

COLLECTIVE AGREEMENT

BETWEEN

B&R DRUGS LTD.

DOING BUSINESS AS SHOPPERS DRUG MART STORE NO. 273

AND

UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1518

Agreement Ratified by Membership Vote December 10, 2007

Duration of Agreement: December 16, 2007 – December 31, 2010

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MEMORANDUM OF AGREEMENT made this 10th day of DECEMBER, 2007.

BY AND BETWEEN: **B&R DRUGS LTD., a body corporate carrying on business as Shoppers Drug Mart Store No. 273, in the Province of British Columbia,**

(hereinafter referred to as the "EMPLOYER")

AND: **UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 1518, Chartered by the United Food and Commercial Workers International Union.**

(hereinafter referred to as the "UNION")

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

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

Section 1 - BARGAINING AGENCY

The Employer recognizes the Union as the sole and exclusive collective bargaining agency for all employees employed by **B&R DRUGS LTD.**, with respect to rates of pay, wages, hours and all other conditions of employment set out in this Agreement, except and excluding the Store Administrator who does not perform any bargaining unit work.

Section 2 - UNION SHOP

- (a) With respect to employees other than pharmacists, the Employer agrees to retain in his employ, within the bargaining unit as outlined in Section 1 of this Agreement, only members of the Union in good standing. The Employer shall be free to hire new employees who are not members of the Union, provided said nonmembers, whether part- or full-time employees, shall be eligible for membership in the Union and shall make application within ten (10) days after employment and become members within thirty (30) days. Store Administrators will present membership cards to new employees for signature.
- (b) With respect to pharmacists, it shall be optional for the pharmacist to become a member of the Union. Once having chosen to become a member of the Union such pharmacist shall be required to remain a member of the Union as a condition of employment. In the event the pharmacist declines to become a member of the Union he shall:
 - (i) pay regular dues through checkoff as if he were a member of the Union;
 - (ii) be entitled to all benefits of this Collective Agreement as if he were a member of the Union;
 - (iii) not be subject to discipline or discharge by reason either of his becoming a member of the Union or failure to become a member of the Union.

The Employer agrees to provide each new employee at the time of employment with a form letter outlining to the employee his or her responsibility in regard to Union membership and outlining the provisions of Section 6 (d) of this Agreement, and to provide the Union in writing with the name and address of each employee to whom they have presented the form letter, along with the employee's date of hire. The Union shall bear the expense of printing the letter, the contents of the letter to be such that it is acceptable to the Employer. The Employer further agrees to provide the Union once a month with a list containing the names of all employees who have terminated their employment during the previous month.

Section 3 - DEDUCTION OF UNION DUES

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

Section 4 - JURISDICTION

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

1. Rack Jobbers, such as:
 - a) Hair Notions
 - b) Party Time Items
 - c) Greeting Cards
 - d) Hosiery/Socks
 - e) Pegged Cosmetics
 - f) Confectionery, **including beverages and potato chips, etc.**
 - g) Housewares
 - h) Sunglasses/Reading Glasses

The items in paragraph numbered 1 are original stocking only. Union to do all back-stocks.

2. Sales persons may check over and order stock in the following areas, actual stocking to be done by employees:
 - a) Toys, Puzzles, Hobbies, Games
 - b) Baby Notions
 - c) Vitamins
 - d) Batteries
 - e) Pocket Books, Magazines
 - f) Stationery
3. Re-merchandising as follows:
 - a) Re-merchandising crew to realign shelf with one of each item.
 - b) Tear down and restocking of shelf to be performed by clerks in the bargaining unit, subject to below:

Re-merchandising must be substantial and does not apply to nominal changes in displays. No clerks shall lose hours during re-merchandising, and available hours of work because of re-merchandising shall be made available to clerks. Once clerks have been offered available hours due to re-merchandising and there are still hours available, the re-merchandising crew may perform this work.

It is not the intent of the changes to Section 4 in this Collective Agreement to expand the current practices of suppliers' employees in this store.

Section 5 - BASIC WORK WEEK - OVERTIME - STATUTORY HOLIDAYS

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

- (a) The basic work week for full time employees shall be forty (40) hours, consisting of five (5) eight (8) hour days.

Commencing with their fifth (5th) week of employment, full time employees shall receive forty (40) hours pay at straight time rates and shall work four (4) days, thirty-two (32) hours in a week in which one (1) statutory holiday occurs; three (3) days, twenty-four (24) hours in a week in which two (2) statutory holidays occur.

- (b) The following days shall be considered statutory holidays: New Year's Day, Good Friday, Victoria Day, Canada Day, B.C. Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day and all other public holidays proclaimed by the Dominion, Provincial or Municipal Governments. In the case of a statutory holiday proclaimed by a Municipality only those stores of the Employer in that Municipality shall be affected by the requirements of this section.

All work performed on a statutory holiday shall be paid for at the rate of time and one-half (1-1/2) the employee's rate of pay and, where so entitled, the employee shall also receive pay for the statutory holiday.

An employee who works on a statutory holiday shall have the option of another day off in lieu of the statutory holiday, provided that suitable relief staff is available. This means that an employee who works on a statutory holiday shall not be required to work more than thirty-two (32) hours in that week.

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

Average hours worked per week in four (4) weeks preceding week in which holiday occurs:

- Sixteen (16) to twenty (20) hours
 - Four (4) hours pay for each holiday
- Twenty (20) but less than thirty-two (32)
 - Six (6) hours pay for each holiday
- Thirty-two (32) hours or more
 - Eight (8) hours pay for each holiday

For purposes of determining statutory holiday pay entitlement for full time employees, all paid time off and hours absent due to sickness or accident shall be counted as hours worked if the full time employee would have been scheduled to work such hours they were absent. Time worked in excess of thirty-two (32) hours of actual work by part time employees during a week in which a statutory holiday or statutory holidays occur shall be paid at the rate of time and one-half (1-1/2).

- (d) Bonus Days:
Subject to subparagraphs (1), (2) and (3) below, all employees shall receive a day off with pay for each six hundred and forty (640) hours of work. Hours to include: hours of work, statutory holidays, bonus days, sick pay, and jury and witness pay.

Bonus day to be scheduled on a mutually agreed upon date within one (1) month of date earned and to be combined with regular day off.

- (1) Employees hired after SAR (December 16, 2007) shall not be eligible for bonus days.**
- (2) Current employees may, within one (1) month of SAR (December 16, 2007), elect either to maintain their bonus day entitlement or receive a payout in lieu of bonus days as follows:**
 - (i) employees regularly working thirty-two (32) hours or more per week, regular current rate times eight (8) hours times three (3);**
 - (ii) employees regularly working less than thirty-two (32) hours per week, regular current rate times eight (8) hours times two (2).**
- (3) Employees who elect the payout shall no longer be entitled to accrue bonus days.**

- (e) Posting of Schedules:
The Employer shall post the weekly work schedule for all employees not later than Monday 6:00 p.m. and twenty-two (22) days in advance. An employee's schedule may be changed without notice in the event of absence of other staff due to sickness or accident or in the event of emergencies. In all other cases, at least twenty-four (24) hours' notice of any change must be given or four (4) additional hours' pay given in lieu of notice. All requests for time off for special personal events to be made to Management for their approval prior to the posting of the schedule, and will be granted wherever possible.

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

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

(f) Crisis Days

As per Section 52 of the *Employment Standards Act* an employee is entitled to up to five (5) days of unpaid leave each employment year to meet responsibilities related to:

- (1) the care, health or education of a child in the employee's care; or
- (2) the care or health of any other member of the employee's immediate family.

(g) There shall be an interval of not less than ten (10) hours between shifts for all employees. An employee who is not allowed a ten (10) hour interval between shifts shall be paid at the rate of time and one half (1 1/2) for time worked prior to the expiry of the ten (10) hour interval.

(h) Night Work and Weekend Work Rotation:

There shall be fair rotation of night work and weekend work when the store is open for business insofar as this is practical for store operation. It is understood that students shall be excluded from this provision as well as employees who are specifically working on a night crew.

(i) Consecutive Days Off:

The Employer shall endeavour to schedule two (2) consecutive days off every second (2nd) week for employees who work twenty-four (24) hours or more per week on average. For full-time employees the Employer shall endeavour to schedule two (2) consecutive days off each week wherever practical, based upon store operations and available relief staff. The period from December 1st to January 15th shall be excluded except by mutual agreement between the employee and the Employer.

Pharmacists shall receive two (2) consecutive days off every two (2) weeks.

(j) Meal Periods:

All employees working a shift of five (5) hours or more in a day shall be entitled to an unpaid thirty (30) minute meal period. Meal periods shall be taken between the third (3rd) and fifth (5th) hours of a shift.

(k) Rest Periods:

All employees shall have a paid fifteen (15) minute rest period for each four (4) hours of work. In any eight (8) hour day, one (1) rest period shall be before and one (1) after the meal period. Rest periods shall not begin until one (1) hour before or after the meal period or the end of the shift. Employees working in excess of six (6) hours on any shift will be entitled to take two (2) rest periods on each shift.

Cashiers working more than a four (4) hour shift but not more than a six (6) hour shift shall have the right to a fifteen (15) minute unpaid rest period, either with or separate from the existing fifteen (15) minute rest period. The employees will notify store management of their choice to ensure efficient scheduling.

Pharmacists shall remain on the premises during such rest periods but shall not be required to perform any duties except in cases of emergency. Rest periods shall be taken without loss in pay to the employee.

Notwithstanding the conditions set out in sub-sections (j) and (k) of this section, pharmacists shall be paid double time when required to work during a rest period or meal period when no relief pharmacist is available.

(l) Time Cards and Time Clocks:

The Employer shall provide either a time clock or time sheet in order to enable employees to record their time for payroll purposes. Employees shall record their own time as they start and finish work and the time they start and finish meal periods. Where time clocks are not used, time is to be recorded in ink (ball-point pen acceptable). Management agrees to assume its full responsibility in seeing that all employees are compensated for all time worked.

(m) Overtime Pay:

All time worked in excess of the basic work week, as defined in paragraphs (a) and (b), or the regular working day scheduled by the Employer, shall be paid at the rate of time and one-half (1-1/2) the regular rate. All time in excess of forty-four (44) hours per week shall be paid at the rate of double time. Compensating time off shall not be given in lieu of overtime pay. A part time employee working on more than five (5) days in one (1) week shall be paid at the rate of time and one-half (1-1/2) for work

performed on the sixth (6th) day. This provision shall not apply in areas where a five and one-half (5-1/2) day store operation is in effect.

- (n) **Overnight Crew**
Where an overnight crew is scheduled, 12:01 a.m. to 8:00 a.m., or other mutually agreed shift times, vacancies on the overnight crew shall first be offered to existing employees who have the ability to perform the work by seniority. If there are no qualified applicants for the vacancy, or there are no applications, junior employees may be assigned to the overnight crew pending new hires specifically for the overnight crew.

Overnight crews shall receive a premium of one dollar (\$1.00) per hour above their regular hourly rate.

- (o) **Consecutive Days of Work:**
Where an employee is required to work in excess of five (5) consecutive days without a break in rest days, the employee shall be entitled to time and one-half (1-1/2) for time worked on each day in excess of five (5) days until such time as the employee has a break or rest day.
- (p) **Front Store Manager:**
One (1) to be appointed in each store except as otherwise agreed.
- (q) **Pharmacists' Leaves of Absences:**
Pharmacists shall be entitled to a leave of absence for educational purposes related to pharmacy of up to six (6) days unpaid time off per year if suitable relief is available.
- (r) **Pharmacists' Licenses:**
Pharmacists shall be paid for all time spent in classroom and in writing required examination in regard to qualifying for new licenses, as required by the Employer.

The overtime rate shall not apply and the Employer is not required to make dental or pension contributions for this time.

- (s) **Pharmacists' Continuing Education:**
Employer agrees to pay eighty percent (80%) of all continuing education tuition fees up to four hundred dollars (\$400.00) a year, excluding annual conference. This clause applies to pharmacists who work twenty-four (24) hours per week or more.
- (t) **Pharmacists' College Fees:**
Employer agrees to pay fifty percent (50%) of annual renewal of college license fees. This clause applies to pharmacists who work thirty-two (32) hours per week or more.

Section 6 - WAGES

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

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

Sunday shall be considered the first day of the week for the purposes of the Collective Agreement.

- (b) An employee relieving another employee at a higher rate of pay for more than two (2) days in a week shall be paid at the higher rate of pay for all time spent relieving. This does not apply to an employee on a lower progression level relieving an employee at a higher progression level. Relieving for the purposes of this section shall mean performing substantially the same work as performed by the employee who is being relieved.
- (c) All employees shall be paid their regular hourly rate for each hour worked except where employed for less than four (4) consecutive hours per day, in which event they shall receive a minimum of four (4) hours pay. An employee who is called for work and upon reporting finds that his or her services are not required shall receive two (2) hours pay.

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

(d) Credit for Previous Experience:

All employees shall be classified according to previous comparable drug store experience. Previous comparable experience shall be granted on the following basis:

- (1) out of the industry for less than one (1) year will receive credit for fifty percent (50%) for their previous experience to a maximum credit of twelve (12) month's credit for previous experience.
- (2) out of the industry for more than one (1) year will receive credit for fifty percent (50%) for their previous experience to a maximum credit of six (6) month's credit for previous experience.

No previous experience will be considered unless it has been stated by the Employee on his/her Application for Employment form.

(e) Jury and Witness Pay:

An employee summoned to Jury Duty or subpoenaed as a witness shall be paid wages amounting to the difference between the amount paid them for such service and the amount they would have earned had they worked on such days. Employees on Jury Duty or appearing as a witness shall furnish the Employer with such statements of earning as the Courts may supply or as may be available.

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 normal shift remains to be worked. Total hours on Jury Duty or appearing as a subpoenaed witness and actual work on the job in the store in one (1) day shall not exceed eight (8) hours for purposes of establishing the basic work day. Any time worked in the store in excess of the combined total of eight (8) hours shall be considered overtime and paid as such under the contract.

(f) Staff Meetings:

Staff meetings, whether in the store or off the premises, shall be considered as time worked and paid for at straight time rates, except dinner meetings at which the attendance is voluntary. Such dinner meetings in excess of three (3) during each contract year shall be considered as time worked and paid for at straight time rates.

(g) Equal Pay for Equal Work:

The Employer shall not discriminate between male and female employees by paying a female employee at a rate of pay less than the rate of pay paid to a male employee for the same work performed in the same establishment.

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

(h) Cash Shortages:

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

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

The employee has the right to be present during cash audits, on paid time, where relief is available.

(i) Unlicensed Pharmacists:

Graduate unlicensed pharmacists shall commence employment at the starting rate in effect at the time of his employment with his Employer and shall be entitled to the increments as he has completed the hours required. Upon being duly licensed to practice in British Columbia his rate shall be determined by taking into consideration previous comparable experience.

(j) Employees on the new hire/post 1998 ratification wage grid shall remain on that wage grid until the ratio of hours between the senior employees and the new hire clerks exceeds fifty percent (50%) of the hours worked by the new hire clerks. For the purposes of determining the ratio, hours worked shall include all employees except Pharmacists and Front Store Managers. For the

purposes of defining Senior Clerk wages and their incumbents, all hourly rates above twelve dollars (\$12.00) per hour are defined as Senior Clerk wage rates.

Employees on the new wage grid are eligible to move to the Senior Clerk's wage grid based on the application of the above paragraph or by reason of having worked in excess of 5,200 experience hours. Such employees shall be reclassified and paid the appropriate starting rate under the Senior Clerks classification, and for the purposes of wage progression thereafter, their hours shall be reset to zero (0) hours.

COLLECTIVE AGREEMENT WAGE RATES

SENIOR CLERKS					
Hours	Current	SAR	Oct. 2008	Oct. 2009	Apr 1, 2010
0 – 2,079	\$11.10	\$11.30	\$11.50	\$11.90	\$11.90
2,080 – 3,119	\$12.93	\$12.93	\$12.93	\$12.93	\$12.93
3,120 – 4,159	\$13.60	\$13.60	\$13.60	\$13.60	\$13.60
4,160 – 5,199	\$14.09	\$14.09	\$14.09	\$14.09	\$14.09
5,200 +	\$14.72	\$15.50	\$15.65	\$15.75	\$16.25

JUNIOR CLERKS					
Hours	Current	SAR	Oct. 2008	Oct. 2009	Apr 1, 2010
0 – 520	\$8.60	\$8.85	\$9.10	\$9.35	\$9.35
521 – 1,040	\$8.85	\$9.10	\$9.35	\$9.60	\$9.60
1,041 – 1,560	\$9.10	\$9.35	\$9.60	\$9.80	\$9.80
1,561 – 2,080	\$9.35	\$9.60	\$9.80	\$10.00	\$10.00
2,081 – 2,600	\$9.60	\$9.80	\$10.00	\$10.20	\$10.20
2,601 – 3,120	\$9.80	\$10.00	\$10.20	\$10.40	\$10.40
3,121 – 3,640	\$10.00	\$10.20	\$10.40	\$10.60	\$10.60
3,641 – 4,160	\$10.20	\$10.40	\$10.60	\$10.80	\$10.80
4,161 – 4,680	\$10.40	\$10.60	\$10.80	\$11.00	\$11.00
4,681 – 5,200	\$10.60	\$11.20	\$11.40	\$11.70	\$11.85

PHARMACY TECHNICIANS					
Hours	Current	SAR	Oct. 2008	Oct. 2009	Apr. 1, 2010
0 – 520	\$8.75	\$9.00	\$9.25	\$9.50	\$9.50
521 – 1,040	\$9.00	\$9.25	\$9.50	\$9.75	\$9.75
1,041 – 1,560	\$9.25	\$9.50	\$9.75	\$9.95	\$9.95
1,561 – 2,080	\$9.50	\$9.75	\$9.95	\$10.15	\$10.15
2,081 – 2,600	\$9.75	\$9.95	\$10.15	\$11.20	\$11.20
2,601 – 3,120	\$9.95	\$10.15	\$11.20	\$12.70	\$12.70
3,121 – 3,640	\$10.15	\$11.20	\$12.70	\$14.20	\$14.20
3,641 – 4,160	\$11.20	\$12.70	\$14.20	\$15.72	\$15.72
4,161 – 4,680	\$12.70	\$14.20	\$15.72	\$16.10	\$16.10
4,681 – 5,200	\$14.20	\$15.72	\$16.10	\$16.50	\$16.50
5,201+	\$15.72	\$16.40	\$16.70	\$17.35	\$17.85

Pharmacy Assistants hired after date of ratification, or any other employees who transfer into the classification of Pharmacy Assistant, by way of promotion or otherwise, shall be paid in accordance with the above wage schedule.

No employee shall be reduced in their rate of pay as a result of transferring into the Pharmacy Assistant classification.

HEAD POSTAL CLERK					
Hours	Current	SAR	Oct. 2008	Oct. 2009	Apr. 1, 2010
0 – 519	\$12.61	\$12.61	\$12.61	\$12.61	\$12.61
520 – 1,039	\$14.19	\$14.19	\$14.19	\$14.19	\$14.19
1,040 +	\$15.99	\$16.70	\$17.10	\$17.50	\$18.00

Any employee who becomes a Head Postal Clerk shall be credited with all Post Office hours for the purposes of their rate of pay.

No employee shall be reduced in their rate of pay as a result of accepting a Head Postal Clerk or Pharmacy Assistant position.

ASSISTANT FRONT STORE MANAGER				
Hours	SAR	Oct 2008	Oct 2009	Apr 1, 2010
0 – 1,040	\$16.00	\$16.00	\$16.00	\$16.00
1,041 – 2,080	\$16.50	\$16.50	\$16.50	\$16.50
2,081 – 3,120	\$17.00	\$17.00	\$17.00	\$17.00
3,121 – 4,160	\$17.50	\$17.50	\$17.50	\$17.50
4,161 – 5,200	\$18.00	\$18.00	\$18.00	\$18.50

Assistant Front Store Managers may be assigned to any department or functional area, which may include supervision of the overnight crew. The Employer may assign up to two (2) Assistant Front Store Manager positions in the store.

HEAD CASHIER

Top Clerk's rate plus \$0.60 per hour.

COSMETICIAN **\$1.30**

* Appropriate Clerks rate plus the above noted premium rates or spiffs, whichever is greater. Calculation of spiffs shall be based on the premium rate times hours worked. This amount to be paid minimum quarterly with any upward adjustment for spiffs or bonuses to be made in final quarter and paid within sixty (60) days of year end or twelve (12) month accounting period.
***Upon the request of a Cosmetician, a written accounting of his/her year end spiff calculation shall be provided by the Employer.**

COSMETIC MANAGER **\$1.80**

* Rate to be top Clerks rate plus the above noted premium rates or spiffs, whichever is greater. Calculation of spiffs shall be based on the premium rate times hours worked. This amount to be paid minimum quarterly with any upward adjustment for spiffs or bonuses to be made in final quarter and paid within sixty (60) days of year end or twelve (12) month accounting period.
***Upon the request of a Cosmetic Manager, a written accounting of his/her year end spiff calculation shall be provided by the Employer.**

Section 7 - VACATIONS

- (a) General Terms:
- (1) Vacation period is defined as period January 1st to October 31st inclusive, unless otherwise mutually agreed to by the Employer and the employee.
 - (2) Employees who want their vacation pay prior to going on vacation shall apply in writing four (4) weeks in advance of their scheduled vacation. The amount of vacation pay is to be consistent with the time taken for that vacation period.
 - (3) For the purposes of vacation allowance, a full time employee means an employee who has completed one (1) calendar year's continuous service with the Employer comprising not less than two hundred and twenty-five (225) days of actual work.

- (4) The Employer agrees to post the annual vacation schedule by March 1st of the vacation year. Seniority shall apply in preference for vacations within a store.

Vacation selections shall be verified by the Associate within eight (8) weeks of the vacation schedule being posted.

- (5) Vacation scheduling, once approved by the Employer, shall not be changed except by mutual agreement between the employee and the Employer.
- (6) Where a statutory holiday occurs during an employee's vacation, an extra day's vacation with pay shall be granted if the holiday is one which the employee would have received had he been working. Where an employee receives three (3) weeks' vacation or more with pay and a statutory holiday occurs during the employee's paid vacation, an extra day's pay may be given in lieu of an extra day's vacation with pay if, in the opinion of the Employer, an extra day's vacation with pay will interfere with vacation schedules or hamper operations.
- (7) **Time lost because of sickness or accident up to six (6) months absence shall be considered as time worked for purposes of determining the vacation allowance to which a regular full-time employee is entitled. An employee absent due to sickness or accident in excess of six (6) months shall earn time only as it relates to Section 7.**
- (8) Where the services of an employee are retained by the purchaser of a business, his or her services (for vacation purposes) shall be deemed to be uninterrupted by the sale or purchase of the business and shall be binding upon the purchaser.
- (9) For the purposes of vacation allowance, "continuous service" shall be deemed to include any period during which an employee served in the armed forces, provided that he or she was an employee of the Employer immediately prior to joining the armed services and resumed employment with the Employer immediately following his or her discharge.
- (10) An employee who is hospitalized or receives day surgery and is under doctor's care shall be entitled to rescheduled vacation. Such vacations shall be subject to availability and not invoke any bumping rights.

(b) Full Time Employees:

- (1) All full time employees as defined in Section 7 (a) (3), shall receive vacations with pay, two (2) weeks of which shall be given during the vacation period, according to the following schedule:

After one (1) year continuous service, two (2) weeks vacation.

After three (3) years' continuous service, three (3) weeks vacation.

After eight (8) years' continuous service, four (4) weeks vacation.

After thirteen (13) years' continuous service, five (5) weeks vacation.

After twenty (20) years' continuous service, six (6) weeks vacation.

(c) Part Time Employees:

All part time employees, with one year continuous service, who have worked for the same Employer and whose employment has not been terminated, shall receive annual vacation allowances and annual unpaid leave as follows: (1800 hours equals one year's service for vacation calculation.)

<u>Accumulative Work (From Last Date of Hire)</u>	<u>% of Previous Year's Wages & Salary</u>	<u>Unpaid Leave of Absence</u>
More than 1 year but less than 5400 hrs.	4%	two (2) weeks
5400 hrs. or more	6%	three (3) weeks
5 yrs. continuous service, but less than 5400 hrs.	6%	three (3) weeks
14,400 hrs. or more	8%	four (4) weeks
23,400 hrs. or more	10%	five (5) weeks
36,000 hrs. or more	12%	six (6) weeks

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

Section 8 - HEALTH AND WELFARE PLAN

The Employer shall make available the following or similar benefits as mutually agreed between the Employer and the Union to eligible regular full time employees (as defined below).

An eligible full time employee shall be one who has three (3) consecutive months current employment at the effective date of the plan except for the Long-Term Disability Plan which requires twelve (12) consecutive months of current employment.

A regular full time employee who does not have three (3) months current consecutive full time service at the effective date of the plan, or a new employee, shall be eligible the day following the date their current consecutive full time service reaches three (3) months.

A regular full time employee reduced to part time shall continue to be eligible to participate in the plan.

The Employer shall also make available the benefits to part time employees (except students and persons seventeen (17) years and under) who work an average of thirty-two (32) hours or more per week for a consecutive three (3) month period. If they do not meet this hour requirement for a period of three (3) consecutive months, the Employer may discontinue their eligibility for the plan.

The Employer shall also make available:

- (1) B.C. Medical Plan (M.S.P.)
- (2) Vision care plan
- (3) Prescription Drug Plan
- (4) Extended Health Benefits (E.H.B.)
- (5) Hearing Aid Plan

to employees who work an average of between twenty-four (24) and thirty-two (32) hours per week for a consecutive three month period. If they do not meet this hour requirement for a period of three (3) months, the Employer may discontinue their eligibility for the plan.

The plan shall be paid fifty percent (50%) by the Employer and fifty percent (50%) by the employee, for those employees working more than twenty-four (24) but less than thirty-two (32) hours per week on average.

An employee whose hours are involuntarily reduced to below twenty (20) hours per week shall not be eligible for any benefits under this section.

New employees who are covered by the B.C. Medical Services Plan at the date of their employment can elect to maintain their continuity of coverage to be paid as per Subsection (a) below.

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

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

Effective May 1, 1993, the Employer shall pay seventy-five percent (75%) of the premiums and the employee shall pay twenty-five percent (25%) for the benefits outlined in Subsections (a), (b), (c), (d) and (e) below.

- (a) Medical Benefits: The Medical Services Plan of B.C.
- (b) Extended Health Benefits: The M.S.A. Extended Health Benefits Plan or its equivalent on the basis of a twenty-five dollar (\$25.00) maximum deductible of such eligible medical expenses to be paid by the member.

The E.H.B. Plan to include no deductible Vision Care (frames and lenses, including contact lenses) on the basis of one hundred and fifty dollars (\$150.00) per eligible person per year, and the E.H.B. Plan to include a no deductible prepaid Prescription Drug Plan.

Effective May 1, 1989, the Associate shall make available a hearing aid plan based on a four hundred dollar (\$400.00) maximum benefit in a five (5) year period.

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

Shoppers Drug Mart Modified Drug Plan may be implemented during the life of this Collective Agreement, it being understood that any new formulary shall provide comparable coverage to present plan.

(c) Group Life Insurance:

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

Pharmacists	\$40,000 life insurance
Front Store Managers	\$30,000 life insurance
All other eligible employees (as defined above)	\$15,000 life insurance

Effective May 1, 1992

Pharmacists	\$50,000 life insurance
Front Store Managers	\$40,000 life insurance
All other eligible employees (as defined above)	\$25,000 life insurance

(d) Weekly Indemnity:

The Employer shall implement a twenty-six (26) week plan providing seventy-five percent (75%) of an employee's normal wages, paid as follows:

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

Benefit cheques for Weekly Indemnity shall, upon written request of the employee, be mailed to their home address.

Where an employee submits a claim to the Workers' Compensation Board which may, were it not for the existence of Workers' Compensation, entitle the employee to Weekly Indemnity benefits under this Section and such claim is disputed or delayed by the Workers' Compensation Board, the employee may submit a claim for Weekly Indemnity Benefits. If the Workers' Compensation Board later accepts responsibility for the payment of such disputed or delayed claim, then Weekly Indemnity benefits received are to be reimbursed to the Insurance Carrier upon receipt of payment from Workers' Compensation Board.

Employees shall not be entitled to submit claims simultaneously.

Where an employee applies for Weekly Indemnity benefits, and the Weekly Indemnity carrier has not made a determination as to whether the employee's claim will be accepted within ten (10) days of the application, the employee shall be entitled, upon request, to an advance of any portion of his or her unused vacation pay.

(e) Long-Term Disability Plan:

The Employer has agreed to establish a L.T.D. Plan for full time employees and employees (except students) who work an average of thirty-two (32) or more hours per week for twelve (12) consecutive months (as set out in this section).

The Plan will provide fifty percent (50%) of salary and will activate when either W.I. or W.C.B. benefits are exhausted.

Those full time employees with three (3) years seniority who do not qualify for the "any occupation" designation shall be entitled to a Company paid retraining program, up to a maximum of \$2,500.00 including appropriate testing for suitable employment alternatives.

(f) Sick Leave Benefits:

Full time employees and employees who qualify for benefits in this section as defined in paragraph five (5), shall accumulate credits at the rate of four (4) hours for each full month of employment up to a maximum of one hundred and twenty (120) hours credit. Credits shall accumulate only on full time employment following the completion of a three (3) month full time employment eligibility period.

Sick leave benefits shall not be paid for any absence which is covered by benefits payable under the Weekly Indemnity Insurance Plan. It shall be optional for the employee to apply sick leave benefits to Weekly Indemnity insurance.

Employees, if found abusing this privilege, shall be disciplined by the Employer. In such cases, the Employer may discontinue or reduce the benefit of the employee, or terminate the employee.

The Employer reserves the right to request medical confirmation of illnesses or absences. The Employer agrees to pay the fee for medical reports required by the Employer for Sick Leave or Weekly Indemnity provisions to a maximum of twenty (\$20.00) dollars.

When the schedule cannot be adjusted and where the employee provides the Employer with at least seven (7) days' notice prior to the posting of the schedule, employees may utilize sick leave credits, if such credits exist, for appointments with medical physicians and surgeons when such appointments cannot be arranged on scheduled time off. The maximum payout of such sick leave shall be two (2) hours.

(g) Sick Leave Payout:

Employees who retire on pension or who voluntarily terminate their employment with the Employer, or who are permanently laid off from their employment with the Employer, shall upon termination or retirement be paid any sick leave accumulation they may have to their credit, to a maximum of one hundred and twenty (120) hours credit.

(h) Return to Work After Illness:

After absence due to illness or injury, the employee must be returned to his or her job when capable of performing his or her duties.

(i) Funeral Leave:

In the event of death in the immediate family of an employee, the employee will be granted leave of absence with pay. The length of such absence shall be at the discretion of the Employer. The term "immediate family" shall mean spouse, common law spouse (including same sex partner), parent, child, brother, sister, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandmother, grandfather, or any relative living in the household of the employee.

It is understood that the minimum leave of absence shall be three (3) days except in the case of a spouse, parent or child the minimum shall be one (1) week. It is further understood that in the case of a part time employee, the compensation shall be at the average hours worked during the preceding four (4) weeks.

(j) Maternity Leave

(1) An employee who is pregnant shall be given an unpaid leave of absence without loss of seniority or other privileges for a maximum of seventeen (17) weeks, up to eleven (11) weeks prior to the expected delivery date and at least six (6) weeks after the actual delivery date. The employee may choose to delay the commencement of her maternity leave, provided she is medically fit to perform the full range of duties of her position. This will not affect the employee's entitlement to pregnancy leave.

(2) An employee is entitled to up to six (6) additional consecutive weeks of unpaid leave if, for reasons related to the birth or the termination of the pregnancy, she is unable to return to work when her leave ends under paragraph (1).

(3) All such requests must be submitted in writing at least two (2) weeks prior to their return to work date. The request must specify the length of the extension and the revised date the employee will be available to return to work. The length of the extension can be modified by mutual consent.

(4) In addition to the pregnancy leave set out above, the attending physician certifying that the health of the mother or child may be in danger by the mother continuing to work may extend such leave prior to delivery.

(5) Benefit entitlement for the above leaves shall be as required by the *Employment Standards Act*.

(k) **Parental Leave**

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

(a) for a birth mother who takes leave within one (1) year of the birth of a child and in conjunction with pregnancy leave taken under 8(j) – up to thirty-five (35) weeks of unpaid leave begin immediately after the end of the leave taken under Section 8(j);

(b) for a birth mother who does not take a leave under Section 8(j) in relation to the birth of a child – up to thirty-seven (37) weeks of unpaid leave beginning after the child's birth and within fifty-two (52) weeks of that event;

(c) for a birth father – up to thirty-seven (37) weeks of unpaid leave beginning after the child's birth and within fifty-two (52) weeks of that event;

(d) for the adopting parent – up to thirty-seven (37) weeks beginning within fifty-two (52) weeks after the child is placed with the parent.

2) If certified by a licensed medical practitioner that the child requires an additional period of parental care as per Section 50(2) of the *Employment Standards Act*, the employee is entitled to up to five (5) additional weeks of unpaid leave, beginning immediately after the end of the leave taken under Subsection (1) above.

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

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

(l) **Optional Additional Leave: (Unpaid Supplemental Leave)**

An employee, upon completion of the Maternity and Parental Leaves as described in Sections (j) and (k), is entitled, upon a four (4) week advance notice, to receive an unpaid leave of absence. This Leave is to be continuous with the Maternity and Parental Leave.

Employees will not accrue any benefits while they are on an extension of the Maternity Leave.

If an employee wishes to continue her eligibility for coverage for B.C. Medical Services Plan benefits, Extended Health and Group Life Insurance, the employee shall bear the full cost of the premiums during this Leave. These premiums are to be paid monthly in advance. If an employee opts to continue these benefits, then the three (3) month qualification period will not be required when the employee returns to work. If an employee does not opt to continue these benefits then the employee is to sign a waiver to this effect and the three (3) month qualification period shall apply upon the employee's return to work.

The maximum continuous period of Maternity Leave, Parental Leave and this unpaid supplemental leave shall not exceed one (1) year from the commencement of the Maternity Leave.

(m) **Notice required for Maternity, Parental and Supplemental Leave.**

It is understood and agreed that an employee can give notice of request of all Leaves described in Sections (j), (k), and (l) at one time. Should the employee decide to return to work earlier than the maximum fifty-two (52) week leave, they shall be required to give four (4) weeks' notice of their intention to return to work.

(n) **Maintenance of Benefits on W.C.B. and W.I. and L.T.D.:**

While an employee is absent on W.I. or W.C.B., the Employer agrees to maintain for a period of six (6) months, the following health premiums, providing the employee continues to participate in the cost-sharing of the premiums for these plans. The plans include:

- * B.C. Medical
- * Group Life Insurance

- * Accidental Death & Dismemberment
- * Long Term Disability
- * Prescription Drug Benefit
- * Hearing Aids
- * Vision Care
- * Weekly Indemnity (for W.C.B. only)

For employees who are on Long Term Disability, the Employer agrees to maintain for an additional six (6) months, the following health premiums providing the employee continues to participate in the cost-sharing of the premiums. These include:

- * B.C. Medical
- * Extended Health
- * Prescription Drug Benefit
- * Hearing Aids
- * Vision Care

Section 9 - SEXUAL/RACIAL HARASSMENT POLICY

- a) Harassment Policy
The Employer agrees to provide and promote a harassment free working environment. It is understood and agreed, that the exercising of normal Management rights shall not be considered as job harassment.
- b) Sexual/Racial Harassment
Harassment is defined as "a course of action, comment or conduct that is known or ought reasonably to be known to be unwelcome."

Management and employees cannot harass another employee because of his/her race, sex, ancestry, place of origin, colour, ethnic origin, citizenship, creed, age, record of offenses, marital status, sexual orientation, family status or handicap.

Harassment includes comments or actions that result in, or cause humiliation to another person. Sexual harassment includes unwelcome sexual remarks or gestures, physical contact, leering, sexist jokes causing embarrassment, display of sexually offensive material, unwelcome advances and reprisals because an employee has refused a sexual proposition.

If faced by any form of harassment, the employee

- i) Where possible will clearly tell the person(s) that they do not welcome such harassment and clearly tell the person(s) to stop;
- ii) Must report the matter to their immediate superior or Associate if the harassment continues;
- iii) **May report the matter to their Union representative.**

Harassment will not be tolerated; such behaviour by any employee may result in immediate termination of employment.

If the issue is not resolved, the employee may **refer the issue to the Collective Agreement grievance procedure.**

Section 10 – RETAIL CLERKS DENTAL PLAN

The Employer agrees to continue participation in the UFCW Local 1518 Dental Plan save and except dental contributions shall not be made in respect of any employees who are:

- (a) **hired after SAR (December 16, 2007) and are not on the senior wage grid; or**
- (b) **are in any event not eligible or cease to be eligible for the Dental Plan benefits under the Plan rules.**

Section 11 - PENSION PLAN

Pension Plan contributions shall be maintained at eighty-eight (88) cents per hour, not to exceed seven dollars and four cents (\$7.04) per day or thirty-five dollars and twenty cents (\$35.20) per week.

The contributions shall be accompanied by a written statement showing the hours for each employee. In addition, the Employer agrees to pay interest on all such contributions which are not postmarked or deposited within thirty (30) days of the last day of the contribution period, at the rate of seven percent (7%) per annum from the last day of the period. Each contribution period shall comprise not less than four (4) nor more than five (5) weeks.

Changes to the Pension Plan contributions shall be subject to negotiations between the parties, as part of the process for the renewal of the Agreement.

The Employer and the Union agree to the original method of selection of Employer and Union Trustees to administer the plan. It is agreed that the terms of the plan and its administration shall be entirely the responsibility of these original Trustees or their valid replacements, provided that the plan is administered consistently with this Collective Agreement, subject to any applicable government law or regulation and with the intention of meeting all of the requirements for continued registration under the Income Tax Act of Canada. Subject to the foregoing, the Employer and the Union agree to be bound by the actions taken by the Employer and Union Trustees under the plan.

Section 12 - NOTICE REQUIRED OR PAY IN LIEU OF NOTICE IN CASES OF DISMISSAL

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

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

(1) Monies paid to employees under this section shall be deducted from the amount of severance pay an employee is entitled to under Section 14 - Severance Pay.

(2) This section shall not apply:

To layoffs related to labour disputes.

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

Where an employee is discharged for just cause or resigns.

Where an employee has been offered and who has refused reasonable alternative employment by another Shoppers Drug Mart Store.

Section 13 - SENIORITY

(a) Seniority shall mean length of continuous service with the Employer including a required probationary period of sixty (60) calendar days.

It is understood and agreed that, upon request of the Associate to the Union, a thirty (30) day extension of the probationary period will be granted providing that the Union, the Associate and the employee in question meet to discuss the reasons for the requested extension.

(b) Unless fitness and ability of an employee is greater than other employees involved, length of continuous service with the Employer shall govern in cases of layoffs and rehire. Regular full time employees reduced to a part time basis shall be offered available work in accordance with the above procedure. The foregoing provisions do not apply to employees hired to work on relief staff or replace employees who are absent due to vacations, sickness, accident or other leaves of absence.

(c) Employees laid off in accordance with the above provisions by the Employer shall be recalled to work in order of length of service with the Employer, provided:

(1) No more than six (6) months has elapsed since the last day worked by the employee, and in the case of employees with two (2) or more years of seniority, no more than twelve (12) months has elapsed, and

(2) The employee reports for duty within twenty-four (24) hours from time of recall, and

(3) The employee is capable of performing the work.

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

(d) Notwithstanding anything contained to the contrary in this Agreement, it is mutually agreed that all employees are hired on probation, the probationary period to continue for sixty (60) calendar days during which time they are to be considered temporary workers and during this period no seniority rights will be recognized. Upon the completion of the probationary period the employees shall be regarded as regular employees and shall be entitled to seniority dating from the date on which they entered the employment of the Employer.

(e) **Reduction and Increase of Hours:**
Preference in available hours of work in a store shall be given to senior employees, providing the employee has the ability to perform the work.

Seniority shall mean length of continuous service with the Employer.

(f) **Seniority Lists:**
The Employer agrees to post an updated seniority list each January 31st and July 31st, containing names and start dates of all employees in the store. Any change of status which affects the scheduling hour entitlement shall be noted as well.

The designated Steward and the Union Representative shall receive a copy of the seniority list at the time of posting.

(g) **Reduction of Hours:**
The Employer shall not reduce the weekly hours of work of an employee for the purpose of replacing such hours with another employee at a lower hourly rate of pay.

(h) **Restriction of Availability:**
A part time employee who works less than the basic work week and restricts his or her availability shall sign a form so advising the Employer. One copy of the form is to be mailed to the Union by the Employer. Such employees shall forfeit their right to claim any hours in excess of the number of hours to which they have restricted themselves. When reductions in hours occur, the junior employee, whether or not he or she is of restricted status, shall be reduced first. If an employee wishes to end his or her restricted status, the employee shall so advise the Employer in writing. This written advice is to be presented to the Employer at least one (1) week prior to the posting of the work schedule as set out in Section 5(e) of this Collective Agreement. The employee's full seniority rights shall be reinstated to date of hire from the date he or she advises the Employer of his or her full availability. An employee shall not be entitled to fill out a form as outlined above more than once per year unless otherwise mutually agreed. The Employer will endeavour to schedule restricted employees in full eight (8) hour shifts.

Effective October 13, 1986, employees shall not be permitted to restrict their availability below twelve (12) hours per week except for health reasons supported by a letter from a doctor, or unless mutually agreed between the Employer and the employee.

A full time employee who reverts to part time status at his or her own request shall be considered to have restricted his or her availability and the foregoing shall apply.

(i) **Student Seniority**
Any student working in the store at the date of ratification shall be moved into their classification by seniority as part-time employees, subject to the following:

(1) Students regularly attending classes at an authorized educational institution shall be considered to have restricted their availability.

(2) The parties agree that employees who take one or two classes per week shall not be considered as students for restriction purposes.

(3) Students that have restricted their availability shall be scheduled by seniority by classification within their restriction.

(4) Students shall inform the Employer, using the restriction form, when it is established that they have ceased being a student and will not be resuming their studies in the next semester or school term.

(5) Employees reverting to student status shall notify the employer, using the restriction form, when it is established that they will attend classes.

(6) Students may not change their restriction of availability more than twice a calendar year.

(7) it is understood that students shall not be available for certain shifts.

(j) Students shall have seniority over junior part-time employees up to a maximum of sixteen (16) hours per week. The purpose of this clause is to provide for the protection of student hours from Junior nonstudents and is in no way meant to limit the maximum amount of hours that can be worked by students.

In cases of a reduction or increase in available hours, it shall be based upon their date of hire for both students and other employees.

(k) Job Posting:
All full time and part time jobs that become available shall be posted in the store for a period of ten (10) days.

1. Current employees of the Employer shall be eligible to apply for the vacant position.
2. Should no current employee make application for a full time position (32 hours or more), then the vacant position shall be posted in all B.C. stores covered by the current Collective Bargaining Agreement.
3. Where ability is relatively equal seniority shall be the determining factor.
4. The Employer shall provide a sixty (60) day training period to allow the employee to properly perform the new job functions.
5. Should either the employee or the Employer decide that they cannot satisfactorily perform the job required, the employee shall be returned to their former position at the appropriate wage rate with no loss of seniority or benefits. This clause does not apply to those employees making application under No. 2. above.
6. The position of Front Store Manager **and Assistant Front Store Manager** shall be exempt from this process.
7. The following pre-requisites shall be required of those employees applying for a posting to work in the classifications of Cosmetic Manager, Cosmetician or Pharmacy Assistant.

CLASSIFICATION	PRE-REQUISITE
Cosmetic Manager Cosmetician	Certified Beauty Advisor designation (CBA) CBA designation
Pharmacy Assistant	Accredited Pharmacy Assistant (A.P.A.)

Course materials shall be provided, upon request to any employee within 14 days of the request.

Employees shall be entitled to write the final exam for these courses in cases where they have had practical "on the job" experience in the classification concerned.

Should access to the course materials and/or preceptors be limited, seniority shall prevail in determining the order in which employees are accommodated.

Section 14 - SEVERANCE PAY

(a) In the event there is a permanent closure or sale or transfer of ownership of the store or part thereof, causing a regular full time employee to lose his or her employment, the Employer hereby agrees to pay such an employee severance pay at his or her regular rate of pay according to the following schedule:

<u>Full Time Consecutive Service</u>	<u>Severance Pay</u>
Up to two (2) years	- One (1) week
Over two (2) years	- One (1) week's pay for every year of full time service to a maximum of twenty (20) weeks

- (b) This clause does not apply to a temporary layoff, full time employees who accept other full time or part time employment with the Employer, to regular full time employees who lost employment and are reinstated within thirty (30) days to a full time status, or to a regular full time employee who declines to accept employment with a successor employer.
- (c) The Employer's obligation to the employee under the severance pay clause shall cease in the event that the affected employee refuses to accept employment in another Shoppers Drug Mart Store.
- (d) Severance pay will go back to February 19, 1971, or the date the employee commenced employment, whichever is later.

Section 15 - GRIEVANCE PROCEDURE

- (a) Any complaint, disagreement or difference of opinion between the parties hereto concerning the interpretation, application, operation or any alleged violation of the terms and provisions of this Agreement shall be considered a grievance.
- (b) Informal Stage: Prior to the filing of a grievance, the parties shall endeavour to informally resolve the issue(s). If a satisfactory settlement cannot be reached at this stage the matter shall, within fourteen (14) days of the parties' attempt to reach an informal resolution, be submitted as a grievance in the manner set out in (c) below.

These 15(b) discussions shall take place within three (3) weeks of the circumstances giving rise to the grievance, unless the parties otherwise agree. The grievor shall be present at such discussions.

- (c) Grievances shall be presented in writing and shall clearly set forth the grievance and the contentions of the aggrieved party, following which the Union representative or representatives and the Employer representative or representatives shall meet and in good faith shall earnestly endeavour to settle the grievance submitted. If a satisfactory settlement cannot be reached or if the party on whom the grievance has been served fails to meet the other party within fourteen (14) days of receiving the written grievance, either party may, by written notice served upon the other, require submission of the grievance to the Board of Arbitration, such Board to be established in the manner provided in Section 16 of this Agreement.
- (d) Grievances involving the dismissal or layoff of an employee must be submitted to the Employer within ten (10) working days from the date of dismissal or layoff or be waived by the aggrieved party, provided notice has been given as required under Section 12. It is understood and agreed that such grievances shall not be subject to the informal stage outlined in (b) above.
- (e) Any employee alleging wrongful dismissal may place his or her allegation before the Union representative and, if the Union representative considers that the objection of the employee has merit, the dismissal shall become a grievance and be subject to the grievance procedure as established by this Agreement.
- (f) **The parties agree that adherence to time limits is inherently important to resolving grievances.**

Section 16 - BOARD OF ARBITRATION

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

Within ten (10) working days (excluding Sundays and holidays) following receipt of such notice, the Employer and the Union shall each select a representative to serve on the Board of Arbitration. The representative of the Employer and the representative of the Union shall, within five (5) days (excluding Sundays and holidays) after they have both been selected, choose an additional member to act as Chairman. In the event of failure of the nominees of the Union and the Employer to agree upon a Chairman within the five (5) day period specified, the Minister of Labour of British Columbia shall be immediately requested to name a third member who shall act as Chairman of the Board of Arbitration.

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

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

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

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

- (b) In the case of dismissal of an employee, the Employer agrees to waive the normal arbitration procedure and the matter shall be heard by a sole arbitrator, within thirty (30) days of the notice to proceed to arbitration having been received by the Employer. This thirty (30) day period may be extended by mutual agreement of the Union and the Employer. A final and binding decision will be handed down within thirty (30) days of the Expedited Arbitration case being held.

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

The findings and decision of the Arbitrator shall be binding and enforceable on all parties.

The Arbitrator shall be an Arbitrator mutually agreed to by the Union and the Employer.

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

Section 17 - UNION'S RECOGNITION OF MANAGEMENT'S RIGHTS

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

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

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

Section 18 - MISCELLANEOUS

- (a) Maintenance of Adequate Heating and Cooling Facilities:
The Employer agrees to maintain adequate heating and cooling facilities in each store.
- (b) Union Decal:
The Employer agrees to display the official Union decal of the United Food & Commercial Workers International Union in a location where it can be seen by customers.
- (c) Bulletin Boards:
Bulletin boards will be supplied by the Union and will be placed in lunchrooms or other areas in the store as mutually agreed.

Bulletins authorized by the Union concerning the following may be posted by a person so authorized by the Union:

1. Meeting Notices
2. Dental Plan information
3. Pension Plan information
4. Safety information
5. Contract information

and any other items as mutually agreed between the Associate and the Union.

- (d) **Traveling Time and Fuel:**
All time spent traveling on behalf of the Employer will be paid at the appropriate rate in the Collective Bargaining Agreement.

The per kilometer rate will be twenty-five cents (\$0.25).

No-one shall suffer a reduction in their current kilometer rate as a result of the newly negotiated rate.

- (e) **Wearing Apparel:**
The Employer will supply a reasonable number of smocks, uniforms, dresses or other wearing apparel required on the job, to be laundered by the Employer.

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

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

- (g) **Liability Insurance:**
The Employer shall continue its present policy of providing adequate liability insurance, the premiums for same to be paid by the Employer.

- (h) No employee shall be discharged or discriminated against for any lawful union activity, or for serving on a Union Committee outside of business hours, or for reporting to the Union the violation of any provision of this Agreement.

- (i) **Security Interviews:**
Employees shall have the right to have another employee of their choice, working in the store at the time of the interview, in attendance at any interviews by security agents of the Employer.

- (j) **Employee's Personnel File:**
A copy of formal discipline report to be entered on an employee's file will be given to the employee. The employee will be required to sign Management's copy. Such signature will indicate receipt of formal reprimand only. It is understood that any disciplinary record on file at the time of implementing the above will not be invalid because the employee does not have a copy.

Subject to giving the Employer reasonable advance notice, employees shall have access to their personnel file.

- (k) If an employee walks off the job and alleges management has deliberately coerced or intimidated him or her into doing so, the matter shall be considered under the grievance procedure and, if such allegations are proved to be true, then the employee shall be considered not to have resigned. Such grievances must be filed no later than five (5) days after the incident that gave rise to the situation.

This is not to be construed to restrict management personnel from reprimanding an employee as required by his position to maintain the proper operation of the store.

- (l) **Leaves of Absence:**
All employees shall be entitled to an unpaid leave of absence up to twelve (12) months once every three (3) years.

Leaves of absence above shall not be unreasonably withheld.

Employees returning to work prior to the expiration of their approved leave must provide the Employer with notes in writing and if accepted, will be scheduled as per the scheduling cycle in 5(e) of the Collective Agreement.

It is understood that this leave of absence will not be used continuously with any other leave of absence provided under the terms of this Collective Agreement.

It is further agreed that a maximum of one (1) employee may be granted a leave of absence at any one time, except by agreement of the Associate. While on leave, the employee shall not take employment in any competitive business.

- (m) Educational Leave:
Employees with four (4) years or more of continuous service with the Employer shall be entitled to an educational leave of absence for up to one (1) year without gain or loss of seniority as of the time the employee leaves.

The following terms and conditions shall apply to such leaves:

- (1) One (1) employee per store at any one time shall be eligible for educational leave. Seniority shall be the determining factor in scheduling the leave.
- (2) Written application thirty (30) days in advance for the leave shall be given to the Associate. Notification by the Associate of the person going on leave shall be provided to the store, Union and the employee involved.
- (3) Such leave will be granted on a one time only basis per employee.
- (4) The employee must be attending an accredited educational institution. The parties reserve the right to discuss and resolve the application of this in any particular case.
- (5) While on leave the employee shall not take employment with any competitor. (Violation of this provision may result in termination.)
- (6) It is understood a person on leave could be offered minimal part time work with the Employer without seniority or rights to such work, for the duration of the leave.
- (7) The period of time off will not count towards time worked for vacation entitlement.
- (8) One month's notice of return to work must be given to the Employer.
- (9) During the period of such leave, the employee will be allowed to self pay their pre-leave benefit status for M.S.P., Extended Health Benefits, including Vision Care and Prescription Drug Plan, and Life Insurance in advance by quarterly installments, provided that the educational leave is taken in British Columbia. Educational leaves in other than B.C. shall be dealt with on an individual basis.

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

- (n) Sale or Closure of Store:
In the event of sale or closure of an employee's store, employees affected shall have first right of hire at other Shoppers Drug Mart stores covered by a **UFCW 1518** Collective Agreement, subject to the following provisions:

- (1) Employees shall be hired by seniority.
- (2) Employees shall be subject to probationary period.
- (3) The employee's rights shall cease when:
 - (a) the employee refuses re-employment.
 - (b) after expiration of a one (1) year period after the closing of their store.

- (o) Health and Safety
The Employer agrees to establish and maintain a Health and Safety Committee in the store. The Committee shall continue to function in accordance with current WCB Health and Safety Regulation. All Shoppers Drug Mart locations shall have a four (4) person Health and Safety Committee. Two (2) of these members must be worker representatives, selected by the Union.

The Committee shall meet once (1X) per month in order to discuss any issues regarding employee health and safety, and shall identify potential health and safety risks, institute means of improving the level of health and safety of the employees and obtain information from the Employer or other persons respecting safety experience and work practices and standards of the Employer. The Union and the Employer are committed to satisfactorily dealing with all issues brought forward by this joint committee. Sufficient time and resources must be provided during scheduled working hours to all committee members in order to carry out these duties.

The Employer has the primary responsibility for ensuring that safe conditions prevail within the workplace, to take appropriate and effective measures, both preventative and corrective, to protect the health and safety of employees.

This will include, but is not limited to, providing the Union with the details of the Employer's Violence in the Workplace "Prevention and Response Program". The Union will be provided with applicable incident reports and recommendations flowing from any incident.

- (p) **Miscellaneous**
It shall be voluntary for employees to make bank deposits and/or deliver prescription drugs on behalf of the Employer.
- (q) **Appraisals & Evaluations**
Copies of all appraisals and evaluations shall be provided to the employee. Should the employee disagree with the contents of the appraisal or evaluation such disagreement may be referred to the grievance procedure.

Section 19 - TIME OFF FOR UNION BUSINESS - STORE VISITS

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

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

- (b) Upon at least one (1) week's prior notice by the Union, the Employer agrees to grant one (1) employee a one (1) month leave of absence without pay to attend to Union business. It is further agreed such leave of absence may be renewable from month to month by mutual agreement of the Employer and the Union.
- (c) **Store Visits of Union Representatives:**
Duly authorized full time representatives of the Union shall be entitled to visit the store for the purposes of observing working conditions, interviewing members, unsigned employees, and to ensure that the terms of the Collective Agreement are being implemented.

The interview of an employee by a Union representative shall be permitted after notifying the Associate, or whoever is in charge, and shall be:

- (1) Carried on in a place in the store designated by management.
- (2) Held whenever possible during the lunch period; however if this is not practical,
- (3) During regular working hours. Time taken for such an interview in excess of five (5) minutes shall not be on Employer time, unless with the approval of management.
- (4) Held at such times as will not interfere with service to the public.

Union representatives shall be permitted to check employee time records, including work schedules, and in the event of any discrepancies, they shall be presented under Section 15 of this Agreement. It is understood the Union Representative may attempt to resolve problems through the Associate prior to implementation of Section 15.

- (d) **Shop Stewards Recognition:**
It is recognized that Shop Stewards may be elected or appointed by the Union from time to time and the Employer will be kept informed by the Union of such appointments or elections.

The Employer agrees to recognize up to two (2) Shop Stewards and one (1) Alternate Shop Steward for the purpose of overseeing the terms of the Collective Agreement being implemented and for the purpose of presenting complaints and grievances to designated management of the store.

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

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

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

Prior to the filing of a grievance, the parties shall endeavour to informally resolve the issue(s).

The purpose of this Section is to encourage harmonious resolution of all complaints and alleged violations of this Collective Bargaining Agreement.

Section 20 - PHARMACISTS' DUTIES

The duties of a pharmacist as contained herein shall not be inconsistent with those duties imposed upon him or her by the Statutes of this Province by reason of his or her being a graduate licensed pharmacist.

Without limiting the generality of the foregoing, the minimum duties of the pharmacist shall include:

- (a) receipt of prescription from a prescriber.
- (b) interpretation and identification of a prescription.
- (c) counselling of all prescriptions.
- (d) appropriate counselling of nonprescription medications.
- (e) supervising the compounding and dispensing of prescription.
- (f) final check of prescription.
- (g) consult with prescriber and/or other pharmacists.
- (h) supervision of the sale of OTC's, Non Public Access drugs, poisons and bulk drugs, and any other items requiring the supervision of a pharmacist by law.
- (i) providing prescription copies.

Nothing contained herein, however, shall prevent a pharmacist from assigning (where at law he is able to assign) these duties to another employee of the Employer.

When a pharmacist assigns duties, as permitted by law, to another employee of the Employer, such person shall be subject to the direct supervision and control of the pharmacist in carrying out such duties.

Section 21 - EXPIRATION AND RENEWAL

This Agreement shall be for the period from and including December 16, 2007, to and including December 31, 2010, and from year to year thereafter, subject to the right of either party to the Agreement, within four (4) months immediately preceding December 31, 2010 or any subsequent anniversary date thereafter to:

- (a) terminate this Agreement, in writing, effective December 31, 2010, or any subsequent anniversary thereof,
- (b) require the other party to this Agreement, in writing, to commence collective bargaining to conclude a revision or renewal of this Agreement.

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

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

SIGNED THIS ____ DAY OF _____, _____.

FOR THE UNION

FOR THE EMPLOYER

Ivan Limpricht, President

James Raposo, Staff Negotiator

LETTER OF UNDERSTANDING #1

BY AND BETWEEN: **B&R DRUGS LTD., DOING BUSINESS AS SHOPPERS DRUG
MART STORE NO. 273**

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

It is understood and agreed between the parties that employees who work between two (2) or more stores shall have all time worked as a basis for entitlement to:

- B.C. Medical
- Insurance Carrier Benefits
- Pharmacy Continuing Education
- Pharmacy College Fees

The combined hours worked, for the purposes of the Collective Agreement, shall be applied in the determination of the following:

1. Appropriate wage rate within the progression scale
2. Vacation entitlement
3. Statutory pay shall be to a maximum of one hundred percent (100%) of the daily rate.

SIGNED THIS 18TH DAY OF MAY, 1999.

RENEWED THIS 10th DAY OF DECEMBER, 2007.

FOR THE UNION

FOR THE EMPLOYER

Ivan Limpricht, President

James Raposo, Staff Negotiator

LETTER OF UNDERSTANDING # 2

BY AND BETWEEN: **B&R DRUGS LTD., DOING BUSINESS AS SHOPPERS DRUG
MART STORE NO. 273**

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

Re: Storage Areas

All work performed in any storage area(s) leased or owned by the Employer as identified on page 1 of the Collective Agreement, shall be bargaining unit work.

SIGNED THIS 18TH DAY OF MAY , 1999.

RENEWED THIS 10th DAY OF DECEMBER , 2007.

FOR THE UNION

FOR THE EMPLOYER

Ivan Limpricht, President

James Raposo, Staff Negotiator

LETTER OF UNDERSTANDING #3

BY AND BETWEEN: **B&R DRUGS LTD., DOING BUSINESS AS SHOPPERS DRUG
MART STORE NO. 273**

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

Education Fund: The Employer agrees to contribute one (1¢) cent per hour for every hour worked by members of the UFCW Local 1518 Bargaining Unit, based on dental plan hours, to the United Food and Commercial Workers, Local 1518 Health, Safety and Education Training Fund, effective May 1, 1989.

Effective May 1, 1992, the Employer agrees to increase the contribution to two (2¢) cents per hour for every hour worked.

Effective May 1, 1993 the Employer further agrees that the contribution rate shall be three (3¢) cents for every hour worked.

SIGNED THIS 18TH DAY OF MAY, 1999.

AMENDED AND RENEWED THIS 10th DAY OF DECEMBER, 2007.

FOR THE UNION

FOR THE EMPLOYER

Ivan Limpricht, President

James Raposo, Staff Negotiator

LETTER OF UNDERSTANDING #4

BY AND BETWEEN: **B&R DRUGS LTD., DOING BUSINESS AS SHOPPERS DRUG
MART STORE NO. 273**

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

Without Precedent and Without Prejudice

In any case where the Store Associate and/or **the Employer** believes an employee was wrongfully denied Long-Term Disability Benefits under Section 8 (e), **the Employer** will use its best efforts to persuade the insurer to reverse its decision.

SIGNED THIS 18TH DAY OF MAY, 1999.

AMENDED AND RENEWED THIS 10th DAY OF DECEMBER, 2007.

FOR THE UNION

FOR THE EMPLOYER

Ivan Limpricht, President

James Raposo, Staff Negotiator

LETTER OF UNDERSTANDING #5

**BY AND BETWEEN: B&R DRUGS LTD., DOING BUSINESS AS SHOPPERS DRUG
MART STORE NO. 273**

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

Re: Jurisdiction

Without prejudice to either party's interpretation of Section 4, JURISDICTION, it is agreed that POS/MMS maintenance work shall be assigned within the Bargaining Unit; all other POS related duties are agreed to be non-exclusive to the Bargaining Unit and may be assigned at the discretion of the Associate. It is further agreed that the assignment of POS duties as described above shall not constitute a job classification within the Bargaining Unit. POS/MMS maintenance work shall consist of:

- Clearing insufficient holding tank
- Clearing inventory adjustment holding tank
- Creation of purchase orders
- Vendor updating
- Product file maintenance
- Promotional event maintenance
- Creation of claims
- Building "Not on File" items
- Cycle counts

SIGNED THIS 18TH DAY OF MAY, 1999.

RENEWED THIS 10th DAY OF DECEMBER, 2007.

FOR THE UNION

FOR THE EMPLOYER

Ivan Limpright, President

James Raposo, Staff Negotiator

LETTER OF UNDERSTANDING #6

BY AND BETWEEN: **B&R DRUGS LTD., DOING BUSINESS AS SHOPPERS DRUG
MART STORE NO. 273**

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

Re: Front Store Manager

The Front Store Manager shall be given a one (1) time opportunity to elect to be excluded from the Bargaining Unit and the Union, such election to be exercised within thirty (30) days of ratification. All future Front Store Managers shall be excluded from the Bargaining Unit and the Union.

SIGNED THIS 10th DAY OF DECEMBER , 2007.

FOR THE UNION

FOR THE EMPLOYER

Ivan Limpricht, President

James Raposo, Staff Negotiator

LETTER OF UNDERSTANDING #7

BY AND BETWEEN: **B&R DRUGS LTD., DOING BUSINESS AS SHOPPERS DRUG
MART STORE NO. 273**

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

Re: Overscale Employees

Overscale employees shall receive fifty percent (50%) of the negotiated increase for their classification.

SIGNED THIS 10th DAY OF DECEMBER, 2007.

FOR THE UNION

FOR THE EMPLOYER

Ivan Limpricht, President

James Raposo, Staff Negotiator

LETTER OF UNDERSTANDING #8

BY AND BETWEEN: **B&R DRUGS LTD., DOING BUSINESS AS SHOPPERS DRUG
MART STORE NO. 273**

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

Re: Pharmacists and Front Store Managers

It is recognized that in order to attract and retain Pharmacists and Front Store Managers, the Employer may pay an hourly rate as determined by the market.

SIGNED THIS 10th DAY OF DECEMBER , 2007.

FOR THE UNION

FOR THE EMPLOYER

Ivan Limpricht, President

James Raposo, Staff Negotiator

LETTER RE: PARKING

November 26, 2007

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

Re: B&R Drugs Ltd. – Parking

Effective the Sunday after ratification, those employees of B&R Drugs Ltd. who have parking tags will no longer be charged for parking while on shift.

Yours truly,

B&R DRUGS LTD.

Bill Wong

B. Wong

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