorized to represent the Union as shop stewards and will notify the Employer in writing of any changes in these names.

10.02 The Company shall recognize up to five shop stewards, three of whom shall be designated for the Marche and one each for the Masquerade and Marchelino location. The Union acknowledges that the shop steward has his regular duties to perform on behalf of the Company. No steward will leave his regular duties without first obtaining permission of his immediate supervisor and such permission shall not be unreasonably withheld. When resuming his regular duties the steward will again report to his immediate supervisor and shall give any explanation reasonably required by his supervisor to explain the duration of his absence.

10.03 All written agreements entered into between the parties must be signed by the authorized representatives of the Union and the Company.

#### **ARTICLE 11 - TIME OFF FOR OTHER UNION ACTIVITIES**

- 11.01(a) The Employer shall grant leave of absence without pay to employees to attend Union conventions, seminars, education classes or other Union business provided that such leave will not interfere with the efficient operation of the business.
- (b) In requesting such leave of absence for an employee or employees, the Union must give at least fourteen (14) days clear notice in writing to the Employer.

- (c) The cumulative total leave of absence for any individual employee shall be restricted to fourteen (14) days in any one calendar year. Where leave of absence for Union business is requested, it is understood that the Union will not request leave of absence for more than three (3) employees at one time and not more than one from any one department shall be absent on Union business from time to time. Any additional request for additional days leave may be granted upon mutual agreement.
- (d) The Employer shall provide up to ten (10) days per year for Paid Union Education Leave.

#### **ARTICLE 12 - NO STRIKE OR LOCKOUT**

12.01 During the term of this Agreement the parties agree that there shall be no strike or lockout. The words "strike" and "lockout" shall have the meanings ascribed to them in the Ontario Labour Relations Act. The Union will not direct any unlawful strike, slowdown or unlawful picketing of the operation covered by this Agreement.

#### **ARTICLE 13 - BULLETIN BOARDS**

13.01 The Employer will provide two (2) bulletin boards (one in the Marche and one in the Marchelino) for the exclusive use of the Union out of the view of the public. Except for notices of Union business and positions of stewards, all other notices must be submitted to a manager for approval prior to being posted, which approval shall not be unreasonably withheld. The Union will not engage in libelous comments.

#### **ARTICLE 14 - ACCESS TO PERSONNEL RECORDS**

14.01 The Union shall have reasonable access to disciplined or discharged employees relevant personnel records.

14.02 Each employee shall have reasonable access, on forty-eight (48) hour's notice to his/her own personnel records. Said record will be made available only to the individual employee during normal business hours at the Employer's Home Office.

## ARTICLE 15 - PROVINCIAL LEGISLATION

15.01 Both parties agree to comply with all Provincial Legislation.

## ARTICLE 16 - SENIORITY

16.01 The Company recognizes seniority on a Department basis within Classification and then bargaining unit wide. Seniority shall mean total length of service in the bargaining unit from date of hire.

16.02 A newly hired employee, part-time or full-time, shall be on probation for a period of 60 calendar days from the date of last hire. If retained after the probationary period, the employee shall be credited with seniority from the date of last hire. The Company agrees to provide the Union with justifiable reasons for discharge of any probationary employee. If an employee is granted a leave of absence or is absent due to a Workers' Compensation leave the probationary period shall be extended by the length of the leave.

16.03 A seniority list shall be established for all full-time and part-time employees covered by this Agreement who have completed their probationary period. For information purposes only the names of all full-time probationary employees and all part-time probationary employees shall be included in the seniority lists. A copy of the current seniority lists will be provided to the Union, but not more frequently than once every three months. The Employer shall electronically transfer said lists with the member's addresses and available phone numbers in an agreed upon format. A copy of the seniority lists shall be posted on a bulletin board in the employer's premises.

16.04 **An** employee shall lose all service and seniority and shall be deemed to have terminated if he or she:

- (a) leaves of their own accord;
- (b) is discharged and the discharge is not reversed through the grievance or arbitration procedure;
- (c) has been laid off for eighteen (18) calendar months;
- (d) is absent from scheduled work because of illness or accident for a period of two or more consecutive working days without personally notifying the employer of such

absence and providing a satisfactory reason to the employer or justifies his or her inability to so notify the employer. The Company reserves the right, subject to reasonable cause, to ask an employee for a physician's certificate after sick leave which the employee must provide. If the employee neglects or refuses to provide the same, the employee may be subject to discipline.

- (e) fails to return to work upon termination of an authorized leave of absence or utilizes a leave of absence for purposes other than for which the leave was granted;
- (f) fails upon being notified of a recall to signify his or her intention to return within five (5) calendar days after he or she has received the notice of recall mailed by registered mail to the last known address according to the records of the employer and fails to report to work within five calendar days after he or she has received the notice of recall or such further and other period of time as may be agreed upon by the parties;
- (g) fails to return to work following an illness or accident or leave after the Company has been notified by the employee's Doctor or the Workers' Compensation Board that the employee is able to return to work;
- (h) employee is absent due to illness or disability which absence continues for thirty (30) calendar months from the time the disability or illness commenced.

Note: This clause shall be interpreted in a manner consistent with the provisions of the Ontario Human Rights Code and the Workers Compensation Act.

- (i) is a full-time employee, and accepts another full or part-time job without first obtaining the consent of the Company in writing. The Company agrees not to arbitrarily withhold approval if the Company cannot provide 40 hours of work per week.

16.05 Should a shortage of work occur within any work station in the area where employees work (the areas being the Marche, the Masquerade and the Marchelino areas) during a work day that will cause an employee to be sent home early, the company shall take into consideration the following order in making its decision as to which employee is to be sent home:

1. Volunteers
2. Seniority and the ability to perform existing work within the work station.

#### **ARTICLE 17 - LAYOFF**

17.01 A lay-off of employees shall be made on the basis of seniority in job classification, least senior laid off first, and then bargaining unit wide provided that the employee who is entitled to remain on the basis of seniority is qualified to perform the available work with orientation. Subject to the foregoing, probationary employees shall be laid off first and full-time employees last laid off. Employees shall be recalled in the order of seniority.

17.02 The Employer shall notify employees who are to be laid off 14 working days prior to the effective date of lay-off, or award pay in lieu thereof, unless a greater period of notice is required by legislation, in which case the greater period of notice, or pay in lieu thereof, shall be given.

17.03 No new employee shall be hired until those laid off have been given the opportunity of recall. The employee shall keep the employer advised at all times of his or her current address.

17.04 Severance pay shall be in accordance with the Ontario Employment Standards Act.

#### **ARTICLE 18 - TECHNOLOGICAL CHANGE**

18.01 Before the Company introduces any technological change that would result in a layoff, the Company shall meet with the Union and disclose the technological change and allow the Union to offer alternatives to the change for the Company to consider.

#### **ARTICLE 19 - VACANCIES, JOB POSTING, PROMOTIONS AND TRANSFERS**

19.01 The posting of a job vacancy shall include the type of position (eg. Server, bus person), the wage rate for the position and whether the position is a full-time or part-time position. The job shall be posted for five (5) calendar days. Interested



employees shall indicate their interest in writing and submit such to the Company. The name of the successful candidate shall be posted for five (5) calendar days.

- (a) The employer will provide a copy of any job postings under this article to the Chief Steward.

19.02 **An** employee may make a written request for transfer by advising the employer and filing a request for transfer form indicating his or her name, qualifications, experience, present area of assignment, seniority and requested area of assignment. A request for transfer shall become active as of the date it is received by the employer. Such requests will be considered as applications for posted vacancies and subsequent vacancies created by the filling of a posted vacancy.

19.03 Employees shall be selected for positions under this Agreement by the Company on the basis of reasonable skill, ability, experience and qualifications and such selection will not be unreasonably or arbitrarily made. Seniority shall govern providing the successful applicant, if any, is qualified to perform the available work within an appropriate familiarization period.

19.04 Vacancies which are not expected to exceed 60 calendar days and vacancies due to illness, accident, leaves of absence (including maternity) may be filled at the discretion of the employer.

19.05 The employer shall have the right to fill any permanent vacancy on a temporary basis until the posting procedure is exhausted.

19.06 **An** employee selected as a result of a posted vacancy or a request for transfer need not be considered for a further permanent vacancy for a period of up to six months from the date of his or her successful selection.

## **ARTICLE 20 - LABOUR-MANAGEMENT COWWITTEE**

20.01 **A** Labour-Management Committee consisting of three representatives of the Union (the Business Agent and two shop stewards selected by the Union) and three representatives of management shall meet upon request but not more often than every three months. The committee may meet more often by agreement of the parties. The purpose of the committee shall be to discuss

matters of mutual concern. Time spent by employee members of the Committee at meetings at the Committee shall be considered to be time worked.

## **ARTICLE 21 - JOB CLASSIFICATION**

**21.01** *An* employee except a Team Leader who is assigned, in accordance with the terms of this Agreement, to a higher paying classification, shall be paid the rate and benefits of that classification for the time that he or she performs such job if such assignment is for four or more consecutive hours; an employee who is assigned in accordance with this Agreement to a lower paying classification shall continue to be paid the rate and benefits of his or her regular job.

## **ARTICLE 22 - HOURS OF WORK**

**22.01 (a)** The following provisions designating regular hours of work over the posted schedule determined by the employer shall not be construed to be a guarantee of the hours of work to be performed. The normal hours of work for full time employees shall consist of forty (40) hours per week with daily hours as may be agreed. Full time employees regularly scheduled to work forty hours per week shall be entitled to overtime or the excess hours over forty hours per week only. One half-hour unpaid meal period and two fifteen minute break periods shall be taken on any regular shift. No employee shall work more than five (5) hours without a one-half hour unpaid meal break. One break shall be before the meal break and the second break taken after lunch in any shift of six hours duration or more.

(b) If the employer asks the employee to work an extra four (4) hours after or before their scheduled shift an additional fifteen (15) minutes paid break shall be provided.

**22.02** Part-time employees hired to full-time shall be credited with the total part time hours towards their full-time seniority date. Such credit shall apply to any time periods affecting wages, benefits, and any other provision.

22.03 The schedule of hours and days of work of each employee shall be posted in an appropriate place one week prior to the commencement of the schedule or Thursday for the upcoming week.

A night shift bonus of forty (\$.40) cents per hour for all hours worked shall be paid to employees scheduled to work from 11:00 p.m. to 8:00 a.m.

### **ARTICLE 23 - OVERTIME HOURS AND EXTRA SHIFTS**

23.01 Those employees prepared to work extra shifts and/or overtime hours shall place their name on a list to be posted on a bulletin board in the restaurant.

23.02 Employees who place their name on the list and offer their availability for all extra shifts and/or overtime hours that are required by the Employer during the course of the business month.

23.03 If the employer requires an employee or employees to work an extra shift or overtime hours, it will first attempt to contact those persons on the list. The contact will be made in rotation so as to attempt to offer extra shifts as equitably as possible to all persons on the list. A telephone call to the employee's residence constitutes a reasonable attempt to contact the employee by the Employer.

23.04 If the Employer is unable to contact persons on the list or if no person on the list is prepared to accept the extra shifts and/or overtime hours offered, then the Employer may require the most junior person in the job classification then available to work the required shift or overtime. This clause is not to be interpreted as an agreement, under the Employment Standards Act, by the Union acting as the employee's agent to hours of work in excess of 48 hours in a week.

23.05 For full time employees who are regularly scheduled to work forty (40) hours per week all time initially worked outside of or in excess of forty (40) hours per week only shall be considered overtime. In such circumstances daily hours in excess of eight hours shall not be considered overtime unless the aggregate of forty hours is achieved. Overtime work shall be paid for at the rate of time and one-half and shall be based on base rate plus the fixed component of the service charge. With regard to the fixed

component of the service charge as it is applied to Article 23 and other relevant articles the parties agree that the "Clarity Note" in Schedule "A" shall apply to its interpretation.

Work done on a statutory holiday or work done after 5:00 p.m. on Christmas Eve shall earn the premium of one and one-half times the regular wage and the fixed component of the service charge plus the days pay in cases of a statutory holiday.

23.06 Unless he or she has been notified beforehand not to report for work, a full-time employee reporting for work as his or her scheduled starting time shall be provided with a minimum of three hours' work, of pay in lieu thereof. Unless he or she has been notified before not to report for work, a part-time employee reporting for work at his or her scheduled starting time shall be provided with a minimum of four hours' work, or pay in lieu thereof.

#### **ARTICLE 24 - PART-TIME EMPLOYEES**

24.01 The Union and Company agree that in order for the Company to operate its business effectively, it requires part-time workers. The rights of the part-time workers shall be those specifically described herein. Part-time employees are those whose regularly scheduled hours do not normally exceed 24 hours per week.

24.02 Seniority for part-time employees shall accrue separately as part-time seniority after completion of the part-time employee's probationary period. Upon completion of the probationary period, seniority shall be credited from the date of hire. Should a part-time employee transfer to full-time status their seniority shall be computed on the basis of hours worked.

#### **ARTICLE 25 - STATUTORY HOLIDAYS**

25.01 The employer agrees to grant the following holidays with pay:

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

The employer shall pay all employees a regular day's pay (based on base rate plus the fixed component of the service charge) for each of the above holidays.

The Floater holiday is available to any employee who has attained seniority, after their eighth (8) month of employment or their birthday within the calendar year.

#### **25.02 Payment for Working on a Holiday**

Any employee required to work on any of the above named holidays within this Collective Agreement shall be paid in the following manner:

- (a) they shall be paid their regular day's pay for the holiday. In addition, the employee will be paid based on time and one-half (1 ½) of their regular rate plus the fixed component of the service charge for each hour worked on the said paid holiday.
- (b) or, by mutual agreement be paid based on the rate of time and one-half (1 ½) the basic hourly rate plus the fixed component of the service charge for all hours worked on the holiday and be given another day off with pay in lieu of the holiday within three (3) months of the date on which the holiday was observed.

### **ARTICLE 26 - VACATIONS AND VACATION PAY**

26.01 Vacations are allowed as a period of change and rest for the general good of the employees and the employer alike. Continuous service without vacation, but with extra compensation, is not regarded as good for either the employee or the employer and hence no employee may elect to receive pay in lieu of vacation. On request Employees may be paid at the time of starting their vacation or one pay period prior to the vacation for time to be taken as vacation and all deductions usually made from the employees' earnings will be made from their vacation pay.

26.02 Consistent with the efficient operations of the restaurant, and subject to the business needs of the Company, the granting of vacation will be by seniority.

After one year of service, each employee shall be entitled to an annual vacation with pay, as follows:

One (1) year but less than five (5) years- two (2) weeks at 4% of previous T-4;

Five (5) years but less than eleven (11) years - three (3) weeks at 6% of previous T-4;

Eleven (11) years or more - four (4) weeks at 8% of previous T-4.

**26.03** A vacation schedule shall be posted by January 1 and finalized by April 1. No changes shall be made unless by mutual agreement of the Company and the employees affected.

#### **ARTICLE 27 - LEAVES OF ABSENCE**

**27.01** The Company may, in its discretion, grant a leave of absence without pay or benefits during the leave of absence and without loss of seniority to an employee for personal reasons. All requests for leave of absence shall be in writing as far in advance as practicable. The Company agrees to reply to such requests in writing within seven (7) working days whenever possible. Such leave of absence shall not be unreasonably withheld.

**27.02** (a) Pregnancy leave will be granted in accordance with the provisions of the Employment Standards Act 2000. The service requirement for eligibility for pregnancy leave shall be thirteen (13) weeks of continuous service.

(b) The employee shall give written notification at least two (2) weeks in advance of the date of commencement of such leave and the expected date of return. At such time she shall also furnish the employer with the certificate of a legally qualified medical practitioner stating the expected birth date.

(c) The employee shall reconfirm her intention to return to work on the date originally approved in subsection (b) above by written notification received by Richtree at least two (2) weeks in advance thereof.

(d) Credits for service and seniority shall accumulate for a period of up to seventeen (17) weeks while an employee is on pregnancy leave. If the employee elects to take a

parental leave in combination with the pregnancy leave, credits for service and seniority will accumulate for a period of up to fifty-two (52) weeks.

- (e) Subject to any change to the employee's status which would have occurred had she not been on pregnancy leave, the employee shall be reinstated to her former duties or similar work of equal or greater value.

27.03 Leave of absence with pay will be granted to not more than three employees who have attained seniority and who have been selected by the Union to attend meetings with the employer on negotiations for a Collective Agreement or renewal thereof. Only hours spent by these employees in negotiation meetings with the employer shall be paid by the Employer. The leaves of absence with pay for the purpose of negotiations shall cease when either the Union or the Employer applies for mediation under the Labour Relations Act or any successor legislation.

- (a) Compassionate leave of absence with pay, and without loss of seniority, shall be granted to all full-time and part-time employees after completing their probationary period who suffer death in their immediate family. The term "immediate family" shall be limited to husband, wife, sister, brother, mother, father, child, mother-in-law, father-in-law, common-law husband and common-law wife. Leave of absence in those circumstances shall be for three working days, but may be extended to a longer period, where circumstances warrant, at the sole discretion of the General Manager. Any extension of the leave of absence granted by the General Manager shall be without pay and without loss of seniority.
- (b) Compassionate leave of absence with pay and without loss of seniority, shall be granted to all full-time and part-time employees after completing their probationary period who suffer the death of a grandparent. Leave of absence in those circumstances shall be for one working day, but may be extended to a longer period, where circumstances warrant, at the sole discretion of the General Manager. Any extension of the leave of absence granted by the General Manager shall be without loss of seniority.

## **ARTICLE 28 - JURY AND WITNESS DUTY**

28.01 If an employee is required to serve as a juror in any court of law, or is required to attend as a witness in a court proceeding in which the Crown is a party, or is required by subpoena to attend a proceeding in the Criminal Courts of Ontario, the employee shall not lose regular pay because of such attendance provided the employee:

- (a) notifies the Company immediately on the employee's notification that he will be required to attend at court;
- (b) presents proof of service requiring the employee's attendance;
- (c) deposits with the Company the full amount of compensation received excluding mileage, travelling and meal allowances and an official receipt thereof.

## **ARTICLE 29 - TRAINING AND EDUCATIONAL ASSISTANCE**

29.01 The Company shall pay for all time spent in courses or training that it requires of employees as well as all costs of such courses or training.

29.02 Other applications for educational assistance shall be considered if such training is applicable to the employee's work.

29.03 The parties agree to develop Management/Member Sensitivity Training for the purpose of having managers and members jointly take instructions on Interpersonal Relationships.

## **ARTICLE 30 - HEALTH AND SAFETY**

30.01 The Company shall provide a healthy and safe work place. To this end there will be a joint committee between the Union and the employer composed of an even number of representatives of the Union and the Company with two chairpersons, one will be a Representative of the Union and the other of the Company. The purpose of the Health and Safety Committee is to insure that Health and Safety standards are maintained in the working environment. In order to ensure that standards are met, the Committee must meet every six weeks.



30.02 If the Employer and/or the Union has concerns about health and safety matters in the workplace, these matters can be raised by either the Union representatives and/or Employer representatives at the Labour Management Committee and may be the subject of a grievance.

**30.03**      Health and Safety Committee

A Joint Health and Safety Committee has been appointed consisting of up to four (4) individuals: up to two (2) representing Richtree and up to two (2) representing the bargaining unit.

- (a) At least half the members of a committee shall be workers employed at Richtree who do not exercise managerial functions. Richtree shall select the remaining members from among persons who exercise managerial functions for Richtree. Two of the members of the Committee shall co-chair the Committee, one of whom shall be selected by the members who represent workers and the other of whom shall be selected by the members who exercise managerial functions. Richtree shall ensure that at least one member of the Committee representing Richtree and at least one member representing workers are certified members. The Committee will meet at the workplace at least once every three months, or as deemed necessary by the Committee.
- (b) Due consideration will be given to recommendations of the Health and Safety Committee. Members of the Health and Safety Committee will be permitted to attend grievance meetings regarding problems directly relating to health and safety in the bargaining unit.
- (c) Notice of the occurrence of an accident in the workplace will be furnished to the Health and Safety Committee Union Co-chair Representative.
- (d) In the event that a Bargaining Unit member of the committee is requested by Richtree or because of a necessity which is specified under the OHSAA is required to report for work outside their normal working hours, they will be compensated at the appropriate premium pay as per Article 23 - Overtime Hours and Extra Shifts.

(e) Copies of the minutes will be forwarded to the Union.

The right to refuse unsafe work is recognized by Richtree and will be administered as written in the 1995 Ontario Health and Safety Act and Regulations.

#### **ARTICLE 31 - EMPLOYEE BENEFITS**

**31.01** The Company shall continue to provide the existing Health and Welfare Plans as outlined in the employee's handbook (see Schedule "B"). The Employer agrees to pay 100% (one hundred percent) of the cost of the premiums for coverage.

#### **ARTICLE 32 - UNIFORMS**

**32.01** The Company shall continue to provide all clothing and personal items it requires employees to wear while at work as per its on-going practice. The Company will also continue to clean such clothing as per its on-going practice. There shall be no deposit required of employees for uniforms. A deduction of \$75.00 shall be made from an employee's final paycheque for missing uniforms.

**32.02** The Company agrees to replace employer supplied uniforms on a demonstrated needs basis.

#### **ARTICLE 33 - MEALS**

**33.01** There shall be no increase in the meal charge deduction charged to employees on the date of ratification of this Agreement during the term of this Agreement (.37 per hour to a maximum of \$14.80). The variety and general quantity of meals shall also not be altered.

#### **ARTICLE 34 - WAGES AND DISTRIBUTION OF SERVICE CHARGE**

**34.01** The Company shall pay wages and distribute the service charge as set out in Schedule "A" attached hereto and forming part of this Collective Agreement. Each employee shall be provided with an itemized statement of his or her wages, overtime, and other supplementary pay and deductions including service charge distribution and calculation of points earned and cumulative hours

worked. Wages shall be paid on a bi-weekly basis on Friday. **Any** errors in paycheques will be paid to employees within forty-eight **(48)** hours of the employee bringing the matter to the attention of the Company or as soon as possible and within two working days excluding Saturdays and Sundays.

**ARTICLE 35 - DURATION**

35.01 This Agreement shall be in full force and effect from the sixth day of January 2002 until the sixth day of January 2005 and from year to year thereafter unless either party gives notice in writing to the other of termination or of amendment not more than ninety (90) days and not less than thirty (30) days prior to the date of termination.

35.02 This Agreement shall remain in full force and effect until the signing of a new Agreement or until the parties are in a legal strike or lockout position.

DATED at Toronto this 7th day of June 2002.

FOR THE COMPANY:

FOR THE UNION:

*Paul Bogu do*  
\_\_\_\_\_  
*John White*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Paul*  
\_\_\_\_\_  
*[Signature]*  
\_\_\_\_\_  
*[Signature]*  
\_\_\_\_\_  
\_\_\_\_\_

JC:WS

SCHEDULE "A"

Employees earning wages at or above rates outlined in this schedule shall be considered to be "red-circled".

Such employees shall receive wage increases at:

- a **2%** increase on September 2, 2002 "across the board" to all classifications and to all red-circles employees within Schedule "A".
- a **3%** increase on January 5, 2004 "across the board", to all classification and to all red-circles employees within Schedule "A".

Marche Area

Hourly Rates

<b>Marche</b>	Permanent 2-6 Months	Permanent 7-12 Months	Senior
Current	\$7.57	\$7.67	\$7.93
Effective September 2, 2002	\$7.72	\$7.82	\$8.09
Effective January 5, 2004	\$7.95	\$8.05	\$8.33
<b>Team Leader</b>			
Current			\$8.98
Effective September 2, 2002			\$9.16
Effective January 5, 2004			\$9.43

Note: **Any** raise provided shall be in addition to the fixed service charge.

Chart No. 1

Marche - Fixed Component  
of the Service Charge to be  
added to hourly rate

Hours Worked	Percent Added
From 0-80 Hours	8.0%
From 80-400 Hours	10.0%
From 400-1200 Hours	12.0%
From 1200-2000 Hours	15.0%
From 2000-4000 Hours	18.0%
From 4000-6000 Hours	20.0%
From 6000-8000 Hours	22.0%

Chart No. 2

Remainder of Service Charge  
To Be Distributed on Point System

Hours Worked	Points
0-80	0
80-400	1
400-1200	2
1200-2000	3
2000-3000	4
3000-4000	5
4000-5000	6
5000-6000	7
6000-8000	8
8000-10,000	9
10,000 and over	10

Up to an additional ten (10) points can be awarded to Marche employees on the basis of clear, identifiable and fair standards established by a joint Labour/Management committee consisting of an equal number of labour and management members.

The Company acknowledges that all probationary rates in this Agreement shall comply with the Employment Standards Act.

Incentive Plan: The Company's distribution of the service charge to bargaining unit employees beyond the fixed component of

the service charge percentages provided for in Chart No. 1 shall be based on a point system with points allotted on the employee's length of service as provided for in Chart No. 2.

\*Clarity Note: Should the utilization of the fixed component of the service charge result in the exhaustion of the service charge pool on a given day then it is understood that for that day the Company shall not subsidize the pool to any greater extent.

Service Charge Distribution Committee

Three members of the bargaining unit designated by the Union and the Union Business Agent, upon request of the Union, will meet monthly with a designee(s) of the Company to review and monitor the service charge distribution and related matters.

**Masquerade Area**

	<b>Current</b>	<b>Effective Sept. 2, 2002</b>	<b>Effective Jan. 5, 2004</b>
<b>Server</b>			
Permanent (2 months)	6.16	6.28	6.47
Senior (1 Year)	6.36	6.49	6.68
2 <sup>nd</sup> Year	6.52	6.65	6.85
3 <sup>rd</sup> Year	6.67	6.80	7.00
<b>Bartender</b>			
Permanent (2 months)	7.16	7.30	7.52
Senior (1 Year)	7.31	7.46	7.68
2 <sup>nd</sup> Year	7.49	7.64	7.87
3 <sup>rd</sup> Year	7.67	7.82	8.06
<b>Kitchen/Panini Commis.</b>			
Permanent (2 months)	7.41	7.56	7.79
Senior (1 Year)	8.16	8.32	8.57
2 <sup>nd</sup> Year	8.36	8.53	8.78
3 <sup>rd</sup> Year	8.57	8.74	9.00

	Current	Effective Sept. 2, 2002	Effective Jan. 5, 2004
<b>Kitchen/Chef De Partie</b>			
Permanent (2 months)	8.16	8.32	8.57
Senior (1 Year)	10.19	10.39	10.70
2 <sup>nd</sup> Year	10.44	10.65	10.97
3 <sup>rd</sup> Year	10.70	10.91	11.24
<b>Kitchen/Souschef</b>			
Permanent (2 months)	9.16	9.34	9.62
Senior ( 1 Year)	11.29	11.52	11.87
2 <sup>nd</sup> Year	11.47	11.70	12.05
3 <sup>rd</sup> Year	11.75	11.99	12.35
<b>Takeout Counter</b>			
Permanent (2 months)	7.41	7.56	7.79
Senior (1 Year)	8.16	8.32	8.57
2 <sup>nd</sup> Year	8.36	8.53	8.79
3 <sup>rd</sup> Year	8.57	8.74	9.00
<b>Stewarding</b>			
Permanent (2 months)	7.41	7.56	7.79
Senior (1 Year)	8.16	8.32	8.57
2 <sup>nd</sup> Year	8.36	8.53	8.79
3 <sup>rd</sup> Year	8.57	8.74	9.00
<b>Teamleader/Bar</b>			
Permanent (2 months)			
Senior (1 Year)	8.28	8.45	8.70
2 <sup>nd</sup> Year	8.48	8.65	8.91
3 <sup>rd</sup> Year	8.69	8.86	9.13
<b>Teamleader/Service</b>			
Permanent (2 months)			
Senior (1 Year)	7.20	7.34	7.56
2 <sup>nd</sup> Year	7.37	7.51	7.74
3 <sup>rd</sup> Year	7.55	7.70	7.93

The Service "tip-out" shall be one (1) percent to the Kitchen, take out and stewarding bargaining unit employees; one (1) percent to the bar bargaining unit employees; and one (1) percent to the house (for breakage, etc.).

**Marchelino Area**

	<b>Permanent 2 Months</b>	<b>Senior 1 Year</b>	<b>2nd Year</b>	<b>3rd Year</b>
<b>Marketeer</b>				
Current	8.01	8.66	8.86	9.09
Effective Sept. 2, 2002	8.17	8.83	9.04	9.27
Effective Jan. 5, 2004	8.42	9.10	9.31	9.55
<b>Host/Cash</b>				
Current	8.01	8.66	8.86	9.09
Effective Sept. 2, 2002	8.17	8.83	9.04	9.27
Effective Jan. 5, 2004	8.42	9.10	9.31	9.55
<b>Restauranteur</b>				
Current	8.01	8.66	8.86	9.09
Effective Sept. 2, 2002	8.17	8.83	9.04	9.27
Effective Jan. 5, 2004	8.42	9.10	9.31	9.55
<b>Teamleader</b>				
Current		9.81	10.15	10.30
Effective Sept. 2, 2002		10.01	10.35	10.51
Effective January 5, 2004		10.31	10.66	10.82



SCHEDULE "B"

The current Employee Health & Welfare Benefits Booklet for Move! Restaurants Ltd., (attached) outlines the Health & Welfare benefits provided for under this Agreement.

SCHEDULE "C"

GRIEVANCE FORM

SERVICE EMPLOYEES INTERNATIONAL UNION, Local 204, A.F. of L,  
C.I.O., C.L.C.

Name \_\_\_\_\_ Date \_\_\_\_\_

Department \_\_\_\_\_ Supervisor \_\_\_\_\_

Date Grievance Occurred \_\_\_\_\_

Step 1 - Particulars of Grievance \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Steward or Union Representative Signature \_\_\_\_\_ Grievor Signature

Adjustment Requested - \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Received at Step 1 By \_\_\_\_\_

Step 1 Reply - \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature \_\_\_\_\_ Social Insurance No: \_\_\_\_\_  
Date \_\_\_\_\_

Reply - Satisfactory \_\_\_ Unsatisfactory \_

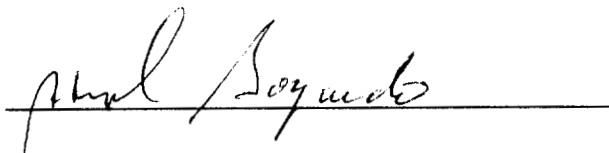
LETTER OF UNDERSTANDING

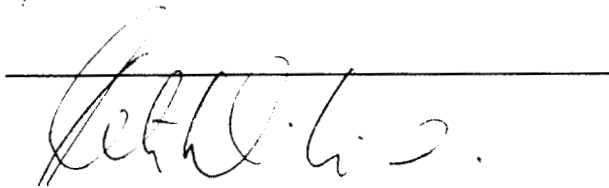
Except for existing practice, the Company shall endeavour not to contract out services so as to result in layoffs of full time employees.

DATED at Toronto this 7th day of June 2002

FOR THE COMPANY:

FOR THE UNION:

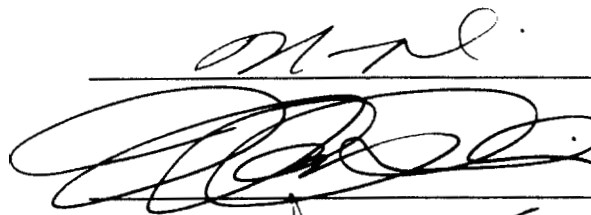




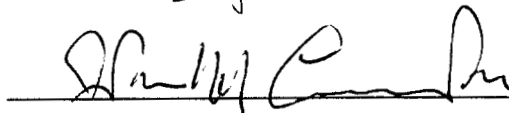
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LETTER OF UNDERSTANDING

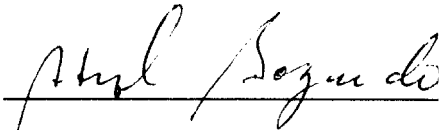
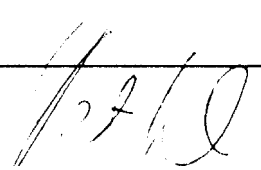
Re: Training Pay Supplement

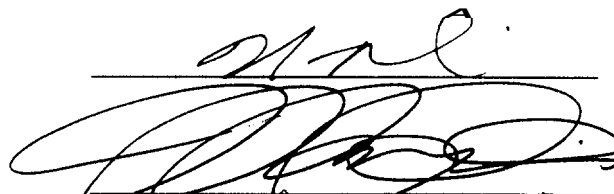
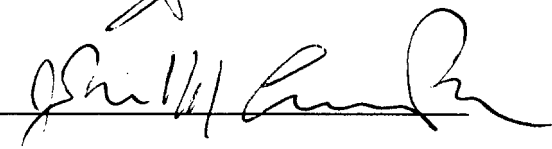
Employees who are asked by the Company to train other employees as directed by the Company shall receive a supplement of \$100.00 payable \$50.00 after completion of the training checklist and \$50.00 after the trainee's probation period is completed.

DATED at Toronto this 7th day of June 2002

FOR THE COMPANY:

FOR THE UNION:

  
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Letter of Understanding

Between

Richtree Markets Inc.

And

Service Employees International Union, Local 204  
A.F.L., C.I.O., C.L.C.

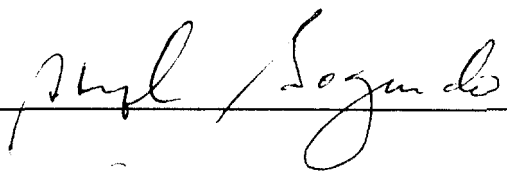
Re: Scheduling of Hours

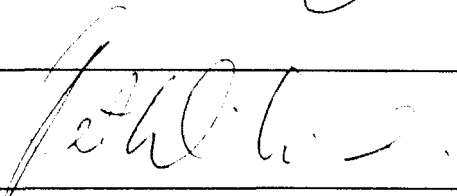
The parties agree to examine under the Labour/Management Committee format, the scheduling of hours, up to a forty (40) hours a shift, where members are willing to consider the flexibility of any such job.

DATED at Toronto this 7th day of June 2002.

FOR THE COMPANY:

FOR THE UNION:


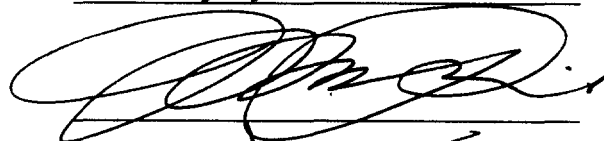
  
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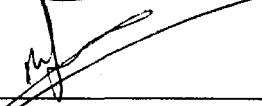
  
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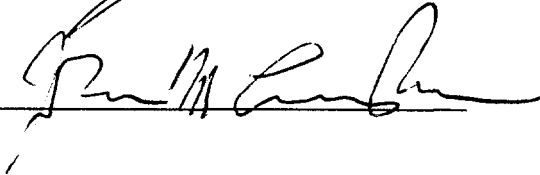
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Letter of Understanding

Between

Richtree Markets Inc.

And

Service Employees International Union, Local 204  
A.F.L., C.I.O., C.L.C.

The parties agree that they will make every reasonable effort to reduce the premium costs of the health and Welfare plan by either one or a combination of the following courses of action.

To seek an alternative provider that is prepared to offer a similar package at a more favourable cost to the Employer or to revise the existing plan in an agreed upon manner.

The goal of this effort would be to return the Health and Welfare costs to a level that prevailed as of December 2001.

DATED at Toronto this 7th day of June 2002.

FOR THE COMPANY:

Paul Sogredo  
John W. ...  
   
   
   
 

FOR THE UNION:

   
   
   
John ...

Letter of Understanding

Between

Richtree Markets Inc.

And

Service Employees International Union, Local 204  
A.F.L., C.I.O., C.L.C.

WHEREAS the Company has demonstrated to the Union that certain temporary measures are required in order for the Company to meet an important financial obligation;

AND WHEREAS the Union and the employees represented by the Union want to participate in the successful operation of the business and in this respect are prepared to make certain sacrifices on a voluntary basis on the understanding that except as contemplated herein, the employees represented by the Union will not be materially affected by the Richtree Day Program;

AND WHEREAS the Company wishes to have its employees participate as shareholders in the Company and to accomplish this will establish a share trust as outlined in the attached Appendix 1) governed by a Declaration of Trust which Declaration of Trust is hereby incorporated into and part of the Collective Agreement as it affects the bargaining unit employees;

AND WHEREAS the Company and the Union agree to amend the Collective Agreement as stipulated herein, provided 65% of the employees in the bargaining unit ratify this Letter of Understanding as evidenced by the voluntary signing of the Richtree Day Program letter of participation attached hereto and incorporated herein as Appendix 2.

The amendments to the Collective Agreement for those employees who sign Appendix 2 are as follows:

1. Article 16 shall continue to apply to all work performed on all days but Tuesdays. On Tuesdays work opportunities will be offered to all employees, but in the scheduling of work on Tuesdays, while the principle of seniority will be followed as much as possible, there may be occasions where, due to operational requirements, the seniority provisions will not

necessarily be strictly followed in scheduling hours of work. Where the seniority provisions are not strictly followed and problems develop, the parties will meet on an expedited basis to resolve any difficulties.

2. Article 23 - 40 hours worked shall read 44 hours worked.

This Letter of Understanding, including Appendixes 1 and 2, is incorporated into and part of the collective agreement.

The amendments contained in paragraphs 1 and 2 shall only apply to those employees who sign the Richtree Day Program letter of participation.

The amendments contained in paragraphs 1 and 2 shall remain in force for the period of January 29, 2002 until July 2, 2002. Effective July 3, 2002 the aforesaid amendments will no longer be in force or effect.

The Union will have the power to appoint one of the trustees under the Declaration of Trust.

DATED at Toronto this 7th day of June 2002

FOR THE COMPANY:

Paul Bogardo  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FOR THE UNION:

[Signature]  
[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_



Appendix 1

**Outline Terms for Employee Share Trust of Richtree Inc.**

1. **Contributors.** The contributors will include the following:

- (i) all directors
- (ii) all officers and key management
- (iii) most salaried employees (voluntary basis)
- (iv) most unionized employees (on a voluntary basis)

2 **Contribution Period.** The program will be regarded as having commenced effective December 1 for directors, management and key employees and from January 1, 2002 for salaried and union employees and will run until mid-June. The remuneration that would otherwise have been earned for extra hours worked in the case of salaried and union employees and for the relevant percentage of time worked for other contributors, in each case net of applicable withholdings, will be paid into the trust fund and accumulated together with earnings thereon.

3. **Establishment of Trust.** An independent settlor will establish the trust with a contribution of \$100. The settlor will be unrelated to the controlling interest in Richtree Inc. The trust will be an open ended vehicle so that additional contributions can be made from time to time.

4. **Purpose of Trust.** The trust will established for the express purpose of purchasing, if available, the residual 1,000,000 Class A special preferred shares of Richtree Inc. held by Movel Restaurant Holding A.G. Assuming shareholder approval is obtained, the Class A special preferred shares so acquired will be converted into Class B Subordinate Voting shares (the "common shares") of Richtree Inc. Should Movel not co-operate, the trust could loan funds to Richtree for the express purpose of purchasing and redeeming for cancellation the preferred shares at which point the amounts so loaned would be applied to the issue from treasury of common shares of Richtree Inc. Should for any reason neither of these methodologies be possible, the trust funds would be applied to the direct issue of common shares of Richtree Inc.

The conversion or issue price of the common shares will be subject to the approval of The Toronto Stock Exchange but the

Exchange has been requested to approve a price of approximately \$0.65 per share. The price approved by the Exchange would be applicable to any of the above methodologies.

At all times the trust fund would be imbued with trust characteristics and could only be used for the above purposes. The trustees would have no discretion in this regard.

As earned, the funds would be transferred on behalf of the contributors into the special trust account to be maintained with a Canadian chartered bank. The funds would be invested to earn interest in a special deposit account or other instrument of the bank approved by the trustees.

The intention would be to accumulate a total sum of \$1 million for purposes of acquiring the preferred shares and/or redeeming them at their issue price of \$1 million. This is the same price at which the prior three blocks of preferred shares were redeemed.

**5. Trustees.** There would be five trustees, two of whom would be appointed to represent the union employees, one of whom would be appointed to represent non-union hourly employees, one of whom would be appointed to represent the salaried employees and one of whom would be appointed to represent the board and senior management. Provision would be made for a replacement trustee on behalf of the nominating group should a vacancy arise. Decisions of the trustees would, in order to avoid conflict, be on a unanimous basis. Each of the group would designate their initial trustees at the outset so that all parties would know and be comfortable with who were to be the representatives.

**6. Trust Account.** The trustees' decisions would prevail in respect of investments of the trust funds although for convenience provision may be made for two of the five trustees to sign any necessary directions or cheques or other instruments for bank purposes.

**7. Purpose of Shares.** Once \$1 million has been accumulated in the trust, the trustees shall be obligated to apply such funds towards the purchase of the preferred shares. The monies would be applied out of the trust in the sequence referred to above, that is to say for a direct purchase from Movel, failing which a loan to the corporation to be applied directly to redemption of the preferred shares and/or the issue directly of common shares of Richtree Inc. funds deployed for such purposes shall include interest earned in the interim.

In the event that by the end of June 2002, a full \$1 million has not been accumulated additional funds may be contributed to the trust by Richtree to facilitate the purchase of shares, or such additional funds may be contributed by the board and/or senior management.

**8. Refund Prior to Time of Division.** The trustees shall hold the trust fund until the time of division. Under special circumstances only, the trustees may from time to time pay out an amount (equal to his or her proportionate share) which they unanimously determine is necessary for the well-being of a particular beneficiary. Such a payout shall be considered an exception to the rule.

**9. Distribution.** At the time of divisions which is tentatively the 29<sup>th</sup> day of July, 2002, the trustees shall divide either the Class B subordinate voting shares if the trustees have effected the purchase of shares in accordance with the purposes of the trust, or in alternative the amount held in the trust account if the purpose of the trust has been frustrated.

The distribution will be made to each beneficiary in the proportion that his or her contribution (including a proportionate share of earnings thereon) bears to the total interest of all beneficiaries in the trust fund including earnings thereon. Such interest will be reduced only to the extent of proper expenses of the trust and trustees or any exceptional early payout to a beneficiary as referred to in Section 8 above.

**10. Operation of Trust.** The trustees will be entitled to seek professional legal accounting and expert assistance as may be reasonably required and the costs thereof will be charged to the income and capital of the trust fund.

**11. Trust Agreement.** The foregoing provisions will be included in a standard type of open ended inter vivos trust document.

**12. Approvals.** The foregoing is subject to the obtaining of requisite union approvals and approvals of The Toronto Stock Exchange which may also require shareholder approval at the time of the forthcoming annual meeting. In the event that all requisite approvals are not forthcoming by the 30<sup>th</sup> day of March, 2002, the time of division will be accelerated to April 10, 2002 at which time a cash distribution will be made of the trust fund as it exists at that time, including earnings thereon, less proper expenses.

DATED at Toronto this 7th

day of June 2002

FOR THE COMPANY:

FOR THE UNION:

Ray Bogardo

Ray

[Signature]

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