

COLLECTIVE AGREEMENT

BETWEEN

**VINCOR INTERNATIONAL INC.
(carrying on business as "The Wine Rack")
OF THE FIRST PART**

- and -

**BREWERY GENERAL & PROFESSIONAL WORKERS' UNION
(hereinafter called the "Union")
OF THE SECOND PART**

Expiry April 30, 2006

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ARTICLE 1 - RECOGNITION

- 1.01 The Company recognizes the Union as the sole collective bargaining agency for all its employees employed at all its retail stores in Metropolitan Toronto, save and except Store Managers and persons above the rank of Store Managers.
- 1.02 The term "employee" as used in this Agreement shall mean those persons described in the bargaining unit set forth in clause 1.01.
- 1.03 The Term "part-time employee" as used in this Agreement shall mean an employee who is not regularly employed for more than twenty-four (24) hours per week.

ARTICLE 2 - RELATIONSHIP

- 2.01 During the lifetime of this Agreement, the Company shall deduct from the pay of all employees covered by this Agreement on the last pay day of each calendar month, a sum equivalent to the regular monthly Union dues including arrears in dues and initiation fees and shall remit same prior to the 15th day the month following the month on which the deduction is made to the Treasurer of the Local Union. The said sum shall be accepted by the Union as the regular monthly dues of those employees who are or shall become members of the Union and shall be treated as their contribution towards the expenses of maintaining the Union.
- 2.02 All persons who, after the date of this Agreement, become employees covered by this Agreement, shall immediately upon the expiration of their probationary period become and remain members in good standing of the Union as a condition of employment.

ARTICLE 3 - MANAGEMENT RIGHTS

- 3.01 The Union recognizes and acknowledges that the management of the Company's enterprise and direction of the working force are fixed exclusively in the Company and, without restricting the generality of the foregoing, the Union acknowledges that it is the exclusive function of the Company to:
 - (a) maintain order and efficiency;
 - (b) hire, promote, demote, classify, transfer, suspend and retire employees at normal retirement age, and to discipline or discharge any non-probationary employee for just cause provided that a claim by a non-probationary employee that he/she has been discharged or disciplined without just cause may be the subject of a grievance and dealt with as hereinafter provided;

- (c) make, enforce and alter, from time to time, reasonable rules and regulations to be observed by the employees;
- (d) determine the nature and kind of business conducted by the Company, the kinds and locations of stores, equipment and material to be used, the methods and techniques of work, the content of jobs, the schedules of work, the number of employees to be employed, the extension, limitations, curtailment or cessation of operations or any part thereof, and to determine and exercise all other functions and prerogatives which shall remain solely with the Company except as limited by the provisions of this Agreement.

3.02 The Company agrees that none of the functions set **forth** in this Article will be exercised in a manner inconsistent with the provisions of this Agreement.

ARTICLE 4 – UNION COMMITTEE

4.01 The Company acknowledges the right of the Union to appoint or otherwise select a union committee which shall be composed of one steward from each store. All stewards shall have completed the probationary period. The name of each of the stewards and name of the Chairman of the Union committee, who shall be one of the said stewards, from time to time selected, shall be given to the Company in writing and the Company shall not be required to recognize any such steward or Chairman until it has been so notified.

ARTICLE 5 – GRIEVANCE PROCEDURE

5.01 The parties to this Agreement are agreed that it is of the utmost importance to adjust complaints and grievances concerning the interpretation or alleged violation of the Agreement as quickly as possible.

5.02 No grievances shall be considered where it is filed more than five full working days after an employee became aware of the occurrence **of** the circumstances giving rise thereto.

5.03 Grievances properly arising under this Agreement shall be adjusted and settled as follows:

STEP 1: The aggrieved employee shall present his/her grievance orally or in writing to the Store Manager. The employee shall have the assistance **of** a steward if so desired. The Store Manager shall give a decision within one working day following the presentation of the grievance. If the Store Manager's decision is not satisfactory to the employee concerned, then the grievance may be presented as follows:

STEP 2: Within two working days after the decision is given at Step No. 1, the aggrieved employee may, with a steward, present the grievance which shall be reduced to writing on a form supplied by the Union to the District Sales Manager who will consider it in the presence of the person or persons presenting same and render a decision in writing within two working days following the presentation of the grievance. If a settlement satisfactory to the employee concerned is not reached, then the grievance may be presented as follows:

STEP 3: Within two working days after the decision is given under Step No. 2, the aggrieved employee may submit the grievance to the General Manager, Wine Rack, and the employee, accompanied by the Chairman of the Union Committee, shall meet as promptly as possible with such persons as management may desire to consider the grievance. At this stage they may be accompanied by a full time representative of the Union if requested by either party.

The General Manager, Wine Rack, will render a decision in writing within ten (10) calendar days following such a meeting.

- 5.04 If A final settlement of the grievance is not reached at Step No. 3, and if the grievance is one which concerns the interpretation or alleged violation of the Agreement, then the grievance may be referred in writing by either party to an Arbitrator as provided in Article 6 below at any time within ten (10) working days after the decision is given under Step No. 3 and if no such written request for arbitration is received within the time limit, then it shall be deemed to have been abandoned.
- 5.05 For the purpose of Articles 5, 6 and 7 “Working Days” shall be deemed not to include Saturdays, Sundays or Holidays.

ARTICLE 6 - ARBITRATIONS

- 6.01 Both parties to this Agreement agree that any dispute or grievance concerning the interpretation or alleged violation of this Agreement, which has been properly carried through all the steps of the grievance procedure outlined in Article 5 above, and which has not been settled, will be referred to an Arbitrator, at the written request of either of the parties hereto.
- 6.02 Within five working days of the request by either party for an Arbitrator, each party shall propose in writing a name to act as Arbitrator.
- 6.03 Should the Company and the Union fail to agree on a person to act as Arbitrator within seven (7) working days of the notification mentioned in 6.02 above, the Minister of Labour of the Province of Ontario may be asked to nominate a person to act as Arbitrator at any time thereafter.

- 6.04 The decision of an Arbitrator, elected in the above manner, shall be final and binding on both parties.
- 6.05 The Arbitrator shall not have any power to alter or change any of the provisions of this Agreement or to substitute any new provisions for any existing provisions, nor to give any decision inconsistent with the terms and provisions of this Agreement.
- 6.06 Each of the parties to this Agreement will bear the expenses of the Arbitrator.

ARTICLE 7 – MANAGEMENT GRIEVANCES

- 7.01 Any grievance instituted by management may, within five full working days of the occurrence of the circumstances giving rise to the grievance, be referred in writing to the Chairman of the Union Committee who shall meet within two working days thereafter with management to consider the grievance. If final settlement of the grievance is not completed within five working days of such meeting, the grievance may be referred, by either party, to an Arbitrator as provided in Article 6 at any time within ten calendar days thereafter, but not later.

ARTICLE 8 – DISCHARGE CASES

- 8.01 A claim by an employee who has completed the probationary period that he/she has been discharged without just cause shall be treated as a grievance if a written statement of such grievance is lodged with the Manager of Retail Operations at Step No. 2 of the grievance procedure within three (3) working days after the employee ceases working for the Company.

Such special grievances may be settled by:

- (a) confirming the Management's action in dismissing the employee; or
 - (b) reinstating the employee with full compensation for time lost; or
 - (c) any other arrangement which is just and equitable in the opinion of the conferring parties or the Arbitrator.
- 8.02 When an employee has been dismissed without notice, the employee shall have the right to interview a steward for a reasonable period of time before leaving the store premises.

ARTICLE 9 – NOSTRIKES/LOCKOUTS

- 9.01 In view of the orderly procedures established by this Agreement for the settling of disputes and the handling of grievances, the Union agrees that, during the life of this Agreement, there will be no strike (as defined in the *Ontario Labour Relations Act*) or picketing, and the Company agrees that there will be no lockout (as defined in the *Ontario Labour Relations Act*).
- 9.02 Employees should be aware that the Company has the right to discharge or otherwise discipline employees who take part in or instigate any such strike or picketing, but a claim of unjust discharge of discipline may be the subject of a grievance and dealt with as provided in Article 5 above.
- 9.03 Should the Union claim that a cessation of work constitutes a lockout, it may treat the matter as a grievance which shall be instituted at Step No. 2 of the grievance procedure.

ARTICLE 10 WAGES

10.01 The following minimum hourly wage rates shall be paid:

Classification	May 1, 2003	May 1, 2004	May 1, 2005
Clerk	\$13.96	\$13.96	*\$13.96
P.T. Probationary	\$7.65	\$7.65	\$7.65
6 months	\$8.42	\$8.42	\$8.42
12 months	\$9.20	\$9.20	\$9.20
24 months	\$9.50	\$9.50	\$9.50
36 months	\$9.95	\$9.95	\$9.95
48 months	\$11.10	\$11.40	\$11.70

Deleted: October 22, 2000
 Deleted: May 1, 2001
 Deleted: May 1, 2002

Deleted: 10.50
 Deleted: 10.65
 Deleted: 10.85
 Deleted: * April 30, 2003 – Clerk rate increases to \$14.20

10.02 A part-time employee employed as of September 12, 1997, who successfully passes (receives his/her certificate) the Wine Council of Ontario introductory course, shall be entitled to \$0.10 per hour premium thereafter. Such premiums shall not form part of the employee's hourly rate.

ARTICLE 11 – HOURS OF WORK AND OVERTIME

11.01 The following paragraphs and sections are intended to define the normal hours of work and shall not be construed as a guarantee of hours of work per day or per week, or of days of work per week.

- 11.02 Except for part-time employees, the normal work week shall be forty (40) hours consisting of five (5) days, Monday through Saturday. The Company proposes to monitor its ongoing requirements and, subject to any changes in economic circumstances and/or additional information which comes to hand, will endeavour to keep a minimum the occasions on which retail employees are required to work in excess of eight (8) hours in any one day.
- 11.03 Overtime at the rate of time and one-half the employee's regular hourly rate shall be paid for all work performed in excess of forty (40) hours per week.
- 11.04 The Company agrees that except for part-time employees, it will post a weekly schedule of hours not later than Friday of the preceding week, which schedule shall show the hours to be worked on each day of the following week and which shall not contain split shifts.
- 11.05 Where an employee is required to work two (2) hours or more in excess of a regular eight (8) hour shift, the Company will provide the employee with a meal allowance of \$5.00.

ARTICLE 12 – VACATIONS WITH PAY

- 12.01 All full-time employees who have acquired one years' seniority with the Company prior to April 30 in any year shall receive two weeks vacation with pay at a time or times convenient to the Company and shall receive as vacation pay, 4% of such employee's earnings with the Company, during the twelve months immediately preceding April 30 in that year.
- 12.02 All full-time employees who have acquired three years seniority with the Company prior to April 30 in any year shall receive three weeks vacation with pay at a time or times convenient to the Company and shall receive as vacation pay, 6% of such employee's earnings with the Company during the twelve months immediately preceding April 30 in the year
- 12.03 All full-time employees who have acquired eight years seniority with the Company prior to April 30 in any year shall receive four weeks vacation with pay at a time or times convenient to the Company and shall receive as vacation pay 8%, of such employee's earnings with the Company during the twelve months immediately preceding April 30 in that year.
- 12.04 All full-time employees who have acquired fifteen years seniority with the Company prior to April 30 in any year shall receive five weeks vacation with pay at a time or times convenient to the Company and shall receive as vacation pay, 10% of such employee's earnings, with the Company, during the twelve months immediately preceding April 30 in that year.

- 12.05 Employees shall notify the Company by April 15 in each year of their preferred vacation dates. It is the responsibility of the Company to schedule vacations, but in so doing, eligible employees shall be scheduled for a vacation of at least two weeks during the months of July or August. Conflict in preferred vacation shall be resolved on the basis of seniority. A vacation schedule shall be posted on or before May 15 in each year and the vacations therein set forth will be adhered to except in the case of emergency.
- 12.06 Part-time employees shall be paid vacation pay equal to 4% of earnings on each pay cheque.
- 12.07 Full-time employees shall have the option of receiving their annual vacation pay during the first pay period in May each year or, if requested, when the vacation time is actually taken.

ARTICLE 13 - HOLIDAYS

- 13.01 The following holidays, regardless of when they fall, will be granted with pay to all full-time employees who have completed their probationary period:

New Year's Day	January 2	Good Friday
Easter Monday	Victoria Day	Canada Day
Civic Holiday	Labour Day	Thanksgiving Day
Remembrance Day	Christmas Day	Boxing Day

Payment for such holidays shall be based on the employee's regular hourly rate multiplied by eight (8) hours. When any of the said holidays falls on other than a regular working day, then the Company may either designate some other day as the day upon which the said holiday will be celebrated, or pay the employees who qualify for the said holiday as though it had fallen on a regular working day, whichever the Company prefers.

- 13.02 In order to be entitled to payment for a public holiday, an employee must have worked the full scheduled working day immediately preceding the holiday and the full scheduled working day immediately following the holiday provided that an employee who fails to so work due to lay-off or illness, which is verified to the satisfaction of the Company, shall not thereby be disqualified from receiving holiday pay, provided the employee has worked on one or more of the five working days prior to the holiday and returns to work on any of the five working days following the holiday.
- 13.03 A full-time employee who works on one of the above named holidays shall receive payment at time and one-half for the hours actually worked in addition to receiving holiday pay. Part-time employees shall receive payment at time and one-half for the hours actually worked on public holidays as defined in Section 1 of the *Employment Standards Act, Ontario*.

- 13.04 Where one of the above-named public holiday's falls during an employee's approved vacation period, the employee shall be allowed an extra day's vacation with pay or an extra day's pay at the option of the Company.
- 13.05 Part-time employees will be paid 3% of earnings on each pay cheque in lieu of holiday pay.
- 13.06 In the event that the Federal or Provincial governments declare a holiday during the life of this Agreement, it shall be recognized.

ARTICLE 14 - SENIORITY

- 14.01 Seniority, as referred to in this Agreement, shall mean length of continuous service in the employ of the Company and shall be applied on a unit-wide basis as defined in clause 1.01.
- 14.02 An employee will be considered on probation for the first three months and will have no seniority rights during that period. After three months of service, the employee's seniority shall date back to the day on which employment began. The dismissal, lay-off or failure to recall after lay-off of a probationary employee shall not be the subject of a grievance.
- 14.03 Seniority lists will be revised each six months; a copy of the list will be posted in the stores and a copy given to the Union. If an employee does not make a written challenge to the position of his/her name on the seniority list within the first ten (10) working days from the date the employee's name first appears on a seniority list, then the employee shall be deemed to have the proper seniority standing.
- 14.04 Lay-offs, recalls from lay-offs, promotions to higher rated jobs in the bargaining unit, permanent transfers and demotions shall be based on seniority, provided that the senior employee is qualified, after a reasonable familiarization period, to do the work available.

It is agreed that part-time employees will be laid-off before full-time employees.

- 14.05 Seniority shall accumulate in the following circumstances only:
- (a) when off work due to lay-off, sickness or accident in which case seniority will continue to accumulate for a period of time equal to six months or the length of the employee's seniority, whichever is the greater, but up to a maximum of one year;
 - (b) when off work due to personal leave of absence, then seniority will continue to accumulate for the first six calendar months of such leave;

- (c) when absent on vacation with pay or on store holidays;
- (d) when actually at work for the Company.

14.06 Seniority shall terminate and an employee shall cease to be employed by the Company when the employee:

- (a) voluntarily quits his/her employment with the Company;
- (b) is discharged and is not reinstated through the grievance procedure or arbitration;
- (c) is laid-off work for a continuous period of twelve months in the case of an employee with less than five (5) years seniority, or twenty-four months in the case of an employee with five (5) or more years of seniority;
- (d) fails to report to work within five (5) working days after being notified by the Company of recall by registered mail;
- (e) fails to return to work upon the termination of an authorized leave of absence unless a satisfactory reason is given;
- (f) accepts gainful employment while on a leave of absence without first obtaining the consent of the Company and the Union in writing.

14.07 It shall be the duty of each employee to notify the Company promptly of any change in address. Notice required by the Company shall be deemed to be given, if forwarded by registered mail to the employee at the last address of which the Company had notice.

14.08 Any permanent full-time vacancy in classifications covered by this Agreement shall be posted in each store for a period of five (5) working days, and any employee in the bargaining unit other than a part-time employee may make application for such vacancy. Vacancies shall be filled by the Company in accordance with the provisions of clause 14.04. Any vacancy can be filled at the discretion of the Company on a temporary basis. In the event that an employee has been selected to fill such a permanent vacancy, then at any time within three (3) weeks after being assigned to such vacancy, the employee may elect to revert to his/her old classification and if he/she does so, then the employee shall be precluded from applying for any new vacancy for a period of six (6) calendar months. Only the original vacancy and the next two vacancies arising from the filling of the original vacancy shall be posted and all subsequent vacancies arising there from shall be filled at the discretion of the Company.

In the event that there are no applications for the vacancy or in the event that none of the applicants are selected, then the Company may either re-post the vacancy or hire persons from outside the bargaining unit, provided, however, that before hiring a person from outside the bargaining unit, the Company will give preference to part-time employees who have signified in writing to the Company that they desire employment as full-time employees. **As** between part-time employees, this preference shall be given having regard to the length of time they have been employed by the Company. In the event that a part-time employee is selected then he/she shall be considered on probation for a period **of** two months and upon completion **of** this probationary period, his/her name shall be placed on a seniority list and his/her seniority shall date back two months to the date on which the probationary period began.

- 14.09 The Company reserves the right to transfer the employees from location to location as it sees fit.
- 14.10 Except as provided in 14.08, none of the provisions of this Article 14 apply to part-time employees.

ARTICLE 15 - GENERAL

- 15.01 The Company may grant written leave **of** absence without pay and without loss of seniority for an employee for legitimate personal reasons. When requested, such leave of absence shall not be unreasonably withheld.
- 15.02 Leave of absence without pay, not to exceed in the aggregate ten days in any one calendar year, shall be granted to elected representatives of the Union to attend Union conventions and conferences provided that at least one week's notice in writing of any such request for leave is given, and provided further that the Company need not grant such leave to more than one employee in any one store or to more than two employees at any one time.
- 15.03 The Company agrees to permit the Union to post notices of meetings and other Union business and affairs on bulletin boards provided by the Company for such purposes. It is agreed, however, that such notices must be first approved by the Company, which approval shall not be unreasonably withheld.

- 15.04 When a death occurs in the immediate family of an employee who has acquired seniority, other than a part-time employee, the employee shall be granted not more than three (3) working days leave of absence from employment with pay. Such leave of absence shall be for time necessarily lost from work and shall only be granted if the said employee uses the time for the purpose of attending the funeral of the deceased relative. Immediate family is defined as mother, father, brother, sister, wife, husband, son and daughter of the employee. Except for part-time employees and probationary employees, in the event of the death of an employee's grandmother, grandfather, mother-in-law, father-in-law, son-in-law, or daughter-in-law, then the employee shall be granted one day's leave of absence from work with pay provided he/she uses such time for the purpose of attending the funeral.
- 15.05 Any employee, except a part-time employee, who is required to serve on a jury or is subpoenaed as a Crown witness shall be paid the difference between the amount paid for such service and their normal pay computed at the employee's normal hourly rate for hours lost from work up to forty in a week. An employee must notify the Company within two working days after the receipt of notice of selection for jury duty or subpoena. In order to be eligible for such payments, the employee must furnish a written statement from the proper public official showing the day and time served and the amount of pay received.
- 15.06 Upon negotiations for renewal of this Agreement, the Company agrees to pay one employee for time necessarily lost from work for the purpose of attending negotiating meetings with the Company.

ARTICLE 16 –EMPLOYEE BENEFITS

- 16.01 All permanent full-time employees will be covered by the employer's Weekly Indemnity, Health Care, Life Insurance, Accidental Death & Dismemberment, Vision Care, Long-Term Disability and Dental Care plans as outlined in the August 28, 1995, Memorandum of Agreement. The Employer will pay 100% of the premiums of these plans and will pay 100% of any applicable premiums for the Ontario Health Insurance Plan.
- 16.02 The Company will provide its Pension Plan to all eligible employees. Part-time employees may elect to join the Vincor hourly employees Pension Plan at their own option upon completion of two years of service.
- 16.03 The Employer agrees to reimburse all employees for fifty percent (50%) of the cost, to a maximum of \$110.00 per employee, of any medically approved Hepatitis A or Hepatitis B vaccine, subject to the employee providing the Employer with the documentation required by the Employer establishing that the vaccination has been completed and **proof** of payment

ARTICLE 17 - UNDERSTANDING

- 17.01 Attached hereto as Schedule "B" and Schedule "C" to this Agreement are statements of understandings reached between the parties during negotiations.

ARTICLE 18 - CLOTHING

18.01 Smocks will be provided at all store locations.

ARTICLE 19 - TERMINATION

19.01 This Agreement shall be in force ~~May 1, 2003~~, and shall continue in force until April 30, ~~2006~~. Not more than ninety (90) days, and not less than thirty (30) days before the date of its termination, either party shall furnish the other with any notice of termination of, or proposed revision of, this Agreement.

Deleted: October 22, 2000
Deleted: 2003.

| **SIGNED AT TORONTO** this _____ day of ~~Januray 2003~~

Deleted: January, 2001.¶

FOR THE UNION:

FOR THE COMPANY:

J. Cameron Nelson

Ron Pasternak

Patricia Quigley

Stephen Murphy

| _____
Kimberly Boyle

Deleted: Frank Syer

SCHEDULE "B"

STATEMENT OF UNDERSTANDING

1. "Management Trainees" who may from time to time be assigned to the stores covered by clause 1.01 of the Collective Agreement shall not be considered employees covered by the said Collective Agreement.
2. The Company undertakes that, during the life of the Agreement, there shall be no fewer than one regular part-time employee assigned to a store manager trainee program, which employee shall then be classified as in (1) above.
3. Employees will not be required to work alone at night in the following locations:

1354 Queen Street West
560 Queen Street West
Wellesley Street @ Church Street

FOR THE UNION:

FOR THE COMPANY:

J. Cameron Nelson

Frank Syer

Patricia Quigley

SCHEDULE "C"

**STATEMENT OF UNDERSTANDING
RE: STORE STAFFING**

- ▶ It is recognized that it is no longer economically feasible to have a full-time Union employee in each Wine Rack retail outlet.

- ▶ Store staffing in future will be dictated by the requirements of the store and will be done considering such factors as store location, type, volume, etc. Store locations may be staffed with part-time Union employees, and in some instances, with only a management employee.

- ▶ The Company agrees to grandfather the four (4) current full-time employees (Zammit, Harapin, Quigley and Griffin) in full-time employment until such time as each employee retires, quits, is permanently laid-off, is discharged for cause or otherwise ceases employment. These current full-time employees shall not be replaced with new full-time employees upon their departure.

- ▶ The Company reserves the right to transfer full-time employees during the term of the Agreement to other locations within Metro. These transfers will be made to locations which will make optimum use of full-time employees.

- ▶ The Company's agreement to maintain the four (4) full-time employees above in Metro Toronto assumes that there will be no major regulatory changes during this period that seriously impact on the retail system. Should such a change occur, Letter of Intent # 2 in this Agreement shall apply.

FOR THE UNION:

FOR THE COMPANY:

J. Cameron Nelson

Frank Syer

Patricia Quigley

LETTER OF INTENT # 1

The parties agree that the Company policy respecting working after normal retirement age will continue in force unless:

1. **A** Provincial or Federal Government or a Court **of** competent Jurisdiction changes the law concerning retirement age, in which case an employee will be entitled to the most favourable treatment to the employee.

FOR THE UNION:

FOR THE COMPANY:

J. Cameron Nelson

Frank Syer

Patricia Quigley

LETTER OF INTENT # 2

1. If during the term of the Agreement the closure of retail stores causes the lay-off or termination of employees within the bargaining unit, affected employees will be offered work on the basis of seniority in the remaining stores or any new stores or positions available in the Company's warehouse (if located within the scope of the Agreement) for which the Company considers them qualified.
2. After the contract has been in effect for one (1) year, the parties agree that the contract will terminate on 15 days notice from the Union or the Company in the event that the system of product distribution changes and necessitates lay-offs of more than 90 days or termination of any bargaining unit employees from the Company.
3. The Company will notify the Union and affected employees of any intended store closures at the time when the L.C.B.O. is notified of such closure.

FOR THE UNION:

FOR THE COMPANY:

J. Cameron Nelson

Frank Syer

Patricia Quigley

LETTER OF INTENT # 3

MEMORANDUM

Date: August 11, 2000
To: J. Cameron Nelson
From: Ron Pasternak
Re: **Wine Sales Bonus Program**

Effective, upon ratification, we will institute a "*Wine Sales Bonus Program*" based on increased sales volumes in the Toronto Wine Rack stores. The program will operate on an annual basis using the Company's fiscal year.

The annual plan for the year ending March 31, 2001, is an approximate 3% volume sales increase (calculated on 9 L equivalent cases of wine) over our sales volume for the previous year, ending March 31, 2000.

Eligibility: To participate in the program, employees must be in our employment for a minimum of three months, and have successfully achieved the "*Wine Council of Ontario*" certificate. Only those employees still employed by the Company at the end of the fiscal year will be eligible to receive a payment.

Trigger: Based on a minimum of 1,000 9 litre cases of wine sold over plan in our Toronto stores. Plan is only based upon those Wine Rack stores that have been open for a continuous twelve month period prior to April 1, 2000. All other stores will be excluded from the calculation.

The annual plan will be set by the Company, and communicated no later than May 1st of each fiscal year.

Bonus: Five cents (\$0.05) per hour worked will be paid for each full 1,000 cases sold over plan to all qualified employees. A minimum increase of 1,000 9 litre cases is required. Payment will be made to all qualifying employees within 45 days following the Company's fiscal year end.

Note: *For the purposes of this program, wine excludes the sales of ciders and coolers. The Company reserves the unilateral right to cancel or amend this Program entirely after the second year of the contract. Prior to doing this, we will meet with representatives of the Union.*

LETTER OF UNDERSTANDING

RE: PART-TIME EMPLOYEE HOURS OF WORK

Section A:

This will confirm the understanding which the Company and Union reached at the 1995 negotiations respecting the number of hours worked by part-time employees in Wine Rack stores.

With respect to those part-time employees currently working more than 24 hours per week, the Company undertakes that it will not artificially reduce the hours worked by these part-time employees to bring them back to 24 or less weekly hours worked.

The Union undertakes that it will not process any grievances to arbitration (or otherwise allege in any other proceeding) alleging that a part-time employee should be treated or reclassified as a full-time employee by virtue of the number of hours worked by such employee. Nor will the Union process any grievance alleging that sufficient work exists for the posting of further full-time vacancies beyond the four (4) guaranteed positions under this Agreement.

Nothing in our Agreement, however, shall derogate from the Company's right to reduce the hours worked by any particular part-time employee where business requirements or conditions necessitate.

Section B:

The following provisions are applicable to employees with 24 or more months of service since the last date of hire.

It is not the Company's intention to reduce an individual's hours of work for disciplinary reasons. From time to time, however, business conditions or requirements necessitate a reduction in hours for some employees. If an employee's part-time hours are to be permanently reduced by more than 20% of his/her average hours worked in the 10-week period preceding the change date, the affected employee's Store Manager will advise the employee at least one week in advance. If the affected employee is not satisfied with the Manager's explanation, he/she may request a meeting with the District Sales Manager, together with the Union Steward, if so requested, to discuss the matter.

If the affected employee remains dissatisfied following the meeting with the District Manager, he/she may request a meeting with the General Manager (at which the Union Business Representative may be present (if so requested) to further discuss the matter.

If the matter is not satisfactorily resolved at the final meeting above, the Union may process a grievance on behalf of the employee to arbitration. The Company and Union agree that the arbitrator shall only have jurisdiction to declare whether the Company's decision was for disciplinary reasons or was for proper business reasons or was made in bad faith.

It is understood that the provisions of Section B do not apply in cases of complete lay-off of an employee, nor do they apply where the hours reduction could have been avoided but for the employee's refusal of hours offered or failure to work all of the hours offered.

FOR THE UNION:

FOR THE COMPANY:

J. Cameron Nelson

Frank Syer

Patricia Quigley

LETTER OF UNDERSTANDING
RE: PART-TIME EMPLOYEES TRANSFERS

September 12, 1997

Mr. J. Cameron Nelson
President
Brewery, General & Professional Workers Union

Dear Mr. Nelson:

This will confirm the understanding reached at bargaining with respect to the above.

On an annual basis, employees may indicate in writing to their District Manager a maximum of two (2) specific stores to which they desire to transfer, should openings occur in one of these two stores. These expressions of interest shall be filed between January 7 and 21 in any year, commencing with the 1998 year.

When openings occur, the District Manager shall consider the qualified employees who have so indicated a desire to transfer to the subject stores. "Qualified" shall mean those employees who have a satisfactory work record (not merely discipline-free) and who possess their certificate from the Wine Council of Ontario.

If more than one qualified employee has indicated a desire to transfer to a particular store, length of sales experience with the Company shall also be the deciding factor in the District Manager's decision.

Yours truly,

Frank Syer
Director of Human Resources
Vincor International

LETTER OF UNDERSTANDING

RE: HEALTH & SAFETY

Mr. J. Cameron Nelson
President
Brewery, General & Professional Workers' Union

Dear Mr. Nelson:

During bargaining, we discussed a number of issues related to the above topic.

It is the intention of the Company to establish more formal procedures for inspecting stores and to issue periodic reports.

Copies of these reports shall be given to an employee representative so designated by the Union, and if there are issues of concern arising out of the reports, the Union representative may request a meeting to discuss these issues with representatives of the Company. The Union Business Representative may be present at such meeting.

Yours truly,

Frank Syer
Director of Human Resources
Vincor International

A handwritten signature in black ink, appearing to be 'FS' or similar initials, written in a cursive style.