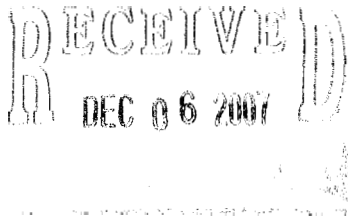


**COLLECTIVE
AGREEMENT**



Between:

**ZEHR'S MARKETS INC.
A Division of Zehrmart Limited**

AND:

**UNITED FOOD & COMMERCIAL
WORKERS CANADA, LOCALS 175 / 633**



**Term of Agreement
July 1, 2006 – July 1, 2010**

04269 (08)

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Collective Agreement

Full-Time

Between:

**ZEHRS MARKETS INC.
A Division of Zehrmart Limited
(hereinafter referred to as the "Employer")
of the first part,**

- and -

**UNITED FOOD & COMMERCIAL
WORKERS UNION, CANADA
LOCALS 175 / 633
AFL-CIO-CLC
(hereinafter referred to as the "Union")
of the second part.**

ARTICLE 1 - PURPOSE

1.01 The Employer and the Union each represents that the purpose of the intent of this Agreement is to promote cooperation and harmony, to recognize mutual interests, to provide a channel through which information and problems may be transmitted from one to the other, to promote efficiency and service, to set forth herein the basic agreements covering rates of pay, hours of work and conditions of employment.

ARTICLE 2 - RECOGNITION

- 2.01 (a) The Employer recognizes Local Union 175, United Food and Commercial Workers Canada Union, as the sole and exclusive bargaining agency for all employees at its retail stores located in the Counties of Essex, Kent and Lambton, save and except Meat Department employees, Store Manager, Pharmacists, Merchandising Assistant, Dry and/or Fresh Managers, General Merchandise Manager, Bed and Bath Manager, Kitchen, Cook and Table Manager, Party Supplies Manager, Coffee Bean Roast Manager, Cosmetics Manager, Camera/Electronics Manager, Sporting Goods Manager, Hardware Manager, Hosiery/Apparel Manager, Books and/or Entertainment Manager, Natural Values Manager, Tobacco Manager, persons above the rank of Store Manager, persons regularly employed for not more than twenty-four (24) hours per week and students employed in off-school hours and during school vacation periods.
- (b) The Employer also recognizes the Union as the exclusive bargaining agent for all persons it employs in any of its Real Canadian Superstores retail stores located in the counties of Kent, Essex and Lambton save and except Store Manager, persons above the rank of Store Manager, up to 4 Assistant Store Managers (up to 5 in stores 125,000 sq ft. or

greater), Department Managers, Pharmacists, Registered Pharmacy Technicians, twelve (12) DSTM Managers, up to eight (8) DSTM Assistant Department Managers, a Cooking School Coordinator and Meat department employees. All matters relative to Real Canadian Superstore employees shall be governed by Appendices "A", "B", "C" and "C" of this Agreement and Letters of Understanding Nos. 3, 7, 8, 14, 16, 26, 28 through 34, 36 through 46, 48, 49 and 51.

(c) The Employer also recognizes the Union as the exclusive bargaining agent for all persons it employs in any of its Zehrs Great Canadian Food Stores retail stores located in the counties of Kent, Essex and Lambton save and except Store Manager, persons above the rank of Store Manager, up to 4 Assistant Store Managers, Pharmacists, Registered Pharmacy Technicians and a Cooking School Coordinator and Meat department employees. All matters relative to Great Canadian Food Store shall be governed by Appendices "D", "E" and "F" of this Agreement and Letters of Understanding Nos. 3, 7, 8, 14, 16, 26, 28, 29, 31 through 34, 36, 37 through 41, 43 through 46, 48 through 51.

2.02 The Employer recognizes Local 633, United Food & Commercial Workers, Canada Union, as the sole and exclusive bargaining agency for all Meat Department employees at its retail stores located in the Counties of Essex, Kent and Lambton, save and except persons regularly employed for not more than twenty-four (24) hours per week (twenty eight (28) hours per week for persons employed in RCSS and GCFS) and students employed in off-school hours and during school vacation periods.

2.03 With the exception of Fireco Sales Limited or its successors or greeting card jobbers, no representative of a supplying company shall perform any routine store work. This limitation however shall not prevent supplying companies from activity such as checking code dates, rotation, authorized sampling and special promotions and shall not apply to new store openings or openings following store renovations.

2.04 General Merchandise Manager, Bed and Bath Manager, Kitchen, Cook and Table Manager, Party Supplies Manager, Coffee Bean Roast Manager, Cosmetics Manager, Camera/Electronics Manager, Sporting Goods Manager, Hardware Manager, Hosiery/Apparel Manager, Books and/or Entertainment Manager, Natural Values Manager, Tobacco Manager have the ability to work only within their department.

These positions can be expanded, by mutual agreement, to manage new departments which the Employer is not currently in, or any business which the Employer has some product which a significant investment will be made to become a department.

ARTICLE 3 - PROBATIONARY PERIOD

3.01 The first thirty (30) worked days of employment shall be considered a probationary period. It is understood between the Employer and the Union that a probationary employee shall be considered an employee for all purposes of the Agreement save the following:

- 1) A probationary employee may be dismissed at any time during the probationary period without any recourse to the Grievance Procedure.
- 2) During the probationary period, such employee shall not be entitled to: (i) pay for jury duty; (ii) sick pay or sick leave; (iii) bereavement pay.

ARTICLE 4 - UNION SECURITY

- 4.01 In the case of all persons now in the employment of, or who enter into the employment of the Employer, it is agreed that as a condition of continued employment, such person or persons shall become and remain a member in good standing of the Union within thirty (30) worked days from the commencement of their employment. The Employer agrees that it will inform all new employees prior to or at the time of hiring, of the Union Security provisions of the Agreement.
- 4.02 (a) The Employer shall deduct weekly dues from the pay of bargaining unit employees. The amount of such deduction shall be as communicated by the Union and such dues shall be remitted to the Union prior to the fifteenth (15th) day following the month in which such deduction is made. The remittance statement shall be documented by location containing a dues and initiation report which will be provided in the form of e-mail (remit@ufcw175.com) or on a computer diskette, as well as a hard copy of the dues report being attached to the remittance cheque. The information provided shall be on a standard spreadsheet. The spreadsheet will be in a format provided by the Union and the Company will provide the following information as known to the Company: S.I.N. number; employee number; full name; full address; telephone number including area code; date of hire; rate of pay; classification; full time or part time designation; union dues deducted; total dues deducted; vacation pay breakdown of dues owing; initiation fees deducted; total initiation fees deducted.

- (b) Upon completion of the probationary period, the Employer shall deduct initiation fees from such employee(s) in an amount as communicated by the Union, and forward such fees to the Union along with the regular monthly dues remittance.
 - (c) The Employer shall remit to the Union within fifteen (15) calendar days following completion of the probationary period, the United Food & Commercial Workers Membership Application Form signed by the new employee. The Employer agrees to include the C.C.W.I.P.P. and Dental Trust Application cards into the new hire packet and remit the completed cards to the Plans' administrators within thirty (30) days of completion of the new employee's probation period.
- 4.03 On a quarterly basis, the Employer will supply to the Union a statement consisting of three (3) alphabetical listings (1. Local 175 Full-Time; 2. Local 175 Part-Time; 3. Local 633 Full-Time) showing each employee's name, social insurance number, store number, current address and postal code. This statement will be forwarded to the Union at the time of the regular Union dues remittance.
- 4.04 The Employer agrees to give the Union a list of new employees hired each month and such lists shall include starting rates of pay, The Employer also agrees at the same time each month to supply the Union with a list of known name changes and a list of all persons whose employment has been terminated.
- 4.05 Part-time employees temporarily relieving full-time employees for at least thirty-eight (38) hours weekly, shall be required to pay full-time Union dues for the week or weeks in question.
- 4.06 The Union agrees to indemnify and save harmless the Employer against any and all claims, demands, suits or other forms of liability that may arise out of, or by reason of, action taken or not taken by the Employer for the purpose of complying with this Article.
- 4.07 The Company agrees to pay one-half (1/2) the cost of the meeting rooms and one-half (1/2) of the lost wages of the master negotiating committee to a maximum of six (6) members. Such payments will be based on the average hours worked in four (4) weeks prior to negotiations commencing for part-time employees and based on thirty-eight (38) hours regular pay for full-time.

The Employer shall reimburse the Union One Thousand Dollars (\$1,000.00) toward the cost of printing the Collective Agreements.

ARTICLE 5 - DISCIPLINE OF PERMANENT EMPLOYEES

- 5.01 No employee shall be discharged or disciplined without just cause. The Union agrees to cooperate in correcting inefficiencies of members which might otherwise necessitate discharge,

- 5.02 (i) The Employer agrees that whenever an interview is held with an employee relating to any alleged inefficiency or breach of duty which will become part of such employee's record regarding his work or conduct, a store steward or Union representative shall be present at such interview. The steward or representative shall leave the meeting if requested to leave by the employee.
- (ii) If there is more than one (1) steward immediately available in the store, the employee may choose which steward will represent him.
- (iii) If an interview is held without a store steward or representative present, the disciplinary action taken will become null and void, except when the employee concerned requests the steward or representative to leave the meeting.
- 5.03 The Employer agrees to furnish the shop steward or Union representative with a copy of any official reprimand, discipline or discharge.
- 5.04 Should the Employer discipline, reprimand or discharge an employee, said employee will be disciplined, reprimanded or discharged within ten (10) working days of discovery of the alleged offence except that an extension of time may be requested and will not be unreasonably denied, to complete an investigation.
- 5.05 Disciplinary warnings and/or reprimands which predate a disciplinary action by more than twenty-four (24) continuous months of employment shall not be adduced in evidence against an employee in any subsequent disciplinary proceedings in which the employee is involved. Periods of absence, for greater than one (1) continuous month or more, shall be excluded from the twenty-four (24) month period but shall not cause the twenty-four (24) month period to commence again upon return from such absence.

ARTICLE 6 - HEALTH AND SAFETY

- 6.01 The Employer shall make provisions for the health and safety of its employees, during working hours, in accordance with the Occupational Health and Safety Act (revised statutes of Ontario, 1990). The Employer will continue to work jointly with the Union with respect to Health and Safety and will ensure that all employees are adequately trained with respect to Health and Safety within the stores and their Departments. Such training and/or instruction will be on Company time.
- 6.02 The Employer agrees to continue its practice of having Health and Safety Committees in each location and all members of such Committees will cooperate in ensuring any and all safety regulations and required work practices are followed.

- 6.03 The Union agrees to cooperate with the Employer in maintaining and improving safe working conditions and practices, in improving the cleanliness and good housekeeping of the store and in caring for equipment and machinery.
- 6.04 Employees other than meat cutters will not use power tools, saws, cleavers, or engage in any production work with knives, except other employees may use meat slicers, grinders and delicators.

The Company will canvass current Meat Wrappers who may wish to train on delicators, grinders, and slicers.

ARTICLE 7 - MANAGEMENT RIGHTS

- 7.01 The Union agrees that the Employer has the exclusive right and power to manage its business, to control the direction of the staff including the right to plan, direct and control the operations, hire, suspend, or discharge for just cause or relieve employees from duty for other legitimate reasons. The right to establish and maintain reasonable rules and regulations covering the operation of the store, a violation of which shall be among the reasons for discharge, is vested in the Employer provided, however, that the above rights shall be exercised subject to the provisions of the Grievance Procedure of this Agreement.
- 7.02 It is agreed that the direction and supervision of the working force shall be at the discretion of the Employer within the terms of this Agreement.
- 7.03 The Union agrees that the Employer has the exclusive right and power to study or introduce new or improved production and/or handling methods or facilities and the Union agrees to cooperate with the Employer in the installation of any such methods and in the education of its members for the necessity of such changes and improvements. The Union shall be given advance notice of any such changes and discussion will take place before the introduction of change so that the Union may educate its members as stated.
- 7.04 The parties agree that the foregoing enumeration of Management's rights shall not be deemed to exclude other recognized functions of Management not specifically covered in this Agreement. The Employer therefore retains all rights not otherwise specifically covered in this Agreement.
- 7.05 All necessary medical examinations and x-rays required by the Employer shall be paid for by the Employer and conducted on Company time. Where the Company requires the employee to provide a doctor's note or a weekly indemnity form, the Company will reimburse the employee.

ARTICLE 8 - TEMPORARY ASSIGNMENTS

- 8.01 An employee relieving in a higher rated classification will be entitled to receive a premium of twenty-five (25) cents per hour over his regular hourly rate after he has completed two (2) consecutive scheduled shifts in such classification. The premium will be paid retroactive to the first (1st) shift. Part-time employees relieving a full-time employee and working in excess of twenty-four (24) hours per week shall receive twenty-five (25) cents per hour as above. Part-time employees working over twenty-four (24) hours per week but not relieving a full-time employee will not so qualify.
- 8.02 An employee relieving the Assistant Store Manager (if a bargaining unit position still exists), Produce Manager, Meat Manager, Bakery Manager, Head Cashier Front-End Manager, Hot Deli Manager, Cold Deli Manager, Seafood Manager, Floral Manager, Photo Lab Manager, Night Crew Manager, Dairy Manager, CAO Manager, Grocery Manager and General Merchandise Manager (under 80,000 square feet) will be entitled to receive a premium of sixty-five (65) cents per hour over his regular hourly rate after he has completed more than two (2) consecutive scheduled shifts in such classifications. The premium will be paid retroactive to include the first (1st) shift.
- 8.03 Where a bargaining unit Assistant Manager still exists, an employee relieving the Store Manager will be entitled to receive a premium of one dollar (\$1.00) per hour over his regular hourly rate after he has completed more than two (2) consecutive scheduled shifts in such classification. The premium **will** be paid retroactive to include the first (1st) shift.
- 8.04 A temporary vacancy in a full-time position of less than six (6) months in which the Employer requires a part-time employee to work full-time hours, such hours will be given to one (1) part-time employee provided a part-time employee is available and possesses the ability and qualifications to perform the work.

A part-time employee will not be assigned to relieve positions (defined in Articles 8.01, 8.02 and 8.03 above) if a full-time employee on layoff, who has sufficient ability and qualifications to perform the relief work, is available. This condition applies only in the store where the opening exists.

Where a classified position will be vacant for one (1) week or more, it will be temporarily replaced by full-time, then part-time, if no full-time have the skill, ability to perform the work. When replaced by full-time, the resulting temporary vacancy will be filled by the senior part-time employee qualified to do the job [for thirty-eight (38) hours]

- 8.05 Temporary assignments to the positions of Head Meat Cutter or Assistant Store Manager will be the sole determination of the Employer and will be based on the following criteria:

To be rotated among the available employees in the store who have the skill and qualifications

to do the job in a competent manner,

An employee who performs the duty of a Front End Manager for more than fifty percent (50%) of any shift shall be paid a premium of sixty-five cents (65¢) per hour.

ARTICLE 9 - DISCRIMINATION

9.01 There shall be no discrimination on account of race, colour, creed, political or religious affiliation, sex, age, marital status or membership in the Union.

9.02 The Company and the Union agree that every employee has the right to work in an environment free of harassment. In any harassment investigation, the Company will advise the Union in advance of any investigation and provide a Union Steward/Representative to employees in each meeting. All meetings will be conducted in a private area.

ARTICLE 10 - UNION REPRESENTATION

10.01 It is agreed that the Business Representative of the Union shall be admitted during working hours, at reasonable times, to interview employees while on duty or to inspect working conditions provided, however, that such visits shall be calculated to cause a minimum of disturbance with the Employer's business and further that the Business Representative shall report his presence to the Store Manager on the occasion of each such visit.

ARTICLE 11 - SENIORITY

11.01 Seniority shall be recognized by the Employer and shall be based on the length of continuous employment with the Employer in the bargaining unit.

11.02 Service shall be recognized by the Employer and shall be based on the length of continuous employment with the Employer.

11.03 Employees shall not acquire seniority during the thirty (30) worked days probationary period. However, if an employee is continued in employment after such period, seniority shall commence from the commencement of such continuous employment.

11.04 Layoff and recall shall be based on seniority provided the senior employee has the skill and qualifications to perform a competent job.

In the event of layoffs, the employees in lower classifications may not displace employees in higher classifications.

Employees with more than three (3) months of service with the Employer will be given at least one (1) week's notice in writing of layoff or one (1) week's pay in lieu of notice.

11.05 Promotions within the bargaining unit shall be based on seniority provided skill and qualifications to perform the job are equal.

- (a) When job vacancies occur in any full-time position and a replacement is required, it shall be posted on the bulletin board for a period of five (5) working days during which time application may be made by employees seeking a promotion. All vacancies in classified positions will be posted within ten (10) days of occurrence. Such posting will be initialed by and copied to the Union Steward.

CLASSIFIED POSITIONS

Front End Manager	Cold Deli Manager	Night Crew Manager
Photo Lab Manager	CAO Manager	Dairy Manager
Seafood Manager	Hot Deli Manager	GM Manager (Under 80,000 sq. ft.)
Grocery Manager	Floral Manager	

Department Managers (Meat, Produce, Assistant Store Manager (where applicable))

Bakery Manager (where a "scratch-bakery" operations exists)

Head Cashier (where applicable)

Assistant Head Cashier (Incumbents only)

Head Meat Cutter (where there are three (3) or more Meat Cutters, including the Meat Manager.)

General Merchandise/Health and Beauty Care (Incumbents only)

- (b) The Employer shall have five (5) working days following the expiration of the posting to fill the vacancy.
- (c) The Employer agrees that when a promotion within the bargaining unit takes place the name and seniority of the promoted employee, and the position to which he was promoted, shall be posted on the bulletin board of the stores within five (5) working days.
- (d) When a vacancy occurs in a classified position and the vacancy is caused by justified absence for a period in excess of six (6) months, the vacant position will be posted as aforesaid in this Article. When such absent member returns to work, he shall return to his former store and position. Any member promoted as a result of such posting to replace an absent member and who is subsequently displaced by the absent member returning shall be

given layoff notice and options as per Article 11.04, 11.08 and Letter of Understanding #3.

- 11.06 Where no employee possesses the skill and qualifications, the Employer may hire a person from outside the bargaining unit to fill the vacancy.
- 11.07 Seniority shall be considered terminated and the employee deemed to have quit if the employee:
- (a) voluntarily leaves the employ of the Employer;
 - (b) is discharged for just cause;
 - (c) (i) is laid-off continuously for a period of more than six (6) months where an employee has less than one (1) year seniority, or for a period of twelve (12) months where an employee has one (1) year seniority or more, or if he is called back to work after a layoff and does not report to work within two (2) weeks after having been sent notice in writing by registered mail to his last know address;
 - (ii) An employee on full-time layoff from the Employer may refuse recall to a temporary position without the loss of recall rights, if the Employer recalls an employee for thirty (30) calendar days or less. An employee on a full-time layoff from the Employer may refuse recall to a permanent position if unable to accept for legitimate illness or disability, without loss of recall rights, provided such illness or disability is verified to the Company's satisfaction.
 - (d) fails to return to work upon the conclusion of a leave of absence without reasonable cause;
 - (e) is absent from work for three (3) consecutive scheduled days of work without reasonable cause.
 - (f) an employee absent from work because of legitimate accident or sickness shall not lose seniority rights except as provided in this clause. Any progression rate increases shall cease twenty-six (26) weeks following the commencement of the absence until his return.
- 11.08 Full-time employees who are laid off will be offered part-time employment.
- 11.09 When a full-time employee changes his status to a part-time employee, he shall carry full seniority and service to a part-time seniority and service list including any part-time seniority and service acquired prior to becoming full-time.

- 11.10 Employees who are laid off and subsequently recalled according to Article 11.07 (c) shall be given credit for appropriate quarterly wage progression increases according to Article 22.
- 11.11 A part-time employee who has completed the part-time probationary period and who becomes a full-time employee, will not be required to serve the full-time probationary period and will be given full-time seniority credit and full-time service credit of fifty percent (50%) of his part-time seniority or part-time service up to a maximum of eighteen (18) months.
- 11.12 The Employer agrees to post in each store, quarter annually, separate seniority lists for Locals 175 and 633, with copies to be sent to the Union office.
- 11.13 (a) It is agreed that transfers of employees between stores are essential to the proper operation of the business and that the employees will cooperate with the Employer in this matter. The Employer agrees that if the employee has good and sufficient reason not accepting the transfer he will not be forced to transfer and he will not be discriminated against with regard to future transfer because of his failure to accept the transfer in question. The Employer agrees that it will not act in an arbitrary manner in exercising its rights to transfer employees under this provision.
- (b) No employee will be transferred in excess of twenty-five (25) miles measured from store to store, except by mutual agreement.
- (c) In the case of temporary transfers, the Employer agrees that:
- An employee will not be transferred to another store for a period of time in excess of three (3) months, except by mutual agreement.
- Transfers shall be rotated among the qualified employees employed in the store that is filling the Company's transfer needs except for classified positions.
- (d) Full-time employees wishing to transfer to another store shall be given preference over part-time being reclassified to full-time providing the employee has a transfer request on file and possesses the skills and qualifications to perform the job available. Where more than one such qualified employee has a request on file, seniority shall govern.
- (e) An employee seeking a transfer must make a written application on the form provided. All requests for transfers must be store and job specific and renewed annually. Requests for transfers that indicate "any" store or "any" position, will be returned to the applicant as incomplete, as such, the request is not deemed as filed. Only the most recent transfer requests will be considered active.
- All requests will be removed annually in the second week of January. To clarify, all requests for transfers will be purged after the 15th day of January each year.

All requests for transfer must be signed and dated by the Store Manager or designate. The date recorded by the Store Manager or designate is deemed to be the date the request was filed.

- 11.14 Subject to Article 11.05 of the full-time Agreement, when a job vacancy occurs which the Employer intends to fill or a new job is created, the Employer shall post the name of the successful applicant on the Bulletin Board of each store within seven (7) calendar days for a minimum period of ten (10) calendar days, and a copy sent to the Union Office.

ARTICLE 12 - HOURS OF WORK

- 12.01 The basic work week for full-time employees will consist of thirty-eight (38) hours - four (4) days of eight (8) hours each and one (1) day of six (6) hours, but in no event shall the short shift end later than 5:00 p.m. except by mutual agreement.

The short day referred to above may be scheduled any day of the week; however, reduced hours for these short days are to be taken at the end of the shift, where practicable, but in no event shall the short shift end later than 5:00 p.m. except by mutual agreement.

The provision for hour and days in the week is intended to provide a basis of calculating time worked and shall not be a guarantee as to hours of work per day or as to days of work per week.

- 12.02 A standard formatted work schedule shall be posted in ink in the department on each Thursday by noon showing the scheduled working hours for each employee covered by this Agreement for the succeeding week and no change shall be made in such schedule except in the case of sickness, accident or bereavement in the store where the employee is regularly employed. The Store Manager shall give the store steward a copy of such work schedule, and at the conclusion of the posted work week, a copy of the revised work schedule.

All employees who desire to have Saturdays off shall be granted one (1) Saturday off in every four (4) weeks, inclusive of Saturday prior to vacation. No employee will be scheduled for less than nine (9) hours off between the end of a shift and the start of the next shift.

- 12.03 It is agreed that all hours worked in excess of eight (8) hours per day, six (6) hours on the short day, and thirty-eight (38) hours in a week (which includes hours paid as Statutory

Holiday pay) will be paid for at the rate of one and one-half times (1 ½ X) the employee's regular hourly rate.

- 12.04 Employees called in for the purpose of working overtime shall be guaranteed not less than four (4) hours work time provided, however, that this provision shall not apply where

overtime is worked ,atthe beginning of a day immediately followed by a regular scheduled shift.

Scheduled overtime shall be offered to the most senior available qualified employee(s). Unscheduled overtime on a given shift shall be offered to employees on the shift, in accordance with their seniority, who are qualified and available to perform the work.

12.05 The basic work week for a week in which a Statutory Holiday occurs will be one (1) full day's hour deducted from the normal basic work week for each of such holidays.

12.06 No employee shall be laid off to avoid the payment of overtime.

12.07 The parties hereto agree that there shall be no split shift save for the unpaid meal period. The unpaid meal period will normally be one (1) hour or one-half (½) hour meal period by mutual agreement. However, on the night shift, employees will be scheduled for one-half (½) hour unpaid meal period, The unpaid meal period shall be taken not less than two and one-half (2 ½) hours nor more than five (5) hours after the starting time of the shift.

12.08 There shall be no duplication of overtime premiums.

12.09 On any night when the store is open for evening shopping, an employee shall receive an evening shopping premium of one dollar and twenty-five cents (\$1.25) per hour for all hours worked after 6:00 p.m. on Monday to Friday inclusive, and shall receive an evening shopping premium of two dollars (\$2.00) per hour for all hours worked after 6:00 p.m. on Saturday or the second (2nd) evening.

12.10 (a) Employees may be scheduled to work one (1) evening if the store is open for evening shopping up to three (3) evenings per week. They may be scheduled to work up to two (2) evenings if the store is open in excess of three (3) evenings per week. An employee will not be scheduled to work on two (2) consecutive evenings. An employee who is scheduled to work until 6pm or later on a Sunday, will be deemed to have worked one of the two evenings in that week.

(b) On any evening when an employee is not scheduled for evening shopping, the employee will not be scheduled to work beyond 6:00 p.m. but it is understood that such employee may be required to work after 6:00 p.m. in exceptional circumstances including the illness or late arrival of an employee scheduled for evening shopping.

(c) If the store is not open for evening shopping, employees may be scheduled to work up to 10:00 p.m. and will be paid a premium of one dollar and twenty-five cents (\$1.25) per hour for all hours so worked on the first (1st) evening and two dollars (\$2.00) per hour for all hours worked on the second (2nd) evening.\

(d) If the store is not open for evening shopping, those employees not scheduled beyond store

closing will not be scheduled later than one-half (½) hour beyond the closing of the store.

- (e) If the store is open for evening shopping, those employees not scheduled beyond store closing will not be scheduled later than one-half (½) hour beyond the closing of the store, unless by mutual agreement.
- (a) It is understood and agreed that the two dollars (\$2.00) per hour referred to in Article 12.09 and Article 12.10 (c) above will be applicable to the second (2nd) evening regardless of when the first (1st) evening is worked.

It is also understood and agreed that the maximum of two (2) evenings referred to in Article 12.10 (a) is applicable to Article 12.10 (c) above; that is an employee will not be scheduled to work for more than two (2) evenings per week whether the store is opened or closed for evening shopping.

- (g) An employee (other than bakery department) may be scheduled to commence work up to three (3) hours prior to store opening.

For the purpose of this Article, store opening is considered to be 9:00 a.m. and the store closing is considered to be 10:00 p.m. or earlier unless a major competitive situation indicates a later closing.

- (h) Employees will not be scheduled to work more than one (1) Saturday night in three (3) for evening shopping, unless mutually agreed to by the Employer and the employees concerned.

12.11 An employee other than the Assistant Store Manager assigned to carry the store keys, for the purpose of closing the store, will receive an additional premium of four dollars (\$4.00) for each shift so assigned.

12.12 Night Shifts

- (a) A night shift employee is an employee who is scheduled to work in a store after it has been closed to the public, between the hours of 10:00 p.m. and 9:00 a.m., and whose duties primarily are connected with receiving and stocking the store and incidental functions connected therewith. A night shift premium of one (1) dollar (\$1.00) per hour shall be paid to employees who work on night shift for all hours worked on such shift. Night shift employees who are receiving overtime pay shall receive such overtime pay on the basis of their regular hourly rate. The night shift premium shall not be included in their regular hourly rate for the purpose of calculating overtime pay, but shall be included in their regular hourly rate for the purpose of calculating vacation, statutory holiday and sick pay. Rotation of night shift to be worked out in each individual store on a mutual agreement basis. Where there is no mutual agreement in the store, employees shall be scheduled on the basis of two (2) months on night shift and two (2) months off night shift.

- (b) The work week for a night shift employee will be scheduled in five (5) consecutive nights.
- (c) A night shift employee who is in charge of the night crew shall be referred to as the Night Crew Chief and shall be paid a premium of one dollar and thirty cents (\$1.30) per hour over the top "Grocery/Produce/Cashier" rate. This Night Crew Chief premium shall be paid to such an employee for all night shift hours worked.
- (d) The Employer agrees that a Night Crew Chief will be assigned to each night shift operation.
- (e) It is understood that no employee shall be required to work alone on the night shift. In the event that a night shift employee reports to his scheduled store and no one is available to work with him, he shall first report to the nearest operating Night Crew Chief and then notify his Store Manager.
- (f) In the case of an employee in the Bakery Department who works a shift that commences prior to 6:00 a.m., and no earlier than 4:00 a.m.; the Employer agrees:
 - 1. to pay such employee one (1) dollar (\$1.00) per hour for all hours worked prior to 6:00 a.m., and
 - 2. to schedule such employee for five (5) consecutive shifts for that week in which he commences work prior to 6:00 a.m.
- (g) The above outlines the current payment of shift premium to those employees with early morning start times or the night crew stocking shift. For stores which are open 24 hours a day, employees whose shift commences between 10pm and 8:30am will receive the night shift premium.

12.13 Refrigeration Checks

- (a) Any employee who is a member of the bargaining unit required to check stores for heating and refrigeration on a non-working day shall receive twenty-five dollars (\$25.00) for the first (1st) one-half (½) hour and two times (2X) his regular rate of pay thereafter.

In the event of equipment breakdown, the Store Manager must be notified.

- (b) Employees will not be required to travel in excess of twenty-five (25) kilometers (one way - from his permanent residence to the store) for the purpose of heating and refrigeration checks, except by mutual agreement.

12.14 Full-time Deli Clerks will receive a premium of twenty (20) cents per hour.

ARTICLE 13 - NOTICE OF ABSENCE

- 13.01 Employees are expected to attend work as scheduled. When unable to attend, the employee shall contact his Store Manager, Immediate Supervisor, Department Manager, or the next highest management person within two (2) hours before his scheduled starting time where practicable, giving the reason he is unable to report for work. He shall advise the Employer when he expects to return to work and how the Store Manager or the other management person as appropriate, noted above, can call or contact him relative to this absence.

ARTICLE 14 - STATUTORY HOLIDAYS

- 14.01 (a) There shall be nine (9) Statutory Holidays as follows:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Christmas Day
Civic Holiday	Boxing Day
Canada Day	
or days celebrated in lieu thereof.	

- (b) "Heritage Day" shall be added to the list of Statutory Holidays as a tenth (10th) Statutory Holiday if proclaimed as a holiday during the term of this Collective Agreement.

- 14.02 All employees shall be entitled to full pay for such holidays provided, however, that no employee shall be entitled to be paid for such holiday if he does not work his complete scheduled shift of his scheduled working day preceding the holiday and his scheduled working day following the holiday unless his absence was for a valid reason.
- 14.03 A full-time employee covered by this Agreement shall be eligible for a personal holiday with

pay once during each calendar year at a time mutually agreed upon between the Employer and the employee concerned.

- 14.04 When a Statutory Holiday occurs in a week during which an employee is scheduled to work all of his shifts on the night crew, such an employee shall receive Statutory Holiday pay inclusive of the night shift premium. Employees who are off on compensation, accident or illness shall receive Statutory Holiday pay if they have worked within seven (7) days of the holiday. Should a Statutory Holiday occur within an employee's leave of absence, he shall not be paid for such Statutory Holiday.
- 14.05 In the event a Statutory Holiday falls on a Sunday, the next work day shall be recognized and paid as a holiday. In the event that day is also a holiday, the next work day shall be recognized and paid as a holiday.
- 14.06 No employee will be scheduled to work on Christmas Eve or New Year's Eve beyond 6:30 p.m.
- 14.07 In the event stores are open for business on a Statutory Holiday, or a day celebrated in lieu of a Statutory Holiday, the Employer may require employees to work that day and shall pay them two times (2X) their regular rate of pay plus the day's pay for such holiday.
- 14.08 The Employer shall pay all employees two times (2X) their regular rate of pay for all hours worked on a Sunday which are not related to the store opening for business. This provision shall not apply to employees on the night crew who may be required to commence their scheduled shift prior to midnight on Sunday night. When this premium is paid, no other premiums or bonuses will apply to such hours worked.
- 14.09 The Employer shall pay all employees one and one-half (1 1/2X) their regular rate of pay for all hours worked on the employee's scheduled day off. Employees who work on a fourth (4th) or fifth (5th) day in a week during which one (1) or two (2) holidays as listed are observed, shall receive 1 ½ times their regular hourly rate for all hours so worked on the fourth (4th) or fifth (5th) day.
- 14.10 Employees required to work on a Statutory Holiday shall be guaranteed a minimum of four (4) hours work.
- 14.11 (a) **All** full time employees who are on the payroll prior to October 12,2006, Sunday work remains voluntary and they shall be paid a premium of \$1.60 per hour. For those full time and part time employees hired prior to the date of ratification who wish to continue to work on Sunday they will be scheduled to work and paid as they have in the past based upon the needs of the business. For clarity for all employees hired prior to October 12, 2006, Sunday shall be over and above their workweek and they shall be given the first opportunity to work on Sunday. In the event an employee moves to another store as a result of their store closing or transfer to a store covered by the

conventional Collective Agreement they shall retain the right to volunteer to work on Sunday and receive a \$1.60 per hour premium for such work. Full time employees hired prior to October 12, 2006 that volunteer for Sunday may work four (4) days from Monday to Saturday as long as it is mutually agreed between the Employee and the Company.

- (b) Employees hired prior to October 12, 2006 shall be paid a premium of one dollar sixty cents (\$1.60) for all hours worked on Sunday which is related to the store opening for business. For the purposes of clarity, "all hours worked on Sunday which is related to the store opening for business" includes: hours worked up to three (3) hours before store opening and one-half (½) hour after store closing.
- (c) A separate schedule for Sunday is to be posted and hours offered by seniority.
- (d) Employees hired prior to October 12, 2006 who volunteer to work on Sunday when open for business, no overtime premiums, only one dollar sixty cents (\$1.60) per hour premium shall apply.
- (e) Employees hired prior to October 12, 2006 who volunteer to work on night crew ending Sunday morning shall receive, in addition to their regular, non-overtime rate of pay, one dollar sixty cents (\$1.60) per hour plus night shift premium of one dollar (\$1.00) per hour for all such hours worked on Sunday.
- (f) Probationary employees hired prior to October 12, 2006 who are scheduled by the Company to receive training on Sunday, and who agree to so train, will receive, in addition to their regular non-overtime rate of pay, one dollar sixty cents (\$1.60) per hour for all such hours of Sunday training.

ARTICLE 15 - VACATIONS

- 15.01 Vacations with pay will be calculated on each year of employment commencing with May 1 and ending with April 30.
- 15.02 A full-time employee taking his vacation in the calendar year prior to May 1st shall, upon request, receive a cash advance equal to one (1) week's net pay for each week of vacation taken provided such request is made two (2) weeks prior to the vacation.
- 15.03 An employee with less than six (6) months of full-time service to May 1 shall receive vacation pay of four percent (4%) of total earnings.
- 15.04' An employee with six (6) months of full-time service to May 1 shall receive one (1) week vacation with vacation pay at four percent (4%) of total earnings.

- 15.05 An employee with one (1) year of full-time service but less than four (**4**) years of full-time service to May 1 shall receive two (2) weeks vacation with vacation pay at four percent (**4%**) of total earnings.
- 15.06 An employee with four (**4**) years of full-time service but less than nine (9) years of full-time service to May 1 shall receive three (3) weeks vacation with vacation pay at six percent (**6%**) of total earnings.
- 15.07 An employee with nine (9) years of full-time service but less than fifteen (15) years of full-time service to May 1 shall receive four (**4**) weeks vacation with vacation pay at eight percent (8%) of total earnings.
- 15.08 An employee with fifteen (15) years of full-time service but less than twenty-five (25) years of full-time service to May 1 shall receive five (5) weeks vacation with vacation pay at ten percent (10%) of total earnings.
- 15.09 An employee with twenty-five (25) years of full-time service or more to May 1 shall receive six (6) weeks vacation with vacation pay at twelve percent (12%) of total earnings.
- 15.10 (a) Vacations shall be taken in the current calendar year unless mutually agreed upon by the Employer and the employee. To the extent it is practicable, the Employer will grant vacations in one continuous period. Employees entitled to three (3) weeks of vacation who wish to take them in a continuous period must be prepared to conclude them prior to June 15 or commence them subsequent to September 15. Employees entitled to four (**4**) or more weeks of vacation may take a maximum of three (**3**) weeks vacation between June 15 and September 15.
- (a) An employee will have the right to hold his vacation in abeyance if he is absent due to sickness, accident or compensation at the time his vacation is scheduled to begin. Such deferred vacation shall be taken at a later date which is mutually agreed to between the employee and the Employer. However, the employee shall advise the Employer as soon as he is capable or upon his return to work of his intention to take such deferred vacation, which cannot be extended beyond year end.
- (b) Request for vacation in excess of three (3) weeks may be granted where overseas travel becomes available to an employee. The Company will request verification of such travel. Such request will not be unreasonably denied.
- 15.11 Total earnings of an employee shall be the total earnings of the employee during the previous vacation year, May 1 to April 30, excluding vacation pay paid to the employee in respect of that period.

- 15.12 Vacation pay will be issued on a separate cheque or deposit during the week in which the scheduled vacation occurs. Employees will receive two percent (2%) of their previous year's total earnings for each week of vacation.
- 15.13 When a Statutory Holiday as defined in Article 13 hereof occurs during an employee's vacation period, such employee shall be entitled to receive either one (1) day extra vacation or one (1) day's pay as follows:
- (a) Wherever possible, the extra day is to be taken in conjunction with the vacation at either the beginning or the end of the vacation period (ie: Saturday preceding or Monday following.)
 - (b) If an employee is called in to work on the extra day of vacation referred to herein, he shall be paid for the work performed on that day at one and one-half times (1 1/2X) his regular rate of pay.
 - (c) Arrangements under this Section are to be completed prior to the commencement of the employee's vacation period.
- 15.14 An employee who requests the Saturday off prior to commencing vacation shall be granted the time off.
- 15.15 Each store will on February 1 of each calendar year, post a vacation schedule for listing the employees in order of seniority. An employee must submit his request for preference on vacation dates covering his complete vacation entitlement by March 15 in order that the Employer may finalize and post the vacation schedule by March 31. However, seniority shall not apply if the employee fails to make his selection before March 15. Full-time employees have preference over part-time employees in regard to vacation date scheduling. Vacation schedules will be posted and remain posted in each department.
- 15.16 All full-time employees of record as of October 17, 1987 who, before becoming full-time employees, had part-time status, will continue to combine their part-time and full-time service for the purpose of calculation of length and payment of vacation entitlement found in this Article..

Part-time employees who become full-time employees after October 17, 1987, carry seniority and service to full-time only as described in Article 11.11.

ARTICLE 16 - LEAVE OF ABSENCE

- 16.01 At the Employer's discretion, an employee with twelve (12) months service may be granted a leave of absence without loss of seniority upon the prior permission in writing from the

Personnel Department and under no circumstances shall such leave of absence exceed three (3) months for full-time employees and one (1) month for part-time employees inclusive of vacation time, if such leave is for vacation purposes. Requests must be made in writing on the standard Leave of Absence Request Form at least thirty (30) days prior to the date requested and a written reply (including the reason for refusal of the request) must be given within fourteen (14) days. No leave of absence granted shall be considered as a precedent and the Employer will judge each request on its own merit in light of all the surrounding circumstances. Any leave of absence granted in conjunction with the employee's vacation will be deemed to follow his vacation period.

- 16.02 In the case of pregnant females, leave of absence will be granted without loss of seniority pursuant to the terms of the Employment Standards Act.
- 16.03 The Employer will grant a leave of absence without pay to not more than one (1) full-time employee who has one (1) years' seniority with the Employer for a period of not more than twelve (12) months for an employee who has been elected or appointed to an office with the Union. Such leave will be granted provided a relief employee satisfactory to the Employer is available and provided that notification is given to the Employer in sufficient time to produce a relief person.

An employee shall not be required to use vacation time prior to a Union leave. The Union reserves the right to determine "Union business".

ARTICLE 17 - UNIFORMS

- 17.01 The Employer agrees to provide two (2) uniforms to each "A" Clerk, Head Cashier, Assistant Head Cashier and Cashier without charge. Laundry of such garments shall be paid for by the employee. Such employees shall wear such shoes as are required by the Employer provided at their own expense.
- 17.02 The Employer agrees to provide such uniforms as required on a normal wear and tear basis.
- 17.03 The Employer agrees to provide to other employees such shop coats, smocks or aprons as may be required by the Employer without charge. Laundry of such garments shall be paid for by the Employer.
- 17.04 The Company requires that only employees deemed by the Company and are certified to operate material handling equipment will wear safety footwear. In addition the Company shall determine whose essential duties require that they operate material handling equipment. The employees will be provided with safety footwear allowance.

The safety footwear allowance will be fifty dollars(\$50.00) per year (from date of purchase) for full-time employees and fifty dollars (\$50.00) once every two years (from date of

purchase) for part-time employees.

It is agreed that October 15, 2008 the allowance will increase for full-time employees to seventy-five (\$75.00) per year.

Garden Centre employees who are certified and operate material handling equipment will be provided the respective safety footwear allowance once every four (4) years (from date of purchase). This safety footwear allowance will be reimbursed upon submission of the original receipt of purchase.

Safety footwear must be black and no higher than ankle cut and of dress nature.

Employees must wear the approved safety footwear for the entire durations of their shift.

Employees who are certified and operate material handling equipment on a casual basis will be required to wear safety footwear provided by the Company which will replace toe caps.

It is understood that all references to safety footwear contained in the letter will be CSA approved.

ARTICLE 18 - WORKERS' SAFETY AND INSURANCE BOARD

- 18.01 The Employer agrees that it will continue to be enrolled under the provisions of the Workers' Safety and Insurance Board of Ontario for all employees. The Employer will also pay an employee for the remainder of the shift in which the accident occurred that would require the employee to take time off.
- 18.02 The employee shall provide to the Employer information as to expected date of return to work in regard to the progress of his medical condition.

ARTICLE 19 - SHOP STEWARDS

- 19.01 There will be up to four (4) Union Stewards per store plus one (1) additional Union Steward for every one hundred (1 00) employees or portion thereof, preferably from different areas of the store.
- 19.02 The Manager or his designate shall introduce each new employee to the union steward.
- 19.03 Permission for a union steward to leave his work station for a reasonable period of time for union business shall be obtained from the Store Manager or his designate. Permission shall not be unreasonably withheld.

ARTICLE 20 - GRIEVANCES

- 20.01 Either the Employer, the Union or any employee has a right to lodge a grievance with respect to any matter arising out of this Agreement or concerning the interpretation, application or alleged violation of this Agreement.
- 20.02 Any employee believing that he has been unjustly dealt with or that the provisions of this Agreement have not been complied with, shall have the right to place such grievances in the hands of the Union for review and adjustment by the Employer, if necessary. Such grievance shall be presented indicating the provision of the Collective Agreement which has been allegedly violated and shall be processed as follows:

STEP ONE

Within ten (10) working days after the event giving rise to the grievance occurs, the employee and his store steward shall discuss the grievance with the Store Manager. The Manager shall give an oral answer to the grievance within four (4) working days, Failing settlement:

STEP TWO

The grievance shall be reduced to writing and will be discussed between the Union Representative, the Store Manager and the District Manager. This discussion will be held within seven (7) working days of the decision of Step One. The District Manager will give his answer in writing within four (4) working days of the date of the meeting. Failing settlement:

STEP THREE

The grievance shall be forwarded to the Head Office of the Employer within one (1) week of the decision at Step Two and the Employer shall have one (1) week to dispose of the grievance. The decision shall be in writing and sent to the offices of the Union. If considered necessary by the parties, a meeting may be held by the parties and may include the interested persons. If a meeting is held, the decision shall be given to the other party within seven (7) days from the date of the meeting.

- 20.03 In the case of a discharge, a grievance may be filed by an employee who feels he was unjustly dealt with. Such a grievance must be filed by an employee who feels he was unjustly dealt with. Such a grievance must be filed within four (4) working days from the date of dismissal and shall commence at Step Two. In any subsequent disposal of this case during the Grievance Procedure, the Employer may reinstate the employee with full back pay, suspend the employee for a definite period or sustain the discharge, if mutually agreed to by the parties of this Agreement.

- 20.04 Grievances concerning rates shall commence at Step Two of the Grievance Procedure and the disposition of such grievances if sustained, shall include the determination of the effective date of the increase with retroactivity thereto.
- 20.05 The Employer or the Union may file grievances commencing at Step Three.
- 20.06 The limits as prescribed above may be modified by mutual agreement of the parties.

ARTICLE 21 - ARBITRATION

- 21.01 Where a grievance relating to the interpretation, application or alleged violation of this Agreement is still unresolved after the grievance procedure has been exhausted the matter may be referred to arbitration within twenty-one (21) days after the receipt of the decision at Step Three.
- 21.02 The party desiring arbitration will contact the other party in an endeavour to agree on a single arbitrator. Failing agreement within three (3) days, arbitration will be instituted under the following conditions.

Each party shall appoint an arbitrator and the two so appointed shall appoint a third and the three arbitrators shall proceed to dispose of the matter.

In the event the two arbitrators are unable to agree on a third, then a request shall be made to the Minister of Labour for the Province of Ontario to appoint a third arbitrator. The findings of the arbitrator or the three arbitrators, as the case may be, shall be final and binding on the parties.

- 21.03 In determining any discharge or any other disciplinary grievance, the arbitrator or Board of Arbitration shall have the authority to:
- (a) affirm the Employer's action and dismiss the grievance, or
 - (b) set aside a penalty imposed by the Employer and reinstate the grievor in his former position with or without compensation, or
 - (c) vary or alter the penalty imposed by the Employer or make such other determination as the arbitrator, or the Board of Arbitration as the case may be, in its discretion may deem justified.

- 21.04 The time limits as prescribed above may be modified by mutual agreement of the parties.

ARTICLE 22 - WAGES AND LETTERS OF UNDERSTANDING

22.01 The Wages and Classifications are as set out in Schedule A attached hereto and forming part of this Agreement.

22.02 Where a new employee commences work or an employee is promoted within a quarter, he shall immediately receive the appropriate start rate for his first adjustment at the end of the quarter provided, however, he commences work or is promoted prior to the middle (15th) of the second month within the quarter, Should he commence work or be promoted after the fifteen (15th) of the second month, he shall immediately receive the appropriate start rate for the position and he then shall receive his first quarterly adjustment at the end of the succeeding quarter.

Similarly, for classifications having six (6) month progression scales, where a new employee commences work or an employee is promoted within a bi-annual period, he shall immediately receive the appropriate start rate for his first adjustment at the end of the quarter, provided, however, he commences work or is promoted prior to the end of the third (3rd) month in the bi-annual period. Should he commence work or be promoted after the end of the third (3rd) month of the quarter, he shall immediately receive the appropriate start rate for the position and he shall then receive his first bi-annual adjustment at the end of the succeeding quarter.

22.03 Letters of Understanding attached hereto and forming part of this Agreement are:

- * #1 Article 2.03 - Supplier Representatives F/T & P/T
- * #2 Moving and Travel Expense Policy F/T & P/T
- * #3 Layoffs - Seniority F/T & P/T
- * #4 Changes in Working Schedules F/T & P/T
- * #5 Temporary Assignments and Training F/T & P/T
- * #6 Hours of Work & Scheduling, Article 11 & 12 P/T only
- * #7 Recall - Temporary F/T only
- * #8 Employee Step Down from Classified Positions F/T only
- * #9 Appearance F/T & P/T
- * #10 Scheduling hours after 6:00 p.m. F/T & P/T
- * #11 Counter Ready Meat F/T
- * #12 Kronus F/T & P/T
- * #13 Open For Business on Sunday on a Regular Basis F/T & P/T
- * #14 Full-time Layoff
- * #15 Joint Training & Education Trust F/T & P/T
- * #16 Full-time Personal Assurance
- * #17 Staffing of New stores/Replacement Stores F/T & P/T
- * #18 Garden Centre Staffing F/T & P/T
- * #19 Sunday Scheduling F/T & P/T
- * #20 Alternative Work Weeks F/T & P/T
- * #21 Department Managers
- * #22 Expansion of Company

- * #23 Part-Time Scheduling/Training
- * #24 Harassment and Discrimination
- * #25 Payment for Meetings
- * #26 Leave of Absence
- * #27 Pay Equity
- * #28 Health and Safety
- * #30 RCSS Conversion
- * #46 Lone Store/Hardship Store
- * #47 Conversion to Franchise
- * #49 Store Conversions and New Stores
- * #50 GCFS Conversion
- * #51 GCFS Staffing replacement and new stores

- 22.04 All Full-time employees covered by this Agreement shall be paid in accordance with Schedule "A", effective October 15, 2006. Employees hired after October 2, 2000 will be paid by direct deposit.
- 22.05 Notwithstanding the above, employees that are earning a greater rate of pay than that in the classifications of the Collective Agreement shall receive a minimum of fifty percent (50%) of the appropriate general increase until such time as their rate of pay coincides with the rate in the Collective Agreement.
- 22.06 Wage adjustments under the automatic wage progression schedule shall be made quarterly or half yearly where appropriate on the first full pay week of January, April, July and October. Employees will progress in three (3) month steps to a top rate, or six (6) month steps where appropriate.

ARTICLE 23 - REST PERIODS

- 23.01 Employees shall be scheduled for a fifteen (15) minute paid rest period as near as possible in the middle of each half-day of three (3) hours or more allowing a minimum of one (1) hour after starting time and the resumption of work after the meal period. The parties agree to cooperate for exigencies of the business of the Employer. When an employee is scheduled for a shift of six (6) hours or more, he will be entitled to two (2) fifteen (15) minute rest periods irrespective of when lunch period is taken.

ARTICLE 24 - COOPERATION

- 24.01 The Union shall be notified in writing of all Company rules and regulations covering those covered by this Agreement.
- 24.02 An employee shall produce a physician's certificate when he has been sick and returns to

work if so requested by the Employer and an employee shall take a medical examination if so requested by the Employer. If the Employer requests a doctor's note regarding an absence, they must do so prior to the employee's return to work. The Employer shall reimburse the employee, upon proof of payment, the full cost of obtaining a doctor's note. The employee shall provide to the Company information as to expected date of return to work in regard to the progress of his medical condition.

The Company will not require doctor's notes from the employees unless:

- 1) The employee has been advised that their attendance record is unacceptable and that Doctor's notes will be required in the future. Should the attendance record of the employee in question improve, the requirement to provide a Doctor's note will be limited to 12 months.
- 2) The duration of the absence, or circumstances surrounding the absence requires justification, or;
- 3) The employee is absent on the shift immediately prior to or after a Statutory Holiday.

The Company shall reimburse the employee, upon proof of payment of the cost of obtaining a Doctor's note.

ARTICLE 25 - REST ROOM AND LUNCH ROOMS

25.01 Adequate rest rooms and lunch rooms shall be provided and kept heated and ventilated and in a sanitary condition.

ARTICLE 26 - INSURANCE AND HOSPITALIZATION

26.01 The Employer agrees to continue in force for all its full-time employees including persons absent due to accident or illness, the existing plans covering Life Insurance, Major Medical Prescription Drugs, Vision Care, Weekly Indemnity, Long Term Disability, O.H.I.P. and sick days for the life of this Collective Agreement. Benefits for eligible full time employees who continue to work full time beyond age 65 will cease. Benefits will also cease for their spouse and dependents when the employee turns 65 years of age.

26.02 Pension Plan

- (a) The Employer agrees to contribute to the Canadian Commercial Workers Industry Pension Plan ("Pension Plan") eighty-five cents (85¢) for all hours paid and worked for all full-time and part-time employees. Hours paid and worked is defined as regular hours, overtime hours, vacation, paid holidays, sick days, bereavement and jury duty, to a

maximum of thirty-eight (38) hours per week per employee, but shall not include Weekly Indemnity or WSIB payments.

Effective January 1, 1993, the Company's contribution to the Canadian Commercial Workers Industry Pension Plan and the allocation to current service benefits shall be in accordance with those contribution levels agreed to by the Trustees of the plan.

- (b) The Company agrees to increase Past Service Benefit levels to the Current Service Benefit level of forty dollars (\$40.00). These increases are applied only to the full and part-time employees who are on the payroll and excludes existing retirees or vested non-employees.

Effective October 2, 2000, the Company commits that all employees are covered for Past Service Benefit of forty dollars (\$40.00) per month per year of service.

The method of payment of the Company for the resulting liability will be as per the arrangement agreed to by the Trustees of the Pension Plan.

- (c) The Company shall make a lump sum contribution of \$36 million dollars (for the benefit of Zehrs, Loblaw and Fortinos employees) under the terms of the CCWIPP plan pension Stabilization Fund. For clarity, it is understood that the total payment of \$36 million dollars is inclusive of the payment under the Loblaws Supermarkets Local 175, Zehrs Local 1977 and Zehrs Local 175 and 633 and Fortinos Local 175 Collective Agreements.

26.03 Dental Benefit

- (a) Effective January 1, 2005, the Employer agrees to contribute twenty-seven cents (27¢) per hour [effective January 1, 2007, twenty-eight cents (28¢), effective January 1, 2008, twenty-nine cents (29¢)] and effective January 1, 2009, thirty cents (30¢) for all hours worked to the Ontario Retail Employees Dental Benefit Trust Fund ("Dental Benefit") or its successor as designated by the Trustees. Hours worked is as set out in 26.03 (b).
- (b) Hours worked is defined as regular hours to a maximum of thirty-eight (38) hours per week, per employee, but shall not include: overtime hours, paid holidays, sick pay, bereavement, jury duty, Weekly Indemnity, Long Term Disability or WSIB payments.

26.04 Training & Education Fund

- (a) Effective October 12, 2006, the Employer agrees to contribute five (5) cents per hour to the Local 175 and 633, United Food and Commercial Workers Union, for all hours paid and worked by all full-time and part-time employees.
- (b) The Employer shall forward the contributions every four (4) weeks to the Union and shall include a list of employees, the number of hours paid and worked by each employee

during each four (4) week period.

26.05 (a) Employer Health Tax - Employer pays 100% of the cost.

(b) Weekly Indemnity - Effective January 2, 1994, sixty-six and two-thirds (66 2/3%) of weekly earnings to the next higher \$1.00 of benefit, subject to a maximum of \$490.00 per week for twenty-six (26) weeks.

(c) Long Term Disability - Effective January 3, 1999, sixty percent (60%) of basic monthly rate subject to a maximum of \$2000.00 per month.

(d) Group Life/A.D.& D.

Effective January 3, 1993

i)	All employees	- \$30,000
ii)	Dependents:	
	- spouse	- \$3,000
	- child	- \$1,000

(e) Extended Health

i) Drugs - No deductible.

All claims will be submitted for reimbursement by the policy holder. Employees may use the store mail to send drug forms to the Head Office for review and processing. Employees who have not received payment during four (4) weeks after mailing will be paid direct at store level.

The Company will provide, as soon as possible, a pay-direct drug card for all eligible employees for drugs as set out in the Loblaws Company's formulary. No deductible.

ii) Supplementary Hospital - semi-private

iii) Vision Care Full time employees and their eligible dependents are eligible for vision care benefits of **up** to \$60 for an eye exam every 24 months. Reimbursement for the eye exam and the glasses will be up to a maximum of \$200 in a 24 month period.

iv) Supplementary Health Care

v) Out of province coverage

(f) Sick Days (casual) - provides for payment of one hundred percent (100%) basic daily pay for the first three (3) days of any absence due to illness to a maximum of ten (10) days per

calendar year.

Further details may be found in Company Group Insurance Benefit Booklet and the Group Policies in effect. Booklet will be updated.

ARTICLE 27 - BEREAVEMENT PAY

- 27.01 Should a bereavement occur in an employee's immediate family (parent, step parent, parent-in-law, spouse, child, step child, brother, sister, daughter-in-law or son-in-law, grandchild, grandparent or grandparent-in-law,) the employee shall be granted such time off from work with pay as is reasonable under the circumstances, up to a maximum of three (3) days.
- 27.02 Should a bereavement of an employee's sister-in-law or brother-in-law occur, the employee shall be granted such time off from work with pay as is reasonable under the circumstances, up to a maximum of one (1) day.

ARTICLE 28 - NO STRIKE, NO LOCKOUT

- 28.01 In view of the orderly procedures established herein for the disposition of employees' grievances, the Employer and the Union agree that there shall be no strikes, walkouts, pickets, boycotts, stoppage of work or lockouts during the life of this Agreement.
- 28.02 In the event of strikes, lockouts, or other similar problems involving suppliers of goods or services, the Employer and the Union agree to meet and discuss such situation as it involves the parties to this Agreement, to endeavour to solve such problems in the best interest of the Employer, the Union and the employees to the best of the ability of the parties.

ARTICLE 29 - CHRISTMAS BONUS

- 29.01 Employees with a full year of continuous service as at December 1 shall receive a bonus of one (1) week's pay. Effective October 17, 1987, employees who work less than one (1) year continuous service will be paid on a pro rata basis as described in this Clause. Employees absent on WSIB payments or Long Term Disability as of October 17, 1987, will not be so effected while absence continues.

With nine (9) months service as of that date - three-quarters (3/4) of one (1) week's pay; with six (6) months service as of that date - one-half (1/2) of one (1) week's pay; and with three (3) months service as of that date - one-quarter (1/4) of one (1) week's pay.

Effective 1990, employees who work less than one (1) year continuous service because of a WSIB claim will be paid on a pro rata basis as described below:

With less than nine (9) months service as of that date -three-quarters (3/4) of one (1) week's pay; with less than six (6) months service as of that date - one-half (1/2) of one (1) week's pay; with less than three (3) months service as of that date - one-quarter (1/4) of one (1) week's pay.

Bonuses shall be paid on the pay day nearest December 15, by separate cheque.

ARTICLE 30 - JURY DUTY

- 30.01 In the event that any employee is required to serve on Jury Duty, or Jury Selection he shall notify the Store Manager immediately upon receiving Jury Duty notice. The Employer agrees to make up the difference in pay between that received for such service or Jury Duty and the employee's regular rate of pay for a maximum of eight (8) hours per day upon proof of such service and the amount of Jury Duty pay received.
- 30.02 Employees not selected for Jury Duty shall upon being excused, report back to work provided the employee is scheduled to work on that day and a minimum of two (2) hours remains in his scheduled shift. This does not apply to those employees selected for Jury Duty.
- 30.03 Employees who may be required to attend court or other hearings on the Employer's behalf shall have the time spent attending or travelling to such hearings counted as time worked and shall be paid at their regular hourly rate.

ARTICLE 31 - FIRST AID KITS

- 31.01 First Aid kits shall be provided and maintained in all stores.

ARTICLE 32 - UNION SHOP CARDS

- 32.01 It will be the duty of the Employer to display prominently, Union Shop Cards in all their establishments where Union members are employed. Those cards shall remain the property of the Union and the Employer shall have their usage only until such time as the Union shall request their return. The Employer agrees to surrender same immediately upon demand by the Union.

ARTICLE 33 - NOTICE BOARD

- 33.01 The Employer agrees to furnish and install one (1) locking notice board in each location accessible to the employees for the purpose of posting notices of either the Employer or the Union. The Company agrees to give the Union shared space on all other boards or areas where the Employer posts notices to the employees.

ARTICLE 34 - PART-TIME EMPLOYEES

- 34.01 When additional employees are required, the Employer will give preference to part-time employees on the basis of seniority, skills and qualifications, providing that before the vacancy occurs, those part-time employees who desire full-time employment, shall make their request known in writing to the Store Manager.
- 34.02 The Employer agrees that part-time employees or a combination of part-time employees shall not be used to the extent that they displace from employment the present full-time employees in the Employer's employ as of the date of ratification of this Agreement.

ARTICLE 35 - RETROACTIVITY

- 35.01 No part of this Agreement shall be deemed retroactive unless specifically stated. All provisions contained in this Agreement, unless specifically stated to be retroactive in nature, are effective on the date of ratification of this Agreement.

ARTICLE 36 - CASH ADVANCES

- 36.01 Full-time employees eligible for receipt of Weekly Indemnity or WSIB benefits may request an advance equal to their Weekly Indemnity entitlement and such amount will be reimbursed by the employee following receipt of payment from Weekly Indemnity or WSIB payments.

ARTICLE 37 - TERM OF AGREEMENT

- 37.01 This Agreement shall come into force and effect on the 2nd of July, 2006 and shall continue to the 1st day of July, 2010, and shall thereafter be automatically renewed for the period of one (1) year unless either party, on written notice to the other, prior to the first (1st) day of May in any year, serves notice of intent to terminate or modify the Agreement.
- 37.02 In the event either party serves notice of a desire to negotiate changes into this Agreement as above set out, it is agreed that the Employer and the Union, without undue delay, shall begin negotiations of the proposed changes.

Pending the results of negotiations, neither party shall change the conditions existing under the Agreement.

Agreeing to the foregoing, the parties hereto have executed this agreement

Dated at Cambridge, Ontario, this _____ day of _____ 2007.

FOR THE UNION:

FOR THE EMPLOYER:

SCHEDULE "A"

October 15, 2006: Active Full Time employees on the payroll as of the Date of ratification shall receive a lump sum payment of \$3000.

Effective June 28,2008: Active Full Time employees on the payroll as of the Date of ratification shall receive a lump sum payment of \$1500.

Lump sum payments will be made within 2 weeks from the dates outlined above.

Employees will have the option of transferring their lump sum payment into the Company sponsored RRSP program provided they are eligible to do so in accordance with CCRA rules. The Company will make available to employees following ratification of the agreement appropriate forms to be completed to request this option.

It is understood that an employee who is absent from work due to illness, accident or approved leave shall receive the lump sum or wage increase outlined above provided they are cleared to return to work before the next lump sum payment/wage increase date outlined above.

The Company may, from time to time, introduce, modify and/or eliminate an incentive program. Any program would be in addition to the prevailing wage progression scales. The Company will meet the Union to discuss the program prior to it being implemented, modified or eliminated.

WAGE PROGRESSION SCHEDULE FOR CLASSIFIED POSITIONS

Assistant Store Manager/Bakery Manager/Produce Manager/CAO Analyst (Local 175) Meat Manager (Local 633)

	10/15/06	06/29/07	06/27/09
Start	\$18.92		
6 Months	\$19.92		
12 Months	\$20.52		
18 Months	\$21.02		
24 Months	\$21.52		
30 Months	\$23.36	\$23.71	\$24.06

Front End Manager (Local 175) Hot Deli Manager, Cold Deli Manager (Local 633)

	10/15/06	06/29/07	06/27/09
Start	\$17.92		
6 Months	\$18.92		
12 Months	\$19.72		
18 Months	\$20.52		
24 Months	\$21.02		
30 Months	\$22.86	\$23.21	\$23.56

Grocery Manager, Floral Manager, Photolab Manager, Night Crew Manager, General Merchandise Manager (in stores less than 80,000 sq. ft.) Dairy Manager (Local 175), Seafood Manager (Local 633).

	10/15/06	06/29/07	06/27/09
Start	\$17.92		
6 Months	\$18.92		
12 Months	\$19.32		
18 Months	\$19.62		
24 Months	\$19.90		
30 Months	\$21.54	\$21.89	\$22.24

A premium of fifty cents (50¢) per hour will be paid to end rated Front End Managers, Hot Deli Managers, Cold Deli Managers, Grocery Managers, Seafood Managers, Photolab Managers, Night Crew Managers, General Merchandise Managers and Dairy Managers in stores with an average sales volume of over \$900,000 per week (averaged over a fifty-two (52) week period and reviewed quarterly).

* Head Meat Cutter (Local 633)

	10/15/06	06/29/07	06/27/09
Start	\$13.17		
3 Months	\$13.83		
6 Months	\$14.47		
9 Months	\$15.13		
12 Months	\$15.77		
15 Months	\$16.41		
18 Months	\$17.05		
21 Months	\$17.70		
24 Months	\$21.71	\$22.06	\$22.41

*Where there are three (3) or more Meat Cutters, including the Meat Manager.

**WAGE PROGRESSION SCHEDULE FOR NON CLASSIFIED POSITIONS
EMPLOYEES HIRED FULL-TIME ON OR BEFORE OCTOBER 2, 2000**

Meat Cutter, Seafood Clerk, Deli Clerk (Local 633), Floral Clerk (Local 175)

	06/29/07	06/27/09
Start	\$ 9.42	
3 Months	\$10.25	
6 Months	\$11.09	
9 Months	\$11.93	
12 Months	\$12.77	
15 Months	\$13.60	
18 Months	\$14.45	
21 Months	\$15.29	
24 Months	\$16.13	
27 Months	\$16.97	
30 Months	\$21.52	\$21.87

Grocery Clerk, Produce Clerk, Cashier (Local 175)

	06/29/07	06/27/09
Start	\$ 9.63	
3 Months	\$10.28	
6 Months	\$11.22	
9 Months	\$12.18	
12 Months	\$13.12	
15 Months	\$14.06	
18 Months	\$15.00	
21 Months	\$15.95	
24 Months	\$20.27	\$20.97

Asst. Head Cashier (Local 175)*(Incumbents Only)

	06/29/07	06/27/09
Start	\$11.23	
3 Months	\$12.10	
6 Months	\$12.95	
9 Months	\$13.82	
12 Months	\$14.67	
15 Months	\$15.52	
18 Months	\$16.37	
21 Months	\$17.24	
24 Months	\$21.17	\$21.87

Baker (Local 175)

		06/29/07	06/27/09
Start	\$10.93		
3 Months	\$11.80		
6 Months	\$12.65		
9 Months	\$13.52		
12 Months	\$14.35		
15 Months	\$15.22		
18 Months	\$16.16		
21 Months	\$16.94		
24 Months	\$21.17	\$21.52	\$21.87

G.M./H.A.B.C. Clerk (Local 175)

		06/29/07	06/27/09
Start	\$ 9.42		
3 Months	\$10.25		
6 Months	\$11.09		
9 Months	\$11.93		
12 Months	\$12.77		
15 Months	\$13.60		
18 Months	\$14.45		
21 Months	\$15.29		
24 Months	\$21.17	\$21.52	\$21.87

Meat Wrapper (Local 633), Photolab Clerk (Local 175)

		06/29/07	06/27/09
Start	\$ 9.32		
3 Months	\$10.28		
6 Months	\$11.22		
9 Months	\$12.18		
12 Months	\$13.12		
15 Months	\$14.06		
18 Months	\$15.00		
21 Months	\$15.95		
24 Months	\$20.27	\$20.62	\$20.97

EMPLOYEES HIRED FULL-TIME AFTER OCTOBER 2, 2000

**All non classified positions
Local 175 and Local 633**

		06/29/07	06/27/09
Start	\$15.25		
6 Months	\$15.50		
12 Months	\$15.75		
18 Months	\$16.00		
24 Months	\$16.25		
30 Months	\$17.66	\$18.01	\$18.36

**Collective Agreement
Part-Time**

Between:

**ZEHRS MARKETS INC.,
A Division of Zehrmart Limited**

**(hereinafter referred to as the "Employer")
of the first part,**

- and -

**UNITED FOOD & COMMERCIAL WORKERS
UNION, CANADA LOCAL 175
AFL-CIO-CLC**

**(hereinafter referred to as the "Union")
of the second part.**

ARTICLE 1 - PURPOSE

1.01 The Employer and the Union each represents that the purpose of the intent of this Agreement is to promote cooperation and harmony, to recognize mutual interests, to provide a channel through which information and problems may be transmitted from one to the other, to promote efficiency and service, to set forth herein the basic agreements covering rates of pay, hours of work and conditions of employment.

ARTICLE 2 - RECOGNITION

2.01 The Employer recognizes United Food and Commercial Workers International Union, Local 175, as the sole and exclusive bargaining agency for all employees regularly employed for not more than twenty-four (24) hours per week and students employed in off-school hours and during vacation period at its retail stores located in the counties of Essex, Kent and Lambton.

2.02 With the exception of Fireco Sales Limited or its successors or greeting card jobbers, no representative of a supplying Company shall perform any routine store work. This limitation however shall not prevent supplying companies from activity such as checking code dates, rotation, authorized sampling and special promotions and shall not apply to new store openings or openings following store renovations.

ARTICLE 3 - PROBATIONARY PERIOD

3.01 The first thirty (30) worked days or ninety (90) calendar days, whichever comes first, of employment shall be considered a probationary period. It is understood between the Employer and the Union that a probationary employee shall be considered an employee for all purposes of the Agreement except that a probationary employee may be dismissed at any time during the probationary period without any recourse to the grievance procedure.

ARTICLE 4 - UNION SECURITY

4.01 In the case of all persons now in the employment of, or who enter into the employment of the Employer, it is agreed that as a condition of continued employment, such person or persons shall become and remain a member in good standing of the Union within thirty (30) worked days - full time employees, or the first thirty (30) worked days or ninety (90) calendar days - part-time employees, from the commencement of their employment. The Employer agrees that it will inform all new employees prior to or at the time of hiring, of the Union Security provisions of the Agreement.

4.02 (a) The Employer shall deduct weekly dues from the pay of bargaining unit employees. The amount of such deduction shall be as communicated by the Union and such dues shall be remitted to the Union prior to the fifteenth (15th) day following the month in which such deduction is made. When the Company systems allow, the report will be transmitted electronically to the Union.

(b) Upon completion of the probationary period, the Employer shall deduct initiation fees from such employee(s) in an amount as communicated by the Union, and forward such fees to the Union along with the regular monthly dues remittance.

(c) The Employer shall remit to the Union within fifteen (15) calendar days following completion of the probationary period, the United Food & Commercial Workers Membership Application Form signed by the new employee. The Employer agrees to include the C.C.W.I.P.P. and Dental Trust Application cards into the new hire packet and remit the completed cards to the plan's administrators within 30 days of completion of the new employee's probation period.

4.03 On a quarterly basis, the Employer will supply to the Union a statement consisting of three (3) alphabetical listings (1. Local 175 Full-Time; 2. Local 175 Part-Time; 3. Local 633 Full-Time) showing each employee's name, social insurance number, store number, current address and postal code. This statement will be forwarded to the Union at the time of the regular Union dues remittance.

4.04 The Employer agrees to give the Union a list of new employees hired each month and such lists shall include starting rates of pay, The Employer also agrees at the same time each month

to supply the Union with a list of know name changes and a list of all persons whose employment has been terminated.

- 4.05 Part-time employees temporarily relieving full-time employees for at least thirty-eight (38) hours weekly, shall be required to pay full-time Union dues for the week or weeks in question.
- 4.06 The Union agrees to indemnify and save harmless the Employer against any and all claims, demands, suits or other forms of liability that may arise out of, or by reason of, action taken or not taken by the Employer for the purpose of complying with this Article.
- 4.07 The Company agrees to pay one-half (½) the cost of the meeting rooms and one-half (½) of the lost wages of the master negotiating committee to a maximum of six (6) members. Such payments will be based on the average hours worked in four (4) weeks prior to negotiations commencing for part-time employees and based on thirty-eight (38) hours regular pay for full-time.

ARTICLE 5 - DISCIPLINE OF PERMANENT EMPLOYEES

- 5.01 No employee shall be discharged or disciplined without just cause. The Union agrees to cooperate in correcting inefficiencies of members which might otherwise necessitate discharge.
- 5.02 (i) The Employer agrees that whenever an interview is held with an employee relating to any alleged inefficiency or breach of duty which will become part of such employee's record regarding his work or conduct, a store steward or Union representative shall be present at such interview. The steward or representative shall leave the meeting if requested to leave by the employee.
 - (ii) If there is more than one (1) steward immediately available in the store, the employee may choose which steward will represent him.
 - (iii) If an interview is held without a store steward or representative present, the disciplinary action taken will become null and void, except when the employee concerned requests the steward or representative to leave the meeting.
- 5.03 The Employer agrees to furnish the shop steward or Union representative with a copy of any official reprimand, discipline or discharge.

- 5.04 Should the Employer discipline, reprimand or discharge an employee, said employee will be disciplined, reprimanded or discharged within ten (10) working days of discovery of the alleged offence except that an extension of time may be requested and will not be unreasonably denied, to complete an investigation.
- 5.05 Disciplinary warnings and/or reprimands which predate a disciplinary action by more than twenty-four, (24) continuous months of employment shall not be adduced in evidence against an employee in any subsequent disciplinary proceedings in which the employee is involved. Periods of absence, for greater than one (1) continuous month or more, shall be excluded from the twenty-four (24) month period but shall not cause the twenty-four (24) month period to commence again upon return from such absence.

ARTICLE 6 - HEALTH AND SAFETY

- 6.01 The Employer shall make provisions for the health and safety of its employees, during working hours, in accordance with the Occupational Health and Safety Act. The Employer will continue to work jointly with the Union with respect to Health and Safety and will ensure that all employees are adequately trained with respect to Health and Safety within the stores and their Departments. Such training and/or instruction will be on Company time.
- 6.02 The Employer agrees to continue its practice of having Health and Safety Committees in each location and all members of such Committees will cooperate in ensuring any and all safety regulations and required work practices are followed.
- 6.03 The Union agrees to cooperate with the Employer in maintaining and improving safe working conditions and practices, in improving the cleanliness and good housekeeping of the store and in caring for equipment and machinery.
- 6.04 Employees other than meat cutters will not use power tools, saws, cleavers, or engage in any production work with knives, except other employees may use meat slicers, grinders and delicators.

The Company will canvass current Meat Wrappers who may wish to train on delicators, grinders, and slicers.

ARTICLE 7 - MANAGEMENT RIGHTS

- 7.01 The Union agrees that the Employer has the exclusive right and power to manage its business, to control the direction of the staff including the right to plan, direct and control the operations, hire, suspend, or discharge for just cause or relieve employees from duty for other legitimate reasons. The right to establish and maintain reasonable rules and regulations covering the operation of the store, a violation of which shall be among the reasons for discharge, is vested

in the Employer provided, however, that the above rights shall be exercised subject to the provisions of the Grievance Procedure of this Agreement.

- 7.02 It is agreed that the direction and supervision of the working force shall be at the discretion of the Employer within the terms of this Agreement.
- 7.03 The Union agrees that the Employer has the exclusive right and power to study or introduce new or improved production and/or handling methods or facilities and the Union agrees to cooperate with the Employer in the installation of any such methods and in the education of its members for the necessity of such changes and improvements. The Union shall be given advance notice of any such changes and discussion will take place before the introduction of change so that the Union may educate its members as stated.
- 7.04 The parties agree that the foregoing enumeration of Management's rights shall not be deemed to exclude other recognized functions of Management not specifically covered in this Agreement. The Employer therefore retains all rights not otherwise specifically covered in this Agreement.
- 7.05 All necessary medical examinations and x-rays required by the Employer shall be paid for by the Employer and conducted on Company time.

ARTICLE 8 - TEMPORARY ASSIGNMENTS

- 8.01 An employee relieving in a higher rated classification will be entitled to receive a premium of twenty-five (25) cents per hour over his regular hourly rate after he has completed two (2) consecutive scheduled shifts in such classification. The premium will be paid retroactive to the first (1st) shift. Part-time employees relieving a full-time employee and working in excess of twenty-four (24) hours per week shall receive twenty-five (25) cents per hour as above. Part-time employees working over twenty-four (24) hours per week but not relieving a full-time employee will not so qualify.
- 8.02 An employee relieving the Assistant Store Manager (if a bargaining unit position exists), Produce Manager, Meat Manager, Bakery Manager, Head Cashier, Front-End Manager, Hot Deli Manager, Cold Deli Manager, Seafood Manager, Floral Manager, Photo Manager, Night Crew Manager, Dairy Manager, CAO Manager, Grocery Manager and General Merchandise Manager (under 80,000 square feet) will be entitled to receive a premium of sixty-five (65) cents per hour over his regular hourly rate after he has completed more than two (2) consecutive scheduled shifts in such classifications. The premium will be paid retroactive to include the first (1st) shift.
- 8.03 An employee relieving the Store Manager will be entitled to receive a premium of one dollar (\$1.00) per hour over his regular hourly rate after he has completed more than two (2)

consecutive scheduled shifts in such classification. The premium will be paid retroactive to include the first (1st) shift.

- 8.04 A temporary vacancy in a full-time position of less than six (6) months in which the Employer requires a part-time employee to work full-time hours, such hours will be given to the senior part-time employee provided a part-time employee is available and possesses the ability and qualifications to perform the work.

A part-time employee will not be assigned to relieve positions (defined in Articles 8.01, 8.02 and 8.03 above) if a full-time employee on layoff, who has sufficient ability and qualifications to perform the relief work, is available. This condition applies only in the store where the opening exists.

Where a classified position will be vacant for one (1) week or more, it will be temporarily replaced by full-time, then part-time, if no full-time have the skill, ability to perform the work.

When replaced by full-time, the resulting temporary vacancy will be filled by the senior part-time employee qualified to do the job [for thirty-eight (38) hours]

- 8.05 A part-time employee who performs office duties, as those normally associated with the Head Cashier or Assistant Head Cashier, or who is assigned to relieve a Head Cashier or Assistant Head Cashier shall receive a premium of sixty-five (65) cents per hour for all hours worked while performing or assigned such duties.

An employee who performs the duty of a Front End Manager for more than fifty percent (50%) of any shift shall be paid a premium of sixty-five cents (65¢) per hour.

ARTICLE 9 - DISCRIMINATION

- 9.01 There shall be no discrimination on account of race, colour, creed, political or religious affiliation, sex, age, marital status or membership in the Union.
- 9.02 In any harassment investigation, the Company will advise the Union in advance of any investigation and provide a Union Steward/Representative to employees in each meeting. All meetings will be conducted in a private area.

ARTICLE 10 - UNION REPRESENTATION

- 10.01 It is agreed that the Business Representative of the Union shall be admitted during working hours, at reasonable times, to interview employees while on duty or to inspect working conditions provided, however, that such visits shall be calculated to cause a minimum of disturbance with the Employer's business and further that the Business Representative shall report his presence to the Store Manager on the occasion of each such visit.

ARTICLE 11 - SENIORITY RIGHTS

- 11.01 (a) Seniority shall be based on length of continuous employment with the Employer in the bargaining unit. If an employee is continued in employment after such period, seniority shall commence from the commencement of such continuous employment. Layoffs and re-employment shall be based on seniority, job knowledge and competence, provided the senior employee has the skill and qualifications to perform a competent job. In the event of an opening occurring in the full-time staff, employees covered under this Agreement shall receive preference for such full-time position providing they have the necessary seniority, job knowledge and competence.
- (b) Part-time employees who are successful in obtaining full-time employment shall have their name, part-time seniority date, full-time classification, and date of re-classification posted in all stores within seven (7) working days of receiving such appointment for a period of at least ten (10) working days, and a copy sent to the Union Office.
- 11.02 Service shall be based on the length of continuous employment with the Employer.
- 11.03 The Employer agrees that it will cooperate as much as possible in respect to the work schedule for students who need time for studies where there is conflict with working hours.
- 11.04 It is agreed and recognized by both the Union and the Employer that due to the nature of the Employer's business, it is necessary to employ both full-time and part-time employees. The Employer agrees that part-time employees will not be regularly scheduled to work in excess of twenty-four (24) hours per week except in the following circumstances:
- (a) when a full-time employee is absent for Union negotiations or conventions;
- (b) in a store in which a full-time employee or part-time employee is absent due to illness, accident, compensation or bereavement, creating any emergency in the said store;
- (c) during school vacation period;
- (d) where a full-time employee is on leave of absence of up to three (3) months provided the Union is notified of such leave of absence;
- (e) from December 15th to January 1st;
- (f) during the six (6) working days immediately preceding a legal holiday;
- (g) during the two (2) weeks previous to and the two (2) weeks directly following the opening of a new store and the commencement date of promotional activities in a store

which has been refurbished.

- 11.05 (a) Part-time employees shall be scheduled according to seniority to a maximum of twenty-four (24) hours each week so as to give senior employees a greater number of hours than junior employees provided the senior employee is available and possesses the skill, ability and qualifications to perform the work. The hours shall be scheduled in accordance with this subsection among employees in the individual store.
- (b) It is understood and agreed that "scheduling" and "call-in" for the purpose of Article 11.05 (a) Part-Time, will be done in accordance with seniority, provided the employees are available and possess the ability and qualifications to do the job.
- (c) Employees may receive their entitlement of hours in no more than five (5) days per calendar week. The senior twenty-five percent (25%) of employees in each Department will be scheduled their maximum hours in four (4) days or less, provided the hours are available.
- (d) Effective the first day of the month following October 30, 1994, employees shall notify the Company, on forms supplied by the Company, of the hours and days of their availability for work for the four (4) week period commencing Monday, November 21, 1994 and ending December 17, 1994.

If an employee wishes to change his availability, the employee shall so notify the Employer of his availability by hours and days, by Saturday of the second week of each current four (4) week period directly following the current four (4) week period. When an employee does not notify the Company of a change in availability on the appropriate form provided by the Company, such employee's availability shall be governed by the last availability form filed on record. The Company agrees that once in each four (4) week availability period employees may change their availability to expand such availability only.

Part time employees cannot declare themselves unavailable for work in any given week, unless they are on approved vacation, leave of absence, or attending school out of town. In other words, all part time employees must be available to work at least one (1) shift per week, in order to maintain their seniority. To clarify, the declaration of availability is not intended to allow employees the right to work only one (1) shift during the four (4) week period, or similarly, not work at all during the four (4) week period unless as indicated above.

- (e) Notwithstanding the above, part-time employees hired after October 30, 1994, must be available to work a minimum of one (1) shift per week, Monday to Friday and be available for work two (2) Saturdays in four (4). Upon completion of the availability form, it is understood and agreed that the Company has the right to schedule the minimum referred to above, outside of their availability, if such availability is restricted.

- (f) Notwithstanding the above, part-time employees hired after October 2, 2000, must be available to work a minimum of two (2) shifts a week inclusive of Friday and be available for three (3) Saturdays in four (4). Upon completion of the availability form, it is understood and agreed that the Company has the right to schedule the minimum referred to above, outside of their availability, if such availability is restricted.
- (g) Part time employees who require casual time off, shall request such time off in writing by the Saturday before the schedule is to be posted. The granting of such requests shall be on the basis of the date and time the Form P22 was submitted. If such requests are made by employees simultaneously, the most senior employee's request will be granted first. The granting of such requests shall not be unreasonably withheld.
- (h) In the event a call-in is required, the process below will be applicable:
1. **A** call-in shall be done on a "top-up" method. The senior part-time employee within a Department who has been scheduled less than twenty-four (**24**) hours for the week will be offered the call-in, provided such employee was not previously scheduled that day and provided the call-in does not result in the employee working more hours than a senior employee unless the senior employee has restricted his or her hours that day.
 2. If (1) is not applicable, the call-in shall then be offered to the most senior available person from the departmental relief group.
 3. If (1) and (2) above is not applicable, then the senior available part-time employee schedule twenty-four (**24**) hours for the week will be offered the call-in, provided such employee was not previously scheduled that day.
 - a) If (1), (2) and (3) above are not applicable, then the senior part-time employee who has been scheduled less than twenty-four (24) hours that week and was unavailable for that shift will be offered the call-in.
 - b) Shift expansion of up to two (**2**) hours will be offered to the most senior person already scheduled, provided a fifteen (**15**) minute break will be given at the end of that employee's original shift.

11.06 Layoff and recall shall be based on seniority provided the senior employee has the skill and qualifications to perform a competent job.

In the event of layoffs, the employees in lower classifications may not displace employees in higher classifications.

Employees with more than three (3) months of service with the Employer will be given at

least one (1) week's notice in writing of layoff or one (1) week's pay in lieu of notice.

When job vacancies occur in any full-time position and a replacement is required, it shall be posted on the bulletin board for a period of five (5) working days during which time application may be made by employees seeking a promotion. **All** vacancies in classified positions will be posted within ten (10) days of occurrence. Such posting will be initialed by and copied to the Union Steward.

11.07 Seniority shall be considered terminated and the employee deemed to have quit if the employee:

(a) voluntarily leaves the employ of the Employer;

(b) is discharged for just cause;

(c) (i) is laid-off continuously for a period of more than six (6) months where an employee has less than one (1) year seniority, or for a period of twelve (12) months where an employee has one (1) year seniority or more, or if he is called back to work after a layoff and does not report to work within two (2) weeks after having been sent notice in writing by registered mail to his last know address;

(ii) An employee on full-time layoff from the Employer may refuse recall to a temporary position without the loss of recall rights, if the Employer recalls an employee for thirty (30) calendar days or less. An employee on a full-time layoff from the Employer may refuse recall to a permanent position if unable to accept for legitimate illness or disability, without loss of recall rights, provided such illness or disability is verified to the Company's satisfaction.

(d) fails to return to work upon the conclusion of a leave of absence without reasonable cause;

(e) is absent from work for three (3) consecutive scheduled days of work without reasonable cause.

(f) an employee absent from work because of legitimate accident or sickness shall not lose seniority rights except as provided in this clause. Any progression rate increases shall cease twenty-six (26) weeks following the commencement of the absence until his return.

11.08 Full-time employees who are laid off will be offered part-time employment.

11.09 When a full-time employee changes his status to a part-time employee, he shall carry full

seniority and service to a part-time seniority and service list including any part-time seniority and service acquired prior to becoming full-time.

11.10 Employees who are laid off and subsequently recalled according to Article 11.07 (c) shall be given credit for appropriate quarterly wage progression increases according to Article 22.

11.11 A part-time employee who has completed the part-time probationary period and who becomes a full-time employee, will not be required to serve the full-time probationary period and will be given full-time seniority credit and full-time service credit of fifty percent (50%) of his part-time seniority and service up to a maximum of eighteen (18) months.

11.12 The Employer agrees to post in each store, quarter annually, separate seniority lists for Locals 175 and 633, with copies to be sent to the Union office.

11.13 (a) It is agreed that transfers of employees between stores are essential to the proper operation of the business and that the employees will cooperate with the Employer in this matter. The Employer agrees that if the employee has good and sufficient reason not accepting the transfer he will not be forced to transfer and he will not be discriminated against with regard to future transfer because of his failure to accept the transfer in question. The Employer agrees that it will not act in an arbitrary manner in exercising its rights to transfer employees under this provision.

(b) No employee will be transferred in excess of twenty-five (25) miles measured from store to store, except by mutual agreement.

(c) In the case of temporary transfers, the Employer agrees that:

An employee will not be transferred to another store for a period of time in excess of three (3) months, except by mutual agreement.

Transfers shall be rotated among the qualified employees employed in the store that is filling the Company's transfer needs except for classified positions.

- (d) Full-time employees wishing to transfer to another store shall be given preference over part-time being reclassified to full-time providing the employee has a transfer request on file and possesses the skills and qualifications to perform the job available. Where more than one such qualified employee has a request on file, seniority shall govern.
- (e) An employee seeking a transfer must make a written application on the form provided. All requests for transfers must be store and job specific and renewed annually. Requests for transfers that indicate “any” store or “any” position, will be returned to the applicant as incomplete, as such, the request is not deemed as filed.

Only the most recent transfer requests will be considered active.

All requests will be removed annually in the second week of January. To clarify, all requests for transfers will be purged after the 15th day of January each year.

All requests for transfer must be signed and dated by the Store Manager or designate. The date recorded by the Store Manager or designate is deemed to be the date the request was filed.

- 11.14 Subject to Article 11.05 of the full-time Agreement, when a job vacancy occurs which the Employer intends to fill or a new job is created, the Employer shall post the name of the successful applicant on the Bulletin Board of each store within seven (7) calendar days for a minimum period of ten (10) calendar days.

ARTICLE 12 - HOURS OF WORK

- 12.01 The standard formatted work schedule for all employees will be prepared in ink and posted in each store by Thursday noon for the following week provided it is understood that such posting does not constitute any guarantee of work and provided it is understood that in the event of a decline in business the Employer has the right to terminate the shift of any employee while it is in progress, subject to the four (4) hour guarantee in this Article. The steward shall receive a copy of all work schedules and at the conclusion of the posted work week, a copy of the revised work schedule.
- 12.02 (a) Non-students covered by this Agreement shall not be called in or scheduled to work for less than four (4) hours.
- (b) When stores are open for evening shopping, students shall not be called in or scheduled to work for less than four (4) hours.
- (c) However, there shall be no guarantee of hours as in 12.01 (a) and (b) if there is less than

four (4) hours from the time the employee reports to work until the time the store is closed.

- 12.03 Part-time employees required for Night Crew between the hours of 10:00 p.m. and 9:00 a.m. will be paid an additional one (1) dollar per hour for all hours worked. Where a part time employee's scheduled shift starts between 10:00 p.m. and midnight, such employee will be scheduled eight (8) hour shifts. **A** part time employee (other than bakery department) may be scheduled to commence work up to three (3) hours prior to nine (9) a.m. Bakery department employees may be scheduled prior to six (6) a.m., but no earlier than four (4) a.m., and the Employer will pay one (1) dollar per hour premium for all such hours worked prior to six (6) a.m.

The above outlines the current payment of shift premium to those employees with early morning start times or the night crew stocking shift. For stores which are open 24 hours a day, employees whose shift commences between 10pm and 8:30am will receive the night shift premium.

- 12.04 No employee will be scheduled for less than nine (9) hours off between the end of a shift and the start of the next shift.
- 12.05 Authorized work performed in excess of eight (8) hours per day, thirty-eight (38) hours per week will be paid at the rate of one and one-half times (1 1/2X) the employee's regular hourly rate provided that there shall be no duplication or pyramiding of any overtime payments.
- 12.06 The Employer shall pay all employees two times (2x) their regular rate of pay for all hours worked on Statutory Holidays or a day celebrated in lieu of a Statutory Holiday or on a Sunday which are not related to the store opening for business on the Sunday. This provision shall not apply to employees on the night crew who may be required to commence their scheduled shift prior to midnight on Sunday night. When this premium is paid, no other premiums or bonuses will apply to such hours worked.
- 12.07 **A** part-time employee temporarily relieving a full-time employee due to leave of absence, illness, accident or vacation for a continuous period of time in excess of three (3) months will result in the most senior available part-time employee in the bargaining unit who has the skill, ability, and qualifications being reclassified to the full-time position for the period of time in excess of the three (3) months.
- 12.08 **A** part-time employee who is assigned the duty of carrying the store keys to secure the store closing or to open and close the store for price changes, etc., will receive a premium of four dollars (\$4.00) for each shift so worked.
- 12.09 Should the Employer require part-time employees to work overtime, such overtime

distribution shall be based on seniority, ability, qualifications and availability.

Scheduled overtime shall be offered to the most senior available qualified employee(s).
Unscheduled overtime on a given shift shall be offered to employees on the shift in accordance with their seniority, who are qualified and available to perform the work.

- 12.10 Full-time employees shall have preference over part-time employees when filling job vacancies in classified positions as outlined in Article 11.05 (a) Full-Time Agreement.
- 12.11 **All** part time employees who are on the payroll prior to October 12, 2006, Sunday work remains voluntary and they shall be paid a premium of \$1.60 per hour. For those part time employees hired prior to the date of ratification who wish to continue to work on Sunday they will be scheduled to work and paid as they have in the past based upon the needs of the business. For clarity for all employees hired prior to the date of ratification, Sunday shall be over and above their work week and they shall be given the first opportunity to work on Sunday. In the event an employee moves to another store as a result of their store closing or transfer to a store covered by the conventional Collective Agreement they shall retain the right to volunteer to work on Sunday and receive a \$1.60 per hour premium for such work. The basic work week of a part time employees hired after the date of ratification shall be Sunday through Saturday.

For part time employees hired on or after the date of ratification, Sunday work shall be at their regular hourly rate of pay.

Part time employees hired on or after October 12, 2006 will be scheduled their hours of work in five (5) days over 1 week (Sunday to Saturday) unless by mutual consent.

For employees hired before October 12, 2006, a separate schedule for Sunday is to be posted and hours offered by seniority.

For employees hired prior to October 12, 2006 who volunteer to work on night crew ending Sunday morning shall receive, in addition to their regular non-overtime rate of pay, one dollar sixty cents (\$1.60) per hour plus night shift premium of one dollar (\$1 .00) per hour for all such hours worked on Sunday.

ARTICLE 13 - NOTICE OF ABSENCE

- 13.01 Employees are expected to attend work as scheduled. When unable to attend, the Manager or Relieving Manager must be notified, where practicable, within one (1) hour before, and in any event within one (1) hour after the commencement of the scheduled shift of the employee, giving the reason why the employee is unable to attend, when he expects to return to work and how the Manager or Relieving Manager can call him relative to his absence.

ARTICLE 14 - STATUTORY HOLIDAYS

14.01 The following holidays shall be recognized as Statutory Holidays:

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

14.02 To qualify for pay for a Statutory Holiday, the employee must have:

- (a) three (3) months service with the Employer;
- (b) worked at least forty (40) hours or twelve (12) days whichever is applicable during the four (4) weeks immediately preceding the week during which the Statutory Holiday occurs;
- (c) worked on his last scheduled shift preceding and his first scheduled shift following the Statutory Holiday, unless his absence was for a valid reason.

14.03 An employee who so qualifies shall receive Statutory Holiday pay based on his average number of daily hours worked (exclusive of overtime) during the four (4) weeks immediately preceding the week during which the Statutory Holiday occurs, times his standard rate of pay.

14.04 In the event a Statutory Holiday falls on a Sunday, the next day shall be recognized and paid as a holiday.

ARTICLE 15 - VACATIONS

15.01 All employees covered by this Agreement with less than four (**4**) years of part-time service shall receive vacation pay allowance of four percent (4%) of their earnings during the year commencing May 1st and ending April 30th. Such payments shall be made annually in the month of May.

15.02 All employees covered by this Agreement with four (**4**) years but less than nine (9) years of part-time service shall receive a vacation pay allowance of six percent (6%) of their earnings during the year commencing May 1st and ending April 30th. Such payments shall be made annually in the month of May.

15.03 All employees covered by this Agreement with nine (9) years of part-time service or more shall receive a vacation pay allowance of eight percent (**8%**) of their earnings during the year commencing May 1st and ending April 30th. Such payments shall be made annually in the month of May.

- 15.04 All employees covered by this Agreement with fifteen (15) years of part-time service or more shall receive a vacation pay allowance of nine percent (9%) of their earnings during the year commencing May 1st and ending April 30th. Such payments shall be made annually in the month of May.
- 15.05 Employees may elect to take time off for vacation up to a maximum of three (3) weeks if they have four (4) years of part-time service.
- 15.06 Part-time employees with more than nine (9) years of part-time service, if so desired, shall be permitted to take four (4) weeks off for vacation purposes provided such weeks are requested through the normal vacation scheduling procedures.
- 15.07 Each store will on February 1st of each calendar year, post a vacation schedule for listing the employees in order of seniority. An employee must submit his request for preference on vacation dates covering his complete vacation entitlement by March 15, in order that the Employer may finalize and post the vacation schedules by March 31. However, seniority shall not apply if the employee fails to make his selection before March 15. Full-time employees have preference over part-time employees in regard to vacation date scheduling. Vacation schedules will be posted and remain posted in each department.
- 15.08 Vacations shall be taken in the current year unless mutually agreed upon by the Employer and the employee. To the extent it is practicable, the Employer will grant vacations in one continuous period. Employees entitled to three (3) weeks of vacation who wish to take them in a continuous period must be prepared to conclude them prior to June 15 or commence them subsequent to September 15. Employees entitled to four (4) or more weeks of vacation may take a maximum of three (3) weeks vacation between June 15 and September 15.

ARTICLE 16 - LEAVE OF ABSENCE

- 16.01 At the Employer's discretion, an employee with twelve (12) months seniority may be granted a leave of absence without loss of seniority upon the prior permission in writing from the Personnel Department and under no circumstances shall such leave of absence exceed three (3) months for full-time employees and one (1) month for part-time employees inclusive of vacation time, if such leave is for vacation purposes. Requests must be made in writing on the standard Leave of Absence Request Form at least thirty (30) days prior to the date requested and a written reply (including the reason for refusal of the request) must be given within fourteen (14) days. No leave of absence granted shall be considered as a precedent and the Employer will judge each request on its own merit in light of all the surrounding circumstances. Any leave of absence granted in conjunction with the employee's vacation will be deemed to follow his vacation period.
- 16.02 In the case of pregnant females, leave of absence will be granted without loss of seniority

pursuant to the terms of the Employment Standards Act.

- 16.03 The Employer will grant a leave of absence without pay to not more than one (1) full-time employee who has one (1) year's seniority with the Employer for a period of not more than twelve (12) months for an employee who has been elected or appointed to an office with the Union. Such leave will be granted provided a relief employee satisfactory to the Employer is available and provided that notification is given to the Employer in sufficient time to produce a relief person.

An employee shall not be required to use vacation time prior to a Union leave. The Union reserves the right to determine "Union business".

- 16.04 Notwithstanding Article 16.01, part-time employees not living at home while attending College or University on a full-time basis may be granted a leave of absence without pay. Employees must complete a Leave of Absence Form and provide supporting documentation, upon request. During such approved leave, employees will not receive: accumulate e seniority; any wage progression; any across-the-board increases; or any lump sum payments (excluding vacation payments and Christmas Bonus). When the employee returns to work at the conclusion of the leave of absence, such employee will receive his rate in effect at the time he commenced the leave and his seniority date will be adjusted to reflect his absence from work. The leave of absence is deemed to apply to the full school term. Employees may work at their home store during the Christmas and spring Break; however, they will be scheduled after all active employees receive their hours, after which they will be scheduled accordingly.

Part-time employees on an approved Education leave of absence will be given first consideration for employment with any Zehrs Market store outside of the Counties of Essex, Kent and Lambton, prior to hiring a new employee. Their rate of pay will be determined by the Store Manager, in conjunction with the District Manager.

ARTICLE 17 - UNIFORMS

- 17.01 The Employer agrees to provide employees such shop coats, smocks or aprons as may be required by the Employer without charge. The Employer will supply a second uniform to an employee upon the completion of the probationary period.
- 17.02. The Employer agrees to provide such uniforms as required on a normal wear and tear basis.
- 17.03 The Company requires that only employees deemed by the Company and are certified to operate material handling equipment will wear safety footwear. In addition the Company shall determine whose essential duties require that they operate material handling equipment. The employees will be provided with safety footwear allowance.

The safety footwear allowance will be fifty dollars (\$50.00) per year once every two years

(from date of purchase) for part-time employees,

Garden Centre employees who are certified and operate material handling equipment will be provided the respective safety footwear allowance once every four (4) years (from date of purchase), This safety footwear allowance will be reimbursed upon submission of the original receipt of purchase.

Safety footwear must be black and no higher than ankle cut and of dress nature.

Employees must wear the approved safety footwear for the entire durations of their shift.

Employees who are certified and operate material handling equipment on a casual basis will be required to wear safety footwear provided by the Company which will replace toe caps.

It is understood that all references to safety footwear contained in the letter will be CSA approved.

- 17.04 In stores where part time employees are assigned to retrieve carts for their entire shift, the employee will be allowed to wear walking shorts during the months of June, July, August and September. The shorts must be dark in colour.

ARTICLE 18 - WORKERS SAFETY AND INSURANCE ACT

- 18.01 The Employer agrees that it will continue to be enrolled under the provisions of the Workers' Safety and Insurance Act of Ontario for all employees, The Employer will also pay an employee for the remainder of the shift in which the accident occurred that would require the employee to take time off.
- 18.02 The employee shall provide to the Employer information as to expected date of return to work in regard to the progress of his medical condition.

ARTICLE 19 - SHOP STEWARDS

- 19.01 There will be up to four (4) Union Stewards per store plus one (1) additional Union Steward for every one hundred (100) employees or portion thereof, preferably from different areas of the store,
- 19.02 Permission for a Union Steward to leave his work station for a reasonable period of time for Union business shall be obtained from the Store Manager or his designate. Permission shall not be unreasonably withheld.
- 19.03 The Manager or his designate shall introduce each new employee to the Union steward.

ARTICLE 20 - GRIEVANCES

- 20.01 Either the Employer, the Union or any employee has a right to lodge a grievance with respect to any matter arising out of this Agreement or concerning the interpretation, application or alleged violation of this Agreement.
- 20.02 Any employee believing that he has been unjustly dealt with or that the provisions of this Agreement have not been complied with, shall have the right to place such grievances in the hands of the Union for review and adjustment by the Employer, if necessary. Such grievance shall be presented indicating the provision of the Collective Agreement which has been allegedly violated and shall be processed as follows:

STEP ONE

Within ten (10) working days after the event giving rise to the grievance occurs, the employee and his store steward shall discuss the grievance with the Store Manager. The Manager shall give an oral answer to the grievance within four (4) working days. Failing settlement:

STEP TWO

The grievance shall be reduced to writing and will be discussed between the Union Representative, the Store Manager and the District Manager. This discussion will be held within seven (7) working days of the decision of Step One. The District Manager will give his answer in writing within four (4) working days of the date of the meeting. Failing settlement:

STEP THREE

The grievance shall be forwarded to the Head Office of the Employer within one (1) week of the decision at Step Two and the Employer shall have one (1) week to dispose of the grievance. The decision shall be in writing and sent to the offices of the Union, **If** considered necessary by the parties, a meeting may be held by the parties and may include the interested persons. If a meeting is held, the decision shall be given to the other party within seven (7) days from the date of the meeting.

- 20.03 In the case of a discharge, a grievance may be filed by an employee who feels he was unjustly dealt with. Such a grievance must be filed by an employee who feels he was unjustly dealt with. Such a grievance must be filed within four (4) working days from the date of dismissal and shall commence at Step Two. In any subsequent disposal of this case during the Grievance Procedure, the Employer may reinstate the employee with full back pay, suspend the employee for a definite period or sustain the discharge, if mutually agreed to by the parties of this Agreement.
- 20.04 Grievances concerning rates shall commence at Step Two of the Grievance Procedure and the disposition of such grievances if sustained, shall include the determination of the effective date of the increase with retroactivity thereto.
- 20.05 The Employer or the Union may file grievances commencing at Step Three.
- 20.06 The limits as prescribed above may be modified by mutual agreement of the parties.

ARTICLE 21 - ARBITRATION

- 21.01 Where a grievance relating to the interpretation, application or alleged violation of this Agreement is still unresolved after the grievance procedure has been exhausted the matter may be referred to arbitration within twenty-one (21) days after the receipt of the decision at Step Three.
- 21.02 The party desiring arbitration will contact the other party in an endeavour to agree on a single arbitrator. Failing agreement within three (3) days, arbitration will be instituted under the following conditions.

Each party shall appoint an arbitrator and the two so appointed shall appoint a third and the three arbitrators shall proceed to dispose of the matter.

In the event the two arbitrators are unable to agree on a third, then a request shall be made to the Minister of Labour for the Province of Ontario to appoint a third arbitrator. The findings of the arbitrator or the three arbitrators, as the case may be, shall be final and binding on the parties.

- 21.03 In determining any discharge or any other disciplinary grievance, the arbitrator or Board of

Arbitration shall have the authority to:

- affirm the Employer's action and dismiss the grievance, or
- set aside a penalty imposed by the Employer and reinstate the grievor in his former position with or without compensation, or
- vary or alter the penalty imposed by the Employer or make such other determination as the arbitrator, or the Board of Arbitration as the case may be, in its discretion may deem justified.

21.04 The time limits as prescribed above may be modified by mutual agreement of the parties.

ARTICLE 22 - WAGES AND LETTERS OF UNDERSTANDING

22.01 Wages are as set out in Schedule **A** attached hereto and forming part of this Agreement.

22.02 Letters of Understanding attached hereto and forming part of this Agreement are:

- * #1 Article 2.03 - Supplier Representatives F/T & P/T
- * #2 Moving and Travel Expense Policy F/T & P/T
- * #3 Layoffs - Seniority F/T & P/T
- * #4 Changes in Working Schedules F/T & P/T
- * #5 Temporary Assignments and Training F/T & P/T
- * #6 Hours of Work & Scheduling, Article 11 & 12 P/T only
- * #7 Recall - Temporary F/T only
- * #8 Employee Step Down from Classified Positions F/T only
- * #9 Appearance F/T & P/T
- * #10 Scheduling hours after 6:00 p.m. F/T & P/T
- * #11 Counter Ready Meat F/T
- * #12 Kronus F/T & P/T
- * #13 Open For Business on Sunday on a Regular Basis F/T & P/T
- * #14 Full-time Layoff
- * #15 Joint Training & Education Trust F/T & P/T
- * #16 Full-time Personal Assurance
- * #17 Staffing of New stores/Replacement Stores F/T & P/T
- * #18 Garden Centre Staffing F/T & P/T
- * #19 Sunday Scheduling F/T & P/T
- * #20 Alternative Work Weeks F/T & P/T
- * #21 Department Managers
- * #22 Expansion of Company
- * #23 Part-Time Scheduling/Training
- * #24 Harassment and Discrimination

- * #25 Payment for Meetings
- * #26 Leave of Absence
- * #27 Pay Equity
- * #28 Health and Safety
- * #30 RCSS Conversion
- * #46 Lone Store/Hardship Store
- * #47 Conversion to Franchise
- * #49 Store Conversions and New Stores
- * #50 GCFS Conversion
- * #51 GCFS Staffing of replacement and new stores

- 22.03 (a) All part-time employees covered by this Agreement shall be paid in accordance with Schedule A, effective October 15, 2006. Employees hired after October 2, 2000 will be paid by direct deposit.
- (b) Wage adjustments under the wage progression schedule as set out in Schedule A shall be made quarterly, where appropriate, on the first full pay week of January, April, July and October.
- (c) Where a new employee commences work or an employee is promoted within a quarter, he shall immediately receive the appropriate start for his first adjustment at the end of the quarter provided, however, he commences work or is promoted prior to the middle (15th) of the second month within the quarter. Should he commence work or be promoted after the 15th of the second month, he shall immediately receive the appropriate start rate for the position and he then shall receive his first quarterly or half yearly adjustment, as the case may be, at the end of the succeeding quarter.

ARTICLE 23 - REST PERIODS

- 23.01 Employees shall be scheduled for a fifteen (15) minute paid rest period as near as possible to the middle of each half (½) day of three (3) hours or more allowing a minimum of one (1) hour after starting time. The parties agree to cooperate for exigencies of the business of the Employer.
- 23.02 An employee scheduled longer than four (4) hours will not be required to take a break until a minimum of one and one-half (1 1/2) hours after starting time.
- 23.03 An employee scheduled a six (6) hour shift will be entitled to a one-half (½) hour break with fifteen (15) minutes paid. Such break would commence no earlier than two (2) hours from the starting time of the shift and ending no later than four (4) hours from the starting time of the shift.
- 23.04 All employees covered by this Agreement who work eight (8) hours or more in any one (1) day shall be entitled to one (1) hour meal period without pay or (½) hour by mutual agreement,

23.05 There shall be no split shift except for the meal period of one (1) hour for these persons. Employees working more than five (5) hours but less than eight (8) hours will be entitled to one-half (½) hour unpaid meal period which shall be taken as near as possible to the mid-point of his scheduled shift.

ARTICLE 24 - COOPERATION

24.01 The Union shall be notified in writing of all Company rules and regulations covering those covered by this Agreement.

24.02 An employee shall produce a physician's certificate when he has been sick and returns to work if so requested by the Employer and an employee shall take a medical examination if so requested by the Employer. If the Employer requests a doctor's note regarding an absence, they must do so prior to the employee's return to work. The Employer shall reimburse the employee, upon proof of payment, the full cost of obtaining a doctor's note. The employee shall provide to the Company information as to expected date of return to work in regard to the progress of his medical condition.

The Company will not require doctor's notes from the employees unless:

- 1) The employee has been advised that their attendance record is unacceptable and that Doctor's notes will be required in the future. Should the attendance record of the employee in question improve, the requirement to provide a Doctor's note will be limited to 12 months.
- 2) The duration of the absence, or circumstances surrounding the absence requires justification, or;
- 3) The employee is absent on the shift immediately prior to or after a Statutory Holiday.

The Company shall reimburse the employee, upon proof of payment of the cost of obtaining a Doctor's note.

24.03 The Employer agrees not to act in an arbitrary or discriminatory manner in making such requests.

ARTICLE 25 - REST ROOM AND LUNCH ROOMS

25.01 Adequate rest rooms and lunch rooms shall be provided and kept heated and ventilated and in a sanitary condition.

ARTICLE 26 - INSURANCE AND HOSPITALIZATION

26.01 The Employer shall pay the Employer Health Tax on behalf of all bargaining unit employees.

26.02 Pension Plan

- (a) Effective January 1, 2005, the Employer agrees to contribute to the Canadian Commercial Workers Industry Pension Plan ("Pension Plan") eighty-five cents (85¢) for all hours paid and worked for all full-time and part-time employees. Hours paid and worked is defined as regular hours, overtime hours, vacation, paid holidays, sick days, bereavement and jury duty, to a maximum of thirty-eight (38) hours per week per employee, but shall not include Weekly Indemnity or WSIB payments.

Effective January 1, 1993, the Company's contribution to the Canadian Commercial Industry Pension Plan and the allocation to current service benefits shall be in accordance with those contribution levels agreed to by the Trustees of the plan.

- (b) The amounts of contribution outlined in 26.02 (a) above include an eight (8) cent per hour contribution for past service benefits.
- (c) The Company agrees to increase Past service Benefit levels to the Current Service Benefit level of forty dollars (\$40.00). These increases are applied only to the full-time and part-time employees who are on the payroll and excludes existing retirees or vested non-employees.

Effective October 2, 2000, the Company commits that all employees are covered for Past Service Benefit of forty dollars (\$40.00) per month per year of service.

The method of payment of the Company for the resulting liability will be as per the arrangement agreed to by the Trustees of the Pension Plan.

- (d) The Company shall make a lump sum contribution of \$36 million dollars (for the benefit of Zehrs, Loblaw and Fortinos employees) under the terms of the CCWIP plan pension Stabilization Fund. For clarity, it is understood that the total payment of \$36 million dollars is inclusive of the payment under the Loblaws Supermarkets Local 175, Zehrs Local 1977 and Zehrs Local 175 and 633 and Fortinos Local 175 Collective Agreements.

26.03 Dental Plan

- (a) Effective January 1, 2005, the Employer agrees to contribute twenty-seven cents (27¢) per hour [effective January 1, 2007, twenty-eight cents (28¢), effective January 1, 2008,

twenty-nine cents (29¢) and effective January 1, 2009, thirty cents (30¢) for all hours worked to the Ontario Retail Employees Dental Benefit Trust Fund ("Dental Benefit") or its successor as designated by the Trustees. Hours worked is as set out in 26.03 (b).

- (b) Hours worked is defined as regular hours to a maximum of thirty-eight (38) hours per week, per employee, but shall not include: overtime hours, paid holidays, sick pay, bereavement, jury duty, Weekly Indemnity, Long Term Disability or WSIB payments.

26.04 (a) Optical Plan

Effective October 30, 1994, upon completion of five (5) years of continuous service, part time employees who have worked a minimum of seven hundred (700) hours in the previous calendar year shall be eligible for Employer paid Optical Plan coverage on January 1st of the following year provided Optical coverage is not available to the employee from another source. Employees' who qualify for vision care benefits will be reimbursed up to \$60 for an eye exam every 24 months. Reimbursement for the eye exam and the glasses will be up to a maximum of \$200 in a 24 month period.

If an employee is a single parent with eligible dependants, such benefit is extended to the dependants.

(b) Drug Plan

Upon completion of five (5) years' continuous service, part-time employees who have worked a minimum of 600 hours in the previous calendar year shall be eligible for prescription drugs as set out in the Loblaws Company Formulary. The Company will provide as soon as possible a pay direct card for all eligible employees. Deductible \$25.00 per year.

This Plan is for the employee only except where the employee is a single parent with eligible dependants, such benefit is extended to the dependants. Deductible \$35.00 per year. Effective November 1, 2000, part-time employees with five (5) years of continuous service and not less than six hundred (600) hours in the previous calendar year will be eligible for dependent prescription drug coverage.

26.05 Training & Education Fund

- (a) Effective October 12, 2006, the Employer agrees to contribute five (5) cents per hour to the Local 175 and 633, United Food and Commercial Workers Union, for all hours paid and worked by all full-time and part-time employees.
- (b) The Employer shall forward the contributions every four (4) weeks to the Union and shall include a list of employees, the number of hours paid and worked by each employee during each four (4) week period.

ARTICLE 27 - BEREAVEMENT PAY

- 27.01 Should a death occur in a part-time employee's immediate family, a part-time employee who has completed his probationary period shall receive time off from work with pay for an absence from scheduled work on the day before and the day of the funeral with such pay equal to the hours scheduled for such employee on the days in question.
- 27.02 The term "immediate family" shall mean: spouse, parent, Step parent, grandparent, grandparent-in-law, child, Step child, grandchild, brother, sister, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law.

ARTICLE 28 - NO STRIKE, NO LOCKOUT

- 28.01 In view of the orderly procedures established herein for the disposition of employees' grievances, the Employer and the Union agree that there shall be no strikes, walkouts, pickets, boycotts, stoppage of work or lockouts during the life of this Agreement.
- 28.02 In the event of strikes, lockouts, or other similar problems involving suppliers of goods or services, the Employer and the Union agree to meet and discuss such situation as it involves the parties to this Agreement, to endeavour to solve such problems in the best interest of the Employer, the Union and the employees to the best of the ability of the parties.

ARTICLE 29 - CHRISTMAS BONUS

- 29.01 Part-time employees who have been continuously employed by the Employer for less than two (2) years as of December 1st of the current year shall receive a Christmas Bonus of one percent (1%) of total earnings by separate cheque.
- 29.02 Part-time employees who have been continuously employed by the Employer for two (2)

years or more as of December 1st of the current year shall receive a payment of two percent (2%) of total earnings.

29.03 Christmas Bonuses shall be paid on the payday nearest December 15th of the current year.

ARTICLE 30 - JURY DUTY

30.01 Part-time employees summoned to Jury Duty, or Jury Selection or subpoenaed to attend as a witness on behalf of the Employer, shall be paid wages amounting to the difference between the amount paid them for Jury services and the amount they would have earned had they worked on such days based on their average number of weekly hours during the immediately preceding four (4) weeks. This does not apply if the employee is excused from Jury Duty for the rest of the day or days and fails to report back to work, if same is reasonable under the circumstances one-half (½) day or more, or if the Jury Duty occurs on the employee's scheduled day off.

30.02 If a part-time employee is subpoenaed for Employer purposes, such employee will be paid as above, if on scheduled day off or not.

ARTICLE 31 - FIRST AID KITS

31.01 First Aid kits shall be provided and maintained in all stores.

ARTICLE 32 - UNION SHOP CARDS

32.01 It will be the duty of the Employer to display prominently, Union Shop Cards in all their establishments where Union members are employed. Those cards shall remain the property of the Union and the Employer shall have their usage only until such time as the Union shall request their return, The Employer agrees to surrender same immediately upon demand by the Union.

ARTICLE 33 - NOTICE BOARD

33.01 The Employer agrees to furnish and install one (1) locking notice board in each location accessible to the employees for the purpose of posting notices of either the Employer or the Union. The Company agrees to give the Union shared space on all other boards or areas where the Employer posts notices to the employees.

ARTICLE 34 - PART-TIME EMPLOYEES

- 34.01 When additional employees are required, the Employer will give preference to part-time employees on the basis of seniority, skills and qualifications, providing that before the vacancy occurs, those part-time employees who desire full-time employment, shall make their request know in writing to the Store Manager.
- 34.02 The Employer agrees that part-time employees or a combination of part-time employees shall not be used to the extent that they displace for employment the present full-time employees in the Company as of the date of ratification of this Agreement.

ARTICLE 35 - RETROACTIVITY

- 35.01 No part of this Agreement shall be deemed retroactive unless specifically stated. All provisions contained in this Agreement, unless specifically stated to be retroactive in nature, are effective on the date of ratification of this Agreement.

ARTICLE 36 - TERM OF AGREEMENT

36.01 This Agreement shall come into force and effect on the 2nd of July, 2006, and shall continue to the 1st day of July, 2010, and shall thereafter be automatically renewed for the period of one (1) year unless either party, on written notice to the other, prior to the first (1st) day of May in any year, serves notice of intent to terminate or modify the Agreement.

36.02 In the event either party serves notice of a desire to negotiate changes into this Agreement as above set out, it is agreed that the Employer and the Union, without undue delay, shall begin negotiations of the proposed changes.

Pending the results of negotiations, neither party shall change the conditions existing under the Agreement.

Agreeing to the foregoing, the parties have executed this Agreement.

DATED AT _____ THIS ____ DAY OF _____ 2007.

FOR THE UNION:

FOR THE EMPLOYER:

SCHEDULE "A"

PART-TIME EMPLOYEE WAGE PROGRESSION SCHEDULE

The following shall be the minimum rates of pay for part time employees:

Hours		June 29/07	June 27/09
0 - 500		\$ 8.50	
501 - 1000		\$ 8.65	
1001 - 1500		\$ 8.80	
1501 - 2000		\$ 8.95	
2001 - 2500		\$ 9.10	
2501 - 3000		\$ 9.25	
3001 - 3500		\$ 9.40	
3501 - 4000		\$ 9.55	
4001 - 4500		\$ 9.70	
4501 - 5000		\$ 9.85	
5001 - 5500		\$ 9.90	
5501 - 6000		\$10.40	
6001 - 6500		\$10.90	
6501 - 7000		\$11.50	
7001 - 7500		\$12.20	
7501 - 8000		\$12.80	
8001 - 8500		\$13.50	
8501 +	\$15.19	\$15.44	\$15.69

Part time employees hired prior to October 2, 2000 will progress to the top rate after working 7501 hours.

All part time employees will slot into the wage scales outlined above based on the number of hours worked the Sunday after the date of ratification and they shall progress from that point based on hours worked. Employees will be deemed to have the hours worked which correspond to their rate of pay for the purpose of slotting into the wage progression.

The Company may, from time to time, introduce, modify and/or eliminate an incentive program. Any program would be in addition to the prevailing wage progression scales. The Company will meet the Union to discuss the program prior to it being implemented, modified or eliminated.

Part time (For active employees on the payroll as of the date of ratification):

a) Effective October 15, 2006 the following shall occur:

Those who have more than ten years of service and worked 500 hours in previous calendar year shall receive a \$2,000 lump sum payment. If the employee has worked less than 500 hours will receive a \$1,500 lump sum payment.

Those who have more than five years, but less than ten years of service as of the above date shall receive a \$1500 lump sum payment.

Those who have more than one year, but less than 5 years of service as of the above date shall receive a \$750 lump sum payment.

Those who have less than one year of service as of the above date shall receive a \$100 lump sum payment.

b) June 29, 2007 all part time employees shall receive a 25 cent per hour wage increase. Part time employees in the progression must work the required hours in order to advance on the wage progression.

c) ~~Effective June 28, 2008 the following shall occur:~~

Those who have more than ten years of service and worked 500 hours in previous calendar year shall receive a \$750 lump sum payment. If the employee has worked less than 500 hours will receive a \$500 lump sum payment.

Those who have more than five years, but less than ten years of service as of the above date shall receive a \$500 lump sum payment.

Those who have more than one year, but less than 5 years of service as of the above date shall receive a \$250 lump sum payment.

Those who have less than one year of service as of the above date shall receive a \$100 lump sum payment.

d) June 27, 2009 all part time employees shall receive a 25 cent per hour wage increase.

Part time employees in the progression must work the required hours in order to advance on the wage progression.

Lump sum payments will be made within 2 weeks from the dates outlined above.

Employees will have the option of transferring their lump sum payment into the Company

sponsored RRSP program provided they are eligible to do so in accordance with CCRA rules. The Company will make available to employees following ratification of the agreement appropriate forms to be completed to request this option.

It is understood that an employee who is absent from work due to illness, accident or approved leave shall receive the lump sum or wage increase outlined above provided they are cleared to return to work before the next lump sum payment/wage increase date outlined above.

LETTER OF UNDERSTANDING #1

Between:

Zehrs Markets, Division of Zehrmart Limited

- and -

United Food & Commercial Workers International Union,

**RE: Article 2.03 - Supplier Representatives
Full-Time and Part-Time Agreements**

This will confirm the agreement reached between the Employer and the Union at the recently concluded negotiations with respect to the Collective Agreement expiring July 1, 2010.

No sales representatives should be stocking the shelves in our stores as his/her normal routine when they call on the stores.

All routine store work is to be done by Zehrs' employee(s). On the occasion that a re-line of a particular section is to be done, the sales representative can be used along with our employees, but only after the specific re-line is set-up with the District Manager who in turn will advise the Union of the specific project. In these circumstances the supplier's representative is limited to removing the facings and outlining the revised section. This procedure will be followed in all future occasions.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #2

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

**RE: Moving and Travel Expenses Policy
Full-Time and Part-Time Agreements**

This will confirm the agreement reached between the Employer and the Union at the recently concluded negotiations with respect to the Collective Agreement expiring July 1, 2010.

It is understood that during the life of this Collective Agreement, the Employer will continue its present policy covering permanent and temporary transfer expenses.

It is further understood and agreed that the Employer may change this policy from time to time. The following is a summary of some key aspects of this policy:.

Travel Expenses (Temporary Transfers) - Full-time & Part-time

It is the responsibility of each employee to maintain an accurate record of all expenses incurred while travelling on company business.

The appropriate travel forms must be signed by the Store Manager before they are submitted for payment.

No compensation will be paid if the distance between stores is less than ten (10) miles [sixteen (16) kilometers.]

Mileage - thirty cents (30c) per kilometer

One meal will be reimbursed per day depending on the shift with the following maximum:

Breakfast - \$ 6.00
Lunch - \$ 8.00
Supper - \$10.00

...2/

LETTER OF UNDERSTANDING #2 - Page Two

Moving Expenses (Permanent Transfers) - Full-time Only

The Employer will provide relocation assistance to employees permanently transferred, only at the request of the Employer, to a store more than twenty-five (25) miles [forty point three **(40.3)** kilometers] away from their permanent residence.

Expenses will be paid until the employee relocates in the new area up to a maximum of four **(4)** weeks, with the approval of the Human Resource Department.

Moving expenses will be paid to a maximum of five hundred dollars (\$500.00). Receipts must be submitted.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #3

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local **175 & 633**

RE: Layoffs - Seniority - Article **11.04** Full-Time
(Article **11.06** Part-Time)

This will confirm the agreement reached between the Employer and the Union at the recently concluded negotiations with respect to the Collective Agreement expiring July 1, 2010.

For the purpose of clarifying the application of Article 11.04 Full-Time and Article 11.06 Part-time of the Collective Agreement, United Food & Commercial Workers Canada, Local 175 & 633, Locals 175 and 633, and Zehrs Markets, A Division of Zehrmart Limited, agree that the appropriate procedure to be followed by full-time employees exercising their seniority on a layoff is as follows, provided always that the employee has the skill and qualifications to perform a competent job:

Upon being served with a notice of layoff, an employee shall have the right to displace any employee with less seniority in his own classification or any lower classification working in any of the five (5) nearest, stores nearest the store in which he was working at the time he was given the notice of layoff.

Any employee displaced from his job as a result of an employee exercising his right under clause 1. above shall have the right to displace the employee with the least seniority in his own classification/shift or any lower classification shift in each of the five (5) stores nearest the store in which he was working at the time he was displaced. The application of this Article will continue until it has exhausted itself.

Any employee displaced from his job as a result of an employee exercising his right under clause 2. above shall have the right to displace the employee with the least seniority in his own classification or in any lower classification in the bargaining unit.

An employee exercising a right to displace an employee in accordance with clause 1, 2 or 3 above, shall notify the appropriate member of Management within forty-eight (48) hours of receiving a notice of layoff or of being informed he is to be displaced, exclusive of Sundays or holidays or other days on which the store in which he is working is closed.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #4

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

RE: Changes in Working Schedules

Full-Time and Part-Time Agreements

This will confirm the agreement reached between the Employer and the Union at the recently concluded negotiations with respect to the Collective Agreement expiring July 1, 2010.

All changes to the posted schedules will be made on the Front End Manager's working copy or Department Managers' working copy in other areas. Stewards may refer to them.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #5

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

RE: Temporary Assignments and Training Full Time and Part-Time

This will confirm the agreement reached between the Employer and the Union at the recently concluded negotiations with respect to the Collective Agreement expiring July 1, 2010.

Employees employed in the Front End of the store except employees whose sole job function is packing, shall be subject to the following:

- a) Temporary assignments shall be on the basis of seniority provided the employee has the skills and qualifications to perform the normal requirements of the job.
- b) In the event training is required, employees shall be selected on the basis of seniority via the "training wheel" as follows:
 - i) For the customer service desk, the senior available employee will be afforded the opportunity to train at the customer service desk. If the senior employee declines the opportunity, then the next senior employee will be offered until the training opportunity is filled. Any subsequent openings for the customer service desk, will be offered to the next senior employee and so on until the vacancy is filled. The training wheel will cease at the end of each calendar year and the cycle will commence again in the new year.
 - ii) Back up office positions will be filled in accordance with the same process as above.
 - iii) It is understood that should an employee decline an opportunity in either the customer service or back up office roles in the calendar year, that employee would not be eligible again until the cycle commences in the new year.
- c) Full-time employees to have preference over part-time employees on training.

Yours very truly,

Vince Scorniaenchi
Executive Vice President

Zehrs

LETTER OF UNDERSTANDING #6

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

**RE: Hours of Work & Scheduling - Articles 11 & 12
Part-Time Agreement Only**

This will confirm the agreement reached between the Employer and the Union at the recently concluded negotiations with respect to the Collective Agreement expiring July 1, 2010.

- a) In the event eight (8) hours of work are available for part-time employees in a eight and one-half (8 ½) or nine (9) hour consecutive period, it shall be deemed to be an eight (8) hour part-time shift. Consecutive periods refers to a combination of two (2) shifts that are separated by an unscheduled one-half (½) or one (1) hour period between shifts.
- b) Wherever possible, eight (8) hour shifts will be scheduled by seniority provided the eight (8) hour shift does not result in a senior employee being scheduled less hours than a junior employee.
- c) A call-in (hours of work not scheduled) shall not result in a junior employee receiving more hours in that week (scheduled plus call-in) than a senior employee unless such senior employee is unavailable for such call-in or was previously scheduled to work that day.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #7

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

**RE: Recall - Temporary
Full-Time Agreement Only**

This will confirm the agreement reached between the Employer and the Union at the recently concluded negotiations with respect to the Collective Agreement expiring July 1, 2010.

If there is a temporary replacement needed for more than two (2) weeks, the Employer will recall the senior full-time employee on layoff who is available and has the skills and qualifications to perform a competent job.

When so recalled, such employee will receive the appropriate full-time rate of pay effective and including the third (3rd) week and all weeks thereafter.

Full-time benefits will be reinstated following four (4) weeks of such recall to work.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #8

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

**RE: Employee Step Down from Classified Positions
Full-Time Agreement Only**

This will confirm the agreement reached between the Employer and the Union at the recently concluded negotiations with respect to the Collective Agreement expiring July 1, 2010.

1. The Employer will consider employee requests and review based on employee's physical or medical disability which affects his ability to perform his job satisfactorily.
2. If the parties do not agree on a location for the employee, then no "stepping down" occurs.
3. If "stepping down" occurs, the employee will be limited from applying for posted positions for two (2) years.
4. The employee "stepping down" may not bump to a lower rated position.
5. The employee "stepping down" will move to the basic classification in his local (i.e. Meat Manager to Meat Cutter; Assistant Store Manager to Clerk; etc.)

Under the above conditions, employees classified positions may request they be allowed to voluntarily resign their position of "step down."

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #9

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

RE: Appearance - Full-Time and Part-Time

This will confirm the agreement reached between the Company and the Union at the recently concluded negotiations with respect to the Collective Agreement expiring July 1, 2010.

Employees will not be disciplined for wearing proper earrings and clean, neat, properly trimmed hair.

The Company and the Union agree to establish a Dress Code Review Committee to deal with the Union and Company concerns.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #10

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

**RE: Scheduled Hours after 6:00 P.M.
Full-Time & Part-Time**

This will confirm the agreement reached between the Company and the Union at the recently concluded negotiations with respect to the Collective Agreement expiring July 1, 2010.

In the event an employee believes that within his full-time classification or his part-time area, he is working more than his fair share of scheduled hours after 6:00 p.m. for Night Shopping, he shall so advise the Employer and the Union and the parties will meet to resolve the complaint.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #11

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

RE: Counter Ready Meat

This will confirm the agreement reached between the Company and the Union at the recently concluded negotiations with respect to the Collective Agreement expiring July 1, 2010.

During the course of these negotiations a Counter Ready Meat Program was mentioned. During the term of the Collective Agreement, if the Company elects to proceed with implementation, the Company confirms that this program will not cause the layoff or reduction to part-time of the full-time meat department employees on the payroll for the Company on December 6, 1992.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #12

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

**RE: Kronus
(Full-time and Part-time Agreements)**

This will confirm the agreement reached between the Company and the Union at the recently concluded negotiations with respect to the Collective Agreement expiring July 1, 2010.

1. The parties agree to continue in place current "grace period".
2. The parties agree to August 15, 2000, there will be no extension beyond current practice of when Kronus swipe is required to be performed - start and finish of shifts, start and finish of lunches.
3. The Company agrees to provide reasonable access to Stewards in each store to the weekly audit trail and punch detail reports.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #13

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

RE: Sunday work

This will confirm the agreement reached between the Company and the Union at the recently concluded negotiations with respect to the Collective Agreement expiring July 1, 2010.

RE: Sunday work

Employees hired prior to October 12, 2006 who volunteer for Sunday work shall be scheduled on a rotational basis and will have a Sunday sign up sheet done three (3) months at a time.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #14

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

RE: Full-Time Layoffs

This will confirm the agreement reached between the Company and the Union at the recently concluded negotiations with respect to the Collective Agreement expiring July 1, 2010.

In the event full-time layoffs occur because of a store closure of a Zehrs store within the jurisdiction of Local 175 and 633 U.F.C.W., and the Company creates a full-time job opportunity in Zehrs stores within the jurisdiction of Local 1977 or vice versa, such employee(s) who are willing, will be transferred to fill such job opportunities created by the Company.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #15

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

**RE: Joint Training & Education Trust
(Full-time and Part-time Agreements)**

This will confirm the agreement reached between the Company and the Union at the recently concluded negotiations with respect to the Collective Agreement expiring July 1, 2010.

1. A joint trust shall be established between Locals 175/633 and the Company (similar to that established between Local 1977 and the Company.)
2. Pending establishment of the joint trust as described in paragraph 1 above, the Company shall continue to comply with Article 26.04 (a).
3. Upon establishment of training programs and when training has been commenced pursuant to such programs, the five cent (\$0.05) per hour contribution under Article 26.04 (a) of the Agreement shall be directed to the newly established trust as described above in paragraph 1.
4. Ninety (90) days after the Joint Training and Education Trust has been established and upon compliance with paragraph #1, the Company shall increase its contribution to fifteen cents (\$.15) per hour in accordance with Article 26.04 and 26.05 Part-time. It is agreed by the parties the fifteen cents (\$.15) above shall be directed to the newly-established Trust.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #16

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

RE: Full-Time Personal Assurance

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

All full-time employees on the full-time payroll as of October 12, 2006, are given a personal assurance of full-time employment with Zehrmart as represented by Locals 175 and 633, United Food & Commercial Workers from October 12, 2006 through to July 1, 2010. It is understood that should a full time who is covered by this assurance of employment transfer to a Real Canadian Superstore or a Great Canadian Food Store, they retain the above mentioned job assurance.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #17

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

**RE: Staffing of New Stores/Replacement Stores
Full-time and Part-time**

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

1. a) The Company has the right to select any employee from the Local 175/633 full-time bargaining unit who responded in writing to the announcement into full-time positions without regard to seniority.
2. The Company agrees to recall full-time employees who are on layoff and have recall rights in accordance with the Collective Agreement to the vacancies resulting from the above if a replacement is required or the new store.
3. If full-time vacancies remain in the new location after step a) and b) above, the Company will promote a minimum of one (1) part-time employee per Department by seniority who responded in writing to the announcement.
4. If the full-time positions are not filled as per a), b) or c) above due to lack of skill and ability, the Company agrees to consider employees from the Local 1977 bargaining unit (Zehrs Market stores) for full-time positions.
5. In Departments with ten (10) or more part-time positions, the Company agrees to transfer a minimum of two (2) part-time employees per Department who responded in writing to the announcement by seniority from Local 175 bargaining unit. In Departments with less than ten (10) employees, the Company agrees to transfer a minimum of one (1) employee per Department who responded in writing to the announcement by seniority from the Local 175 bargaining unit.
6. Once the Company selects an employee to the new store for a full-time position in the new store, such employee must remain in that position/store for six (6) consecutive months from the date of selection, unless such employee transfers out via the job posting procedure.

LETTER OF UNDERSTANDING #17 - Page Two

7. After one (1) year, positions are filled according to the posting and/or transfer language of the Collective Agreement.
 8. For the purpose of clarity, a new store is defined as: adding a store within a municipality where there are no Zehrs Market stores; and/or adding an additional store within a municipality where there are existing Zehrs Markets stores; and/or adding an additional store by adding another banner and converting it to a Zehrs store.
2. a) When staffing a replacement store, all employees from the existing store will transfer into the same position within the replacement store, unless a full-time employee makes a request to step out of their existing position, and/or if the Company requests a full-time employee to consider an alternative position within the replacement store. In this instance, the Company and the Union will meet to discuss the situation with a view of resolving the issue. In the event the foregoing occurs, the Company agrees to post the resulting vacancy, in accordance with the terms of the Collective Agreement
 - b) Notwithstanding the above, in municipalities where there is only one (1) Zehrs Market store, and that store is being replaced and a full-time employee has requested to step out of their full-time position, and/or the Company requests a full-time employee to consider an alternative position within the replacement store, the Company and the Union will meet to discuss the situation with a view of resolving the issue. After which, the Company then has the right to select their replacement in accordance with point 1 a), b) c) and d).
3. a) When the Company closes one (1) or more stores simultaneously with the same municipality and opens a new store elsewhere within the same municipality, the Company agrees to offer the vacancies to the full-time employees from the stores that are closing into their corresponding position in the new store. In the event two (2) or more employees are eligible for the same position, the Company will offer the senior employee the position. Employees not accommodated will be given their layoff notice and bumping rights.
 - b) When the Company closes a store in a municipality and opens a new store concurrently in another municipality, the Company has the right to select full-time employees into positions in the new store in accordance with 1 a), b), c) and d). The Company agrees to offer vacancies to existing employees from the store that is closing to the same position in the new store, or offer a vacancy should one exist, within the region. If such full-time employee request to step out of their position and/or the Company request the full-time employee to consider an alternate position within the new store, in this instance, the Company and the Union will meet to discuss the situation with a view of resolving the matter.

-
4. The Company agrees that when existing stores are refurbished, any new full-time positions will be posted in accordance with the Collective Agreement.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #18

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

**RE: Garden Centre Staffing
Full-time and Part-time**

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement July 1, 2010.

A. First Year of Operation

1. The Store Manager will put up a notice asking employees to sign up if they desire to work in the Garden Centre. Employees will be selected from within the store. The Company will select employees for the Garden Centre by seniority, full-time before part-time based on qualifications and ability, provided the individuals home Department has sufficient available staff to perform the work in their absence. Should the home Department not have sufficient staff, then the employees will be limited in number by Department to work in the Garden Centre.
2. A premium of sixty-five cents (65¢) per hour shall be paid for all hours worked by an employee who works in the Garden Centre as the Garden Centre Manager. This premium applies to hourly-rated employees only. Should a part-time employee be selected to be the Garden Centre Manager, such employee will work thirty-eight (38) hours per week, provided there is thirty-eight (38) hours of work available.
3. In the event there are less than thirty-eight (38) hours of work for full-time employees, working in the Garden Centre, then such full-time employees will be cross-scheduled between their home Department and the Garden Centre Department, up to a maximum of thirty-eight (38) hours per week. Part-time employees working in the Garden Centre shall be scheduled in the Garden Centre only.
4. At the conclusion of the Garden Centre, employees will return to their former status and position. As the Department winds down and hours diminish, employees with the least seniority will be returned to their former Departmental/status first, following lastly by the Garden Centre Manager.

B. Second and Subsequent Years of Operations

In the second and subsequent years of operation of a Garden Centre, the Garden Centre Manager and all staff who worked in the Garden Centre in that specific store in the previous year will be given the first right of refusal by seniority to work in the current calendar year.

- 1.If additional staff are required to work in the Garden Centre, the Store Manager will put up a notice asking employees who wish to work in the Garden Centre to sign up on the list. The Company will offer the opportunity to employees who sign up by seniority using the “slot-in” method.
- 2.Should the home Department not have sufficient staff, then the employees will be limited in number by Department to work in the Garden Centre.
- 3.In the event that the Garden Centre Manager from the previous year declines returning to the Garden Centre, the Company will offer the position by seniority to the staff from the previous year.
- 4.In the event that the Garden Centre Manager and/or staff from previous year declines to work in the Garden Centre the procedure reverts to **A. 1.** above.
- 5.In the second and subsequent years of operation, point **A. 2.** through 4. shall apply.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #19

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

RE: Sunday Scheduling

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

This letter will confirm our agreement with respect to employees who volunteer for Saturday night crew (which is deemed to be Sunday work) and there is less than nine (9) hours off between shifts.

It is agreed that the Company will schedule first those employees who volunteered for Saturday night crew and have had more than nine (9) hours off between shifts. If there are not employees who volunteered out of that group, then the Company will schedule those employees who volunteered that have nine (9) hours or less between shifts.

All other aspects of the Collective Agreement relating to Sunday work is applicable.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #20

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

**RE: Alternative Work Weeks
Full-time and Part-time**

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

At any time, the Company or the Union may request to establish a Joint Committee of participants appointed by the Union and the Company to begin discussion regarding reduced or alternative work weeks, with the objective to better accommodate employees and/or the Company. By consent of the parties, a recommendation will be implemented on a trial basis on the understanding that it is not mandatory on any employee and does not change the terms of the Agreement. After the trial, any recommendations which result in a modification of the terms of the Agreement are subject to ratification by the employees and acceptance by the Company.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #21

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

RE: Department Managers

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

Employees in the new Department Manager positions will move to the next highest rate in the hourly progression for their new position. These employees will also receive the lump sum payments if applicable to the position.

Any hourly increases will be applied to the end rates.

Current employees running the Departments that will now have designated Department Managers will move to the Department Manager positions. However, the positions of Dairy Manager, Grocery Manager and Night Crew Manager will be posted within each store. It is understood that if an existing Assistant Store Manager does not take a new Fresh and/or Dry Goods Manager, he will become the Grocery Manager.

The Dairy Manager's position will be posted as a straight day position with the store only. The remaining full-time Grocery Clerks may choose by seniority to go to either the Grocery or Dairy Department.

A permanent Night Crew will be established within each store on an attrition basis when there are no longer employees who have chosen to rotate.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #22

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

RE: Expansion of Company

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

Fresh and/or Dry Managers:

Existing Assistant Store Managers will be offered the Fresh and/or Dry Manager positions out of the bargaining unit. If they decide to accept such position, they will be granted a six-month (6) leave of absence and may return to the bargaining unit during the leave but not thereafter. If they do not accept, or return to the bargaining unit, they will automatically fill the Grocery Department Manager position without reduction in pay and receive all negotiated increases. If an Assistant Manager returns from the leave, the Company will grandfather two (2) Grocery Managers.

General Merchandise and Potential New Departments

Non-Union Positions

The potential new Departments are as follows:

- | | | |
|--|-----------------------|------------------------------|
| * General Merchandise (in stores over 80,000 sq. ft) | | |
| * Kitchen, Cook and Table | * Camera/Electronics | * Books and/or Entertainment |
| * Party Supply | * Sporting Goods | * Natural Values |
| * Coffee bean Roast | * Hardware | * Tobacco |
| * Cosmetics | * Hosiery and Apparel | * Bed and Bath |

When the Company expands to, or creates any of the above-listed Departments with a non-Union Department Manger, a full-time Unionized position will be posted within any store or Department.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #23

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

Re:Part-time Scheduling/Training

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

The Employer agrees to grandfather the current employees by name who are working in more than one (1) Department for the purpose of continued cross-Department scheduling.

The Employer will supply the list of names and Departments of the above-mentioned employees to the Union for review and the Union will forward the final list to the Employer. Current shall mean within the part year.

Any training performed in the store or Department shall be offered by seniority to those who have an open availability and are not receiving their full compliment of hours, provided they have indicated in writing their desire to be trained in another Department. These employees will then be scheduled as per #2 above.

An employee who has suffered reduction of ten (10) or more hours per week in a period of eight (8) out of ten (10) weeks who has requested in writing to move to another Department shall be allowed to move to that Department prior to the hiring of a new employee. Such Department shall then be deemed to be the 'home' Department and hours in the employee's former Department will be scheduled as #2 above. An employee may only request to be moved once in a twenty-four (24) month period.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #24

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

RE: Harassment and Discrimination

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

The Company representative responsible for these investigations will first contact the Union Representative of the area the investigation is to be conducted.

Should the Representative not be available for the meeting a Steward from the area the investigation meeting is to be conducted will be suggested (a list of Stewards from the appropriate area will be provided).

The Company Representative will make the necessary arrangements to contact the Steward and arrange time off for attendance of such meeting.

The Company will be responsible for lost time for the Steward and travel where applicable (subject to periodic review of the cost).

Both parties understand and agree that any grievance which has been filed and allege harassment will be dealt with in accordance with the grievance procedure outlined in the Collective Agreement and will not be forwarded for investigation on the alleged harassment until such time as the parties decide.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #25

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

RE: Payment for Meetings

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

It is agreed that when employees are scheduled for meetings outside the counties of Essex, Kent, and Lambton, traveling time will be paid at the appropriate rate, for actual hours traveled outside the scheduled hours, less applicable statutory deductions. No employee shall be considered on travel status when traveling to and from his daily work

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #26

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

RE: Leave of absence for working in a non union position in a RCSS

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

1. Any bargaining unit employee who receives a temporary position outside of the bargaining unit of six (6) months or less (for maternity leaves, one (1) year) is deemed to be on a leave of absence from the bargaining unit. During this time, employees will be required to pay union dues and will retain all rights under the Collective Agreement.
2. Any bargaining unit employee who receives a permanent position outside of the bargaining unit will be granted a leave of absence for a three (3) month period, and such employee will accumulate seniority while on the leave. During this time the employee will pay union dues and would be eligible to post to a full time bargaining unit position (should one exist) and would have the right to return to their former position/status. At the conclusion of the three (3) month period, the employee would no longer be a bargaining unit employee and therefore forfeit any further rights under the Collective Agreement.
3. It is understood that the parties can extend these timelines by mutual agreement between the Company and the Union.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #27

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

RE: Pay Equity

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

The parties agree to comply with the Pay Equity Act and review on a periodic basis (including posting the Plan). Up to two (2) employees involved in the review will be paid for lost time at their regular rate of pay.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #28

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

RE: Health and Safety

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

JH&SC Training:

The Company agrees to allow two (2) worker members selected by the Union who currently have a minimum of one (1) year on a Joint Health and Safety Committee from each store to attend one (1) day of paid health and safety training per year conducted by the Union. It is agreed that the Union will provide to the Employer with a copy of all training material that will be covered prior to such training.

All Banner Provincial Joint Health & Safety Committee:

The Company agrees to a provincial Joint Health and Safety Committee covering all banners and bargaining units, covering Zehrs Markets, Loblaws Supermarkets, Fortinos Supermarkets and the Real Canadian Superstores, to review, discuss and address issues including the following:

- Checkstands;
- The testing of cart retrieval equipment;
- The procurement of new equipment;
- MOL fines/tickets; and
- Toe Cap replacements (CSA approved)

The composition of the new committee will be a senior union representative responsible for health and safety for the 175, 1000A and 1977 Local Unions and a designated corporate health and safety representatives. The Committee shall meet three (3) times per year or more often as mutually agreed.”

LETTER OF UNDERSTANDING #28 - Page Two

Propane Buffers:

The Company agrees to make available upon the joint health and safety committee's request or during a monthly inspection copies of any maintenance records and/or schedules of maintenance and/or work performed.

Executive JH&SC and Accident Rates:

The Company agrees to an Executive Joint Health and Safety Committee to meet two (2) times per year or more often as mutually agreed. The committee composition shall be three (3) representatives from the Company and a minimum of three (3) representatives from the Union to discuss health and safety issues, such as the two (2) highest accident rates for the banner and other areas of concern.

*Deemed to be at **work** for progression purposes:*

The Company agrees to credit the required hours for coverage for part time workers who, in the previous year were off work as a result of a workplace injury that resulted in the employee not meeting the hours worked qualifier for benefit coverage for the coming year.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #30

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

All employees affected by the opening of a Real Canadian Superstore (RCSS) and a related closure of a conventional store will have the following 4 options in addition to their bumping rights under the terms of the conventional store Collective Agreement.

Option #1- Transfer to Real Canadian Superstore

A full time employee who transfers to Real Canadian Superstore will receive a payment of 3 week's pay per year of completed service as of the date of transfer to a maximum of \$75,000. No full time employee will receive less than \$10,000.00.

A part time employee who transfers to Real Canadian Superstore shall receive a payment of 3 week's pay per year of completed service as of the date of transfer to a maximum of \$15,000. A part time employee with less than 1 year of service as of the date of transfer will receive no less than \$500. A part time employee with 1 year or more of service as of the date of transfer will receive no less than \$1,000. A Part time employee from a conventional store who is hired into a Full time bargaining unit position at a Real Canadian Superstore at the time of conversion will be eligible for the part time buydown.

An employee who transfers will slot into the applicable Real Canadian Superstore wage progression based on their current rate of pay. The employee will slot into the next higher rate of pay and be deemed to have the corresponding hours for wage progression purposes. For example an employee earning \$9.55 per hour would move to \$9.70 per hour and be deemed to have 4551 hours for wage progression purposes and progress from that point. If their current rate of pay is in excess of the end rate of the Real Canadian Superstore wage progression, they will slot into the end rate of RCSS wage progression.

It is understood and agreed that any employee who transfers for any reason to a Real Canadian Superstore shall not be able to return to a conventional store, regardless of any other provision in the Collective Agreement. However, when electing the option to transfer to Real Canadian Superstore, an employee may choose to do so on a trial basis. Such an employee will retain the options of

LETTER OF UNDERSTANDING #30 - Page Two

returning to the conventional store agreement, electing to take a “Buy-out” (Option # 2, below) or electing to take the Early Retirement Offer if eligible (Option # 4, below) for 6 months from the date of transfer. The amount of their transfer package, buy-out or Early Retirement Offer, as the case may be, will be calculated as of the date of the transfer to the Real Canadian Superstore. The employee will not receive that amount until they advise the employer in writing that they are electing to abandon the right to return to a conventional store, accept the buy-out option or accept the Early Retirement Offer, as the case may be. An employee who does not make an election in writing prior to the end of the six month period shall be deemed to have elected to abandon the right to return to a conventional store and will receive the amount of their transfer package. An employee who decides to return to a conventional store within the six month period will be absorbed in a conventional store at their former rate of pay and position or the employee may elect to exercise their bump. The Employer determines into which store to absorb a full time and/or a part time employee.

Supplementary Transfer Right for Department Manager

If a full time Department Manager decides that they do not wish to transfer to the Department Manager’s position in RCSS, a unionized position on the same shift will be offered within the RCSS store.

Any employee who transfers to a Real Canadian Superstore from a Zehrs Markets Limited store shall maintain their bargaining unit seniority date, company service date, pension plan and personal assurance of employment where applicable. **All** other terms and conditions of employment shall be governed by Appendices “A” and “B” and Letters of Understanding Nos. **3, 7,8,14,16,28** through **34,36** through **46** and **48**.

The benefits of employees who accept the transfer to Real Canadian Superstore (RCSS) will be the benefits provided for in the Zehrs RCSS Appendix “C”. Employees who currently qualify for benefits under the conventional store agreement, will not have to re-qualify for the related benefits provided for in the RCSS appendix regardless of the qualifiers. For those employees who would become eligible in the calendar year of the conversion, they will only be required to complete the balance of the hours/months that they would have required to be eligible for the conventional store agreement benefits. Once they have completed the balance of those hours/months, they will qualify for the benefits provided for in the Zehrs RCSS Appendix “C”.

LETTER OF UNDERSTANDING #30 - Page Three

Option #2- Buy-out

A full time employee who wishes to sever their employment will receive a payment of 4 week's pay per year of completed service as of the date of transfer to a maximum of \$75,000. No full time employee will receive less than \$10,000.00.

A part time employee who wishes to sever their employment shall receive a payment of 4 week's pay per year of completed service as of the date of transfer to a maximum of \$15,000. A part time employee with less than 1 year of service as of the date of transfer will receive no less than \$500. A part time employee with 1 year or more of service as of the date of transfer will receive no less than \$1,000.

Option #3- Supplementary Bumping Rights

An employee may elect to exercise whatever bumping rights they have under the terms of the conventional store agreement. Such employees will have the following supplementary bumping rights.

- i) If the employee has no bump to a conventional store within 40 kilometers of their current store, and there is one or more conventional stores within 40 kilometers of their store, the Employer will offer to absorb the employee at one of those conventional stores in their same position and rate of pay. No full time employee shall be laid off as a result of the absorption of such an employee.
- ii) If the employee elects to bump into a conventional store which is more than 40 kilometers away and the travel distance from the employee's home store is greater than that currently traveled by the employee, the employee will be given a relocation assistance. The amount of the relocation assistance is outlined below:

Home Owner to Home Owner	- \$15,000
Home Owner to Renter	- \$12,500
Renter to Home Owner	- \$ 7,500
Renter to Renter	- \$ 5,000

An employee will be reimbursed for eligible expenses up to these maximum amounts.

These amounts may be applied to one of the following choices:

LETTER OF UNDERSTANDING #30 - Page Four

Choice A

Royal LePage Relocation Services (RLRS)- the package includes negotiated pricing on relocation services, relocation and expense/taxation counseling and real estate sales help. Further details are available from the Employer's relocation group.

Choice B

Expense reimbursement through the LCE Employee Services- the same relocation allotment is available to employees as with Option A. Employees can use the allotment to recover costs associated with their relocation expenses through providers of their choice. As with the RLRS agreement, discounted prices will be available through providers with whom Loblaw Companies has a negotiated corporate rate.

Note: Employees who elect to list with a realtor other than Royal LePage and still want to obtain taxation advice and other services under the RLRS agreement may do so, but will be required to complete a referral agreement with RLRS which states that a referral fee will be paid to RLRS. Copies of this agreement may be obtained from RLRS.

Option #4- Early Retirement Offer

The Employer will make an early retirement offer to all employee affected by the opening of an RCSS store and a related closure of a conventional store. To be eligible for the early retirement offer an employee must be 55 years of age as of the date they are affected. The early retirement offer will be based on 4 weeks pay per year of completed service as of their date of retirement, to a maximum of \$75,000 for full time and \$15,000 for part time or the equivalent of salary continuation until age 65, whichever is the lesser. An employee who elects to retire will receive the applicable pension and benefits in accordance with and subject to the terms of the pension plan. The Company reserves the right to manage the timing of employees' departure date, provided there is no prejudice to an employee's pension entitlement.

Full time employees who wish to retire and work part time may do so at a conventional store or Zehrs RCSS, and slot into applicable the end rate of pay for part time. They will not be eligible for future full time employment and will not be eligible for any additional pension entitlement by virtue of that part time employment.

LETTER OF UNDERSTANDING #30 - Page Five

General

Where an employee is absorbed in a store and this results in a part time employee(s) being scheduled for no hours for a four (4) consecutive week period, they will be offered the option to transfer to the Real Canadian Superstore which triggered the absorption and be given the transfer package outlined above in Option # 1 or they may elect to exercise their bump under the conventional store agreement. The employer will also canvass, by Department, by seniority (in the Department in which the effected employee was absorbed) those part time employees who wish to transfer to the Real Canadian Superstore which triggered the absorption and they will be given the transfer package outlined above in option # 1.

Any employee who is bumped by an affected employee shall have the options outlined in Options 1, 2, 3 and 4 (where applicable) made available to them. These rights pass along with any further bumps.

Employees who are absent from work due to sickness, disability, maternity leave or parental leave are eligible for Options 1, 2, 3 and 4. Such employee may elect:

- i) to have their Options held in abeyance pending their return to work; or
- ii) to exercise their Option at any point during their absence, subject to being cleared to return to work, where applicable.

It is understood that:

- i) any payment owing under any Option chosen by the employee shall be calculated as of the date of closure of the conventional store which triggered the Options; and
- ii) in the case of an employee who elects Option 3, the employee's home ownership/renter status shall be determined as of the date of the closure, but the employee's bump shall be done as of the date of return to work.

It is understood that these payments referred to shall be deemed to include any payment in the nature of termination pay or severance pay required at law or by any other provision of the Collective Agreement and shall have statutory deductions made.

For the purpose of this letter, the calculation of a full time week's pay shall be based on thirty nine (39) hours per week times their current regular rate of pay as of the date of transfer.

For the purpose of this letter, the calculation of a part time week's pay shall be based on the previous 52 weeks average hours or the average of the hours in the 12 weeks, whichever is the greater.

LETTER OF UNDERSTANDING #30 - Page Six

Zehrs Markets Limited Full time and Part time Transfer Options in connection with Letter of Understanding # 30 Option #1.

Current Full time Position	Zehrs RCSS Job Offer
Grocery Mgr (Formerly Asst. Store Mgr)	Non Union Grocery Mgr.
Grocery Mgr	Assistant Grocery Dept.Mgr
Produce Manager	Non Union Produce Mgr.
Dairy Manager	Non Union Dairy Mgr
Meat Manager	Non Union Meat Mgr.
Assistant Meat Mgr.	Assistant Meat Dept. Mgr.
Bakery Mgr.	Non Union Bakery Dept. Mgr.
Seafood Mgr	Non Union Seafood Dept Mgr
Cold Deli Mgr	Non Union Cold Deli Dept. Mgr
Hot Deli Mgr	Non Union Hot Deli Dept. Mgr
Lead Baker	Assistant Bakery Dept. Mgr.
Front End Mgr.	Non Union Customer Service Mgr.
Office Clerk	Bookkeeper
Floral Mgr.	Non Union Floral Mgr.
Receiver (Days)	Receiver
Night Crew Mgr	Non Union Night Mgr.
Grocery-Produce Clerk	Grocery-Produce Clerk
Grocery-Produce Clerk (Nights)	Grocery- Produce Clerk (Nights)
CAO Manager	Non Union CAO Manager
Baker, Baker Decorator	Baker (Scratch)
Meat Cutter	Meat Cutter
Cashier	Cashier
General Merchandise Clerk	Grocery Clerk or another Clerk position based on the employee's previous experience
HABA Clerk	Grocery Clerk or another Clerk Position based on the employee's previous experience
All other Clerks	Offered a Clerk's position in their corresponding dept. or another clerk's position based on the employee's previous experience
Pharmacy Technician	Pharmacy Assistant
Photolab Manager	Non Union Photolab Mgr
Current Part time Position Cashier	Cashier
All other Clerks	Offered a Clerk's position in their corresponding dept. or if DSTM, offered a non-DSTM position

LETTER OF UNDERSTANDING #30 - Page Seven

Existing eligible full time conventional employees who convert to RCSS will maintain their retiree benefits. It is understood that those full time employees who have already converted to an RCSS location will now be eligible for the retiree benefits when they retire. The Company will not alter, prior to discussion with the Union its present policy of providing benefit continuation to full time employees upon retirement with 25 years or more of service. Full time employees with more than 15 year but less than 25 years will be allowed to self pay.

Part time employees who are eligible for dependent drug coverage at Zehrs and convert to the RCSS will be grandfathered for dependent drug coverage and will continue to have coverage provided they meet the hours qualifier at the RCSS. The Company will look at affected employees in stores which have converted to RCSS and those individuals who qualified in conventional at the time of conversion shall be granted dependent coverage from the date of ratification. Ongoing eligibility will be based on meeting the hours qualifier.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #46

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

Re: Lone Store/Hardship Store

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

The Company and the Union will meet to deal with these locations on a store by store basis.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #47

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

Re: Store closure and conversion to franchise banner

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

In the event of a conventional store closure and conversion to a franchise store or a corporate store within a franchise banner, the affected employees will be entitled to a buyout of four (4) weeks pay per year of completed service, or two (2) weeks pay per year of completed service to buydown to a position in the franchise store. The same maximums and minimums as Letter of Understanding #30 shall apply.

They shall be covered by all the terms and conditions of the applicable franchise Collective Agreement.

Option #1

Those full time employees seeking full time employment shall be offered available positions based on their order of seniority with Zehrs based on their ability and qualifications. They will receive a payment based on two (2) weeks pay per completed year of service and will slot into the twelve (12) month rate of pay of the applicable full-time wage scale.

Option #2

Those part time employees seeking part time employment shall be offered available positions based on their order of seniority with Zehrs based on their ability and qualifications. They will receive a payment based on two (2) weeks pay per completed year of service and slot into the wage progression based on the following criteria. The maximum payable to a part time employee is \$15,000. Employees who have less than five (5) years of service shall slot into the 651 hour wage rate, those who have more than five (5) years of service but less than ten (10) years shall slot into the

LETTER OF UNDERSTANDING #47 - Page Two

1,951 hour wage rate, those who have more than ten (10) years of service shall slot into the 2,601 hour wage rate. Once an employee is slotted into the wage scale they shall progress from that point based on hours worked. In the event the applicable Collective Agreement wage scale does not match exactly, the employee will slot into the next higher wage rate.

Any Zehrs employee who accepts employment with the franchise business will be rank ordered based on their seniority with Zehrs and will be placed ahead of any new employees that may be hired. Their service with Zehrs will be recognized for benefit eligibility. The payment referred to above will be calculated based upon the store closure date.

Option #3

The employer will make an early retirement offer to all employees affected by the opening of a franchise store or a corporate store within a franchise banner and a related closure of a conventional store. To be eligible for the early retirement offer and employee must be 55 years of age as of the date they are affected. The early retirement offer will be based on four (4) weeks pay per year of completed service as of their date of retirement to a maximum of \$75,000 for full time and \$15,000 for part time or the equivalent of salary continuation until age 65, whichever is the lesser. An employee who elects to retire will receive the applicable pension and benefits in accordance with, and subject to, the terms of the pension plan. The Company reserves the right to manage the timing of employees' departure date, provided there is no prejudice to an employee's pension entitlement.

Any employee who is bumped by an affected employee shall have the options outlined in Option 1, 2 and 3 (where applicable) made available to them. These rights pass along with any further bumps.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #49

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

Re: Store Conversions and New Stores

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

The Company shall have the right to convert up to 5 same site locations per calendar year to the RCSS or The Great Canadian Food Store appendix. A total of 22 sites may be converted during the life of this agreement. For clarity this means 5 Zehrs stores in either Local 1977 and/or Local 175. The converted stores will operate as RCSS or Zehrs (The Great Canadian Food Store). The employees affected by such a conversion shall be eligible to the options outlined in LOU # 30. Any new store (RCSS or Zehrs- The Great Canadian Food Store) which opens in the Province of Ontario shall be covered by the RCSS or The Great Canadian Food Store appendix.

The criteria for the “same site” store conversions are:

- (a) at least a three (3) million dollar expenditure and
- (b) retail market conditions have changed or are imminent such that the sustainability of the existing site will be in jeopardy and
- (c) the Company will provide the union and employees 6 months notice

It is understood that the name “Zehrs - The Great Canadian Food Store” (GCFS) may change and that the final name of these stores is subject to regulatory approval.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

LETTER OF UNDERSTANDING #50

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

Re: Options

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

Employees who convert or are hired into the Great Canadian Food Store will acquire and exercise seniority within the Great Canadian Food Store Bargaining Unit.

All employees affected by the opening of a Great Canadian Food Store (GCFS) and a related closure of a conventional store will have the following 4 options in addition to their bumping rights under the terms of the conventional store Collective Agreement.

Option #1- Transfer to Great Canadian Food Store

A full time employee who transfers to Great Canadian Food Store will receive a payment of 3 week's pay per year of completed service as of the date of transfer to a maximum of \$75,000. No full time employee will receive less than \$10,000.00.

A part time employee who transfers to Great Canadian Food Store shall receive a payment of 3 week's pay per year of completed service as of the date of transfer to a maximum of \$15,000. A part time employee with less than 1 year of service as of the date of transfer will receive no less than \$500. A part time employee with 1 year or more of service as of the date of transfer will receive no less than \$1,000.

An employee who transfers will slot into the applicable Great Canadian Food Store wage progression based on their current rate of pay. The employee will slot into the next higher rate of pay and be deemed to have the corresponding hours for wage progression purposes. For example an employee earning \$9.55 per hour would move to \$9.70 per hour and be deemed to have 4551 hours for wage progression purposes and progress from that point. If their current rate of pay is in excess of the end rate of the Great Canadian Food Store wage progression, they will slot into the end rate of GCFS wage progression.

LETTER OF UNDERSTANDING #50 - Page Two

It is understood and agreed that any employee who transfers for any reason to a Great Canadian Food Store shall not be able to return to a conventional store or a Real Canadian Superstore regardless of any other provision in the Collective Agreement. However, when electing the option to transfer to Great Canadian Food Store, an employee may choose to do so on a trial basis. Such an employee will retain the options of returning to the conventional store agreement, electing to take a "Buy-out" (Option # 2, below) or electing to take the Early Retirement Offer if eligible (Option # 4, below) for 6 months from the date of transfer. The amount of their transfer package, buy-out or Early Retirement Offer, as the case may be, will be calculated as of the date of the transfer to the Great Canadian Food Store. The employee will not receive that amount until they advise the employer in writing that they are electing to abandon the right to return to a conventional store, accept the buy-out option or accept the Early Retirement Offer, as the case may be. An employee who does not make an election in writing prior to the end of the six month period shall be deemed to have elected to abandon the right to return to a conventional store and will receive the amount of their transfer package. An employee who decides to return to a conventional store within the six month period will be absorbed in a conventional store at their former rate of pay and position or the employee may elect to exercise their bump. The Employer determines into which store to absorb a full time and/or a part time employee.

Supplementary Transfer Right for Department Manager

Any employee who transfers to a Great Canadian Food Store from a Zehrs Markets Limited store shall maintain their bargaining unit seniority date, company service date, pension plan and personal assurance of employment where applicable. All other terms and conditions of employment shall be governed by Appendices "D" and "E" and Letters of Understanding Nos. 3, 7,8,14,16,28 through 34,36 through 46, 48 and 49.

The benefits of employees who accept the transfer to Great Canadian Food Store(GCFS) will be the benefits provided for in the GCFS appendix "F". Employees who currently qualify for benefits under the conventional store agreement, will not have to re-qualify for the related benefits provided for in the GCFS appendix regardless of the qualifiers. For those employees who would become eligible in the calendar year, they will only be required to complete the balance of the hours/months that they would have required to be eligible for the conventional store agreement benefits. Once they have completed the balance of those hours/months, they will qualify for the benefits provided for in the GCFS appendix "F".

LETTER OF UNDERSTANDING #50 - Page Three

Option #2- Buy-out

A full time employee who wishes to sever their employment will receive a payment of 4 week's pay per year of completed service as of the date of transfer to a maximum of \$75,000. No full time employee will receive less than \$10,000.00.

A part time employee who wishes to sever their employment shall receive a payment of 4 week's pay per year of completed service as of the date of transfer to a maximum of \$15,000. A part time employee with less than 1 year of service as of the date of transfer will receive no less than \$500. A part time employee with 1 year or more of service as of the date of transfer will receive no less than \$1,000.

Option #3- Supplementary Bumping Rights

An employee may elect to exercise whatever bumping rights they have under the terms of the conventional store agreement. Such employees will have the following supplementary bumping rights.

- i) If the employee has no bump to a conventional store within 40 kilometers of their current store, and there is one or more conventional stores within 40 kilometers of their store, the Employer will offer to absorb the employee at one of those conventional stores in their same position and rate of pay. No full time employee shall be laid off as a result of the absorption of such an employee.
- ii) If the employee elects to bump into a conventional store which is more than 40 kilometers away and the travel distance from the employee's home store is greater than that currently traveled by the employee, the employee will be given a relocation assistance. The amount of the relocation assistance is outlined below:

Home Owner to Home Owner	- \$15,000
Home Owner to Renter	- \$12,500
Renter to Home Owner	- \$ 7,500
Renter to Renter	- \$ 5,000

An employee will be reimbursed for eligible expenses up to these maximum amounts.

These amounts may be applied to one of the following choices:

LETTER OF UNDERSTANDING #SO - Page Four

Choice A

Royal LePage Relocation Services (RLRS)- the package includes negotiated pricing on relocation services, relocation and expense/taxation counseling and real estate sales help. Further details are available from the Employer's relocation group.

Choice B

Expense reimbursement through the LCE Employee Services- the same relocation allotment is available to employees as with Option A. Employees can use the allotment to recover costs associated with their relocation expenses through providers of their choice. As with the RLRS agreement, discounted prices will be available through providers with whom Loblaw Companies has a negotiated corporate rate.

Note: Employees who elect to list with a realtor other than Royal LePage and still want to obtain taxation advice and other services under the RLRS agreement may do so, but will be required to complete a referral agreement with RLRS which states that a referral fee will be paid to RLRS. Copies of this agreement may be obtained from RLRS.

Option #4- Early Retirement Offer

The Employer will make an early retirement offer to all employee affected by the opening of a Great Canadian Food Store and a related closure of a conventional store. To be eligible for the early retirement offer an employee must be 55 years of age as of the date they are affected. The early retirement offer will be based on 4 weeks pay per year of completed service as of their date of retirement, to a maximum of \$75,000 for full time and \$15,000 for part time or the equivalent of salary continuation until age 65, whichever is the lesser. An employee who elects to retire will receive the applicable pension and benefits in accordance with and subject to the terms of the pension plan. The Company reserves the right to manage the timing of employees' departure date, provided there is no prejudice to an employee's pension entitlement.

Full time employees who wish to retire and work part time may do so at a conventional store or GCFS, and slot into applicable the end rate of pay for part time. They will not be eligible for future full time employment and will not be eligible for any additional pension entitlement by virtue of that part time employment.

LETTER OF UNDERSTANDING #50 - Page Five

General

Where an employee is absorbed in a store and this results in a part time employee(s) being scheduled for no hours for a four (4) consecutive week period, they will be offered the option to transfer to the Great Canadian Food Store which triggered the absorption and be given the transfer package outlined above in Option # 1 or they may elect to exercise their bump under the conventional store agreement. The employer will also canvass, by Department, by seniority (in the Department in which the effected employee was absorbed) those part time employees who wish to transfer to the Great Canadian Food Store which triggered the absorption and they will be given the transfer package outlined above in option # 1.

Any employee who is bumped by an affected employee shall have the options outlined in Options 1, 2, 3 and 4 (where applicable) made available to them. These rights pass along with any further bumps.

Employees who are absent from work due to sickness, disability, maternity leave or parental leave are eligible for Options 1, 2, 3 and 4. Such employee may elect:

- i) to have their Options held in abeyance pending their return to work; or
- ii) to exercise their Option at any point during their absence, subject to being cleared to return to work, where applicable.

It is understood that:

- i) any payment owing under any Option chosen by the employee shall be calculated as of the date of closure of the conventional store which triggered the Options; and
- ii) in the case of an employee who elects Option 3, the employee's home ownership/renter status shall be determined as of the date of the closure, but the employee's bump shall be done as of the date of return to work.

It is understood that these payments referred to shall be deemed to include any payment in the nature of termination pay or severance pay required at law or by any other provision of the Collective Agreement and shall have statutory deductions made.

For the purpose of this letter, the calculation of a full time week's pay shall be based on thirty nine (39) hours per week times their current regular rate of pay as of the date of transfer.

For the purpose of this letter, the calculation of a part time week's pay shall be based on the previous 52 weeks average hours or the average of the hours in the 12 weeks, whichever is the greater.

LETTER OF UNDERSTANDING #50 - Page Six

Zehrs Markets Limited Full time and Part time Transfer Options in connection with Letter of Understanding # 50 Option #1.

The current unionized Department Managers in a conventional store which converts to the Great Canadian Food Store will be offered the same salaried unionized department manager position in the Great Canadian Food Store.

A full time bargaining unit employee from a conventional store who is hired into a bargaining unit position at a Great Canadian Food Store will be eligible for a buydown, as will a Department Manager from a conventional store hired into a salaried unionized Department Manager position at a Great Canadian Food Store. A full time employee who is promoted to a unionized department manager position will not be eligible for the buydown. A part time employee from a conventional store who is hired into a full time bargaining unit position at a Great Canadian Food Store at the time of conversion will be eligible for the part time buydown

Current Full time Position

Zehrs GCFS Job Offer

Grocery Mgr (Formerly Asst. Store Mgr)	Grocery Mgr.
Grocery Mgr	Assistant Grocery Dept. Mgr
Produce Manager	Produce Mgr.
Dairy Manager	Dairy Mgr
Meat Manager	Meat Mgr.
Assistant Meat Mgr.	Assistant Meat Dept. Mgr.
Bakery Mgr.	Bakery Dept. Mgr.
Seafood Mgr	Seafood Dept Mgr
Cold Deli Mgr	Cold Deli Dept. Mgr
Hot Deli Mgr	Hot Deli Dept. Mgr
Lead Baker	Assistant Bakery Dept. Mgr.
Front End Mgr.	Customer Service Mgr.
Office Clerk	Bookkeeper
Floral Mgr.	Floral Mgr.
Receiver (Days)	Receiver
Night Crew Mgr	Night Mgr.
Grocery-Produce Clerk	Grocery-Produce Clerk
Grocery-Produce Clerk (Nights)	Grocery- Produce Clerk (Nights)
CAO Manager	Inventory Control Manager
Baker, Baker Decorator	Baker (Scratch)
Meat Cutter	Meat Cutter
Cashier	Cashier
General Merchandise Clerk	Grocery Clerk or another Clerk position based on the employee's previous experience

LETTER OF UNDERSTANDING #50 - Page Seven

HABA Clerk	Grocery Clerk or another Clerk Position based on the employee's previous experience
All other Clerks	Offered a Clerk's position in their corresponding dept. or another clerk's position based on the employee's previous experience
Pharmacy Technician	Pharmacy Assistant
Photolab Manager	Photolab Mgr
Current Part time Position Cashier	Cashier
All other Clerks	Offered a Clerk's position in their corresponding dept. or if DSTM, offered another non-DSTM position

If no unionized position exists for a current full time employee, then one shall be created on the same shift for that employee.

Existing eligible full time conventional employees who convert to GCFS will maintain their retiree benefits. The Company will not alter, prior to discussion with the Union its present policy of providing benefit continuation to full time employees upon retirement with 25 years or more of service. Full time employees with more than 15 year but less than 25 years will be allowed to self pay.

Part time employees who are eligible for dependent drug coverage at Zehrs and convert to the GCFS will be grandfathered for dependent drug coverage and will continue to have coverage provided they meet the hours qualifier at the RCSS. Ongoing eligibility will be based on meeting the hours qualifier.

Yours very truly,

Vince Scorniaenchi
 Executive Vice President
 Zehrs

LETTER OF UNDERSTANDING #51

Between:

Zehrs Markets, A Division of Zehrmart Limited

- and -

United Food & Commercial Workers Canada, Local 175 & 633

Re: Surplus Conventional Store Staff/Staffing New Store

This will confirm the agreement reached between the Company and the Union during the recently concluded contract negotiations for the Collective Agreement expiring July 1, 2010.

Surplus Conventional Store Staff

1. With respect to the initial staffing of a “replacement” Great Canadian Food Store, subject to Letter of Understanding # 50, but notwithstanding any other provision of the Collective Agreement, the Employer will staff the store by offering full time employment from conventional stores first prior to transferring or promoting full time employees or promoting part time employees from within Great Canadian Food Stores, provided that the Employer may only do so with respect to any classification in the conventional store in which it continues to have surplus staff. “Surplus staff” means the number of full time staff which the Employer has absorbed in conventional stores as a result of the prior opening of “replacement” Great Canadian Food Store/RCSS pursuant to Letter of Understanding # 50. It is understood that the number of surplus staff in conventional stores is reduced to the extent that employees are transferred or promoted to fill vacancies either pursuant to this Letter of Understanding or within conventional stores or there is attrition in the conventional stores. The Employer will advise the Union and the affected employees of the number of surplus staff in each classification prior to affected employees being required to choose their Option under Letter of Understanding # 50. The parties may mutually agree to make an exception to the limitations on the Employer’s right to transfer set out in this paragraph in exceptional circumstances.
2. For clarity it is understood that no employee is required to accept an offer made under paragraph 1 or 2 of Letter of Understanding #50 and an employee may self-identify as being willing to accept such an offer prior to being asked.
3. A bargaining unit employee from a conventional store who is hired into a bargaining unit position at a Great Canadian Food Store will be eligible for Option #1 outlined in Letter of Understanding #50 as will a Department Manager from a conventional store hired into a unionized salaried Department Manager position at a Great Canadian Food Store.

LETTER OF UNDERSTANDING #51 - Page Two

Staffing: a new store (For unionized positions which are not appointed)

With respect to the initial staffing of a “new” Great Canadian Food Store the Employer will staff the store from conventional stores and The Great Canadian Food Store stores by offering full time employment, prior to promoting part time employees from within Zehrs The Great Canadian Food Store store. For clarity, the Company would first go to surplus full time in conventional stores, then full time in conventional stores and next to full time in the Great Canadian Food Store.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

October 25, 2006

Mr. Ray Bromley
Director - Southwest Region
United Food & Commercial Workers Canada, Locals 175 & 633
124 Sydney St. S.
Kitchener, Ontario
N2G 3V2

Dear Mr. Bromley:

RE: Outside the Bargaining Unit

The Company and Union agree that any offer of settlement and agreement between the parties to renew this Collective Agreement is subject to ratification by all three (3) bargaining units.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

October 25, 2006

Mr. Ray Bromley, Director - Southwest Region
United Food & Commercial Workers Canada, Locals 175 & 633
124 Sydney St. S.
Kitchener, Ontario
N2G 3V2

Dear Mr. Bromley:

RE: New Store Structure

The following are the Company's understanding and commitment regarding the New Store Structure:

Fresh and/or Dry Managers:

These Managers will have the same standing as the Store Managers, including responsibilities related to working within the store and discipline. It is agreed that when a Manager works, it should not be done to the extent that it directly displaces or takes away hours from part-time employees. If an employee believes that this is being done, the District Manager will meet with the Store Steward and /or the Union Representative to resolve the matter. Where a Fresh/Dry Manager is required to perform bargaining unit work for training purposes for an extended period of time, the Manager will advise the Union Steward in the store or the Union Representative, in advance and provide an explanation.

Should an issue arise regarding a Fresh/Dry Manager working, the Union will contact the General Manager or the Industrial Relations Manager in order that the Company has the opportunity to investigate the situation before a grievance being filed.

General Merchandise and Potential New Departments

These non-Union Managers of the New Departments will not perform bargaining unit work or exercise any Managerial rights outside their Departments. **Also**, any such Department Managers will have the right to discipline within their Departments after consultation with the Store Manager or the General Merchandise Manager.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

October 25, 2006

Mr. Ray Bromley
Director - Southwest Region
United Food & Commercial Workers Canada, Locals 175 & 633
124 Sydney St. S.
Kitchener, Ontario
N2G 3V2

Dear Mr. Bromley:

RE: Relines/Standards of Excellence

The Company will advise the Union on an ongoing basis with the names, duration, store and departments of employees working on Relines or the Standards of Excellence. The Company will provide the Union with at least one (1) week notice.

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs

October 25, 2006

Mr. Ray Bromley
Director - Southwest Region
United Food & Commercial Workers Canada, Locals 175 & 633
124 Sydney St. S.
Kitchener, Ontario
N2G 3V2

Dear Mr. Bromley:

RE: Union Dues Deducted/Back Dues Owing

The parties agree that they will meet to review and discuss the Company's ability to provide the following information:

- 1) Union dues deducted (or the reason a deduction was not made)
- 2) Back dues owing

Yours very truly,

Vince Scorniaenchi
Executive Vice President
Zehrs