

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

PHARMX REXALL DRUG STORES LTD. (HOUSTON REXALL DRUGS)

AND

**UNITED FOOD & COMMERCIAL WORKERS UNION,
LOCAL 1518**

DURATION OF AGREEMENT: January 1, 2003 to December 31, 2005

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MEMORANDUM OF AGREEMENT made this 6th day of March, 2003.

BY AND BETWEEN: **PHARMX REXALL DRUG STORES LTD. (HOUSTON REXALL DRUGS), a body corporate carrying on business in the Province of British Columbia**

(hereinafter referred to as the "EMPLOYER")

AND: **UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 1518, chartered by the United Food and Commercial Workers International Union, A.F.L., C.I.O., C.L.C.**

(hereinafter referred to as the "UNION")

WHEREAS: The Employer and the Union desire to establish and maintain conditions which will promote a harmonious relationship between the Employer and the employees covered by the terms of this Agreement and desire to provide methods of fair and amicable adjustment of disputes which may arise between them, the Employer and the Union agree to abide by the terms set out in this Agreement. The Union further agrees that it will at all times instruct its members to act in accordance with the terms contained in this Agreement. The Employer agrees, in the exercise of the functions of Management, that the provisions of this Agreement will be carried out;

NOW THEREFORE: The Employer and the Union mutually agree as follows:

Section 1 - BARGAINING AGENCY

The Employer recognizes the Union as the sole and exclusive collective bargaining agency for all employees employed by the Employer in Pharmx Rexall Drug Stores Ltd. (Houston Rexall Drugs), Houston, B.C. with respect to rates of pay, wages, hours and all other conditions of employment set out in this Agreement, except and excluding the **Operations Manager** who does not perform any bargaining unit work and the Pharmacists.

Section 2 - UNION SHOP

- (a) The Employer agrees to retain in his employ, within the bargaining unit as outlined in Section 1 of this Agreement, only members of the Union in good standing. The Employer shall be free to hire new employees who are not members of the Union, provided said nonmembers, whether part- or full-time employees, shall be eligible for membership in the Union and shall make application within ten (10) days after employment and become members within thirty (30) days.
- (b) The Employer agrees to provide each new employee at the time of employment with a form letter outlining to the employee his or her responsibility in regard to Union membership and to provide the

Union in writing with the name and address of each employee to whom they have presented the form letter, along with the employee's date of hire. The Union shall bear the expense of printing the letter, the contents of the letter to be such that it is acceptable to the Employer. The Employer further agrees to provide the Union once a month with a list containing names of all employees who have terminated their employment during the previous month.

Section 3 - DEDUCTION OF UNION DUES

The Employer agrees to deduct from the wages of each employee, upon proper authorization from the employee affected, such initiation fees, Union dues, fines and assessments as are authorized by regular and proper vote of the membership of the Union. The Employer further agrees to automatically deduct Union dues from the wages of all new employees. The employee shall, within thirty (30) days after commencement of employment, provide the Employer with a signed authorization for such deductions. Monies deducted during any month shall be forwarded by the Employer to the Secretary Treasurer of the Union not later than the tenth (10th) day of the following month, accompanied by a written statement of the names of the employees for whom the deductions were made, the Social Insurance Number of each employee and the amount of each deduction. Dues checkoffs are to be submitted on a monthly basis showing amount deducted each pay period, for what purpose and the total amount deducted during the month. The Employer agrees to include dues deducted during the year on an employee's T4 slip.

Section 4 - JURISDICTION

1. All work in the handling and selling of merchandise in the store of the Employer shall be performed only by employees of the Employer who are in the bargaining unit, with the following exceptions:

Rack jobbers will be utilized in the following areas:

- a) Batteries
- b) Hair notions
- c) Party time items
- d) Pocket books, magazines
- e) Greeting cards
- f) Hosiery
- g) Pegged cosmetics
- h) Confectionery
- i) Baby notions
- j) Toys, puzzles, hobbies and games
- k) Sunglass rack

2. **The primary responsibilities of the Store Manager and the Operations Manager are to perform duties that are managerial in nature, but it may be necessary to fill in on an emergency basis. Under no circumstances shall management perform more than one (1) hour of work normally performed by members of the Bargaining Unit.**
3. Sales persons will check over and order stock. Actual stocking will be done by employees except for areas covered in 1 above.
4. Remerchandizing will be carried out by suppliers willing to provide this service. See Letter of Understanding #1.
5. Manufacturer's demonstrations will be carried out by sales persons.

Section 5 - BASIC WORKWEEK - OVERTIME - STATUTORY HOLIDAYS

The Employer reserves the right to schedule hours of store operation, employee hours of work, rest periods, meal periods and overtime work, subject to the following provisions:

- (a) The basic workweek for full-time employees shall be thirty-five (35) hours, consisting of five (5) seven (7) hour days.

Commencing with their fifth (5th) week of employment, full-time employees shall receive thirty-five (35) hours' pay at straight time rates and shall work four (4) days, twenty-eight (28) hours in a week in which one (1) statutory holiday occurs; three (3) days, twenty-one (21) hours in a week in which two (2) statutory holidays occur.

- (b) The following days shall be considered statutory holidays: New Year's Day, Good Friday, **Victoria** Day, **Canada** Day, B.C. Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day, **the Employee's Birthday**, and all other public holidays proclaimed by the Dominion or Provincial Governments.

All work performed on a statutory holiday shall be paid for at the rate of time and one half (1½) the employee's rate of pay and, where so entitled, the employee shall also receive pay for the statutory holiday.

An employee who works on a statutory holiday shall have the option of another day off in lieu of the statutory holiday, provided that suitable relief staff is available. This means that an employee who works on a statutory holiday shall not be required to work more than twenty-eight (28) hours in that week.

- (c) Statutory Holiday for Part-Time Employees: Commencing with their fifth (5th) week of employment, employees shall receive the following statutory holiday pay:

- Average hours worked per week in four (4) weeks preceding week in which holiday occurs:
 - Seventeen (17) but less than twenty-eight (28)
 - Four (4) hours' pay for each holiday
 - Twenty-eight (28) hours or more

- Seven (7) hours' pay for each holiday

For purposes of determining statutory holiday pay entitlement for full-time employees, all paid time off shall be counted as hours worked. Time worked in excess of twenty-eight (28) hours of actual work by part-time employees during a week in which a statutory holiday or statutory holidays occur shall be paid at the rate of time and one half (1½).

- (d) Posting of Schedules: The Employer shall post the weekly work schedule for all full-time employees not later than 6:00 p.m., Friday, and fifteen (15) days in advance. An employee's schedule may be changed without notice in the event of absence of other staff due to sickness or accident or in the event of emergencies. In all other cases, at least twenty-four (24) hours notice of any change must be given or four (4) additional hours pay given in lieu of notice.

It is understood that this clause does not apply to casual employees.

There shall be a daily starting time for each employee. Daily hours of work for full-time employees shall be consecutive, with the exception of meal periods.

- (e) Meal Periods: All employees working in excess of a five (5) hour shift shall be entitled to a meal period. Meal periods shall be a minimum of one half (½) hour to a maximum of one (1) hour as determined by the Employer. Meal periods shall not be calculated in the determination of the hours of pay.
- (f) Rest Period: All employees shall have a paid fifteen (15) minute rest period for each four (4) hours of work. In any seven (7) hour day, one (1) rest period shall be before and one (1) after the meal period. Rest periods shall not begin until one (1) hour before or after the meal period or the end of the shift. Employees working in excess of six (6) hours on any shift will be entitled to take two (2) rest periods in each shift.
- (g) Time Cards and Time Clocks: The Employer shall provide either a time clock or time sheet in order to enable employees to record their time for payroll purposes. Employees shall record their own time as they start and finish work and the time they start and finish meal periods. Where time clocks are not used, time is to be recorded in ink (ballpoint pen acceptable). Management agrees to assume its full responsibility in seeing that all employees are compensated for all time worked.
- (h) Overtime Pay: All time worked in excess of five (5) days in one (1) week, or in excess of seven and one half (7½) hours in a regular working day, shall be paid at the rate of time and one half (1½) the regular rate. Compensating time off shall not be given in lieu of overtime pay. A part-time employee working on more than five (5) days in one (1) week shall be paid at the rate of time and one half (1½) for work performed on the sixth (6th) day. (Re month of December: See Letter of Understanding #1.)
- (i) Consecutive Days of Work: Where an employee is required to work in excess of five (5) consecutive days without a break in rest days, the employee shall be entitled to time and one half (1½) for time worked on each day in excess of five (5) days until such time as the employee has a break or rest day. (Re month of December: See Letter of Understanding #1.)
- (j) Consecutive Days Off: All employees shall be scheduled for two (2) consecutive days off every two (2) weeks.

Section 6 - WAGES

- (a) The Employer agrees to pay all persons covered by the terms of this Agreement not less than the following schedule of wages during such time as this Agreement is in force. The Employer further agrees that if an employee is receiving a rate in excess of the rate shown in the Collective Agreement, such rate shall not be reduced by reason of the signing of this Agreement.

There shall be a regular pay day at least twice a month and each employee shall be provided with a statement of earnings and deductions for the pay period covered.

Sunday shall be considered as the last day of the week for the purposes of this Collective Agreement.

- (b) All employees shall be paid their regular hourly rate for each hour worked except where employed for less than four (4) consecutive hours per day, in which event they shall receive a minimum of four (4) hours pay. An employee who is called for work and upon reporting finds that his or her services are not required shall receive two (2) hours pay.

The above regulations apply to students who work on a day which is not a school day. A student who is called for work on a school day must work a minimum of two (2) hours or be paid for two (2) hours. A student who is called to work on a school day and upon reporting for work finds that his or her services are not required, shall receive two (2) hours pay.

- (c) Jury and Witness Pay: An employee summoned to Jury Duty on regular scheduled work days shall be paid wages amounting to the difference between the amount paid them for such service and their regular straight time earnings on such days for a maximum of ten (10) days. An employee summoned as a subpoenaed witness on regular scheduled work days shall be paid wages amounting to the difference between the amount paid for such service and their regular straight time earnings on such days to a maximum of three (3) days.

Employees shall return to work within a reasonable period of time. They shall not be required to report if less than one (1) hour of their normal shift remains to be worked. Total hours on Jury Duty or appearing as a subpoenaed witness and actual work on the job in the store in one (1) day shall not exceed seven (7) hours for purposes of establishing the basic work day. Any time worked in the store in excess of the combined total of seven and one half (7 ½) hours shall be considered overtime and paid as such under the contract.

Employees on Jury Duty or appearing as a subpoenaed witness shall furnish the Employer with such statement of earnings as the court may supply or as may be available.

- (d) Equal Pay for Equal Work: The Employer shall not discriminate between male and female employees by paying them different rates of pay for the same work performed in the same establishment.

A difference in the rate of pay between a female and a male employee based on any factor other than sex does not constitute a failure to comply with this provision.

- (e) Cash Shortages: No employee may be required to make up cash drawer shortages unless he or she is given the privilege of checking the money and daily receipts upon starting and completing the work shift, and unless the employee has exclusive access to the cash drawer during the work shift, except as specified below.

No employee may be required to make up drawer shortages when Management exercises the right to open the drawer during the employee's work shift, unless the drawer is opened in the presence of the employee and the employee is given the opportunity to verify all withdrawals and/or deposits.

- (f) Sunday and Evening Rates: All employees shall receive an additional forty cents (40¢) per hour above their regular rate, or overtime rate if applicable, for all time worked on Sunday or between the hours of 6:00 p.m. and 7:00 a.m. during such hours that the store is open to the public. The differential shall not apply to part-time employees or students who work twenty (20) hours or less during the week.
- (g) Staff Meetings: Staff meetings, whether in the store or off the premises, shall be considered as time worked and paid for accordingly, except meal meetings at which the attendance is voluntary.
- (h) Any duties of the Clerk/Marker/Receiver classification performed by members of the Clerk classification shall be paid at the Clerk/Marker/Receiver rate and shall bank these hours for the purpose of change in classification.

The rate of Clerk/Marker/Receiver will not apply until one (1) hour has been put in at the higher position per shift.

It is clearly understood that an employee performing the marker/receiver job function, shall receive the next highest hourly rate of pay in this classification.

WAGE SCHEDULE

HOURLY RATE – CLERK

Accumulated Hours	CURRENT	01-Jan-03	01-Jan-04	01-Jan-05
0 - 909 HOURS	\$9.18	\$9.23	\$9.28	\$9.33
910 - 1819	\$9.50	\$9.60	\$9.70	\$9.80
1820 - 2274	\$9.92	\$10.05	\$10.18	\$10.31
2275 - 2729	\$10.29	\$10.45	\$10.61	\$10.77
2730 - 3184	\$10.82	\$11.00	\$11.18	\$11.26
3185 - 3639	\$11.35	\$11.55	\$11.75	\$11.95
3640 - 4094	\$11.89	\$12.11	\$12.33	\$12.55
4095 +	\$12.67	\$12.92	\$13.17	\$13.42

HOURLY RATE - CLERK-MARKER

Accumulated Hours	CURRENT	01-Jan-03	01-Jan-04	01-Jan-05
0 - 454	\$10.75	\$10.80	\$10.85	\$10.90
455 - 909	\$11.65	\$11.75	\$11.85	\$11.95
910 - 1819	\$12.59	\$12.74	\$12.89	\$13.04
1820 - 2730	\$13.73	\$13.93	\$14.13	\$14.33
2730 +	\$14.46	\$14.71	\$14.96	\$15.21

HOURLY RATE - PHARMACY ASSISTANT

Accumulated Hours	CURRENT	01-Jan-03	01-Jan-04	01-Jan-05
0 - 454	\$11.00	\$11.05	\$11.10	\$11.15
455 - 909	\$12.31	\$12.47	\$12.63	\$12.79
910 - 1819	\$12.97	\$13.12	\$13.27	\$13.42
1820 - 2730	\$13.64	\$13.84	\$14.04	\$14.24
2730 +	\$14.18	\$14.43	\$14.68	\$14.93

* A Pharmacy Assistant is an employee with a bonafide Pharmacy Assistant Certificate or verified previous experience.

Wages shall be fully retroactive to January 1, 2003, based on retroactivity article in Section 6 (as printed below:)

RETROACTIVITY

It is to be calculated on the basis of straight time rates for all hours worked.

The new rates of pay and changes to benefits, allowances or premiums shall be implemented as soon as practicable on or after the Monday following ratification unless otherwise specified herein.

Retroactivity cheques shall be made up and given to current employees within thirty (30) days following ratification.

- (i) Credit for Previous Experience:
The Employer shall move a newly hired employee to the four hundred and fifty-five (455) hours worked, rate of pay, if that employee has previous drug store/pharmacy experience and if that employee meets the following requirements:
- 1) the previous experience is stated on their application for employment.
 - 2) the experience is non-student, and is within the previous three (3) years.
 - 3) the experience is a minimum of one year full-time.

Section 7 - VACATIONS

- (a) General Terms:
- (1) Vacation period is defined as period January 1st to October 31st inclusive, unless otherwise mutually agreed to by the Employer and the employee.
 - (2) For the purposes of vacation allowance, a full-time employee means an employee who has completed twelve (12) months continuous service with the Employer comprising not less than two hundred and twenty-five (225) days of actual work in the period immediately prior to his/her anniversary date.
 - (3) Vacation scheduling, once approved by the Employer, shall not be changed except by mutual agreement between the employee and the Employer. Seniority shall apply in preference for vacations within a store.
 - (4) Where a statutory holiday occurs during an employee's vacation, an extra day's vacation with pay shall be granted if the holiday is one which the employee would have received had he been working. Where an employee receives three (3) weeks' vacation or more with pay and a statutory holiday occurs during the employee's paid vacation, an extra day's pay may be given in lieu of an extra day's vacation with pay if, in the opinion of the Employer, an extra day's vacation with pay will interfere with vacation schedules or hamper operations.
 - (5) All time lost because of sickness or accident shall be considered as time worked for purposes of determining the vacation allowance to which a regular full-time employee is entitled. The vacation pay to which a regular full-time employee is entitled shall be at the appropriate percentage for actual hours worked.

Holiday Schedule

Vacation calendar shall be posted by the employer by January 31st of given year.

All employees shall select vacations by seniority on or before March 1st, which will be approved by the employer by March 15th.

Vacations selected after March 1st shall be approved by management in order of their application.

Vacations selected for the months of January to March shall be submitted four (4) weeks in advance and approved by the employer after the time requested is declined by senior employees.

Vacations pre-planned in the holiday period from March 15th to the end of the holiday season before the end of the previous calendar year must also be declined by senior employees.

Senior employees will sign vacation application to indicate they have declined requested time.

The vacation pay to which an employee is entitled shall be paid to the employee in one of two ways, either:

- i) Employees shall receive their applicable week of vacation pay during each week in which their vacation time is selected.**
- ii) Employees can elect to receive their entire accrued vacation pay as a one-time “lump sum” payment. The date of payment shall be indicated by that employee.**

Choice of either of the above alternatives will be made by each employee in writing by March 1 each year.

(b) Full-time Employees: All full-time employees as defined in Section 7 (a) (2) shall receive vacations with pay, two (2) weeks of which shall be given during the vacation period, according to the following schedule:

- After one (1) year continuous service - four percent (4%)
- two (2) weeks vacation
- After three (3) years continuous service - six percent (6%)
- three (3) weeks vacation
- After eight (8) years continuous service - eight percent (8%)
- four (4) weeks vacation
- After thirteen (13) years continuous service - ten percent (10%)
- five (5) weeks vacation
- After eighteen (18) years continuous service - twelve percent (12%)
- six (6) weeks vacation
- After twenty-three (23) years continuous service - fourteen percent (14%)
- seven (7) weeks vacation.

(c) Part-time Employees: (1,820 hours equals one (1) year's service for vacation calculation)

Accumulative Work (from last date of hire)	% of previous year's wages and salary	Unpaid Leave of Absence
More than 1 year but less than 5,460 hours	4%	Two (2) weeks vacation
5,460 hours but less than 14,560 hours	6%	Three (3) weeks vacation

14,560 hours but less than 23,660 hours	8%	Four (4) weeks vacation
23,660 hours or more	10%	Five (5) weeks vacation

- (d) Where the employment of an employee ceases, the Employer shall pay the employee his/her unused vacation pay entitlement as set out in Section 7 (b) or 7 (c) and include such monies on the employee's last pay. This clause does not apply where an employee resigns his/her employment without providing two (2) weeks' notice to the Employer. In these circumstances, the employee will receive vacation pay in accordance with the *Employment Standards Act*.

Section 8 - HEALTH AND WELFARE PLAN

(a) Funeral Leave

In the event of death in the immediate family of an employee, the employee will be granted leave of absence with pay. The term "immediate family" shall mean spouse, legal common-law spouse, parent, child, brother, sister, **step-parent, step-child, step-brother, step-sister**, mother-in-law, father-in-law, **sister-in-law, brother-in-law, son-in-law, daughter-in-law**, grandmother, grandfather, and grandchild **or any relative living in the household of the employee**. Paid funeral leave shall not exceed three (3) days. Additional unpaid time off will be granted upon request of the employee, and shall not be unreasonably withheld.

(b) Pregnancy Leave

- (1) **An employee who is pregnant shall be given an unpaid leave of absence without loss of seniority or other privileges for a maximum of seventeen (17) weeks (up to eleven (11) weeks prior to the expected delivery date and at least six (6) weeks after the actual delivery date), unless the employee requests a shorter period. The employee may choose to delay the commencement of her maternity leave, provided she is medically fit to perform the full range of duties of her position. This will not affect the employee's entitlement to pregnancy leave.**
- (2) **An employee is entitled to up to six (6) additional consecutive weeks of unpaid leave if, for reasons related to the birth or the termination of the pregnancy, she is unable to return to work when her leave ends under subsection (1).**
- (3) **All such requests must be submitted in writing at least two (2) weeks prior to their return to work date. The request must specify the length of the extension and the revised date the employee will be available to return to work. The length of the extension can be modified by mutual consent.**
- (4) **In addition to the pregnancy leave set out above, the attending physician certifying that the health of the mother or child may be in danger by the mother continuing to work may extend such leave prior to delivery.**
- (5) **Benefit entitlement for the above leaves shall be as required by the *Employment Standards Act*.**

Prior to the commencement of any Leave of Absence (extension) the employee will be allowed to self-pay their preleave benefit status for M.S.P., E.H.B., H.E.P. and Life Insurance.

Any conditions not specifically covered in this clause shall fall under the Employment Standards Act.

(c) **Parental Leave**

(1) **An employee who requests parental leave under this Section is entitled to:**

- (i) **for a birth mother who takes leave within one (1) year of the birth of a child and in conjunction with pregnancy leave taken under Section 8 (b) - up to thirty five (35) weeks of unpaid leave beginning immediately after the end of the leave taken under Section 8 (b).**
- (ii) **for a birth mother who does not take a leave under Section 8 (b) in relation to the birth of a child - up to thirty seven (37) weeks of unpaid leave beginning after the child's birth and within fifty two (52) weeks after that event.**
- (iii) **for a birth father - up to thirty seven (37) weeks of unpaid leave beginning after the child's birth and within fifty two (52) weeks of that event.**
- (iv) **for an adopting parent - up to thirty seven (37) weeks beginning within fifty-two (52) weeks after the child is placed with the parent.**

(2) **If certified by a licensed medical practitioner that the child requires an additional period of parental care, the employee is entitled to up to five (5) additional weeks of unpaid leave, beginning immediately after the end of the leave taken under subsection (1) above.**

(3) **The employee is required to give the Employer four (4) weeks' advance notice in writing of their intention to take a leave. The Employer may request this notice be accompanied by a medical practitioner's certificate or other evidence of the employee's entitlement to leave.**

(4) **Benefit entitlement for these above leaves shall be as required in the *Employment Standards Act*.**

(d) **Leave of Absence**

Full-time employees with a minimum of one (1) year employment and part-time employees with a minimum of two (2) years are entitled to apply for a leave of absence without pay up to a maximum of three (3) days per year, but not to exceed one (1) day in duration.

Full-time employees with a minimum of two (2) years employment and part-time employees with a minimum of three (3) years are entitled to apply for a leave of absence without pay up to a maximum of ten (10) days per year, but not to exceed one (1) week in duration.

The above is subject to the following conditions:

1. Applications for such leave must be in writing seven (7) days prior to the posting of the schedule and subject to approval of the Store Manager. Every effort should be made to provide as much notice as possible.
2. Requests for leave of absence will be granted to all employees, except students, provided there is another available employee in the store who is capable of doing the work required.
3. In case of a conflict, scheduled vacation periods shall have priority over leave of absence requests.

(e) **One Year Leave of Absence**

Employees with five (5) years or more of service with the Employer shall be entitled to a Leave of Absence for up to one (1) year without gain or loss of seniority as of the time the employee leaves.

The following terms and conditions shall apply to such Leaves:

1. One (1) employee at any one time shall be eligible for Leave.
2. Written application for the Leave shall be requested through the Employer at least four (4) weeks in advance.
3. Seniority shall be the determining factor in scheduling the Leave.
4. Such Leave will be granted on a onetime only basis per employee.
5. While on Leave the employee shall not take employment with any competitor in the retail drug store business. (Violation of this provision may result in termination.)
6. It is understood a person on Leave could be offered minimal part-time work with the Employer without seniority or rights to such work for the duration of the Leave.
7. The period of time off will not count towards time worked for vacation entitlement.
8. One (1) month's notice of return to work must be given to the Employer unless a return date has been established prior to leaving.
9. During the period of such Leave the employee will be allowed to self-pay their preleave benefit status for M.S.P., E.H.B., H.E.P., and Life Insurance in advance by quarterly installments.

The parties desire to have this provision complied with in spirit and intent. Any abuse, violations or conflicts arising from it will be discussed between the parties before any action is taken.

(f) **Family Responsibility Leave**

An employee is entitled to up to five (5) days of unpaid leave during each employment year to meet responsibilities related to:

- (i) the care, health, or education of a child in the employee's care; or

(ii) **the care or health of any other member of the employee's immediate family. For the purpose of this clause, employee's immediate family is defined as: mother (step), father (step), brother (step), sister (step), spouse, common-law spouse, child (step) of the employee, father-in-law, mother-in-law, grandparent and any relative permanently residing in the employee's household or with whom the employee permanently resides.**

(g) Accumulated Sick Days: Sick days will accumulate at the rate of one (1) day or seven (7) hours credit for each three hundred and three (303) hours worked.

The maximum number of days accumulated is twelve (12) days. Employees shall utilize accumulated sick days from the first day of absence due to accident or illness.

A doctor's certificate must be available if management so requests. The Employer shall pay for any such doctor's certificate/letter to a maximum of twenty-five dollars (\$25.00).

The payment will be as per the Wage Schedule, Section 6 of the Collective Agreement.

When the schedule cannot be adjusted and where the employee provides the Employer with at least seven (7) days notice prior to the posting of the schedule, employees may utilize sick leave credits, if such credits exist, for appointments with surgeons, dentists and medical practitioners when such appointments cannot be arranged on scheduled time off.

The maximum pay-out of such leave shall be seven (7) hours.

This clause is available to employees who average twenty-four (24) hours per week and must have been in the employment of the Employer for a minimum of three (3) months (or four hundred and eighty [480] hours).

(h) Sick Leave Payout: Employees who retire on pension, or who voluntarily terminate their employment with the Employer with at least two (2) weeks written notice, or who are permanently laid off from their employment with the Employer shall, upon termination or retirement, be paid fifty percent (50%) of any Sick Leave accumulation they may have to their credit.

Employees who have a Sick Leave credit balance in excess of six (6) days (forty-two [42] hours) as of December 31, 1996, and each December 31 thereafter, shall receive a cash payout to a maximum of six (6) unused Sick Leave days (forty-two [42] hours) provided no employee's Sick Leave bank shall fall below six (6) days (forty-two [42] hours) as a result of a cash payout. Eligible employees shall receive a cash payout prior to January 31 of each year.

The Employer agrees to provide the Sick Leave Credit Balance to all employees upon request of any employee contacting the Employer's Benefits Administrator or Payroll Manager at Rexall's Head Office. As discussed in negotiations, should the Payroll and Benefits Departments be available to provide this information on the employee's bi-weekly paystub, the Employer shall institute this system at that time.

(i) The Employer shall pay seventy percent (70%) of the premiums for the benefits outlined in sub-sections 1 - 5 below, and the employee shall pay thirty percent (30%) of the premiums for these benefits, for those employees working twenty-eight (28) hours or more per week on average, subject to the following conditions. An eligible employee shall be one who has three (3) consecutive months current employment.

Enrollment of group benefits shall be compulsory at the option of the Employer. The Employer, at its option, may require all enrollment cards to be signed within three (3) months from the date that regular full-time employment commenced.

If, under exceptional circumstances, an employee does not sign an enrollment card within three (3) months of employment, he or she may be allowed a further month of grace at the option of the Employer. A period of grace longer than one (1) month may be allowed by the Employer, but in such cases a medical examination at the employee's own expense shall be compulsory and a three (3) months penalty period may be imposed.

A regular Full-time employee reduced to Part-time (twenty-one [21] to twenty-eight [28] hours per week on average) shall be eligible to participate in the plan designated for Part-time (Section 8[h]).

An employee whose hours are involuntarily reduced to below twenty-one (21) hours per week shall not be eligible for any benefits under the Plan.

(1) B.C. Medical Services Plan

(2) Extended Health Benefits: The Extended Health Benefits Plan is provided on the basis of a twenty-five dollar (\$25.00) maximum deductible of such eligible medical expenses to be paid by the employee.

The E.H.B. plan to include no-deductible Vision Care (frames and lenses, including contact lenses) on the basis of one hundred dollars (\$100.00) per eligible person per year, and the E.H.B. Plan to include twenty-five dollars (\$25.00) deductible prepaid Prescription Drug Plan, **one hundred percent (100%)** paid by the **Plan** to a maximum of four hundred dollars (\$400.00) per year. This includes full coverage of dispensary fees for prescription drugs..

The Employer shall make available a Hearing Aid Plan based on a four hundred dollar (\$400.00) maximum benefit in a five (5) year period.

Dependent coverage shall be available under the Medical Services Plan of B.C. and Extended Health Benefits. A dependent shall be as defined under the Medical Services Plan of B.C. or as may be mutually agreed.

(3) Group Life Insurance: The Employer shall provide Group Life Insurance to eligible employees on the following basis:

All eligible employees
(as defined above) \$15,000 life insurance

(4) Weekly Indemnity (W.I.): The Employer shall implement a twenty-six (26) week Plan providing seventy-five percent (75%) of an employee's normal wages, paid as follows:

- (1) On the first (1st) day of hospitalization due to nonoccupational accident or sickness, or
- (2) On the fourth (4th) day of absence due to nonoccupational accident or sickness.

- (5) Long-Term Disability Plan (L.T.D): The Employer has agreed to establish an L.T.D. Plan for full-time employees and employees (except students) who work an average of twenty-eight (28) or more hours per week for three (3) consecutive months (as set out in this Section).

The Plan will provide sixty percent (60%) of salary and will activate when either W.I. or W.C.B. benefits are exhausted.

- (j) The Employer shall pay fifty percent (50%) of the premiums for the benefits outlined in subsections 1 - 3 below and the employee shall pay fifty percent (50%) of the premiums for these benefits, subject to the following conditions.

An eligible employee shall be one who has three (3) consecutive months current employment

If an employee does not meet this hours requirement (twenty-one [21] to twenty-eight [28] per week) for a period of three (3) months, the Employer may discontinue their eligibility for the Plan.

This Plan does not apply to students.

An employee whose hours are involuntarily reduced to below twenty-one (21) hours per week shall not be eligible for any benefits under this Section.

Enrollment of group benefits shall be compulsory at the option of the Employer. The Employer, at its option may require all enrollment cards to be signed within three (3) months from the date that regular Part-time employment commenced.

If, under exceptional circumstances, an employee does not sign an enrollment card within three (3) months of employment, he or she may be allowed a further month of grace at the option of the Employer. A period of grace longer than one (1) month may be allowed by the Employer, but in such cases a medical examination at the employee's own expense shall be compulsory and a three (3) months penalty period may be imposed.

- (1) B.C. Medical Plan

- (2) Extended Health Benefits: The Extended Health Benefits Plan is provided on the basis of a twenty-five dollar (\$25.00) maximum deductible of such eligible medical expenses to be paid by the employee.

The E.H.B. Plan to include no-deductible Vision Care (frames and lenses, including contact lenses) on the basis of one hundred dollars (\$100.00) per eligible person per year, and the E.H.B. Plan to include twenty-five dollars (\$25.00) deductible Prescription Drug Plan, eighty percent (80%) paid by the Plan to a maximum of four hundred dollars (\$400.00) per year.

The Employer shall make available a Hearing Aid Plan based on a four hundred dollar (\$400.00) maximum benefit in a five (5) year period.

Dependent coverage shall be available under the Medical Services Plan of B.C. and Extended Health Benefits. A dependent shall be defined under the Medical Services Plan of B.C. or as may be mutually agreed.

- (3) Group Life Insurance: The Employer shall provide Group Life Insurance to eligible employees on the following basis:

All eligible employees: \$15,000 life insurance

Section 9 - RETAIL CLERKS DENTAL PLAN

The Employer agrees to participate in the Retail Clerks Dental Plan. The Employer will contribute forty-four cents (44¢) per hour for every straight time hour of actual work by employees within the bargaining unit of this Collective Agreement. Such contributions shall not exceed seventeen dollars and sixty (\$17.60) per week for any one employee. If it is determined by actuarial advice that different contributions are required to maintain benefits under the Plan, then the contributions shall be changed in amounts and on dates determined by such actuarial advice.

Section 10 - NOTICE REQUIRED OR PAY IN LIEU OF NOTICE IN CASES OF DISMISSAL

Employees who have six (6) months but less than two (2) years of service shall receive two (2) weeks' notice or two (2) weeks' pay in lieu of notice.

Thereafter, employees shall be entitled to an additional week's notice or pay in lieu of notice for each year of service up to a maximum of eight (8) weeks' notice or eight (8) weeks' pay in lieu thereof.

This Section shall not apply:

Where there is proper declaration of *force majeure*.

To layoffs related to labour dispute.

Where an employee is temporarily laid off which is defined as a period not exceeding thirteen (13) consecutive weeks in duration.

Where an employee is discharged for just cause or resigns.

An employee who has been offered reasonable alternative employment.

Section 11 - SENIORITY

- (a) Seniority shall mean length of continuous service with the Employer, including a required probationary period of sixty (60) calendar days. At the request of the Employer and with mutual agreement between the Employer and the Union, the probationary period may be extended by thirty (30) days.
- (b) Unless fitness and ability of an employee is clearly greater than other employees involved, length of continuous service with the Employer shall govern in cases of promotion, layoffs and rehire. Regular full-time employees reduced to a part-time basis shall be offered available work in accordance with the above procedure. The foregoing provisions do not apply to employees hired to work on relief staff or replace employees who are absent due to vacation, sickness, accident or other leaves of absence.

- (c) In the case of promotion the Employer will provide an adequate training period of not less than thirty (30) calendar days. Upon completion of the thirty (30) calendar day training period the Employer shall have the sole right to determine the ability and fitness level of the promoted employee. The Employer's decision must be made in good faith and cannot be discriminatory.
- (d) Employees laid off in accordance with the above provisions by the Employer shall be recalled to work in order of length of service with the Employer, provided:
 - (1) Students and employees with less than one (1) year of service, three (3) months' recall from the last day worked by the employee; and for employees with one (1) year or more of service, twelve (12) months' recall from the last day worked by the employee.
 - (2) The employee reports for duty within twenty-four (24) hours from time of receipt of a registered letter of recall or notice of a registered letter at the employee's last known address. It is the employee's responsibility to advise the Employer of any changes in address.
 - (3) The employee is capable of performing the work.

Employees rehired within six (6) months of their layoff shall retain their previous length of service for purposes of this section.

- (e) Notwithstanding anything contained to the contrary in this Agreement, it is mutually agreed that all employees are hired on probation, the probationary period to continue for sixty (60) calendar days for all employees during which time they are to be considered temporary workers and during this period no seniority rights will be recognized. Upon the completion of the probationary period the employee shall be regarded as regular employees and shall be entitled to seniority dating from the date on which they entered the employment of the Employer.
- (f) Reduction and Increase of Hours: Preference in available hours of work in a store shall be given to senior employees, providing the employee has the ability to perform the work. The Employer will endeavour to maximize the number of hours scheduled for part-time employees in accordance with their seniority and the Collective Agreement, provided they are available and can perform the work. The foregoing does not imply an obligation to schedule more hours than the Employer has determined are necessary.
- (g) The Employer reserves the right to schedule available hours in a manner that ensures the most junior part-time employee a minimum fourteen (14) hour schedule. This clause will not be implemented until there is mutual agreement with the Union. The Union will not withhold such Agreement when proper cause for implementation is demonstrated.
- (h) Seniority Lists: The Employer agrees to post, annually, a seniority list containing the names and start dates of all employees in the store. Such seniority list to be posted in the employees' lunch room. A copy of the seniority list shall be given to the store rep.
- (i) The Employer shall not reduce the weekly hours of work of an employee for the sole purpose of replacing such hours with another employee at a lower hourly rate.

It is understood between the Employer and the Union that students/casual will not replace the hours of work currently scheduled to full-time and part-time (nonstudent) employees.

- (j) Student Seniority: Students regularly attending day classes at an authorized educational institution shall have seniority only over junior students.

A student clerk shall commence to accumulate regular seniority as a part-time or full-time employee when it is established that he or she has ceased being a student and will not be resuming his or her studies in the next school year or semester. Students shall inform the owner/operator/manager in writing when they have ceased being a student.

When more than one (1) student in a store ceases being a student at approximately the same time of the school year, the part-time seniority ranking among those persons will be the same as was their student seniority ranking in accordance with the above.

Should a student proceed to part-time under the second paragraph above and then revert to student status in a subsequent school year or semester, that person shall be considered on the bottom of the student seniority list.

- (k) Job Posting

All full-time and part-time jobs that become available shall be posted in the store for a period of fourteen (14) days.

1. Current employees of the Employer shall be eligible to apply for the vacant position
2. Where * ability is relatively * equal seniority shall be the determining factor.
3. The Employer shall provide a sixty (60) day training period to allow the employee to properly perform the new job functions.
4. Should either the employee or the Employer decide that they cannot satisfactorily perform the job required, the employee shall be returned to their former position with no loss of seniority or benefits.

The Employer reserves the right to temporarily fill a position during the posting period.

Section 12 - GRIEVANCE PROCEDURE

- (a) Any complaint, disagreement or difference of opinion between the parties hereto concerning the interpretation, application, operation or any alleged violation of the terms and provisions of this Agreement shall be considered a grievance.

Grievances shall be presented in writing and shall clearly set forth the grievance and the contentions of the aggrieved party, following which the Union representative or representatives and the Employer representative or representatives shall meet and in good faith shall earnestly endeavour to settle the grievance submitted. If a satisfactory settlement cannot be reached or if the party on whom the grievance has been served fails to meet the other party within fourteen (14) days of receiving the written grievance, either party may, by written notice served upon the other, require submission of the grievance to a Board of Arbitration, such Board to be established in the manner provided in Section 13 of this Agreement.

- (b) Grievances involving the dismissal or layoff of an employee must be submitted to the Employer within ten (10) working days from the date of dismissal or layoff or be waived by the aggrieved party, provided notice has been given as required under Section 10.

Justice and Dignity: Any employee whom the Employer suspends or discharges shall be retained at or returned to active work until any Grievance contesting such suspension or discharge is finally resolved through the Grievance/Arbitration procedure.

However, the employee may be removed from active work (without pay) until the resolution of the Grievance protesting the suspension or discharge if his/her alleged cause for suspension, discharge or termination presents a danger to the safety of employees or equipment in the store due to fighting, theft, concerted refusal to perform their assigned work.

- (c) Any employee alleging they have been wrongfully dismissed or that management has deliberately coerced or intimidated him or her into quitting, may place his allegations before the Union representative and, if the Union representative considers that the objection of the employee has merit, may utilize the grievance procedure as established by this agreement.
- (d) The parties by mutual agreement may invoke Section 103 of the British Columbia Labour Code to facilitate the settling of grievances. Section 103 of the B.C. Labour Code states as follows:

"Where a Collective Agreement contains the following provision:

Where a difference arises between the parties relating to the dismissal, discipline or suspension of an employee, or to the interpretation, application, operation or alleged violation of this Agreement, including any question as to whether a matter is arbitrable, during the term of the Collective Agreement, Ken Albertini, or a substitute agreed to by the parties, shall at the request of either party

- (a) investigate the difference;
- (b) define the issue in the difference; and
- (c) make written recommendations to resolve the difference within 5 days of the date of receipt of the request; and for those 5 days from that date, time does not run in respect of the grievance procedure.

The Minister of Finance, on the Minister's requisition, shall pay out of the consolidated revenue fund 1/3 of the cost incurred by the parties for payment of reasonable remuneration, travelling and out of pocket expenses of the person named or his substitute."

Section 13 - BOARD OF ARBITRATION

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

Within ten (10) working days (excluding Sundays and holidays) following receipt of such notice, the Employer and the Union shall each select a representative to serve on the Board of Arbitration. The representative of the Employer and the representative of the Union shall, within five (5) days (excluding Sundays and holidays) after they have both been selected, choose an additional member to act as

Chairman. In the event of failure of the nominees of the Union and the Employer to agree upon a Chairman within the five (5) day period specified, the Minister of Labour of British Columbia shall be immediately requested to name a third member who shall act as Chairman of the Board of Arbitration.

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

No person shall serve on a Board of Arbitration who is involved or directly interested in the controversy under consideration. Grievances submitted to an Arbitration Board shall be in writing and shall clearly specify the nature of the issue.

In reaching its decision, the Board of Arbitration shall be governed by the provisions of this Agreement. The Board of Arbitration shall not be vested with the power to change, modify or alter this Agreement in any of its parts, but may, however, interpret its provisions. The expense of the impartial Chairman shall be borne equally by the Employer and the Union unless otherwise provided by law.

The findings and decision of the Board of Arbitration shall be binding and enforceable on all parties. A decision of a majority of the Board of Arbitration shall be deemed to be a decision of the Board.

- (b) In the case of discharge which the Board of Arbitration has determined to have been for an improper cause, the Board may order the reinstatement of the employee and may award him or her full or part back pay.

Section 14 - UNION'S RECOGNITION OF MANAGEMENT'S RIGHTS

The Union agrees that the Employer has the sole right to plan, direct and control store operations, direct the working force, discharge employees for just cause and control any other matter requiring judgment as to the competency of employees.

The parties agree that the foregoing enumeration of management's rights shall not be deemed to exclude other recognized functions of management not specifically covered by this Agreement. The Employer, therefore, retains all rights not otherwise covered in this Agreement.

The exercise of the foregoing rights shall in no way alter any of the provisions of this Agreement.

Section 15 - MISCELLANEOUS

- (a) Union Decal: The Employer agrees to display the official Union decal of the United Food & Commercial Workers International Union in a location where it can be seen by customers.
- (b) Wearing Apparel: The Employer will supply smocks, uniforms, dresses or other wearing apparel required on the job, to be laundered by the Employer.

Special clothing to be supplied by the Employer where required. Members shall be permitted to wear sweaters, providing they are acceptable to the Employer.

- (c) Charitable Donations: Employee donations to charity funds shall be on a strictly voluntary basis.

- (d) Workplace Harassment Policy: The Employer is committed to maintaining a work environment that is free of discrimination. In keeping with this commitment, the Employer will not tolerate harassment of employees by anyone, including any supervisor, co-worker, vendor, client, or customer of the Employer.

It is understood and agreed, that the exercising of normal management rights shall not be considered as harassment.

Harassment consists of unwelcome conduct, whether verbal, physical, or visual, that is based on a person's protected status, such as sex, sexual orientation, colour, race, ancestry, religion, national origin, age, physical disability or mental handicap, medical condition, disability, marital status, citizenship status, or other protected group status. The Company will not tolerate harassing conduct that affects tangible job benefits, that interferes unreasonably with an individual's work performance, or that creates an intimidating, hostile, or offensive working environment.

Sexual harassment deserves special mention. Unwelcome sexual advances, requests for sexual favors and other physical, verbal, or visual conduct based on sex constitute sexual harassment when, (1) submission to the conduct is an explicit or implicit term or condition of employment, (2) submission to or rejection of the conduct is used as the basis for an employment decision, or (3) the conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment. Sexual harassment may include unwanted sexual advances, offering employment benefits in exchange for sexual favors, making or threatening reprisals after a negative response to sexual advances; visual conduct: leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons, or poster; verbal conduct: sexual innuendoes, sexually oriented "kidding or teasing", "practical jokes" about gender specific traits, making or using derogatory or suggestive comments, epithets, or slurs, verbal sexual advances or propositions, verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes, or invitations; physical conduct: touching, patting, pinching, brushing against another's body, assault, impeding or blocking movements.

A person who considers that she or he has been subjected to workplace harassment is encouraged to bring the matter to the attention of the person responsible for the conduct. A direct approach to the person who has caused the offense is suggested as the first step. Frequently, people are unaware that their conduct is offensive and all that is needed to prevent its repetition is a simple statement that the conduct is unwelcome. However, that is merely a suggestion.

Where the complainant does not wish to bring the matter directly to the attention of the person responsible, or where such an approach is attempted and does not produce a satisfactory result, the complainant should immediately notify your Shop Steward and/or your Employer and/or your Union Representative.

The Union and Employer's policy is to investigate all such complaints thoroughly and promptly. To the fullest extent practicable, the Union and the Employer will keep complaints and the terms of their resolution confidential.

This harassment policy is to be prominently displayed in the workplace.

If an investigation confirms that harassment has occurred, the Employer will take corrective action in consultation with the Union.

This policy does not prevent any employee from proceeding to the B.C. Human Rights Commission.

Section 16 - SHOP STEWARDS RECOGNITION

It is recognized that Shop Stewards may be elected or appointed by the Union from time to time and the Employer will be kept informed by the Union of such appointments or elections.

The Employer agrees to recognize Shop Stewards and Alternate Shop Stewards for the purpose of overseeing the terms of the Collective Agreement being implemented and for the purpose of presenting complaints and grievances to designated management of the store.

Shop Stewards may introduce new members to the Union on their own time, to present membership cards for signature.

The Shop Steward and, in the absence of the Shop Steward, another member of the bargaining unit of the employee's choice shall be present when a member of the bargaining unit:

- i Is given a reprimand which is to be entered on the employee's personnel files.
- ii Is suspended or discharged.

When a Shop Steward is investigating a grievance or a complaint on Company time, the Steward must first obtain permission from his/her immediate Supervisor or the Store Manager. Such permission will not be unreasonably denied.

- (d) No employee shall be discharged or discriminated against for any lawful Union activity, or for serving on a Union Committee outside of business hours, or for reporting to the Union the violation of any provision of this Agreement.
- (e) Security Interviews: Employees shall have the right to have another employee of their choice, working in the store at the time of the interview, in attendance at any interviews by security agents of the Employer.
- (f) Discipline Interview: Where an employee attends an interview with management for the purpose of receiving a formal discipline report or for a security interview, the employee shall have the right to a witness of his or her choice. If during any other private corrective interview with management it is determined that there will be a discipline report on the employee's record, the interview may be temporarily suspended so the employee may call in a witness of his or her choice. Any witness used by the employee in the above situations will be another employee working in the store at the time the interview is being held. It is understood the witness is an observer and not a participant.
- (g) Bulletin Board: The Employer agrees to supply a bulletin board for use by the Union.
- (h) Health and Safety Store Committees: The Employer agrees to maintain a Health and Safety Committee in the store. The Committee shall function in accordance with the Workers Compensation Board Health and Safety Regulations.

A bargaining unit employee shall be elected by bargaining unit members in the store or shall be appointed by the Union to the Health and Safety Committee.

Section 17 - TIME OFF FOR UNION BUSINESS- STORE VISITS

- (a) The Employer agrees that employees chosen for such purposes shall be given time off without pay in order to attend Union conventions or participate in negotiations involving the Employer. The number of employees in excess of one (1) granted leave of absence for these purposes shall be determined by mutual agreement. The Union shall notify the Employer at least two (2) weeks in advance of the commencement of all such leaves of absence.

The Employer will bill the Union and the Union will reimburse the Employer for wages paid to the employee and contributions made on the employee's behalf during such absence.

- (b) Store Visits of Union Representatives: Duly authorized full-time representatives of the Union shall be entitled to visit the store for the purpose of observing working conditions, interviewing members and unsigned employees and to ensure that the terms of the Collective Agreement are being implemented.

The interview of an employee by a Union representative shall be permitted after notifying the owner/operator/manager and shall be:

- (1) Carried on in a place in the store designated by management.
- (2) Held whenever possible during the lunch period. However if this is not practical, during regular working hours. Time taken for such interview in excess of five (5) minutes shall not be on company time unless with the approval of Management.
- (3) Held at such times as will not interfere with service to the public. No interview shall be held on Friday, Saturday or any day after 4:00 p.m., or on the day preceding a statutory holiday except in cases of employees who only work Fridays, Saturdays or after 3:30 p.m.

Union representatives shall be permitted to review the Hours of Work Schedule and in the event of any discrepancies they shall be presented under Section 12 of this Agreement.

Section 18 - EXPIRATION AND RENEWAL

This Agreement shall be for the period from and including January 1, 2003, to and including December 31, 2005, and from year to year thereafter, subject to the right of either party to the Agreement, within four (4) months immediately preceding December 31, 2005, or any subsequent anniversary date thereafter to:

- (a) terminate this Agreement, in writing, effective December 31, 2005, or any subsequent anniversary thereof,
- (b) require the other party to this Agreement, in writing, to commence collective bargaining to conclude a revision or renewal of this Agreement.

Should either party give notice pursuant to (b) above, this Agreement shall thereafter continue in full force and effect and neither party shall make any change in the terms of the said Agreement, or increase or decrease the rate of pay of any employee for whom collective bargaining is being conducted, or alter any other term or condition of employment until:

- (1) The Union gives notice of strike in compliance with the Labour Code of British Columbia, or
- (2) The Employer gives notice of lockout in compliance with the Labour Code of British Columbia.

The operation of Section 50(2)(3) of the Labour Code of British Columbia is hereby excluded.

SIGNED THIS 2nd **DAY OF** April, 2003.

FOR THE UNION
UNITED FOOD & COMMERCIAL
WORKERS, LOCAL 1518

FOR THE EMPLOYER
PHARMX REXALL DRUG STORES LTD.
(HOUSTON REXALL DRUGS)

Brooke Sundin
President

Larry Ward

LETTER OF UNDERSTANDING #1

BY AND BETWEEN: **PHARMX REXALL DRUG STORES LTD. (HOUSTON REXALL DRUGS)**

AND: **UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 1518**

RE: Clarification and Amendment of Positions Excluded From the Bargaining Unit

The Employer and the Union have agreed to a combined maximum of two (2) exclusions from the Bargaining Unit:

Store Manager/Head Pharmacist
Operations Manager

It is agreed that Pharmacists are excluded as per current practice, and that they shall not perform any Bargaining Unit work.

Section 4 (5) – Suppliers

It is understood by both the Union and the Employer that on occasion a specialist Rexall Drugs Head Office may advise the Employer and staff on new marketing strategies for product lines. If realignment of a section or sections is required, the head Office Specialist will work along with Store Union employees.

All Bargaining Unit employees must be fully maximized to the Basic Workweek prior to and during any store reallocation.

Signed this 24th day of February , 2003 .

For the Union
UNITED FOOD & COMMERCIAL
WORKERS UNION, LOCAL 1518

For the Employer
PHARMX REXALL DRUG STORES LTD. (HOUSTON
REXALL DRUGS)

David J. Archibald

Larry Ward

LETTER OF UNDERSTANDING #2

BY AND BETWEEN: PHARMX REXALL DRUG STORES LTD. (HOUSTON REXALL DRUGS)

AND: UNITED FOOD AND COMMERCIAL WORKERS UNION,
LOCAL 1518

Cash Office Duty Premium

The Employer agrees to compensate all employees who perform cash office duties a premium of thirty-five cents (35¢) per hour above their regular rate.

Pharmacy Premium

The Employer agrees to compensate all employees who are regularly assigned to work in the pharmacy who otherwise do not qualify for the "Pharmacy Assistant" rate, a premium of thirty-five cents (35¢) per hour above their regular rate. This premium will not apply until one (1) hour has been worked in the dispensary per day.

SIGNED THIS 24th DAY OF FEBRUARY, 2003.

For the Union
UNITED FOOD & COMMERCIAL
WORKERS UNION, LOCAL 1518

For the Employer
PHARMX REXALL DRUG STORES LTD.
(HOUSTON REXALL DRUGS)

David J. Archibald

Larry Ward

LETTER OF UNDERSTANDING #3

BY AND BETWEEN: PHARMX REXALL DRUG STORES LTD. (HOUSTON REXALL DRUGS)

AND: UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 1518

RE: Operations Manager Position

The position of Operations Manager will be filled from an incumbent that applies for the position, from the bargaining unit if deemed qualified.

The Operations Manager forfeits all seniority rights after twelve (12) months under the Collective Bargaining Agreement once he-she is promoted to the position of Operations Manager.

Should the Operations Manager be demoted or step down from the position after twelve (12) months, the parties agree that the Operations Manager has no seniority in the Union bargaining unit.

Signed this 24th day of February, 2003.

For the Union
UNITED FOOD & COMMERCIAL
WORKERS UNION, LOCAL 1518

For the Employer
PHARMX REXALL DRUG STORES LTD. (HOUSTON
REXALL DRUGS)

David J. Archibald

Larry Ward

LETTER OF UNDERSTANDING #4

BY AND BETWEEN: PHARMX REXALL DRUG STORES LTD. (HOUSTON REXALL DRUGS)

AND: UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 1518

RE: Merchandise Prizes and/or Display Contest Items

In recognition of the hard, dedicated work of the members in the Bargaining Unit, the Employer agrees that all merchandise prizes and display contents, such as, but not limited to:

- Gift Baskets
- T-shirts
- Give-Away Jackets

A sub-committee composed of three (3) members of the bargaining unit shall be elected by the membership. The sub-committee shall be responsible for the distribution of merchandise prizes and/or display contest items receive from the “spiffs.”

Signed this 24th day of February , 2003 .

For the Union
UNITED FOOD & COMMERCIAL
WORKERS UNION, LOCAL 1518

For the Employer
PHARMX REXALL DRUG STORES LTD. (HOUSTON
REXALL DRUGS)

David J. Archibald

Larry Ward

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