

COLLECTIVE AGREEMENT

BETWEEN

GRAND & TOY LIMITED

AND

UNITED FOOD & COMMERCIAL WORKERS UNION, LOCAL 1518

DURATION OF AGREEMENT: December 1, 2010 – November 30, 2013

Ratified by Membership Vote December 8, 2010

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MEMORANDUM OF AGREEMENT made this 8th day of DECEMBER, 2010.

BY AND BETWEEN: GRAND & TOY LIMITED, carrying on business in the Province of British Columbia.

(hereinafter referred to as the "Company")

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 Company and the Union desire to establish and maintain conditions which will promote a harmonious relationship between the Company and the employees covered by the terms of this Agreement and desire to provide methods of fair and amicable adjustments of disputes which may arise between them;

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

Article 1 - BARGAINING AGENCY

The Company recognizes the Union as the sole collective bargaining agency for all employees at and from the Company's British Columbia Distribution Centre except sales, and office staffs, and all others excluded by the *Labour Relations Code* of British Columbia.

Article 2 - UNFAIR PRACTICES

- 2.01 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.
- 2.02 It shall be the policy of the Company and the Union not to discriminate because of race, gender, creed, colour, age, religion, national origin, ancestry, or sexual orientation.

Article 3 - UNION SECURITY AND DEDUCTION OF DUES

- 3.01 All employees covered by this Agreement who are members in good standing of the Union in accordance with its Constitution and By-laws and all employees who become members, shall as a condition of employment maintain their membership in the Union in good standing.

The Company will notify the Chief Shop Steward, or their designee, within one (1) week, in writing, when an associate quits or is terminated.

The Company shall be free to hire new employees who are not members of the Union and such employees shall make application within ten (10) days after employment and become members within thirty (30) days.

- 3.02 The Company agrees to provide each new employee at the time of employment with a Union Membership Application form and a Dues Check-off Authorization form, both to be completed by the new employee. Once completed, said forms shall be forwarded by the Company to the Union office. The Union shall be responsible for furnishing the Company with an adequate supply of blank forms.
- 3.03 The Company agrees to provide each new employee at the time of employment with a form letter outlining to the employee their responsibility in regard to Union membership 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 Company. The Company further agrees to provide the Union once a month with a list containing names of all employees who have terminated their employment during the previous month.

The Company and the Union agree that the policy for determining an employee's date of hire will be as follows:

1. Start date
2. Start time
3. Hire date
4. Hire time

- 3.04 The Company 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 Company 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 Company with a signed authorization for such deductions.
- 3.05 The Company agrees to make deductions in each calendar month for the then current month and to remit the aggregate of the amounts so deducted to the Secretary-Treasurer of the Union prior to the last day for the month following the month in which the deductions are made and the Social Insurance Number of each employee for whom the deductions were made and the amount of each deduction. The Company agrees to include dues deducted during the year on the employee's T4 slip.
- 3.06 The Union agrees to indemnify the Company for any fines, dues, initiation fees or assessments improperly deducted and remitted to the Union on instructions to the Company from the Union if such fines, dues, initiation fees or assessments are found to have been improperly deducted by a court of law or the Labour Relations Board.

3.07 Visits of Union Representatives

Duly authorized representatives of the Union shall be entitled to visit the workplace for the purpose of observing working conditions, interviewing members, signing unsigned employees,

and to ensure that the terms of the Collective Agreement are being implemented after notifying the Distribution Manager or Warehouse Supervisor.

After receiving approval from the Distribution Manager or Warehouse Supervisor, the Union Representative shall be permitted to interview an employee. Approval for such interview shall not be unreasonably withheld and shall be:

1. Carried on in an area in the workplace 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 Company time, unless with the approval of management;
4. Held at such times that will not seriously disrupt operations.

Article 4 - BASIC WORKWEEK, OVERTIME AND STATUTORY HOLIDAYS

- 4.01 (a) The basic workweek for full-time employees shall consist of forty (40) hours per week comprised of five (5) days, Monday to Friday, of eight (8) hour days. This shall not, however, be construed as a guarantee of hours of work per day or per week or of days of work per week.
- (b) For the purposes of this Agreement, day shifts will start at or after 0500 and end no later than 1800. Afternoon shifts will start at or after 1200 and end no later than 2400. If midnight shifts are contemplated, they will end no later than 0800.
- 4.02 The Company agrees that time and one half (1½) shall be paid for all time worked in excess of eight (8) hours per day, five (5) days per week or forty (40) hours per week, except:
- (a) Overtime in excess of three (3) hours in any one (1) day shall be paid at double time.
- (b) Sunday Work
All work performed on Sunday, unless part of an employee's regular work week, shall be paid at double time.
- (c) Statutory Holidays Worked
All work performed on Statutory Holidays shall be paid at time and one half (1½) in addition to regular pay for that day. All work performed over eleven (11) hours in one day shall be paid at two (2) times regular pay in addition to regular pay for that day.
- (d) Overtime hours in excess of eight (8) hours in any one week shall be paid at double time.
- (e) All overtime must have the prior approval of Management.
- 4.03 Overtime shall be voluntary and shall be allocated by shift seniority provided the employee has the requisite skill and ability. Overtime on Saturday or Sunday shall be on the basis of overall

warehouse seniority provided the employee has the requisite skill and ability. In the event that insufficient numbers of employees volunteer, the Company will allocate overtime by reverse seniority.

All work to be performed on Saturday and/or Sunday shall be posted as soon as the Company becomes aware of such work. Such notice shall remain posted until a date mutually agreed to between the parties subsequent to having held a Joint Labour Management meeting. Employees who were at work that day and either completed their shift or were authorized to leave early, that were unable to view the posting, shall be called at home if they have the seniority to work on such occasions.

- 4.04 Overtime pay shall be included on the pay cheque following the period during which overtime was worked.
- 4.05 The Company will schedule a fifteen (15) minute break each half shift and an unpaid lunch period of one half (½) hour as close to the middle of the shift as possible.
- 4.06 If the employee is required to work at least **one (1) hour** overtime at the end of a regular shift, the employee required to work overtime shall be entitled to a fifteen minute **paid** break prior to the commencement of the overtime.
- 4.07 When an employee is especially called back to work in case of an emergency outside their scheduled hours of work, and that employee is required to make an additional trip to and from work that day, they shall be through when the emergency is over, but shall be paid at the greater of (a) four (4) hours at their straight-time pay, or (b) for the time actually worked, at the overtime rate of pay.
- 4.08 Any employee who reports for work and who by reason of a breakdown or any other cause for which they are not responsible, are dismissed for the day, shall receive at least four (4) hours' pay at their applicable rate of pay.
- 4.09 Staff Meetings
Staff meetings and new product orientation sessions whether on or off the premises, shall be considered as time worked and paid for at the employees' applicable rate.
- 4.10 The Company agrees to pay all eligible employees statutory holiday pay on each of the following statutory holidays:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Remembrance Day	Victoria Day
Christmas Day	Boxing Day
Canada Day	B.C. Day

All employees shall receive holiday pay for the average number of hours in their normal work day provided that:

- i) the individual has been employed for a minimum of thirty (30) calendar days

ii) the employee has earned wages for at least fifteen (15) days (including missed work days in connection with an accepted WCB/STD claim) during the thirty (30) calendar days immediately preceding the holiday.

iii) **Employees will be paid if they work the last scheduled shift before and the first scheduled shift after such a holiday if they are scheduled.**

4.11 If a paid statutory holiday falls on a weekend, the Friday prior to the weekend or the Monday immediately following the weekend shall be observed as the holiday. The Employer shall designate the date of observance at least one (1) month prior to the said weekend. In the event that the Company changes the designated day of observance and fails to give two (2) weeks notice, then all hours worked on that shift shall be payable at the applicable overtime rate. When either or both Christmas Day and Boxing Day fall on a weekend, the Company will have the flexibility to schedule the dates between the Thursday preceding and the Tuesday following the holiday.

4.12 If a paid holiday falls within the employee's vacation period, the Company shall allow the employee concerned a compensatory day's holiday with pay, one day prior to or one day after the vacation at the discretion of the employee. If more employees than the Company can accommodate request a specific day off, seniority within the Operational Group(s) shall be the determining factor.

4.13 The Company shall provide a time clock to enable employees to record their own time for payroll purposes. Employees shall record the time they start and finish work and shall be provided with a printout of I.D. card swipe times on a bi-weekly basis.

4.14 There shall be no pyramiding of overtime or other premiums provided for in this Agreement.

4.15 Accommodation for Religious Minorities

Members of religious minorities shall have the right to absent themselves from working on their religious holidays. Whenever possible this shall be accomplished by using either a vacation day, or other day which is owed. When the employee has no such days owing them, then the day off may be without pay. These days (not to exceed two [2]) shall be subject to mutual agreement between the Company and the Union. A meeting shall be held in December of each year between representatives of the Company and the Union to allocate these days for the following year.

Article 5 - ANNUAL VACATIONS

5.01 Any full-time employee who, on the 31st day of March in each year has:

(a) completed less than one (1) year of continuous service with the Company shall receive vacation pay in accordance with the provisions of the *Employment Standards Act*.

(b) completed one (1) year of continuous service but less than five (5) years of continuous service with the Company shall receive two (2) weeks' vacation per year with pay equal to four percent (4%) of the employee's earnings for the previous year.

- (c) completed five (5) years of continuous service but less than ten (10) years of continuous service with the Company shall receive three (3) weeks' vacation per year with pay equal to six percent (6%) of the employee's earnings for the previous year.
- (d) completed ten (10) years of continuous service but less than sixteen (16) years of continuous service with the Company shall receive four (4) weeks' vacation per year with pay equal to eight percent (8%) of the employee's earnings for the previous year.
- (e) completed sixteen (16) years of continuous service but less than seventeen (17) years of continuous service with the Company shall receive four (4) weeks plus one (1) days' vacation per year with pay equal to eight point four percent (8.4%) of the employee's earnings for the previous year.
- (f) completed seventeen (17) years of continuous service but less than eighteen (18) years of continuous service with the Company shall receive four (4) weeks plus two (2) days' vacation per year with pay equal to eight point eight percent (8.8%) of the employee's earnings for the previous year.
- (g) completed eighteen (18) years of continuous service but less than nineteen (19) years of continuous service with the Company shall receive four (4) weeks plus three (3) days' .vacation per year with pay equal to nine point two (9.2%) of the employee's earnings for the previous year.
- (h) completed nineteen (19) years of continuous service but less than twenty (20) years of continuous service with the Company shall receive four (4) weeks plus four (4) days' vacation per year with pay equal to nine point six percent (9.6%) of the employee's earnings for the previous year.
- (i) completed twenty (20) years or more of continuous service with the Company shall receive five (5) weeks vacation per year with pay equal to ten percent (10%) of the employee's earnings for the previous year.
- (j) Any employee who has completed twenty-five (25) years or more of continuous service with the Company shall receive six (6) weeks vacation with pay equal to twelve percent (12%) of the employee's earnings for the previous year.

5.02 Calculation of Vacation Pay

All full-time employees shall receive pay on the basis of two percent (2%) of their earnings for the previous year for each week of vacation or forty (40) hours pay per week of vacation, whichever is greater. Vacation pay will be topped up only for those employees who are absent from work and actively in receipt of WCB or STD benefits. Vacation pay will not be topped up for any time lost due to a personal leave of absence provided for under Article 9.04. Employees who move from full-time to part-time or part-time to full-time throughout the vacation year, shall have their top up pro-rated accordingly.

- 5.03 (a) All employees shall become eligible for vacation on April 1st each year. Vacations must be taken in units of not less than one (1) week at a time designated by the employee between April 1st and March 31st inclusive, in each year. **Employees shall be entitled**

to elect to take single days of vacation. It is agreed that vacation units of one week periods shall take precedence over single days.

- (b) Vacations taken during the period of June 1 to August 31 inclusive shall be selected by **shift seniority. A minimum of three (3) employees from the Production/ Afternoon shift shall be allowed off at any one time and a minimum of four (4) employees from the Day shift shall be allowed off at any one time during this period, to a maximum of two (2) weeks. Article 5.05 shall govern all other periods, including December.**

Once initial vacations have been selected, and the vacation schedule posted in accordance with Article 5.04, any unclaimed weeks shall be offered as follows:

- i) Will be made available on April 1st
- ii) Employees must submit requests for the unclaimed weeks by April 15th
- iii) Available weeks will be assigned in order of seniority by April 20th.

5.04 The following process shall be used for the selection of vacations:

1. Employees shall indicate their desired vacation times on forms provided by the Company. These forms shall be made available to employees by no later than January 1st.
2. The deadline for completion and return of these forms shall be February 15th.
3. The Company shall post the approved vacation schedule by no later than March 1st.
4. An employee may leave their vacation schedule open beyond February 15th, however, any selections made after this deadline shall be dealt with on a “first-come, first-served” basis. In the event that two or more employees submit selections for the same vacation period on the same day, then seniority shall be the determining factor in deciding between these employees.
5. Within the first week of November of each year the Company shall post a notice advising those employees that have not booked all of their vacation that they must do so by December 1st. Any employee who has not indicated their desired vacation time on the vacation schedule by December 1st shall be subject to placement on the vacation schedule at a time assigned by management.
6. Employees who are off work on Weekly Indemnity or WCB for the period of November 1st to December 1st inclusive, and who return to work after December 1st, shall be given 48 hours to choose their vacation dates or they will have them assigned by the Company.

5.05 In accordance with Article 5.04, seniority shall be the determining factor for establishing employee vacation periods. Employees with the greatest seniority shall have the right of choice in the event all employees desiring certain periods cannot be spared at one time.

5.06 In the event of an employee's employment terminating before the completion of a working year, such employee shall be paid, in lieu of vacations, an amount equal to the vacation earned in accordance with the scale outlined in 5.01 and 5.02 of this Agreement.

- 5.07 For vacation entitlement purposes only, an employee who returns to work following an absence covered by Workers' Compensation or Weekly Indemnity shall receive service credit for the period of absence, not to exceed 52 weeks, as if the employee had been at work. No credit shall be received for any period in which the employee would otherwise have been laid off. Employees will not have to take more vacation time off than vacation pay owed as long as it is in compliance with the B.C. *Employment Standards Act*.
- 5.08 The Company will pay full-time employees their vacation pay on their regular pay day. If the employee is leaving the country for three (3) weeks or more, and the employee so requests at least two weeks in advance of the vacation, the Company will process the vacation pay in advance of the vacation occurring by way of a separate deposit.

Vacation pay for part-time associates shall be calculated and paid on each paycheque.

Article 6 - NOTICE REQUIRED OR PAY REQUIRED IN LIEU OF NOTICE IN CASES OF DISMISSAL

- 6.01 The Company shall have no obligation to give notice or pay in lieu thereof where an employee resigns or is dismissed for serious misconduct.

Article 7 - SENIORITY

7.01 Seniority List

The Company shall furnish the Union with a seniority list showing length of continuous service with the Company for all employees. Such list shall be supplied to the Union twice annually, or when information is required to determine seniority in order to settle a disagreement.

7.02 Definition

Seniority shall mean length of continuous service with the Company at the warehouse operation. Length of continuous service or seniority can be lost and the employee deemed to be terminated if they:

- (a) Voluntarily leaves the employ of the Company, or
- (b) Is discharged and such discharge is not reversed by the grievance procedure, or
- (c) Is absent without leave for a period greater than five (5) working days without reasonable cause, or
- (d) After being laid-off by the Company, fails to report to work when recalled or cannot be located after a reasonable effort on the part of the Company. The method of contact by telephone, followed by a registered letter to the employee at their last known address will constitute a reasonable effort on the part of the Company and within three (3) working days of receipt of such notice the employee fails to report for duty, or advise the Company that they will return within five (5) working days, the Company shall be entitled to assume that the said employee has left the Company's service voluntarily; or

- (e) Has been laid off for a period of twelve (12) months. This provision applies to employees hired after October 22, 1994.

7.03 Layoff and Recall

Seniority on a total bargaining unit basis, shall govern in case of layoff and recall.

In the case of the elimination of positions or when positions are moved to a different shift in accordance with 4.01 (b); and an employee(s) is affected the bumping process shall be as follows:

- i) The employee(s) will advise the Distribution Centre Manager of their shift preference within five (5) working days of notification.
- ii) Employees get choice of available positions on shift preference in 1 above, in order of seniority.
- iii) Employees bump into the position on shift preference if seniority allows.

In the case of recall, the principle of “last laid off, first recalled” shall apply, provided that the employee has the skill and ability to perform the work after a trial period not to exceed five (5) days. This period may be extended by mutual agreement.

7.04 Reduction and Increase of Hours

Preference in available hours of work shall be given to senior employees provided they are available and can perform the work.

The Company 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.

Any disputes or disagreements arising from the interpretation or application of this clause shall be dealt with in accordance with the grievance procedure in this Agreement.

7.05 (a) Probation

A new full-time employee shall serve a probationary period of sixty (60) working days. Part-time employees shall serve a probationary period of four hundred eighty (480) hours. Upon successful completion of the probationary period, the employee shall be granted seniority status dating to their hire date with the Company.

- (b) It is agreed that a period of probation is a period during which the Company has the right to assess an employee to determine whether such employee is, in the opinion of the Company, acceptable for employment. It is therefore recognized that a probationary employee may be released at the sole discretion of the Company.

(c) Job Posting

When job vacancies occur, the job shall be posted for five (5) working days. Such job shall be posted on the bulletin board by 12:00 noon. The applicant with the greatest seniority who has the skill and ability to perform the required work shall be awarded the vacancy. It shall be the responsibility of the Company to see that the successful

applicant is trained in all facets of the new position. Transfers to posted jobs shall be made within a reasonable period of time after closing of the posting.

A postable vacancy occurs on the Order Filler Group when an employee quits, retires or transfers out of their classified position.

Each job posting shall indicate the job classification by the operational groupings (i.e.: Receiving, Order Filling, Checking, Furniture and Maintenance) as outlined in Appendix A, any regular cross-functional responsibilities, and the hours of the shift. The Company is to consult the Union on new job creation with regard to job description and wages.

- i) If the successful applicant for any posted vacancy is unsatisfactory within the first thirty (30) days in the new position, the Company shall transfer that employee back to their previous position and fill the vacancy with the next most senior applicant with the necessary skill and ability to perform the required work.
 - ii) During their trial period, employees shall meet with their immediate supervisor on a regular basis for the purpose of reviewing their performance to date.
 - iii) The decision of the Company may be appealed through the grievance procedure.
- (d) Temporary vacancies of not more than sixty (60) working days shall be filled at the discretion of the Company.

Temporary vacancies of more than sixty (60) working days shall be posted for all employees as a "Temporary Position" indicating the estimated duration of the vacancy and the name of the person who is absent. When the employee returns to work (in accordance with Article 7.02) they shall return to their previous position.

If the employee does not return (in accordance with Article 7.02), the position will then be posted as a regular vacancy.

- (e) Cross-functional duties shall be assigned by reverse seniority from within a job classification as determined by management. Should a senior employee in that classification indicate a willingness to perform the cross-functional duty, they shall be assigned the duty provided they possess the required skill and ability to perform the work.

7.06 The parties agree that the Distribution Manager will assign and control furniture installations. The installation crews may be composed of staff from all departments and/or people from outside the Company.

Article 8 - MANAGEMENT'S RIGHTS

8.01 The Union recognizes and acknowledges that the management of the business and direction of the workforce are fixed exclusively with the Company and without restricting the generality of the foregoing, the Union acknowledges that it is the exclusive function of the Company to:

- (a) maintain order and efficiency;

- (b) hire, promote, demote, classify, transfer, suspend and rehire employees, and to discipline any employee for just cause provided that a claim by an employee that they have been discharged or disciplined without just cause may be the subject of a grievance dealt with elsewhere in this Agreement.
- (c) determine the nature and kind of business conducted by the Company, the methods and techniques of work, contents of jobs, the number of employees to be employed, the extension of operations or any part thereof, and to determine and exercise all other functions which shall remain with the Company except as specifically limited by the express provisions of this Agreement.

Article 9 - LEAVE OF ABSENCE

9.01 The Company shall pay all non-probationary employees up to three (3) days at the employee's regular straight time hourly rate for all regular time lost in the event of the death of the employee's spouse, parents, siblings, children, grandparents, mother and father-in-law. In the event that additional days unpaid leave is required, the Company will accommodate that leave wherever possible.

9.02 Any employee of the Company summoned to appear for jury duty, or subpoenaed by the Court 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, provided that they would have worked if they had not been on such duty.

9.03 (a) Pregnancy Leave

A pregnant employee shall be entitled to an unpaid Pregnancy Leave up to a maximum of seventeen (17) weeks, commencing at any time for eleven (11) weeks prior to the delivery date at the employee's request. The Pregnancy Leave must include a six (6) week period after delivery, unless supported by a certificate from a medical practitioner certifying that the employee may return to work.

The following conditions, and those conditions specified by the *Employment Standards Act*, shall apply to the Pregnancy Leave.

- (i) The employee is to request the Leave at least four (4) weeks prior to the commencement of the Leave and a medical certificate may be required by the Company.
- (ii) There shall be no loss in seniority.
- (iii) Employee benefits will continue uninterrupted providing the usual Employee/Company cost sharing arrangements are applied. Employees returning to work after Pregnancy Leave shall not be required to requalify for benefit entitlement.
- (iv) An Employee is to be reinstated after completion of the Leave to her previous position or a comparable position with all wages and benefits in place as if the Leave had not been taken.

If the employee is unable to return to work for reasons related to the birth or termination of the pregnancy, as certified by a medical practitioner, a further six (6) weeks unpaid leave will be granted. The employee will provide, where possible a two (2) week notification to the Company for this six (6) week Leave.

(b) Parental Leave

For the natural mother, this leave immediately follows after the maternity leave for a maximum of thirty-five (35) weeks unpaid Parental leave.

For the natural father, this leave is to be taken within the fifty-two (52) week period after the birth of the child for a maximum of thirty-seven (37) weeks unpaid Parental leave.

For the adoptive mother or father, this leave is to be taken within the fifty-two (52) weeks period after the adoption date. If the child is ill, is supported by a medical certificate, or more than six (6) months old at adoption, then the employee may request and is entitled to an additional five (5) week unpaid leave.

The conditions numbered (i) to (iv) under “Pregnancy Leave” above, and those other conditions in the *Employment Standards Act*, under Parental Leave shall also apply to the Parental leave.

The combined leaves of Pregnancy and Parental leave will not exceed fifty-two (52) weeks.

(c) Optional Additional Leave (Unpaid Supplemental Leave)

An employee, upon completion of the Pregnancy and/or Parental Leave as described in 9.03 (a) and (b), is entitled, upon a four (4) week advance notice, to receive an unpaid leave of absence. This leave is to be continuous with the Pregnancy and/or Parental Leave.

Employees will not accrue any benefits while they are on an extension of the Pregnancy and/or Parental leave.

If an employee wishes to continue his/her eligibility for BC 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 does not opt to continue these benefits then the employee is to sign a waiver to this effect and the three-month qualification period shall apply upon the employee’s return to work.

The maximum continuous period of Pregnancy Leave, Parental Leave and this unpaid supplemental leave shall not exceed one year.

(d) Notice Required for Pregnancy, Parental and Supplemental Leave

It is understood and agreed that an employee can give notice of request of all leaves described in Article 9.03 (a), (b) and (c) above 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.

9.04 Leave of Absence

The Company at its discretion may grant a Leave of Absence without pay to an employee for personal reasons or educational leave. Such leave shall not be unreasonably withheld.

The following terms and conditions apply:

1. Written application for the leave shall be submitted through the Company. Notification of the person going on leave shall be provided to the Company, Union and employee involved. The associate is responsible for providing a copy of the leave of absence request to the Shop Steward. The Company will provide a copy of the written response to both the associate and the Shop Steward.
2. Educational leave shall be granted one time per employee and the employee shall provide confirmation of full-time enrollment at an accredited educational institution to the Company prior to beginning the leave.
3. If more than one employee requests a leave of absence during the same time period, seniority shall be the determining factor in scheduling the leave.
4. The period of time off will not count towards time worked for vacation entitlement.
5. One (1) month's notice of return to work must be given to the Company unless a return date has been established prior to leaving. An employee failing to return from a leave of absence at the prescribed date shall be deemed to be terminated and lose seniority in accordance with Article 7.02.
6. During the period of such leave, the employee will be allowed to self pay their pre-leave benefits (both employee and Company) in advance by quarterly installments.
7. If the employee acquires a leave of absence for one purpose and uses it for another, the leave shall be immediately cancelled and discipline up to and including dismissal may be considered. Should discipline be considered the Company agrees to discuss such discipline with the union prior to imposing it.
8. While on leave, the employee shall not take employment with any competitor in any related business. (Violation of this provision may result in termination.)
9. It is understood a person on leave could be offered minimal part-time work with the Company without seniority or rights to such work, for duration of the leave.

- 9.05 (a) Leave of absence without pay to negotiate the renewal of this Agreement shall be granted upon request for up to three (3) employees who may be elected or appointed.
- (b) Employees who are elected or appointed to attend any function of ten (10) working days or less (per occasion) on behalf of the Union shall be granted a leave of absence without

pay upon request. Approval of requests for leaves of absence for more than three (3) employees at the same time shall be subject to operational requirements.

The foregoing ten (10) working day limit shall not apply during Collective Agreement negotiations.

- (c) Employees on leave under paragraph (a) or (b) above shall continue to accumulate seniority for the period covered by this Agreement and upon their return to work shall be reinstated in the work performed prior to the leave provided said work has not become redundant or in such case one of equal rating.
- (d) Where an employee is selected to work as a Union Representative, he shall be granted a leave of absence for a period of one (1) year, provided that not more than one (1) employee shall be absent on said leave at any one time.

9.06 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:

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

In the event that Section 52 of the *Employment Standards Act* changes or is eliminated, Article 9.06 will change or be eliminated accordingly.

9.07 The Company agrees to allow an employee a one day Leave of Absence without loss of pay for the purpose of taking the Canadian Citizenship Exam. This leave of absence will be allowed only once during an employee's tenure.

Article 10 - WAGES AND CLASSIFICATION

10.01 Wages and classifications shall be in accordance with Schedule A which is attached. The Company agrees that any new classification or wage adjustment that may become necessary shall be covered by a supplement of this Agreement, which shall include any adjustments to the present wage rates made necessary by such new classifications. Additions or changes in work performed on a job, shall be the subject of collective bargaining between the Company and the Union.

10.02 All employees shall continue to be paid by direct deposit. An itemized computation of an employee's pay shall be shown on the employee's pay slip, showing hours worked and rate of pay per hour and all deductions. An itemized estimate of deductions from vacation shall be provided with the vacation pay slip.

10.03 (a) The Company shall endeavour to make pay slips available to employees by noon every second Thursday, but in no case shall said pay slips be delayed any later than noon on the following Friday.

Direct deposits of earnings shall be completed by noon every second Friday.

- (b) Employees shall be paid for all earnings in a pay period which shall commence on the Saturday immediately following each payday and run through the next fourteen (14) days up to and including the day on which wages are direct deposited on the employees' behalf.
 - (c) Should an error or omission occur on an employee's pay in accordance with Article 10.03 (b), the Company shall provide a manual cheque in the required amount, if requested by the Associate and if the gross amount is in excess of \$50.00, within a week of such a request.
- 10.04 Employees who lose their seniority for any reason and are rehired or retained in the Company's employ shall not lose the credit for their days of experience in computing their pay rates and shall not have their pay rates reduced unless a break of one year occurs in their service.
- 10.05 (a) Employees working regular shifts starting before the hour of 0500 or ending after 1800 shall receive seventy cents (70¢) per hour in addition to their regular hourly rate. Effective December 1, 2001, seventy cents (70¢) shall increase to eighty cents (80¢) per hour. Effective December 1, 2002, eighty cents (80¢) shall increase to ninety cents (90¢) per hour. Effective December 1, 2007, ninety cents (90¢) shall increase to ninety-five cents (95¢) per hour worked.
- (b) Lead hand positions are to be posted and filled with the most senior person with the necessary skill and ability and shall be paid a premium of one dollar and twenty-five cents (\$1.25) per hour in addition to their regular hourly rate of pay as outlined in Schedule A.
 - (c) It is agreed and understood that these premiums do not apply to overtime hours of work for the purpose of computing overtime rates of pay.
 - (d) A Certified Forklift Trainer shall be provided with a premium of \$1 per hour for each hour spent training as assigned by management.

Article 11 - SAFETY AND HEALTH

- 11.01 (a) The Company shall make reasonable provisions for the health and safety of employees during their hours of employment.
- (b) The Company agrees to comply with the requirements of Workers' Compensation Board Industrial Health and Safety Regulations, First Aid Regulations and Occupational Environment Regulations.
- 11.02 **A Safety Committee shall be chosen and act in accordance with the *Workers' Compensation Act*.**
- 11.03 The Company agrees to provide a footwear allowance of sixty dollars (\$60.00) each year (December 1 to November 30) to employees with seniority. Any unused amount of footwear allowance shall be carried over to the following year. **This allowance will increase to one hundred dollars (\$100.00) per year in year two of the Collective Agreement - effective date December 1, 2012.**

- 11.04 The Company agrees that when a WCB inspector arrives at the warehouse for the purposes of an inspection visit or attending to the investigation of an accident a Union safety committee member shall be informed and given the opportunity to meet with the inspector, for the duration of the warehouse tour.
- 11.05 Employees designated by the Company who successfully complete an Industrial First Aid course shall be given a premium of twenty dollars (\$20.00) per week. The Company shall pay for the cost of enrollment and compensate the employee to a maximum of eight (8) hours per day at their regular hourly rate while attending the course.

Article 12 - GRIEVANCE PROCEDURE

- 12.01 Any complaint, disagreement or difference of opinion between the parties hereto concerning the interpretation, operation or any alleged violation of the terms and provisions of this Agreement shall be considered a grievance.
- 12.02 Union Stewards shall be elected or appointed by the Union in a manner determined by them and the Company shall be kept informed by the Union of the names of the Stewards. The maximum number of Stewards shall be as presently in effect subject to change by mutual agreement.
- 12.03 Stewards will be allowed reasonable time off, upon receiving permission from their immediate supervisor, to attend to normal functions connected with the presentation of employees' complaints or grievances and with the routine administration of this Agreement.

The Company will ensure that the Chief Shop Steward is on shift for grievance meetings. If this requires a different shift for the Chief Shop Steward, they will work a regularly scheduled shift.

- 12.04 The Parties agree that the purpose of the Grievance Procedure is to identify and seek to resolve grievances as quickly as possible and that there shall be no work stoppages during the term of the Collective Agreement.
- 12.05 The Parties further agree that they will seek through consultation to avoid situations that may result in grievances and to resolve as many as possible at Step One of the following Grievance Procedure:

STEP ONE: An employee having a grievance shall inform their Shop Steward of the grievance and request a Step One meeting which shall occur within three (3) working days of such a request. In a meeting with the Supervisor, the Shop Steward and employee shall identify orally the facts and Agreement sections involved and what remedy is sought to resolve the grievance. The Supervisor shall respond orally within three (3) working days, either granting or denying the grievance.

Union Policy Grievances or grievances involving disciplinary suspensions or terminations shall be initiated at Step Two.

STEP TWO: If the grievance is denied at Step One, the Chief Shop Steward, or designate may submit the grievance in writing to the Supervisor. This shall be done within five (5) working days of the response at Step One. The written grievance shall identify the facts and Agreement

sections involved and what remedy is sought to resolve the grievance. The Distribution Manager, or designate, shall respond in writing within five (5) working days of receipt, either granting or denying the grievance.

STEP THREE: If the grievance is denied at Step Two, the Chief Shop Steward, or designate, may within five (5) working days of the denial, notify the Distribution Manager in writing that the Union Grievance Committee requires a meeting with the Management Grievance Committee to discuss the grievance. The Union Grievance Committee shall consist of the Chief Shop Steward, one (1) Shop Steward, and shall include an outside Union Representative. The Management Committee shall consist of an equal number of representatives, including the **Director of Operations**. The Grievance Committees shall schedule a meeting within five (5) days of notification and seek to resolve the grievance. The Company shall provide a written response to the Union within ten (10) working days of the meeting at Step Three.

STEP FOUR: If final settlement of the grievance is not reached at Step Three then the grievance may be referred in writing by either party to arbitration at any time within forty-five (45) calendar days after the decision is received at Step Three.

- 12.06 (a) The Company shall not be required to consider any grievance which has not been presented within ten (10) working days from the date the matter first became known to the employee or the Union or ought to have been reasonably known by the grievor or the Union.
- (b) The time allowance provided in this Article may be extended by mutual agreement between the parties in writing.
- (c) If the time allowance, or any extension thereof, is not observed by the party who it is alleged has violated the Agreement, the grievance will be considered as advanced to the next step of this procedure, including arbitration.
- 12.07 Either party may request the services of a **Grievance Mediator**, agreed upon by the parties, after a grievance has been submitted to arbitration. Grievance mediation can occur without submission to arbitration **if both sides are in agreement to mediate the dispute**. The Grievance Mediator shall provide written recommendations to the parties at the request of either party.

The cost of grievance mediation shall be shared equally between the parties.

- 12.08 Grievances that are processed to arbitration shall be dealt with by a sole arbitrator, within thirty (30) days of the notice to proceed to arbitration having been received by the Company. The time limits contained herein may be extended by mutual agreement between the Company and the Union.

In reaching their 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 Company and the Union unless otherwise provided by law.

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

The Arbitrator shall be mutually agreed to by the parties.

Article 13 - NEGOTIATED BENEFITS

- 13.01 The Company shall make available for each eligible employee a negotiated benefit program pursuant to the terms and conditions of Schedule B attached hereto and made a part hereof.
- 13.02 The Company shall continue with its policy of paying each employee who has completed their probationary period five (5) sick days per year.
- 13.03 For employees who complete their probationary period, the Company agrees to pay one hundred percent (100%) of the premium cost of the B.C. Medical Plan for employee and dependent coverage.

13.04 Dental Plan

The Company agrees to contribute to the UFCW Dental Plan on the following basis. Effective December 1, 2004, increase the current Company contribution from forty-three cents (43¢) per hour to fifty cents (50¢) per hour. Effective December 1, 2005 increase Company contribution from fifty cents (50¢) per hour to fifty-three cents (53¢) per hour. Effective the first of the month following ratification, the Company contribution shall increase to fifty-seven cents (57¢) per hour worked. This contribution shall increase to a maximum of sixty cents (60¢) per hour worked effective December 1, 2009.

The parties agree that the maximum contribution of sixty cents (60¢) per hour worked will be dependant on an Actuarial review establishing the increase is warranted.

13.05 Pension Plan

The Company agrees to contribute on behalf of employees who have completed their probationary period towards a compulsory pension plan to be determined by the Union in the following amount: Effective 1st of the month following ratification, increase current Company contribution of seventy cents (70¢) for all straight-time hours paid to seventy-three cents (73¢). Effective December 1, 2005, increase Company contribution to seventy-six cents (76¢) for all straight-time hours. Effective December 1, 2008, increase the Company contribution to seventy-nine cents (79¢) for all straight-time hours worked. Effective December 1, 2009, increase the Company Pension contribution to eight-two cents (82¢) for all straight-time hours worked.

Article 14 - MISCELLANEOUS

14.01 Employee's Personal File

Subject to giving the Company advance notice, employees shall have access to their personal file up to twice per year. The employee may be accompanied, to view this file, by their Union Steward or Business Agent. The time spent viewing the file will be the employee's own time.

14.02 Bulletin Boards

The Company shall allow the Union to install a maximum of two (2) bulletin boards for the use of the Union at the appropriate locations in the warehouse upon which the Union shall have the right to post notices relating to matters of interest to the Union and the employees.

14.03 General Orientation

The Company agrees to provide a Union Representative no more than thirty (30) minutes as a general orientation period for the familiarization of the employees in the bargaining unit with the general conditions and responsibilities with respect to this collective agreement and to the Union.

14.04 Union Decal

The Company agrees that during the term of this Agreement it will permit the Union to supply and hang its union decal. Such decal shall be displayed in a prominent position on the bulletin board.

14.05 An employee injured while working in the plant shall suffer no loss of earnings for the balance of hours in the scheduled shift in which the accident occurs, if, as a result of such injury they are sent home or to the hospital or for medical attention on instructions from the first aid attendant or by a representative of the Company.

14.06 An employee shall be given a copy of any document placed on the employee's file which might be the basis of disciplinary action. Should an employee dispute any such entry in their file they shall be entitled to recourse through the grievance procedure and the eventual resolution thereof shall become part of their personnel record. Any document relating to the disciplinary action, other than formal employee appraisals, shall be removed from the employee's file after the expiration of twelve (12) months from the date it was issued provided there has not been any further infraction. The Company agrees not to introduce as evidence in any hearing any document from the file of an employee, the existence of which the employee was not aware of at the time of filing. When such notice is sent to any employee, a copy thereof shall be sent to the Chief Shop Steward. The above is subject to the right of the Union to grieve.

When the Company deems it necessary to discipline an employee, they shall have a Shop Steward present. The Shop Steward shall be one who is chosen by the employee and is available in the Distribution Centre.

14.07 All employees covered by this Agreement shall have the right to refuse to cross legal picket lines. However, in the event that employees are confronted by picket lines which block their entry to the Company and does not involve a dispute with the Company, the employees shall telephone the Company and the Union immediately for instructions.

14.08 Effective upon ratification of this Agreement, the Company agrees to contribute three cents (3¢) for every hour worked by members of the bargaining unit toward the UFCW Education and Training Development Fund. Effective December 1, 2009, this three-cent (3¢) hourly contribution shall be increased to four cents (4¢) per hour worked.

14.09 Drug and Alcohol Rehabilitation Program

The Company and the Union recognize that drug and alcohol abuse can have serious negative impact on both the Company and the employee. The parties mutually agree to co-operate in

resolving problems with drug and alcohol abuse with a view towards rehabilitating employees suffering from such abuse.

14.10 During the life of this Agreement, the Union agrees that there shall be no strikes, walkouts, slowdowns or work stoppages for any reason whatsoever. The Company also agrees that it shall not lockout its employees. It is further agreed that any disputes shall be resolved through the grievance procedure.

14.11 Jurisdiction

Only members of the bargaining unit may perform work in any area of the warehouse except for work resulting from an emergency or unforeseen circumstances, subject to the following:

- 1) Management shall make every reasonable effort to restrict salesmen from performing bargaining unit work in the warehouse except during inventory functions. Non Bargaining Unit employees may be utilized on inventory providing all members of the Bargaining Unit have been afforded the opportunity to perform such work. It is agreed that management and selected office staff, along with some senior members of the Bargaining Unit, will participate in the financial verification process immediately following the taking of the inventory.
- 2) Persons authorized by the Company may operate forklifts to perform non Bargaining Unit work.
- 3) Management and service counter personnel may perform work in the warehouse if necessary to provide immediate service to a customer.
- 4) The Cycle Counter position will become a bargaining unit position once the current incumbent (A. Hirji) leaves the position.

14.12 The Company agrees to pay the cost of any Functional Abilities Form (FAF) **or Doctors' notes that the Company** requests, up to a maximum of one hundred dollars (\$100.00), provided it is accurate, complete and timely.

14.13 Joint Consultation

The Chief Steward and one Shop Steward will meet with the Distribution Manager at the request of either party. At these meetings discussion will take place on matters which may affect the welfare of employees under the Collective Agreement, even though at the time, same may not constitute a grievance. Unresolved issues will be referred to the JLM committee.

Joint Labour Management Committee

The parties agree to the formation of a Joint Labour Management (JLM) Committee, consisting of up to four (4) Management representatives designated by the Company, up to three (3) Shop Stewards designated by the Union and a full-time Representative of the Union.

The JLM Committee shall meet quarterly for the purpose of a meaningful exchange of ideas and information on matters of a mutual concern to the parties. Each party shall provide to the other party their list of agenda items no later than one week prior to the meeting. The parties agree that

the JLM Committee shall not use this forum to discuss grievances, but rather to foster a positive labour relations environment.

The Union Committee shall be paid for time spent at meetings.

14.14 No Contracting Out

Effective date of ratification, Persons, whether employed by the Company or from outside, shall not perform work on any jobs which are included in the bargaining unit when such work would result in a reduction of the workforce or prevent their recall from layoff.

Article 15 - EXPIRATION AND RENEWAL

15.01 This Agreement shall be for the period from and including **December 1, 2010** to and including **November 30, 2013** and from year to year thereafter, subject to the right of either party to the Agreement, within four (4) months immediately preceding or any subsequent anniversary date thereafter to:

- (a) terminate this Agreement in writing, effective **November 30, 2013** 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 upon commencement of lawful strike in compliance with the *Labour Relations Code* of British Columbia, or
- (2) The Company upon commencement of lawful lockout in compliance with the *Labour Relations Code* of British Columbia.

The operation of Section 50(2)(3) of the *Labour Relations Code* of British Columbia is hereby excluded.

AGREEMENT SIGNED THIS _____ DAY OF _____, _____.

FOR THE UNION
UNITED FOOD & COMMERCIAL WORKERS,
LOCAL 1518

FOR THE EMPLOYER
GRAND & TOY LIMITED

Ivan Limpricht, President

Maeve Cullen

SCHEDULE A

WAGES

Rate at.	Dec 1 2009	Dec 1 2010	Dec 1 2011	Dec 1 2012
3 months	15.80	15.80	16.10	16.60
6 months	16.25	16.25	16.55	17.05
9 months	16.59	16.59	16.89	17.39
12 months	16.95	16.95	17.25	17.75
15 months	17.30	17.30	17.60	18.10
18 months	17.67	17.67	17.97	18.47
21 months	18.13	18.13	18.43	18.93
24 months	19.00	19.00	19.30	19.80

SCHEDULE B

EMPLOYEE BENEFITS

An Eligible Employee is defined as all Full-Time Employees and any Part-Time Employees who meet the qualifier defined in Letter of Understanding #7.

1. The Company shall contribute sixty-six and two-thirds percent (66-2/3%) of the premium cost of the existing major medical plan (including private coverage and prescribed drugs) for all employees who have completed their probationary period (including prescription eye glasses at one hundred and fifty dollars [\$150.00] every twenty-four [24] months) and waive the annual deductibles.

The major Medical Plan shall include a prescription card issued by our carrier, which provides for a \$7.00 dispensing fee cap per prescription. The balance of the cost of the prescription will be paid by our Plan as per the terms of our policy.

2. Non-probationary employees shall receive Life Insurance equal to two times salary and Accidental Death and Dismemberment coverage equal to two times salary with an employee contribution of nine dollars (\$9.00) per month.
3. The Company shall pay the full premium cost of the existing weekly indemnity disability plan for all employees who have completed their probationary period.
4. The Company's share of the premium cost shall be paid for employees on lay-off only to the end of the month in which lay-off has commenced.
5. All of the benefits referred to in this Schedule shall be as more particularly described and set out in the respective plan documents and/or policies of insurance. The Company reserves the right to change insurance carriers at any time, provided that the level of benefits is maintained or increased.
6. The Company shall continue its current Tuition Assistance Plan.

APPENDIX A

LIST OF OPERATIONAL GROUPS AND JOB CLASSIFICATIONS

1. RECEIVER GROUP
 - Receiver
 - Stock Control
 - Returns

2. ORDER FILLER GROUP
 - Shipper (Out of Town)
 - Order Filler
 - Bulk Picker
 - Replenisher
 - Bunker
 - Checker/Taper
 - Control Desk

3. CROSS-FUNCTIONAL GROUP
 - Cross-Functionals

4. FURNITURE GROUP
 - Furniture Service Person
 - Furniture Warehouse Person

5. MAINTENANCE GROUP
 - Cleaner

HARASSMENT POLICY

The following Harassment Policy applies to race, nationality or ethnic origin, colour, religion, age, sex, marital status, family status, sexual orientation and sexual harassment.

The Policy with respect to harassment in the workplace is endorsed by both parties.

The Company and the Union believe that the Human Rights of all employees must be protected so as to ensure that every person is treated with dignity and respect.

No individual should suffer or be exposed to harassment at work. Harassment is a course of conduct or comment that offends or abuses a person on any grounds where such behaviour is known or ought reasonably to be known to be offensive and unwelcome.

In order to ensure the consistent application of this Policy, it is both the right and responsibility of any employee who has been subjected to harassment, as defined above, to immediately report such concerns to the Company or the Union. All complaints will be fully investigated in a confidential manner. The complainant will be advised of the results of the investigation.

Any employee who, as a result of a full investigation, is determined to be in violation of this Policy, may be subject to disciplinary action up to and including discharge from employment.

LETTER OF UNDERSTANDING #1

BETWEEN
GRAND & TOY LIMITED (the "Company")
AND
UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1518 (the "Union")

Re: Midnight Shift

In the event the Company introduces a midnight shift the following provisions shall apply:

- 1) The positions on the shift shall be posted according to Job Posting language in the contract.
- 2) If not enough employees apply for the posting then reverse seniority shall be applied.
- 3) If junior employees refuse to take the shift then they will be laid off or have their hours reduced and the Company shall be able to seek employees from outside the Company.
- 4) The midnight shift is a permanent position until a position becomes available on the day or afternoon shift.
- 5) Midnight shifts shall start no later than 12:00 a.m.
- 6) This shift may be merged into other operating shifts between the first Monday of July up to the third Friday of August.

SIGNED THIS 11th DAY OF SEPTEMBER, 1998.

RENEWED THIS 29th DAY OF JULY, 2004.

RENEWED THIS 15th DAY OF FEBRUARY, 2007.

RENEWED THIS 6th DAY OF NOVEMBER, 2010.

FOR THE UNION
UNITED FOOD & COMMERCIAL WORKERS,
LOCAL 1518

FOR THE EMPLOYER
GRAND & TOY LIMITED

Donna Tremblay

Maeve Cullen

LETTER OF UNDERSTANDING #2

BETWEEN
GRAND & TOY LIMITED (the "Company")
AND
UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1518 (the "Union")

Re: Scheduling of Part-Time Associates

Please be advised that the Company plans to change the way it schedules Part-Time Associates. This change has been necessitated by some Part-Time Associates restricting their availability on particular days and putting the Company at risk of not being able to meet its customer demands and operational requirements.

Therefore, effective December 1, 2010, the Company will schedule Part-Time Associates using the following process:

- 1. A daily calendar of the following week will be posted by 4:00 p.m. Wednesday.**
- 2. Associates indicate their availability no later than 6:00 p.m. Wednesday.**
- 3. If there are insufficient Part-Time Associates signed up voluntarily on the days required, the Company may assign the Part-Time Associates to work in reverse order of seniority.**
- 4. The schedule will be posted on Thursday afternoon at 8:00 p.m.**

The Company feels that all Part-Time Associates recognize the importance of availing themselves to work any day as required to ensure the success of the business and as such, will cooperate in this regard.

SIGNED THIS 6th DAY OF NOVEMBER , 2010 .

FOR THE UNION
UNITED FOOD & COMMERCIAL WORKERS,
LOCAL 1518

FOR THE EMPLOYER
GRAND & TOY LIMITED

Donna Tremblay

Maeve Cullen

LETTER OF UNDERSTANDING #3

BETWEEN
GRAND & TOY LIMITED (the "Company")
AND
UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1518 (the "Union")

Re: Emergency Call-in

For greater clarity, the four (4) hour minimum guarantee referred to in Article 4.08 shall not apply in the case of an employee who is called in to work overtime immediately prior to the start of their scheduled shift or who works overtime immediately following the end of their scheduled shift. In those cases, overtime rates of pay shall only apply to the actual time worked prior to or following the scheduled shift.

SIGNED THIS 11th DAY OF SEPTEMBER, 1998.

RENEWED THIS 29th DAY OF JULY, 2004.

RENEWED THIS 15th DAY OF FEBRUARY, 2007.

RENEWED THIS 6th DAY OF NOVEMBER, 2010.

FOR THE UNION
UNITED FOOD & COMMERCIAL WORKERS,
LOCAL 1518

FOR THE EMPLOYER
GRAND & TOY LIMITED

Donna Tremblay

Maeve Cullen

LETTER OF UNDERSTANDING #4

BETWEEN
GRAND & TOY LIMITED (the "Company")
AND
UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1518 (the "Union")

Re: Pension Self-Contributions

The parties agree that the employees enrolled in the UFCW Local 1518 pension plan shall be entitled to make self contributions to the plan in accordance with the following:

- i) The Company agrees to administer self contributions for employees who participate in the UFCW Local 1518 pension plan, subject to ratification by these employees.
- ii) The amount of the self contribution shall be equal for all participants, and individual participants shall not be entitled to opt out.
- iii) Should the Union seek to adjust the amount of the self-contribution it shall notify the Company in writing, but in no case shall require more than one such adjustment per calendar year.

SIGNED THIS 29th DAY OF JULY, 2004.

RENEWED THIS 15th DAY OF FEBRUARY, 2007.

RENEWED THIS 6th DAY OF NOVEMBER, 2010.

FOR THE UNION
UNITED FOOD & COMMERCIAL WORKERS,
LOCAL 1518

FOR THE EMPLOYER
GRAND & TOY LIMITED

Donna Tremblay

Maeve Cullen

LETTER OF UNDERSTANDING #5

BETWEEN
GRAND & TOY LIMITED (the "Company")
AND
UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1518 (the "Union")

Re: Overtime

No employee will be compelled to work more than two (2) hours of overtime on any occasion, Monday to Friday. In cases where the Company cannot obtain a sufficient number of employees to complete the work required, the company will use non-bargaining unit employees.

Application of this Article will not be subject to a grievance.

SIGNED THIS 15th DAY OF FEBRUARY, 2007.

RENEWED THIS 6th DAY OF NOVEMBER, 2010.

FOR THE UNION
UNITED FOOD & COMMERCIAL WORKERS,
LOCAL 1518

FOR THE EMPLOYER
GRAND & TOY LIMITED

Donna Tremblay

Maeve Cullen

LETTER OF UNDERSTANDING #6

BETWEEN
GRAND & TOY LIMITED (the "Company")
AND
UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1518 (the "Union")

Re: Notice or Pay in Lieu of Notice

In cases of layoff, except in unforeseen emergency situations, all employees shall receive notice in accordance with the following scale or receive pay in lieu of notice:

After one (1) year's seniority, five (5) working days. After six (6) months' seniority, three (3) working days. Less than six (6) months' seniority, two (2) working days.

Severance Pay

In the event of a permanent Distribution Centre closure resulting in the termination of employees with a minimum of one (1) year of seniority, the terminated employees shall receive severance pay of one (1) week's pay at their regular rate for each completed year of service up to fifteen (15) years one and one-half (1-1/2) weeks' pay at their regular rate for each completed year of service over fifteen (15) years.

Severance shall be based on the employee's rate of pay at the time of their severance. Employees who receive severance will forfeit their rights of recall. This severance will be inclusive of all Statutory requirements as prescribed by the BC Employment Standards Act.

SIGNED THIS 15th DAY OF FEBRUARY, 2007.

RENEWED THIS 6th DAY OF NOVEMBER, 2010.

FOR THE UNION
UNITED FOOD & COMMERCIAL WORKERS,
LOCAL 1518

FOR THE EMPLOYER
GRAND & TOY LIMITED

Donna Tremblay

Maeve Cullen

LETTER OF UNDERSTANDING #7

BETWEEN
GRAND & TOY LIMITED (the "Company")
AND
UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1518 (the "Union")

Re: Employee Benefits for Qualified Part-Time Employees

Upon completion of their probationary period, part-time employees working an average of twenty-four (24) hours or more per week, reviewed on a quarterly basis, will qualify for "Employee Benefits" as per Schedule B, except Life Insurance.

Part-Time Employees who have a minimum of five (5) years service and had their status change from Full-Time to Part-Time non voluntarily will maintain benefit coverage up to a maximum six (6) months regardless of hours worked. After six (6) months, they are required to achieve eligibility as per Letter of Understanding #7.

The parties agree that for the life of the Collective Agreement, expiring November 30, **2013**, the following part-time employees will continue to receive existing "Employee Benefits" when hours of work may average less than twenty-four (24) hours per week calculated on a quarterly basis:

Edwin Lamigo
Bobby Baybay
Chris Blomskog
Larry Pereira

SIGNED THIS 15th DAY OF FEBRUARY, 2007.

RENEWED AS AMENDED THIS 6th DAY OF NOVEMBER, 2010.

FOR THE UNION
UNITED FOOD & COMMERCIAL WORKERS,
LOCAL 1518

FOR THE EMPLOYER
GRAND & TOY LIMITED

Donna Tremblay

Maeve Cullen

LETTER OF UNDERSTANDING #8

BETWEEN
GRAND & TOY LIMITED (the "Company")
AND
UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1518 (the "Union")

Re: Pay Period (Re: 10.03(b))

The Company will meet with elected Union representatives at a future date to review options for moving the full-time employee pay period from "current" to "arrears". It is understood that the Company will provide proof to support the claim that full-time employees are paid current. It is further understood that either party may request moving this to a mediation/arbitration, as referenced in Article 12.07.

(Reference: 10.03(b)) Employees shall be paid for all earnings in a pay period, which shall commence on the Saturday immediately following each payday and run through the next fourteen (14) days up to and including the day on which wages are direct deposited on the employees' behalf.

SIGNED THIS 6th DAY OF NOVEMBER, 2010.

FOR THE UNION
UNITED FOOD & COMMERCIAL WORKERS,
LOCAL 1518

FOR THE EMPLOYER
GRAND & TOY LIMITED

Donna Tremblay

Maeve Cullen

LETTER OF UNDERSTANDING #9

BETWEEN
GRAND & TOY LIMITED (the "Company")
AND
UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1518 (the "Union")

Re: CCWIPP Funding Improvement Plan

- 1. During the term of the Collective Agreement, the Company will contribute to the Fund Improvement Plan on an annual basis for each contract year, with the first payment being retroactive to September 1, 2010. This contribution will be in effect only until the expiry date of the Collective Agreement. In the event that the Company wishes to discontinue the contribution after the expiry date of the Collective Agreement, written notice of this intent shall be provided to the Union no less than ninety (90) days in advance of the expiry date.**
- 2. The contribution shall not be considered to amend the obligations of the Company under Article 13.05 of the Collective Agreement.**
- 3. This contribution will be calculated as \$0.40 for each straight time hour worked by members of the Union covered by the Collective Agreement in accordance with the rules of the Plan.**
- 4. The Employer also agrees to pay a special aggregate contribution to the CCWIPP trust. The amount of this special aggregate contribution shall be determined by multiplying the total number of hours worked by employees who are not participants of the CCWIPP by the contribution rate of \$0.40 per hour worked. It is further agreed no benefits will accrue as a result of these payments.**
- 5. This Letter of Understanding does not apply to the current eight (8) members of the UFCW Pension Plan employed in the bargaining unit. The contribution as described in paragraph 3 will be directed on their behalf to the UFCW Plan.**
- 6. Should it be determined, based on actuarial advice, that it is beneficial for the bargaining unit members to cease participation in CCWIPP, and commence participation in the UFCW Pension Plan, then the parties shall meet to discuss the implementation of such a change. Such a change would be subject to the approval of the Trustees of the UFCW Pension Plan and subject to ratification by the Bargaining Unit.**

SIGNED THIS 6th DAY OF NOVEMBER , 2010 .

FOR THE UNION
UNITED FOOD & COMMERCIAL WORKERS,
LOCAL 1518

FOR THE EMPLOYER
GRAND & TOY LIMITED

Donna Tremblay

Maeve Cullen

LETTER OF UNDERSTANDING #10

BETWEEN
GRAND & TOY LIMITED (the "Company")
AND
UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1518 (the "Union")

Re: Discontinuance of Retiree Benefits

- 1. Effective November 30, 2010, the Retiree Health Benefit Plan will be discontinued.**
- 2. Associates who are currently retired and enrolled in the Grand & Toy Retiree Health Benefit Plan will continue to receive the same level of coverage and are unaffected by this change.**
- 3. Associates who have already met the eligibility factor prior to November 30, 2010 will be eligible to participate in the retiree Health Benefit Plan upon their retirement.**
- 4. In order to allow transition of Associates who are still active and who are close to reaching Retiree Health Benefit Plan eligibility, the parties have agreed to offer a "grandfathering" period up to November 30, 2013. This means if your age plus service meets the seventy-five criterion prior to November 30, 2013, you will still be eligible to participate in the existing Retiree Health Benefit Plan.**

SIGNED THIS 6th DAY OF NOVEMBER, 2010.

FOR THE UNION
UNITED FOOD & COMMERCIAL WORKERS,
LOCAL 1518

FOR THE EMPLOYER
GRAND & TOY LIMITED

Donna Tremblay

Maeve Cullen

LETTER OF INTENT #1

Re: Part-Time Employees

Part-time employees are those who do not have a permanent full-time position and work regularly scheduled part-time or casual assignments.

The Company and the Union recognize the need for both full-time and part-time employees in order to ensure prompt customer service.

The Company acknowledges that the full-time employees are the primary means of staffing throughout the year. Part-time employees will be used to replace full-time employees who are absent from work (e.g., vacations, illness, leave of absence), and to supplement the regular work force as needed due to fluctuations in business.

If full-time employees work on a shift along with part-time employees, the full-time employees will receive a full shift of eight (8) hours for that shift.

SIGNED THIS 11th DAY OF SEPTEMBER , 1998 .

RENEWED THIS 29th DAY OF JULY 2004.

RENEWED THIS 15th DAY OF FEBRUARY 2007.

RENEWED THIS 6th DAY OF NOVEMBER , 2010 .

FOR THE UNION
UNITED FOOD & COMMERCIAL WORKERS,
LOCAL 1518

FOR THE EMPLOYER
GRAND & TOY LIMITED

Donna Tremblay

Maeve Cullen

LETTER OF INTENT #2

Outside of the Collective Agreement

Re: Vacation Carry-Over

The Company and Union agree that an employee with five (5) or more years of service with the Company may request to carry over one (1) week of their vacation credits to the following vacation year. Such request shall be in writing. If approved, the employee's full entitlement must be taken in the carry-over year. The carried-over week shall be paid at the previous year's rate of pay.

SIGNED THIS 11th DAY OF SEPTEMBER, 1998.

RENEWED AS AMENDED THIS 29TH DAY OF JULY, 2004.

RENEWED THIS 15th DAY OF FEBRUARY, 2007.

RENEWED THIS 6th DAY OF NOVEMBER, 2010.

FOR THE UNION
UNITED FOOD & COMMERCIAL WORKERS,
LOCAL 1518

FOR THE EMPLOYER
GRAND & TOY LIMITED

Donna Tremblay

Maeve Cullen

LETTER OF INTENT #3

Re: Truck Loading

The Union recognizes the existing practice regarding the loading of trucks.

The Company and the Union agree that loading of trucks at the Branch facility shall follow traditional tailgate policy. As clarification, the “tailgate area” shall include the loading dock area and the bunking staging area inside the warehouse where orders ready for shipment are placed. The employees of the Bargaining Unit assemble the orders and place them in the “tailgate area.” The driver is responsible for the loading of their truck from the “tailgate area,” and the Union acknowledges that the loading of trucks is not Bargaining Unit work. It would not be expected that the driver would go beyond the “tailgate area” into the warehouse to pick items to fill the orders they are to deliver. In the case of loading 5-ton or tractor-trailer truck configurations, it is understood and agreed that for full pallet loads, the “tailgate area” may include the inside of such trucks.

SIGNED THIS 11th DAY OF SEPTEMBER , 1998 .

RENEWED AS AMENDED THIS 29th DAY OF JULY , 2004 .

RENEWED THIS 15th DAY OF FEBRUARY , 2007 .

RENEWED THIS 6th DAY OF NOVEMBER , 2010 .

FOR THE UNION
UNITED FOOD & COMMERCIAL WORKERS,
LOCAL 1518

FOR THE EMPLOYER
GRAND & TOY LIMITED

Donna Tremblay

Maeve Cullen

LETTER OF INTENT #4

Re: Absences Due to Illness Less than Three (3) Days

Except for absences due to work-related injuries, the Company agrees that employees will not be required to provide a doctor's note for absences of three (3) consecutive days or less.

SIGNED THIS 15th DAY OF FEBRUARY, 2007.

RENEWED THIS 6th DAY OF NOVEMBER, 2010.

FOR THE UNION
UNITED FOOD & COMMERCIAL WORKERS,
LOCAL 1518

FOR THE EMPLOYER
GRAND & TOY LIMITED

Donna Tremblay

Maeve Cullen

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