

COLLECTIVE LABOUR AGREEMENT

BY AND BETWEEN:

PEPSI BOTTLING GROUP (CANADA)

(Hereinafter referred to as the "Company")



- AND -

UFCW CANADA, LOCAL 1288P,
ITS SUCCESSORS AND ASSIGNS

(Hereinafter referred to as the "Union")



EXPIRES: JANUARY 31, 2017

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ARTICLE I - PURPOSE

1.01 The purpose of this Agreement is:

- (a) to provide collective bargaining relations;
- (b) to ensure prompt and equitable disposition of grievances;
- (c) to establish fair wages, hours, and other working conditions; and,
- (d) to maintain a harmonious relationship between the Union and the Company.

ARTICLE II - RECOGNITION

2.01 The Company recognizes UFCW Canada, Local 1288P, as the Bargaining Agent for all employees of the Company working at or from its facilities in the Province of New Brunswick, save and except Managers, Foremen, Office Staff, Area Sales Managers, Account Managers, Merchandisers, and Merchandising Managers.

ARTICLE III - UNION SECURITY

3.01 All present employees as defined in Clause 2.01 who are members of the Union must remain members of the Union. All new employees in the Bargaining Unit shall, as a condition of employment, sign a membership card and authorize deduction of initiation fees and dues on a completed form supplied to the Company by the Union.

3.02 The Company agrees that it will deduct Union dues from each pay as authorized by Clause 3.01 above, and to remit same together with an itemized statement, in alphabetical order, to the Secretary-Treasurer of the Union within fifteen (15) days from the month the dues were deducted.

3.03 The Company will supply the Union, present employees, and new employees (upon hire) with a copy of this Agreement in book form **in both French and English. A copy of the contract will be provided within three (3) months of ratification.**

3.04 All new employees after one (1) month's employment will meet with their steward for thirty (30) minutes during working hours. As a result, no such employee shall suffer loss of wages.

ARTICLE IV - FUNCTIONS OF MANAGEMENT

4.01 The employer has the exclusive right to operate and manage the business, to control production, to maintain order and efficiency, and to hire, classify, promote, transfer, demote, lay-off, and discipline for just cause, to determine the location of plants, the methods, processes and means of manufacture and delivery, and schedule work and production.

4.02 Nothing in this Agreement contained shall constitute a guarantee by the Company of continuous employment of employees, the basis of this Agreement being that employees shall be paid for time worked as required by the Company.

4.03 Management Personnel are not to perform work normally done by bargaining unit employees except in cases of emergency, sickness, or training.

ARTICLE V - DISCRIMINATION

5.01 The Company and the Union agree that there will be no discrimination against any employee because of race, colour, sex, national origin, creed, membership or non-membership in the Union.

ARTICLE VI - GRIEVANCE PROCEDURE AND ARBITRATION

6.01 It is the mutual desire of the parties hereto that complaints of employees shall be addressed as quickly as possible. Should an employee who has completed his probationary period as set forth in Clause 9.03 following have a grievance concerning the application, interpretation or alleged violation of this Agreement, it shall be dealt with in the following manner:

STEP 1: Within seven (7) working days from the date the cause or complaint arises, the Shop Steward, who may be accompanied by the employee, will submit to the employee's foreman, supervisor or manager a written grievance. The foreman, supervisor or manager shall reply to the grievance within two (2) working days. In the event that such reply is unsatisfactory, the grievance may be processed to the next Step of the grievance procedure.

STEP 2: Failing the reply in Step 1, or if such reply is unsatisfactory, the aggrieved employee may submit the grievance to the manager within three (3) working days of the date the reply of the foreman/supervisor/manager was, or should have been, made. Within three (3) working days of the submission of the grievance to him/her, the manager shall arrange a meeting within ten (10) working days to be attended by the Chief Steward, Unit Chairperson, the Manager and any other person the Union or Company considers appropriate. The Company shall give a written decision on the grievance within ten (10) working days of that meeting. In the event that the grievance is not settled at this step of the grievance procedure, it may be referred to a Single Arbitrator according to the terms set forth in clause 6.05 hereof.

6.02 If the Company has a complaint that the Union or any of the members of the Bargaining Unit have violated the provisions of this Agreement, the Company may file a grievance in writing with the Union within ten (10) working days from the date the cause of the complaint arises. The grievance will be submitted to the Local Unit Chairperson of the Union. If such grievance is not satisfactorily settled within ten (10) working days of the presentation of the grievance by the Company, it may be referred to Arbitration by the Company according to the provisions of Clause 6.06 hereof.

In the event the Union alleges the Company has violated the Collective Agreement wherein more than one (1) employee has been affected, it may file a Policy or Group Grievance at Step 2 of the grievance procedure.

6.03 A claim by an employee that he has been unjustly discharged shall be treated as a grievance. In such case, the grievance must be submitted to the Manager within five (5) working days of the discharge, commencing at Step 2 of the grievance procedure above. A discharge grievance may be settled by:

- (a) confirming the Company's action in discharging the employee;
- (b) reinstating the employee with full compensation for time lost; or
- (c) any other arrangement which may be deemed just and equitable by the parties or the Arbitrator.

6.04 No matter may be submitted to Arbitration under this Article unless the grievance has been properly processed through all of the steps of the Grievance and Arbitration provisions hereof.

6.05 When either party requests that a grievance be submitted to Arbitration as hereinbefore provided, it shall make such request in writing addressed to the other party to this Agreement. The Arbitration request must be made within ten (10) working days of the date of the conclusion of the last step of the grievance procedure above. Within ten (10) working days of the receipt of the request for arbitration the parties shall select a person to act as a Single Arbitrator, and, in default of their so doing, the Minister of Labour for the Province, upon application of either party to the grievance, may appoint such Arbitrator. The Arbitrator shall be chosen having regard to his qualifications and his familiarity with industrial relations.

6.06 The Arbitrator shall not be authorized to make any decision inconsistent with the provisions of this Agreement, nor to alter, modify, add to, or amend any part of this Agreement.

6.07 (a) The decision of the Arbitrator shall be final and binding and enforceable on all parties to the proceedings.

- (b) Each of the parties shall jointly bear the expenses of the Arbitrator.
- (c) It is agreed that the presentation and processing of any grievance herein must conform to the grievance and Arbitration procedures and the applicable time limits set out failing which the grievance shall be considered to be settled and at an end.
- (d) If the Company or the Union fails to comply with the applicable steps and time limits set out above in the case of grievance, the grievor shall be at liberty to proceed accordingly to the required time limits to the next succeeding step.

- (e) Any of the time limits in the Article may be extended by mutual agreement in writing between the parties to the grievance.

6.08 An employee or the Union, with the employee's consent, may review the employee's personnel file at a time and place mutually agreed to.

ARTICLE VII - DISCIPLINARY ACTION AND DISCHARGE

7.01 (a) The Company is committed to the principle of progressive discipline and agrees that this principal shall be used as a guideline whenever discipline is necessary. No employee will be discharged or otherwise disciplined without being given the opportunity prior to the imposition of discipline of attending a meeting with management, with a Shop Steward in attendance, to being notified of the reasons for such action being taken.

(b) When a Shop Steward is not immediately available, and if in Management's opinion the circumstances warrant, the employee will be suspended without pay until such time as a Shop Steward's attendance can be arranged.

7.02 The Shop Steward shall be notified verbally as soon as possible and in writing within the next working day after any disciplinary action has been taken.

7.03 Employee misconduct for which an employee has been in any way disciplined shall not be considered part of his employment record after a period of twelve (12) months from date of such discipline, provided during that period he has not committed the same or a similar or related infraction.

7.04 Demotion shall not be used as a disciplinary measure.

ARTICLE VIII - NON-INTERRUPTION OF WORK

8.01 There shall be no strikes, stoppages of work, slowdowns or lockouts so long as this Agreement continues to operate.

ARTICLE IX - SENIORITY

9.01 Seniority is defined as the length of service in the bargaining unit either with the Company, or with businesses acquired by the Company, calculated as the elapsed time from the day that the employee's employment commenced in accordance with Clause 9.03. Seniority shall be applied in determining preference for promotions, transfers, lay-offs, recalls, and as set out in other provisions of this Agreement.

9.02 Unit seniority shall be defined as that portion of the Company seniority accumulated in the Unit during the employee's current term in that Unit, except as provided in Clause 9.07 and 9.08.

9.03 (a) New employees shall be considered as probationary until they have worked sixty (60) days. Probationary employees may be terminated at any time during this probationary period at the sole and absolute discretion of the Company. The discharge of any such employee shall not be the subject of a grievance, but all other conditions shall apply. At the completion of this probationary period, seniority will be back dated to the date of hire.

(b) The Company agrees that it will not arrange work schedules for such employees for the sole purpose of preventing such employees from completing their probationary periods.

9.04 Unless specifically stated otherwise, Plant, Sales, and Vending Service shall be considered three (3) separate seniority units. Effective November 28, 2010, for the purpose of Job Posting, any new employee shall be deemed to be junior to any employee from another seniority unit for their first five (5) years of employment. If an employee from another seniority unit is the successful applicant in the Job Posting, they shall for purposes of promotion, lay-off, and job posting, be deemed to have their seniority up to a maximum of five (5) years. This seniority shall be subordinate to anyone hired prior to November 28, 2010.

9.05 The employer shall maintain Company and Unit seniority lists showing the date upon which employee's service commenced. A copy of the most recent seniority lists shall be posted on the Bulletin Boards at the location, every six (6) months, and a copy shall be forwarded to the Union Office. The list forwarded to the Union Office shall be in alphabetical order and shall also show the Classification, Rate of Pay, last known address, and telephone number of the employees.

9.06 An employee shall lose his seniority in the following circumstances:

- (a) when the employment is terminated;
- (b) at the expiration of temporary lay-off;
- (c) if he fails to return to work on recall within the time limits.

9.07 Transfers outside the bargaining unit.

(a) Any employee who accepts a position outside the bargaining unit as defined in Article 2 of this Agreement, shall be allowed a probationary period of four (4) months, unless it is agreed by the Union and the Company in writing to extend this period, to decide whether he will continue as an employee outside the bargaining unit;

(b) If he returns at any time within the probationary period, he shall retain his seniority and be able to return to his former job without loss in pay or seniority;

(c) If he returns after the probationary period, he shall return to the bargaining unit as a junior employee for the purposes of a job within the bargaining unit;

(d) While being employed outside the bargaining unit, his seniority shall not accumulate unless he returns within the probationary period.

9.08 Transfers inside the bargaining unit.

(a) Any employee who accepts a job outside his seniority unit and within another seniority unit, shall have up to four (4) months in the new unit in which to determine whether he wants to remain in that unit or return to his position in his former seniority unit;

(b) During the four (4) month period, he shall continue to accumulate seniority in his former seniority unit;

(c) At the expiration of the four (4) month period, and if he remains in the new seniority unit, he shall cease accumulating seniority in his old unit and commence accumulating seniority in the new unit. At no time shall he lose his accumulated Company seniority or his seniority acquired in any unit;

(d) Unit seniority can only be applied when an employee is currently a member of that unit.

ARTICLE X - TRANSFERS, PROMOTIONS, LAY-OFFS, ETC.

10.01 Members of a Seniority Unit as defined in Clause 9.04 will be given prior consideration for any vacancy occurring within that Unit.

10.02 (a) Where a job vacancy occurs, or a new job is created, other than as provided in Clause 10.06, notice shall be posted within seven (7) working days on the Bulletin Boards at the location and a copy of the notice shall be sent to the Union and all branches. The notice shall set out:

- i) Job classification and title;
- ii) Rate of pay;
- iii) Hours of work;
- iv) Minimum trial period will be twenty (20) working days; maximum trial period will be thirty (30) working days;
- v) Qualifications required for the job;
- vi) Locations.

(b) In filling job vacancies, including promotions and new positions, the job shall be awarded within fifteen (15) working days of the posting to the senior applicant from the Unit where the posting occurs, provided he has the required ability to do the job. Should no suitable candidates apply, the posting shall be awarded to the senior applicant from other locations with the required ability within the same seniority unit as the vacancy occurred and then to the remainder of the Bargaining Unit. Successful applicants shall carry full seniority accumulated provided they remain in the same seniority unit.

(c) Ability to do the job means the ability to perform all the requirements of the job following the posted trial period during which appropriate training will be provided by the Company.

(d) The employer may not curtail the trial period without just cause before it has run its posted time. In the event the employee is not able or does not wish to complete the trial period or cannot satisfactorily perform the job at the end of the trial period, he shall be returned to his former position and any other employee who has been promoted or transferred because of the posting shall be returned to his former position.

(e) Effective November 25, 2007 Article 10.02 (b) above shall not apply to Postings for the position of Lead hand. Lead Hands shall not be entitled to a shift their seniority would not otherwise provide for. Any employee classified as Lead Hand as of November 28, 2010 shall maintain their classification and shift until such time as they either accept a new classification or are demoted as per Article 4.01.

10.03 A temporary transfer is one in which an employee is to be replaced because of his absenteeism for any reason. Such transfer will be governed by seniority whenever possible and subject to the requirements of the Business, providing the employee has the ability to perform the job without training. A temporary transfer shall be over when the employee being replaced has returned or when the job posting procedure has been fulfilled. In the event that the temporary transfer could cause a lay-off, a familiarization period to a maximum of four (4) ten (10) hour shifts or five (5) eight (8) hour shifts shall be granted.

10.04 A temporary job is a vacancy that exists for a period of less than four (4) months, and will include provisions for an extra shift or crew, or a job that is not required on an ongoing basis. When required, employees will have a familiarization period to a maximum of four (4) ten (10) hour shifts or five (5) eight (8) hour shifts. The temporary jobs shall be filled in consultation with the Chief Steward based upon seniority, ability, and availability. After four (4) months such jobs will be posted.

10.05 All employees temporarily transferred to other positions will receive the classification rate for all time worked following completion of at least two (2) normal shift hours for the job in question. In the event that the classification rate is lower, the employee will retain his higher classification rate of pay. This provision does not apply when avoiding a lay-off or returning from a lay-off into a different seniority unit.

10.06 Spare Route Merchandisers will be paid as Route Merchandisers for the days in which they work as Route Merchandisers.

10.07 (a) Employees who are on a 4-day week when temporarily laid-off shall be given four (4) working days' notice of lay-off, and employees on a 5-day week shall be given five (5) working days notice of lay-off.

(b) When employees who are on lay-off are recalled to work to replace employees who are absent for any reason, then Clause 10.07 (a) shall not apply.

(c) If an employee is on lay-off and recalled to work for a work assignment the duration of which is less than the lay-off notice (4 or 5 working days), that employee shall waive his lay-off notice as per Clause 10.07 (a) for that particular work assignment.

(d) In a situation beyond the control of the Company (excluding normal sales fluctuations), Clause 10.07 (a) shall not apply.

10.08 Any employee who is subject to lay-off may exercise his unit seniority in bumping to a job within the seniority unit which he is capable of doing after a maximum of eight (8) ten (10) hour shifts of training or ten (10) eight (8) hour shifts of training at no loss in pay, unless the employee, within the previous twelve (12) month period, refused to be trained on the job he wants to bump. The right to “bump” shall include the right to “bump up”. That twelve (12) month period may be reduced upon mutual consent of the Company and the Union, taking into consideration the reasons why the employee refused training. The Company will advise the Union in writing of the name of any employee who has refused the training. In addition, he may exercise his Company seniority in another seniority unit for any Seasonal Help, temporary, and probationary job in that unit at the rate of pay for that job. If an employee has exercised his rights in his own seniority unit and, in consequence, is in a lower paid wage position than his own rate, he must bid on any vacancy that is posted at a higher classification than he presently holds, up to and including his previous rate. Failure to do so will result in loss of the protected rate.

10.09 (a) Temporary lay-offs shall not be construed as a break in service for determining seniority.

(b) A temporary lay-off is defined as not exceeding:

30 days to 12 months service	→ one half length of service;
one (1) year to five (5) years service	→ one (1) year;
over five (5) years service	→ 18 months.

(c) Failure to contact Management within forty-eight (48) hours of receiving a recall notice by registered mail will result in forfeiture of seniority rights.

(d) It shall be a condition of future recall that all employees keep the Company informed of their current mailing address and telephone number.

(e) A lay-off in excess of the time limits shall be considered permanent for seniority purposes.

10.10 No permanent vacancies will be filled until those laid-off have been given the opportunity to apply. The Company will mail job postings to employees who are on lay-off at the location where the job vacancy occurs or a new job is created. This will not prevent a temporary filling of the vacancy.

ARTICLE XI - LEAVE OF ABSENCE AND SICK LEAVE

11.01 The Company may grant leave of absence without pay to any employee. A person who is absent with written permission shall not be considered to have been laid off and seniority shall not be affected during such absence. The time limit of the granted leave of absence without pay shall be specified.

11.02 The Company will grant leave of absence in the case of bereavement as follows:

(a) Five (5) consecutive days from the day of bereavement in the case of death of an employee's wife, husband, mother, father, child, brother, or sister.

(b) Three (3) consecutive days from the day of bereavement in the case of the death of an employee's mother-in-law, father-in-law, grandchildren, or grandparents.

(c) One (1) day of bereavement in the case of the death of the employee's brother-in-law, sister-in-law, niece, nephew, aunt, or uncle.

(d) If any of these days fall on a working day, the employee will be paid his normal rate of pay for each working day he is absent on bereavement leave with a minimum of three (3) days in respect of paragraph (a), and a minimum of one (1) day in respect of paragraphs (b) and (c).

(e) Where an employee suffers bereavement during his scheduled vacation, he will be entitled to bereavement leave as per 11.02 (a)-(d). Any affected, applicable vacation days may be rescheduled at a future date mutually agreed to by the Company and the employee.

Extenuating circumstances may warrant variations from the above.

11.03 If an employee works elsewhere while on leave of absence, he will lose all seniority and may be discharged unless he has written permission from the Company to do so. A copy of such written permission will be provided to the Shop Steward.

11.04 (a) Any employee who is unable to report for work must **provide notice of such** at least one-half hour before his shift starts, and any employee on night shift must do so at least three (3) hours before the night shift starts, to advise the reason(s) for being absent and the expected length of absence.

(b) Sick leave benefits will be granted on the following basis:

(i) Sick leave benefits will be granted during the first day of illness;

(ii) No sick leave benefits will be granted to employees with less than six months' continuous service;

(c) Employees with more than one (1) year of continuous service shall be granted seven (7) days sick time per calendar year. Employees with more than six (6) months, but less than one (1) year of continuous service shall be granted a pro rated number of sick days. Employees may draw upon these hours (at their normal rate of pay) for any time absent due to illness or injury.

(d) Employees who qualify will be eligible for the PBG income replacement policy for a period of up to twenty-six (26) weeks, as identified in the PBG Short Term Disability (STD) Booklet;

(e) On an annual basis, and at the end of the calendar year, after six (6) months of continuous service, employees will be eligible for a pay equivalent bonus equal to their entitlement as per (c) above, less any days that have been paid by the Company as sick leave benefits. **Employees who use (three) 3 sick days or less will receive an additional (eight) 8 sick hours to the bonus.** This bonus is to be paid in the last pay period in January, or the last pay period in June, whichever the employee prefers.

(f) The pay equivalent bonus is to be determined at the employee's permanent classification rate applicable on the last working day of the calendar year.

11.05 Payment of sick leave benefits will be paid at the employee's current hourly rate for all sick leave days as identified in article 11.04 (c).

11.06 If the Company requests additional information from an employee's doctor due to an insurance or compensation claim, the Company will pay for the costs involved.

11.07 A current employee of the Company who is on leave of absence due to an injury while in the Company's employ, and which is compensable under the Workers' Compensation Act, will be paid by way of an advance up to a total amount of \$500.00. This will be paid in such payment amounts and times as determined by the Company, during the period from the date of such injury until the first payment of Workers' Compensation benefits. The employee will assign, on a form satisfactory to the Company, his Workers' Compensation benefits to the extent of the amount advanced by the Company. Since this is an advance, it is agreed that should an employee cease to be employed by the Company before the amount advanced has been repaid, and reserving the Company's general right of recovery from the employee, the employee will sign such form as the Company may require acknowledging such debt and agreeing to permit the Company to recover any amount advanced from any monies that may be payable to the employee on his termination. If the employee continues to be employed by the Company, and is unsuccessful in whole or in part in his Workers' Compensation claim, it is agreed he will repay any monies advanced by the Company on a mutually agreeable repayment schedule, and if no such agreement can be reached, on a schedule as determined by the Company by way of deductions from the employee's regular wages.

11.08 Employees shall be entitled to an unpaid leave for family responsibility as per the New Brunswick Labour Standards.

11.09 Employees shall be entitled to a maternity leave as per the New Brunswick Labour Standards.

11.10 Employees shall be entitled to a child care leave as per the New Brunswick Labour Standards.

ARTICLE XII - WAGES

12.01 (a) The Company agrees to pay and the Union agrees to accept the Schedule of Wages outlined in Appendices "A", "B", and "C" attached hereto.

(b) Wages shall be paid **on a weekly or bi-weekly.**

12.02 The wages for plant employees as set forth in this Agreement constitute the minimum wages which shall be paid. Management retains the right to pay wages higher than the minimum provided that Management and the Union mutually agree.

12.03 A Pay Week will run from Sunday to the following Saturday inclusive.

12.04 Pay Day will be Thursday of the week following the end of a Pay Period.

12.05 When a new job within the Bargaining Unit is created or a permanent change is made to an existing job, including new product line, fluid and/or non-fluid goods, the Company will promptly inform and discuss with the Union the wage level established for the new job. After the job has been in effect for a trial period of fifty (50) working days, the wage rate will, if required, be brought up again for discussion between the Company and the Union. If no agreement is reached as a result of such discussions, the rate will be established by binding Arbitration, which will remain in effect until the next labour negotiation.

12.06 Employees posting into a job with a higher rate of pay shall receive such immediately upon being awarded the position.

ARTICLE XIII - UNION REPRESENTATION

13.01 In order to provide an orderly procedure for the servicing of grievances, the Union will appoint Stewards for each Branch whose duty shall be to assist employees working in the Branches in presenting their grievances to the designated representatives of the Company, in accordance with the Grievance Procedure.

13.02 It is understood that Stewards are members of the Union and have their regular work to perform on behalf of the Company. It is acknowledged that grievances should be serviced as soon as possible and that if it is necessary to service a grievance during working hours, employees will not leave their jobs without giving an explanation for

leaving and obtaining the Company's permission. Permission will not be unreasonably withheld.

13.03 (a) The Union Executive agrees to participate with the Company Senior Management in a formal Labour-Management Committee training program within two months of the signing of this Agreement to facilitate a sustainable plan to address issues outside of the grievance process important to the smooth operation of Union/Management relations including the general implementation and administration of this Collective Agreement. Both the Company and the Union will work together to develop and adhere to a program of regular Union/Management meetings as a result of such training. Such a program will be integrated into this Collective Agreement.

(b) Meetings between the Management and the Union Committee, including grievances, but excluding Arbitration and contract negotiations, shall be held on the premises of the Company and those members of the Committee who must attend such meetings, except for the exclusions, during their working hours will be paid by the Company for the time lost at their regular rate, provided that when meetings are called at the request of the Union such meetings will not be unreasonably frequent. Permission to leave work during working hours for such purposes shall first be obtained from a Supervisor, but such permission will not be unreasonably withheld. Employees attending Arbitration, as per Article VI, and labour contract negotiations meetings will be paid by the Company and the Union will reimburse the Company for such payment within fourteen (14) days of the invoice statement issued by the Company.

13.04 The Company may grant leave of absence without pay to Union Members delegated to attend Union Conventions and Conferences, provided that, in the opinion of the Company, they can be spared and that Management is notified one week in advance of such requested leave. At least one employee from each seniority unit will be released to attend on request. All applications must be made in writing to Branch Management. Employees attending Union Conventions and Conferences will be paid by the Company, and the Union will reimburse the Company for such payment within fourteen (14) days of the invoice statement issued by the Company.

13.05 Leave of absence, without pay, shall be granted for a period of up to one (1) year to an employee who is engaged full time in union activity. Such leave of absence shall, upon request, be extended from year to year to a maximum of three (3) years. During such period of absence, seniority shall continue to accumulate.

13.06 The Company agrees to pay into a special fund one thousand two hundred and fifty dollars (\$1,250.00) each year during the term of the Collective Agreement, for purpose of providing paid educational leave. Said paid educational leave will be for the purpose of upgrading the employee's skills in all aspects of trade union functions. Such monies to be paid by separate cheque each December.

ARTICLE XIV - HOURS OF WORK AND OVERTIME

14.01 (a) The parties recognize that changes in the marketplace, particularly those changes driven by the needs of the Company's customers, must be satisfied for the good of the employees and the Company subject to reasonable work schedules for the employees needed to service such changing needs.

(b) The Union, employees, and Company agree to cooperate fully in flexible work scheduling or assignments (flex scheduling) to meet the needs described in paragraph (a) above.

(c) The Company agrees that, to minimize personal disruption for employees in its implementing flex scheduling, it will consult with the Union and affected employees as soon as reasonably practicable after identifying required schedule changes.

14.02 (a) The normal work week for **all Inside Employees** shall be forty (40) hours worked within the period Monday through **Friday**, consisting of four (4) consecutive shifts of ten (10) hours each, **five (5) consecutive shifts of eight (8) hours each, or three (3) consecutive shifts of twelve (12) hours each.**

(b) After prior consultation with the Union, the Company will establish, subject to the above paragraphs and Article 14.02 (~~gh~~) (3 days, 12 hours each), a Production Crews schedule, including Maintenance and Sanitation, of three (3) consecutive twelve (12) hour shifts on Friday, Saturday and Sunday, at regular straight time rates.

(c) The normal work week for Sales and Vending employees, shall be forty (40) hours of work within the period of **Sunday** through Saturday, consisting of either five (5) consecutive eight (8) hour shifts or four (4) consecutive ten **or non-consecutive** (10) hour shifts **with 2 consecutive days off, one of which shall include either a Saturday or Sunday.**

(d) After prior consultation with the Union, the Company will establish and post, subject to the above paragraphs, schedules within the **Sunday** through Saturday Period, of five (5) consecutive eight (8) hour shifts and/or four (4) **consecutive or non-consecutive** ten (10) hour shifts (both within the **Sunday-Saturday** period), all of the above shifts at regular straight time rates.

(e) Where ongoing eight (8) and ten (10) hour routes can be identified, they will be posted by January 15th of each year and employees shall, by seniority, select their route by January 31st. In the event additional loads are sent on an identified run the senior posted driver on the identified route shall have the preference on which load to take.

(f) **Nothing in the foregoing shall prevent the Company from operating Merchandising schedules as per the current practice.**

(gh) All positions on the third shift (3 X 12) in the plant, if it is implemented, will be posted.

Current Employees will not be required to apply for or accept permanent postings to the new schedule.

If this shift is implemented and the Company determines to suspend or cancel it, the entire shift shall be laid off, subject to Clause 10.08.

The Company agrees to post two positions on the third shift of thirty-six (36) hours prorated to forty (40) hours subject to full shift lay-off with the rest of the crew. This is a costly gesture of good will at the request of the Union and as a result:

1. Prorating will happen only on the first occasion when the shift is initially implemented and the positions are initially posted;

2. The prorated positions will be available only to full-time regular plant employees at the time of posting;

3. When the position is permanently vacated by the initial successful incumbent, or he must be replaced for any reason, the position will be compensated at the thirty-six (36) hour rate.

14.03 Any changes in the work schedule will be posted seven (7) calendar days prior to the change.

14.04 (a) All employees working an eight (8) hour day shall have one unpaid lunch break of thirty (30) minutes and shall be scheduled two (2) paid break periods of fifteen (15) minutes each, one in the first half of the shift and one in the second half of the shift.

(b) All employees working a ten (10) hour day shall have one unpaid lunch break of thirty (30) minutes and shall be scheduled two (2) paid break periods of twenty (20) minutes each, one in the first half of the shift and one in the second half of the shift.

(c) All employees working a twelve (12) hour day shall have one unpaid lunch break of thirty (30) minutes and shall be scheduled two (2) paid break periods of twenty (20) minutes each, one in the first half of the shift and one in the second half of the shift.

(d) Employees on an eight (8) hour or ten (10) hour shift shall not be required to work more than five (5) hours without a thirty (30) minute unpaid meal period.

14.05 (a) Sales Unit Employees will be required to leave no later than the scheduled start of their shift each day and remain working on the routes until the day's tasks have been done or the scheduled end of the shift, whichever comes first when by mutual consent they will have the option of coming in or remaining on the run. The option of coming in will be at the discretion of the route merchandiser when operating without a helper.

(b) Route Merchandisers (including FSV route merchandisers) must report to management while on the route by at least one hour prior to the scheduled end of the shift, the detail of any deliveries that would not be completed by the scheduled end of the shift that day. Any decision to remain on the run and payment of overtime must be made with the approval of management.

(c) The day's tasks will be what is on the computer sheet or its equivalent when the route merchandiser goes in to work in the morning. The day's task shall be reasonable taking into account the distance, stops, and workload. The route merchandiser may, if desired, review the day's tasks with the supervisor.

14.06 Employees will be guaranteed a minimum of four (4) hours for call-in to work unless it is for an early shift start or for a call out in Vending.

14.07 (a) When "Acts of God" make it impractical for our delivery services to function, Sales employees will be paid their hourly rate of pay. Sales employees must report to Management before 7:30 a.m. of the day concerned to be eligible.

(b) When Plant Unit employees have reported for work at the plant and because of an "Act of God", the Company's operations are wholly unable to function with the result that there is no work of any kind that can be assigned to such employees, the Company agrees to pay such employees at their base salary rate for the remainder of the normally scheduled shift hours for that day.

(c) When an "Act of God" make it impractical for our Vending Service to function inside and outside the plant (Vending Department), the Company agrees to pay our Vendor Servicemen at their base salary rate for the remainder of the normally scheduled shift hours for that day.

14.08 Notice to those employees required to work scheduled overtime will be posted by one-half hour before the close of the last day of the normal work week prior. If the Company is unable to find enough employees to perform the scheduled overtime, the overtime will be assigned to the least senior employees. Scheduled overtime shall not exceed sixteen (16) hours per four (4) week period per employee. Unscheduled overtime shall be on a voluntary basis and arranged with the co-operation of the Union Steward. Seniority and ability will be a determining factor.

14.09 (a) Time and one-half (1.5X their current rate) will be paid to Plant, Warehouse, Vending, and Sales employees for all hours worked after the normal work shift or those hours worked in excess of forty (40) hours per week. Double time (2X) will be paid after two (2) hours overtime worked in any day.

(b) All time worked outside or in excess of the scheduled work day shall be considered overtime.

14.10 Time and one-half (1.5X) the regular straight time rate shall be paid to employees for each authorized hour worked on the first extra shift worked in the period Monday

through Sunday following completion by the employees of all forty (40) or thirty-six (36) hours of the employees full work schedule in that same week. Double time (2X) the regular straight time rate shall be paid to employees for each authorized hour worked on the second and third extra shifts worked in the period Monday through Sunday, following completion by the employees of all forty (40) or thirty-six (36) hours of the employees full work schedule in that same week. Double time (2X) the regular straight time rate shall be paid to employees for all authorized work performed on a holiday as specified in Article 15.01.

14.11 In the event of a computer breakdown, including power failure, or mechanical breakdown resulting in vehicle disablement, the Company shall pay for each hour of delay, Sales and Vending employees, their hourly rate of pay.

14.12 The Company shall implement Banked Overtime with the goal to reduce the impact of lay-offs during non-peak periods.

With respect to Banked Overtime the following shall apply:

(a) All permanent full-time employees with seniority under the Collective Agreement shall be allowed to bank to a maximum of eighty (80) hours per annum.

(b) Hours shall be banked at the overtime rate applicable when worked (i.e. time and one half).

(c) Employees must decide at the beginning of the year whether or not they will participate in the program and can not alter this decision during the year, save and except new hires.

(d) These hours may be taken at a mutually agreed time to both parties during non-peak periods.

(e) Banked Overtime shall not interfere with any vacation time already booked.

(f) Banked Overtime can be carried over to the end of April of the following year or paid out.

(g) Banked Overtime will be paid in a non-pay week. In the event Banked Overtime is paid in error in a pay week, no adjustment will be made.

ARTICLE XV - PUBLIC HOLIDAYS

15.01 The Company agrees to pay all employees who have completed their probationary period for the following Public Holidays:

- New Year's Day
- Remembrance Day
- Boxing Day
- Good Friday
- Christmas Day
- Victoria Day

- Dominion Day
- Labour Day
- Brunswick Day
- Thanksgiving Day
- **Christmas Eve - The Company agrees to close by 1 pm on Christmas Eve.**

Until such time that an additional Public Holiday is proclaimed, a Floating Holiday will be exercised on a day of the individual's choosing, however such day will not be taken during the months of June, July, August, or December. Such Floating Holiday will be granted subject to operational requirements, however, should operational requirements not allow more than one individual to exercise their Floating Holiday at the same time, seniority will govern.

15.02 If any of the above Public Holidays fall on a Saturday or Sunday, the date observed instead will be determined by mutual agreement between the Union and local Management. For those employees working a four (4) shift week, a day will be given in lieu of Good Friday, to be taken on a Thursday or a Monday as decided by Management provided such day must be designated within the period two (2) weeks before or four (4) weeks after the date on which Good Friday falls. Advance notice to be posted not less than seven (7) days prior to the observance of the holiday. No overtime shall be scheduled on the weekend nearest to a Public Holiday.

15.03 For any Public Holiday granted by this Agreement, Sales employees will be paid according to Appendix "A" for normal daily hours worked based on an eight (8) or ten (10) hour shift.

15.04 For any Public Holiday as granted by this Agreement, Plant employees and Vending employees will be paid their current classification rate for normal daily hours worked based on a forty (40) hour week. If a plant employee works at a job with a higher rate of pay than his classification rate, he shall be paid that higher rate provided he works at that job the day before and the day after the Public Holiday.

15.05 For any work on a Public Holiday, an employee will be paid double time (2X) plus his regular Public Holiday pay.

15.06 To be eligible for any Public Holiday, an employee must have worked or been absent from work on authorized leave of absence the working day before and the working day after the Public Holiday. Lay-offs of less than three weeks' duration will not affect eligibility.

ARTICLE XVI - PAID VACATIONS

16.01 The Company's vacation year will be the calendar year.

16.02 Employees with more than one (1) but less than five (5) years' service shall receive two (2) weeks' vacation with pay. Employees with five (5) or more but less than ten (10) years service shall receive three (3) weeks' vacation with pay. Employees with ten (10) or more but less than twenty (20) years of service shall receive four (4) weeks' vacation with pay. Employees with twenty (20) or more but less than thirty (30) years' service shall

receive five (5) weeks' vacation with pay. Employees with thirty (30) or more years' service shall receive six (6) weeks' vacation with pay.

16.03 Increases in entitlement for vacation pay calculations become due in the vacation year in which the service years are completed.

16.04 Increases in entitlement will be taken in the vacation year that the qualifying service years have been completed.

16.05 Vacation pay shall be at the rate of two per cent (2%) of the gross earnings (as set out on the employee's T-4 for the previous year less stock options, boot allowance, etc.) for each week of vacation entitlement or the week's pay, whichever is greater.

16.06 Vacation pay balance due will be paid by the end of the month following the end of the vacation year.

16.07 In the event that a Public Holiday falls within an employee's annual vacation period, such employee shall receive, at his option, either two extra days pay or a day;s vacation with pay in lieu. The day to be taken will be mutually agreed between the employee and his supervisor.

16.08 Employees will not be allowed to take more than two weeks of their annual vacation between mid-June and mid-August. Employees shall be permitted to take their vacation entitlement one (1) day at a time with the mutual agreement of the employee and the Company.

16.09 The annual vacation schedule will be prepared by Management according to seniority unit classification using the employee's seniority as a determining factor.

ARTICLE XVII - SOCIAL SECURITY

17.01 All employees who have completed their probationary period will be covered by the Company's Flex Benefit Plan in accordance with the terms of the Plan.

17.02 After one year of employment, all employees will be covered by the Company's Pension Plan in accordance with the terms of the Plan.

17.03 Where an employee is required to have a medical in order to maintain his driver's licence, such medical will be paid for by the Company unless covered elsewhere, as long as a driver's licence is required to do their job.

ARTICLE XVIII - CUSTOMS & CONDITIONS

18.01 The Company and the Union agree that customs and conditions now in effect at the plant and warehouse of the Company not touched upon by this Agreement shall not be altered but no new customs or conditions shall be deemed to become effective at any

plant or warehouse since February 1st, 1977, unless agreed to by the Company and the Union.

ARTICLE XIX - BULLETIN BOARDS

19.01 The Company agrees to allow the Union to post on suitable notice boards, on its premises on any working day, notices or announcement of routine and appropriate Union matters provided that the Company receives copies of and approves such notices eight (8) hours in advance.

ARTICLE XX - SAFETY EQUIPMENT - UNIFORMS & PERSONAL APPEARANCE

20.01 (a) All employees supplied are required to wear uniforms, safety boots, head gear, and glasses for which the Company has paid the whole or part of the cost, and will wear such equipment during all working hours. The Company shall not contribute its portion of costs for any such clothing and equipment which has to be replaced because of employee abuse or negligence. Such clothing and equipment shall not be used by employees, except during working hours, where locker facilities are provided or in their absence for other than ordinary travel to and from work.

(b) Except as provided in Clause 20.01(c) hereof, the Company agrees to pay sixty percent (60%) of the cost of the first uniforms and other clothing and the full cost of subsequent uniforms and clothing it requires employees to wear. The Company also agrees to pay the full cost of reasonable dry-cleaning and laundering of any uniforms and other clothing employees are required to wear. Without restricting its agreement herein the Company reserves the right to determine from time to time other arrangements for the acquisition and cleaning of uniforms and other clothing which employees may be required to wear. Each Sales and Vending employee will be supplied with one (1) rain coat/jacket for a period of two (2) years as of the signature of this collective agreement. When not used, raincoats shall be kept in the trucks and the replacement of such coats during this period of two (2) years shall remain the responsibility of the employee who will pay the whole cost of its replacement. The Company will supply raincoats and winter jackets to warehouse employees who need them for their work.

(c) Certain inside employees are required to wear special clothing. All such employees will be provided with same at the Company's expense.

(d) Once an employee completes his probationary period, as provided in Clause 9.03, the Company will pay **Two Hundred and Seventy (\$270.00) dollars to be paid as two payments per year One-hundred and Thirty-Five (\$135.00) dollars in April and One-hundred and Thirty-Five (\$135.00) dollars in October** towards the cost of C.S.A.-approved safety boots, provided that if the employee leaves the Company's employ prior to six (6) months from the date such boots are purchased, he shall reimburse the Company sixty percent (60%) of the Company's contribution.

(e) The Company will provide all non-prescription glasses without charge to the employee. For all employees who wear prescription glasses, the Company will pay a share equal to the cost of non-prescription glasses.

(f) It is agreed that good personal appearance is important in the performance of work by the employees covered by this Agreement, and the employees agree to cooperate in this regard. The Company shall have the right to implement reasonable rules and regulations in this matter.

(g) The Company will provide upon request work gloves on an as need basis for all employees that require them in order to carry out their job function in a safe and effective manner, and to those employees that may require them for personal protection for use by the employee in the performance of his duties. Gloves shall be replaced upon receipt of a worn out pair. Replacement of lost gloves shall be the responsibility of the individual.

(h) The Company will supply uniforms in accordance with its policy.

20.02 The Company and the Union agree that conditions in the plant should be such so as to provide for the safety, health, and welfare of its employees. It is mutually agreed that both parties hereto will cooperate to the fullest possible extent towards the prevention of accidents and the promotion of safe working practices. The employer shall comply with applicable federal, provincial, and municipal health and safety legislation regulations, including the New Brunswick Occupational Health and Safety Act.

20.03 To this end, a Health and Safety Committee will be appointed of equal representation from the Union and the Company. The Committee's function will be to make regular inspections of the plant/satellite location and equipment and to hold regular meetings.

The Health and Safety committee may make recommendations to the company on matters affecting the Health and Safety of the employees.

The company shall, through the Health and Safety committee provide such information, instruction, training, and supervision as is necessary to ensure an employee's health and safety. The employer, in consultation with members of the committee, shall grant to the committee members the necessary leave to be trained in the duties and responsibilities of a committee member with no loss of seniority or earnings to attend safety training.

20.04 (a) One safety committee member from the union and one from the company shall accompany the safety inspector during his/her inspection duties, if possible.

(b) All incident reports will continue to be made available to the Health and Safety Committee on a monthly basis, or upon request.

ARTICLE XXI - CORRESPONDENCE

21.01 Official communications between the Company and the Union will be in writing to the Union Office.

ARTICLE XXII - TECHNOLOGICAL CHANGE/TERMINATION

22.01 No restrictions shall be placed upon the exercise of managerial decisions with reference to economies and retrenchments even though they should result in the lay-off and/or termination of employees. Nothing herein shall prevent the adoption of ordinary economies in the usual course of business, but no warehouse or production facility will be closed in whole or in part prior to January 30, 1993.

22.02 Where the Company:

- (i) decides to make changes in plant or equipment; or,
- (ii) decides to make changes in process or method of operation,

and that the appropriate response to this is to retrain its existing employees in new or greater skills than they currently possess, the Company agrees, at its expense, to give such employees a reasonable period of time without reduction in hours of work or rates of pay, during which they may acquire the necessary skills required by any such change.

22.03 Where the Company:

- (i) decides to make changes in plant or equipment; or,
- (ii) decides to make changes in process or method of operation or contracts out work,

either of which causes the Company to permanently displace employees, the Company will provide as much notice as possible and will pay separation allowances to employees so displaced upon the following terms and conditions.

Displacement shall not mean or include temporary lay-offs. The provisions of this clause shall not apply to employees who have entitlement to other employment with the Company, within eighty (80) kilometres of their place of employment, under the seniority provisions of this Agreement. Such employee shall not be entitled to severance allowance whether he exercises his seniority rights or not. To be eligible for severance allowance, an employee must be a regular full-time employee.

22.04 An eligible employee shall receive severance allowance based upon the following weeks for the corresponding continuous Company Service.

<u>Continuous Company Service</u>	<u>Weeks of Severance Allowance</u>
One (1) year but less than eight (8) years.	One (1) week for every year of continuous service up to eight (8) years.

Eight (8) years but less than fifteen (15) years.

Two (2) weeks for every year of continuous service over eight (8) years, but less than fifteen (15) years.

Fifteen (15) years and over.

Three (3) weeks for every year of continuous service fifteen (15) years and over.

An employee may elect to retain seniority and recall rights in lieu of accepting termination pay and the Company will hold the termination allowance for employees as long as they are eligible for recall during which time the employee may request payment and when payment is made, then the employee shall have no further rights under this agreement.

22.05 In addition, for employees having at least a minimum of five (5) years service with the Company:

(a) at the option of the affected employee, the Company will either:

(i) pay the reasonable costs of retraining or relocation services to assist the employee obtain alternative employment up to the equivalent of twelve (12) weeks normal pay; or,

(ii) maintain the employee on full salary and benefits until he obtains an alternative job or a period of twelve (12) weeks elapses, whichever occurs first;

(b) furthermore, the Company during a period of thirty (30) days from the date of its decision, will consider suggestions from the Union for actions alternative to the Company's decision.

ARTICLE XXIII - MISCELLANEOUS

23.01 Route Merchandisers and Salesmen requiring extra goods at noon hour will be given priority over other warehouse activities. Off-loading of sales trucks returning to the plant shall be done as soon as possible. Those trucks returning to the plant after 4:00 p.m. will be given priority.

23.02 The reloading of full goods for the next day's deliveries shall be done by employees other than merchandisers.

23.03 The late meal supplement allowance for Sales Personnel and Vendor Servicemen will be \$10.00 and will be payable after 5:00 pm as follows:

(a) The eligible allowance for meals will be added each two (2) week pay period to the employee's regular pay. Receipts will be required in order to be eligible for payment.

(b) It will be the responsibility of each sales employee to maintain his own meal receipts for personal claim purposes on Federal Income Tax of any excess meal costs.

23.04 Except in case of emergency, new employees hired to work as helpers on route trucks will receive a training period, the length of which will be a minimum of one (1) day and a maximum of three (3) days.

23.05 The Company shall pay an employee who is required to, and actually performs jury service, for each day of such service, the difference between wages for the number of hours he normally works on his regular shift and the payment he receives for jury service. The employee will present proof of service and the amount of jury pay received. Any employee involved in jury duty who is temporarily excused from court attendance must report for work if a reasonable period of time remains to be worked on his shift.

23.06 The Company shall pay for the renewal of a Class 1 license for employees as long as it is required to do their job.

ARTICLE XXIV - COST OF LIVING ADJUSTMENT

24.01 There shall be a cost of living adjustment (COLA) formula applicable to the period February 1st, 2016 to January 31st, 2017.

(a) The formula shall be based on the Consumer Price Index, Canada, all items (1992 = 100), published by Statistics Canada (referred to herein as the C.P.I.)

(b) The base for the formula shall be the C.P.I. for the base month of January, 2017, published by Statistics Canada in February, 2017, (referred to herein as the "January Base").

(c) In the event that Statistics Canada ceases to publish the C.P.I. in its present form, or if changes are made in calculation of the C.P.I., the parties agree to discuss an equivalent new basis for the C.P.I. for the purposes of this Article.

(d) The cost of living adjustment formula shall be activated if the C.P.I. increases more than three (3%) percent over the January Base (referred to herein as the "activating point") in the period.

(e) The wage rates established under this Agreement for the period shall be increased effective the first pay day after publication of the C.P.I., which results in a full 1% increase above the activating point in the period. Any such increase shall be implemented by applying the percentage increase to the employee's wages established by the wage set forth in Appendices "A", "B", and "C" of the Agreement on the first and subsequent pay days. There shall be a "cap" on the formula when and if the increase in the C.P.I. reaches 8% over the January Base for the period.

Month of CPI (publication date in brackets)	Example	% Increase in CPI over January Base ¹	% Increase adjustment in wage rates under this agreement.
January 2016 (Feb 2016)	100.00	NIL	NIL
April 2016 (May 2016)	103.00	3.00 ₂	NIL
August 2016 (Sept 2016)	104.75	4.75	1% ₃
December 2016 (Jan 2017)	105.00	5.00	2% ₄
January 2017 (Feb 2017)	106.00	6.00	3%
April 2017 (May 2017)	107.50	7.50	4%
August 2017 (Sept 2017)	107.75	7.75	4%
December 2017 (Jan 2017)	108.00	8.00	5%

Explanatory Notes to COLA Clause:

1. Starting base in the period COLA applies.
2. Activating point for the period.
3. Wage rates for the period increased by 1% effective the first pay day after publication of the C.P.I.
4. Final possible wage increase in COLA period would occur in January 2017, for the December 2016 C.P.I.

ARTICLE XXV - RENEWAL, AMENDMENTS AND TERMINATION

25.01 This Agreement shall remain in effect from **February 1, 2014** to **January 31, 2017**, and shall continue automatically thereafter year to year unless either party notifies the other in writing within 90 days prior to the expiration date that it desires to terminate or amend this agreement.

25.02 If, at the date of expiration, a new agreement has not been signed, the present agreement will stay in force until such time as all the steps relating to conciliation by the laws of the Province have been complied with.

All provisions of this Collective Agreement which represent a change from the Collective Agreement which expired on January 31, 2014 shall take effect on **February 1, 2014** unless otherwise specified herein. Operational changes, which do not have a specified date, will be implemented as soon as reasonably practicable. Wage rates, as herein provided, shall be effective February 1, 2014 for all employees who are on the payroll on **February 1, 2014**. Retroactivity on wage rates shall be calculated on all hours paid to the employee by the Company in the retroactive period.

25.03 As this Agreement is being signed subsequent to the expiry date of the previous agreement, the effective date for all provisions covered by this agreement with the exception of retroactive pay shall be the date of ratification.

Dated this _____ day of _____, 201__

PEPSI BOTTLING GROUP (CANADA)

UFCW CANADA, LOCAL 1288P

Steve Totten

Carl Flanagan

Rebecca Molloy

Dan Smith

Tom Thornton

Denis Hachey

Marylene Ayotte

Patrick Beaulieu

Ray Simpson

Larry Giddings

Jeff Bastarache

Gerald MacLeod

John Crossman

Appendix "A", "B", "C":

APPENDIX "A"
SALES WAGES

Route Merchandisers, Spares, Helpers, Bulk, and FSV Drivers shall be paid an hourly rate according to Schedule 1 below.

Schedule 1

	Route Merchandiser	Spare / Helper	FSV/ Bulk
Feb 1/2014	\$26.40	\$19.15	\$24.40
Feb 1/2015	\$26.75	\$19.50	\$24.75
Feb 1/2016	\$27.20	\$19.95	\$25.20

Notes:

1. A Route Merchandiser working as a Helper will be paid the Route Merchandiser rate.
2. For the purposes of vacation pay, sick pay, and holiday pay, Spares will be paid at a minimum rate of \$22.00/hour.
3. Any Sales employee classified as a Spare who becomes eligible for STD or LTD shall have their rate of pay, for the purpose of benefit calculation, set either at their Classification rate of pay, or, if greater, by the following formula:

Pay received for regular hours worked in the last 26 weeks worked - divided by 26 - divided by 40 hours. Rate as a maximum shall not exceed the Route Merchandiser rate.
4. The Company and the Union agree that Labour Management Meetings shall include a discussion on the hours worked by Spares, including a review of the required number of Route Merchandiser positions.

APPENDIX "B"

VENDING WAGES

Vending Unit Employees shall be paid an hourly rate according to Schedule 2 below.

Schedule 2

	Vendor Serviceman Class I	Vendor Serviceman Class II After 5 years	Vendor Serviceman Class III	Equipment Move Rate*	Lead Hand Premium
Feb 1/2014	\$24.94	\$23.38	\$22.50	\$19.15*	\$0.75
Feb 1/2015	\$25.29	\$23.73	\$22.85	\$19.50*	\$0.90
Feb 1/2016	\$25.74	\$24.18	\$23.30	\$19.95*	\$1.05

* This rate shall apply for all equipment moves performed by non-Vending Service Unit employees; when a full-time vending unit employee performs equipment moves, he shall be paid his regular rate.

Notes:

1. Standby will be **\$55.00 in 2015 and \$60.00 in 2016**; Call Out will be equal to the applicable hourly rate.
2. Class 1 must have a Provincial license in refrigeration and/or electrical or equivalent licence.
3. Employees will be provided with a Company vehicle when on standby.
4. Standby is a daily allowance payable for non-scheduled work days.
5. Call Out: minimum of one (1) hour's pay will be paid.
6. The Company will require three (3) persons to move all equipment over fifty (50) size coolers whenever possible.
7. Vendor Servicemen to be paid a late meal supplement for out of town meals after 5:00 p.m. of \$10.00 with the provision of a receipt.
8. If a customer or direct supervisor indicates that a visit from a serviceman is required or requested, then the service technician must respond to that call. The service technician may be able to solve the customer's problem over the phone and is empowered to decide if the customer's and the Company's needs have been met.

9. Equipment Moves – Whenever possible, where sales equipment is being delivered and a helper is required, an employee who is on lay-off in the sales area where the delivery is to be made, shall be assigned to assist.

APPENDIX "C"
MANUFACTURING AND WAREHOUSING WAGES

Employee Classifications Table

Classified A	Classified B	Classified C
General Help	Machine Operator Premix/Postmix Assistant Shipper Assistant Receiver Forklift Operator Floor Scrubber Sanitation General Duties	Syrup Mixing Premix/Postmix Quality Control 6-month Mechanic
Classified D	Classified E	
Lead Hand 1st-year Mechanic	Mechanic	

Employees classified according to the Employee Classification Table above, will be paid according to Schedule 3 below.

Schedule 3

	Classified A	Classified B	Classified C	Classified D	Classified E
Feb 1/2014	\$21.28	\$22.50	\$23.38	\$23.55	\$26.94
Feb 1/2015	\$21.63	\$22.85	\$23.73	\$23.90	\$27.29
Feb 1/2016	\$22.08	\$23.30	\$24.18	\$24.35	\$27.74

Notes:

1. For any shift commencing at 2:00 pm or after, **shift premium of eighty cents (80¢) per hour will be paid effective November 28, 2010. Eighty-five cents (85¢) per hour effective February 1, 2012.**

Appendix "D"
PBC Short Term Disability as of 2010

Qualifying Period: STD Benefits will be provided after a period of absence equal to the employee's regular work week due to a non-occupational illness, injury, or absence.

The benefit amount as at 2010, as per article 11.04 (d) will be based on the following:

<u>Length of Service</u>	<u>Full Pay</u>	<u>66 2/3% Pay</u>
Less than 1 year	10 working days	65 working days*
1 — 3 years	20 working days	110 working days
3 — 5 years	40 working days	90 working days
5 years +	65 working days	65 working days

* Additional 55 working days may be available from Employment Insurance (EI).

LETTER OF UNDERSTANDING # 1

BETWEEN:

PEPSI BOTTLING GROUP (CANADA) (hereinafter referred to as the "Company")

-AND-

UFCW CANADA, LOCAL 1288P,
ITS SUCCESSORS AND ASSIGNS (hereinafter referred to as the "Union")

Re: Hiring of Seasonal Help

In addition to the Collective Agreement between them, the parties are agreed that the Company may hire Seasonal Help between May 1 and the end of the week following Labour Day, and during the month of December subject to the following conditions:

1. Seasonal Help used as helpers on the trucks will be subject to training.
2. Seasonal Help will not be part of the bargaining unit but will pay an amount equivalent to union dues as a condition of employment.
3. No Seasonal Help will be hired if it causes a lay-off, or if there are already employees on lay-off.
4. Seasonal Help will be paid at a rate which is two-thirds (2/3) of the rate for the job they are performing.

This Letter of Understanding shall remain in effect so long as this Collective Agreement between the parties remains in effect.

Dated: _____

PEPSI BOTTLING GROUP (CANADA)

UFCW CANADA, LOCAL 1288P

Steve Totten

Carl Flanagan

Rebecca Molloy

Dan Smith

Tom Thornton

Denis Hachey

Marylene Ayotte

Patrick Beaulieu

Ray Simpson

Larry Giddings

Jeff Bastarache

Gerald MacLeod

John Crossman

LETTER OF UNDERSTANDING # 2

BETWEEN:

PEPSI BOTTLING GROUP (CANADA)
(hereinafter referred to as the "Company")

-AND-

UFCW CANADA, LOCAL 1288P,
ITS SUCCESSORS AND ASSIGNS
(hereinafter referred to as the "Union")

Re: Contracting Out

It is agreed that the Company prefers to use its own employees to conduct its business on its behalf. The Company shall explore suggestions submitted by employees, or the Union that represents them, that may reduce the contracting of third party services.

This Letter of Understanding shall remain in effect so long as this Collective Agreement between the parties remains in effect.

Dated: _____

PEPSI BOTTLING GROUP (CANADA)

UFCW CANADA, LOCAL 1288P

Steve Totten

Carl Flanagan

Rebecca Molloy

Dan Smith

Tom Thornton

Denis Hachey

Marylene Ayotte

Patrick Beaulieu

Ray Simpson

Larry Giddings

Jeff Bastarache

Gerald MacLeod

John Crossman

LETTER OF UNDERSTANDING # 3

BETWEEN:

PEPSI BOTTLING GROUP (CANADA) (hereinafter referred to as the "Company")

-AND-

UFCW CANADA, LOCAL 1288P,
ITS SUCCESSORS AND ASSIGNS (hereinafter referred to as the "Union")

Re: Vacation Schedule

The Company will post the vacation schedule by January 31st of each year for employees to make their vacation preference.

By February 28th of each year the Company will inform employees if their vacation preference is approved or restart the selection process over.

By March 31st of each year the vacation schedule shall be finished and posted.

In addition to the Collective Agreement between them, the parties are agreed that for the purposes of scheduling vacation in the Moncton plant, **no less than 10%**, per department will be allowed to take vacation at any given time. For the purpose of rounding, if the number is under .5, it will be rounded down and if the number is 5 or greater will rounded up. In determining "departments":

1. **Three (3) departments will be used which are Production, Maintenance and Quality**
2. Lead hands shall follow the vacation schedule process for their specific department.

This Letter of Understanding shall remain in effect so long as this Collective Agreement between the parties remains in effect.

Dated: _____

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LETTER OF UNDERSTANDING # 4

BETWEEN:

PEPSI BOTTLING GROUP (CANADA) (hereinafter referred to as the "Company")

-AND-

UFCW CANADA, LOCAL 1288P,
ITS SUCCESSORS AND ASSIGNS (hereinafter referred to as the "Union")

Re: Preventive Maintenance

In addition to the Collective Agreement between them, the parties agree that the Company may institute a work shift to cover Preventive Maintenance ("P.M.") at the Moncton plant, which will have the following characteristics:

1. The normal work week for the P.M. shift will be forty (40) hours worked within the period Friday through Monday, consisting of four (4) shifts of ten (10) hours each.
2. The Company agrees to pay and the Union agrees to accept the Schedule of Wages outlined in Appendix "C" for this shift.
3. Time and one-half (1½x) their current rate will be paid to employees assigned to the P.M. shift for all hours worked after the normal work shift or those hours in excess of forty(40) per week. Double time (2X) will be paid after two (2) hours overtime worked in any day.
4. Up to Two (2) mechanics will be assigned to this shift.

No changes will be made to the above unless mutually agreed.

This Letter of Understanding shall remain in effect so long as this Collective Agreement between the parties remains in effect.

Dated: _____

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LETTER OF AGREEMENT # 5

BETWEEN:

PEPSI BOTTLING GROUP (CANADA)
(hereinafter referred to as the "Company")

-AND-

UFCW CANADA, LOCAL 1288P
ITS SUCCESSORS AND ASSIGNS
(hereinafter referred to as the "Union")

Re: Benefit Committee

The Company and the Union agrees to establish a Benefit Committee, consisting of the members of the 2010 Union Negotiating Committee and representatives of the Company.

The Company commits to informing the Committee on all aspects of the PBG Benefit Plans pertaining to the Union Members, and further, to holding meetings of the Committee to discuss the benefits with a view of recommending changes to the Plans (including the specific benefits, retiree benefits, and coverage's therein), to the Company.

The Company and the Union recognize that amendments to the Benefits may become necessary during the life of the Collective Agreement and the Company commits to advising the Union, through the Benefit Committee, of any such changes.

To this end the Committee shall meet no later than September 30th each year.

Dated: _____

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LETTER OF AGREEMENT # 6

BETWEEN:

PEPSI BOTTLING GROUP (CANADA) (hereinafter referred to as the "Company")

-AND-

UFCW CANADA, LOCAL 1288P
ITS SUCCESSORS AND ASSIGNS (hereinafter referred to as the "Union")

Re: Bathurst Employees

The Company and the Union agree:

1. The Parties agree that **Denis Duguay** (whom currently work out of the Bathurst location) are members of the Bargaining Unit as set out in Article 2.01 of the Collective Agreement and shall have all rights under the Collective Agreement.
2. The employees listed above shall be entitled to merchandising hours in the Bathurst area and shall be scheduled for such, by seniority. Whenever possible senior employee will receive the greater number of hours.
3. The employees listed above shall be entitled to the rate of pay as set out below when they are performing merchandising duties.
4. In the event that any of the employees listed above ceases to be employed by the Company or accepts another role within the organization, this letter shall no longer be applicable to said employee.
5. The employees listed above shall be paid as per the scale set out below. No employee shall have their hourly rate reduced and any employee paid greater than the rate set out below shall receive a Lump Sum Payment, within two (2) weeks of the dates set out below, which shall equal the increase indicated multiplied by the number of hours they worked in the fifty –two (52) weeks prior to the date indicated.

Date	Feb 1, 2014	Feb 1, 2015	Feb 1, 2016
Rate	\$14.95	\$15.30	\$ 15.75

Dated: _____

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LETTER OF AGREEMENT # 7

BETWEEN:

PEPSI BOTTLING GROUP (CANADA)
(hereinafter referred to as the "Company")

-AND-

UFCW CANADA, LOCAL 1288P
ITS SUCCESSORS AND ASSIGNS
(hereinafter referred to as the "Union")

Re: Advancement on STD Claim

In the event that an employee is absent due to accident or sickness and has a legitimate claim under the Company's weekly indemnity plan and has not received funds under this plan for a period of the (2) weeks from the date he first filed the claim, the Company agrees to advance an amount equal to the expected net weekly proceeds as calculated by the Company, to a maximum of two (2) weeks.

Since this is an advance, it is agreed that should an employee cease to be employed by the Company before the amount advanced has been repaid, and reserving the Company's general right of recovery from the employee, the employee will sign such form as the Company may require acknowledging such debt and agreeing to permit the Company to recover any amount advanced from any monies that may be payable to the employee on his termination. If the employee continues to be employed by the Company, and is unsuccessful in whole or in part in his claim, it is agreed he will repay any monies advanced by the Company on a mutually agreeable repayment schedule, and if no such agreement can be reached, on a schedule as determined by the Company by way of deductions from the employee's regular wages.

Dated: _____

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LETTER OF AGREEMENT # 8

BETWEEN:

PEPSI BOTTLING GROUP (CANADA) (hereinafter referred to as the "Company")

-AND-

UFCW CANADA, LOCAL 1288P
ITS SUCCESSORS AND ASSIGNS (hereinafter referred to as the "Union")

Re: Part Time

A part-time employee is defined as an employee who is not full-time but achieves his/her hours by working in various departments within the plant function, but who are not guaranteed a weekly number of hours. The following will pertain to the conditions of part-time employment.

- No part-time employee can be used if full-time employees with recall rights are on layoff.
- For the purposes of call-ins and offering of work the Company shall maintain a seniority list for the part-time group
- The Company shall have the right to have three (3) part-time employees on a regular bases, with the option of four (4) more to replace employees who are absent
- Subsequent to completing the probationary period as identified in article 9.03(a) the employee shall have the following rights under the collective agreement: 1, 2, 3, 4, 5, 6, 7, 8, 14.04 (breaks), and 20.
- Part-time employees shall be paid Statutory Holidays and Vacation pay as per Labour Standards
- If any of the senior three (3) part-time employees achieve 1640 hours (not including hours replacing for those on WCB, STD, LTD) in a 12 month period, the Company shall post a full-time job.
- The wages for a part-time employee shall be equal to the Spare Rate as identified in Appendix "A" of this agreement.

Dated: _____

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LETTER OF AGREEMENT # 9

BETWEEN:

LETTER OF UNDERSTANDING BETWEEN:

PEPSI BOTTLING GROUP (CANADA) (hereinafter referred to as the "Company")

-AND-

UFCW CANADA, LOCAL 1288P,
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Re: Uniforms

The Company and the Union agrees that with respect to Article 20.01 (b) regarding company uniforms the current practices of dry cleaning and maintenance will be upheld.

Dated: _____

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LETTER OF AGREEMENT # 10

BETWEEN:

LETTER OF UNDERSTANDING BETWEEN:

PEPSI BOTTLING GROUP (CANADA)
(hereinafter referred to as the "Company")

-AND-

UFCW CANADA, LOCAL 1288P,
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Re: Voluntary Layoff

1. The Company confirms that it is willing to work with the Union to attempt to accommodate its employees who are willing to volunteer to be laid off in periods as business requires
2. Voluntary lay-off is conditional upon the fact that the Company has qualified employees to perform the necessary job requirements
3. The selection of employees to perform a voluntary lay-off shall be made according to seniority
4. If during a period of voluntary lay-off and the Company should require the services of the employee who chose voluntary lay-off, the employee agrees to return to work
5. The Company shall not be held responsible should an Employee who has chosen lay-off, be denied benefits through Employment Insurance
6. Should at any time the Company or Union be challenged through any Federal or Provincial legislation, the legislation will supersede and either party may cancel this agreement.

Dated: _____

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LETTER OF AGREEMENT # 11

BETWEEN:

LETTER OF UNDERSTANDING BETWEEN:

PEPSI BOTTLING GROUP (CANADA)
(hereinafter referred to as the "Company")

-AND-

UFCW CANADA, LOCAL 1288P,
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Re: Apprenticeship Program

The Company and the Union agree to establish an Apprenticeship Program for the Moncton Plant based upon the following conditions:

1. A maximum of 1 (one) Apprentice per certified Employee in the Maintenance Department will be allowed
2. The rate of pay will be equal to the Machine Operator rate
3. All Apprentice jobs shall be posted
4. A committee will be formed between the Company and 2 (two) Union Committee Members and also to include a Representative from the Trade School or Department of Post-Secondary Education, Training and Labour in order to establish the appropriate criteria for selection of Apprentices.

Dated: _____

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LETTER OF UNDERSTANDING # 12

BETWEEN:

**PEPSI BOTTLING GROUP (CANADA)
(hereinafter referred to as the "Company")**

-AND-

**UFCW CANADA, LOCAL 1288P,
ITS SUCCESSORS AND ASSIGNS
(hereinafter referred to as the "Union")**

Re: Banked Overtime

In order to clarify the Banked Overtime process, the Company and the Union agree:

1. Employees who have signed up for Banked Overtime as outlined in the Collective Bargaining Agreement, will have the opportunity to bank and take their banked overtime until they reach a maximum of 80 hours in their bank.
2. Employees are not required to reach their maximum of 80 hours before they can use their bank; however,
3. Once an employee reaches 80 hours in their bank, they will no longer be able to bank overtime and will receive all overtime on their pay cheque for the balance of the year.
4. As per the CBA, employees will have the option to carry over their banked overtime into the following year; this banked overtime must be used prior to accessing any banked time in the current year.
5. The Company is committed to continue the practice they stated in 2011. At year end they will do a calculation for all spare drivers as follows.
 - All hours banked at dollar rate at which it was banked (i.e. driver's rate). Take away banked hours taken: [All hours taken at spare rate.] The Company will process a payout for the difference. This will happen at year end.
 - The Company could guarantee the quality and the accuracy of this payroll process because it is a manual calculation done once a year by the HR Coordinator

Dated: _____

PEPSI BOTTLING GROUP (CANADA)

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Ray Simpson

UNION COPY
UFCW CANADA, LOCAL 1288P

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