

COLLECTIVE AGREEMENT

BETWEEN

CANADA BREAD COMPANY, LIMITED

AND

TEAMSTERS LOCAL UNION No. 213

June 1st, 2005 - May 31st, 2009

**DON McGill
Secretary-Treasurer**

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THIS AGREEMENT EFFECTIVE this first (1st) day of May, 2005.

BETWEEN: CANADA BREAD COMPANY, LIMITED

(hereinafter referred to as the "Employer")

PARTY OF THE FIRST PART

AND: TEAMSTERS LOCAL UNION No. 213,
affiliated with the International Brotherhood
of Teamsters, of the City of Vancouver,
Province of British Columbia;

(hereinafter referred to as the "Union")

PARTY OF THE SECOND PART

ARTICLE 1 - PURPOSE

- 1.01 It is the purpose of this Agreement to provide for a competitive and profitable operation and to set out terms and conditions of employment for employees of the Company in its retail Bread Basket stores in Penticton, Kelowna, and Kamloops.
- 1.02 The parties acknowledge that it is the mission of the Company to become the premier specialty chain retailer of baked goods by satisfying consumers' desire for quality products at competitive prices, convenient shopping and in-store customer service.
- 1.03 It is understood that the retail Bread Basket stores may operate up to seven days per week, and up to 24 hours per day, in order to compete efficiently and effectively in the contemporary retail market place.
- 1.04 This Agreement shall be interpreted in accordance with the above principles.

ARTICLE 2 - MANAGEMENT

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

ARTICLE 3 - UNION SECURITY

- 3.01 The Company recognizes the Union as bargaining agent for all sales persons employed in the Bread Basket stores in Penticton, Kelowna, and Kamloops.

3.02 All employees must become and remain members of the Union in good standing within 14 calendar days of commencing their employment. The Employer agrees to retain in his employ, within the group covered by this Agreement, only members of the Union in good standing and to notify the Union within ten (10) calendar days of any new employees hired or former employees returned to the payroll.

It is further agreed that any person not a member of the Union shall not work at occupations which come under the Union's jurisdiction, except in cases of emergency and then only until a member of the Union can be placed on the job. The parties agree to discuss situations where circumstances dictate and for efficient operations, require working a non-union employee for a reasonable period of time.

3.03 Each of the employees covered by this Agreement hereby authorizes the Employer to deduct and pay over to the Secretary-Treasurer of the Union, any monthly dues, fines or assessments levied in accordance with the Union's by-laws. Deductions of any monies owing shall also be made from any employees in the month in which they terminate.

Monies deducted shall be forwarded by the Employer to the Secretary-Treasurer of the Union not later than the 10th day of the following month and shall be accompanied by a copy of the written statement supplied by the Union.

ARTICLE 4 - CONFLICTING AGREEMENT

4.01 The Employer further agrees that no Union member will be asked to make any written or verbal agreement conflicting with this Agreement. No Union member shall make any written or verbal agreement with the Employer conflicting with this Agreement.

ARTICLE 5 - CROSSING OF A PICKET LINE

5.01 The Employer shall not require any member of the Union to cross a picket line which has not been declared illegal by a Court of Competent Jurisdiction.

If a picket line is established which affects the operation of the Employer, at the request of either party a meeting will be called to discuss the application of this Section.

ARTICLE 6 - DIFFERENCES

6.01 There shall be no strikes, slowdowns or other interruptions of work by the Union or employees, nor shall there be any lockouts by the Company, while this Agreement is in effect.

6.02 Where a difference arises relating to the dismissal or discipline of an employee, or to the interpretation, application, operation, or alleged violation of this Agreement, including a question as to whether a matter is arbitrable, the matter shall be resolved without stoppage of work, in the following manner:

- (1) **STEP 1** If an employee has a grievance, it shall be raised verbally with the immediate supervisor at the store within twenty-one (21) calendar days of the occurrence;
- (2) **STEP 2** If the grievance is not resolved at Step 1, the employee or the Union may present the grievance in writing to the Company. The Company and the Union shall have fourteen (14) calendar days to resolve the grievance;
- (3) **STEP 3** If the grievance is not resolved within the above time limits, then the grievance may be referred in writing to arbitration.

The time limits set out in this clause may be extended by the parties, by mutual agreement, in writing.

6.03 If the procedures set forth in 6.02 above do not result in a solution being reached within seven (7) days of the first discussion between an officer of the Union and a representative of the Company, or within such further period as the Company and the Union agree in writing, the dispute shall be referred to an Arbitration Board of three persons appointed as follows:

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

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

6.05 If the Company or the Union has a grievance, it shall be presented in writing at Step 2 within twenty (20) working days of the occurrence giving rise to the grievance.

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

- 6.07 The parties may mutually agree to use a single Arbitrator.
- 6.08 The expenses and remuneration of the Chairman or single Arbitrator will be shared equally by the Parties.
- 6.09 Without restricting the specific powers hereinbefore mentioned, the Arbitration Board shall have all the general powers of an Arbitration Board but may not change the terms and conditions of the Agreement.

ARTICLE 7 - EMPLOYMENT

- 7.01 New employees shall be on probation for the first four hundred (400) hours worked. They may be dismissed during the probationary period entirely at the discretion of the Company if in the Company's opinion they are not suitable.

- 7.02 Each Retail Bread Basket Store shall be a separate unit for all purposes and in particular employment, layoff, and rehiring.

Employees shall be laid off and rehired in accordance with their seniority at each Bread Basket Store. Employees laid off pursuant to this clause shall lose their seniority if they have not been recalled to work for a period of twenty-six (26) weeks from date of layoff.

- 7.03 Hours of work shall be scheduled by the Company on a weekly basis whenever possible.

Lunch period shall be one-half hour unpaid and shall be taken not later than five (5) consecutive hours from the beginning of the shift.

Employees are expected to work all scheduled hours, and are expected to work unscheduled hours provided reasonable notice is given.

- 7.04 Overtime shall be paid in accordance with the British Columbia Employment Standards Act.

- 7.05 Employees may request Leave of Absence without pay for personal reasons. The Company will not unreasonably deny such request provided reasonable notice is given and the requirements and efficiency of the store are not affected.

Each employee who has completed the probationary period will be allowed three days leave of absence, one of which shall be with pay, in the event of death of the father, mother, sister, brother, spouse, child, mother-in-law, father-in-law, grandmother, grandfather, or grandchild. Such leave shall be for the purpose of attending the funeral.

7.06 The Company and the Union recognize the benefits to be derived from a safe and healthy place of employment. It is agreed that the Company, the employees and the Union will co-operate fully to promote safe work practices, health conditions and the enforcement of safety rules and procedures.

All employees of Canada Bread are safety leaders. All employees have a primary responsibility for his/her own safety and an obligation to know and observe safety rules and practices as a measure of protection for themselves and others.

ARTICLE 8 - WAGES, BENEFITS AND CLASSIFICATIONS

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

8.02 WAGE SCHEDULE

MONTHS PROGRESSION	EFFECTIVE JUNE 1/06	EFFECTIVE JUNE 1/07 1/08	EFFECTIVE JUNE
Start	\$10.00	\$10.15	\$10.30
6 to 12 Months	\$10.15	\$10.30	\$10.45
12 to 18 Months	\$10.30	\$10.45	\$10.60
18 to 24 Months	\$10.45	\$10.60	\$10.75
24 to 30 Months	\$10.60	\$10.75	\$10.90
30 to 36 Months	\$10.90	\$11.05	\$11.20
36 to 42 Months	\$11.15	\$11.30	\$11.45
42 Months & Over	\$12.60	\$12.95	\$13.30

Employees who are actively employed on the date of ratification will be eligible for a one (1) time lump sum payment equal to twenty-five cents (25¢) for all hours worked between June 1st, 2005 and May 31st, 2006.

8.03 All employees shall be paid by direct deposit on a weekly basis.

8.04 Statutory Holidays

(a) Employees who have commenced employment at least thirty (30) days prior to a Statutory Holiday shall be given a day off with pay on each Statutory Holiday according to the following:

- Eligible employees who have worked on at least fifteen (15) of the thirty (30) days will receive an average day's pay for the holiday. This calculation will be made by dividing the total wages earned in the thirty (30) day period (excluding overtime) by the number of days work.
- Eligible employees who have worked fewer than fifteen (15) of the thirty (30) days prior to a Statutory Holiday are entitled to pro-rated Statutory Holiday pay. Pro-rated Statutory Holiday pay is calculated by dividing the total wages earned in the thirty (30) day period (excluding overtime) by fifteen (15).

The holidays include the following days:

New Year's Day	Dominion Day	Thanksgiving Day
Good Friday	BC Day	Remembrance Day
Victoria Day	Labour Day	Christmas Day

(b) If an employee is required to work on a Statutory Holiday, then he/she will receive:

- one and one-half times (1 1/2X) the employee's regular wage for the time worked up to twelve (12) hours and double the employee's regular wage for any time worked over twelve (12) months.
- In addition, the Company will give the employee a working day off or an average day's pay as determined in 8.04 (a).

ARTICLE 9 - PENSION

9.01 It is agreed that the Pension Plan in effect will be continued covering Union employee members and that the basic pension benefits will be \$1,150.00 per month.

NOTE: Qualification for part-time employees enrolled into the Pension Plan shall be two (2) years service and 35% of the Y.M.P.E.

ARTICLE 10 - DURATION

10.01 This Agreement shall be in effect from June 1st, 2005 until May 31st, 2009, and from year to year thereafter, unless notice of abrogation or amendment shall be given by either Party to the other Party, in writing, within 60 days prior to the anniversary date hereof, and subsequent years.

DATED at _____, British Columbia, this
day of _____, 2006.

ON BEHALF OF THE COMPANY

ON BEHALF OF THE UNION
