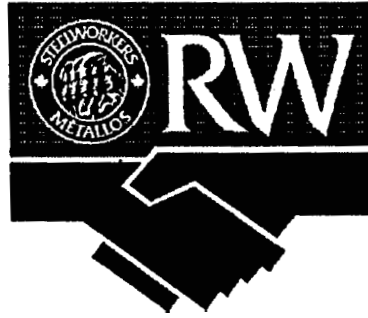


130

SOURCE	CO		
EFF.	96	11	07
TERM.	Dec	11	30
No. OF EMPLOYEES	150		
NOMBRE D'EMPLOYÉS	150		



COLLECTIVE AGREEMENT

BETWEEN

**RETAIL WHOLESALE CANADA
CANADIAN SERVICE SECTOR, DIVISION OF
THE UNITED STEELWORKERS OF AMERICA
LOCAL 414**

AND

**NATIONAL GROCERS CO. LTD.
HAMILTON, KITCHENER, LONDON,
ORILLIA, OSHAWA AND PETERBOROUGH
(WAREHOUSE AGREEMENT)**

EXPIRY DATE : NOVEMBER 30, 2001

MAR 23 1998

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INDEX

ARTICLE		PAGE
1	Purpose	4
2	Recognition	4 - 5
3	Management Rights	5
4	Union Security	6 - 7
5	Union Representation	7 - 9
6	No. Strikes or Lockouts	9 - 10
7	Grievance Procedure	10 - 11
8	Arbitration	11 - 13
9	Seniority	13 - 20
10	Leave of Absence	20 - 21
11	Vacation	21 - 25
12	Paid Holidays	25 - 27
13	Call-back Allowance	28
14	Temporary Transfers	28 - 29
15	Health and Welfare Plan	29
16	Wage Rates	29
17	Bereavement Pay	29 - 30
18	Hours of Work and Overtime	30 - 34
19	General	34 - 37
20	Jury Duty Pay	37 - 38
21	Severance Pay	38
22	Drivers	38 - 41
23	Safety Committee	41
24	Duration of Agreement	41
Schedule "A" Health and Welfare Plan		43 - 52
Schedule "B" Wage Rates and Job Classification		53 - 55
Schedule "C" Temporary and Part-time Employee		56 - 61
Letters of Understanding		62 - 76

COLLECTIVE AGREEMENT

BETWEEN

NATIONAL GROCERS *CO.* LTD.

(hereinafter referred to as "the Company")

AND

**RETAIL WHOLESALE CANADA, CANADIAN SERVICE SECTOR
DIVISION OF THE UNITED STEELWORKERS OF AMERICA
LOCAL 414**

(hereinafter referred to as "the Union")

ARTICLE 1 - PURPOSE

- 1.01** The general purpose of this Agreement is to establish mutually satisfactory relations among the Company, its employees and the Union and to provide machinery for the prompt and equitable disposition of grievances and to establish and maintain satisfactory working conditions among employees of the Company who are subject to the provisions of this Agreement.

ARTICLE 2 - RECOGNITION

- 2.01** The Company recognizes the Union as the sole and exclusive bargaining agent for all of its employees located at each of its Hamilton, Kitchener, London, Orillia, Oshawa and Peterborough Branch Warehouse Operations, save and except, at each such operation, foremen, persons above the rank of foreman, and office and sales staff. It is agreed that each such Branch Warehouse Operation shall constitute a separate bargaining unit.
- 2.02** There shall be no discrimination against or intimidation or coercion of any employee by either the Company or the Union because of the employee's race, creed, colour, nationality, ancestry, union membership or proper union activity or place of origin.
- 2.03** The Company agrees that no person or persons excepting those covered by this Collective Agreement shall be allowed to perform work normally performed by employees in any such bargaining unit except where such work is due to situations requiring immediate action to ensure the safety or well-being of employees, merchandise, customer relations, equipment or facilities, or by mutual agreement between the Distribution Manager and the Union Committee.

- 2.04
- (a) Full-time employees are those employees who normally work the hours provided for in Article 18.01 herein.
 - (b) Part-time employees are those employees who normally work twenty-eight (28) hours or less per week. All matters relative to part-time employees shall be governed by Schedule "A" of this Agreement, unless otherwise provided for.
 - (c) A student is a person who is hired on a full-time basis during the vacation periods, that is from May 1st to September 15th.

ARTICLE 3 - MANAGEMENT RIGHTS

- 3.01 The Union acknowledges that it is the exclusive function of the Company to:
- (a) Maintain order, discipline **and** efficiency.
 - (b) Operate and manage its business in all respects in accordance with its obligations and in pursuance of its policies and to make from time to time reasonable rules and regulations to be observed by the employees which are not inconsistent with the provisions of this Agreement.
 - (c) Hire, **discharge**, transfer, lay-off, classify, demote, promote, suspend **or** otherwise discipline employees, provided however, that any claim by an employee that he has been discharged or otherwise disciplined without just cause may be the subject of a grievance and dealt with as hereinafter provided.

ARTICLE 4 - UNION SECURITY

- 4.01 The parties agree **that** all employees covered by this Agreement (except new employees during their probationary period) shall, as a condition of employment, become and remain members of the Union in good standing.
- 4.02 Any new employee hired after the signing of this Agreement shall, prior to the expiration of his probationary period, make application for membership in the Union and shall become and remain a member of the Union in good standing as a condition of continued employment. The Distribution Manager will inform the Chief Steward in writing after a new full-time employee has successfully completed his probationary period.
- 4.03 The Company agrees to deduct from the first pay of each month the initiation fees, the regular Union dues and arrears of Union dues in the amount and manner specified by the Local Union By-Laws or Constitution from the pay due **all** employees covered by this Agreement and remit the money so deducted to the local Union on or before the 20th day of the month in which the dues are deducted. The Company will, **at the time** of making each remittance to the Union, specify the employees from whose pay such deduction were made.
- 4.04 In the event that any employee who is required to obtain and maintain membership in **good** standing in the Union is denied membership or is suspended or expelled from the Union so that under the terms of this Agreement such employee may not continue in the employment of the Company, the Union shall send to the Company a statement of the reasons for the actions taken in refusing membership or suspending or expelling that person from the Union. The **Union** agrees that, in taking such action against any employee, it shall neither act in a discriminatory manner nor refuse membership or impose expulsion or suspension for reasons contrary to its own

Constitution or By-Laws.

ARTICLE 5 - UNION REPRESENTATION

- 5.01** The Company shall recognize at each Branch, one (1) steward for each shift and one (1) steward for each shift to represent drivers, or an alternate steward whenever a steward is absent from work. One of the stewards shall be designated by the Union and recognized by the Company as the Chief Steward. Such recognition shall be conditional upon each steward or alternate having attained seniority under this Agreement.
- 5.02** The Company shall be required to recognize stewards or alternates only after having been informed by the Union in writing of their names from time to time.
- 5.03** Stewards have their regular duties to perform; however, with the approval of the Distribution Manager or his designate, they are permitted during working hours to leave their regular duties for reasonable lengths of time for the purpose of investigating or processing grievances.
- 5.04** (a) If it is reasonably necessary for a steward to discuss a grievance or other Union business with management during working hours, then he shall not lose any earnings because of working time lost in such discussions.
- (b) For the purpose of Article 7.01, Step 2 and 3, there shall be a Grievance Committee consisting of three members elected by the Union. Members of the Grievance Committee shall suffer no loss in regular, straight-time wages while meeting with the Company.
- 5.05** No employee or group of employees is authorized to represent the stewards or any committee of stewards in any meeting

with management except with the written consent of the Union.

- 5.06 The Union shall have the right of the assistance of a representative or business agent regarding any matters dealt with at a meeting between the management and the Union. It is understood that the Union representative or business agent, whenever entering the premises of the Company to discuss any matters with employees, **shall** first secure permission of the Distribution Manager or his representative before meeting with the employees, which consent shall not be unreasonably withheld.
- 5.07 There shall be a negotiating committee consisting of three (3) employees from the warehouse, one (1) employee from Cash and Carry and one (1) employee from the office. Members of the negotiating committee shall suffer no **loss** in regular straight time pay for time spent during their normal working hours attending negotiating meetings with the Company.
- 5.08 It is agreed that prior to and during negotiations, a policy committee of employees of the company who are covered by this Collective Agreement, will be allowed time off without pay to attend an occasional policy meeting in regards to negotiations.
- 5.09 It is recognized by the parties that stewards in the performance of their duties must act in the best interest of both parties and this can only be performed properly when the stewards have acquired the necessary knowledge of the Collective Agreement and modern labour relations procedures.

In recognition of the above the Company will grant leave of absence to each steward or his designate not to exceed three (3) working days in each year of the Agreement. Such leave of absence shall be without pay and shall not cause any **loss** in

the seniority standings of such stewards.

- 5.10 It is agreed that meetings shall be held between management and a Union committee of stewards once a month at each Branch on a day to be mutually agreed upon. Minutes of such meetings shall be kept and copies of such minutes shall be forwarded to the Union and to the Head Office of the Company in Toronto.

ARTICLE 6 - NO STRIKES OR LOCKOUTS

- 6.01 During the term of this Agreement the Union agrees that there will be no strike and the Company agrees that there will be no lockout.
- 6.02 It shall not be a violation of this Agreement for the employees covered hereunder to refuse to cross a picket line and perform work in any instance where the picket line has been authorized by the Union picketing. Further, the Company shall not instruct any employee to go through a picket line where the crossing of such picket line would be injurious to health or property.
- 6.03 The Union and its members individually or collectively reserve the right to refuse to handle goods from or to any firm or truck which is engaged or involved in a legal labour dispute with the Retail, Wholesale and Department Store Union or any other Union. This clause shall not apply to goods that have been purchased by the Company and have been received in the Company's warehouse prior to the dispute or strike referred to above. The Company shall not overstock any goods in order to avoid this clause. In the event there is a question that the Company has overstocked any such goods, the Company will make available to the Union the Company's buyer's report for the period in question. The Company agrees that if the buyer's report shows, in comparison to previous orders, that such

overstocking has taken place, the amount of goods overstocked shall be held until the dispute or strike referred to above is resolved.

ARTICLE 7 - GRIEVANCE PROCEDURE

7.01 It is the mutual desire of the parties hereto that any complaint of an employee shall be adjusted as quickly as possible and it is understood that an employee has no grievance until he has first given his shift supervisor an opportunity of adjusting his complaint. If an employee has a complaint which he wishes to discuss with the Company, the employee may, either alone or with a steward discuss the matter with the shift supervisor within five (5) working days of the incident giving rise to the complaint or within five (5) working days of the date that the employee ought to have reasonably known of the circumstances giving rise to the complaint. If such a complaint is not settled to the satisfaction of the parties within two (2) working days, the following Steps of the Grievance Procedure may be invoked in order:

STEP 1

The employee together with his Steward may present his grievance in writing and signed by himself to his Shift Supervisor and such grievance shall be presented within two (2) working days following the decision of the Shift Supervisor as outlined above. The Shift Supervisor or his representative shall, within two (2) working days after receipt of such grievance, give his reply in writing.

STEP 2

If the matter is not then settled, a Steward may present the written grievance of the employee to the Distribution Manager within two (2) working days after the receipt of the reply from the Shift Supervisor. At this Stage, the grievance shall be

discussed between the Branch Grievance Committee and members of Management of the Branch and such meeting shall be held within five (5) working days after the presentation of the written grievance to the Distribution Manager. It is understood that the employee or employees involved in the grievance may attend the joint meeting if requested to do so by either party.

STEP 3

If the grievance has not been settled at Step 2, it shall be referred to the Director of Distribution of the Company and Business Representative of the Union and Branch Grievance Committee, who shall meet to discuss the matter. If they are not able to settle the grievance within ten (10) days, then within a further period of thirty (30) days the matter may be referred to Arbitration by either party.

7.02 All written reprimands more than one (1) year old shall not thereafter form part of an employee's record for any purpose and shall not be admissible in evidence at arbitration.

ARTICLE 8 - ARBITRATION

8.01 When either party requests that a grievance be submitted to Arbitration, the request shall be in writing and addressed to the other party and it shall contain the specific matter to be dealt with by a single Arbitrator, the specific provisions of the Collective Agreement, if any, which are alleged to have been violated and the remedy or remedies sought by the party seeking Arbitration. The Company and the Union shall endeavour to choose a mutually acceptable Arbitrator who shall hear the Arbitration. Should the Company and the Union fail within ten (10) days, to agree on an Arbitrator, then a joint application shall be made to the Ministry of Labour, requesting the appointment of an Arbitrator forthwith.

- 8.02** The decision of the Arbitrator shall be final and binding upon both parties and upon any employee affected by it.
- 8.03** The parties shall jointly and equally bear the expenses of the Arbitrator.
- 8.04** No matter shall be submitted to or dealt with by an Arbitrator which has not been previously and properly carried through all Steps of the grievance procedure.
- 8.05** No Arbitrator **shall** make any decision inconsistent with the terms of this Agreement nor shall it alter, modify or amend any part of this Agreement **but** it shall deal **solely** with the issue or issues referred to it in the notice requesting Arbitration.
- 8.06** It is understood that, in the event of there being a group or policy grievance, such grievance may be submitted by the Union in written form, within five (5) working days of the circumstances giving rise to the grievance or within five (5) working days of the date that the Union ought to have reasonably known of the circumstances giving rise to the grievance and, in this event, the procedure of presenting a grievance shall commence from presentation of the written grievance to the Distribution Manager in accordance with Step 2 of the Grievance Procedure.
- a.07** It is further understood that the Company shall have the right to present any grievance with respect to any alleged violation of this Agreement.. Such grievance shall be presented by the Company, in writing, to a steward or stewards and it may be referred to Arbitration in the same manner as the grievance of any employee in the event that the grievance is not settled to the satisfaction of the parties within ten (10) days after its presentation to the steward or stewards.

- 8.08 Should an Arbitrator **find** that an employee has been unjustly discharged, suspended or otherwise disciplined, he shall be immediately reinstated to his old job or another **job** he can do with full seniority rights and he shall be compensated for all time lost at his regular rate of pay or granted such lesser compensation as the Arbitrator may deem fair under the circumstances.
- 8.09 The time limits mentioned in Articles **7** and **8** may be extended by mutual agreement between the parties, provided that the time within which a grievance is required to be referred to Arbitration under Step **3** of the grievance procedure set in Article **7** shall, in the case of a discharge, discipline or wage grievance, be extended for a period not exceeding thirty (30) days upon request in writing of the Union.
- 8.10 The grievance committee shall be allowed necessary time off work without **loss** of pay for regularly scheduled time to attend Arbitration Hearings.

ARTICLE 9 - SENIORITY

- 9.01 Seniority (that is, the ranking of employees in accordance with their hiring dates), shall be recognized by the Company on a Branch basis in accordance with Article 2.1.
- 9.02 An employee will be on probation until he has completed thirty (30) days actually worked for the Company and he has no seniority rights during that period. Notwithstanding **any** other provision of this Agreement, **the** employment of a probationary employee may be terminated for any reason during his probationary period at the **sole** discretion of management and no Arbitrator or Arbitration Board shall have jurisdiction to entertain any grievance filed as a result of such termination. The Chief Steward will be informed of any disciplinary action

which is imposed on a probationary employee.

- 9.03** Upon completion of **his** probationary period the employee's name and starting date shall be placed on the Branch seniority list. Where two (2) or more employees are hired on the same day, their seniority will be determined by the date and time of their applications for employment.
- 9.04** In dealing with promotions or transfers to other jobs, Branch seniority shall be the governing factor provided, however, that an employee has the ability and qualifications to perform the normal requirements of the job in question.
- 9.05** If an employee requests a transfer from a Branch covered by this Agreement to another Branch of the Company, then before any new employee is hired at that Branch, the request for transfer shall be granted, provided the employee has the ability and qualifications to perform the normal requirements of the job in question and provided the transfer does not violate the terms and conditions set **out** in the collective agreement at the location to which the transfer has been requested. The transferred employee's name shall be placed on the seniority list at the Branch to which he is transferred as of the date of his transfer, however, for **the** purpose of calculating his entitlement to vacation pay and all other benefits provided by this Agreement, his Company-wide seniority shall apply.
- 9.06** When it is necessary to **lay** off employees, probationary employees shall be laid off first and then lay-offs will be **on** the basis of Branch seniority provided, however, that the employees **who** remain on **the** job have the ability and qualifications to do the work that remains. When recalling employees, the Company shall effect recall in an inverse order to the order in which they were laid off.

- 9.07 The Company shall give employees five (5) working days' notice of lay-off or five (5) days' pay in lieu of notice except where lay-off is caused by fire, flood, labour dispute or any other condition beyond the control of the Company. This notice requirement shall not apply on any recalls of up to five (5) working days.
- 9.08 The Company shall post copies of the seniority list at each Branch. Each list will be revised once every three (3) months. Each list will contain the employee's name, his **job** classification and his date of last hire. Copies of each list will be promptly supplied to each Branch steward. A master seniority list, which will be similarly revised, will be forwarded to the Local Union Office concerned.
- 9.09 On each occasion that an employee is absent from work due to sickness or accident, his seniority will continue to accumulate **up** to the equivalent of his length of service. Thereafter, there shall not be any further accrual of seniority during such absence **but** the employee shall retain all accrued seniority. An employee returning from such absence must be certified fit to perform his normal work. Such certification shall **be** stated in writing by a qualified physician. This clause shall not apply for the purpose of calculating an employee's benefits under the Pension Plan and it is agreed that **for** the purposes of the Pension Plan, the employee's seniority shall be deemed to continue to accumulate so long as he remains an employee, notwithstanding his absence due to sickness **or** accident.
- 9.10 Seniority rights of an employee shall cease and his employment shall be automatically terminated for any of the following reasons:
- (1) if the employee quits;

- (2) if the employee is discharged and the discharge is not reversed through the grievance or arbitration procedures;
- (3) if the employee is absent from work for three (3) consecutive working days without notifying the Company, unless a reason satisfactory to Management is given for the failure to notify;
- (4) having been laid off, fails to notify the Company of his intention to return to work within five (5) calendar days of the date of mailing by registered mail to him of notice to return to work, and thereafter fails to report to work within fourteen (14) calendar days of such mailing, except if ~~the~~ employee does not receive such notice. The Post Office registration receipt shall be proof of the date of mailing. Notwithstanding the foregoing, an employee shall not lose his seniority rights or the right to a further recall:
 - (a) by refusing a recall for temporary work for not more than thirty (30) consecutive working days, ~~or~~
 - (b) ~~by~~ reason of the fact that he is unable to report for work because he is then disabled by illness or accident;
- (5) if the employee is not recalled to work, following lay-off, his name shall be retained ~~on~~ the seniority list for a minimum of six (6) months, up to a period of time equal to his seniority at the date of lay-off, up to a maximum of eighteen (18) months;
- (6) if the employee overstays a leave of absence, or having a reasonable excuse, fails to notify the Company of such reasonable excuse;

(7) if he retires or is retired within the provisions of the Pension Plan.

9.11 If an employee is seriously disabled the Parties may mutually agree to make an exception to the provisions of this Agreement to accommodate the employee.

9.12 Notwithstanding their seniority status, stewards shall be continued at work so long as there is work which they are willing and able to do on his/her shift. Where there is more than one (1) steward, their seniority **will** determine their preferential position for lay-off.

9.13 (a) The Company has the right to hire students, temporary or part-time employees. However, such students, temporary employees or part-time employees shall not be assigned to duties normally performed by employees who have completed their probationary period so as to deprive **such** regular employees of their normal complement of hours.

(b) No **students**, temporary or part-time employees shall be hired to replace full-time employees or prevent the hiring of full-time employees.

9.14 All the terms and conditions of employment covering students temporary and part-time employees shall **be** as set **out** in Schedule "C" to this Agreement. Whenever there is a conflict between any other provision of this Agreement and any provision in Schedule "C", the latter shall prevail.

9.15 **PERMANENT VACANCIES AND NEW JOBS**

Notice of permanent vacancy or a new **job** will be posted **on** the bulletin board within two (2) working days and shall remain posted for a period of seven (7) days, and eligible employees will have the right to bid for the position. Selection to such

positions shall be made on the basis of Branch seniority provided the employee has the ability and qualifications to perform the normal requirements of the **job** in question.

- 9.16 Notwithstanding Article 9.15, if an employee with greater bargaining unit seniority than any person who is placed in a posted vacancy is absent from work **by** reason of vacation, leave of absence, illness or accident on the date of such placing and such senior employee returns to work within thirty (30) working days of the date of posting pursuant to Article 9.15, he shall, upon such return, be offered such permanent vacancy or new job provided he has the qualifications necessary to **fill** the normal requirements of the job. If the senior employee is placed in such permanent vacancy or new job, any employees who are affected thereby shall revert to their former job classifications. Article 9.18, 9.19 and 9.20 shall apply to such senior employee.
- 9.17 The Company will post the vacancy caused by placing a successful applicant under Article 9.15 or Article 9.16 but shall not be required to post any subsequent vacancy caused thereby; provided that the employee with the greatest Branch seniority shall be offered such subsequent vacancy, provided he has the ability and qualifications to perform the work in question.
- 9.18 If the Company finds that a successful candidate **for** a vacant job **or** a new job opening is not suitable, the Company may require the employee to return to his former job **up** to thirty (30) days by the employee on the new job.
- 9.19 If a successful candidate finds that he cannot handle his new job, he has the right to be returned to his former **job up** to twenty (20) days **by** the employee on the new job.

- 9.20** If a successful candidate wishes to return to his old job in accordance with Article 9.19, the Company shall be required to return such employee to his old job only after the new job has been re-posted and filled under the above Job Posting Procedure, but in any event the employee will be returned to his old job within twenty (20) working days.
- 9.21**
- (a)** Subject to Article 9.14, temporary vacancies (of up to thirty (30) working days) may be filled without regard to the job posting procedure. However, such vacancies shall be filled in accordance with Articles 9.1 and 9.4.
 - (b)** A temporary vacancy in excess of thirty (30) working days caused by reason of sickness, accident or leave of absence of a regular full-time employee shall be posted as a temporary vacancy. Upon the absent employee's return to work, he shall be returned to his former job and shift and the employee who had been placed in the temporary vacancy shall revert to his regular job or shift, as the case may be.
 - (c)** Any temporary vacancy within the Transportation department shall be filled by seniority within that department. Temporary vacancies within the Warehouse shall be filled by seniority within the Warehouse department.
- 9.22** Any vacancy lasting more than thirty-six (36) consecutive months which is caused by **the absence** of a regular, full-time employee by reason of sickness or accident shall be deemed to be a permanent vacancy and shall be posted. Should the absent employee return to work after such thirty-six (36) month period and there is then no vacancy in his bargaining unit which, by reason of his bargaining unit seniority and qualifications he is entitled to fill, then he may displace the junior employee in his bargaining unit, on his former shift,

whose position he is able to fill by virtue of having the qualifications necessary to fill the normal requirements of the junior employee's job.

ARTICLE 10 - LEAVE OF ABSENCE

- 10.01** The Company shall grant a leave of absence for a maximum period of twenty four (24) consecutive months to any one employee who is selected to fill an office in the Union, provided the application for such leave is made at least one (1) month in advance. Any such leave of absence shall be without pay and without the other benefits in this Agreement, but the employee's seniority shall continue to accumulate during such leave of absence, provided that, notwithstanding any other provision in this Agreement or in the Pension Plan, such accumulation of seniority shall not be taken into account in calculating the employee's benefits under the Pension Plan.
- 10.02** It is further agreed that an employee may apply for leave of absence for personal reasons by making an application in writing to the Company at least fourteen (14) days in advance of the date on which he desires to leave. The granting or refusal of such an application shall be determined by Management after consultation with the Union Branch Committee. In reaching its decision, seniority of the applicant shall be a factor. The decision of the Company in writing shall be given to the applicant within one (1) week after the date of the application.
- 10.03** A person who is granted such leave of absence shall not be discriminated against regarding such leave of absence, provided the Company will not grant a request for a leave of absence from an employee for the purpose of taking employment with another company, or becoming self-employed.

10.04 In order to minimize disruption of vacation schedules, no leave of absence **will** be consecutive with an employee's annual vacation during the period May 15 to September 15 except with the permission in writing of the Distribution Manager, or in the case of personal emergency.

ARTICLE 11 - VACATIONS

- 11.01 (a) Effective January 1, 1996, each employee who, as of December 31 in any year, has been employed for **less** than one (1) year is entitled to one (1) day's vacation for each full calendar month of employment up to a maximum of nine (9) days to be taken the following year with vacation pay of four (4%) of his wages. The term "wages" as used herein shall be as defined in Part VIII, section 29(2) of the Employment Standards Act of Ontario R.S.O. 1990.
- (b) Effective, January 1; 1996 each employee who, as of December 31 in any year, has been **employed** for one (1) year or more but less than five (5) years will be granted a vacation of two (2) weeks to be taken during the following year.
- (c) Effective January 1, 1996, each employee who, as of December 31 in any year, has been employed for five (5) years or more but less than twelve (12) years will be granted a vacation of three (3) weeks to be taken during the following year.
- (d) Effective January 1, 1996, each employee who, as of December 31 in any year, has been employed for twelve (12) years or more but less than twenty (20) years will be granted a vacation of four (4) weeks to be taken during the following year.

- (e) Effective January 1, 1996, each employee who, as of December 31 in any year, has been employed for twenty (20) years or more will be granted a vacation of five (5) weeks to be taken during the following year.
- (f) With the exception of the vacation pay referred to in Article 11.01 (a) herein, vacation pay shall be equivalent to the employee's regular weekly schedule of hours multiplied by the employee's regular hourly base rate of pay, for each week of entitlement.
- (g) To be eligible for the vacation pay referred to in Article 11.01 (b) to (e) herein, the employee must have worked a minimum of one thousand (1000) regular hours in the calendar year preceding the year in which he wishes to take vacation; In the event that the employee has worked less than one thousand (1000) hours, he shall be paid four percent (4%) of his wages for the calendar year preceding the year in which he wishes to take vacation, for each week of entitlement. The term "wages" as used herein shall be as defined in Part VIII, section 29(2) of the Employment Standard Act of Ontario R.S.O. 1990.

11.02 "Gross Earnings" means the employee's gross earnings in accordance with his T-4 Statement of Remuneration Paid.

11.03 (a) Vacations shall be granted in order of seniority by departments. The summer vacation period shall be from May 15 to September 15. Employees who are entitled to more than two (2) weeks' vacation in any year may take only two (2) weeks of vacation during the summer vacation period. Employees who wish to take their full vacation period at one time may do so but only outside the summer vacation period at a time to be arranged between the employee and the Distribution Manager. Vacations shall be taken between January 1 and

December 31 in each year.

- (b) Subject to the seniority provisions in Article 11.03 (a) and subject to 11.04, an employee who is entitled to more than two (2) weeks vacation shall be permitted to schedule all or part of his vacation early in the year so that the last two (2) weeks of his scheduled vacation include the last two (2) weeks of May, or alternatively, such employee shall be permitted to schedule all or part of his vacation later in the year so that the first two (2) weeks of his scheduled vacation include the first two (2) weeks of September, but in no case shall he be entitled to more than two (2) weeks of vacation between May 15 and September 15.

11.04 A vacation schedule form shall be prepared by the Company in order of seniority by departments and posted up during the first week of December of the previous year in which vacation entitlement is to be taken. Choice of vacation periods shall be based on seniority, provided management is able to maintain a qualified work force sufficient to do the necessary work. The most senior employee must designate on the schedule, in writing, his choice of vacation dates within one (1) week after the schedule is posted. The next senior employee must designate on the schedule, in writing, his choice of vacation dates during the second week after the schedule is posted, and so on in order of Branch seniority. A senior employee who was away from work because of illness, accident or leave of absence during the time is required to designate his choice of vacation dates, 'will be entitled to make such designation provided he does so within one (1) week after his return to work. A junior employee whose designated choice of vacation dates is affected by the choice of any such senior employee will be entitled to choose again, and so on if the choice of other junior employees has been affected in this way. the vacation schedule shall be completed by the Company and

posted **up** not later than the first week of April. It is understood that vacation periods, when once arranged, can only be changed after a discussion between Management, the Branch committee of stewards and the employees concerned.

- 11.05** . If a paid holiday falls within an employee's vacation period, he shall, at his option, be granted another day of vacation with pay in lieu thereof or be paid for the holiday. If an additional day of holiday with pay is granted to the employee in lieu of holiday pay, such day shall be taken on a date which is mutually agreeable to the employee and the Company. It is understood that such lieu day must be taken by December 1 of the calendar year in which the lieu day was earned. In the event that the lieu day is not taken by December 1, then the time shall be forfeit and the employee shall be paid for such day.
- 11.06** It is agreed that an employee who has completed one (1) previous year's work service with uninterrupted seniority thereafter shall, upon leaving the employ of the Company, receive the vacation pay to which he is then entitled under this Agreement; provided that if the employee is discharged for just cause, he shall be entitled to vacation pay at four percent (4%) of gross earnings instead of any greater amount.
- 11.07** Employees shall receive their applicable vacation pay on the pay day prior to their going on vacation.
- 11.08** In the event an employee is off work and in receipt of Workers' Compensation or benefits under the Weekly Indemnity insurance or the Long Term Disability insurance referred to in Schedule "A" of this Agreement, all such time off work shall, for the purpose of calculating vacation **pay**, be deemed to be time worked at the employee's regular hourly rate of **pay** up to a maximum of twenty six (26) weeks in any calendar year provided the employee has worked a minimum of 90 days in

the calendar year.

11.09 An employee who is to retire pursuant to this Agreement is not entitled to defer taking the vacation he earned in the year preceding his retirement. The employee may elect, however, subject to Section A.6 (c) of Schedule "A", to defer taking his vacation entitlement for the year in which he retires until the date of his retirement and he shall be paid his vacation pay earned that year upon his retirement.

11.10 An employee shall **not** be called in off vacation when another employee is on lay-off, provided the **laid-off** employee has the ability and qualifications and is ready and willing to **do** the available work.

ARTICLE 12 - PAID HOLIDAYS

12.01 The following Paid Holidays will be granted to **all** employees with pay after they have completed their probationary period:

- New Year's Day
- Good Friday
- Victoria Day
- Canada Day
- 1st Monday in August
- Labour Day
- Thanksgiving Day**
- Christmas Day
- Boxing Day

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

12.02 In addition, the Company agrees to recognize Remembrance Day as a paid holiday, if declared as a holiday by the Local Civic Authority. If part of Remembrance Day only is declared to be a holiday, then the hours so **declared**, which fall within the employee's working day, shall be recognized as a paid holiday.

In the event that a further holiday which is now referred to as Heritage Day is enacted by the Parliament of Canada, that day **will** be observed as an additional paid holiday.

12.03 (a) Holiday pay as set out in this Article shall be paid to a full-time employee provided:

(i) he has completed his probationary period;

and

(ii) he works his last scheduled working day preceding the holiday and his first scheduled working day after the holiday, **unless** he has secured permission from management to be absent on one of the qualifying days;

or

(iii) if he is off on Workers' Compensation, or due to other accidents or illness, the employee shall receive holiday pay if he has worked within thirty (30) days of the holiday.

(b) If a holiday falls or is celebrated while an employee is on leave of absence under Article **10.02** or is on maternity leave, the employee shall not be entitled to be paid for such holiday.

- (c) Notwithstanding the foregoing provisions of this clause, an employee will be entitled to holiday pay if he is on Union leave of absence as provided in this Agreement, except if such leave exceeds three (3) weeks.
- (d) If a laid off employee is recalled for less than five (5) consecutive working days prior to ~~or~~ after a holiday, he shall not be entitled to holiday pay.
- (e) If a laid off employee has been recalled and has earned wages on at least twelve **(12)** days during the four (4) work weeks immediately preceding the holiday, he shall receive holiday pay.

12.04

- (a) If a paid holiday falls within an employee's vacation period or on his regularly scheduled day off, he will be granted, as he may elect, another day in lieu thereof or to be paid for the holiday. If an additional day's holiday with pay is chosen by the employee in lieu of holiday pay, such day will be ~~taken~~ by mutual agreement between the employee and the Distribution Manager.
- (b) An employee who is absent from work on vacation or leave of absence shall not be considered for overtime during the period commencing with the first regularly scheduled shift that he is on vacation and ending with the first regularly scheduled shift after the end of his vacation.

12.05

An employee who is in receipt of Weekly Indemnity benefits or Workers' Compensation Board payments and who qualifies for holiday pay as set out in this Article, shall be paid, instead of pay for the holiday, an amount equal to the difference between such benefits ~~or~~ compensation and pay for the holiday.

ARTICLE 13 - CALL-BACK ALLOWANCE

13.01 If an employee has completed his day's work and has left the Company premises and is subsequently called back to work by the Company, he shall be paid a minimum of four (4) hours' pay at one and one-half times his normal straight time hourly rate regardless of how little time he is required to work.

13.02 REPORTING PAY

Any employee who reports for work to start his regular shift (not having been notified beforehand not to report to work) and for whom there is not four (4) hours' work available at his regular **job** shall receive at least four (4) hours' pay at his straight time hourly rate, provided he performs whatever available work is assigned to him, unless the lack of work is caused by fire or an Act of God or other reason beyond the control of the Company.

ARTICLE 14 - TEMPORARY TRANSFERS

14.01 Any employee who is temporarily transferred to another job will receive his **own** regular rate or the rate for the job to which he has been transferred whichever is the higher. No employee shall be transferred from one shift to another during the work week unless **agreed to by** the employee.

14.02 Any vacancy caused by reason of vacation, leave of absence, sickness, etc. lasting **5** working days or more will be filled by seniority within the shift and the employee will carry his seniority rights with him to the new **job**.

Any vacancy for one day caused by sickness, personal day etc. will be filled by department and shift; if the vacant **job** is a higher premium. Once all full time employees have been asked in the department and the position is still not filled, the most

senior employee in other departments will be given the opportunity.

For temporary transfers throughout the shift, full-time employees **will** be asked by seniority if the **job** is a higher premium.

ARTICLE 15 - HEALTH AND WELFARE PLAN

15.01 The Company agrees that it will during the term of this Agreement maintain and pay the cost of the Welfare Plan described in Schedule "A" which is attached hereto and which forms a part of this Agreement.

ARTICLE 16 - WAGE RATES

16.01 Attached hereto and forming part of this Agreement is Schedule "B" which outlines job classification and rates of pay to be effective during the term of this Agreement.

ARTICLE 17 - BEREAVEMENT PAY

17.01 (a) Should an employee suffer bereavement through the death of a member of his immediate family, the Company will pay him an amount sufficient to compensate him for his regular scheduled **hours** lost occasioned by and concurrent with such bereavement at his regular hourly rate; such amount not to exceed five (5) successive working days' for such scheduled hours lost at such hourly rate. For the purposes of this Article, immediate family shall mean **parent/step-parent, spouse, child or brother/sister**.

- (b) Should an employee suffer bereavement through the death of a member of his immediate family, the Company will pay him an amount sufficient to compensate him for his regular scheduled hours lost occasioned by and concurrent with such bereavement at his regular hourly rate; such amount not to exceed three (3) successive working days' for such scheduled hours lost at such hourly rate. For the purposes of this Article, immediate family shall mean mother-in-law and father-in-law.

17.02 In the event of the death of an employee's grandparent, grandchild, son-in-law, daughter-in-law, brother or sister of current spouse, ~~or~~ brother-in-law or sister-in-law of current spouse, he shall be allowed bereavement leave of one (1) day with pay at his regular hourly rate, provided the funeral takes place on a regularly scheduled working day and he attends the funeral.

ARTICLE 18 - HOURS OF WORK AND OVERTIME

18.01 (a) The regular work week for full-time employees, shall normally consist of forty (40) hours consisting of five (5) days of eight (8) hours or four (4) days of ten (10) hours, from Sunday to Saturday.

Effective January 1, 1999 the regular work week shall normally consist of **forty-one (41)** hours consisting of four (4) days ~~or~~ five (5) days, from Sunday to Saturday.

Effective January 1, 2000 the regular work week shall normally consist of forty-two (42) hours consisting of four (4) days ~~or~~ five (5) days, from Sunday to Saturday.

- (b) For the purpose of this Collective Agreement the following definitions shall apply:

- the day shift shall be any shift that commences between 4:00 a.m. and 11:59 a.m. inclusive;
 - the afternoon shift shall be any shift that commences between 12:00 noon and 7:59 p.m. inclusive; and
 - the night shift shall be any shift that commences between 8:00 p.m. and 3:59 a.m. inclusive.
- (c) Starting and quitting times and arrangements of shifts to be negotiated between the Parties at Branch level. It is agreed that employees shall not be required to work split shift, unless mutually agreed between the Company and the Union. For the purposes of this Agreement the term "split shift" shall mean that an employee may not work consecutive days during the week, but his regular daily schedule shall consist of consecutive hours.
- (d) The Company shall guarantee to provide forty (40) hours of work each week to each employee who has acquired seniority and who is scheduled to work the full week and who reports for work on time, who is available to work the full work week, and who is not displaced by another employee pursuant to the provisions of Article 9, provided the employee performs whatever work which is assigned to him. Such guarantee, which is exclusive of overtime, shall be reduced by each hour of holiday pay to which an employee is entitled in any work week in which one of the holidays in Article 12 is observed.

18.02 OVERTIME PREMIUMS

- (a) It is recognized that full-time employees are paid a weekly wage and a formula is required to determine how overtime is to be calculated. Overtime is calculated by dividing forty (40), forty-one (41), or forty-two (42)

hours, as the case may be, by the employee's weekly wage and multiplying the product by the applicable overtime premium (i.e. time and one-half or double time).

- (b)** Overtime at the rate of one and one-half (1 ½) times the employee's regular hourly rate of pay shall be paid for all hours worked in excess of his regularly scheduled number of hours.
- (c)** Overtime at the rate of one and one-half (1 ½) times the employee's regular hourly rate of pay shall be paid for all hours worked on his normal day off.
- (d)** Overtime at the rate of two (2) times the employee's regular hourly rate of pay shall be paid for all hours worked on a Paid Holiday in addition to the pay for such Holiday.

18.03 The Company shall grant one (1) paid rest period of twenty (20) minutes in each half shift.

- 18.04**
- (a)** Where an employee works more than two (2) consecutive hours of overtime before the start of his regularly scheduled shift, he will be granted a paid fifteen (15) minute rest period upon completion of such overtime and thereafter he will be granted further paid fifteen (15) minute rest period for each completed two (2) hours of overtime, excluding time spent on the rest period.
 - (b)** Where an employee works more than two (2) consecutive hours of overtime after the completion of his regularly scheduled shift, he will be granted a paid fifteen (15) minute rest period upon completion of such overtime and thereafter he will be granted further paid fifteen (15) minute rest periods for each completed two (2) hours of overtime, excluding time spent on the rest period.

18.05 Employees who are available, willing and able to do overtime required within their classifications and department shall be given the first opportunity to do such work by seniority, on a voluntary basis.

For greater clarity, there are four (4) departments, as follows:

- Grocery
- Refrigeration/Dairy
- Transportation
- Bond Room, provided that for vacation scheduled purposes under Article 11, the Bond Room shall be deemed part of the Grocery Department.

Since some overtime is necessary on occasion to maintain efficient operations, the Local Union will encourage employees to work such reasonable overtime as may be required to meet the requirements of customers.

The following is for further clarification: Employees hold their posting **for** the hours of their shift. For example: A day shift **forklift** operator holds his posting from **7:00 a.m.** until **3:00 p.m.** If overtime is required prior to or after his shift, he will work in his job posting if work is available but cannot bump a posted forklift operator on the shift to which he is working overtime.

If an employee is on a temporary transfer to another job **for** anything less than a week, he will be eligible for overtime in his original classification and department.

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

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

18.07 When an employee is unable to report for work as scheduled, he will notify the Distribution Manager, or **his** designate, as soon as possible, prior to his regularly scheduled starting time, and give the reason why he ~~is~~ unable to report for work.

Following an absence from work in excess of two (2) working days, the employee must notify the Distribution Manager or **his** designate of his intention to return to work, giving at least one (1) day's notice of such intention.

18.08 Unless all full-time employees who are scheduled to work decline, an employee who **is** absent from **work** on vacation, or leave ~~of~~ absence shall not be offered an overtime assignment. For clarity, an employee shall not be considered for overtime during the period commencing with his first regularly scheduled shift that he is on vacation and ending with **his** first regularly scheduled shift after the end of his vacation.

ARTICLE 19 - GENERAL

19.01 The Company shall **provide** a bulletin **board** for the purposes of the Union, provided that all notices posted by the Union **shall** have the approval ~~of~~ the Distribution Manager prior to the posting thereof.

- 19.02** The Company agrees to have in an accessible place a properly equipped first-aid box.
- 19.03** Any medical examination requested by the Company shall be complied with by the employees within a reasonable time, provided however, that the Company shall pay for all such examinations. The Company reserves the right to select its own medical examiner or physician, provided however, that the Union may have such employee re-examined at its own expense if, in its opinion, any injustice has been done to the employee concerned. The employee concerned, the Union and the Company shall be entitled to a copy of the report of any such medical examination.
- 19.04** The Union understands that, as it is the requirement of the Company that each employee be covered by a Fidelity Bond, the Company shall have the right to terminate the employment of any employee who is found to be unacceptable to the Company's Bonding Company.
- 19.05** If an employee leaves his bargaining unit to occupy a position outside the scope of this Agreement but within the Company and he is subsequently returned to a position within his bargaining unit, he shall retain his seniority provided he has not been ~~out~~ of his bargaining unit for over a period of twelve (12) continuous months. Should the employee return to the bargaining unit within such twelve (12) month period, however, and there is then no vacancy which, by reason of his Branch ~~seniority~~ and his ability ~~and~~ qualifications he is entitled to fill, he may displace the employee with the least Branch seniority in his bargaining unit, provided he has the ability and qualifications to do the work of the junior employee. In case of such displacement, the junior employee will be deemed to be laid off and the senior employee will be classified into the junior employee's job classification and be paid the rate for such job.

19.06 It shall be the duty of **all** employees to notify the Company promptly and in writing with a copy sent to the Union office, of any change of address or telephone number, and if any employee fails to so notify the Company, the Company shall not be responsible for failure of any notice to reach such employee.

19.07 Employees shall not be charged for loss **or** damage to cargo or equipment unless clear proof of negligence is shown.

19.08 Customers of the Company will not be permitted to come into a warehouse and assemble their own orders.

19.09 (a) Safety shoes **or** boots shall be worn **by** each employee while on duty, as a condition of employment. The Company will pay each full-time employee sixty-five dollars (\$65.00) in February **of** each year toward the purchase of safety shoes or boots. The employee will have the right to select either safety shoes or boots. When a laid-off employee is recalled to work on a full-time basis following the February payment, he shall be entitled to such payment.

Effective February **1, 1994** such boot allowance shall be increased to ninety dollars (\$90.00).

Where an employee is classified as Frozen Food Locker Man, the Company will continue to supply such **8.06** Employees shall receive their applicable **vacation** pay on the employee with one (1) pair of insulated boots once each year. In addition, a pair of rubber boots will be provided at each Branch for the use of the Shuntman.

(b) If required by **the** Ontario Ministry of Labour, the Company will provide **C.S.A.** approved safety hats to **all** employees free of charge. Such hats are to be worn **by**

each employee while on duty, expect that truck drivers will not be required to wear them while engaged in driving. An employee is responsible for his safety hat in the same way that he is responsible for other Company property which is supplied for use by employees in the performance of their work.

- (c) An employee who is assigned to work in the refrigeration area will be supplied, at the Company's cost, with insulated coveralls and such coveralls will be supplied to each full-time refrigeration man as well as each full-time employee who normally works in the produce and dairy areas.

19.10 The Company will reimburse a Truck or Maintenance Mechanic for replacing tools or purchasing new type of tools used in his work to a maximum of two hundred (\$200.00) once each calendar year, provided the employee produces the receipt for new tools.

19.11 All Letters of Understanding, which have been issued in the past, are no longer in effect following the signing of this Agreement. Any Letters of Understanding which are entered into during the term of this Agreement shall be signed by or on behalf of the Parties.

ARTICLE 20 - JURY DUTY PAY

20.01 If an employee is required to perform jury duty or is required by subpoena to appear in Court as a witness, the Company shall pay him the difference between the jury duty pay or witness fees received and the wages he would otherwise have earned at his regular, straight time hourly rate. In this Article, "Court" means a Court of Record and does not include an Arbitrator, an Arbitration Board, the Ontario Labour Relations Board, or any

other Administrative Tribunal.

ARTICLE 21 - SEVERANCE PAY

21.01 In the event that the Company closes a Branch before the expiry date of this Agreement, the Company will give eight (8) weeks' notice of such closing to the employees affected thereby and the Company agrees to pay severance pay to those employees affected thereby and who have greater than five (5) years' continuous service and are on the payroll at the time of closure at the rate of one (1) week's pay for each year of service up to Five Thousand Dollars (\$5,000.00) maximum.

21.02 It is also understood between the Parties that this severance pay would not apply to an employee who leaves the Company prior to complete closure of his Branch, except with the approval in writing of the Distribution Manager.

21.03 An employee shall not be entitled to severance pay if he accepts another position in the Company.

ARTICLE 22 - DRIVERS

22.01 No driver shall allow anyone other than employees of the Company who are on duty to ride on his truck except transport drivers who are broken down or by written authorization of the Company.

22.02 The Company shall not require employees to operate any vehicle which is **not** equipped with safety equipment required by law or which is in an unsafe operating condition. **Should** any vehicle be in an unsafe operating condition, the driver thereof shall make in duplicate a written report on the conditions complained of. One copy of this report shall be given to the

Distribution Manager and initialled by him and one copy of the report shall be retained by the driver. The Company is responsible to act on such report without delay to correct any unsafe condition. The driver shall also place a tag on the vehicle drawing attention to his report.

It is the responsibility of each driver to ensure that the equipment they are operating contains all required safety equipment and that said equipment conforms to the required standards. It is the responsibility of the driver to immediately report equipment problems to the Company.

22.03 It shall be the **duty** of every driver in the case of any accident, no matter how trivial, to immediately secure the names and addresses of all possible witnesses and to report the accident to the office of the Company. Following the making of his verbal report, the driver shall then submit a full written report of the accident, including witnesses' data, to the Distribution Manager.

22.04 The Company shall supply a uniform to employees who are classified as full-time drivers and who are required to deliver goods to customers or premises of the Company. A uniform consists of:

- one **(1)** windbreaker with **N.G.** crest and name tag;
- one **(1)** winter jacket with **N.G.** crest and name tag;
- four **(4)** pairs of pants;
- six **(6)** shirts with **N.G.** crest and name tag;
- one **(1)** cap with **N.G.** crest;
- three **(3)** t-shirts with **N.G.** crest.

Following completion of thirty **(30)** worked days of continuous service, a uniform will be ordered for each new full-time driver. In future years of entitlement, an employee's uniform will be measured and ordered in October. The Company is not required

to provide more than one **(1)** uniform each two **(2)** years to any employee.

22.05 **LOSS OF DRIVER'S LICENCE**

Whenever an employee who has acquired seniority and who is classified and employed as a driver **or** tractor-trailer driver loses his licence or is no longer acceptable to the Company's insurer, such employee will:

- (a) be eligible to bump into the position of the junior employee in the Warehouse (provided he has greater Branch seniority than the employee he bumps), who shall then be deemed to be laid off, and upon such bumping he shall be re-classified into the job classification of the employee he displaced and paid the rate for that classification;
- (b) remain eligible to bid on any Warehouse **job** postings;
- (c) after his licence **has** been re-instated **or** he again becomes acceptable to the Company's insurer, then he shall return to his former position.

Nothing in this Article will prevent the Parties from making any other arrangement respecting such an employee upon which they mutually agree.

22.06 The most junior driver on each shift **will** act as a spare driver.

22.07 Whenever an employee in a driver classification is required by legislation **or** government regulation to undergo a periodic physical examination **or** driver's examination in order to remain qualified for his Class "A" driver's licence, and the employee arranges to take the examination during his regularly scheduled shift, he will be paid four **(4)** hours at his regular straight-time hourly **rate** on the day he takes the examination.



22.08 A driver who does not complete his shift in the Transport Department and is assigned to complete his shift in the warehouse will be assigned warehouseman duties. If there is overtime available in the warehouse, the driver will be eligible for overtime before students and part-time employees only if he completes his regular shift in the warehouse.

ARTICLE 23 - SAFETY COMMITTEE

23.01 A safety committee of one (1) or more management persons and one (1) employee from each shift shall be established. The duty of the committee shall be to inform the Company of any unsafe condition. The Company and the Union agree to co-operate with each other in order to reduce accidents.

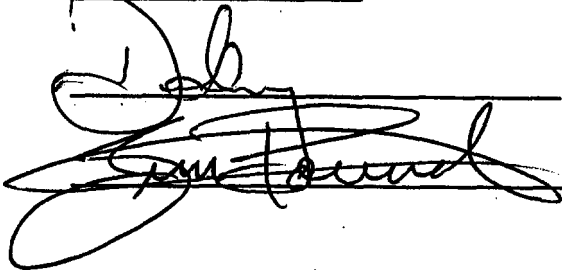
23.02 It is agreed that all employees will co-operate in reporting immediately to their safety committee any defective or dangerous procedures that may cause accidents. Each employee is expected to report promptly all injuries he suffers and all accidents involving the Company's property and equipment which occur while he is on duty.

ARTICLE 24 - DURATION OF AGREEMENT

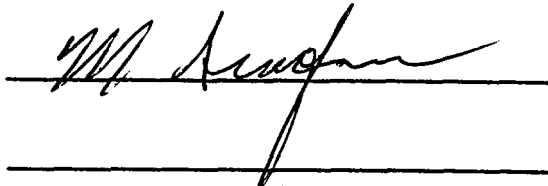
24.01 This Agreement shall become effective as of November 7th, 1996 and shall continue in effect until the 30th day of November, 2001, at which time it shall be automatically renewed unless either party gives notice to the other, not more than ninety (90) days prior to the expiry date, of its desire to enter into negotiations for the revision or renewal of all or any part of this Agreement, and both parties shall thereupon enter into negotiations in good faith and make every reasonable effort to secure a renewal.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement pursuant to the Memorandum of Settlement made between them which Memorandum was signed on _____

FOR THE UNION



FOR THE COMPANY



SCHEDULE "A"
HEALTH AND WELFARE PLAN

As used in the Schedule:

- (a) the expression "bargaining unit employee" means a full-time employee who is within one of the bargaining units in Article 2 of this Agreement; and
- (b) the terms "part-time and student employee" shall be as defined in Article 2 of this Agreement; and
- (c) part-time and student employees are not entitled to any of the benefits hereinafter provided for, unless expressly provided for otherwise.

A.1 BARGAINING UNIT EMPLOYEES

Life Insurance and Accidental Death and Dismemberment Insurance shall provide two times (2x) the employee's base salary.

EMPLOYEES HIRED AFTER THE DATE OF RATIFICATION
LIFE INSURANCE & ACCIDENTAL DEATH & DISMEMBERMENT

The Company agrees to provide active full-time employees until retirement, Life Insurance equivalent to one (1) times an employee's annual earnings.

EMPLOYEES HIRED AFTER THE DATE OF RATIFICATION
ACCIDENTAL DEATH & DISMEMBERMENT

The Company agrees to provide all active full-time employees with Accidental Death and Dismemberment benefit coverage equal to one (1) times the employee's annual earnings in case of accidental death. Coverage is also provided for other losses such as speech and hearing, use of arms or legs, etc.

WEEKLY INDEMNITY & DISABILITY INSURANCE (Short Term)

1st day of accident, 4th day of sickness for a period of 26 weeks on each separate illness	75% of an employee's average hourly rate of pay up to a maximum of \$550.00 per week.
Benefits will be paid from 1st day of sickness if the employee is hospitalized	

EMPLOYEES HIRED AFTER THE DATE OF RATIFICATION

The Company agrees to provide Short Term Disability benefits to all active full-time employees on the following basis:

- first day of accident, or
- first full day of hospitalization, or
- commencing with the fourth day of sickness.

The plan will pay 66~~2~~3% of the employee's basic earnings to a maximum of \$550 per week for the first two (2) weeks, then Unemployment Insurance will pay fifteen (15) weeks, then the Plan will resume payments for thirty-five (35) weeks.

DISABILITY INSURANCE (Long Term)

A totally disabled employee will receive 65% of his average hourly rate of pay to a maximum of \$1,600.00 per month from all sources to age 65, with benefits payable monthly.

The total premium cost of the above is to be shared between the Company and the employee, as hereinafter provided.

The Company will arrange with its Group Insurers to deduct income tax from Weekly Indemnity and Long-term disability benefits payable under these policies of insurance at the time payment of benefits is made.

- * Increases in the maximum Weekly Indemnity and Long-term Disability benefits apply only to employees who are on the active payroll of the Company on the date the increases become effective.

An employee's benefits under the Disability Policy will not be effected by any disability insurance which he has purchased privately.

EMPLOYEES HIRED AFTER THE DATE OF RATIFICATION

The Company agrees to provide Long Term Disability benefits for active full-time employees after fifty-two (52) weeks if an employee is unable to perform any occupation (reasonably suited by means of training, education or experience). The Plan will provide for sixty percent (60%) of the employee's basic earnings subject to a maximum monthly benefit of \$1,500. Coverage would cease the date an employee attains normal retirement age.

A.2 CANADA PENSION PLAN

The Company shall continue to make the Company's contribution in respect to each employee in accordance with the Canada Pension Plan.

A.3 DRUG PLAN

The Company will continue in force and pay the total cost of the Drug Plan or replace that plan with another which provided no lesser benefits. In either case, there shall be no break in coverage and the Company will pay the full cost of the plan.

EMPLOYEES HIRED AFTER THE DATE OF RATIFICATION

The Plan provides coverage for active full-time employees for reimbursement of eighty percent (80%) of eligible expenses after an annual deductible of one hundred dollars (\$100.00) single and two hundred dollars (\$200.00) family. The maximum eligible expense for dispensing fees will be five dollars (\$5.00). Eligible prescription drug expenses will be governed by the Company drug formulary.

- A.4** After six (6) months of employment, a bargaining unit employee shall be covered for Life Insurance and Accidental Death and Dismemberment Insurance. Entitlement to the other benefits set out above in this Schedule becomes effective commencing on the first day of the month after an employee has attained seniority.
- A.5** (a) When an employee who is eligible for the benefits set out above in this Schedule is laid off, the Company will pay its share of the premium costs for such benefits for the first thirty (30) days of layoff.
- (b) When an employee is recalled to work on a regular basis for twenty-four (24) hours or more per week (averaged over a period of four (4) consecutive weeks), he shall again become eligible for such benefits.
- (c) All benefits cease on the date of termination of employment.
- A.6** When an employee is granted leave of absence, the Company will pay its share of the premium costs of the other group benefits for the first thirty (30) days of such leave of absence.
- A.7** During the time an employee is in receipt of benefits under either the Weekly Indemnity or LTD Insurance, the Company will continue to pay its share of the premiums on his behalf for the Drug Plan, the Dental Plan, and the Group Life Insurance Plan.
- A.8** The Company will continue the retirement allowance set out in the previous Collective Agreement made between the Parties with respect to all bargaining unit employees who have retired up to and including September 30, 1975.
- A.9** (a) The present Pension Plan providing Pensions to bargaining unit employees will remain in effect.

(b) For the year 1990, the following provision shall apply:

(1) **Pension Formula**

The pension formula for the years on and after January 1, 1990 shall be based on 1.25% of earnings each year up to the year's government earnings base plus 1.75% of the year's earnings in excess of the year's government earnings base.

(2) **Post Retirement Indexation**

Pension benefits earned on or after January 1, 1990 will be indexed from age sixty-five (65) and thereafter, applying the following formula:

Annual increase in pension equal to **seventy-five** percent (75%) of the increase in the Consumer **Price Index (CPI)** less one percent (1%), such increase to be limited to a maximum annual increase in CPI of ten percent (10%)

(3) **Eligibility**

Full-time employees are required to join the Pension **Plan** upon date of hire. Part-time employees shall be eligible to join the company Pension Plan provided they have worked 700 hours in each of two (2) consecutive years or have earned **thirty-five** percent (35%) of the year's maximum pensionable earnings in each of two (2) consecutive years.

(4) **Employee Contributions**--

Employees shall contribute to the pension fund at the rate of one percent (1%) of annual T4 earnings effective January 1, 1990.

(c) For the year 1991, the following provisions shall apply:

(1) Early Retirement

A member with thirty (30) or more years of service shall be entitled to receive an unreduced pension benefit at age fifty-five (55). Other members may retire from active employment, with a reduction of one quarter ($\frac{1}{4}$) of one percent (1%) for each month that the early retirement precedes age sixty-two (62).

(2) Pensioner Improvement

The pensioner improvement shall be five dollars (\$5.00) per month for each full calendar year between the retirement date and January 1, 1991 for those members who have retired before January 1, 1988.

(d) For the year 1992, the following provision shall apply:
Active Benefit Indexation

(1) Effective January 1, 1992 pension benefits shall be indexed during the period of active service up to the age of sixty-five (65).

(2) The amount of annual indexing, effective January 1, of each year, shall be based on the following formula:

Annual increase in pension equal to **seventy-five** percent (75%) of the increase in the Consumer Price Index (CPI) less one percent (1%), such increase to be limited to a maximum annual increase in the **CPI** of ten percent (10%).

(e) Employees who retire of age 55 or later will be provided with their life insurance and health benefits exclusive of Weekly Indemnity and Long Term disability Benefits until age 65.

(f) The parties agree that the terms of the Pension Plan are not negotiable until April 30, 1995.

- (g) Employees hired after the date of ratification of this Agreement shall not be eligible for the above-mentioned pension plan but instead shall be eligible for a Registered Retirement Savings Plan (RRSP) as hereinafter provided for.

Effective January 1, 1997, the Company will contribute the sum of \$500.00 towards the cost of an RRSP on behalf of those employees who are not eligible for the above-mentioned pension plan subject to the following conditions:

- (a) the employee must have completed a minimum of one (1) year of service as of December 31, in any year;
- (b) the above-mentioned contribution shall be made on or about December 1, 1997 and each December 1 thereafter;
- (c) eligible employees must complete all necessary documentation.

A.10 DENTAL PLAN

The Company will continue the preventive Dental Plan during the term of this Agreement and will continue to pay its share of the cost of the premiums for that Plan **and** the level of benefits provided by the Plan will lag the Ontario Dental Association (ODA) schedule of fees by two (2) years.

In addition, dental check-ups will be limited to once every nine (9) months.

EMPLOYEES HIRED AFTER THE DATE OF RATIFICATION

The Company agrees to provide Dental coverage for active full-time employees after a twenty-five dollar (\$25.00) deductible for single,

and fifty dollar (\$50.00) deductible for family each calendar year.

The Plan provides for one hundred percent (100%) reimbursement for cleaning, polishing, x-rays and fluoride treatments once every nine (9) months for employees and dependents over eighteen (18) years of age and two (2) times per calendar year for employees and dependents eighteen (18) years of age and under. Extractions, fillings, injections, consultations, root canal therapy and periodontic treatment.

The Plan provides for a maximum of one thousand dollars (\$1,000.00) per family member per year. Effective date of ratification, reimbursement is based on the 1991 Ontario Dental Association Fee Guide.

Effective January 1, 1997 reimbursement is based on the 1992 Ontario Dental Association Fee Guide.

Effective January 1, 1998 reimbursement is based on the 1993 Ontario Dental Association Fee Guide.

Effective January 1, 1999 reimbursement is based on the 1994 Ontario Dental Association Fee Guide.

Effective January 1, 2000 reimbursement is based on the 1995 Ontario Dental Association Fee Guide.

Effective January 1, 2001 reimbursement is based on the 1996 Ontario Dental Association Fee Guide.

A.11 Upon retirement on pension, the Company will provide and pay for \$10,000 of Life Insurance for the retiree.

Employees hired after the date of ratification of this Agreement shall not be eligible for this benefit.

A.12 The Company **will** continue to pay 100% of the premiums for an Optical Plan which will provide for payment of frames and prescription lenses of contact lenses as follows:

- up to \$150.00 per employee and spouse every two (2) years;
- up to \$150.00 for each dependent child of the employee sixteen (16) years and under once each year and thereafter every two (2) years while eligible as set out in the benefit booklet.

Employees hired after the date of ratification of this Agreement shall not be eligible for the Optical Plan.

A.13 If an employee is injured on the job to the extent that he is unable to continue at work, and he requires and obtains treatment by a physician for the injury on the day on which it occurs, the Company will pay the employee for the balance of his regularly scheduled shift for that day.

A.14 SHARING OF COSTS

- (a) Effective January 1, 1998, eligible employees shall contribute a half of one percent ($\frac{1}{2}\%$) of their gross earnings, as indicated on the employee's T-4 Statement of Earnings, towards the costs of the benefits outlined in this **Schedule**, with the exception of Article **A.09(g)**.
- (b) Effective January 1, 1999 the contribution amount shall increase to one percent (1%) of gross earnings, as indicated on the employee's T-4 Statement of Earnings.
- (c) Effective January 1, 2000 the contribution amount shall increase to two percent (2%) of gross earnings, as indicated on the employee's T-4 Statement of Earnings.

A.15 CO-ORDINATION OF BENEFITS

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

SCHEDULE "B"

WAGE & CLASSIFICATIONS

B.01 FULL-TIME CLASSIFICATIONS & RATES OF PAY

- (a) Following are the minimum weekly rates of pay for all full-time-time employees covered by the terms of this Agreement who were hired prior to the date of ratification of this Agreement:

Classification

Warehouseperson	\$804.00
Fork Lift Operator	806.00
Shipper/Receiver	808.00
Driver	808.00
Mechanic/Maintenance	816.00

- (b) Following are the minimum hourly rates for all full-time employees covered by the terms of this Agreement who were hired after the date of ratification of this Agreement:

<u>Classification</u>	<u>Stat</u>	6	12	18	24	30	36	42	48	54	60
	<u>rate</u>	<u>mo.</u>	<u>mo.</u>	<u>mo.</u>	<u>mo.</u>	<u>mo.</u>	<u>mo.</u>	<u>mo.</u>	<u>mo.</u>	<u>mo.</u>	<u>mo.</u>
Warehouseperson	13.00	13.05	13.30	13.60	13.90	14.20	14.50	14.80	15.10	15.40	16.00
Fork Lift Operator	13.05	13.10	13.30	13.60	13.90	14.20	14.50	14.80	15.10	15.40	16.05
Shipper/Receiver	13.10	13.15	13.30	13.60	13.90	14.20	14.50	14.80	15.10	15.40	16.10
Driver	13.20	13.25	13.30	13.60	13.90	14.20	14.50	14.80	15.10	15.40	16.20
Mechanic/Maintenance	13.30	13.35	13.40	13.60	13.90	14.20	14.50	14.80	15.10	15.40	16.20

B.02 PART-TIME & STUDENT WAGES

- (a)** Part-time employees actively employed by the Company as of the date of ratification of this Agreement shall continue to earn **\$9.10** per hour for the term of this Agreement. Students actively employed by the Company as of the date of ratification of this Agreement shall continue to earn **\$8.60** per hour **for** the term of this Agreement.

- (b)** Part-time and student employees hired after the date of ratification of this Agreement shall be paid the rate of **\$8.00** per hour for the term of this Agreement.

SCHEDULE "C"

TEMPORARY, PART-TIME & STUDENT EMPLOYEES

C.1 For the purposes of this Schedule:

- (a) A temporary employee is a person who is hired on a casual basis during periods of heavy work load, or to cover for employees who are absent on a temporary basis, that is, not exceeding thirty (30) consecutive working days;

The Company and the Union agree that temporary, part-time and student employees are not entitled to any of the rights or benefits of this Agreement, or any Appendix to this Agreement, unless specifically provided for.

The following are the terms and conditions relating to the employment of part-time employees and students. In the event of a conflict between the terms of this Appendix and the main body of this Agreement or any Appendix thereof, the terms of this Appendix shall prevail.

- (b) Part-time employees shall normally work not more than twenty-eight (28) hours per week. The status of a part-time employee shall not be deemed to be changed because he works in excess of those hours in any of the following circumstances:
- (1) he is replacing a full-time employee who is absent for any reason (it is agreed that the term "absent for any reason" shall not include absences caused by a Paid Holiday as provided for in Article 12 of the Collective Agreement);
 - (2) during the period December 15 to January 1st;

- (3) he ~~is~~ covering off for a full-time employee who has refused a recall to work on a temporary basis as provided for in Article 9.10 (4) of the Collective Agreement;
 - (4) on a full-time basis in the period May 1st to September 15th.
- (c) A student is a person who is hired on a full-time basis during the summer vacation period, that is, from May 1st to September 15th. A student shall not acquire seniority under the Collective Agreement or this Schedule by reason only of his employment during the summer vacation period.
- (d) In addition to the provisions of Article **C.01** (b) of this Appendix, part-time employees shall be eligible to work an additional fifteen percent (15%) of available full-time hours. This calculation shall be determined by multiplying the total number of full-time employees on the full-time seniority list by forty (40), forty-one (41) or **forty-two (42)** hours, as the case may be, and then multiplying the result by fifteen percent (15%).

C.2 Students, part-time employees and temporary employees will not normally be assigned to the day shift, provided that this section shall not prevent such assignment to cover off for an employee who is absent unexpectedly, or where there is mutual agreement between Management and the Local Union, and provided that, in any event, the Company is entitled to maintain a qualified work force on each shift.

C.3 Except as noted below, the following provisions of the **Collective Agreement** apply to part-time and temporary employees and students:

- Article 1 - Purpose
- Article 2 - Recognition

- Article 3 - Management Rights
- Article 4 - Union Security
- Article 5 - Union Representation
- Article 6 - No Strikes or Lock-outs
- Article 7 and 8
 - Grievance Procedure and Arbitration, respectively, provided that those Articles do not apply to students in case of termination of employment, it being agreed that the employment of a temporary or a part-time employee during his probationary period or of a student may be terminated for any reason at the sole discretion of Management and no Arbitrator shall have jurisdiction to entertain any grievance filed as a result of such termination.
- Article 9.10 Clauses 1 to 6 inclusive
 - Seniority
- Article 9.13 & 9.14
 - Seniority
- Article 13 - Call-back Allowance
- Article 14 - Temporary Transfers
- Article 18.04, 18.05, 18.07 and 18.08
 - Hours of Work and Overtime
- Article 19.01, 19.02, 19.03, 19.04, 19.06, 19.07, 19.08, 19.09 (b) and (c)
 - provided that safety shoes or boots shall be worn by each employee while on duty - General
- Article 22.01, 22.02, 22.03, 22.04 and 22.06
 - Drivers

C.4 (a) After a part-time employee or a temporary employee has actually worked, in any twelve (12) month period, a total of 240 hours, he shall be deemed to have acquired seniority for the purposes of this Schedule and his name shall be placed on the seniority list mentioned below.

- (b) A separate seniority list will be established for part-time and temporary employees and will be revised by the Employer at least every three (3) months. Such lists will show the employee's name and his date of last hire.
- (c) Hours of work **will** be offered to part-time employees according to seniority, provided the senior employee has the qualifications necessary to perform the normal requirements of the job.
- (d) If a part-time employee refuses an offer of work on three (3) occasions within any three (3) month period without giving a reasonable excuse, his seniority rights shall cease, his name shall be stricken from the seniority list and his employment shall be automatically terminated and the chief steward shall be so notified.
- (e) After a part-time employee has acquired seniority under Clause **C.4** (a) above, he will be entitled to bid for permanent **job** vacancies and newly created **jobs** which are posted in accordance with Article **9.15** of the Collective Agreement. If any posted vacancy or new job is not filled by a full-time employee, then the part-time employee with the greatest seniority who has bid, if any, and who has the qualifications necessary to fill the normal requirements of the job shall be placed in it. Articles **9.18** and **9.19** of the Collective Agreement shall apply to the successful bidder. Failing any successful bid by a part-time employee, or failing his remaining in the new **job** in accordance with Article **9.18** and **9.19**, the Employer may fill the vacancy or new job at its discretion.
- (f) Whenever a part-time employee is converted to full-time, he will be credited in the full-time bargaining unit for seniority purposes with **50%** of his seniority up to a maximum of one (1) year, and upon such conversion, he shall not be required to serve a probationary period as though he were a new hire.

Such seniority will then apply in the full-time unit in accordance with the terms of the Collective Agreement, except vacations, provided that such seniority shall not apply to the waiting periods for Group Benefits set out in Schedule "A" to this Agreement, and any such employee shall be deemed to be a new hire for the purposes of Schedule "A".

- C.5** (a) Each employee covered by this Schedule who, as of December 31 in any year, has been employed for less than one (1) year, shall receive in the following year an amount equal to 4% of his gross earnings, and is entitled to one (1) day's vacation with pay in such following year for each full calendar month of employment up to a maximum of nine (9) days.
- (b) Each employee covered by this Schedule who, as of December 31 in any year, has been employed for more than one (1) year shall be granted a vacation of two (2) weeks to be taken during the following year and vacation pay in any amount equal to 4% of his gross earnings up to December 31 of the year immediately prior to the year in which the vacation is taken.
- C.6** Employees who are covered by this Schedule shall be entitled to the following public holidays:
- New Year's Day
 - Good Friday
 - Victoria Day
 - Canada Day
 - Labour Day
 - Thanksgiving Day
 - Christmas Day

Entitlement to any of the above holidays does not extend to any such employee who:

- (a) is employed for less than three (3) months;

- (b) has not earned wages on at least twelve (12) days during the four (4) work weeks immediately preceding a public holiday;
- (c) fails to work his scheduled regular day of work preceding or his scheduled regular day of work following a public holiday;
- (d) has agreed to work on a public holiday and who, without reasonable cause, fails to report for and perform the work.

C.7 Regular part-time employees will be offered, in priority to students full-time employment during the period May 1st to September 15th provided that they make a request in writing to Management for such employment not later than March 1st in each year.

C.8 A part-time employee or student shall be paid at the rate of one and one-half (1½) times his regular hourly rate for all hours of work which he performs in excess of forty-four (44) in one calendar week.

C.9 The rates of pay for part-time and temporary employees and students are set out in Schedule "B".

LETTER OF UNDERSTANDING

August 21, 1992

Mr. Dan Garvey
Retail Wholesale Canada
(U.S.W.A.) Local 414
5045 Orbitor Drive
Building 11 Suite 200
Mississauga, Ontario
L4W 4Y4

Dear Sir:

RE: VACATIONS

In accordance with the agreement reached during our recent Contract negotiations, we wish to set out the following understanding:-

An employee shall be deemed to have commenced his vacation period following his last regular scheduled day of work.

Yours very truly,

NATIONAL GROCERS CO. LTD.

Chuck T. Gyles
Vice President Industrial Relations
and Loss Prevention Services

LETTER OF UNDERSTANDING

August 21, 1992

Mr. Dan Garvey
Retail Wholesale Canada
(U.S.W.A.) Local 414
5045 Orbitor Drive
Building 11 Suite 200
Mississauga, Ontario
L4W 4Y4

Dear Sir:

RE: LETTER OF UNDERSTANDING

The Company re-confirms the Letter of Understanding originally dated November 10, 1977, contents as outlined below:

"During our negotiations to renew the Collective Agreement covering the Warehouse and Cash & Carry Agreements, April 13, 1977, discussions were held regarding the administration of Article 19.03.

It was mutually agreed by the parties that if the Company was having difficulty with an employee because of excessive absenteeism, lack of production or possible abuse of medical benefits, the Local Union representative should be notified of the problem and his assistance sought in attempting to rectify the problem employee".

Yours very truly,
NATIONAL GROCERS CO. LTD.

Chuck T. Gyles
Vice President Industrial Relations
and Loss Prevention Services

LETTER OF UNDERSTANDING

August 21, 1992

Mr. Dan Garvey
Retail Wholesale Canada
(U.S.W.A.) Local 414
5045 Orbitor Drive
Building 11 Suite 200
Mississauga, Ontario
L4W 4Y4

Dear Sir:

RE: LETTER OF UNDERSTANDING

The Company re-confirms the Letter of Understanding originally dated August 29, 1979, contents as outlined below:

"If an employee is absent from work due to illness or accident which prevents **him** from **taking his** scheduled **vacation**, his vacation will be rescheduled. This new vacation period will be arranged by mutual agreement between the employee and the Distribution Manager".

Yours very truly,

NATIONAL GROCERS CO. LTD.

Chuck T. Gyles
Vice President Industrial Relations
and Loss Prevention Services

LETTER OF UNDERSTANDING

August 21, 1992

Mr. Dan Garvey
Retail Wholesale Canada
(U.S.W.A.) Local 414
5045 Orbitor Drive
Building 11 Suite 200
Mississauga, Ontario
L4W 4Y4

Dear Sir:

RE: LETTER OF UNDERSTANDING

The Company confirms that a maximum of one (1) elected Union Board Member will be protected at each Branch under the terms of Article 9.12 of the Warehouse Collective Agreement.

However, the Branch Stewards will have super seniority over the Executive Board Member.

Yours very truly,

NATIONAL GROCERS CO. LTD.

Chuck T. Gyles
Vice President Industrial Relations
and Loss Prevention Services

LETTER OF UNDERSTANDING

August 21, 1992

Mr. Dan Garvey
Retail Wholesale Canada
(U.S.W.A.) Local 414
5045 Orbitor Drive
Building 11 Suite 200
Mississauga, Ontario
L4W 4Y4

Dear Sir:

RE: DRIVER'S LICENCE

In accordance with the agreement reached during our recent Contract negotiations, we wish to set out the following understanding:-

After an employee's licence has been re-instated or he again becomes acceptable to the Company's Insurer, he then shall return to his former position.

It is further understood that the employee **who** is displaced shall also return to his former position.

Yours very truly,

NATIONAL GROCERS CO. LTD.

Chuck T. Gyles
Vice President Industrial Relations
and Loss Prevention Services .

LETTER OF UNDERSTANDING

August 21, 1992

Mr. Dan Garvey
Retail Wholesale Canada
(U.S.W.A.) Local 414
5045 Orbitor Drive
Building 11 Suite 200
Mississauga, Ontario
L4W 4Y4

Dear Sir:

RE: LETTER OF UNDERSTANDING

The Company re-confirms the Letter of Understanding originally dated November 19, 1977, contents as outlined below:

"During our negotiations on April 26, 1977, we agreed to give you a letter concerning the administration of Article 5.10 of the new Collective Agreement covering the Warehouse and Cash & Carry bargaining unit when leave of absence is requested for the purpose of employees attending your Stewards' School.

Our Company will grant to one (1) employee from each Branch, reasonable leave of absence in excess of three (3) working days per year for the purpose of attending Stewards' School on the condition

- (a) that no such leave of absence will be given during the months of July and August, and
- (b) that at least three (3) weeks' notice of the request is given to the Manager of the Branch or his designate".

Yours truly,

NATIONAL GROCERS CO. LTD.

**Chuck T. Gyles,
Vice President Industrial Relations
and Loss Prevention Services**

LETTER OF UNDERSTANDING

October 19, 1995

Mr. Dan Garvey
Retail Wholesale Canada
(U.S.W.A.) Local 414
5045 Orbitor Drive
Building 11 Suite 200
Mississauga, Ontario
L4W 4Y4

Dear Sir:

The Company agrees to replace a minimum of thirty percent (30%) of the full-time employees who accept the severance package hereinafter provided for, and who lift the business, by converting part-time employees to full-time positions in accordance with the terms of the Collective Agreement, excluding the provisions of Article **C.4(e)**. (By way of example only, if ten (10) full-time employees accept the severance package, three (3) part-time employees will be converted to full-time positions.)

Yours very truly,

NATIONAL-GROCERS CO. LTD.

Chuck T. Gyles

Vice President Industrial Relations
and Loss Prevention Services

LETTER OF UNDERSTANDING

October 19, 1995

Mr. Dan Garvey
Retail Wholesale Canada
(U.S.W.A.) Local 414
5045 Orbitor Drive
Building 11 Suite 200
Mississauga, Ontario
L4W 4Y4

Dear Sir:

EMPLOYMENT OPTIONS - WAREHOUSE/TRANSPORT

1. The Employer recognizes that certain employees may prefer to sever their employment with National Grocers and is prepared to offer a severance package to such employees based on the formula which is hereinafter provided for.
 - (a) Active full-time employees on **the payroll** as of the date of ratification of this Agreement, shall be paid three **(3)** week's pay for each completed year of service, based on their regular hourly rate of pay which was in effect immediately prior to the ratification of this Agreement, to a maximum of **\$75,000.00**. **In addition**, no full-time employee who elects to terminate his employment shall receive **less than \$20,000.00**, notwithstanding his years of service. Severance pay which is paid to an employee shall be deemed to include any severance payments required at law or by any other provision of any Collective Agreement, including Article 21 hereof.
 - (b) Full-time employees between the age of **55** and **65** and who have a minimum of thirty (30) years of service, may elect to take early retirement if they are **eligible**. Such employees shall

then be eligible for benefits in accordance with Employer policy until age 65. Employees **who** elect to take early retirement shall **also** be eligible for the severance package as hereinafter provided.

- (c) Full-time employees who are within eighty-five (85) weeks of normal retirement age at the time of termination of employment shall be eligible for the above-mentioned severance payment except that such employee shall receive the lesser of that which he would have otherwise earned at his regular hourly rate for regular hours worked, based on his regular hourly rate of pay which was in effect immediately prior to the ratification of this Agreement, had he remained at work until his normal age or the above-mentioned \$75,000.00.
- (d) Full-time employees who wish to accept the severance payment herein provided for must advise the Employer in writing, within thirty (30) working days of the ratification of this Agreement, of their desire to terminate their employment and accept the severance payment. The offer of severance payment to employees **shall not** extend beyond **such** date.
- (e) Full-time employees who are in receipt of **LTD** benefits at the time of ratification of this Agreement, shall also be eligible for the severance payment as herein provided for. It is understood that should such an employee elect to accept the severance pay he shall thereafter no longer be entitled to any of the rights or benefits of this Agreement. Such employee must advise the Employer in writing, within **thirty** (30) working days of the ratification of this Agreement, of their desire to terminate their employment and accept the severance payment. The offer of severance payment to employees shall not extend beyond such date.
- (f) Full-time employees who are in receipt of **WCB** benefits at the **time** of ratification of this Agreement, shall also be eligible for

the severance payment as herein provided for. Such employee must advise the Employer in writing, within thirty (30) working days of the ratification of this Agreement, of their desire to terminate their employment and accept the severance payment. The offer of severance payment to employees shall not extend beyond such date. Such employee shall only receive the severance payment upon receipt of a declaration from the WCB that such employee is fit to return to their normal duties.

- (g) Full-time employees who are under the age of sixty-five (65) shall be entitled to accept the severance package provided for herein and then be rehired as full-time employees. Such employees would be considered as "new hires" who were hired after the date of ratification and would therefore be subject to the same wages and benefits provided to any other employees who were hired after the date of ratification, including pension.

With the exception of the above paragraph, full-time employees who elect to accept the severance payment herein provided for shall not be eligible for re-employment with National Grocers Co. Ltd. Or any of its' subsidiary companies for a period of three (3) continuous years from the date of their termination of employment.

- (h) Once an employee has made his election known to the Employer, such election is irrevocable without the consent of the Employer.
- (i) The timing of the departure of employees who have elected to leave shall rest with the Employer, however all employees who elect to take severance shall have left the business no later than one hundred and twenty (120) days after the date of ratification.

Yours very truly,

NATIONAL GROCERS CO. LTD.

Chuck T. Gyles
Vice President Industrial Relations
and Loss Prevention Services

LETTER OF UNDERSTANDING

October 19, 1995

Mr. Dan Garvey
Retail Wholesale Canada
(U.S.W.A.) Local 414
5045 Orbitor Drive
Building 11 Suite 200
Mississauga, Ontario
L4W 4Y4

Dear Sir:

Within forty-five **(45)** days of the date of ratification of this Agreement, those full-time employees **who** have elected to remain with the business **and** not to accept the severance package provided for herein shall be provided with a one-time lump sum payment of \$1,000.00, less statutory deductions provided for at law.

Yours very truly,

NATIONAL GROCERS CO. LTD.

Chuck T. Gyles
Vice President **Industrial Relations**
and Loss Prevention Services

25

LETTER OF UNDERSTANDING

October 19, 1995

Mr. Dan Garvey
Retail Wholesale Canada
(U.S.W.A.) Local 414
5045 Orbitor Drive
Building 11 Suite 200
Mississauga, Ontario
L4W 4Y4

Dear Sir:

On or about November 1, 1998 each active full-time employee on the payroll **will** be paid a lump sum payment of **\$500.00**, less statutory deductions provided for at law.

On or about November 1, 1999 each active full-time employee on the payroll **will** be paid a lump sum payment of **\$500.00**, less statutory deductions provided for at law.

On or about November 1, 2000 each active full-time employee on the payroll will be paid a lump sum payment of **\$500.00**, less statutory deductions provided for at law.

Yours very truly,

NATIONAL GROCERS CO. LTD.

Chuck T. Gyles
Vice President Industrial Relations
and Loss Prevention Services

LETTER OF UNDERSTANDING

October 19, 1995

Mr. Dan Garvey
Retail Wholesale Canada
(U.S.W.A.) Local 414
5045 Orbitor Drive
Building 11 Suite 200
Mississauga, Ontario
L4W 4Y4

Dear Sir:

GUARANTEE OF EMPLOYMENT

Full-time employees who were hired prior to the ratification of this Agreement shall be guaranteed employment within the immediate vicinity of Peterborough, under all the terms and conditions of the Agreement, for the term of the Agreement, except in case of fire or other acts of God. For clarity, no such employee can be laid off during the term of this Agreement,

Yours very truly,

NATIONAL GROCERS CO. LTD.

Chuck T. Gyles
Vice President Industrial Relations
and Loss Prevention Services