

COLLECTIVE AGREEMENT

BETWEEN:

CANADA SAFEWAY LIMITED
(Gas Bars)
herein referred to as the "Company"

- and -

UNITED FOOD AND COMMERCIAL WORKERS UNION
LOCAL 401, A.F.L.; C.I.O.; C.L.C.;
herein referred to as "the Union"

Renewal: June 5th, 2010

13569(01)

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IN THE MATTER OF A COLLECTIVE AGREEMENT

Between:

CANADA SAFEWAY LIMITED,
a body corporate carrying on business in the Province
of Alberta, hereinafter referred to as the "Company"

And:

UNITED FOOD AND COMMERCIAL WORKERS UNION,
Local No. 401, chartered by the United Food & Commercial
Workers International Union, hereinafter referred to as the
"Union"

Article 1 - Purpose

- 1.01 The Company and the Union have entered into this Agreement to record clearly the terms and conditions of employment at the Company's Gas Bars to promote the mutual interests of the Company and its employees; to provide an amicable means of settling grievances and differences which may arise from time to time; and to establish the framework for working together as a team to achieve the most efficient operation of the Gas Bars and promote customer service.
- 1.02 Interpretation: In this Agreement the use of the word "**he**", "him" or "his" shall be understood to also include the feminine gender.

Article 2 - Nature Of The Bargaining Unit

- 2.01 The Company recognizes the Union as the sole and exclusive bargaining agent for all employees of the **Gas**

Bars, in the Province of Alberta, except for the Gas Bar Supervisor and persons above this rank.

There will be one Collective Bargaining Agreement; however, each unit will operate independently.

Should one of the Gas Bar locations require an excluded on-site Management representative, the Union agrees to recognize one excluded position per location.

Article 3 - Union Shop

3.01 The Company agrees to retain in its employ within the bargaining unit, as outlined in Article 1 of this Agreement, only members of the Union in good standing. The Company shall be free to hire or rehire new employees who are not members of the Union, provided said non-members, whether part-time or full-time, shall be eligible for membership in the Union and shall make application on the official membership application form within ten (10) calendar days from date of hire or rehire and become members within thirty (30) calendar days.

3.02 Form Letter:

The Employer agrees to provide each new employee at the time of employment with a form letter, outlining to the employee his/her responsibilities in regard to Union membership, and to provide the Union, in writing, with the name and address of each employee to whom the letter was presented along with the employee's date of hire. The Union shall bear the expense of printing the letter, the contents of which to be such that it is acceptable to the Employer. The Employer further agrees to provide the Union, once a month, with a list containing the names of

all employees who have terminated their employment during the previous month.

Article 4 - Deduction Of Union Dues

- 4.01 The Company agrees to deduct from the wages of the employee such Union dues and initiation fee as are authorized by regular and proper vote of the membership of the Union. The Company further agrees to deduct the Union dues automatically from the wages of new or rehired employees' first paycheque(s). Monies deducted during any month shall be forwarded by the Company to the Secretary-Treasurer of the Union within thirty (30) calendar days following the end of the Company's four (4) or five (5) weeks' accounting period and accompanied by a four (4) weeks or monthly IBM cartridge of the name, social insurance number and store number of the employees for whom deductions were made and the amount of each deduction.

Article 5 - Recognition Of Management's Rights

- 5.01 The Union acknowledges that the Management of the Company including the right to plan, direct and control operations of the Gas Bars and the products to be handled; the direction of the working force including to assign duties, promote, demote employees; to maintain order, and efficiency; to require employees to observe Company rules and regulations; to discipline employees including to suspend or discharge for proper cause, and those matters requiring judgement as to competency of employees, is the sole right and function of the Company.

The parties agree that the foregoing enumeration of Management rights shall not be deemed to exclude **all**

other recognized functions of Management not specifically covered in this Agreement.

The exercise of the foregoing rights shall not alter any of the specific provisions of this Agreement.

It is understood that the discharge of employees for any reason whatsoever (including terminations for alleged incompetence), are subject to and may be processed under Grievance and Arbitration Articles of this Agreement.

Article 6 - Union Representatives Visits

6.01 Duly authorized full-time Representatives of the Union shall be entitled to visit the Gas Bar locations for the purpose of observing working conditions, interviewing members and to ensure that the terms of the Agreement are being implemented.

The Company recognizes the right of the Union to appoint one (1) Shop Steward per Gas Bar location.

6.02 *When an employee's work performance is such that it may lead to discipline and/or discharge and is the subject of discussion between the employee and the Employer, the Union Steward or employee of their choice shall be present.*

Article 7 - Probationary Period

7.01 New employees shall be on probation for two hundred forty (240) hours worked. The Company, at their sole discretion, may discharge any probationary employee during the employee's probationary period and the Union

shall have **no** recourse to the Grievance and Arbitration articles of the Collective Agreement.

Article 8 - Hours Of Work

8.01 The normal basic work week for full-time employees shall be forty (40) hours per week. Work days of four (4) hours to ten (10) hours may be scheduled by Management to a maximum of forty (40) hours in a week paid at regular rates of pay.

Part-time employees shall not be normally scheduled in excess of thirty-six (36) hours per week or five (5) days per week as required by Management in accordance with Article 12. Work days of **four (4)** hours to ten (10) hours paid at regular rates of pay may be scheduled by Management.

All hours worked will be consecutive with the exception of meal periods.

8.02 The Company shall post a weekly schedule no later than twelve (12:00 p.m.) noon Friday of each week for the following **two (2) week** period.

Employees shall co-operate in covering required hours of business, including rotating shifts, due to the limited number of persons in a work team at each Gas Bar. The Company has the right to call in other part-time employees not previously scheduled to work, if required by the business.

8.03 Employees shall record their own time at work including the time they start and finish work and the time they commence and return from meal periods on either time sheets, by means of a time clock **or other time reporting**

system as designated by the Company. Any employee found to not accurately record their time worked will be subject to discipline.

Completed time and attendance reports for the previous four (3) weeks will be made available for inspection by the Union for purpose of checking the proper recording and payment of time worked on a weekly basis. In the event of investigations into trends and patterns of hours worked, the four (4) week limit will not apply.

- 8.04 The schedule of hours for the week or scheduled work period may be changed without notice in the event of unscheduled absence of employees, or as may be required by Management, or in the event of emergencies such as storm, flood, breakdown of equipment, hazardous conditions, or other instances of force majeure. Such notice shall be given as far in advance as practicable by Management.

*It shall be **the** Company's responsibility to notify all employees affected by a change in their schedule.*

- 8.05 Should an employee be required to work in excess of his/her scheduled hours due to an unscheduled absence of employees, unexpected business requirements, or an emergency, or **as** may be required on occasion by Management, such employee shall not work in excess of forty (40) hours in a week at the employee's regular rate of pay.

Notwithstanding Article 8.01, Management may designate a part-time employee at its discretion to work in excess of thirty-six (36) hours in a week for the efficient operation of the business but in no circumstance shall an employee

work in excess of forty (40) hours in a week at the employee's regular rate of pay.

8.06 Call-In Time:

Employees called in and who report *to* work, *if required to work less than three (3) hours, shall* receive three (3) hours pay at their regular rate.

Scheduled Time:

Employees scheduled and who report to work, if required to work less than four (4) hours, shall receive four (4) hours pay at their regular rate.

Required employee meetings shall be exempt from the above and in any event the employee shall not be reimbursed for more than one (1) hour at his/her regular hourly rate of pay.

8.07 Rest Periods

- (i) *An employee working a shift of four (4) hours will have one (1) paid rest period not to exceed fifteen (15) minutes.*
- (ii) *A daily shift of more than seven (7) hours, will have two (2) paid rest periods of fifteen (15) minutes duration each which may be scheduled as follows, if mutually agreeable.*
 - (1) *combine the two (2) rest periods at mid-shift;*
 - (2) *two (2) rest periods as per usual practice with a half (1/2) hour for lunch break unpaid.*

(iii) *Meal and rest periods will be uninterrupted.*

8.08 Sunday shall be considered the first day of the week for payroll purposes.

Article 9 - Overtime

9.01 Overtime shall be paid at one and one half times the employee's regular hourly rate of pay.

9.02 All time worked in excess of ten (10) hours on one (1) shift or, in the event as may be required and authorized by Management, in excess of forty (40) hours in one (1) week, the employee shall be paid at time and one half their regular hourly rate for such time worked.

9.03 Overtime shall be offered to the most senior employee on the shift providing the employee has the ability and skill to perform the required overtime work. If the senior employees do not wish to accept overtime, Management shall have the right to assign such work *by reverse seniority* to employees who have the necessary ability and skill and who are at work at the time. It is understood by the Union and employees that overtime *call-ins or scheduled overtime will be offered by seniority to all employees in accordance with their availability. If the senior employees do not wish to accept the overtime, Management shall have the right to assign such work by reverse seniority to employees who have the necessary ability and skill.*

Article 10 - General Holidays

10.01 The observance of General Holidays and compensation for employees for General Holidays shall be based on the average hours worked in the previous four **(4)** weeks, providing the employee has worked at least fifteen (15) days in the last thirty (30) calendar **days**. The General Holidays observed shall be:

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

Employees required to work on a General Holiday listed above shall be compensated at the rate of time and one half (1 ½ X) their hourly rate for each hour worked.

Due to the nature of the business and the proper staffing of the facility, a part-time employee may work up to forty (40) hours, at regular rate during the week preceding a General Holiday and during the week of the General Holiday, as may be required by Management.

10.02 Payment for General Holidays shall be calculated on regular hours worked on average in the four **(4)** weeks preceding the week in which the General Holiday occurs and paid to the employee at this regular hourly rate of pay as follows:

- Thirty-two (32) regular hours worked – eight (8) hours' pay
- Twenty (20) regular hours worked but less than thirty-two (32) hours – five and a half (5%) hours' pay

- Ten (10) regular hours worked but less than twenty (20) hours – three (3) hours' pay.

10.03 It is understood that all employees may be scheduled on General Holidays on a rotating basis and the employees agree to co-operate. No employee will unreasonably restrict their accessibility on General Holidays

Article 11 - Vacations

11.01 Full-time employees shall receive the following vacations:

After one (1) year of full-time service by April 1st - two (2) weeks;

Five (5) years of full-time service by April 1st - three (3) weeks subject to the Employment Standards of the Province of Alberta.

Part-time employees will receive vacation pay allowance based on their previous year's wages earned January 1st to December 31st, and paid to them during the month of February as follows:

One (1) year of service - four **(4%)** percent;
Five (5) years of service – six (6%) percent.

Article 12 - Seniority

12.01 *Full-time employees are considered to be senior to part-time employees.*

12.02 Seniority for employees shall be determined from the date of the employee's most recent employment at each

specific Gas Bar location as a part-time employee or as a full-time employee.

- 12.03 Employees shall acquire seniority based on accumulated hours worked. **A** list of part-time and full-time employees and their seniority will be provided to the Union in January and July of each year.

12.04 **Scheduling:**

Unless the merit, fitness and ability of an employee is greater, in scheduling part-time employees in each Gas Bar, senior employees will be scheduled as many or more hours than junior employees within the classification on a weekly basis *insofar as this is consistent with their availability and willingness to perform the work.*

With the exception of the Team Co-ordinator, wherever possible, all shifts will be fairly rotated on a weekly basis.

There shall be an interval of not less than eight (8) hours off between scheduled shifts for all employees. An employee who is not allowed eight (8) hours off between scheduled shifts shall be paid the rate of time and one half (1 ½ X) for time worked prior to the expiry of the eight (8) hour interval.

- 12.05 To enhance the Company's ability to develop staff to assist in the efficient staffing of each Gas Bar, Management may designate an individual on the basis of their merit as determined by Management for:

1. Relief of Management personnel; and
2. When not relieving such designated employee shall be assigned hours equal to but not more than the senior unrestricted part-time employee at the Gas Bar.

12.06 Temporary Relief:

The Company will limit the use of retail personnel to relieve a Gas Bar employee to emergency situations and unusual personal circumstances. The Company agrees that while a retail store employee operates a Gas Bar, that employee shall be covered in every respect by the terms of the Collective Bargaining Agreement covering retail store employees.

- 12.07 It is agreed that each specific Gas Bar location shall be considered a separate entity for all purposes in connection with the administration of this agreement, employment seniority, and for the purposes of The Labour Relations Code and The Employment Standards Code of the Province of Alberta.

Article 13 - Strikes, Slowdowns And Lockouts

- 13.01 There shall be no strikes, slowdowns or lockouts by the parties to this Agreement during the term of the Agreement.

Article 14 - Pricing, Stocking And Replenishing

- 14.01 Rack jobbers, suppliers, sales drivers and product demonstrators involved in stocking, replenishing, making displays, removing unusable product and promoting

product shall be exempt from Article 2, Nature of the Bargaining Unit.

Article 15 - Grievance Procedure

- 15.01 (a) Any complaint, disagreement, or difference of opinion between the Employer and the Union or the employees covered by the Agreement which concerns the interpretations, application, operation or alleged violation of the terms and provisions of this Agreement shall be considered as a grievance.
- (b) Any employee, the Union or the Company may present a grievance. Any grievance which is not presented within fourteen (14) calendar days following the event giving rise to such grievance (except by errors in respect to the employee's compensation which must be presented in writing within fourteen (14) days of the employee becoming aware of the event giving rise to such grievance), or within ten (10) days of the last day worked in the case of a dismissal, shall be forfeited and waived by the aggrieved party.
- (c) All grievances, except those submitted by the employee to his/her immediate superior or to the Union, shall be submitted in writing and set forth, clearly, the issues and contentions of the aggrieved party; the Employer shall then reply, in writing, to the Union's letter, setting forth his answer to the points raised by the Union in its grievance.
- (d) The procedure for adjustment of grievances and disputes by an employee shall be as follows:

1st Step: By a discussion between the employee and the Shop Steward and employee's immediate superior and/or Store Manager. If a satisfactory settlement cannot be reached within five (5) days, then within ten (10) days:

2nd Step: The Union representative(s) may take up the matter with the Company's official designated by the Employer to handle labour relations.

If a satisfactory settlement can not be reached within sixty (60) days, the matter may then be referred to Arbitration. A referral to arbitration must be made within sixty (60) days.

The time limits set out in this Article are mandatory. In the event the Union fails to meet a time limit, the grievance will be deemed abandoned.

It is agreed that under unusual circumstances an employee may take his/her alleged grievance directly to the Union.

When an employee's work performance is such that it may lead to discipline or discharge and is the subject of discussion between the employee and the Employer, the Union Steward shall be present.

Article 16 - Arbitration

16.01 Arbitration shall involve a Board of Arbitration, or a single arbitrator, mutually acceptable to both parties. In the event the parties cannot agree to a single arbitrator, then

the Board of Arbitration shall be composed of three (3) members and shall be established as follows:

Within ten (10) days (excluding Sundays and holidays) following receipt of notice, the Employer and the Union, each, shall select a representative to serve on the Board of Arbitration. The representative of the Employer and the representative of the Union, shall within five (5) days (excluding Sundays and holidays) after they, each, have been selected, choose an additional member to act as chairman. In the event of failure of the nominees of the Union and the Employer to agree upon a chairman within the five (5) day period specified, the Department of Labour shall, immediately, be requested to name a third member who shall act as chairman of the Board of Arbitration.

Within five (5) days of the appointment of the impartial chairman, the Board of Arbitration shall sit to consider the matter in dispute and shall render a decision within fourteen (14) days after its first session. It is understood and agreed that the time limits, as set forth herein, may be altered by mutual agreement between the Employer and the Union.

No person shall serve on a Board of Arbitration who is involved or directly interested in the controversy under consideration. Grievances submitted to an Arbitration Board shall be in writing and clearly specify the nature of the issues. In reaching its decision the Board of Arbitration shall not be vested with the power to change, modify or alter this Agreement in any of its parts, but may, however, interpret its provisions. The expenses of the impartial chairman shall be borne, equally, by the Employer and the Union, unless otherwise provided by Law.

The findings and decisions of the Board of Arbitration shall be binding and enforceable on **all** parties.

Article 17 - Team Co-ordinator

17.01 Team Co-ordinator:

In Management's sole discretion, where a Team Co-ordinator is required, such employee will be appointed as determined by Management.

Person In Charge:

*In Management's sole discretion, an employee may be appointed as determined by Management as Person-in-Charge on a shift. A premium of forty (\$0.40) cents per hour for al/regular hours shall be paid to an employee so appointed on a **shift** in excess of two (2) hours when the Fuel Station Operator **or** Team Co-ordinator is not on the shift.*

17.02 Management Relief

*An employee assigned to relieve the Gas Bar Supervisor for greater than two (2) full calendar weeks or more shall receive fifty (\$0.50) cents per hour in **addition** to his/her regular hourly rate of pay for all time so designated by the Company, The premium will be paid to a maximum of one (1) employee at any time.*

Article 18 - Leaves Of Absence

18.01 Occasionally an employee may request a leave of absence. Such requests should be in writing and

presented to the person who prepares the work schedule. All leaves of absence will be without pay and benefits. Consideration will be given taking into account, for example, the efficient operation of the business, the frequency of previous leaves, and the impact of the work team.

18.02 Time Off For Union Business:

The Employer agrees to allow time off work, without pay, *provided there are satisfactory replacement employees available*, for delegates elected or selected to attend seminars, Union conventions *and Union business*. The Union will give the Employer at least two **(2)** weeks notice.

Time spent on Union business for employees, where the Employer is reimbursed by the Union, shall be considered as time worked.

18.03 Maternity, Parental And Adoption Leave

Maternity, Parental and Adoption leave will be granted in accordance with the provisions of the Employment Standards Code. Employees granted such leave shall not suffer any loss or reduction in seniority.

The Human Resource Department will provide, upon request, to any employee, direction on where to locate information on the maternity, parental and adoption leave provisions of the Employment Standards Code.

18.04 Leave For The Birth Of A Child

An employee about to become a parent shall be entitled to unpaid leave of absence of up to two (2) days at the time of the birth of their child.

18.05 General Leaves Of Absence

The Company understands that employees may need to take an unpaid leave of absence to deal with matters of a personal nature. Requests for leaves of absence will be dealt with on an individual basis. It is understood that no leaves will be unreasonably denied.

Article 19 – General

19.01 *The Company agrees that during the term of this Agreement it will provide special clothing such as raincoats, parkas, gloves and snow pants in appropriate sizes and in accordance with past practice.*

19.02 Discrimination/Intimidation

Employees will not be subject to intimidation by the Management as a result of exercising their legitimate rights under the Collective Agreement

No employee shall be charged or discriminated against for any lawful Union activity or for serving on a Union committee or for reporting to the Union the violation of any provisions of this Agreement. Instances of alleged violations of the foregoing will be brought to the attention of the Labour Relations and Human Resources Directors, and a full investigation by the parties will follow.

The Company and the Union endorse the principles contained in the Alberta Human Rights, Citizenship and Multiculturalism Act.

Article 20 - R.R.S.P.

20.01 A full-time employee who has worked continuously for 3001 hours shall be eligible to qualify for a maximum R.R.S.P. contribution payment by the Company of one and a quarter (1.25%) percent of the employee's annual gross earnings. To qualify, an employee must contribute to an R.R.S.P. fund and verify payment to the Company prior to February 1st, the amount paid to an R.R.S.P. fund at a financial institution. The Company will match the employee's contribution which in no event will exceed a maximum contribution of one and a quarter (1.25%) percent of the employee's gross earnings in the previous calendar year. Such opportunity will be deemed waived if not exercised by February 1st of the following calendar year.

Article 21 - Bi-Weekly Pay And Direct Bank Deposit

21.01 There shall be regular weekly pay by direct deposit and each employee shall be provided with a statement of earnings and deductions for the pay period covered.

Notwithstanding the foregoing, effective Sunday after ratification and upon four (4) weeks' notice to the Union and the employees, the Employer may introduce a bi-weekly system of pay.

Article 22 - Amendments To This Agreement

22.01 The Company and the Union agree that during the duration of this Collective Bargaining Agreement, the parties can amend this Agreement by mutual agreement.

Article 23 – Health And Safety

23.01 *The Company, the Union and the employees mutually agree to cooperate in maintaining and improving safe working conditions in all of the Company's Gas Bars.*

The Company agrees to insure, as far as is reasonably practical to do so, the health and safety of the employees in all of the Gas Bars and address health and safety hazards that arise in the workplace. Employees agree to work in a safe manner respecting all safety rules and using equipment provided.

The Union or any employee may bring to the attention of the Company any Health and Safety concerns.

The Employer will comply with the provisions of the Alberta Occupational Health and Safety Act.

Article 24 - Expiration And Renewal

24.01 This Agreement shall be effective from *June 5th, 2005*, and shall remain in force until *June 5th, 2010*, and thereafter from year to year; but either Party may, not more than one hundred and twenty (120) days and not less than sixty (60) days before the expiry date or renewal date of such Agreement, give notice, in writing, to the other Party to (a) terminate such Agreement, or (b) to negotiate revisions thereof.

Should either Party give notice pursuant to (b) above, this Agreement shall thereafter continue in full force and effect and neither Party shall make any change in the terms of the said Agreement, or increase or decrease the rate of pay of any employee for whom collective bargaining is

- (i) The Union serves notice of strike in accordance with the Alberta Labour Relations code.
- (ii) The Employer serves notice of lockout in accordance with the Alberta Labour Relations Code.

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Appendix "A" - Wages And Job Classifications

*Effective December **25th**, 2005, all employees on payroll to receive a retroactive wage increase of fifteen (**\$0.75**) cents per hour on all regular hours worked.*

*Effective June **4th**, 2006 all employees to receive a wage increase of fifteen (**\$0.15**) cents per hour.*

*Effective June **3rd**, 2007, all employees to receive a wage increase of fifteen (**\$0.75**) cents per hour.*

*Effective June **8th**, 2008, all employees to receive a wage increase of fifteen (**\$0.15**) cents per hour.*

*Effective June **7th**, 2009, all employees to receive a wage increase of fifteen (**\$0.15**) cents per hour.*

<i>Service Technician:</i>					
<i>Hours</i>	<i>Dec 25th, 2005</i>	<i>June 4th, 2006</i>	<i>June 3rd, 2007</i>	<i>June 8th, 2008</i>	<i>June 7th, 2009</i>
0 – 500	\$7.65	\$7.80	\$7.95	\$8.10	\$8.25
501 - 1000	\$7.85	\$8.00	\$8.15	\$8.30	\$8.45
1001 – 1500	\$8.05	\$8.20	\$8.35	\$8.50	\$8.65
1501 – 2000	\$8.25	\$8.40	\$8.55	\$8.70	\$8.85
2001 – 2500	\$8.45	\$8.60	\$8.75	\$8.90	\$9.05
2501 – 3000	\$8.65	\$8.80	\$8.95	\$9.10	\$9.25
3001 – 3500	\$8.85	\$9.00	\$9.15	\$9.30	\$9.45
3501 – 4000	\$9.05	\$9.20	\$9.35	\$9.50	\$9.65
4001 – 4500	\$9.25	\$9.40	\$9.55	\$9.70	\$9.85
4501 – 5000	\$9.45	\$9.60	\$9.75	\$9.90	\$10.05
> 5000	\$9.65	\$9.80	\$9.95	\$10.10	\$10.25

<i>Hours</i>	<i>Dec 25th, 2005</i>	<i>June 4th, 2006</i>	<i>June 3rd, 2007</i>	<i>June 8th, 2008</i>	<i>June 7th, 2009</i>
0 – 500	\$8.35	\$8.50	\$8.65	\$8.80	\$8.95
501 - 1000	\$8.55	\$8.70	\$8.85	\$9.00	\$9.15
1001 – 1500	\$8.75	\$8.90	\$9.05	\$9.20	\$9.35
1501 – 2000	\$8.95	\$9.10	\$9.25	\$9.40	\$9.55
2001 – 2500	\$9.15	\$9.30	\$9.45	\$9.60	\$9.75
2501 – 3000	\$9.35	\$9.50	\$9.65	\$9.80	\$9.95
3001 – 3500	\$9.55	\$9.70	\$9.85	\$10.00	\$10.15
3501 – 4000	\$9.75	\$9.90	\$10.05	\$10.20	\$10.35
4001 – 4500	\$9.95	\$10.10	\$10.25	\$10.40	\$10.55
4501 – 5000	\$10.15	\$10.30	\$10.45	\$10.60	\$10.75
> 5000	\$10.35	\$10.50	\$10.65	\$10.80	\$10.95

Incentives

The parties agree that Appendix "A" does not prevent the implementation of additional premiums or other incentives as determined by the Employer from time to time. Where it is necessary for the Employer to hire at a rate greater than the rate posted in Appendix "A" due to labour market conditions, the newly hired employees will be credited with the corresponding number of career hours to their assigned rate.

Health And Welfare Trust Fund

The Employer will agree to have a Health and Welfare Trust Fund for all employees of the Gas Bars, as per the terms and conditions set out in the Retail Collective Agreement effective March 19th, 2006.

This plan is to include full-time employees as well as part-time employees.

Letter of Understanding

Between: Canada Safeway Limited, a body corporate carrying on business in the Province of Alberta, hereinafter referred to as "the Company";

*And United Food and Commercial Workers Union, Local **401**, chartered by the United Food and Commercial Workers International Union;*

Wage Gap

*The parties agree that should the minimum wage in the province of Alberta increase during the term of this Agreement, the rates will be adjusted so as to ensure there is a minimum fifty **(\$0.50)** cents differential between any Gas Bar rate and the minimum wage for the province. The rates will be adjusted as follows:*

***0 - 500 hours** will have one hundred **(700%)** percent of the amount required to maintain a fifty **(\$0.50)** cent gap to the start rate.*

***501 - 1000 hours** will have seventy-five (75%) percent of the amount required to maintain a fifty **(\$0.50)** cent gap to the start rate.*

***1001 - 1500 hours** will have fifty (50%) percent of the amount required to maintain a fifty **(\$0.50)** cent gap to the start rate.*

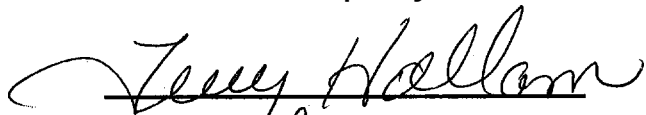
***1501 - 2000 hours** will have twenty-five **(25%)** percent of the amount required to maintain a fifty **(\$0.50)** cent gap to the start rate.*

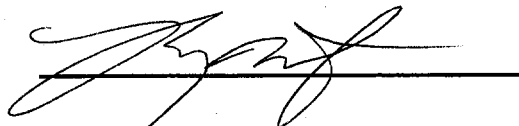
For example: if minimum wage goes to **\$7.25** on January 1st, 2006, the rates will be adjusted as follows:

Service Technician		
Hours	January 1 st , 2006	June 4 th , 2006
0 - 500	\$7.75	\$7.80
501 - 1000	\$7.93	\$8.00
1001 - 1500	\$8.10	\$8.20
1501 - 2000	\$8.28	\$8.40

Signed this 1 day of February, 2006.

For the Company:

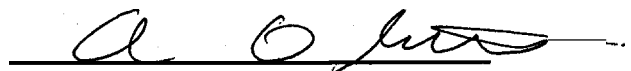


Company Committee:

Terry Hallam
Dale Hladiuk
Barry Mantz

For the Union:



Bargaining Committee:

Kim Lazaruk
Sherry Morrison
Robin Perrin
Brett Rice
Sandra Sanders
Al Olinek
Toby Sobuliak

This Agreement was ratified on December 18th, 2005.