

PEPSICO BEVERAGES CANADA

ISLAND EMPLOYEE'S ASSOCIATION

November 1, 2010 – October 31, 2013

WAGE AND WORKING AGREEMENT

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Fully realizing the potential ambiguity of any written contract the following principles are intended to protect against an interpretation at a later date which was not intended at the time of the creation of this Agreement.

(i) IRREVOCABILITY

Any clause, statement or part of the agreement cannot be changed without consultation, between management and the Employee's Association. Any changes to this agreement must be signed by the Employee's Association and the Senior Management Representative. The ratification of any changes to this agreement is done by a simple majority of the Association. Should the Company decide to make significant changes to its policies and/or procedures, it shall communicate such to the Association for the purpose of consulting with the membership, prior to implementation.

(ii) OMISSION

Any part of the agreement shall only be omitted from any subsequent agreement only if specifically specified.

(iii) COMPANY POLICY

If Company Policy changes come into conflict with any clauses, statements or parts of this agreement during the term of this agreement, then only changes can be made to the agreement as per article (i).

(iv) TERM OF THE AGREEMENT

The term of this agreement shall be November 1st, 2010 to October 31st, 2013.

SECTION 1 - ASSOCIATION OF EMPLOYEES

- 1.1 The Company recognizes PepsiCo Beverages Canada Island Employee's Association (hereinafter called "The Association"), for the purpose of negotiating the terms and conditions of employment for all permanent full time and permanent part time employees as contained within this agreement.
- 1.2 The Company will pay members of the Association at their regular rate of pay for all regular time spent in negotiating with Management on matters pertaining to this agreement. The member's regular day will commence when the meeting is over. The Company will pay members of the Association at their regular rate of pay for all regular time spent in negotiating with Management on matters pertaining to this agreement or for approved time spent on behalf of the Association i.e. regular Association/Management meetings. The members' regular day will commence when the meeting is over.

Management and Association Representatives shall meet twice per year to discuss matters of mutual concern between parties to this agreement. Prior to this meeting, Association Representatives from Victoria and Nanaimo will meet for 1 hour to discuss agenda items in preparation for the meeting with management.
- 1.3 There will be no discrimination, as defined under the Human Rights Code, by the Company or by the Association against any employee.
- 1.4 No member of The Association shall leave his work to investigate or process grievances or to negotiate without prior consent to his Manager, which consent shall not be unreasonably withheld.

SECTION 2 - WORKING CONDITIONS

2.1 UNIFORM ALLOWANCE

Merchandisers: Allowance of \$305.00 per year, which may include leather work gloves.

Warehouse: Allowance of \$230.00 per year.

Allowance is for all full time employees. Part time employees will be issued uniforms from a Company Uniform Pool.

Full-time employees who complete the designated form before the end of January will receive a Work Glove Voucher for \$40.00 that will be available the first week of February. The \$40.00 includes all taxes and will be deducted from the total Uniform Allowance leaving a \$265 balance.

Delivery Drivers who do Relief Selling may, with Management's consent, choose to use a portion of their uniform allowance to purchase a suit.

2.2 BOOT ALLOWANCE

A boot allowance of \$195.00 plus taxes per year is available for all full time employees. The allowance will be added to the employees pay annually in January, commencing in 2012. Allowance is for work boots only and any emergency over and above boot purchase will not be applied to the individual employee's yearly allowance.

2.3 MEAL ALLOWANCE

The Overtime Meal Allowance will be \$8.50. The allowance will be paid after 11 hours in a day. The overnight meal allowance will be \$45.00 (without receipts).

2.4 TOOL ALLOWANCE

Annual allowance of \$500.00 including all taxes payable to Regular Full time Service Technicians requiring tools to perform their job function. Service Technicians must ensure they have basic hand tools identified on the inventory list.

2.5 GRIEVANCE PROCEDURE

Should any dispute arise between the Company and the Employees or the Company and the Association as to the interpretation, application or alleged violation of any of the provisions of this Agreement, an earnest effort shall be made to settle such difference without undue delay in the manner set out in this Article.

For the purpose of this procedure, a “working day” shall be defined as a company day of operation i.e. Monday through Saturday exclusive of statutory holidays.

Timelines within the grievance procedure must be adhered unless extensions are mutually agreed to between the two parties. The grievance shall be considered abandoned unless the parties have mutually agreed to the extension. Management and the employee are responsible to ensure that the grievance procedure moves forward. Should responses not occur within the timeframes, the employee and/or the Association Representative can seek assistance from the Human Resource Manager.

Step 1

Within three (3) days of the occurrence of the difference, the employee with or without an Association Representative shall discuss the difference with the immediate supervisor. If an Association Representative is unavailable, any fellow employee may represent the employee at this stage in the procedure. If the matter is not resolved within three (3) working days, proceed to the next step.

Step 2

Present your problem in writing on a Grievance form to your Supervisor and forward a copy of the grievance to your Human Resources Manager. If an Association Representative is unavailable, any fellow employee may represent the employee at this stage in the procedure. If the matter is not resolved within three (3) working days, proceed to the next step.

Note: In certain work areas, additional steps involving additional levels of management may be required before you reach Step 3. The time limit for resolving each of any additional step(s) is three (3) working days.

Step 3

Present the Grievance form to the Manager. If an Association Representative is unavailable, any fellow employee may represent you at this stage in the procedure. If the matter is not resolved in five (5) working days, the employee may proceed to Arbitration.

Arbitration

1. Grievances must be submitted to the Arbitrator within fifteen (15) days of the completion of Step 3 of the Grievance Procedure.
2. Each grievance will be heard by a single independent Arbitrator.
3. The single Arbitrator will be chosen from the following list:

Brian Foley

David McPhillips

Stan Lanion.
4. The appointed Arbitrator can only apply the agreement; they cannot add/amend anything in the agreement.
5. During Arbitration, you may be accompanied by and represented by an Association Representative, if one is unavailable, any fellow employee.
6. The Company will pay the Arbitrator's expenses.
7. The Arbitrator's decision shall be final and binding.

2.6 OVERTIME WORK

All overtime shifts will be allocated on a seniority basis. Occasionally circumstances may require that the scheduled workday be extended to include overtime. Should the necessity arise to extend a regular shift into an overtime situation, each employee must make a reasonable attempt to contact a manager for approval.

2.7 OVERTIME PAY

- 1) An employee will receive 1½ times their regular wage for all hours worked in excess of:
 - A. 8 or 10 in a day (depending on regularly scheduled shift), or
 - B. 40 in a week (excluding the hours worked in excess of either the 8 or 10)
- 2) An employee will receive double their regular wage for all hours worked in excess of:
 - A. 10 in a day
 - B. 12 in a day on a 10 hour shift; or
 - C. 48 in a week (excluding daily overtime)

3) Vacation time, banked time taken and statutory holidays shall be applied to regular hours for the purpose of the calculation of overtime hours in the work week.

2.8 BANKING OF OVERTIME

The Company shall implement banked overtime with the goal to reduce the impact of layoffs during non-peak periods. With respect to banked overtime the following shall apply:

- a) All permanent full-time employees with seniority under the Wage & Working Agreement shall be allowed to bank forty (40) or eighty (80) hours from January to December of the calendar year.
- b) Hours shall be banked at the overtime rate applicable when worked (i.e. time and one half). Upon banking the maximum hours (either 40 or 80 depending on employee selection) for the 12 month period, employees can begin to use their banked time at a mutually agreed upon time, provided it is not taken in peak periods. Peak periods are defined in Article 3.18 Vacation Process General Guidelines. Employees may request use of banked overtime days during peak periods, however, approval will be at management's discretion.
- c) No additional overtime hours will be banked in the calendar year regardless of whether banked time off has been taken.
- d) Employees must decide December 1st whether or not they will participate in the program and can not alter this decision during the year, save and except new hires.
- e) Banked time can be carried over to the end of April of the following year or if banked time is not taken by May 1st of the year, it will be paid out.
- f) Banked overtime shall not interfere with any vacation time already booked.
- g) Employees can request, in writing, to have their complete bank paid out at any time during the year, but the employee will not be able to participate in banked overtime for the balance of the year.
- h) For those who have hit their maximum bank, either 40 or 80 hours, employees can request to have their banked time paid out in increments of 40 hours.

2.9 LUNCH AND REST BREAKS

No employee shall be required to work longer than five consecutive hours during his regular shift without receiving one-half hour break for the purpose of eating a meal. Each employee will receive two fifteen minute paid breaks throughout the day.

Employees working away from the plant may have their breaks scheduled one (1) hour from the commencement of work if they so choose.

Scheduled time windows and priority deliveries during an ad week will take precedence over breaks at all times.

Delivery Drivers will not be deducted ½ hour for the lunch break. Established merchandising standards must be maintained and loads must be delivered as scheduled.

2.10 JOB POSTINGS

Any new Island Employee Association position will be posted for a period of 5 days in both branches. Employees are required to apply for posted positions in writing. The selection for each position will be based on qualifications, skills and abilities. Where qualifications, skills and abilities are equal, seniority will apply.

Priority will be given to:

1. Employees in the Branch where the position resides
2. Employees in the alternate branch
3. External Candidates

Employees who voluntarily post into different classifications will be required to serve a 3-month probationary period. Within the 3 months, if the employee is deemed unsuitable for the position or wishes to return to their former position, they will return to their former position and salary without loss of seniority or benefits. The employee must notify their supervisor ten days prior to the end of the probationary date in order to return to their former position.

For the purpose of seniority, employees who post into a different department will be placed at the bottom of the seniority list for that department.

Where employees are requested to provide relief in another department for a day or two they will maintain their current rate of pay while in the different classification provided the rate is higher than the relief classification rate.

Should an employee transfer to the other Island branch they will transfer with all company service and benefits, but will be placed at the bottom of the seniority list for that Branch department.

2.11 SENIORITY LIST

There will be a separate seniority list per classification for each Island Branch (ie. Warehouse and Delivery Drivers) with the exception of MEM. MEM will have one Island seniority list.

Seniority Lists will be posted once per year on November 1st. The list will be considered final unless challenged within 30 days of posting.

2.12 LAYOFFS

There will be no bumping on layoffs unless there is an opening in the other departments.

2.13 STATUTORY HOLIDAY PAY

An employee must have been employed at least 30 days prior to the Holiday. An employee must have worked at least 15 of the 30 calendar days immediately preceding the Holiday.

a) A 'Holiday' in this agreement will refer to the following days:

New Years Day
Day After New Years Day (January 2)
Good Friday
Victoria Day
Canada Day
British Columbia Day
Labour Day
Thanksgiving Day
Remembrance Day
Christmas Day
Boxing Day
Birthday Floater

2.14 VACATION PLAN

Annual vacation entitlement is based on calendar years, January 1st to December 31st, and length of service with the Company, as shown below:

<u>If your length of Service is:</u>	<u>You are entitled to</u>
Less than 1 year	1 day/month to max. of 10
1 year but less than 3 years	2 weeks
3 years but less than 8 years	3 weeks
8 years but less than 15 years	4 weeks
15 years but less than 22 years	5 weeks
22 years or over	6 weeks

Employees obtaining full time status before April 1st of the year, will be credited with a full year for vacation entitlement purposes.

Employees obtaining full time status on April 1st or later, will not be considered as having a full year of service when computing vacation entitlement; their vacation entitlement will be based on the number of months worked. For the purpose of determining the number of vacation days per month, the 15th day of the month will be the determining date.

For example, if an employee obtains regular full time status before or on the 15th of the month, they will be entitled to a day of vacation for that month. If the employee obtains regular full time status after the 15th of the month, they will not accrue any vacation entitlement for that month.

Vacation entitlement earned in one year shall be taken in the following year.

Example:

An employee who obtains Full-time status on September 1, 2002, would be initially entitled to take 3 weeks of vacation in 2006. The vacation entitlement would be as follows:

- 2002 - No Vacation entitlement
- 2003 - 4 days (based on 4 months of service in 2002)
- 2004 - 2 weeks (based on a full year of service in 2003)
- 2005 - 2 weeks
- 2006 - 3 weeks (based on 3 full years of service, 2003, 2004, 2005)

2.15 VACATION PROCESS

On a seniority basis, vacation requests must be submitted by the end of February each year. After the end of February, vacations may be requested for any open periods on a first come, first served basis. Vacations are to be taken between January 1 and December 31 at a time mutually agreed upon by the employee and Management. Vacations may be restricted during peak periods.

Vacation pay will be calculated as follows:

Vacation weeks entitlement pay = regular pay in force at time taken
OR

Equivalent percentage of previous calendar years gross earnings

"Whichever is Greater"

For an employee who has been absent from work in excess of sixty (60) days during the year, only the above-noted percentage calculation shall apply.

"Peak Periods" are designated the week leading into May long weekend to the week of September long weekend inclusive; and December 1st up to and including December 26th.

Holiday selection will be based on seniority and shall be completed no later than February 28th. Employees shall, by seniority, have the right to request 3 weeks (maximum 2 weeks in peak periods) prior to the next senior employee requesting

vacation. An employee may take consecutive weeks of vacation in non peak periods with no maximum.

2.16 PAY ADMINISTRATION

All hourly paid employees will be paid by the minute. A minute will be calculated based on 1/60th of the applicable hourly rate.

2.17 RELIEF SALES

When an employee is temporarily appointed to Relief Sell, the employee shall be paid at his regular hourly rate for the hours worked.

2.18 SHIFT PREMIUMS

Afternoon	\$0.53
Graveyard	\$0.58

The shift differential premium will be applied in addition to regular and overtime pay.

The differential will be paid on start times within the following shift definitions:

Afternoons	12:00 PM	-	6:00 PM
Graveyards	6:00 PM	-	5:00 AM

Afternoon warehouse shifts will get shift differential for all hours worked for shifts commencing after 12:00 noon.

MEM Shift Differential (12:00 pm start) \$0.50/hour.

1.19 NEW HIRES

Employees hired into a full time permanent position shall receive full rate of pay and benefits, commencing on the first day of employment, and shall have a probationary period equal to 1040 hours worked.

Wage Schedule

<u>Job Classification</u>	<u>Nov 1/10</u>	<u>Nov 1/11</u>	<u>Nov 1/12</u>
<i>Delivery & Merchandising Department</i>			
Full Time Delivery Driver [Bulk, Bay, FSV]	\$30.16	\$30.72	\$31.35
Full Time Chase Merchandiser	\$20.40	\$20.96	\$21.59
<i>MEM Department</i>			
Journeyman – Refrigeration/Install (Certificate of Qualification)	\$31.26	\$31.82	\$32.45
Service Technician 'A'; Field Technician; Cartage; Pepsi Pro Certified Technician	\$30.08	\$30.64	\$31.27
Service Technician B	\$27.11	\$27.67	\$28.30
MEM Leadhand Premium (per hour)	\$1.00	\$1.00	\$1.00
MEM On Call Schedule Premium (Full week)	\$95.00	\$95.00	\$95.00
MEM On Call Schedule Premium (Stat week)	\$110.00	\$110.00	\$110.00
<i>Warehouse Department</i>			
Warehouse Lead Hand	\$30.13	\$30.69	\$31.32
Forklift Operator	\$28.41	\$28.97	\$29.60
<i>Temporary Employees</i>			
Delivery Driver	\$25.73	\$26.29	\$26.92
Chase Merchandiser	\$16.43	\$16.99	\$17.62
MEM	\$18.22	\$18.78	\$19.41
Warehouse	\$18.60	\$19.16	\$19.79

'Journeyman – Refrigeration' to be a Licensed Refrigeration Tech with a B.C. License. This position can be limited to the needs of the department and may not be paid to all licensed Journeyman. It may include Domestic Refrigeration Ticket holders and or Techs doing Refrigeration work.

LETTER OF UNDERSTANDING
BETWEEN:
PEPSICO BEVERAGES CANADA
&
THE ISLAND EMPLOYEE ASSOCIATION, B.C.

March 15, 2011

Re: Discipline

Discipline shall be removed and destroyed from an employee's personnel file after eighteen (18) months of active employment and a clean performance record (no discipline).

WAGES AND WORKING CONDITIONS APPROVED AND ACCEPTED THIS ____15__ DAY
OF March A.D., 2011

PEPSICO BEVERAGES CANADA,
ISLAND EMPLOYEES ASSOCIATION

Tracy Ingraham

Eric Sass

Steve Rose

Adrian Hendriksen

Ron Ward

Chris Butler

Jamie Strangways

PEPSICO BEVERAGES CANADA

Steve Totten

Fay Wasylyniuk

Nick Bateman

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