

COLLECTIVE AGREEMENT

Between

PB DISTRIBUTION INC.

And



**UNITED FOOD AND COMMERCIAL WORKERS UNION,
LOCAL NO. 247**

Chartered by the United Food and Commercial
Workers International Union, CLC

TERM OF AGREEMENT

April 1, 2010 to March 31, 2016

Dear Member:

This is your Union Collective Agreement. It represents the progress and efforts of many years of negotiations. Please read it and make sure you are receiving the benefits to which you are entitled.

Only by insisting on your rights, and refusing to let anyone abrogate them, can the Agreement be kept strong and meaningful. Any abuse of the Collective Agreement tends to undermine and weaken it.

Let's respect the Agreement; let's keep it strong and meaningful.

Make full use of your Shop Stewards.

SUZANNE HODGE
President

DAN GOODMAN
Secretary-Treasurer

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COLLECTIVE AGREEMENT

Between PB Distribution Inc.
(hereinafter referred to as "the Employer")

**And United Food and Commercial Workers
International Union, Local 247**
(hereinafter referred to as "the Union")

(Period: April 1, 2010 – March 31, 2016)

ARTICLE 1 – PURPOSE

1.01 It is the intent and purpose of the parties to this Agreement, which has been negotiated and entered into in good faith:

- a) to recognize mutually the respective rights, responsibilities and functions of the parties hereto;
- b) to provide and maintain working conditions, hours of work, wage rates and benefits set forth herein;
- c) to establish an equitable system for the promotion, transfer, layoff and recall of employees;
- d) to establish a just and prompt procedure for the disposition of grievances;

e) and generally, through the full and fair administration of all terms and provisions contained herein, to develop and achieve a relationship among the Union, the Employer, and the employees which will be conducive to their mutual well-being.

1.02 The omission of specific mention in this Agreement of existing rights and privileges established or recognized by the Employer shall not be construed to deprive employees of such rights and privileges.

ARTICLE 2 - RECOGNITION

2.01 The Employer recognizes the Union as the sole bargaining agent of all employees in the bargaining unit as defined in Article 2.02.

2.02 This Agreement covers all employees of PB Distribution Inc. at all locations in British Columbia and as classified in Schedule "A", except supervisors, office staff, sales staff and contractors.

2.03 Except in cases of emergency or for training, retraining, meeting deadlines and instructional purposes etc., non-working foreman, supervisors and other non-bargaining unit (employees) personnel shall not normally perform work included in work or job classifications under this Agreement and normally performed by members of the bargaining unit.

2.04 There shall be no revision, amendment or alteration of the bargaining unit as defined herein, or of any of the terms and provisions of this Agreement, except by mutual agreement in writing of the parties. Without limiting the generality of the foregoing, no classification of work or jobs may be removed from the bargaining unit except by mutual agreement in writing of the parties.

2.05 The Employer agrees that the United Food and Commercial Workers Union, Local 247 and its duly appointed Representatives are authorized to act on behalf of the Union for the purpose of supervising, administering and negotiating the terms and conditions of this Agreement and all matters related thereto. Union representatives shall notify the Employer when entering the premises.

2.06 The Union recognizes that it is the exclusive right of the Employer to manage its business and to direct the work force, and establish and maintain reasonable rules and regulations governing its operations as it sees fit, including:

- a) the right to hire and determine the ability of employees, including selecting the qualifications, parameters and standards for the basis of selection and the number of employees required;
- b) the right to take such other measures as management may determine to be necessary for the orderly and efficient operation of the business;

- c) the right to direct, transfer, promote, suspend and discharge employees provided that such actions are consistent with the purpose and terms of this Agreement and provided that a claim by any employee that he has been disciplined or discharged without just cause will be subject to the Grievance procedure as outlined in Article 19;
- d) the right to establish or change policies, practices, rules, procedures and regulations for the conduct of the business and for the conduct of employees, including but not limited to: safety rules, drug and alcohol policies, work rules and attendance regulations;
- e) the right to establish, maintain and change without notice, standards of quality of work and levels of efficiency;
- f) the right to determine the products to be purchased, handled, manufactured and sold, including means, methods, processes, procedures and schedules;
- g) the right to introduce new or different production methods, equipment, materials or facilities, including any automation and any other technology that the Employer may want to use;
- h) the right to introduce standards and measures to determine the ability of employees to perform the

work including but not limited to physical capability evaluations, and written examinations;

- i) the right to determine the number, location and relocation of its facilities and operations and the combining or splitting up of facilities, operations and equipment in whole or in part;
- j) the right to extend, limit, curtail, transfer, reduce or discontinue its operations in whole or in part; and
- k) all other prerogatives and responsibilities inherent in management of the business except those, which are clearly relinquished by the specific terms of this Agreement.

The Employer reserves the right to contract out, transfer or assign, in whole or in part, any of the operations, procedures or services performed by the Employees to any person or firm for classifications not covered by this Agreement.

ARTICLE 3 - UNION REPRESENTATION

3.01 For the purpose of representation with the Employer, the Union shall function and be recognized as follows:

- a) The Union has the right to appoint or elect Stewards. The Stewards are representatives of the

employees in certain matters pertaining to this Agreement, including the processing of grievances.

- b) UFCW 247 Representatives are representatives of the employees, in all matters pertaining to this Agreement, particularly for the purpose of processing grievances, negotiating amendments to or renewals of this Agreement and enforcing the employees' collective bargaining rights and any other rights under this agreement and under the law.
- c) Upon at least two weeks' notice from the Union, the Employer may grant leaves of absence without pay for up to seven (7) days per year to an employee elected or appointed to represent the Union for the purpose of attending Union and related activities. The leave of absence shall not interfere with normal operations of the Employer and shall be limited to a maximum of two people per facility. The employee(s) shall have the option to continue all benefits, provided that the employee pays the entire cost of maintaining benefits during the period of absence.

3.02 The Union agrees to notify the Employer in writing of the names of its officials and the effective dates of their appointments.

3.03 Stewards and other Union Officers will not absent themselves from their work to deal with grievances

without first obtaining permission of the Employer. Permission will not be unreasonably withheld, but where such meetings exceed ten (10) minutes they shall be scheduled whenever possible during rest and meal periods, or outside working hours. Disciplined employees instructed to leave the premises shall be permitted to meet with a Steward prior to leaving the premises.

3.04 The Union has the right to appoint or elect members to a Negotiating Committee.

3.05 The Employer may meet periodically with the employees for the purpose of discussing any matters of mutual interest or concern to the Employer, the Union and the employees. A UFCW 247 Representative may attend such meetings.

3.06 There shall be no Union activity on Employer's time or premises except as provided for in Article 3 and Article 5.07, or unless otherwise authorized by management.

ARTICLE 4 - STRIKES OR LOCKOUTS

4.01 During the term of this Agreement, or while negotiations for a further Agreement are being held, the Union will not permit or encourage any strike, slowdown, or any stoppage of work, or otherwise restrict or interfere with the Employer's operation through its members.

The Union further agrees that any employee who participates in or encourages any such action will be subject to discipline up to and including discharge. The term "slow down" means the willful restriction or reduction of operations or production by an employee or the Union which is within the reasonable control of the employee or the Union.

4.02 During the term of this Agreement, or while negotiations for a further Agreement are being held, the Employer will not engage in any lockout of its employees or deliberately restrict or reduce the hours of work or deliberately send employees home when such action is not warranted by the workload.

4.03 If Article 4.01 is violated, the Employer may institute expedited arbitration proceedings by delivering written notice to the Union. The written notice will include the names of at least three arbitrators acceptable to management. The Union must immediately select an arbitrator from the list. If an arbitrator has not been agreed upon within twenty-four (24) hours of delivery of the notice, the Employer may immediately request that the Minister of Labour appoint an arbitrator. The arbitrator will determine the time and place of the hearing, provide notice to the parties and hold the hearing within twenty-four (24) hours of his or her appointment. The failure of either party or any witness to attend the hearing, as scheduled and noticed by the arbitrator, must not delay the hearing and the arbitrator may proceed to take evidence and issue an award and order as though

such party or witness were present. The sole issue at the hearing is whether a violation of Article 4.01 of the Agreement has occurred or is occurring, and the arbitrator must not consider any matter justifying, explaining or mitigating the violation.

If the arbitrator finds that a violation of Article 4.01 of this Agreement is occurring or has occurred, the arbitrator must issue a cease and desist order with respect to the violation. The arbitrator's written award and order must be issued within twenty-four (24) hours after the close of the hearing. The arbitrator's award and order are final and binding on the Employer and the Union.

- 4.04** The Union and the Employer agree that when negotiations for a Collective Agreement break down or stall, and the parties have exhausted all avenues to bring negotiations to a settlement by themselves, then they will assign an arbitrator to settle any outstanding issues of the Collective Agreement that shall be binding on the Union and the Employer.

ARTICLE 5 - EMPLOYMENT POLICY AND UNION MEMBERSHIP

- 5.01** The Union and the Employer will cooperate in maintaining a desirable and competent labour force.
- 5.02** The Employer has the right to hire new employees as needed, provided that no new employee(s) will be hired

while there are employees on lay-off available who are qualified to do the work.

5.03 New employees will be required to serve a probationary period of six hundred and eighty (680) hours of work, and thereafter shall attain regular employment status, provided such service is satisfactory to the Employer. Hours worked will include regular hours and overtime hours calculated as straight time. Their respective seniority shall be dated back to the date of the beginning of employment.

5.04 The Employer shall provide the union with all necessary information regarding insurance and benefit plans, job postings and awards, terminations and hiring's. The name, social insurance number, address, date of hire and job status of new employees shall be provided to the Union upon request. A list of employees, showing their names ranked according to seniority, job status and rate, shall be forwarded to the Union upon request.

It is the responsibility of each employee to notify the Employer in writing of any and all necessary status changes, address and phone number changes. Failure to do so will relieve the Employer of any responsibilities it may have under this Agreement regarding lay-offs, recalls, and schedule changes.

5.05 Every employee who is now or hereafter becomes a member of the Union shall maintain his membership in the Union as a condition of his employment, and every

new employee whose employment commences hereafter, shall, within forty (40) hours after the commencement of his employment, apply for and maintain membership in the Union as a condition of employment.

5.06 Probationary employees are covered by the Agreement, except those provisions which specifically exclude such employees.

5.07 When a probationary employee has completed five (5) days worked, the Company will allow the Shop Steward five (5) minutes on Company time for the purpose of introducing the Union

ARTICLE 6 - CHECKOFF

6.01 The Union agrees that it will make membership in the Union available to all employees covered by this Agreement on the same terms and conditions as are applicable to other members of the Union.

6.02 The Employer is authorized and shall deduct from the wages of each employee, initiation fees, union dues, and assessments that are authorized by a regular and proper vote of membership of the Union. Initiation fees shall be deducted in ten (10) bi-weekly installments. It is the responsibility of the employee to maintain membership in good standing as outlined in the International constitution and the Local Union Policy.

- 6.03** The total amount checked off will be mailed to the Union's regional office within two (2) weeks of the end of each month, together with an itemized list of the employees for whom the deductions are made and the amount checked off for each.
- 6.04** Employees, who, because of religious or conscientious objections, cannot support the UFCW 247 may apply to the Union, in writing, for permission to redirect their dues to a charitable organization of their choice. The Union will treat such requests in accordance with its stated policy and such permission shall not be unreasonably withheld.

ARTICLE 7 - WAGES AND RATES OF PAY

- 7.01** Wage schedules applicable to various job classifications are as set forth on Schedule "A" attached hereto and made part hereof.
- 7.02** Additional classifications and their rates, not currently listed in Schedule "A" may be established only by mutual agreement between the Employer and the Union during the term of this Agreement.
- 7.03** An employee who reports for work as scheduled in the usual manner who is prevented from starting work due to a cause not within his control shall be entitled to a minimum of two (2) hours pay. All employees who report for work shall, if requested to work less than four (4) hours, receive four (4) hours pay at their regular hourly

rate. On school days, student employees may be paid for only those hours worked, except when employed for less than two (2) consecutive hours, in which event, they shall receive a minimum of two (2) hours pay at their regular hourly rate.

- 7.04** When a full time employee from a higher rated classification is requested to work temporarily in a lower rated classification, he shall continue to be paid at the rate for the higher classification. If the person is permanently reclassified to a lower rated classification, they shall continue to receive their former higher rate for a period of twelve (12) weeks commencing on the first day worked in the lower rated classification. If an employee is transferred to a lower paid position on a job posting or at the Employee's request, the lower rate of pay shall apply immediately.
- 7.05** An employee will be paid a \$0.50 per hour shift premium for all time that he or she works between the hours of 6:00 pm and 4:00 am
- 7.06** An employee who is assigned by management the task of training another employee will be paid a \$0.50 per hour training premium, provided the training is for four (4) hours or more

ARTICLE 8 - HOURS OF WORK AND OVERTIME

8.01 The regular work week for full time employees shall consist of forty (40) straight time hours worked in five (5) eight (8) hour shifts, four (4) ten (10) hour shifts, or three (3) twelve (12) hour shifts, Sunday to Saturday, with days off to be consecutive, whenever possible. The foregoing provisions of this Article shall not be construed as guaranteeing to any employee any number of hours of work per day or per week.

For those Employees who work the 3 X 12 hour shift, hours worked will be factored by a ratio of 1.11 and will have the equivalent of forty (40) hours for all articles of the Collective Agreement.

8.02 An Employee who works hours in excess of his or her regular working day as defined in Article 8.01, will be paid at the rate of one and one-half ($1\frac{1}{2}$ x) times his or her regular hourly rate of pay for the first three hours of overtime in a day and two (2) times his or her regular hourly rate thereafter.

8.03 An Employee who works outside of those hours defined in Article 8.01 will be paid at the rate of one and one-half ($1\frac{1}{2}$ x) times his or her regular rate of pay for the first eight (8) hours and two (2) times his or her regular hourly rate thereafter. Daily overtime is not used in this calculation.

- 8.04** For the purpose of this Agreement, the week begins Sunday at 00.01 hours and concludes Saturday at 24.00 hours.
- 8.05** Full time employees shall be scheduled for two (2) paid fifteen (15) minute rest periods and one (1) unpaid thirty (30) minute meal period. This is to be scheduled as near as possible to the middle of the shift during each shift worked.
- 8.06** Employees shall be scheduled for the following rest and meal periods:
- a) Four (4) hour shift or more: one (1) paid fifteen (15) minute rest period.
 - b) Six (6) hour shift or more: one paid fifteen (15) minute rest period and one (1) unpaid thirty (30) minute meal period.
 - c) Seven (7) hour shift or more: two (2) paid fifteen (15) minute rest periods. One (1) unpaid thirty (30) minute meal period.
 - d) Ten (10) hour shift or more: three (3) paid fifteen (15) minute rest periods. One (1) unpaid thirty (30) minute meal period.
 - e) Twelve (12) hour shift or more: four (4) paid fifteen (15) minute rest periods. One (1) unpaid thirty (30) minute meal period.

- f) Where overtime is to be worked at the conclusion of the regular shift that the Company anticipates to last one (1) hour or more, a fifteen (15) minute rest period is to be taken prior to the commencement of overtime, payable only after one (1) hour or more of overtime is worked.

8.07 The Employer will post all work schedules no later than 12:00 pm Wednesday prior to the effective week. Posted schedules will clearly indicate the start times and finish times. A minimum of 24 hours notice must be given by the Employer to re-schedule an employee's work shift; such notice is not required with respect to overtime work, absence of staff due to sickness or accident or in cases of emergency. Any changes to the posted schedule must be conveyed directly to the employee by the supervisor.

8.08 No employee shall be discriminated against or compelled to work on a day, which on the basis of the employee's religious convictions, he is prevented from working.

8.09 Overtime is time that is authorized by the Employer and worked by an employee in excess of their scheduled daily shift or their scheduled work week. Any overtime that is not authorized by the Employer will not be subject to pay.

8.10 Call-ins shall be done by seniority provided the senior employee has the ability to perform the work in a competent manner and they are available when called.

- 8.11** Premium pay or benefits will not be added to the employee's regular hourly rate of pay for the purposes of computing overtime.
- 8.12** No employee shall be absent from their work station during their shift without the approval of his/her supervisor, or in the supervisor's absence, the supervisor's designate, except for the posted rest and meal periods.
- 8.13** Before reducing daily hours, the Employer shall canvass the employees on the affected shift in seniority order. The senior employee(s) shall be given the first option to leave early, provided the remaining employees have the ability to perform the work in a competent manner.
- 8.14** Hours spend on an approved Return-To-Work program shall be counted as hours worked for establishing rate of pay, etc...

ARTICLE 9 - VACATIONS

- 9.01** Full time employees will receive annual vacations upon completion of the following years of service, with pay calculated as a percentage of their gross annual earnings for the previous year or at regular weekly earnings, *whichever is greater:
- from zero (0) to one (1) year of service - vacation pay at 4%;

- upon completion of one (1) year's service - two (2) week's vacation, with pay at 4%;
- upon completion of three (3) year's service - three (3) week's vacation, with pay at 6%;
- upon completion of ten (10) year's service - four (4) week's vacation, with pay at 8%;

All part time employees will receive vacation pay calculated as a percentage of their gross annual earnings as follows:

- 0 - 5 years of service - vacation pay at 4%.
- Upon completion of 5 years of service - vacation pay at 6%.

* Except, that employees who work less than fifteen hundred and twenty (1520) hours per anniversary year, shall be paid the indicated percentage of gross earnings rather than weekly earnings for the previous year.

9.02 Employees entitled to three (3) week's or four (4) week's vacation as per Article 9.01, shall take no more than two (2) weeks during June, July, August, November and December. Additional weeks may be taken at such time as mutually agreed upon by the employee and the Employer.

9.03 The Employer shall post blank vacation schedules before January 1st, of each year. Employees shall enter first preference by March 1st, with the requested vacation to be confirmed by the Employer no later than April 1st in each year.

If requests for vacation time are not made by the employee prior to March 1st, of each vacation year, then the employee will be granted their vacation at the discretion of the Employer.

9.04 The Employer will endeavour to grant vacations at the time requested in the vacation season or period, considering business requirements. If a choice must be made between two or more requests for vacation at the same time, seniority shall apply.

9.05 Vacation pay for full time and part time employees will be paid on the regular payroll run for the period during which vacation time is taken.

Upon request, vacation pay shall be paid immediately prior to a full time employee leaving on vacation, for that period of vacation being taken.

9.06 When a statutory holiday occurs during an Employee's vacation, the Employee will be granted an extra day's vacation with pay if the holiday is one to which the Employee would have been entitled if he or she had been at work. The extra vacation day will be scheduled, wherever possible, on one of the days adjacent to the

Employee's vacation. If this is not possible, it will be scheduled on a mutually agreeable day between the Company and the Employee

9.07 The following shall be included in calculating years of service for the determination of vacations with pay for a full time employee after one (1) continuous year of employment:

- a) absence on Worker's Compensation up to a period of one (1) year provided the employee has returned to his employment;
- b) absence due to illness up to a period of three (3) months, provided the employee has returned to his employment.

9.08 Full time employees' vacations may not be accrued from one year to the next and are to be taken in the calendar year of entitlement. An employee may not waive their vacations and may not draw double pay in lieu of vacation time off.

9.09 In extenuating circumstances, Employees with more than two (2) weeks of vacation in a calendar year may apply in writing to the Company to carry over that portion of their vacation in excess of two (2) weeks to the following calendar year.

The Company will give fair consideration to such requests, taking into account operational considerations, and will respond to the request within ten (10) working days.

ARTICLE 10 - HOLIDAYS

10.01 The Employer agrees to pay full time employees at regular rates of eight (8), ten (10), or twelve (12) hours per day, depending on scheduled shift, for the following ten (10) holidays:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Canada Day	Christmas Day
British Columbia Day	Boxing Day

Any additional statutory holidays declared by either the Federal or Provincial Government shall be covered by the provisions of this Article.

10.02 Article 10.01 applies to full time employees who have been employed by the Employer a minimum of thirty (30) days and who have worked their scheduled workday before and their scheduled workday following the holiday, provided either is within thirty (30) days of the holiday in question, unless their absence is due to illness or vacation with pay. In case of an employee's illness or injury, the employer shall have the right to request a certificate from a qualified practitioner.

10.03 All Part Time employees who have been employed thirty (30) calendar days or more will receive the following statutory holiday pay depending on the average hours he or she has worked in the four (4) weeks preceding the week in which the holiday occurs:

For a Part Time employee who works on an eight (8) hour shift:

<u>Average Hrs Worked</u>	<u>Pay Entitlement</u>
10 but less than 20	4 hrs' pay for each holiday
20 but less than 32	6 hrs' pay for each holiday
32 or more	8 hrs' pay for each holiday

For a Part Time employee who works on a ten (10) hour shift:

<u>Average Hrs Worked</u>	<u>Pay Entitlement</u>
10 but less than 20	4 hrs' pay for each holiday
20 but less than 30	7 hrs' pay for each holiday
30 or more	10 hrs' pay for each holiday

For a Part Time employee who works on a twelve (12) hour shift:

<u>Average Hrs Worked</u>	<u>Pay Entitlement</u>
12 but less than 24	9 hrs' pay for each holiday
24 or more	12 hrs' pay for each holiday

All Part Time employees who work less than ten (10) hours per week will receive General Holiday pay as set out in the Employment Standards Act.

- 10.04** If one of the above-named statutory holidays falls on a regularly scheduled day off, the employer will schedule a regularly scheduled work day to be observed as the statutory holiday, within the seven days immediately following the statutory holiday.
- 10.05** The Employer and the Union mutually agree a statutory holiday may be observed on another day.
- 10.06** Employees whose shift extends into the Statutory Holiday (12:00 a.m. to 11:59 p.m.) will be paid one and a half times ($1\frac{1}{2}$ x) their regular rate of pay for the hours worked on the Statutory Holiday.

All hours worked before or after a Statutory Holiday (prior to 12:00 a.m. or after 11:59 p.m.) will be paid at the employee's applicable regular rate of pay.

All employees who work on statutory holidays shall be paid applicable overtime rates for the entire shift. The rates would be paid at $1\frac{1}{2}$ x the straight time for the first 11 hours and 2x the straight time rate for all hours worked in excess of 11 hours.

ARTICLE 11 - SENIORITY AND LAYOFF

11.01 Seniority of employees shall be recognized because the parties agree that job opportunity and security should increase in proportion to length of continuous service. New employees shall be placed on a full time or part time seniority list, as applicable, upon completion of their probationary period and their seniority shall be dated back to the date of their most recent hiring.

The Company agrees that there shall be a minimum of ten (10) full-time positions in the bargaining unit.

11.02 Seniority lists, the accuracy of which has been agreed to on behalf of the Union in writing, shall be maintained at all times by the Employer. The Union shall be mailed a copy of the seniority list upon request to permit inspection and to allow the Union to ascertain the seniority status of an employee within its jurisdiction.

11.03 Seniority rights shall cease of an employee who:

- a) voluntarily terminates his employment;
- b) is discharged and such discharge is not reversed through the Grievance Procedure;
- c) is laid off for a continuous period of more than six (6) consecutive months;

- d) fails to report to work after three (3) days when recalled from lay off by notice sent by registered mail (notice is deemed to be sufficient if sent to the last address of the employee made known to the Employer);
- e) fails to return to work upon expiration of a leave of absence, unless prior arrangements acceptable to the Employer have been made for an extension of such leave, or utilizes the leave of absence provision for a purpose other than that for which the leave of absence was granted;
- f) is absent without leave for three (3) working days unless the employee was unable to notify the Employer.

11.04 When a reduction of the workforce is inevitable, the Employer shall be guided by the following considerations:

- a) Probationary employees shall be laid off first
- b) Ability and qualifications to perform the work will be used to determine who is laid off next
- c) If the ability and qualifications of two (2) or more employees are relatively equal, then seniority shall prevail.

The above considerations shall guide the Employer when employees on layoff are recalled.

- 11.05** Any appeal in regard to a layoff must be taken up under the first step of the Grievance Procedure hereinafter set forth within five (5) workdays after the layoff took place.
- 11.06** Any employee laid off and recalled for work must return within twenty four (24) hours when unemployed and within three (3) workdays when employed elsewhere after being recalled, or make definite arrangements with the Employer to return.
- 11.07** The Employer shall post all vacancies for Forklift, Shipper, Receiver or Deep Reach, indicating shift hours, rate of pay and scheduled days off for a minimum of seven (7) workdays, in a conspicuous place. Any employee of the Employer covered by this Agreement may apply for such position. Skill, ability and efficiency which may be determined through physical and written testing, or other means and measures of evaluation as may be implemented by the Employer, of the employee shall be given primary consideration in the appointment. Where such factors are relatively equal, seniority shall be the governing factor.
- 11.08** Prior to hiring new employees, the Company will post a notice advising as to the shift for which the new employees will be hired. An employee with seniority may submit a written request to be transferred to that shift, which the Company will consider subject to operational needs.

The Employer agrees that if an employee is transferred within the bargaining unit, he will maintain his seniority, class hours, rate of pay and all other benefits enjoyed in his original location.

11.09 The employees, in such cases of absence due to a job related sickness or injury and absence due to a non-work related sickness or injury, shall not be entitled to accumulation of holiday or sick day benefits, and in the incidents of non-work related sickness or injury the employees MSP and Extended Health Benefits will be suspended until their return to work.

ARTICLE 12 - JURY DUTY

12.01 It is agreed that the Employer shall compensate full time employees for the difference between their regular wages and payment received while performing Jury Duty or while serving as a subpoenaed witness in a Coroner's Inquest.

ARTICLE 13 - INSURANCE

13.01 In order to assist in protecting full time employees and their families from the financial hazards of illness and accidents, the Employer agrees to contribute, on behalf of all eligible employees, eighty percent (80%), and the employee agrees to contribute twenty (20%) percent, of the premium cost of the following:

- a) Medical Services Plan of B.C.;
- b) extended health benefits covering 80% of prescription drugs and 100% of all other eligible expenses, with no deductible;
- c) Group life insurance equal to one times (1x) basic annual salary to a maximum of \$25,000.00; dependent life of \$10,000.00 for a spouse and \$5,000.00 per child;
- d) accidental death and dismemberment equal to one times (1x) basic annual salary to a maximum of \$25,000.00;
- e) weekly indemnity benefits equal to 60% of weekly earnings to the UIC maximum, payable on the first day of hospitalization and accident and on the eight day of sickness for a period of seventeen (17) weeks;
- f) dental care benefits providing reimbursement of 80% basic and 50% major, following a deductible of \$25.00 annually per single or family;
- g) long term disability benefits equal to 66.67% of earnings to a maximum of \$2,000.00 payable after one hundred and twenty (120) days;
- h) vision care with a benefit of one hundred (\$150.00) every two (2) years.

13.02 The employee's twenty percent (20%) contribution to the benefits noted in Article 13.01, shall be applied to cover one hundred percent (100%) of the cost of the weekly indemnity and long term disability premiums.

13.03 It is understood and agreed that it is the responsibility of each employee to be familiar with the specific details of coverage and eligibility requirements of all benefit plans, and that neither the Union nor the Employer has any responsibility for ensuring that all requirements for eligibility or conditions of coverage or entitlement of benefits are met by the employee, beyond the obligations specifically stipulated in this Agreement.

13.04 Employees become eligible for the benefits noted in Article 13.01 on the first of the month immediately following completion of the following periods of service:

Medial Service Plan	-	Three (3) months
Group Insurance	-	Six (6) months.

ARTICLE 14 - SICK LEAVE BENEFITS

14.01 After one year's service full time employees are entitled to sick leave benefits.

Effective the date of ratification, sick leave benefits are to be accumulated at the rate of one half of their regularly scheduled shift per month in which the employee has worked. Sick leave benefits shall be paid out starting on

the first day of absence due to illness. The bank can contain no more than six (6) days accumulated sick time.

If an employee does not use any sick days during the calendar year, the Employee, upon request, will be paid out two (2) days. If an employee does use from one (1) to three (3) sick days during the calendar year, the employee, upon request, will be paid out one (1) day. Any unpaid accumulated days will carry over into the following calendar year.

14.02 As outlined below, employees will be required to submit satisfactory proof to the Employer of any, illness, disability or non-occupational accident to receive the sick day entitlement:

- a) If an employee is absent for three (3) or more consecutive shifts, he or she will not be able to begin his or her shift upon returning to work without presenting a doctor's note indicating the nature of illness or injury, and the fact this injury or illness prevented the employee from attending work.
- b) If an employee is absent from work for more than one (1) week, the employee is required to phone his or her supervisor at least once per week to keep the Company informed of his or her progress and the projected return to work date. When the employee does return to work, the same doctor's note as outlined above will be required.

- c) Each employee has three (3) sick / injury days in a calendar year which do not require doctor's notes. On the fourth and subsequent absences, a doctor's note will be required, at the employer's request, as outlined above.

14.03 An employee entitled to Workers Compensation and short term or long term disability is not entitled to sick leave.

ARTICLE 15 - LEAVES OF ABSENCE

15.01 Employees may make written application for leaves of absence without pay for severe personal or family distress. The Employer will grant reasonable requests and consider length of service, compassion and operational requirements in the decision whether to grant such leave and the length of time of such leave.

Leaves of absence will not be granted for an Employee to take another position temporarily, try out new work, or venture into business for himself or herself

15.02 If the employee furnishes false information regarding sick leave or a leave of absence, he or she shall be subject to discipline up to and including dismissal.

15.03 In the event of death in a full time employee's immediate family (sister, brother, mother-in-law, grandparents, or father-in-law), the employee shall be entitled to be absent from work three (3) days with pay. In the event of the

death of a cohabiting spouse, parents, or children the employee shall be entitled to a paid five (5) day leave. Employees who do not complete their shift following notification of a death in the immediate family, shall be paid full shift hours, in addition to the foregoing bereavement leave.

15.04 In the event of death in a part time employee's immediate family (outlined in Article 15.03) the employee shall be entitled to be absent from work for three days with pay determined on a pro rata basis of normal scheduled hours worked during the prior four (4) weeks for days of leave of absence which, normally would have been work days.

15.05 Pregnancy Leave

1. A pregnant employee who requests leave is entitled to up to seventeen (17) consecutive weeks of unpaid leave
 - a) beginning no earlier than eleven (11) weeks before the expected birth date, and
 - b) ending no earlier than six (6) weeks after the actual birth date unless the employee requests a shorter period.
2. An employee who requests leave under this section after the birth of a child or the termination of a pregnancy is entitled to up to six (6) consecutive

weeks of unpaid leave beginning on the date of the birth or of the termination of pregnancy.

3. 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 able to return to work when her leave ends under subsection 1 or 2.
4. A request for leave must:
 - a) be given in writing to the Employer;
 - b) if the request is made during the pregnancy, be given to the Employer at least four (4) weeks before the day the employee proposes to begin leave, and
 - c) if required by the Employer, be accompanied by a medical practitioner's certificate stating the expected or actual birth date or the date the pregnancy terminated or stating reason for requesting additional leave under subsection 3.
5. A request for a shorter period under subsection 1.b) must:
 - a) be given in writing to the Employer at least one week before the date the employee proposes to return to work; and

- b) be accompanied by a medical practitioner's certificate stating the employee is able to resume work.

15.06 Parental Leave

1. An employee who requests parental leave under this section is entitled to thirty-five (35) consecutive weeks of unpaid leave beginning:
 - a) for a birth mother, immediately after the end of the leave taken under the Pregnancy Leave Section unless the Employer and the employee agree otherwise;
 - b) for a birth father, after the child's birth and within fifty two (52) weeks after that event; and
 - c) for an adopting parent, within fifty two (52) weeks after the child is placed with the parent.
2. If the child has a physical, psychological or emotional condition requiring an additional period of parental care, the employee is entitled to up to five (5) additional weeks of unpaid leave, beginning immediately after the end of the leave taken under subsection 1.
3. A request for leave must:
 - a) be given in writing to the Employer;

- b) if the request is for leave under subsection 1.a) or b), be given to the Employer at least four (4) weeks before the employee proposes to begin leave; and
 - c) be accompanied by a medical practitioner's certificate or other evidence of the employee's entitlement to leave.
4. An employee's combined entitlement to leave under Pregnancy Leave and this section is limited to fifty two (52) weeks plus any additional leave the employee is entitled to under the Pregnancy Leave Subsection 3 or Subsection 2 of this section.

15.07 If any employee on a leave of absence is engaged in gainful employment with another Company without prior written permission from the Employer, the employee shall forfeit his or her seniority and the employee will no longer be considered to be an employee of the Employer.

15.08 An employee on unpaid leave of absence is responsible for paying the employer's share of the premiums for coverage elected by the employee under Article 13 of this Agreement and must pay all the premiums owing prior to the premiums payment period and not later than the employees normal pay day. If the Employer does not receive this payment, the employee's benefits will be cancelled.

15.09 Family Responsibility Leave

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

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

ARTICLE 16 - SAFETY AND HEALTH

16.01 The Employer and the Union agree to maintain the highest standard of safety, health, sanitation, and working conditions in and around the Employer's premises. These standards shall be enforced in the following manner:

- a) The Employer and the Union shall each appoint a maximum of two (2) representatives to a safety committee. An alternate will be chosen, who will serve in the absence of either of the two (2) regular representatives.
- b) The Committee shall have one chairman and one secretary. In the event that the chairman is a representative of the Employer, the secretary shall be a representative of the Union or vice versa.

- c) The Safety Committee shall meet at least once every month. Meetings are to be held during regular working hours and members paid at regular hourly rates.
- d) The recommendations of the Safety Committee will be implemented by the Employer within fifteen (15) workdays upon receipt of such recommendations, or as agreed upon by the committee.

16.02 It is the Employers, the Unions and the employee's responsibility to observe and promote safe work practices and a healthy workplace. All employees are expected to observe safety rules, wear and use protective equipment required, report hazardous conditions and/or injuries and to conduct their work in a safe manner. An employee who violates safety rules will be subject to discipline, including discharge.

16.03 The safety committee will investigate and review all incidents of horseplay, malicious damage, and intentional unsafe use of equipment. Upon investigation of the incident the committee will submit a report to management of their findings. An employee found to have committed an offense of this nature will be subject to discipline, up to and including discharge.

ARTICLE 17 - UNION-MANAGEMENT COMMITTEE

- 17.01** a) In order to further the aims of the enterprise, the parties agree to schedule Union-Management meetings once every three (3) months, if required, during the life of this Agreement. The meeting shall serve as a forum for discussion and consultation about policies and practices not necessarily covered by the Collective Agreement.
- b) The Employer and the Union shall each appoint an equal number of representatives, not to exceed two (2), to the Union-Management Committee. The minutes shall record the business of each meeting, a copy of which shall be posted for the information of all employees.

ARTICLE 18 - SAFETY WEAR

18.01 The Employer agrees to provide each employee a safety footwear allowance in the amount of one hundred dollars (\$100.00) upon the completion of each two thousand and eighty (2080) accumulated hours of work, the employee will receive the safety footwear re-reimbursement upon presentation of a bona-fide receipt of purchase.

Gloves shall be made available when required to perform the work.

ARTICLE 19 - GRIEVANCE PROCEDURE

19.01 The parties to this Agreement recognize the Stewards, and the UFCW 247 Representatives specified in Article 3, as the agents through which employees shall process their grievances and receive settlement thereof.

19.02 Neither the Employer nor the Union shall be required to consider or process any grievance which arose out of any action or condition more than seven (7) days after the subject of such grievance occurred. If the action or condition is of a continuing or recurring nature, this limitation period shall not begin to run until the action or condition has ceased. The limitation period shall not apply to differences arising between the parties hereto relating to the interpretation, application or administration of this Agreement.

19.03 A "Policy Grievance" is defined as one which involves a question relating to the interpretation, application or administration of this Agreement. A Policy Grievance may be submitted by either party to arbitration under Article 20 by-passing Step 1 and Step 2. Such Policy Grievance shall be signed by a Steward, or a UFCW 247 Representative, or in the case of an Employer's Policy Grievance, by the Employer or his representative.

19.04 A "Group Grievance" is defined as a single grievance, signed by a Steward, or a UFCW 247 Representative on behalf of a group of employees who have the same complaint. Such grievance must be dealt with at

successive stages of the Grievance Procedure commencing with Step 1. The grievors shall be listed on the grievance form.

19.05 Step 1 - If an employee has been unable to resolve a difference in direct discussion with his immediate supervisor, he shall submit a written grievance to his immediate supervisor within seven (7) days of the act or condition causing the grievance. This supervisor will deal with the grievance not later than seven (7) days following the day upon which the grievance is submitted and will notify the griever and the Union Representative of his decision in writing.

Step 2 - If the grievance is not settled under Step 1, a Union Representative may, within seven (7) days of the decision under Step 1, or within seven (7) days of the day this decision should have been made, submit a written Step 2 grievance to the Employer. The parties shall meet to discuss the grievance within seven (7) days after the Step 2 grievance has been filed. The Employer shall notify the griever and the Union Representative of his decision in writing within seven (7) days following the said meeting.

19.06 In the event a grievance is not submitted in conformity with the mandatory time limits (or otherwise mutually agreed to by the Union and the Company) and if the

initiator of a grievance fails to follow the procedures and time-limits prescribed in Article 19, the grievance is deemed to be forfeited and abandoned and cannot be continued or re-opened.

ARTICLE 20 - ARBITRATION

- 20.01** If the parties fail to settle the grievance at Step 2 of the Grievance Procedure, the grievance may be referred to arbitration under the following procedure.
- 20.02** The party requiring arbitration must serve the other party with written notice of desire to arbitrate within seven (7) days after receiving the decision given at Step 2 of the Grievance Procedure.
- 20.03** If a notice of desire to arbitrate is served, the two parties shall meet in an attempt to obtain an agreement to refer the matter to an agreed upon single Arbitrator within seven (7) days of service, who will meet with the authorized representatives of the Union and the Employer in a hearing to ascertain both sides of the case.
- 20.04** The decision of the single Arbitrator will be final and binding on the two parties to the dispute and shall be applied forthwith.
- 20.05** If the parties fail to agree to refer the matter to an agreed single arbitrator within seven (7) days of service as

aforesaid, either party may request the Minister of Labour to appoint a single Arbitrator.

- 20.06** No person may be appointed as Arbitrator who has been involved in an attempt to negotiate or settle the grievance.
- 20.07** Notice of desire to arbitrate and of nominations of an Arbitrator shall be served personally or by registered mail. If served by registered mail the date of mailing shall be deemed to be the date of service.
- 20.08** It is agreed that the single Arbitrator shall have the jurisdiction, power and authority to give relief for default in complying with the time limits set out in Article 19 and 20 where it appears that the default was owing to a reliance upon the words or conduct of the other party.
- 20.09** An employee found to be wrongfully discharged and suspended will be reinstated without loss of seniority and with back pay, less any monies earned, or by any other arrangement which is just and equitable in the opinion of the Arbitrator.
- 20.10** Where the Arbitrator is of the opinion that there is proper cause for disciplining an employee, but considers the penalty imposed too severe in view of the employee's employment record and the circumstances surrounding the discharge or suspension, the Arbitrator may substitute a penalty which is in the opinion of the Arbitrator just and equitable.

- 20.11** The parties will equally bear the expense of the single Arbitrator.
- 20.12** The Arbitrator shall be empowered to render his decision or interpretation consistent with the provision of this Agreement.
- 20.13** The arbitrator does not have the jurisdiction or authority to alter or modify any of the provisions of this Agreement, or to give any decision inconsistent with the terms and provisions of this Agreement.

ARTICLE 21 - DISCHARGE, SUSPENSION AND WARNING

- 21.01** If, after verbal warning, a warning of record is called for, such warning shall be in writing with copies issued immediately to the Steward and to the Union office. Employees may request that a Union Steward be present for all disciplinary discussions. If such request is made, the employee will not be reprimanded until a Steward or UFCW 247 Representative can be present.
- 21.02** An employee may be suspended or discharged for just cause by the Employer. A grievance involving discharge or suspension must be filed directly at Step 2 of the Grievance Procedure in Article 19.05 within seven (7) days of the discharge or suspension.

21.03 Any grievance not submitted in conformity with the mandatory time limits prescribed in Article 21.02 is deemed to be abandoned and cannot be continued or re-opened.

ARTICLE 22 - TECHNOLOGICAL CHANGE

22.01 If the Employer introduces or intends to introduce a measure, policy, practice or change that affects the terms, conditions or security of employment of a significant number of employees to whom the Collective Agreement applies.

- a) the Employer shall give notice to the Union at least sixty (60) days before the date on which the measure, policy, practice or change is to be effected, and
- b) after notice has been given, the Employer and Union shall meet, in good faith, and endeavour to develop an adjustment plan, which may include provisions respecting any of the following:
 - i) consideration of alternative to the proposed measure, policy, practice or change, including amendment of provision in the Collective Agreement;
 - ii) human resources planning and employee counseling and retraining;

- iii) notice of termination;
- iv) severance pay and other benefits;
- v) a bipartite process for overseeing the implementation of the adjustment plan.

22.02 If, after meeting in accordance with Article 22.01, the parties have agreed to an adjustment plan, it is enforceable as if it were part of the Collective Agreement.

22.03 Full time employees with three (3) years or more service, whose employment is terminated because of technological change, plant closure, or automation, shall be entitled to severance pay of one (1) week's pay at his regular straight time rate for each one (1) year of employment with the Employer, to a maximum of eight (8) weeks.

ARTICLE 23 - EDUCATION AND TRAINING FUND

23.01 The Employer agrees to make contributions to the United Food and Commercial Workers Union, Local 247 Education and Training Fund to a maximum of one thousand dollars (\$1,000.00) per year upon ratification and thereafter annually on the anniversary date of the Collective Agreement.

ARTICLE 24 - NON DISCRIMINATION AND HUMAN RIGHTS

24.01 The parties shall not discriminate against any employee because of race, religious beliefs, colour, gender, physical disability, mental disability, age, marital status, ancestry or place of origin. This does not apply where discrimination is justified on the basis of a bona fide occupational requirement.

The parties recognize the right of employees to work in an environment free from sexual and personal harassment. Any employee guilty of sexual or personal harassment will be subject to immediate termination of employment for cause.

Sexual harassment means any sexually offensive actions or behaviour which is unsolicited, one-sided and coercive. It includes any conduct, comment, gesture or contact of a sexual nature which does or is likely to cause offense or humiliation to any employee or threatens the employee's well being. Sexual harassment may be expressed in any number of ways including:

- a) unnecessary touching or patting;
- b) suggestive remarks or other verbal abuse;
- c) demands for sexual favours;
- d) leering or compromising invitations;
- e) physical assault; or
- f) implied or actual threats to the employee or the employee's job.

Sexual harassment contains an element of coercion and the harasser's use of sex as a tool to control or abuse the employee. Sexual harassment should not be confused with workplace flirtation which is based on mutual consent.

Personal harassment means any discriminatory behaviour which takes place at or is related to workplace, which denies an individual his or her dignity and respect or affects his or her job security by creating intimidating, offensive, embarrassing or humiliating work environment. Personal harassment includes discrimination because of race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, family status, disability, political affiliation, Union membership and participation in lawful activities and preventing by any means, the exercise of any right conferred under the Collective Agreement or any applicable law of Canada and its Provinces. Any employee who believes that he or she is a victim of sexual or personal harassment may initiate a complaint in writing to an Employer representative.

The Employer shall investigate the complaint and submit a report to the D.C. Manager within seven (7) days from receipt of complaint. A longer period of time may be permitted with the mutual consent of the person filing the complaint. Within three (3) days from the receipt of the investigation report the D.C. Manager shall take actions to resolve the matter.

The alleged offender shall be given notice of the substance of the complaint and will be given the opportunity to meet with the Employer and the Union representative to present his or her version of the events.

The complaint, the reply of the alleged offender and any information and records pertaining to the case will be kept confidential. All written records concerning harassment complaints will be kept in a confidential file under the exclusive jurisdiction of the D.C. Manager.

The D.C. Manager may take interim measures to separate the Employees concerned or any other interim action pending determination of the complaint, if it is deemed necessary.

If the complaint is of a frivolous, vindictive or vexatious nature, then appropriate action may be taken against the complainant up to and including dismissal.

ARTICLE 25 - WORKPLACE VIOLENCE

25.01 The Employer accepts an obligation to provide a healthy, safe work environment. The Employer and Union are committed to providing a violence-free environment and recognizes that workplace violence is a health and safety issue.

Violence is defined as an act of aggression, verbal profanity, verbal or physical assaults, or threats in a

workplace which may involve, but are not limited to name calling, threatening, swearing, hitting, biting, scratching, pinching, use of a weapon, sexual harassment, assault and battery, and willful damage to the Employers property, customers property or an employee's personal property.

Acts of violence by employees, customers, or visitors will not be tolerated. An employee who is a victim of workplace violence will be treated with respect and consideration by the Employer.

All acts of violence must be reported to the D.C. Manager whether witnessed or experienced. It is essential that the Employer, the Union and the employee work in collaboration to recognize, manage and prevent acts of workplace violence.

If an employee feels he or she is a victim of violence or has observed a violent act in the work environment, it is recommended that the employee file a complaint with his supervisor, the D.C. Manager or Senior Level Manager. Filing a complaint will allow the Employer to undertake an immediate investigation of the complaint and take whatever action, up to and including termination, if necessary against the offending person.

The D.C. Manager shall investigate the complaint and submit a report to the Senior Management within seven (7) days from receipt of complaint. Within three (3) days from the receipt of the investigation report the D.C.

Manager shall make recommendation to resolve the matter. The alleged offender shall be given notice of the substance of the complaint and will be given the opportunity to meet with the Employer and the Union representative to present his or her version of the events.

Any employee found to be guilty of workplace violence will be immediately disciplined up to and including dismissal for acts of violence, of verbal or physical assault, threats, hitting, biting, scratching, use of weapons, sexual harassment, assault and battery, and willful damage of Employer and employee's property.

All complaints will be treated on a confidential basis. No disciplinary action will be taken against any employee filing a complaint.

The Employer is committed to trying to provide a safe work environment for all employees.

ARTICLE 26 - ALCOHOL AND DRUGS

26.01 The use of alcohol and drugs jeopardizes job safety and performance, as well as the well-being of employees.

Individuals abusing alcohol or drugs can create safety hazards for themselves, co-workers and the general public. Therefore possession or use of alcohol and illegal drugs when on Employer's business or premises is prohibited. This includes:

- a) any use, possession, distribution or the offering for sale of illegal drugs, equipment for illegal drug use, or unprescribed drugs for which a prescription is illegally acquired;
- b) any possession, consumption or presence in the body of alcohol during working hours or on the Employers premises.

Employees who appear to be impaired by alcohol or drugs, whether consumed at work or prior to work, will immediately be removed from the workplace. If the employee is impaired, the Employer will offer to provide transportation to the employee's residence or the nearest point of public transportation.

26.02 The Employer may take disciplinary action against an employee under the following circumstances:

- a) the employee is in possession of alcohol, illegal drugs or equipment used for illegal drugs; or
- b) the employee has been at work under the influence of alcohol or illegal drugs.

26.03 The Employer may discipline the employee by taking one or more of the following courses of action:

- a) suspension of the employee, with or without pay;

- b) immediate dismissal for cause; or
- c) referral on humanitarian grounds to an approved program for rehabilitation and treatment of alcohol or drug abuse.

ARTICLE 27 - THEFT

27.01 Employees are not permitted to remove any of the Employer's or its Customers' property from the premises or consume any of the Employer's or its Customers' property while on the premises, or to remove any fellow employee's property.

27.02 Any employee caught removing or consuming any items will be dismissed with just cause.

ARTICLE 28 - DURATION

28.01 This Agreement shall be effective on the first (1st) day of April two thousand ten (2010) and shall remain in effect to and including the thirty-first (31st) day of March, two thousand and sixteen (2016) and for further periods of one (1) year, unless notice in writing is given, by either party, of the desire to cancel, change or amend any of the provisions contained herein, within four (4) months immediately preceding the date of expiry of the Agreement. Should neither of the parties give such notice, this Agreement shall renew for a period of one (1) year.

AGREED at LANGLEY, B.C., this DEC. 20, 2010.

SIGNED FOR THE COMPANY:



Bowen Kenny
PB Distribution Inc.

SIGNED FOR BY THE UFCW:



Eric Seto
UFCW Local 247

SCHEDULE "A"

Hours	Apr. 1, 2010	Apr. 1, 2011	Apr. 1, 2012	Apr. 1, 2013	Apr. 1, 2014	Apr. 1, 2015
0000 - 0742	11.75	12.00	12.20	12.38	12.63	12.88
0743 - 1484	11.93	12.20	12.40	12.59	12.84	13.09
1485 - 2226	12.61	12.67	12.80	12.80	12.99	13.14
2227 - 2968	13.29	13.36	13.49	13.49	13.69	13.69
2969 - 3710	13.97	14.04	14.18	14.18	14.39	14.39
3711 - 4452	15.05	15.13	15.28	15.28	15.51	15.51
4453 - 5194	15.73	15.81	15.97	15.97	16.21	16.21
5195 - 5936	16.41	16.49	16.66	16.66	16.91	16.91
5937 - 6678	17.09	17.18	17.35	17.35	17.61	17.61
6679 - 7420	17.77	18.27	18.55	18.85	19.25	19.64
7421 +	18.45	18.90	19.25	19.60	20.00	20.40

Premiums

Forklift	\$0.20 per hour
Receivers/Shippers	\$0.40 per hour
Reach Truck	\$0.30 per hour
Lead Hand	\$0.75 per hour
First Aid 1	\$0.25 per hour
First Aid 2 & 3	\$0.35 per hour
Night Shift (6pm–4am)	\$0.50 per hour
Training Premium	\$0.50 per hour

Signing Bonus for employees at time of ratification
December 2010 = \$1250

850 or more	= 100%
700-849	= 75.00%
501-699	= 50.00%
less than 500	= 25.00%

United Food and Commercial Workers International Union
Local 247
14936 32nd Avenue
Surrey BC
V4P 3R5

October 06, 2010

Re: Amended and Restated Employee Share Ownership Plan

This is to confirm the existence of the Premium Brands Operating Limited Partnership Amended and Restated Employee Share Ownership Plan ("ESOP") as of the date of this letter (with official plan document attached). Please note that the ESOP was amended and restated on account of Premium Brands Income Fund's conversion to Premium Brands Holdings Corporation on July 22, 2009.

Since Premium Brands considers one of its key competitive advantages to be its people, Premium Brands feels that it is necessary to provide such programs as the ESOP to attract and retain talented employees such as those at PB Distribution, while helping employees build their investment portfolio. Accordingly, the primary intent when developing the ESOP was to **encourage employees to save and build and ownership position in the company**. While employees are free to do what this wish with the shares (i.e. no restrictions upon receipt), it is hoped that employees retain ownership of their shares so that they can continue to be part owners of PB Distribution.

It is our understanding that Local 247 is requesting confirmation that the ESOP, or a similar plan, will exist during the length of the new contract to be negotiated between UFCW Local 247 and PB Distribution. As a publicly traded company, Premium Brands is bound by various corporate governance regulations and therefore unfortunately unable to commit to any formal confirmation of the continuation of the ESOP during the length of the contract to be negotiated. However, Premium Brands' current intentions are to keep the ESOP in place for the foreseeable future.

PREMIUM BRANDS HOLDINGS CORP

COPY

Kwong Yee CMA CISA CIA
Corporate Controller

AGREED at LANGLEY, B.C., this DEC. 20, 20 10.

SIGNED FOR THE COMPANY:



Bowen Kenny
PB Distribution Inc.

SIGNED FOR BY THE UFCW:



Eric Seto
UFCW Local 247

LETTER OF UNDERSTANDING #1

BETWEEN: PB Distribution Inc.

AND: United Food and Commercial Workers Union,
Local 247

The Employer and the Union agree that should another Company begin operation on the same property as this Employer, this Collective Agreement will not be altered or affected in any way by this other Company and its operation.

As well, it is further agreed by the Employer and the Union that this Collective Agreement will not have any effect on this other Company or its operation.

Signed this 20th day of DEC, 2010.

SIGNED FOR THE EMPLOYER:

SIGNED FOR THE UNION:



Bowen Kenny
PB Distribution Inc.



Eric Seto
UFCW Local 247

NOTES

NOTES