

RETAIL WHOLESALE UNION AGREEMENT

BETWEEN:

RETAIL WHOLESALE UNION LOCAL 580

AND:

McKESSON CANADA CORPORATION

DURATION OF AGREEMENT:

FROM: March 8, 2004

TO: March 31, 2007

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THIS AGREEMENT entered into this 8th day of March,
2004

BETWEEN:

RETAIL WHOLESALE UNION LOCAL 580

(hereinafter referred to as the "Union")

OF THE FIRST PART;

AND:

McKESSON CANADA CORPORATION
71 Glacier Street, Coquitlam, BC V3K 5Z1

(hereinafter referred to as the "Company")

OF THE SECOND PART;

It is hereby agreed that this Agreement shall come into full force and effect upon ratification by the membership of the Retail Wholesale Union, Local 580, employed by the above Company and upon ratification by the Company.

WITNESSETH:

WHEREAS it is the intent and purpose of the parties hereto that this Agreement will promote and improve industrial and economic relationship between the employees and the Company, and to set forth herein the basic agreement covering rates of pay, hours of work, and conditions of employment to be observed between the parties and to provide a method for the orderly adjustment of differences that may arise.

ARTICLE 1 - DEFINITION

Section 1. The term "employee" or "employees" as used in this Agreement refers to such employees of the Company who are covered by this Agreement, excluding sales staff and management.

Section 2. The masculine pronoun shall include the feminine and the singular shall include the plural and vice versa.

ARTICLE 2 - UNION RECOGNITION

Section 1. The Company recognizes the Union as the exclusive bargaining agent for the employees as defined in Article 1 during the term of this Agreement and agrees to negotiate with a committee selected by the bargaining unit, the committee not to exceed five (5) members, looking toward a peaceful and amicable settlement of any differences that may arise between the Company and the Union. The said committee shall be employees of the Company and shall be entitled to have associated with it a duly accredited representative of the Retail Wholesale Union. It may be necessary from time to time for the Union to appoint one or more employees to the Committee to fill vacancies, until elections can be held by the bargaining unit.

Section 2. Shop Stewards shall have reasonable access to members of the bargaining unit for the purpose of carrying on Union business.

Section 3. There shall be no discrimination against any member of the Union because of Union activities.

Section 4. The Company shall provide two (2) bulletin boards. One (1) of the boards shall be located in the lunchroom. The other bulletin board shall be located in the office area.

The bulletin board shall be for the purpose of posting Union notices, copies of this Agreement and official papers. All such materials may be posted or removed only upon the authority of the Grievance Committee.

Section 5.

- (a) Where the business or part thereof is sold, leased or transferred, the purchaser, lessee, or transferee is bound by all the proceedings under this Act before the date of the sale, lease or transfer, and the proceedings shall continue as if no change had occurred; and if a Collective Agreement was in force, that Agreement continues to bind the purchaser, lessee, or transferee to the same extent as if it had been signed by him.
- (b) The Company shall give notice of this Agreement to any purchaser, lessee or transferee of the business not later than the effective date of the sale. Notice shall be in writing and a copy of this notice delivered to the Union.
- (c) If the Company is forced to close due to insolvency the Company will give notice equal to notice received by the Company up to three (3) months. If the Company closes by its own decision it will give three (3) months notice.

Section 6. Jobs presently being performed by employees in the bargaining unit shall not be contracted out, where such contracting out would result in a reduction of the work force unless otherwise mutually agreed between the Company and the Union.

Section 7. The Company agrees not to enter into any agreement or contract with the employees covered by this Agreement, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement, or any Statute of the Province of British Columbia or Dominion of Canada. Any such Agreement will be null and void.

ARTICLE 3 - UNION SECURITY

Section 1.

- (a) All employees who are covered by the Certificate of Bargaining Authority issued by the Labour Relations Board and who are at present members of the Union shall as a condition of employment, remain members of the Union.
- (b) All new employees as a condition of employment shall become and remain members of the Union upon the completion of thirty (30) working days service with the Company. All employees as a condition of employment shall pay dues.

Section 2.

- (a) The Company agrees to make payroll deductions in the first pay period of each month from the earnings of all employees covered by this Agreement, of the dues of the Union and forward the amount so deducted, along with an itemized statement of the same to the Acting Secretary of the Union within fourteen (14) days after the date of deduction.
- (b) The Company agrees that all present and future employees shall, as a condition of employment, sign authorization forms implementing the provisions of Section 2 (a) of this Article.
- (c) Initiation fees and/or special assessments levied by the Union shall be deducted from the earnings of employees by the Company upon receipt of written authorization to do so duly signed by the employee and such monies shall be remitted by the Company to the Secretary of the Union within fourteen (14) days of the date of deduction, along with a list of employees from whom deductions were made.

- (d) The Company agrees to submit deductions and names in alphabetical order on forms supplied by the Union, or on an approved format, providing an explanation for each employee for whom deductions were not made, i.e.:
1. Employee laid off;
 2. Retired;
 3. Deceased;
 4. Voluntary termination;
 5. Discharged.

Union dues for employees on sick leave, Workers' Compensation and leaves of absence shall be deducted from such employees upon their return to work and submitted to the Local Union at that time as dues in arrears.

Section 3.

- (a) Subject to paragraph (b) no employee of the Company who is not a member of the bargaining unit will perform work normally performed by members of the bargaining unit.
- (b) It is mutually agreed that supervisory staff may perform work normally performed by members of the bargaining unit, only to assist with an emergency, or to provide on the job instructions.

ARTICLE 4 - MANAGEMENT RIGHTS

Section 1. The Management of the Company and the direction of the work force including the right to plan, direct and control the Company's operations to maintain order, discipline and efficiency of the employees and to require employees to observe Company's rules and regulations; to hire; lay-off, or relieve employees from duties; to promote and transfer subject to the provisions of Article 7 Seniority; suspend; to retire an employee at age 65; and discharge employees for cause, are to be the sole right and function of the Employer. The Company has the right to make and alter from time to time rules and regulations to be observed by all employees. The enumeration of management's rights shall not be deemed to exclude other functions not specifically covered in this Agreement.

Section 2. Management shall have the sole right to demote for proper cause. Demotions for other reasons shall be subject to the same principles as used for promotions and transfers in Article 7.

Section 3. The exercise of the foregoing rights shall not alter any of the specific provisions of this Agreement, nor shall they be used to discriminate against any member of the Union.

ARTICLE 5 - HOURS OF WORK

Section 1.

- (a) The standard work week for full time warehouse employees and full time office employees is as set out in Appendix "A". The standard work day for full time warehouse employees and full time office employees is as set out in Appendix "A". The start time of a full time employee may be altered on an exception basis at the Company's discretion upon request from an employee due to unavoidable personal circumstances.

- (b) Time worked by full time employees outside of the scheduled hours of work as specified in Appendix "A" shall be considered as overtime.

Overtime will be paid at one and one-half (1.5) times the employee's hourly rate for the first two (2) hours of overtime worked. Overtime will be paid at double the employee's hourly rate after the first two (2) hours of overtime worked.

Part time employees may be scheduled to work any of the hours listed in Appendix "A". Part time employees who work on Sunday will be scheduled up to nine (9) hours. Overtime will be paid at one and one half (1.5) times the employees' hourly rate after nine (9) hours worked on Sunday, after eight (8) hours worked on other days, or after forty (40) hours per week have been worked. Overtime will be paid at double the employee's hourly rate after the first two (2) hours of overtime worked.

- (c) Overtime will be paid at double the employee's hourly rate for full time employees who are called into work on their normal days off.
- (d) A schedule of shifts will be posted a minimum of twelve calendar days prior to the first day on the schedule.

Section 2.

- (a) One (1) fifteen (15) minute break will be granted when overtime worked, excluding break time, is greater than one (1) hour and less than or equal to two (2) hours in duration.
- (b) One (1) thirty (30) minute break will be granted when overtime worked, excluding break time, is greater than two (2) hours in duration.

- (c) When overtime occurs before the scheduled shift, the break will commence within one half (1/2) hour before or after the regular scheduled start time. When the overtime occurs after the scheduled shift, the break will commence within one half (1/2) hour of the completion of the scheduled shift.

In the event one (1) fifteen (15) minute break is granted under item (a) above and the overtime worked, excluding break time, subsequently exceeds two (2) hours in duration, one (1) additional fifteen (15) minute break will be granted at a time determined by the Company.

In the event one (1) thirty (30) minute break is granted under item (b) above and the overtime worked, excluding break time, subsequently exceeds four (4) hours in duration, one (1) additional fifteen (15) minute break will be granted at a time determined by the Company.

The break time outlined in (a) and (b) above will be paid at the applicable overtime rate as provided in Article 5, Section 1.

Section 3. Where a full time employee is scheduled for work and receives less than the hours in his regular shift, he shall choose either to be paid for four (4) hours and allowed to leave, or to remain on the job for the balance of the shift, and perform such work for the remaining period of time as the Company deems available. Where an employee chooses to perform work for the remaining period of time, he shall be paid at his regular rate of pay or the rate of the other work whichever is greater.

Part time employees shall be paid a minimum of four (4) hours pay when called into work.

Section 4. The Company agrees that overtime will be voluntary. Once overtime hours are assigned the employees shall complete the assigned overtime unless otherwise instructed by Management. No employee will or can work overtime without the consent of the Management.

The Union acknowledges the necessity to work overtime to meet customer requirements. The Union agrees that its members shall not unreasonably refuse to work overtime when requested to do so. The Union agrees to support and encourage the Company's efforts to obtain sufficient volunteers to meet overtime requirements. If the Company is unable to obtain sufficient volunteers, the Company may ask a Shop Steward on shift to request employees on an individual basis to volunteer for overtime. If there are insufficient volunteers, the Union agrees to meet with the Company to discuss options to ensure sufficient volunteers for subsequent overtime.

Section 5.

- (a) Unscheduled overtime will be assigned in the following order of priority until the Company obtains the number of employees it requires who are capable of performing the work:
- i) on a voluntary basis in order of seniority, from the employees in the classification where overtime is required;
 - ii) on a voluntary basis in order of seniority, from the warehouse employees on the shift where the overtime is required;
 - iii) on a voluntary basis in order of seniority, from the office employees on the shift where the overtime is required.

When overtime is required in non-posted positions, step (i) is not applicable.

When the steps above fail to obtain sufficient volunteers, overtime shall be assigned as evenly as possible and practicable among the employees normally performing the work.

- (b) Scheduled overtime not related to stock taking will be assigned in the following order of priority until the Company obtains the number of employees it requires who are capable of performing the work:
 - i) on a voluntary basis in order of seniority, from the employees in the classification where overtime is required;
 - ii) on a voluntary basis in order of seniority, from the warehouse employees available for work;
 - iii) on a voluntary basis in order of seniority, from the office employees available for work.

When overtime is required in non-posted positions, step (i) is not applicable.

When the steps above fail to obtain sufficient volunteers, overtime shall be assigned as evenly as possible and practicable among the employees normally performing the work.

- (c) Overtime related to stock taking will be assigned in the following order of priority until the Company obtains the number of employees it requires who are capable of performing the work:
 - i) on a voluntary basis in order of seniority, from warehouse employees on the shift where the overtime is required;
 - ii) on a voluntary basis in order of seniority, from office employees.

When the steps above fail to obtain sufficient volunteers, overtime shall be assigned as evenly as possible and practicable among the employees normally performing the work.

Section 6. All employees shall be given two (2) hours advance notice for overtime work on week days.

Section 7.

- (a) Work performed over five (5) consecutive hours at the request of the Company, without a meal period shall be paid for at the overtime rate until a meal period is taken. It is understood that no one shall be called back after the completion of his shift for less than one (1) hour service or pay equivalent thereto.
- (b) The Management and the Union Committee shall, by mutual agreement only, arrange for any changes in the starting and stopping times of hours of work or for meal periods, as set out in Appendix "A".
- (c) If an employee, after starting work, meets with an accident which incapacitates him from carrying on his duties, he shall be paid his full days wages for the day of his injury, provided he is not in receipt of compensation from the Workers' Compensation Board for that day.

Section 8. Statutory Holidays

- (a) Employees shall be entitled to all Statutory Holidays specified in paragraph (b) of this Article, with pay regardless as to whether they fall on a regularly scheduled work day or not.

A full time employee shall be paid for a regular full shift at his regular hourly rate, including appropriate premium pay where applicable, for each of these holidays provided they have been employed for a minimum of thirty (30) calendar days. In the case of an employee, who is temporarily working in a classification calling for a higher rate than the employee's regular rate for a period of one week or more, in which week the statutory holiday occurs, then the employee's pay for the statutory holiday will be at the higher rate.

After thirty (30) calendar days of employment, part time employees are entitled to statutory holiday pay for the holidays specified in Article 5, Section 8 (b), in accordance with the provisions below:

- i) if the employee has worked fifteen (15) or more days in the last thirty (30) days before the statutory holiday, the employee shall be paid their total wages, excluding overtime, for the preceding thirty (30) day period, divided by the number of days worked within the thirty (30) day period; or
 - ii) if the employee has worked less than fifteen (15) of the last thirty (30) days before the statutory holiday, the employee shall be paid their total wages, excluding overtime, for the preceding thirty (30) day period divided by fifteen (15).
- (b) The following days shall be statutory holidays within the meaning of this Article:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Canada Day	Christmas Day
B.C. Day	Boxing Day

or any day declared as a holiday in substitution and any Federal or Provincial statutory holiday proclaimed during the life of this Agreement.

- (c) Employees required to work on a statutory holiday shall be paid double of the regular rate of pay for all hours worked by him on that day. Any time worked on a statutory holiday shall be given as time off at the employee's regular hourly rate. The time off will equal the time worked on the statutory holiday. Pay for time off for working on a statutory holiday will reduce the statutory holiday pay received under Article 5 Section 8 (a). The time off must be scheduled at a time mutually agreed upon by the employee and management, but no later than his next following annual vacation.
- (d) When a holiday mentioned in the above paragraph (c) falls on a Sunday and if customarily observed on Monday, such Monday shall be considered a holiday under the terms of this Agreement.
- (e) When a holiday falls on another day other than a Sunday, the Company and the Committee shall determine the day of closing, by mutual agreement, and will give two (2) weeks advance notice to all employees. Mutual agreement will not be unreasonably withheld.

When a holiday is observed on employee's scheduled day off, the employee must elect to take a substitute day off with pay at a mutually acceptable time, but no later than his next following annual vacation.

Section 9. Shift Premium

- (a) Employees who work a night shift shall, in addition to their regular pay, receive One Dollar and Ten Cents (\$1.10) per hour shift differential.

Employees who are part of the bargaining unit as of July 20, 2000 who work an afternoon shift shall, in addition to their regular pay, receive One Dollar and Ten Cents (\$1.10) per hour shift differential. Employees hired after July 20, 2000 who work an afternoon shift shall, in addition to their regular pay, receive Seventy Cents (\$0.70) per hour shift differential.

- (b) Employees who work on Saturday as a part of a regular shift schedule shall, in addition to their regular pay, receive Seventy Cents (\$0.70) per hour shift differential.

ARTICLE 6 - WAGES

Section 1. Wages and classifications of work are attached hereto and known as Appendix "B".

Section 2.

- (a) When an employee is temporarily removed from his regular work and placed on other work, he shall be paid his regular rate of pay or the rate for the other work, whichever is greater. Rate changes shall apply only when the other work has a duration of one (1) hour or more and shall be paid for in units of quarter (1/4) hours.

- (b) Regular employees covered by this Agreement shall be paid not less frequently than once every second Thursday all wages earned to the previous Saturday. The pay period shall commence each Sunday at 00:01 hour. The Company shall provide every employee covered by this Agreement with a separate or detachable written or printed itemized statement in respect of all wage payments made to such employee. Such statement shall set forth the pay period, the total hours worked, the total overtime hours paid at premium rates, the rate of wages applicable to date, and itemized deductions made from gross wages.
- (c) In the event of retroactive payments, employees will be supplied with the breakdown indicating number of hours, rates of pay for work in various classifications, etc.
- (d) If, and when an error is suspected in an employee's pay cheque, the Company will make every effort to ascertain whether or not an error exists and if an error does exist it will be corrected as soon as possible.

ARTICLE 7 - SENIORITY

Section 1. There shall be two (2) seniority lists for regular full time employees, one (1) in the office and one (1) in the warehouse. There will be separate seniority lists for part time employees, one (1) in the office and one (1) in the warehouse.

Employees may hold seniority on only one (1) list.

Section 2.

- (a) Seniority for regular full time employees shall commence from the original date of employment upon completion of the probationary period as described in Article 7, Section 7. If the employee's seniority was broken in accordance with provisions of Section 5 of this Article, the revised seniority date shall be calculated from the date he returned to work following the latest break in his seniority.

Seniority, qualifications, merit, fitness and ability shall be considered and where other factors are equal, seniority shall be the deciding factor in filling vacancies for full time positions, retention in case of reduction in the number of full time employees, assignment and reassignment of full time employees caused by expansion or reduction in work, and rehiring of full time employees after lay-off, except where by mutual agreement between the Company and the Grievance Committee the senior employee does not have the capabilities to perform the work to be done.

When two (2) or more full time employees are hired on the same day, their position on the seniority list shall be determined by age; the person with the earlier birthdate shall be deemed to be the senior employee.

Seniority for part time employees shall commence from the original date of employment but shall be accumulated only on the basis of hours actually worked. Seniority for part time employees shall only have application when a full time position is to be filled or when a part time employee applies for a relief posting. A part time employee who is the successful applicant for a vacant full time position shall be credited with the regular full time seniority from his date of employment as a part time employee.

- (b) If mutual agreement is not reached under the above procedure, then the matter shall be referred to Management and a representative of the Union. If mutual agreement is still not reached, then the matter may be resolved as any other grievance.

Section 3. The Company will supply the Secretary of the Union with seniority lists in triplicate of all employees covered by this Agreement upon request. Said lists to contain names, classifications and original date of employment of each employee covered by this Agreement.

Section 4.

- (a) When a posting or relief posting occurs, the Company shall make a temporary appointment to fill the job and the job shall be bulletined immediately for three (3) working days, during which time employees must make written application to the Company for the job by the closing date. All notices of job postings will include the rate, the department, and the applicable hours of work.

The Company shall make a permanent appointment within two (2) working days after the closing date for applications.

When there is a posting or relief posting in the warehouse and no employees apply for the posting, the Company will assign the posting or relief posting to the most junior, full time employee with the ability to perform the job with reasonable training.

- (b) All full time employees who do not hold a posting or relief posting on their current shift can indicate the shifts that they would like to be considered for should vacancies occur by placing their names on a list posted by the Company. The Company will post the list at least once every six months. Employees are responsible for ensuring the posted list reflects their current preference. Employees absent from the Company shall be automatically considered for the shifts they have indicated their desire to be considered for as outlined in this sub-section.

Employees successful in obtaining a posting or relief posting on another shift within the six month interval will be permitted to change shifts independent of the list noted above.

- (c) In the event a temporary vacancy occurs as a result of an employee being absent from work by reason of accident, illness or such other cause which may prevent him from returning to his job for up to five (5) working days or as a result of a peak in the workload, the Company may appoint a part time employee to fill the temporary vacancy.

In the event a temporary vacancy in a posted position is expected to be greater than forty-five (45) working days, a temporary relief posting will be created.

Employees who are appointed to fill temporary vacancies shall, at the time of expiration of such temporary vacancy, revert to the previous classification.

- (d) Employees receiving a permanent posting to a new position shall receive a thirty (30) working day trial period. The Company may extend this trial period to a maximum of forty-five (45) additional working days upon written notification to the Union. The Company must notify the Union of the trial period extension within the initial thirty (30) working days. Upon completion of the trial period, the employee must retain the posting for a minimum of six (6) months from the date of their appointment,

- (e) Employees hired into the Company into the Stock Picker (Narcotics) position as an AQPIC are prohibited from moving to an alternate full time position for two (2) years from their date of hire. If the employee relinquishes their Stock Picker (Narcotics) position within their first two (2) years, they will move to a part time Stock Picker position, be placed at the bottom of the part time seniority list, be placed at the appropriate wage rate based on their hours worked, and be subject to the terms for part time employees. If the employee relinquishes their Stock Picker (Narcotics) position after their first two (2) years, they will be placed on the full time or part time seniority list based on their date of hire.

Section 5. Seniority shall be lost if an employee:

- (a) voluntarily leaves the employ of the Company, or
- (b) is discharged and not reinstated under the terms of this Agreement, or
- (c) is absent without leave for a period greater than three (3) working days, or

- (d) after recall from lay-off fails to return to work within the five (5) working days after being recalled. The employee must make reasonable effort to notify the Company verbally within forty-eight (48) hours of the recall notice.
- (e) after notifying the Company of his intent to return to work, fails to report to work as set out in (d) above.
- (f) is laid off and not recalled for 12 months at which time the Company and the Union shall mutually agree whether or not to delete the employee's name from the seniority list or to review his chances of re-employment at a later date.

Section 6. Employees laid off due to staff reduction shall, when laid off, file their address and telephone number with the Company and thereafter keep the Company and the Union informed of any change of address and telephone number. It is understood that persons laid off are subject to recall, on a permanent or temporary basis, as required by the Company. To recall a regular full time employee from lay-off, the Company shall forward a registered letter to the last known address of the employee with a copy to the Union.

To recall a part time employee to work, the Company shall call the employee by telephone on a maximum of two (2) separate occasions. The third attempt to contact the employee will be via registered letter with a requirement for a response within three (3) working days of receipt. Recall rights shall be lost if the employee refuses to work or is unavailable on these three (3) occasions.

Any employee on lay-off who requests his Record of Employment, shall not be considered terminated.

Section 7. Probation

- (a) New employees shall be regarded as probationary for the first four hundred and seventy-two and one half (472.5) hours worked and during this period employees shall acquire no seniority or reemployment rights and may be terminated at the Employer's discretion for any bonafide reason.

After completion of such period of employment, the names of such employees shall be placed upon the seniority list in order of original hiring date. Probationary employees shall have access to the applicable provisions of the Collective Agreement.

Probationary employees will be given a written assessment at or near the second half of the probation period. Where the written assessment is unsatisfactory, the Company can extend the probationary period by an additional one hundred sixty eight (168) hours upon written notice to the Union within the first four hundred seventy two and a half (472.5) hours.

- (b) Probationary employees shall during the probationary period be on trial to determine whether or not after a bona fide trial they possess satisfactory qualifications and suitability for regular employment and meet the standards for the job classifications as set out by the Company which includes consideration of the employee's ability to work with others.
- (c) In addition to the right of the Company to discharge a probationary employee for just cause, the Company may discharge such employee at any time during the probation period for failing to meet the standard set by the Company. An employee may be considered to have failed to meet such standard if the employee:

- (i) has been interviewed by the supervisor and been told that the work performance is unsatisfactory, and
- (ii) has been given notice in writing that within a specified time, work performance must show improvement, and
- (iii) whose work performance continues to be unsatisfactory after such specified time.

A copy of the notice referred to in (ii) shall be given to the Union.

A probationary employee who has been discharged for failing to meet the standards shall be advised, in writing by the department supervisor the reasons for such dismissal.

Section 8. An employee within the scope of the bargaining unit who accepts employment with the Company outside the bargaining unit shall not be permitted to return to the bargaining unit.

Section 9. When new job classifications are established or existing job classifications are changed by changes in the character of duties and responsibilities as deemed necessary or advisable by the Company, the Union shall be advised immediately in writing with a copy of the letter to the Grievance Committee Chairperson. A rate shall be set by the Company. If, after a trial period of not less than thirty (30) days, the Committee deems the rate adjustment made by the Company to be unsatisfactory, the dispute shall be settled pursuant to the Grievance Procedure herein provided.

In the event job classifications are deleted or the character of duties and responsibilities of the job classification are changed which will affect the employment status of an employee, the Union will be advised in writing of such deletion or change. The Company will meet with the Committee to inform them of changes in staff resulting from such deletion or change in a job classification and any dispute arising therefrom shall be settled pursuant to the Grievance Procedure herein provided.

ARTICLE 8 - VACATIONS

Section 1. Full time employees covered by this Agreement who have continuous service with the Company, shall be entitled to vacation in accordance with this Article. Continuous service shall mean unbroken seniority as established by the seniority list.

Part time employees shall receive vacation pay equal to 4¼ % of earnings of the employee. As of January 1 of each year, part time employees receive one (1) day of vacation per month of service to a maximum of ten (10) days annual vacation. Part time employees may not schedule vacations during the prime time period as outlined in section 5 (a). Sections 2, 3, 4, 5, 6, 7, 8, 9, and 10 of this article do not apply to part time employees.

Section 2. Vacation entitlement is based on an employee's continuous service as of January 1 each calendar year:

- * One (1) day of vacation per month of service, to a maximum of ten (10) days annual vacation, for employees with less than one (1) year of service.

- * Two (2) weeks annual vacation for employees who have completed one (1) year of service and have less than three (3) years of service.

- * Three (3) weeks annual vacation for employees who have completed three (3) years of service and have less than nine (9) years of service.
- * Four (4) weeks annual vacation for employees who have completed nine (9) years of service and have less than fourteen (14) years of service.
- * Five (5) weeks annual vacation for employees who have completed fourteen (14) or more years of service.

Section 3. An employee shall be entitled to vacation pay based on a percentage of their total earnings:

- * four percent (4%) if the employee has less than two (2) years of service;
- * six percent (6%) effective the employee's second (2nd) anniversary;
- * eight percent (8%) effective the employee's eighth (8th) anniversary;
- * eleven percent (11%) effective the employee's thirteenth (13th) anniversary.

The vacation pay described in the preceding paragraph will be accrued each pay period. When an employee takes their vacation entitlement, the time off will be paid at the employee's regular rate of pay at the time the vacation is taken, provided their accrued vacation pay equals or exceeds the amount of pay they would receive for the time off paid at their regular rate. The vacation pay paid at the employee's regular rate of pay will reduce their accrued vacation pay balance.

If an employee has not accrued sufficient vacation pay to take the time off at their regular rate of pay, all outstanding accrued vacation pay will be paid and part or all of the time off will be without pay.

At the end of the payroll year, employees with more than one completed year of service will be paid the difference between the actual vacation pay received in that payroll period and the vacation pay accrued in the previous payroll year.

Section 4. Before leaving for their vacation, employees shall be entitled to their vacation pay for the portion of their vacation period which they are taking. This request must be made one (1) pay period prior to the vacation period.

Section 5.

(a) Employees entitled up to and including three (3) weeks vacation may have them scheduled during the prime time period. Such vacations shall be scheduled no earlier than June 15th, nor any later than September 15th, plus the Christmas to New Years Day and Easter (spring) break weeks, unless otherwise arranged by mutual agreement between the Company and the employee.

(b) It is understood that any weeks of vacation in excess of three (3) weeks will be scheduled during non-prime time unless otherwise mutually agreed between the Company and the employee.

The maximum number of employees scheduled off each week during prime-time shall not exceed the total number of eligible prime-time vacation weeks divided by the total number of weeks available in prime-time. If this number is not a whole number it shall be rounded down for the Christmas prime-time.

Section 6.

- (a) The preferred position in the selection and allocation of vacation period shall be awarded on the basis of seniority, longest service having first choice. The Company and one member of the Grievance Committee shall together adjudicate and decide the borderline or conflicting cases.
- (b) Vacations shall be scheduled on the following basis:

Prime time vacation shall be defined as June 15th to September 15th, plus the Christmas to New Years Day and Easter (Spring) break weeks. Non-prime time vacation time shall be all time other than as above.
- (c) The above vacation schedule shall be prepared by the Company and posted no later than December 15th.

Section 7.

- (a) On or before November 15th of each year, the Employer shall post a notice requesting employees to designate their preference as to when they would like to schedule their vacations for the next calendar year.
- (b) All requests for vacations must be submitted no later than November 30th. Employees who fail to designate their preference prior to November 30th, may receive vacations within the prime time vacation period, but only during those periods not already allotted.

Section 8. All vacation entitlement an employee receives on January 1 must be taken before January 1 of the next year.

Section 9.

- (a) No payment shall be made in lieu of vacation except in the event of termination of employment.

- (b) In the event of resignation or termination of employment, an employee shall be paid for all unused vacation accrued as determined in Section 3 of this Article. The date of separation for the purposes of calculating vacation pay only will not be extended beyond the actual date of termination of service.

In the event of an overpayment of holiday pay or vacation allowance, the Company shall recover the overpayment from the employee.

Section 10. Where a statutory holiday occurs during the period of any annual vacation taken by an employee, the employee must take a substitute day off, either at the beginning or end of his vacation period or at some other time mutually acceptable to the Company and the employee. The rate of pay for the statutory holiday will be based upon the employee's regular pay rate.

ARTICLE 9 - SAFETY AND HEALTH

Section 1. The Company shall continue to make reasonable provisions for the safety and health of its employees at the plant during the hours of their employment. The Company shall supply and maintain coveralls, smocks, and uniforms free of charge to its employees. Where protective devices are necessary the Company will supply them. The Company will reimburse upon proof of payment, the cost of Company approved safety footwear to a maximum reimbursement of one hundred and fifty dollars (\$150.00) within a period of two (2) consecutive calendar years. Employees are required to wear safety shoes or boots that are in reasonable condition. Reasonable condition of safety footwear shall be defined by the joint Health and Safety Committee.

Section 2. The Company agrees to train and schedule one (1) full time qualified first aid attendant and one (1) relief qualified first aid attendant on each of the Day Shift, Afternoon Shift, and Night Shift.

Sixty (60) calendar days prior to the expiry of the employee's first aid certificate the Company will provide written notice to the employee of the expiry date. The employee must provide their notice of intention to renew within seven (7) calendar days of receipt of the Company's notice of expiry. First aid attendants who indicate their intention to renew their certificate must make arrangements with the Company to complete their recertification prior to the expiry of their current certificate. When a first aid attendant fails to provide notice of intention to renew within seven (7) calendar days, the Company will post for a replacement

Where there is no qualified first aid attendant within the bargaining unit, the Company may hire from outside the bargaining unit.

The employee the Company designates as the first aid attendant for their shift will receive a premium of sixty cents (\$0.60) per hour in addition to their regular rate of pay for each hour worked as a first aid attendant.

Where the Company requests an employee to complete the first aid course, the Company agrees to pay the cost of the regular first aid course and associated medical examination, upon successful completion, and any renewal required.

Section 3. There shall be a Safety Committee as provided for under the Workers' Compensation Act, composed of equal representation on behalf of the Company and the Union and monthly meetings of the said committee shall be held.

ARTICLE 10 - GRIEVANCE PROCEDURE

Section 1. In case of a grievance arising, an honest effort shall be made to settle the difference without a work stoppage in accordance with the provisions set out in Article 10 of the Agreement and in accordance with the Labour Relations Code. All Grievances shall be presented and dealt with as expeditiously as possible.

Section 2. There shall be a Grievance Committee, consisting of four (4) employees, designated by the Union, who are actually then in the employ of the Company and who will be afforded such time off as may be required to attend meetings with the Management held at the request of the Management or the Committee. Minutes of the meetings shall be kept, signed by both parties, one copy to be retained by the Company and one by the Union.

Section 3. The Union agrees to advise the Company of the names of the members of the Grievance Committee in writing, and also of any changes from time to time.

Section 4. In the case of any grievance or a question relating to the application, operation, interpretation or alleged violation of this Agreement, the following steps shall be taken:

FIRST: After receiving the details of the grievance between the aggrieved employee and the Company, the aggrieved employee with the immediate supervisor and Shop Steward shall attempt to reach a settlement; a decision to be rendered thereafter; failing to reach a settlement, Step Two to be invoked.

SECOND: The grievance shall be written on proper grievance forms and presented by a member of the Grievance Committee to the Management; a decision to be rendered after receipt of written grievance; failing to reach a settlement, Step Three to be invoked.

THIRD: A meeting will be held between the Representative of the Union, the Grievance Committee and the Management; a decision to be rendered after the meeting; failing to reach a satisfactory settlement, Step Four to be invoked.

FOURTH: The grievance shall be submitted to arbitration. Arbitrators shall be selected on a rotating basis from those listed below:

Rod Germaine
Stephen Kelleher
Vince Ready

If the first arbitrator on the panel is not available the next shall be empanelled. This process shall continue until the arbitrator can be obtained so as to expedite the procedure.

In case of a grievance involving the application, interpretation or alleged violation of this Agreement, the decision of the arbitrator shall be final and binding on both parties to the Agreement.

Section 5.

- (a) The arbitrator shall be governed by the provisions of this Agreement and shall not have the right to add to, delete from, to change, or make any decision contrary to the provisions of this Agreement.
- (b) The arbitrator's decision must be rendered within thirty (30) days following the arbitration hearing and shall be final and binding on both parties.
- (c) The parties shall jointly bear the costs of the arbitrator. Each of the parties shall bear the expenses of the witnesses called by it.
- (d) Where an arbitrator has been selected to determine a question respecting an alleged unjust discharge or suspension the arbitrator shall have the power and jurisdiction to:

- (i) Vary the penalty, or
- (ii) Substitute a different penalty, or
- (iii) Direct reinstatement, or
- (iv) Uphold the discharge or suspension.

and in cases (i), (ii) and (iii) may in addition order the Company to pay the employee full or partial compensation (less any amounts of money earned by the aggrieved employee during the time lost) in accordance with the applicable regular earnings including all premiums. It is understood, however, that if an employee is reinstated, seniority shall accrue and be retained.

Section 6. If it is alleged that an employee has been discharged or suspended without just cause, the First Step of the Grievance Procedure may be omitted.

Section 7. The Company may request in writing and the Union will reply within 7 days the status of a grievance at any step of the Grievance Procedure.

ARTICLE 11 - DISCHARGE CASES

In the event an employee be discharged or laid off and he or she believes that he or she has been unjustly dealt with, such discharge or lay-off shall constitute a case arising under the method of adjusting grievances herein provided. In the event it should be decided that an injustice has been dealt an employee, the Company shall reinstate such employee and pay full compensation for time lost, or any lesser amount as may be agreed upon between the Company and the Union or as may be determined by the Arbitration Board.

A reinstated employee shall be paid regular earnings including all premiums for the time lost limited to a maximum of the employee's regular number of hours per week, less amounts earned during the time lost.

ARTICLE 12 - LAY OFF NOTICES

Section 1. A full time employee who has completed their probationary period will receive two weeks notice or two weeks pay in lieu of notice in the event of a lay-off. All lay-off notices shall be in writing with a copy to the Chairman of the Grievance Committee. Full time employees who have not completed their probationary period will receive notice of not less than one (1) shift or pay in lieu thereof.

Lay-off notice to full time employees recalled for a temporary period shall be mutually agreed upon between the Committee and Management before recalling the employee.

Section 2. The length of notice of lay-off and recall requirements of this Article shall be limited to a three (3) calendar day general notice served to all locations in the system in the event of sudden cessation of work caused by an act of God, work stoppage of employees or any other cause or causes over which the Company has no control, which required a total lay-off of employees covered by this Agreement.

ARTICLE 13 - JURY DUTY PAY

Section 1.

- (a) An employee summoned to jury duty or subpoenaed as a witness on a day that he normally would have worked shall notify the Company as soon as possible after he is summoned or subpoenaed as to the dates specified in the summons or subpoena.
- (b) An employee so summoned or subpoenaed and who has complied with sub-section (a) of this Section shall be paid wages amounting to the difference between the amount paid to him for such service and the amount he would have earned had he worked on such days.

- (c) An employee on jury duty shall furnish the Employer with such statements of earnings as the Court supplies.

Section 2. Employees shall return to work within a reasonable period of time. They shall not be required to report if less than two (2) hours of their regular shift for that day remains to be worked. An employee on the night shift who has complied with Section 1 (a) has the choice of either not reporting for work the shift before or the shift after the scheduled day in court. The employee must make their choice known when notifying the Company of the summons or subpoena. The total hours on jury duty and actual work on the job in one (1) day shall not exceed the number of hours the employee would have worked in his regular shift for that day as set out in Article 5 - Hours of Work.

This clause will have no application for an employee on leave of absence or when receiving benefits under the Health and Welfare Plan, annual vacations, Workers' Compensation, or as otherwise covered in this Agreement.

ARTICLE 14 - LABOUR DISPUTE

The Company agrees that it will not be an offence under this Agreement for an employee to refuse to cross a legal picket line. Should a question regarding "hot" goods arise, it shall immediately be referred by the Union Representative to the Company's Human Resources Department for joint discussions and considerations.

ARTICLE 15 - SICK LEAVE

Section 1.

- (a) Full time employees accrue sick leave pay at a rate of four (4) percent of earnings paid for regular hours worked and overtime hours worked.

Part time employees are not entitled to sick leave pay. When a part time employee becomes full time, they will accrue sick leave pay at a rate of four (4) percent of earnings paid for regular hours worked and overtime hours during the six month period prior to receiving sick leave as a full time employee on the dates provided in (b).

- (b) The sick leave year is from October 1 to September 30. On October 1, each full time employee will receive five (5) days of sick leave for the period October 1 to March 31. On April 1, each full time employee will receive five (5) days of sick leave for the period April 1 to September 30. Part time employees are not entitled to sick leave.
- (c) Sick leave pay accrued from October 1 to March 31 will be paid for sick leave from April 1 to September 30. Sick leave pay accrued from April 1 to September 30 will be paid for sick leave from October 1 to March 31.

Sick leave will be paid time off provided the employee has accrued sufficient sick leave pay. The amount paid for sick leave will reduce the sick leave pay balance accrued in the previous six months. If an employee has not accrued sufficient sick leave pay to take time off with pay, part or all of the sick leave time off will be without pay.

An employee will receive a maximum of eighty (80) hours of sick leave pay from October 1 to September 30.

An employee who leaves the bargaining unit will be paid the sick leave pay they have accrued.

- (d) It is understood a full time employee suffering an occupational disability but ineligible for compensation payment shall not be excluded from receiving sick leave pay.

- (e) An absence up to and including four (4) hours in a day will be considered one half (1/2) a day of sick leave. An absence greater than four (4) hours in a day will be considered one (1) day of sick leave.

An employee who is late up to and including two (2) hours will not be paid for time missed. All time missed by a full time employee who is late over two (2) hours will be considered sick leave.

Section 2.

- (a) On April 1, an employee who has used more than three (3) days of sick leave from the five (5) days received on October 1 will be paid the balance of their unused sick leave pay accrued to September 30 for sick leave from October 1 to March 31. No unused sick leave will be carried forward.
- (b) On April 1, an employee who has used less than or equal to three (3) days of sick leave from the five (5) days received on October 1 must elect one of the following:
 - (i) be paid the balance of their unused sick leave pay accrued to September 30 for sick leave from October 1 to March 31 and forfeit the opportunity to convert unused sick leave pay accrued to September 30 to sick leave credits granted at the end of the sick leave year;
OR
 - (ii) defer unused sick leave pay to be included in (c), (d), or (e).

No unused sick leave will be carried forward.

- (c) On October 1, a warehouse employee who has used more than three (3) days of sick leave from the ten (10) days received during the sick leave year will be paid the balance of their unused sick leave pay accrued to March 31 for sick leave from April 1 to September 30.

No unused sick leave in one sick leave year will be carried forward for use in the next sick leave year.

- (d) On October 1, an office employee who has used more than three (3) days of sick leave from the ten (10) days received during the sick leave year must elect one of the following:
 - i) be paid the balance of their unused sick leave pay accrued to March 31; OR
 - ii) convert unused sick leave pay to sick credits to be taken as time off subject to the conditions in (f).

No unused sick leave in one sick leave year will be carried forward for use in the next sick leave year.

- (e) On October 1, an employee who has used less than or equal to three (3) days of sick leave from the ten (10) days received during the sick leave year must elect one of the following:
 - i) be paid the balance of their unused sick leave pay accrued to March 31; OR
 - ii) convert unused sick leave pay to sick credits to be taken as time off subject to the conditions in (f).

No unused sick leave in one sick leave year will be carried forward for use in the next sick leave year.

- (f) Time off for sick credits is subject to the following conditions:

- (i) only full days with pay will be scheduled as time off with partial days paid in accordance with Section 1 (c);
- (ii) time off must be scheduled in November or between January 1 and June 30, subject to operational requirements;
- (iii) warehouse employees must schedule time off in two (2) blocks of consecutive days;
- (iv) office employees can schedule time off in single day increments.

Time off for sick credits under Section 2 (d) and (e) will be paid should an employee leave the bargaining unit before taking the time off.

- (g) On an exception basis with Company approval, an employee on an extended leave may have their sick leave pay deferred until their return to work.

Section 3.

- (a) A Doctor's certificate is required if absence from work exceeds three (3) calendar days.

The Union agrees that in the course of managing absenteeism problems, the Company may require an employee to produce a doctor's certificate for absences less than three (3) days if necessary. The Company agrees that the employee will be counselled first to find out the root of the absenteeism problem and absenteeism will be monitored to determine if there is a pattern.

- (b) Any employee who displays a habitual pattern of tardiness or absenteeism will have the matter brought to his attention in an interview with his immediate supervisor in order to determine the causes, with the intention that the situation can be corrected or remedied.

Following this, if the pattern continues, the employee will be subject to further discipline, and possible dismissal. Written records of time lost due to absenteeism and tardiness are maintained in personnel records.

ARTICLE 16 - LEAVES OF ABSENCE

Section 1. Bereavement Leave

- (a) A full time employee will be granted up to five (5) working days bereavement leave with pay and a part time employee will be granted up to three (3) working days without pay in the event of the death of a parent, legal guardian, grandparent, child, sister, brother, spouse, or step-parent.

A full time employee will be granted up to four (4) working days bereavement leave with pay and a part time employee will be granted up to three (3) working days without pay in the event of the death of a mother-in-law or father-in-law.

A full time employee will be granted one (1) working day bereavement leave with pay in the event of the death of a brother-in-law or sister-in-law.

- (b) Upon giving twenty-four (24) hours notice, an employee may be granted time off without pay for the purpose of attending a funeral of persons other than the aforementioned, provided that the Company is able to schedule another employee into the employee's regular shift for the period requested.

Section 2. Maternity Leave

- (a) An employee, on her written request supported by a certificate of a medical practitioner stating the estimated probable date of birth of the child, is entitled to a leave of absence from work, without pay.

The written request must be given to the Employer at least four (4) weeks before the day the employee proposes to commence the leave. Said leave shall be for a period of seventeen (17) consecutive weeks or a shorter period should the employee request. The leave shall commence eleven (11) weeks immediately before the estimated date of birth or a later time should the employee request. The leave shall commence no later than the actual birth date.

- (b) Regardless of the date of commencement of the leave of absence taken under sub-section (a), the leave shall not end before the expiration of six (6) weeks following the actual date of birth of the child unless the employee requests a shorter period. The leave will end no later than seventeen (17) weeks after the actual birth date.
- (c) A request for a shorter period under sub-section (b) must be given in writing to the Employer at least one (1) week before the date that the employee indicates she intends to return to work and the employee must furnish the Employer with a certificate of a medical practitioner stating that the employee is able to resume work.
- (d) When an employee gives birth or the pregnancy is terminated before a request for leave is made under sub-section (a), the Employer shall, on the employee's request and on receipt of a certificate of a medical practitioner stating that the employee has given birth or the pregnancy was terminated on a specified date, grant the employee leave of absence from work, without pay, for a period of six (6) consecutive weeks, or a shorter period the employee requests, commencing on the specified date.

- (e) Where an employee who has been granted leave of absence under this Section is, for reasons related to the birth or the termination of the pregnancy as certified by a medical practitioner, unable to work or return to work after the expiration of the leave, the Employer shall grant to the employee further leaves of absence from work, without pay, for a period specified in one (1) or more certificates, not to exceed a total of six (6) consecutive weeks unless mutually agreed between the Committee and Management.
- (f) An Employer may require an employee to commence a leave of absence where the duties of the employee cannot reasonably be performed because of the pregnancy and to continue the leave of absence until the employee provides a certificate from a medical practitioner stating that she is able to perform her duties.
- (g) The services of an employee who is absent from work in accordance with this Article shall be considered continuous for the purpose of vacation, vacation pay entitlement, notice of termination, any medical or other plan beneficial to the employee, and the Employer shall continue to make payment to the plan in the same manner as if the employee were not absent.
- (h) Subject to sub-section (i) on return from maternity leave, an employee shall be placed in her former classification.
- (i) Where the Employer has suspended or discontinued operations during the maternity leave granted under this Article and has not resumed operations on the expiry of the maternity leave, the Employer shall, on resumption of operations and subject to seniority provisions comply with sub-section (h).

- (j) An Employer shall not
 - (i) terminate an employee, or
 - (ii) change a condition of employment of an employee without the employee's written consent because of an absence authorized by this Article or because of the employee's pregnancy, unless the employee has been absent for a period exceeding that permitted under this Article.

- (k) Illness arising out of a pregnancy prior to an employee commencing her leave of absence may be covered by accumulated sick leave at the employee's discretion.

Section 3. Parental Leave

- (a) An employee who requests parental leave under this section is entitled to:
 - (i) for a birth mother who takes leave under section 2 in relation to the birth of the child or children with respect to whom the parental leave is to be taken, up to 35 consecutive weeks of unpaid leave beginning immediately after the end of the leave taken under section 2 unless the employer and employee agree otherwise,
 - (ii) for a birth mother who does not take leave under section 2 in relation to the birth of the child or children with respect to whom the parental leave is to be taken, up to 37 consecutive weeks of unpaid leave beginning after the child's birth and within 52 weeks after that event,
 - (iii) for a birth father, up to 37 consecutive weeks of unpaid leave beginning after the child's birth and within 52 weeks after that event, and

- (iv) for an adopting parent, up to 37 consecutive weeks of unpaid leave beginning within 52 weeks after the child is placed with the parent.
- (b) If the child has a physical, psychological or emotional condition requiring an additional period of parental care, the employee is entitled to up to an additional 5 consecutive weeks of unpaid leave, beginning immediately after the end of the leave taken in the preceding paragraph.
- (c) A request for leave must:
 - (i) be given in writing to the employer,
 - (ii) if the request is for leave under subsection (a)(i), (ii) or (iii), be given to the employer at least 4 weeks before the employee proposes to begin leave, and
 - (iii) if required by the employer, be accompanied by a medical practitioner's certificate or other evidence of the employee's entitlement to leave.
- (d) An employee's combined entitlement to leave under section 2 and this section is limited to 52 weeks plus any additional leave the employee is entitled to under section 2 (e) or subsection (b) of this section.

Section 4. General Leaves of Absence

- (a) A general leave of absence without pay may be applied for at any time by giving written request to the immediate supervisor at least fourteen (14) days prior to the commencement date of the requested leave. All leaves of absence must be approved in writing by the Company with a copy to the Union. Before applying for an unpaid leave of absence, the employee must use up vacation, banked overtime and time off for sick credits granted under Article 15, Section 2.

- (b) A general leave of absence without pay may be applied for a period not exceeding three (3) months for full time employees and for a period not exceeding eight (8) weeks for part time employees. The duration of the leave for full time employees may be extended upon written request to the Company if the request for extension is received at least fourteen (14) calendar days prior to the termination of the current leave of absence. A general leave of absence for part time employees must be outside of the prime time vacation period defined in Article 8 Section 5 (a). Approval of a general leave of absence shall be indicated in writing with concurrence of the Union also indicated.
- (c) Seniority and vacation entitlement shall accrue during leave of absence without pay. The employee remains covered by the Company benefit plans, provided the employee pays their portion of the benefit premiums. After the first month of the leave of absence, the employee will pay 100% of all benefit premiums. Payment of the employee's portion of benefit premium must be made before commencement of the leave.
- (d) Employees returning after any leave of absence shall return to their former positions providing such positions have not been deleted or a senior employee has not exercised bumping rights, in accordance with the provisions as set out in Article 7.

Section 5. Leaves for Union Business

- (a) The Company will grant leave of absence without pay to a maximum of one (1) employee per year, appointed or elected to Union office for a period up to and including one (1) year. Further leave of absence may be granted by mutual consent. An employee who obtains this leave of absence shall return to the Company within thirty (30) calendar days after the completion of his term of employment with the Union.

- (b) The Company agrees to suspend the payments of all benefit premiums on behalf of an employee on a leave of absence pursuant to sub-section (a) of this Section, for the duration of that leave of absence.

The Union agrees to commence the payment of all benefit premiums on behalf of an employee on a leave of absence pursuant to sub-section (a) of this Section.

- (c) The Company will grant leave of absence without pay to not more than three (3) employees who are elected as Representatives to attend Union Meetings and Union Conventions.

It is understood and agreed that employees who are on leave to attend meetings and conventions shall be paid from the Company their regular pay and benefits while attending such functions. The Union agrees to reimburse the Company for any pay paid to the employees who attend Union Meetings and Conventions.

- (d) In order for the Company to replace the employee with a competent substitute, it is agreed that before the employee receives this leave of absence, as set forth in sub-section (a) and (c) above, the Company will be given due notice in writing; in the case of (a) twenty (20) calendar days and in the case of (c) five calendar days.
- (e) If scheduled to work on a day that Company - Union meetings are held for the purposes of negotiating the contract and/or revisions to the contract, up to five (5) members of the Union Negotiating Committee will be granted a day off from their regular shift. In the event that a member is scheduled on paid time off, he shall be entitled to an alternate day off with pay.

**ARTICLE 17 – AUTOMATION
(TECHNOLOGICAL CHANGE)**

Section 1.

- (a) In the event the Company proposes the introduction of new technology or automated equipment that would result in a reduction of the work force in its operations, the Company agrees to give the Union three (3) months advance notice in writing.
- (b) Where specialized training is required, the Company agrees to give present employees the first opportunity in accordance with Article 7. The Company shall pay the full cost of the required and approved training upon successful completion.

ARTICLE 18 - NOTIFICATION OF HIRING

Section 1.

- (a) The Company agrees to advise the Union when additional employees are required and to accept and consider applications from members of the Retail Wholesale Union.
- (b) The parties agree that the Company has the right to hire the applicant who, in the opinion of the Company, is most qualified and capable of performing the requirements of the position.
- (c) When additional employees are required the parties agree that the Company has the right to accept and consider applications from any person whether or not currently a member of the Retail Wholesale Union.

If two or more applicants are equal in qualification and capabilities and meet with the Company's requirements as laid out in this Section 1, the applicant that is presently a member of the Union will be given preference. If the applicant that is a Union member isn't acceptable the Union will be advised.

- (d) The parties further agree that the Company shall require any new employees to become and remain members of the Union upon the completion of thirty (30) working days with the Company pursuant to Article 3, Section 1 (b).

ARTICLE 19 - BENEFIT PLANS

Section 1. The Company agrees to maintain the following benefit program, as is currently in place, which includes:

- (a) B.C. Medical Services Plan - 100% paid by Company

- (b) Weekly Indemnity Insurance Weekly benefit - 70% of salary

Commencement 1st day accident or hospitalization
8th day sickness
Length of coverage - twenty-six (26) weeks.

Premium - 100% paid by the Company.

- (c) Long term disability coverage of 70% of 1st \$1,000.00 income, 50% of balance to maximum of \$1,800.00/month, effective after termination of weekly indemnity.

Premium - 100% paid by the employee.

- (d) Group Life Insurance and A.D.& D. Coverage amount equal to the employee's annual gross earnings.

Premium - 100% paid by the Company.

- (e) Extended Health Care
After a \$25.00 deductible, the plan pays 80% of employee's out-of-pocket health expenses, over and above British Columbia Medical Services Plan. For participants with severe illnesses, who are reimbursed more than \$1,000.00 per year, the coverage increases to 100%. Maximum lifetime coverage is \$25,000.00.

Premium - 100% paid by the Company.

Hearing Aids

Adults and children will be covered, to a maximum of \$500 per person per five (5) year period.

Vision Care

Two hundred dollars (\$200) every twenty-four (24) months will be provided.

(f)

Dental Plan

Dental expenses are reimbursed on the basis of the current year's Schedule of Fees established by the provincial dental association and are limited to a calendar year maximum of \$1,500 per person.

- 100% payment for Diagnosis and Preventative care
- 100% payment for Basic Care
- 80% payment for Major Care
- 50% payment for Orthodontic expenses incurred for the treatment of malocclusion up to a lifetime maximum of \$1,500 per person.

Section 2.

(a) All full time employees are covered by the Company's benefit plan. New full time employees have a three (3) month waiting period prior to coverage on the Company's benefit plans, with the exception of B.C. Medical Service Plan coverage which is immediate.

All part time employees are eligible for B.C. Medical Services Plan coverage upon completion of three (3) months of employment.

All part time employees are eligible for dental coverage upon completion of three thousand nine hundred (3900) hours worked, provided they have worked a minimum of one-thousand five hundred sixty (1560) hours in the twelve (12) months prior to their eligibility date. After enrolling in dental plan coverage, a part time employee must work a minimum of one thousand five hundred sixty (1560) hours in a calendar year to maintain their eligibility for the following calendar year. Part time employees who are not eligible for dental coverage shall receive a premium of \$0.10 (ten cents) per hour in lieu of benefits for each hour worked.

- (b) All part time employees are eligible for the following benefits:
 - (i) B.C. Medical Services Plan – premium 100% Company paid
 - (ii) Dental Plan as described in section 1 (f) – premium 100% Company paid

- (c) Employees not covered by the Company benefit plan are:
 - (i) Employees away on Union business for longer than one week.

 - (ii) Employees on lay-off. Upon returning to work from lay-off, coverage on Company benefit plans would commence immediately.

 - (iii) Temporary replacement help.

- (d) Employees on a leave of absence under sections 1, 2, or 3 of Article 16, receiving disability benefits, or receiving Worker's Compensation benefits will remain covered by the Company's benefit plans. The Company will continue to pay their portion of the benefit premiums. The employee will continue to pay their portion of the benefit premiums.

ARTICLE 20 - SEVERANCE PAY

Section 1.

- (a) When a full time employee is terminated by the Company for reasons other than those set out under (b) below, the Company in addition to accrued vacation pay, shall pay:
 - (i) Two (2) weeks pay where the employee has completed a period of employment of at least six (6) consecutive months, and
 - (ii) After the completion of a period of employment of three (3) consecutive years, one (1) additional week's pay for each year thereafter up to a maximum of eight (8) weeks' pay.
- (b) Clause (a) of this Article does not apply to:
 - (i) An employee discharged for just cause.
 - (ii) An employee who resigns.
 - (iii) An employee on temporary lay-off - as long as right of recall is not affected.
 - (iv) An employee who has been offered and who has refused reasonable alternative employment by the Company.
 - (v) An employee who has not yet completed the probationary period.
 - (vi) Part time employees

ARTICLE 21 - GENERAL CONDITIONS

Section 1. The Company agrees to continue the following for the duration of the Agreement and no changes will be put into effect unless mutually agreed upon between the Company and the Union.

- (a) Any rights or privileges or benefits of employees presently in effect and specifically mentioned below shall be continued and no changes will be put into effect unless mutually agreed upon between the Company and the Union.
 - (i) Free coffee
 - (ii) Free parking
 - (iii) Access to a pop machine
 - (iv) Use of a microwave oven
 - (v) Use of a refrigerator
 - (vi) Reasonable access to telephone
 - (vii) Lunch provided on day of stock taking
- (b) Where the Company has given prior approval, employees shall be reimbursed by the Company for all expenses incurred while on approved Company business, meals, hotel, telephone, parking, etc., upon submitting a list of expenses with receipts to the Company.
- (c) All product carried by the Company that the employees can legally buy will be sold at supplier invoice cost.
- (d) Office employees should dress neatly, in a businesslike fashion and in accordance with the responsibility of maintaining a good image where the company is being represented to the public. Issues arising from dress code disputes will be settled by a committee of two (2) office shop stewards and two (2) management personnel. Decision rendered will be final.

ARTICLE 22 – PART TIME EMPLOYEES

Section 1.

- (a) In order to meet variations in the workload and to replace employees who are excused from or unable to report for work, the Company may maintain a list of part time employees that it can call to work on short notice.

- (b) During the prime time vacation period defined in Article 8, Section 5 (a), the maximum number of part time employees will be thirty (30) percent of the number of full time employees. Outside of the prime time vacation period defined in Article 8, Section 5 (a), the maximum number of part time employees will be twenty-five (25) percent of the number of full time employees.

The number of part time employees will exceed these thresholds on an exception basis by mutual agreement in situations where there is a specific purpose for a specific duration of time.

- (c) On an on-going basis, the Company will review the requirement for full time employees. A review will be conducted at least once per year prior to the end of the calendar year.

ARTICLE 23 - DURATION OF AGREEMENT

The Company and the Union mutually agree that this Agreement shall be effective from March 8, 2004 to and including March 31st, 2007 and thereafter from year to year unless written notice of intent to amend or terminate is given by either party to the other party any time within four (4) months prior to the expiration of the Agreement.

DATED THIS 8th day of March, 2004.

**SIGNED ON BEHALF
OF THE UNION**
Retail Wholesale Union
Local 580

**SIGNED ON BEHALF
OF THE COMPANY**
McKesson Canada
Corporation

Provincial Representative

APPENDIX "A"

HOURS OF WORK

(a) Warehouse Day Shift

Five (5) day work week, Monday through Saturday, thirty-eight (38) hours per week, three (3) standard shifts.

Shift 1: Monday, 6:30 a.m. to 3:00 p.m.
Tuesday to Friday, 7:00 a.m. to 3:00 pm..

Shift 2: Monday 8:00 a.m. to 4:30 p.m.
Tuesday to Friday, 8:00 a.m. to 4:00 p.m.

Shift 3: Tuesday 6:30 a.m. to 3:00 p.m.
Wednesday to Saturday, 7:00 a.m. to 3:00 p.m.

Lunch break of one-half (1/2) hour without pay, plus two (2) paid fifteen (15) minute coffee breaks.

(b) Warehouse Afternoon Shift

Five (5) day work week, Monday through Friday, thirty-eight (38) hours per week, one (1) standard shift:

Shift 1 Monday, 2:30 p.m. to 11:00 p.m.
Tuesday to Friday, 3:00 p.m. to 11:00 p.m.

Lunch break of one-half (1/2) hour without pay, plus two (2) paid fifteen (15) minute coffee breaks.

(c) Warehouse Night Shift

All full time employees to rotate between two (2) shifts as follows:

Shift A: Sunday to Wednesday, 9:30 p.m. to 7:00 a.m., thirty-six (36) hours per week.

Appendix "A" – Hours of Work cont'd.

If required by the Company, up to six (6) full time employees will work 9:00 p.m. to 6:30 a.m. on Sunday, then resume their normal shift schedule for the balance of the week.

Lunch break of one-half (1/2) hour without pay plus two (2) paid twenty (20) minute coffee breaks.

Shift B: Sunday to Thursday, 10:30 p.m. to 7:00 a.m., forty (40) hours per week.

Lunch break of one-half (1/2) hour without pay, plus two (2) paid fifteen (15) minute coffee breaks.

(d) **Office Employees**

Five (5) day work week, thirty-seven and one-half (37-1/2) hours per week, six (6) standard shifts:

Shift 1: Monday to Friday, 7:30 a.m. to 3:30 p.m.

Shift 2: Monday to Friday, 8:00 a.m. to 4:00 p.m.

Shift 3: Monday to Friday, 8:30 a.m. to 4:30 p.m.

Shift 4: Monday to Friday, 9:00 a.m. to 5:00 p.m.

Shift 5: Monday to Friday, 9:30 a.m. to 5:30 p.m.

Shift 6 Monday to Friday, 1:00 p.m. to 9:00 p.m.

Lunch break of one-half (1/2) hour without pay, plus two (2) paid fifteen (15) minute coffee breaks.

Appendix "A" – Hours of Work cont'd.

In addition to the shifts listed above, part time employees may be scheduled to work:

- i) Sunday, 4:00 p.m. to 9:00 p.m.
- ii) Sunday, 1:00 p.m. to 9:00 p.m.
- iii) Friday, 11:30 a.m. to 7:30 p.m.

(e) Computer Support Technician

The hours of work are five (5) days per week, thirty-seven and one-half (37.5) hours per week. The normal hours of work are between 7 a.m. and 5:30 p.m. However, an employee may be scheduled to work shifts outside of these hours on a temporary basis. If an employee is scheduled to work a shift outside of the hours of 7 a.m. to 5:30 p.m., the notice of a shift change will be at least:

- (i) 48 hours when the start time of the shift is after 1 p.m.
- (ii) 72 hours when the start time of the shift is after 9 p.m.

When an employee's start time is after 1 p.m., they will receive afternoon shift premium in accordance with article 5, section 9. When an employee's start time is after 9 p.m., they will receive night shift premium in accordance with article 5, section 9.

A Computer Support Technician may be placed on standby to respond to service impacting problems. Standby will be scheduled in advance and may be scheduled on either a daily or a weekly basis. When an employee is placed on standby, they will be paid standby pay on the following basis:

- (i) evening to morning: fifteen dollars (\$15.00) per day
- (ii) off days: thirty dollars (\$30.00) per day
- (iii) statutory holidays: forty dollars (\$40.00) per day

When an employee is called to work outside of their scheduled hours of work, and they are able to perform the work without reporting to the distribution centre, they will be compensated for the time worked at the overtime premium rate in fifteen (15) minute increments. When an employee is called and required to report to the distribution centre outside of their scheduled hours of work, they will receive a minimum of two (2) hours of pay at the specified overtime premium rate. Article 5, section 6, does not apply to the Computer Support Technician classification when the employee is called to work outside of their scheduled hours of work. Overtime work is mandatory for the Computer Support Technician classification.

Section 2. Changes

Changes in shift starting and stopping times or meal periods as set out in Appendix A shall be by mutual agreement of Management and the Union Committee which shall not be unreasonably withheld. If the parties are unable to reach mutual agreement on changes in shift starting and stopping times or meal periods then either party may refer the matter to an Umpire for determination.

The Umpire shall receive the submissions of the parties, conduct such enquiries as he deems appropriate and render his ruling within ten (10) days of the reference. The Umpire shall have authority to equitably adjust shift starting and stopping times and meal periods in Appendix A on terms consistent with the other terms of the collective agreement. It is the intention of the parties that when the hours of work in Appendix A are amended by mutual agreement or the Umpire. Hours worked within the amended shift times shall not attract overtime rates.

Appendix "A" – Hours of Work cont'd.

The Umpire shall be chosen from the following list in order subject to ability to meet with the parties and render a decision within ten (10) days of the reference:

- Stephen Kelleher
- Rod Germaine
- Bruce Greyell

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APPENDIX "B"

WAGES

Classification	April 1 2003	April 1 2004	April 1 2005	April 1 2006
Lead Hand	\$19.57	\$19.97	\$20.37	\$20.87
Receiver	19.07	19.47	19.87	20.37
Shipper	19.07	19.47	19.87	20.37
Inventory Control Clerk	19.07	19.47	19.87	20.37
Forklift	18.86	19.26	19.66	20.16
Receiving Clerk	18.86	19.26	19.66	20.16
Shipping Clerk	18.86	19.26	19.66	20.16
Stock Picker (Narcotics/AQPIC)	18.86	19.26	19.66	20.16

Probationary employees - 90% of classification rate.

Stock Picker Rate Effective:	April 1 2003	April 1 2004	April 1 2005	April 1 2006
<u>Start</u>	\$13.08	\$13.48	\$13.88	\$14.38
After 3 month (472.5 hrs)	13.98	14.38	14.78	15.28
After 1 year (1950 hrs)	15.79	16.19	16.59	17.09
After 1.5 years (2925 hrs)	18.51	18.91	19.31	19.81

Stock Picker positions in the Returns Department and in the CPDN Department will be posted and filled in accordance with Article 7.

Appendix "B" - Wages cont'd.

Office Hourly Rate Effective:	April 1 2003	April 1 2004	April 1 2005	April 1 2006
Start	\$13.72	\$14.12	\$14.52	\$15.02
After 3 months (472.5 hrs)	14.90	15.30	15.70	16.20
After 1 year (1950 hrs)	15.34	15.74	16.14	16.64
After 1.5 years (2925 hrs)	15.77	16.17	16.57	17.07
After 2 years (3900 hrs)	16.20	16.60	17.00	17.50
After 2.5 years (4875 hrs)	16.63	17.03	17.43	17.93
After 3 years (5850 hrs)	17.06	17.46	17.86	18.36

Computer Support Technician (Office classification)

Rate Effective:	April 1 2003	April 1 2004	April 1 2005	April 1 2006
Start	\$19.40	\$19.80	\$20.20	\$20.70
After 3 months (472.5 hrs)	19.90	20.30	20.70	21.20
After 1 year (1950 hrs)	20.15	20.55	20.95	21.45
After 1.5 years (2925 hrs)	20.40	20.80	21.20	20.70
After 2 years (3900 hrs)	20.65	21.05	21.45	21.95
After 2.5 years (4875 hrs)	20.90	21.30	21.70	22.20
After 3 years (5850 hrs)	21.15	21.55	21.95	22.45

LETTER OF UNDERSTANDING

BETWEEN:

RETAIL WHOLESALE UNION LOCAL 580

(hereinafter referred to as the "Union")

OF THE FIRST PART;

AND:

McKESSON CANADA CORPORATION
71 Glacier Street, Coquitlam, BC V3K 5Z1

(hereinafter referred to as the "Company")

OF THE SECOND PART;

RE: TRANSITION TO NEW ARTICLE 15 – SICK LEAVE

This letter of understanding addresses the transition from the language of article 15 in the collective agreement with an expiry date of March 31, 2003, to the language of article 15 agreed to in collective bargaining on November 27, 2003.

The parties agree that this letter of understanding will not be implemented and will be considered null and void if the language of article 15 agreed to on November 27, 2003, is not ratified by the union membership by July 1, 2004. If the language of article 15 agreed to on November 27, 2003, is not ratified by July 1, 2004, the parties agree to meet prior to ratification to discuss the transition to the revised language of article 15.

The language of article 15 agreed to on November 27, 2003, will take effect as of October 1, 2004, and replace the language of article 15 as of March 31, 2003 in its entirety. The language of article 15 as of March 31, 2003, will remain in effect until September 30, 2004.

The language of article 15 as of March 31, 2003, and the associated practices of interpretation, will apply until September 30, 2004, with the following modifications:

- a. two and one half (2½) days will be provided July 1, 2004, for a three (3) month period ending September 30, 2004, instead of five (5) days for the six (6) month period ending December 31, 2004.
- b. where the employee has not used any of the two and a half days (2½) of sick leave within the three (3) month period, he will be entitled to either:
 - (i) Two (2) days of paid time off plus payment of half (½) a day, OR;
 - (ii) Payment of two and a half (2½) days.
- c. the time off will be scheduled in consecutive working days before March 31, 2005. Office employees may request the Company to schedule the time off in single day increments.
- d. where the employee has used any of the two and a half days (2½) of sick leave within the three (3) month period, he will be entitled to payment of the unused portion.

As of April 1, 2004, employees will begin to accrue sick leave pay in accordance with article 15, section 1 (a), agreed to on November 27, 2003. Sick leave pay accrued from April 1, 2004, to September 30, 2004, will be paid for sick leave from October 1, 2004, to March 31, 2005.

For McKesson Canada

For Retail Wholesale Union

Date

Date

notes