

CANADA BREAD COMPANY, LIMITED

- and -

UNIFOR, LOCAL UNION NO. 445

EDMONTON BREAD BASKET STORES AGREEMENT

OCTOBER 1, 2015 – SEPTEMBER 30, 2018

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A G R E E M E N T

Between

CANADA BREAD COMPANY, LIMITED

(hereinafter for the purpose of this Agreement to be known as THE COMPANY)

- and -

**UNIFOR, LOCAL 445
EDMONTON, ALBERTA**

(hereinafter for the purpose of this Agreement to be known as THE UNION)

WHEREAS the above-named parties mutually feel that it is in their common interests that harmonious and friendly relations exist between them,

WITNESS THAT THEY AGREE AS FOLLOWS:

ARTICLE 1 - PURPOSE

- 1.01 It is the purpose of this Agreement to support the Grupo Bimbo mission of nourishing, delighting and serving our world. This will be done through the combined efforts of all associates and the harmonious relationship between the Union and the Company. This agreement will provide for a competitive and profitable operation and set out terms and conditions of employment for associates of the Company in its Retail Bread Basket stores in the Edmonton area.
- 1.02 The parties acknowledge that it is the mission of the Company to become the premier specialty chain retailer of baked goods by satisfying consumers' desire for quality products at competitive prices, convenient shopping and in-store customer service.
- 1.03 It is understood that the retail Bread Basket stores may operate up to seven days per week, and up to 24 hours per day, in order to compete efficiently and effectively in the contemporary retail market place.
- 1.04 This agreement shall be interpreted in accordance with the above principles.
- 1.05 The Company and the Union agree that no form of harassment or discrimination shall be condoned in the workplace. Both parties shall work together in recognizing and resolving such concerns as they arise.

Every effort shall be made in situations involving harassment or discrimination to be treated in strict confidence. Any associate, who believes that they are being harassed or discriminated against, shall report this to their immediate supervisor, full-time

Union Representative or Human Relations Representative.

ARTICLE 2 - MANAGEMENT

- 2.01 The Company shall have the exclusive right to manage the business, subject always to provincial employment laws and the other specific provisions of this Agreement.

ARTICLE 3 - UNION SECURITY

- 3.01 The Company recognizes the Union as the bargaining agent for Bread Basket Sales Representatives hired after March 9, 1988 employed in the Bread Basket stores in Edmonton.
- 3.02 All associates must become and remain members of the Union in good standing within 30 days of commencing their employment.
- 3.03 All associates shall pay dues to the Union in accordance with the Union bylaws. The Company agrees to deduct Union dues monthly from the associates' pay cheques and remit the dues to the Secretary-Treasurer of the Union.
- 3.04 The Union may request leave of absence without pay for associates to attend to official Union business. The Company will not unreasonably deny such request provided reasonable notice is provided and the requirements and efficiency of the operations are not affected.
- In the event an associate is away from the work site for regularly scheduled hours of work to attend to official Union business which has been approved by the Company, the Company will continue to pay the associate at the associate's regular rate of pay as if the associate was at work, and submit the cost to the Union for reimbursement.
- 3.05 The Company agrees to provide suitable space for the posting of notices of union meetings and other official Union business by elected or appointed officials by the union. The Company also agrees to allow for one (1) Unifor decal to be displayed on the door of the store, as well, associates will be permitted to wear the stylized "U" Unifor pin.

ARTICLE 4 - DIFFERENCES

- 4.01 There shall be no strikes, slowdowns or other interruptions of work by the Union or associates, nor shall there be any lockouts by the Company, while this Agreement is in effect. However, the Company shall not require any member of the Union to cross a lawful picket line.
- 4.02 Where a difference arises relating to the dismissal or discipline of an associate, or to the interpretation, application, operation, or alleged violation of this Agreement,

including a question as to whether a matter is arbitrable, the matter shall be resolved without stoppage of work, in the following manner:

- (1) STEP 1. If an associate has a grievance, it shall be raised verbally with the immediate supervisor at the store within ten (10) calendar days of the occurrence;
- (2) STEP 2. If the grievance is not resolved at Step 1, the Union with the involvement of the associate may present the grievance in writing to the Company. The Company and the Union shall have ten (10) calendar days to resolve the grievance;
- (3) STEP 3. If the grievance is not resolved within the above time limits, then the grievance may be referred in writing to Arbitration.

4.03 If the procedures set forth in 4.02 above do not result in a solution being reached within seven (7) days of the first discussion between an officer of the Union and a representative of the Company, or within such further period as the Company and the Union agree in writing, the dispute shall be referred to an Arbitration Board of three persons appointed as follows:

- (a) The party desiring Arbitration shall appoint a member for the board and shall notify the other party in writing of the name and address of the person so appointed and particulars of the matter in dispute.
- (b) The party receiving the notice shall within five (5) days thereafter appoint a member for the Board and notify the other party of its appointment.
- (c) The two arbitrators so appointed shall confer to select a third person to be chairman and failing for ten (10) days from the appointment of the second of them to agree upon a person willing to act, either of them may apply to the Minister of Labour to appoint the chairman.

4.04 The Arbitration Board shall sit, hear the parties, settle the terms of the question to be arbitrated, and make its award within thirty (30) days from the date of the appointment of the chairman, provided the time may be extended by agreement of the parties.

4.05 If the Company or the Union has a grievance, it shall be presented in writing at Step 2 within ten (10) calendar days of the occurrence giving rise to the grievance.

4.06 Any grievance that is not presented, or advanced to the next step, within the time limits specified, shall be deemed to be abandoned.

- 4.07 The parties may mutually agree to use a single arbitrator.
- 4.08 The expenses and remuneration of the chairman or single arbitrator will be shared equally by the parties.
- 4.09 Without restricting the specific powers herein before mentioned, the Arbitration Board shall have all the general powers of an Arbitration Board but may not change the terms and conditions of the Agreement.
- 4.10 All discipline recorded on an associate's file will be withdrawn when the associate completes a period of eighteen (18) consecutive months of employment following the date of incident giving rise to the discipline.

ARTICLE 5 - EMPLOYMENT

- 5.01 New associates shall be on probation for the first three (3) months worked. They may be dismissed during the probationary period entirely at the discretion of the Company if in the Company's opinion they are not suitable.
- 5.02 Each Retail Bread Basket store shall be a separate unit for all purposes and in particular, employment, layoff and rehiring.

The Company recognizes the principle of seniority which shall prevail unless otherwise outlined in the Agreement. Seniority shall be defined as the length of an associate's service beginning on the date of regular employment.

An associate's seniority shall be lost in the following instances:

- (a) Discharge for cause;
- (b) Voluntary quit;
- (c) Failure to return to work within seven (7) days after receiving a specified date of return, following layoff or being laid off for a period that is lesser of twelve (12) months for the length of the associate's seniority with the Company; if within the associate's control;
- (d) Failure to return to work on the specified date after leave of absence or vacation; if within the associate's control;
- (e) An unexcused absence of three (3) consecutive working days without notifying the Company; if within the associate's control;
- (f) Acceptance of a non-bargaining unit position for more than ninety (90) days;
- (g) Retirement

Associates hired on the same day will have their seniority determined by the spelling of their last name. The associate whose name appears first in alphabetical order shall be the associate deemed to have more seniority.

A list showing the seniority of all union associates shall be provided upon request.

5.03 Associates assigned permanently to alternate stores at the discretion of the Company shall retain their accumulated seniority at the new location. In the event of a store closure, affected associates shall be given the opportunity to displace the most junior associate in any of the remaining stores. If a senior associate is to be laid off as a result of a store closure the Company and Union will meet.

5.04 Hours of work shall be scheduled by the Company on a weekly basis wherever possible, showing lunch and coffee breaks according to Alberta legislation. Associates are expected to work all scheduled hours, and are expected to work unscheduled hours provided reasonable notice is given.

The Company will endeavor to provide and maintain a staffing level that allows for consecutive days of rest.

5.05 Overtime shall be paid according to Alberta legislation.

5.06 Associates will continue to qualify for statutory holidays as set out in Alberta Employment Standards. However, effective April 2, 2012, statutory holiday pay for purposes of this clause shall be defined as 1/20th of the associate's regular wages during the four (4) weeks immediately preceding the public holiday, exclusive of overtime.

Boxing Day and the August Civic Holiday shall be recognized as Paid Holidays in addition to the Paid Holidays recognized in accordance with Alberta legislation.

5.07 **Annual Vacation**

All associates who have completed their probation period will have their vacation pay accumulated on the basis of a calendar year (January 1 - December 31). Vacation pay accumulated during the vacation year will be paid out in one lump sum on the third pay day of the calendar year (January 01 – December 31).

Starting January 1, 2013, associates will schedule their vacation according to Company policy and will have their vacation pay paid to them at the time it is taken. Any vacation pay remaining at the end of the vacation year will be paid out in one lump sum on the third pay day of the following calendar year.

For the purposes of calculating the hourly wage rate for vacation pay and hours of vacation entitlement, average hours per week will be calculated based on the following:

- (a) For new hires in the past calendar year: dividing all hours worked in the past calendar year by the number of weeks employed
- (b) For all other associates: dividing all hours worked in the past calendar year

by the number of weeks in the past calendar year

Hours worked shall include all regular and overtime hours worked in the past calendar year.

For example: an associate, who, as of Jan 1, 2017 has 3 years of completed service, is entitled to two (2) weeks' vacation. This associate worked an average of 20 hours per week in 2016 and earned \$15,000 in box 14 of their 2016 T4 slip. At the vacation pay accrual rate of 4% for up to 5 years of service, the calculation is:

$$\begin{aligned} 2 \text{ weeks} \times 20 \text{ hours per week} &= 40 \text{ hours of vacation entitlement for 2017} \\ \$15,000 \times 4\% &= \$600/40 \text{ hours} = \$15.00 \text{ per hour of vacation entitlement} \end{aligned}$$

Thus, for each week of vacation, the associate will receive 20 hours of vacation time which would be paid at an hourly rate of \$15.00.

- 5.08 The Company and the Union recognize the benefits to be derived from a safe and healthy place of employment. It is agreed that the Company, the associates and the Union will co-operate fully to promote safe work practices, health conditions, and the enforcement of safety rules and procedures. No reprimands or disciplinary action will be taken against associates when complaints are made in good faith.

All associates of Canada Bread are safety leaders. Every associate must take reasonable care to protect their health and safety and the health and safety of others who may be affected by their acts or omissions at work; to carry out their work in accordance with established safe work procedures; to use and wear protective equipment, devices and clothing as required by the Company and or the OH&S Regulations.

The Company undertakes to provide each new associate, at the time of hiring, the necessary orientation for the safe performance of work and handling of materials and products.

- 5.09 The sick call in procedure will be as follows:
- (a) Associates will provide as much notice as possible.
 - (b) Associates will endeavour to provide at least 4 hours' notice.
 - (c) If time and situation permit, associates will endeavour to self-relieve and report to Coordinator.
 - (d) If three (c) above is not possible, associate will report to Coordinator as above.

ARTICLE 6 – LEAVE OF ABSENCES

6.01 Personal Leave

A leave of absence may be granted without pay provided the Company can secure reasonable relief. A leave of this nature will be granted at the discretion of the associate's Supervisor.

6.02 Family and Medical Leave

The Company will comply with all applicable provincial and federal laws which address associate's rights to request or obtain a leave of absence, including but not limited to a family or medical leave, maternity or parental leave, or disability leave.

6.03 Jury Duty

Associates who are required to service on a jury and who lose work as a result of their service are eligible for the difference between their normal straight-time earnings and their documented jury duty compensation for each scheduled workday missed, not to exceed fifteen (15) days per calendar year unless verified in writing by the court in question. Associates must advise the Company of the time off immediately upon receipt of their notice.

The Company shall not change the associate's days off or shift assignment in order to avoid payment of jury duty.

6.04 Bereavement Leave

In the event of death in an associate's immediate family (associate's parents, parents-in-law or step-parents, sister or brother, spouse (which may include common-law spouse) or children, grandchildren, grandparents, brother-in-law, sister-in-law), the associate shall be entitled to be absent from work with pay for a period of up to three (3) working days, when such absence is necessary to attend the funeral.

Upon request and in the event the associate must attend a funeral greater than 500 km away, the Company will endeavor to provide additional unpaid days.

6.05 Associates who undertake or continue other work or employment during any leave of absence without first securing permission from the Company and the Union automatically cancels such leave of absence and will be considered to have terminated their employment.

6.06 The Company agrees to grant time off, without discrimination and without pay, to any one (1) associate who is a member of the Union and who has been designated by the union to attend labour convention or serve in any capacity on other Union business, provided in each case the Company's consent has been given, after fourteen (14) days' notice has been served on the Company by the Union and provided further, that such absence shall not exceed two (2) years and such

permission shall not be unreasonably withheld by the Company.

- 6.07 In the event an associate is away from the store for regularly scheduled hours of work, on Union authorized business which has been approved by the Company, the Company will continue to pay the associate at the associate’s regular rate of pay and benefits as if the associate was at work, and submit the cost to the Union for reimbursement.
- 6.08 Special consideration will be given to associates called to serve in the military in the event of war or who are elected to federal, provincial or municipal office.
- 6.09 For seniority purposes, paid leaves of absences shall be counted the same as normal straight time hours that would have been worked.

ARTICLE 7 - WAGES, BENEFITS AND CLASSIFICATIONS

7.01 There shall be one classification, Bread Basket Sales Representative. Duties shall include all duties incidental to the operation of the Bread Basket store as assigned by management.

7.02 **Sales Representative (hourly):**

Hours worked	Sept 27, 2015	Sept. 25, 2016	Sept. 24, 2017
0 - 500	\$12.45	\$12.75	\$13.07
501 -1000	\$12.95	\$13.25	\$13.57
1001-1500	\$13.45	\$13.75	\$14.07
1501-2000	\$13.95	\$14.25	\$14.57
2001-2500	\$14.45	\$14.75	\$15.07
2501-3000	\$14.95	\$15.25	\$15.57
3001-4000	\$15.45	\$15.75	\$16.07
4001-4500	\$15.95	\$16.25	\$16.57
4501+	\$16.45	\$16.75	\$17.07

7.03 **Grandfathered Associate - Yvonne Roppo (hourly):**

Sept 27, 2015	Sept. 25, 2016	Sept. 24, 2017
\$18.70	\$19.00	\$19.32

7.04 Retroactive payments will be paid to associates no later than three (3) weeks after ratification of the Agreement.

ARTICLE 8 - DURATION

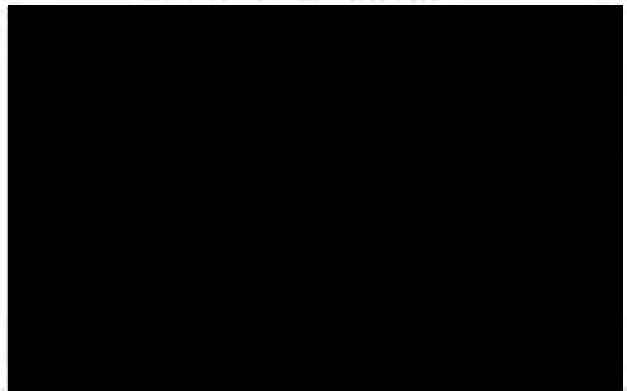
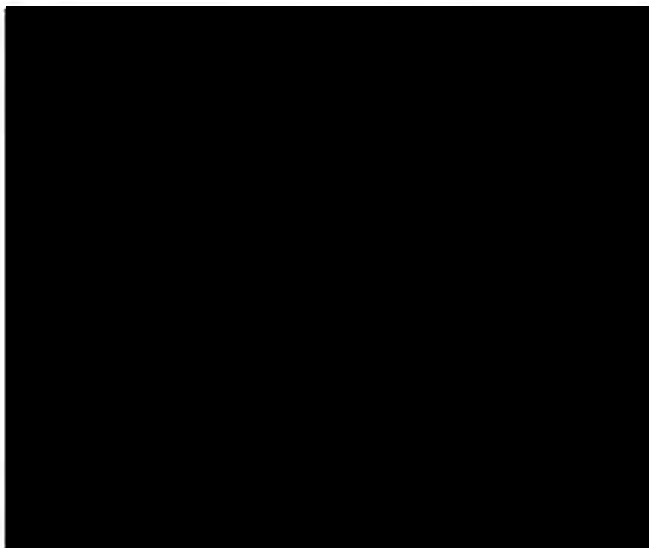
8.01 This Agreement shall be in full force and effect until September 30, 2018 and from year to year thereafter, unless either party serves written notice to commence collective bargaining within 60 days prior to September 30 of subsequent years.

8.02 If after collective bargaining has occurred, the Union serves strike notice, or the Company serves notice of lockout, this Agreement shall be terminated.

DATED AT EDMONTON, ALBERTA this 20 day of July 2016.

FOR THE UNION

FOR THE COMPANY



LETTER OF UNDERSTANDING #1

Between: **CANADA BREAD COMPANY, LIMITED**

And: **UNIFOR, LOCAL 445**

FULL-TIME ASSOCIATES

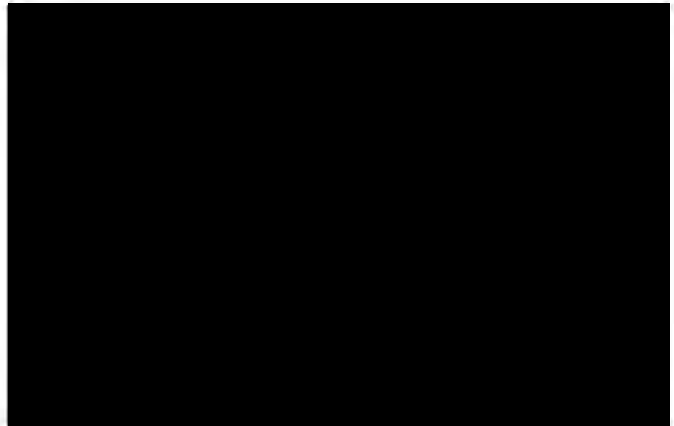
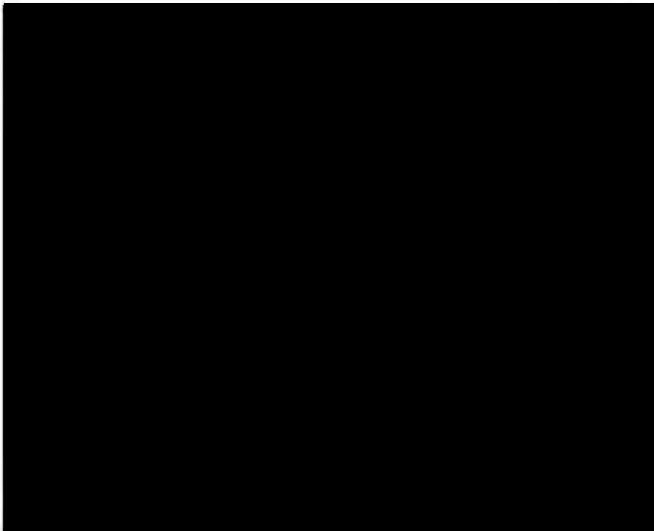
The Edmonton Sales Agreement dated June 1, 1995 to May 31, 1998 shall be attached to the Bread Basket Agreement for Yvonne Roppo.

This Agreement will be removed when the above named associate either leaves the Company or ceases to be employed on a full-time basis.

Signed this 20 day of July 2016.

FOR THE UNION

FOR THE COMPANY



LETTER OF UNDERSTANDING #3

Between: **CANADA BREAD COMPANY, LIMITED**

And: **UNIFOR, LOCAL 445**

START RATE ADJUSTMENT

The parties mutually agree, that dependent on market conditions, the Company may hire new Sales Representatives above the start rate in article 6.02, and that this wage rate would then be increased with each 500 hours worked in accordance with article 6.02.

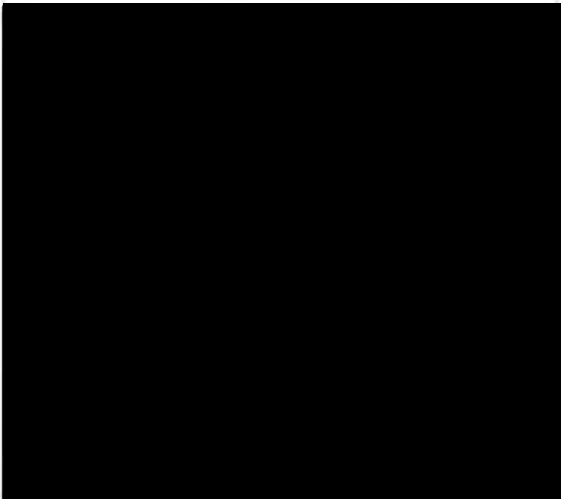
If this clause is invoked, all current associates at the time of the change will receive a lump sum payment of one hundred dollars (\$100). As well, in the event there are current associates already at or below this new start rate at the time of the change, these affected associates will move one additional step up the progression scale.

The Company will evaluate the effectiveness of this modified schedule on an ongoing basis and at its discretion may return to the wage schedule in the Collective Agreement for new future hires if it deems it to be appropriate.

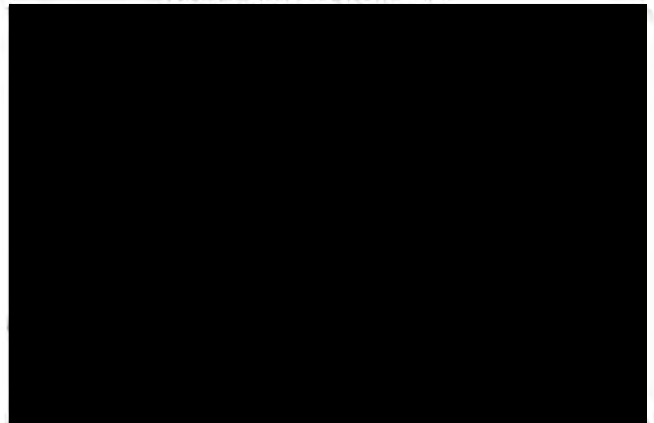
Associates who are earning wages in accordance with this modified schedule will not have their wages reduced as a result of the Company returning to the schedule in the Collective Agreement.

Signed this 20 day of July 2016.

FOR THE UNION

A large black rectangular redaction box covering the signature area for the Union.

FOR THE COMPANY

A large black rectangular redaction box covering the signature area for the Company.
