

COLLECTIVE AGREEMENT

(ROBSON STREET, VANCOUVER, BC)

BETWEEN:

INDIGO BOOKS & MUSIC INC.

(Hereinafter called the “Employer”)

AND:

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION OF CANADA (CAW-CANADA),
LOCAL 3000**

(Hereinafter called the “Union”)

EFFECTIVE: MAY 14, 2006 TO MAY 13, 2008

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ARTICLE 1 - INTRODUCTION, THE INTEGRITY OF THE BARGAINING UNIT AND THE COLLECTIVE AGREEMENT

1.1 Purpose

- (a) The purpose of this Agreement is to set forth and establish the terms and conditions of employment for those employees who come within the scope of this Agreement, so that stable and harmonious relationships may be established and maintained between the Employer, the Union and the employees, to the mutual benefit of the parties to this Agreement.
- (b) Further, the purpose of this Agreement is to facilitate the peaceful adjustment of all disputes and grievances through the use of the grievance and arbitration procedures contained herein, and to provide for the most efficient and effective operations of the Employer's business.

ARTICLE 2 - SCOPE AND RECOGNITION

- 2.1 The Union is hereby established as the collective bargaining agent for all employees of the Employer employed at its store at 788 Robson Street, Vancouver, BC V6Z 1A1 ("the Store") save and except Customer Experience Coordinators (CECs), Customer Experience Managers (CEMs), and the General Manager (GM).
- 2.2 A full time employee is defined as an employee whose regular schedule results in thirty-five (35) or more straight time hours per week. A part time employee is defined as an employee who is scheduled thirty-four (34) hours a week, or less.
- 2.3 The term "Manager" includes CEC, CEM, GM, Manager on Duty and the Sales Generation Manager.
- 2.4 For the purposes of clarity, employees who are hired for a fixed term during peak sales periods are not covered by this Collective Agreement. Seasonal employees are deemed those who are employed from October 1st to January 15th of each year for the holiday season. Upon completion of this period, if the employee remains employed they will be placed on the seniority list and given hours accordingly. The period of the seasonal employment will be used to shorten the probation period.

ARTICLE 3 - UNION DUES

- 3.1 Each employee covered by this Agreement, whether or not such employee is a member of the Union, shall have deducted from his wages the amount of regular monthly dues, or their equivalent. The total amount so deducted shall be remitted with the mutually agreed upon itemized statement to the Secretary Treasurer of the local union within ten (10) days following the month for which the amounts were deducted.

- 3.2 The Employer agrees to show on each employee's annual T4 slip, the amounts deducted pursuant to Article 3.01 above.

ARTICLE 4 - INTERPRETATION

- 4.1 Wherever the masculine pronoun is used herein, it shall mean and include the feminine pronoun and vice versa.
- 4.2 In the event that existing federal or provincial legislation makes invalid any provision of this Agreement, the remaining provisions shall remain in effect for the term of the Agreement. The Employer and the Union shall confer to settle upon a mutually agreeable provision to be substituted for the provision(s) so altered or invalidated.
- 4.3 In the event that any term, condition or provision, or part thereof, which is incorporated into this Agreement, whether by inadvertence, error or misunderstanding, is in fact or in law contrary to such federal or provincial legislation or regulation, then such term, condition or provision or part thereof, is void and of no effect.
- 4.4 No employee shall be required or permitted to make a written or oral agreement with the Employer which may conflict with the terms of this Agreement.

ARTICLE 5 - NO STRIKES OR LOCKOUTS

- 5.1 The Union undertakes and agrees that while this Agreement is in operation it will not take part in or call or encourage any strike, picketing, sit down, slowdown, or any suspension of or stoppage of or interference with work or production which shall in any way affect the operations of the Employer, nor shall there be any sympathy strikes or secondary boycotts, and the Employer agrees that it will not engage in any lockout during the term of this Agreement.
- 5.2 The Union agrees that in the event any action takes place contrary to this Article 5, then the Union shall repudiate such action forthwith and shall use its best efforts to cause the applicable employees to cease and desist in such action.

ARTICLE 6 - MANAGEMENT'S RIGHTS

- 6.1 Except as, and to the extent specifically modified by this Agreement, all rights and prerogatives are retained by the Employer and remain exclusively and without limitation within the rights of the Employer and its management. Without limiting the generality of the foregoing, the Employer's rights shall include:
- (a) The right to be the judge of the qualifications and performance of employees; to make, alter and enforce, from time to time, reasonable rules and regulations, policies and practices, to be observed by its employees; to discipline and discharge employees for just and reasonable cause.

- (b) The right to transfer, assign, promote, demote, classify, layoff, recall, suspend and retire employees; to introduce or change processes, direct and control store operations.
 - (c) The right to determining the extent of its operations and their commencement, expansion, curtailment, or discontinuance; the direction of the working forces, the work schedules, the number of shifts; the methods, processes and means of performing work; job content and requirements, quality and quantity standards; the qualifications of employees, the number of employees needed by the Employer at any time and how many shall operate or work on any job and the number of hours to be worked.
 - (d) The right to establish and administer evaluations and job related training, including without limitation Indigo University and attendance at store and zone meetings that occur during an employee's scheduled hours.
 - (e) The Employer may request medical examinations by a licensed physician to ascertain ability to work and prognosis of an employee. The Employer agrees to reimburse up to twenty-five (\$25.00) dollars for each doctor's note that is requested by the Employer, upon the employee's presentation of a receipt thereof.
- 6.2 The Union acknowledges the existing practice whereby CECs and persons above the rank of CECs may perform any work assigned to them including work that is regularly performed by bargaining unit members. This practice is not intended to permanently reduce the hours in shipping, receiving, customer services and cash.
- 6.3 When the Employer exercises the management rights described in 6.01 contrary to the express provisions of this Agreement, the Union shall have the right to grieve the matter.

ARTICLE 7 - UNION BUSINESS

- 7.1 Union Bulletin Board - The Employer agrees to provide the Union with a notice board with a lock upon which the Union President or delegate may post bulletins of an ordinary business nature pertaining to the Union, it being understood the Union will not post on the bulletin board or cause to be distributed on the property of the Employer any material which is derogatory of the Employer, or material that does not relate to Union business involving the bargaining unit, unless the Store Manager has approved such distribution in writing.
- 7.2 Shop Stewards - The Employer agrees to recognize three (3) Shop Stewards as designated by the Union.
- 7.3 Shop Stewards have regular work to perform and will at all times endeavour to investigate or service a grievance outside working hours. If that is not possible, stewards may not leave their work until management has made arrangements to avoid disruption of operations. Stewards attending grievance matters during working hours shall not have such time deducted from their regularly scheduled shift.

- 7.4 An authorized representative of the Union shall be permitted to enter the unit for the purposes of administration of this Agreement, provided the Manager on duty is given notice of the intention to attend, permission has been granted and there is no disruption of employees' duties by reason of the presence of the Union representative. Such permission shall not be unreasonably denied.
- 7.5 The Employer will provide the Union on a quarterly basis with any changes in addresses of employees within the bargaining unit via regular mail to the National Union office in New Westminster, British Columbia.

ARTICLE 8 - LABOUR MANAGEMENT COMMITTEE

- 8.1 In accordance with Section 53 of the Labour Relations Code, the parties agree to establish a consultation committee which shall meet quarterly through the life of this agreement or, at any other time, provide there is mutual agreement to meet. The purpose of the consultation committee is to promote the resolution of workplace issues, to respond and adapt to changes in the economy, to foster the development of work related skills and to promote workplace productivity. Two employees shall be elected for the committee by the Union.
- 8.2 It is understood and agreed that matters which are, or which may form the basis of a grievance, are outside the purview of the consultation committee and that further, membership of the committee shall not include a Shop Steward. Minutes of the committee shall be kept and a copy forwarded to the Union.

ARTICLE 9 - GRIEVANCE AND ARBITRATION

- 9.1 The parties agree, pursuant to Section 84 of the Labour Relations Code, that the following procedures shall apply in respect of the resolution of a grievance.
- 9.2 Grievances shall mean a complaint or claim concerning the improper application of the rights under this Collective Agreement, or a dispute with regard to the interpretation or alleged violation of this Agreement
- 9.3 Time Limits - Grievances must be raised within ten (10) working days of alleged violation of the Agreement, or within ten (10) working days of when an employee, or the Employer would have had knowledge of the circumstances giving rise to the grievance.

INFORMAL STEP

- 9.4 Prior to the filing of a grievance in writing, the employee is encouraged to make a serious effort to resolve the grievance directly with the management person to whom he or she reports. Subject to operational requirements of the store, the employee may be accompanied by a steward at this stage.

STEP ONE

- 9.5 If no resolution of the grievance is reached, a grievance in writing must be filed within the ten (10) days aforesaid with the Store Manager, or the Manager's designate, and the Employer shall respond within seven (7) days of the receipt of the written grievance, unless the parties mutually agree in writing to extend the time for response.

STEP TWO

- 9.6 If the grievance is not resolved at the latter stage, then an attempt to resolve the grievance shall be made between the Employer, the local or national Union representative, or such persons designated by the other to resolve the matter. The attempt to resolve the matter at this stage must occur within fourteen (14) working days of the Employer's Step One response.

STEP THREE

- 9.7 In the event that a resolution of the grievance, satisfactory to the Union and the Employer, does not result at Step Two, whichever party issued the grievance may advance the grievance to arbitration, in accordance with Article 10 within thirty (30) days of the conclusion of Step Two.
- 9.8 Discipline Grievances - Employees may be disciplined for just and reasonable cause.
- 9.9 The Employer agrees that if discipline is to be imposed on an employee covered by this Agreement, save and except verbal warnings, the employee shall be advised prior to the imposition of the discipline of his or her right to have a Shop Steward present, and a Shop Steward shall be present if the employee so elects.
- 9.10 In the event of a grievance concerning discipline, employees shall have access to his or her personnel file upon request. Any disciplinary entries shall be given to the employee at the time of filing.
- 9.11 If an employee disputes a document pertaining to discipline, the employee must so assert in writing at the time he or she signs a document pertaining to their discipline.
- 9.12 Time Limitation - Any warning or suspension imposed more than twelve (12) months earlier may not be used for further discipline.

ARTICLE 10 - ARBITRATION

- 10.1 Single Arbitrator - The parties agree that a single Arbitrator shall be used for all arbitrations coming under this Agreement.
- 10.2 Arbitration Hearing - As soon as an Arbitrator has been appointed, the Arbitrator will be encouraged to commence the hearing within ten (10) days and further encouraged to render a decision within fourteen (14) days of completing the hearing.

- 10.3 Each party to the arbitration will bear one half the expense associated with the appointment of the Arbitrator.
- 10.4 The parties recognize that they are bound by a decision of the Arbitrator.
- 10.5 A preferred list of arbitrators shall be decided by mutual agreement, or failing which, each party must give two (2) proposed Arbitrators from the other party's list.
- 10.6 Authority of the Arbitrator - The parties to the arbitration recognize that the authority of the Arbitrator is set out in Section 89 of the Labour Relations Code of British Columbia. Notwithstanding, the Union agrees that the Employer's Code of Conduct as articulated in the Employee Handbook is reasonable and enforceable.

ARTICLE 11 - HEALTH, SAFETY AND THE WORK ENVIRONMENT

- 11.1 The Employer and the employees acknowledge their mutual responsibility for a safe workplace, and both agree to comply with the Workers Compensation Act and its Regulations.
- 11.2 Employees who are injured at work during their shift and who require medical attention off site shall be paid for the balance of their shift for the day.
- 11.3 Uniforms - Five (\$0.05) cents per hour is agreed to be incorporated into the wage rate as the amount required to reimburse the employees for the care and cleaning of any uniform supplied by the Employer, and such amount is acknowledged to satisfy the special clothing requirements of the Employment Standards Act.
- 11.4 Proper washing facilities shall include hot and cold water, hand cleanser towels and wash basins, all to be provided by the Employer.
- 11.5 Suitable clothes lockers and a lunchroom shall be provided by the Employer.
- 11.6 Each year, on April 28th at 11:00 a.m., work will stop and one minute of silence will be observed in memory of workers killed or injured on the job.

ARTICLE 12 - HUMAN RIGHTS AND HARASSMENT

- 12.1 The Union acknowledges that the Employer's national harassment policies apply to the employees covered by this Agreement. Employees who have a harassment concern or complaint may elect to follow the Employer's national policy, or may elect to follow the procedure under Schedule C, it being understood by the parties to this Agreement that the object and principles of the Employer's harassment policy in Schedule C are the same.

ARTICLE 13 - HOURS OF WORK

- 13.1 It is expressly understood and agreed that the provisions of this Article are for the purposes of computing overtime and shall not be considered to be a guarantee of or any

limitation upon the hours of work to be done per week or otherwise, nor as a guarantee of working schedules.

13.2 Meal Break Schedule

Scheduled Hours of Work	Meal (Unpaid)	Break (Paid)
From 4 hours to 5 hours 29 min.	None	One 15 mm. break
From 5 hours 30 mm. to 7 hours 59 min	One 30 mm. meal break	One 15 mm. break
8 hours or more	One 30 mm. meal break	Two 15 mm. breaks

13.3 All employees shall be paid one and one half (1 1/2) times her base hourly rate for all hours worked in excess of eight (8) hours per day or forty (40) hours per week.

13.4 The Employer will clearly post any additional hours and/or shifts that are available in the staff room beside the work schedules. It is understood that an employee may work the additional shifts/hours as long as those shifts/hours do not place an employee in an overtime position.

13.5 Scheduling

- (a) The Employer and the Union agree that they have a mutual interest in ensuring the efficient operation of the business.
- (b) The Employer and the Union recognize that business cycles may fluctuate and consequently that scheduling may fluctuate to reflect this reality.
- (c) Therefore, employees must provide their availability for hours on a semi-annual basis and indicate their shift preference (i.e., requested days off) on the forms provided. It is understood that employees may change their stated availability outside of their semi-annual process, subject to Article 13.5(d)(vi).
- (d) All hours worked up to and including 8 hours in any one day will be paid at the straight time rate, therefore scheduling will be offered as follows:
 - (i) In scheduling employees in the section or functional area required (i.e., kids, music, etc.) and subject to skill, ability, and availability, the longer shifts (i.e., most hours) shall be assigned to the senior employee in the section or functional area involved;
 - (ii) If employees have the skill and ability and availability they may also be assigned to other sections or functional areas;

- (iii) If hours in a section or functional area are to be reduced, they shall be reduced from the junior employees in the section or functional area involved subject to skill ability and availability;
- (iv) Any grievance under Article 13.5 is strictly confined to whether the assignments under 13.5(d)(i) and (ii) amongst the employee(s) in the section or functional area involved was properly followed (i.e., the configuration of any shifts including days off, shift length and starting and stopping times, are not grievable.)
- (v) Additional shifts that become available shall be offered to existing employees before hiring new employees.
- (vi) The current minimum standard of availability for current full time employees is three (3) shifts per week which must include one (1) night shift per week and one (1) week-end shift per week, as set by the Employer. The current minimum standard of availability for part time employees is a minimum of twelve (12) hours per week. Employees who do not maintain the minimum standards of availability are not subject to Article 13.5(a).
- (vii) The Union understands that it is not the intent of the Employer to reduce the hours of the current full time employee's hours within the bargaining unit as a result of this Agreement and this is reflected in the Letter of Understanding No. 1.

ARTICLE 14 - ABSENTEEISM AND NOTIFICATION OF SUPERVISOR

- 14.1 Employees are required to attend work when scheduled to do so. When unable to attend, the employee must contact his supervisor, the Manager on Duty if the supervisor is unavailable, or the General Manager if both the supervisor and the Manager on Duty are unavailable, as far in advance as possible of his scheduled starting time, giving the reasons he is unable to attend work, the date of his expected return to work, and the details as to where he can be contacted during his absence.
- 14.2 It shall be cause for discipline if an employee who is unable to report for work fails to notify his supervisor, the Manager on Duty if the supervisor is unavailable, or the General Manager if both the supervisor and the Manager on Duty are unavailable in advance unless he is unable to do so for reasons beyond his control.

ARTICLE 15 - VACATIONS

- 15.1 An annual vacation with pay shall be granted to each employee entitled thereto in accordance with the following schedule:

- (a) Less than one (1) year of seniority as at April 1st in any year - one day of vacation for each month worked as at April 1st up to a maximum of 10 days at four percent (4%) of his earnings during his period of employment ending April 1st.
- (b) One (1) year or more but less than three years of continuous service with the Employer as at April 1st in any year - two (2) weeks at four percent (4%) of his earnings during the twelve (12) month period ending April 1st exclusive of any vacation pay previously paid in that year.
- (c) Three (3) years or more but less than eight years of continuous service as at April 1st in any year - three (3) weeks with pay at six percent (6%) of his earnings during the twelve (12) month period ending April 1st exclusive of any vacation pay previously paid in that year.
- (d) Eight (8) years or more but less than fifteen (15) years of continuous service as at April 1st in any year - four (4) weeks with pay at eight percent (8%) of his earnings during the twelve (12) month period ending April 1st exclusive of any vacation pay previously paid in that year.
- (e) An employee may request their accrued vacation payout through their Manager once per year with a minimum of 2 weeks notice.

15.2 Statutory Holiday During Vacation - Should a Statutory Holiday occur while an employee is on annual vacation, he shall receive an additional day off with full pay at his regular rate immediately preceding or following his vacation, or he may elect to receive pay in lieu of. Such designation shall be made at the time the employee schedules his holidays.

15.3 Vacation Scheduling

- (a) The Employer will supply a vacation planner by March 1st of each year to be completed by the employees by April 1st. Vacations will be scheduled on a seniority basis per department. When completed, the Shop Steward will be given a copy which will be kept current by each department head.
- (b) The Employer will post the holiday schedule and confirm each employee's vacation allotment by April 15th and the holiday schedule is only to be changed by mutual consent.

ARTICLE 16 - STATUTORY HOLIDAYS

16.1 Employees who have completed thirty (30) calendar days of employment and who have worked or earned wages for fifteen (15) of the thirty (30) calendar days preceding a Statutory Holiday shall receive the following Statutory Holidays, with pay, at their regular straight time rate:

- New Years Day
- Good Friday

- Victoria Day
- Canada Day
- British Columbia Day
- Labour Day
- Thanksgiving Day
- Remembrance Day
- Christmas Day

16.2 Payment for working on a Statutory Holiday shall be as per the Employment Standards Act.

ARTICLE 17 - SICK LEAVE

17.1 The Employer and the Union agree to the following sick leave policy for full-time employees while the Agreement is in force:

- (a) After an employee has been in the employment of the Employer for six (6) months, and regularly works thirty-five (35) or more hours per week, he or she will commence to accumulate sick leave credits at the rate of one (1) average days pay for each full month of service thereafter to a maximum of three (3) sick days in the first year of employment.
- (b) In the second year of employment and each year thereafter the employee will accumulate sick leave credits at the rate of one (1) average days pay for each full month of service to a maximum of (10) sick days per year.
- (c) Sick leave credits are non-accumulative annually and accumulation will renew in each year of employment.
- (d) The Employer and the Union understand and have agreed that sick leave credits are to be used by employees only for purposes of absence from work due to illness or injury, and the provisions of Article 14.1 shall apply thereto.

ARTICLE 18 - HEALTH AND WELFARE

18.1 The Employer's National Health and Welfare Plan, including its eligibility rules, level of benefits, shared costs, and any program changes shall apply to the members in the bargaining unit. Any dispute as to eligibility or benefits is between the employee and the insurer, where applicable.

18.2 The Union acknowledges that, except if expressly contrary to the terms of this Agreement, the Employer's benefits and policies relating thereto as expressed in the Total Rewards booklet, are applicable to the bargaining unit.

ARTICLE 19 - LEAVES OF ABSENCE

- 19.1 Bereavement Leave - In the event of a death in the immediate family of an employee, the Employer shall grant up to three (3) days of leave of absence with pay. Immediate family is defined as:
- (a) a spouse, same sex partner, child, parent, guardian, sibling, grandchild or grandparent of the employee, in-laws, and any person who lives with the employee as a member of the employee's family. In-laws means father-in-law, mother-in-law, brother-in-law and sister-in-law.
- 19.2 Jury Duty - Employees who are selected for jury duty will be paid the difference between the court payment and the employee's regular earnings. Regular earnings shall be calculated on the basis of the average earnings for the eight (8) weeks prior to jury duty.
- 19.3 Maternity Leave/Parental Leave - The provisions of the BC Employment Standards Act shall apply.

ARTICLE 20 - SENIORITY

20.1 Probationary Employees

- (a) An employee shall attain seniority when he or she has successfully completed the probationary period.
- (b) The probationary period is defined as ninety (90) calendar days of employment and this probationary period may be extended by mutual agreement between the parties for an additional thirty (30) days.
- (c) Upon attaining seniority, the employee's seniority date will be computed as having commenced on his or her date of hire.
- (d) A seniority employee is defined as an employee who has successfully completed the probationary period and thereby attained seniority.
- (e) The Employer may discipline or discharge a probationary employee in its sole discretion for any reason satisfactory to the Employer provided the Employer acts in good faith and in a non-discriminatory manner.

- 20.2 (a) When a permanent vacancy occurs or a new position is created, the Employer shall post notice of the permanent vacancy or the new position for a period of five (5) working days. Employees wishing to apply for the posted vacancy or new position must deliver a written application to the Store Manager within five (5) working days.
- (b) In selecting the successful applicant the following criteria shall be applied:

- (i) seniority; and
 - (ii) skill, ability and availability.
- (c) Where the skill, ability and availability of two or more applicants are relatively equal, bargaining unit seniority shall be the governing criteria.
- (d) If none of the applicants who have applied for the job are successful, the Employer can elect to fill the permanent vacancy or new position from any source.
- (e) During the posting period the Employer may temporarily fill the vacancy from any source.
- (f) The foregoing procedure applies only with respect to the original permanent vacancy or new position and does not apply to any vacancy subsequently arising from the filling of the job posting.
- (g) The name of the successful applicant, if any, will be posted on the bulletin board within 10 days after the completion of the job posting procedure. In any event, a Manager will personally advise each internal applicant of the result of his or her application within 10 days after the completion of the posting procedure.
- (h) A successful applicant shall not be entitled to bid on any other vacancy or new position for a period of four months after he or she has been awarded the position as herein provided.
- 20.3 An employee shall lose all seniority and service rights and his or her employment shall be deemed to have been terminated if:
- (a) he or she quits his or her employment;
 - (b) he or she is discharged for just cause;
 - (c) he or she is laid off for a period of time which is the lesser of his or her seniority or twelve (12) months;
 - (d) he or she fails to return to work within five (5) days after he or she has received notice of recall, unless a satisfactory explanation is provided by the employee.
 - (e) he or she has absented himself or herself from work for three (3) consecutive scheduled work days without a reason satisfactory to management: (Note: this subparagraph (e) shall not be interpreted as permitting unauthorized absenteeism of any duration).
- 20.4 It shall be the duty of the employee or laid off person to notify the Employer's office promptly in writing of any change of address or telephone number. If any employee or laid off person shall fail to do this, the Employer shall not be responsible for the failure of

the notice to reach him or her and any notice sent by the Employer by registered mail to the address which appears in the Employer's personnel records or communicated to the telephone number which appears on the Employer's personnel records shall be conclusively deemed to have been received by that person.

- 20.5 If a person is rehired after losing his or her seniority, he or she will be deemed to be a new employee required to complete the probationary period.
- 20.6 The Employer shall post a seniority list on January 31 and July 31 of each year.

ARTICLE 21 - TECHNOLOGICAL CHANGE

- 21.1 The provisions of Section 54 shall apply to this Agreement.

ARTICLE 22 - WAGES

22.1 Wage Schedule

- (a) The rates of pay and effective dates listed in the attached Schedule A to this Agreement are agreed upon by both Parties.

22.2 New Jobs or Changed Job

- (a) If any new jobs are established, or if there is a significant change in the duties of any job, or if any jobs have been overlooked in Schedule A, the Parties hereto agree to negotiate a rate for the job(s) in question.
- (b) If the Parties are unable to reach agreement, then the dispute will be settled through the Arbitration procedures of this Agreement.

- 22.3 Any employee performing work in a job carrying a higher rate of pay shall receive the higher rate, provided the employee fulfills all of the core functions of that job for the majority of the hours on the shift. For the purposes of this Article, the majority of hours in the shift means at least fifty (50%) percent of the hours of the shift.

- 22.4 It is understood that employees performing Cashier On Duty ("COD") duties will receive a premium of fifty (\$0.50 cents) cents per hour.

- 22.5 Employees will not be assigned to work in the Shipping/Receiving area unless:

- (a) they have requested to work in the Shipping/Receiving area; and
- (b) they have the required skills and knowledge to do so (including safety training).

- 22.6 Article 22.5 does not apply when employees are assigned to work in the Shipping/Receiving area to perform shelving duties.

ARTICLE 23- DURATION OF AGREEMENT

23.1 This Agreement shall become effective the first Sunday after ratification and shall expire on May 13, 2008.

Dated this ♦ day of May, 2006.

Signed on behalf of the Employer, Indigo Books & Music Inc.

Signed on behalf of the Union, National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada), Local 3000

Twh.k

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SCHEDULE A - WAGES**Customer Experience Representatives**

<u>Year One</u>	<u>Wage</u>	<u>Year Two</u>	<u>Wage</u>
Start Rate:	\$ 8.50	Start Rate:	\$ 8.50
After three (3) months:	\$ 8.85	After three (3) months	\$ 8.85
After fifteen (15) months:	\$ 9.20	After fifteen (15) months	\$ 9.20

1. All employees covered by the collective agreement who, as of the date of ratification are on the active payroll and as of that date, are being paid \$9.20 or more shall, effective the first Sunday after ratification (SAR), receive a wage increase of two (2.5%) percent on their current rate of pay rounded to the nearest full cent.
2. All employees who are on the active payroll as of the first twelve (12) month anniversary date of SAR, shall receive an increase on their wage rate of two (2.5%) percent on their current rate of pay rounded to the nearest full cent.
3. The above increases are subject to a maximum rate of fourteen dollars and (\$14.20) twenty cents.
4. The percentage increases in paragraphs 1 and 2 above shall not be applied to the premium above the wage rate payable to persons classified as cashiers on duty.
5. This wage schedule replaces the wage progression policy which ceased to be effective the day before the date of ratification.

SCHEDULE B - DRESS CODE POLICY

Why do we have a Dress Code?

The way we present ourselves to our customers says a lot about who we are as a company. Creating a positive impression is an important part of creating a positive overall customer experience. Our Dress Code sets out the guidelines and standards by which all store employees present themselves to our customers. Following the Dress Code Policy is an ongoing requirement of employment.

Principles

Customers

For our customers we will be:

- Professional in our appearance
- Approachable in our appearance
- Identifiable to them.

Employees

For ourselves we ensure that we are:

- Comfortable so that we can do our job
 - Able to have a degree of choice in what we wear and how we appear
 - Able to afford the clothing required.
-

How was the Dress Code developed?

We have developed our Dress Code based on the following:

- Employee feedback
-

-
- Customer feedback

 - Research of practices of other retailers
-

Who does the Dress Code apply to?

The Dress Code is for all store employees: CERs, CECs, CEMs and General Managers.

DRESS CODE AT A GLANCE

	Acceptable	Unacceptable
Pants or Skirts	Length	
	<ul style="list-style-type: none"> • Full-length pants • Skirts: no shorter than 2 inches above the knee 	<ul style="list-style-type: none"> • Cropped pants (<i>including Capri's</i>) • Shorts (<i>including walking shorts, culottes or skorts</i>) • Mini-skirts
	Colour/Design	
	<ul style="list-style-type: none"> • Solid colour: black, navy or tan 	<ul style="list-style-type: none"> • Patterned, checkered or striped
Tops	Style and Material	
	<ul style="list-style-type: none"> • Neatly pressed casual or dress pants (<i>i.e. Chinos</i>) • Shipping & Receiving Only: • Jeans: Black (only in the Back Room) 	<ul style="list-style-type: none"> • Jeans, cargo pants, sweat pants, spandex, denim, corduroy, rivets • Jeans on the Sales Floor
	Length	
	<ul style="list-style-type: none"> • Long, ¾ length or short-sleeved tucked in unless tapered and no longer than edge of vest 	<ul style="list-style-type: none"> • Sleeveless or small cap sleeves • Midriff showing
Accessories	Colour	
	<ul style="list-style-type: none"> • Solid colour: white, black, all shades of blue 	<ul style="list-style-type: none"> • Patterns, slogans or obvious logos
	Style and Material	
	<ul style="list-style-type: none"> • Collared casual or dress shirt (<i>i.e. polo shirt</i>) • Turtleneck, pullover or cardigan sweaters (<i>over shirts</i>) 	<ul style="list-style-type: none"> • T-shirts, V-neck, hoodies • Denim, corduroy, see-through material, lace, etc.
Hair	Vest - Indigo and Chapters Only	
	<ul style="list-style-type: none"> • Company supplied vest to be worn at all times by LF CERs, CECs and CEMs 	<ul style="list-style-type: none"> • Wrinkled, stained or torn vest
Accessories	<ul style="list-style-type: none"> • Name Tag worn on the right (<i>LF</i>) or around neck (<i>MF</i>) • iRewards button • Applicable service award pins 	<ul style="list-style-type: none"> • Other vendor or publisher buttons, unless endorsed by Indigo • Hats, caps or bandanas
	<ul style="list-style-type: none"> • Hair to be neatly groomed 	<ul style="list-style-type: none"> • Extreme hairstyles (<i>i.e. Mohawk</i>)

DRESS CODE AT A GLANCE

	Acceptable	Unacceptable
	Type	
Footwear	<ul style="list-style-type: none"> • Closed toe and heel shoes or boots (<i>includes solid brown, navy or black running shoes</i>) • Shipping & Receiving Staff - are required to wear CSA Certified Safety shoes. After 6 months employment, employees who produce a receipt will be reimbursed up to \$75.00 on an annual basis. 	<ul style="list-style-type: none"> • Hiking boots • Skateboard shoes • Sandals • Spiked heels • Striped/Patterned, damaged and/or scuffed running shoes
	Colour	
	<ul style="list-style-type: none"> • Solid colour: black, navy or tan • Socks: to match shoes or pants 	<ul style="list-style-type: none"> • Multi-coloured
Facial Piercings	<ul style="list-style-type: none"> • One discrete facial piercing, plus • 2 rings per ear • All other piercings must be removed during working hours 	<ul style="list-style-type: none"> • Extreme piercings • Multiple piercings
Tatoos	<ul style="list-style-type: none"> • Acceptable at the discretion of the Manager. <i>You may be asked to cover a tattoo if the subject matter is considered to be offensive to customers and/or colleagues.</i> 	<ul style="list-style-type: none"> • Extreme tatoos • Tatoos that are considered offensive and/or profane to customers or colleagues.
Pagers, Cell Phones and PDA's	<ul style="list-style-type: none"> • The use of pagers, cell phones and PDAs are not allowed on the Sales Floor unless required by the company. 	<ul style="list-style-type: none"> • Use of personal pagers, cell phones or PDAs while working on the Sales Floor.
Eating & Drinking	<ul style="list-style-type: none"> • No eating, drinking and/or chewing gum while on the Sales Floor. 	<ul style="list-style-type: none"> • Eating, drinking and/or chewing gum on the Sales Floor.
Smoking	<ul style="list-style-type: none"> • Smoking is not allowed on store premises. 	<ul style="list-style-type: none"> • Smoking on store premises.

Exceptions

Promotional Events

There may be Indigo-sponsored promotional events that provide employees with either specific exceptions or additional options to dress code guidelines (e.g. Seasonal Holiday shirts, casual denim days, etc.). These exceptions must be pre-approved by Retail Home Office in order to maintain consistent standards and provide the appropriate messaging for our customers.

Religious Reasons

Items such as [a] headscarves or jewellery, worn specifically for religious reasons, are acceptable.

Who is accountable?

Everyone is accountable to ensure dress code policy is followed.

Position	Accountable for
All Store employees	<ul style="list-style-type: none"> Following the Dress Code Policy
Store Management (CEM, GM)	<ul style="list-style-type: none"> Following the Dress Code Policy Explaining our Policy and standards Explaining consequences for not following the Policy Managing to the Policy (Individual in-store situations) and coaching employees
Regional Directors, Regional Managers and Regional VPs	<ul style="list-style-type: none"> Managing regional and escalated concerns regarding dress code and coaching accordingly
Retail Home Office	<ul style="list-style-type: none"> Establishing and supporting Dress Code Policy and Practices Providing feedback on national compliance

Policy Management

Consequences for not following the Dress Code will follow the normal process for Corrective Action as outlined below.

Infraction	Corrective Action
1 st Infraction	<ul style="list-style-type: none"> Formal counselling session Employee sent home to change clothes
2 nd Infraction	<ul style="list-style-type: none"> Documented verbal warning with advice on how to improve Employee sent home to change clothes
3 rd Infraction	<ul style="list-style-type: none"> Documented written warning with advice on how to improve. Employee sent home
4 th Infraction	<ul style="list-style-type: none"> Final written warning takes place Employee sent home
5 th Infraction	<ul style="list-style-type: none"> Employment terminated (with RD/RM and Human Resources approval)

SCHEDULE C - HUMAN RIGHTS AND HARASSMENT

The Company and the CAW are committed to providing a harassment-free workplace. Harassment is defined as a “course of vexatious comment or conduct that is known or ought reasonably be known to be unwelcome” that denies individual dignity and respect on the basis of the grounds such as: gender, disability, race, colour, sexual orientation, or other prohibited grounds, as stated in the provincial Human Rights Code. All employees are expected to treat others with courtesy and consideration and to discourage harassment.

The workplace is defined as any Company facility and includes areas such as offices, retail floors, rest rooms, lunch rooms, lockers, conference rooms.

Harassment may take many forms: verbal, physical or visual. It may involve a threat or an implied threat, or be perceived as a condition of employment. The following examples could be considered as harassment, but are not meant to cover all potential incidents:

Unwelcome remarks, jokes, innuendoes, gestures or taunting about a person’s body, disability, attire or gender, racial or ethnic backgrounds, colour, place of birth, sexual orientation, citizenship or ancestry;

Practical jokes, pushing, shoving, etc., which cause awkwardness or embarrassment;

Posting or circulation of offensive photos or visual materials;

Refusal to work or converse with an employee because of their racial background or gender, etc.;

Unwanted physical conduct such as touching, patting, pinching, etc.;

Backlash or retaliation for the lodging of a complaint or participation in an investigation.

Harassment is not:

Harassment is in no way to be construed as properly discharged supervisory responsibilities, including the delegation of work assignments, the assessment of discipline or any conduct that does not undermine the dignity of the individual. Neither is this policy meant to inhibit free speech or interfere with normal social relations.

Filing a complaint:

If an employee believes he/she has been harassed and/or discriminated against on the basis of any prohibited ground of discrimination, there are specific actions that may be taken to put a stop to it:

Request a stop of the unwanted behaviour;

Inform the individual that is doing the harassing or the discriminating against you that the behaviour is unwanted and unwelcome;

Document the events, complete with times, dates, location, witnesses and details;

Report the incident to Supervisor/Steward person.

However, it is also understood that some victims of discrimination or harassment are reluctant to confront their harasser, or they may fear reprisals, lack of support from their work group, or disbelief by their supervisor or others. In this event, the victim may seek assistance by reporting the incident directly to any Union representative/Company official.

Investigation:

Upon receipt of the complaint, the Supervisor/Steward/Local Union designate/Joint Investigation person contacted will immediately inform their Union or Company counterpart and together they will then interview the employee and advise the employee if the complaint can be resolved immediately or if the complaint should be formalized in writing. Properly completed copies of this complaint will be forwarded to the Human Resource Manager and the Chairperson.

At the request of Human Resources Manager and Chairperson, a formal investigation of the complaint will then begin, interviewing the alleged harasser, witnesses and other persons named in the complaint. Any related documents may also be reviewed. Should the complaint involve sexual harassment/discrimination, the process will include a woman.

Resolution:

The Chairperson and Human Resources Manager, or their designates, will then complete a report on the findings of the investigation. The Chief Steward and Human Resources Manager will make a determination on an appropriate resolution, in an attempt to resolve within ten (10) days and ensure the resolution is fair and consistent with the intent of the company and National CAW policy regarding discrimination and harassment in the workplace.

At the conclusion of this step, the complaint, if unresolved, will be inserted into the third step of the grievance procedure for resolution. In the event that the complaint is not resolved by the parties at the third step of the grievance procedure, it may be appealed to arbitration in accordance with the provisions of the collective agreement. The parties complaints should not be pursued through both the grievance procedure and the Human Rights Complaint procedure.

The pursuit of frivolous allegations through the Human Rights Complaint Procedure has a detrimental effect on the spirit and intent for which this policy was rightfully developed and should be discouraged.

All documentation is to be secured in a location agreeable to all parties.

All employees have the right to file a complaint with the British Columbia Human Rights Commission and to seek redress under the Human Rights Code.

LETTER OF UNDERSTANDING NO. 1

BETWEEN:

INDIGO BOOKS & MUSIC INC.

- AND -

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA (CAW-CANADA), LOCAL 3000**

RE: NO INVOLUNTARY REDUCTION OF HOURS

The following persons shall not have their normally scheduled number of hours per week involuntarily reduced below 35 hours per week by reason of the adoption of this Collective Agreement:

1. Alex Wong
2. Alicia McLean
3. Brad Louttit
4. Charlene Morris
5. Daniel Lindskog
6. David Matychuk
7. Dina Del Bucchia
8. Ed Hurrell
9. Jason Sullivan
10. Jimmy Mah
11. Judith Camacho
12. Kristin McComb
13. Matthew Smith
14. Megan Saxe
15. Michelle Bischof
16. Patricia Commons

Dated this 31st day of July, 2006.

Signed on behalf of the Employer, Indigo Books & Music Inc.

Signed on behalf of the Union, National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada), Local 3000

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