

PEPSICO BEVERAGES CANADA

INSIDE 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 Inside Employee's Association. Any changes to this agreement must be signed by the Inside Employee's Association and the Senior Management Representative. The ratification of any changes to this agreement is done by a simple majority of members who vote on the designated date or proxy.

(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 The Pepsi Bottling Group Inside Employee's Association (hereinafter called "The Association"), for the purpose of negotiating the terms and conditions of employment for all Full Time Inside 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 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.
- 1.3 For the purpose of negotiating Wage and Working Condition Agreements, The Association bargaining committee shall consist of no more than six (6) members that are generally representative of the Inside population. The Association

Committee will strive to ensure there is a minimum of 1 member from each department.

- 1.4 There will be no discrimination, as defined under the Human Rights Code, by the Company or by the Association against any employee.
- 1.5 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.
- 1.6 To the extent possible, significant issues impacting the workforce will be communicated first to the Association Representatives at regular Management/Association Committee meetings. Where this is not possible, management will ensure a discussion occurs with at least two Association Representatives.
- 1.7 Association/Management meeting minutes will be posted no later than five (5) business days following a meeting.

SECTION 2 - WORKING CONDITIONS

2.1 UNIFORM ALLOWANCE

Allowance of up to \$230.00 per year will be provided for Regular Full Time employees. All full time employees must wear uniforms.

Employees' required to use work gloves, will have them provided.

2.2 BOOT ALLOWANCE

Annual allowance of \$170.00 plus taxes available for all full time employees.

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 TOOL ALLOWANCE

An annual Tool Allowance of \$600.00 will be paid in quarterly instalments for Millwrights and Fleet Mechanics.

2.4 MEAL ALLOWANCE

The Overtime Meal Allowance will be \$8.50. The allowance is paid after 11 hours in a day.

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 to unless extensions are mutually agreed to between the parties. The grievance shall be considered abandoned unless the parties have mutually agreed to an extension. Management and the employee are responsible to ensure 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 five (5) 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 five (5) working days.

Step 3

Present the Grievance form to the Plant 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 selected from one of the following:
 - Brian Foley
 - David McPhillips
 - Stan Lanyon
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, based on qualifications, skills and abilities. Occasionally circumstances may require that the scheduled workday be extended to include overtime.

2.7 BANKING OF OVERTIME

Banking of Overtime to be taken as time off will be available under the following guidelines:

At January 1st of each year, a decision must be made to either bank overtime or receive overtime pay. Employees wishing to bank overtime may bank a maximum of either 40 or 80 hours per year. Time will be accumulated at the amount of overtime hours worked. (i.e. 1 1/2 times or 2 times).

Upon banking the maximum hours (either 40 or 80 depending on employee election) for the calendar year, employees can begin to use their banked time provided it is not taken in peak periods. Peak periods are May 1 through August 31 and the month of December. Once the maximum hours have been accumulated, overtime will then be paid out and will continue to be paid out until the end of the calendar year. No additional overtime hours will be banked in the calendar year regardless of whether banked time off has been taken.

Employees may:

- 1) request a payout of accumulated banked overtime hours at year end by completing the designated form and submitting to payroll no later than December 1, or
- 2) carry overtime to March 31, of the next year. Employees' cannot bank new hours until previous years' hours are taken.

2.8 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 on an 8 hour shift, or
 - b) 11 in a day on a 10 hour shift, or
 - c) 48 in a week (excluding daily overtime)
- 3) An employee who works one (1) hour or more of overtime is eligible for one fifteen-minute break.
- 4) Vacation time, banked time taken, sick time and statutory holidays shall be applied to regular hours for the purpose of the calculation overtime hours in the work week.
- 5) If an employee works seven (7) consecutive, eight (8) hour days, within his/her workweek, the 7th day worked shall be paid at double time (2x) their regular wage rate.

2.9 JOB POSTING

The requirements for job postings shall be as follows:

- (a) Positions will be posted for a minimum of 10 business days when a full time permanent position becomes available.
- (b) Interested employees must apply within the closing date identified on the posting. The Company may also advertise position vacancies outside the Company.
- (c) These factors are to be considered when filling posted vacancies or new positions:

- i. Qualification, experience, efficiency, skill ability to perform work, seniority and past performance of the employee;
 - ii. Where 2 or more employees have similar skills, qualifications, and performance record, positions will be allotted to the employee with seniority; and
 - iii. When filling the position vacancies the Company will give first consideration (in the following order) to:
 - 1. Inside Association Full Time Employees
 - 2. Outside Association Full Time Employees
 - 3. External Applicants
- (d) The Company will post the names of the successfully applicant(s) on the bulletin board. The Company will give the Association a copy of all job postings and the names of successful applicants.
- (e) Any employee who is transferred to a new position is allowed a 90 day probationary period. During this time the Company assesses the employee's suitability for the position.
 - i. The Company may return the employee to his/her former position during this period. Should this occur, the Association will be notified of such. An employee who is returned to his former position shall not lose his/her seniority. Any employee who is returned to his former position is eligible to apply for the other vacancies that may arise.
 - ii. If a transferred employee wishes to return to his former position within 90 days he may do so without loss of seniority. However, an employee who asks to return to his former positions may not apply for another posted position for a period of 6 months, unless the Company agrees otherwise.
- (f) If the employee returns to his former position pursuant to (e) (i) or (ii) above, the Company will review the original application for the vacancy for suitable applicants before reposting.

When an employee holding a posted Relief position has accumulated 1500 hours within a 12 month period, in this position, the status of the position shall subsequently change to a full time classified position.

2.10 INSIDE/OUTSIDE TRANSFER

For purposes of seniority, the successful candidate will transfer with their current status to the bottom of the applicable seniority list and be placed at the applicable wage rate for the classification.

The successful candidate will continue to accrue seniority within his/her pre-transfer classification for the duration of the three (3) month probationary period.

If the transferred employee decides to remain in the new classification at the end of the three (3) month probationary period, his/her seniority date in the new classification will be the original transfer date.

The successful applicant will continue to maintain participation in the Company pension plan and/or benefit plan if he/she has previously met eligibility requirements at the time of the transfer.

The transfer to the new position will not impact the candidate's service date with the company for the purposes of vacation entitlement or eligibility requirements for participation in the Company pension plan.

If the transferred employee is part time and has not qualified for membership in the Pepsi Flex benefit plan, only hours worked in the new classification will be credited towards meeting the eligibility requirements.

For purposes of scheduling vacation, seniority within the job classification will dictate the order of selection.

Layoffs within the Inside Association will be based on seniority within the classification. If a layoff occurs within the three (3) month probation period, the transferred employee has the option to return to his/her previous job/classification in order to avoid or minimize the impact of the layoff. This is a one-way and one-time transfer. The employee may not transfer back and forth between classifications in order to maximize hours.

If the transferred employee elects to return to his/her previous job/classification, he/she will be unable to transfer to the Inside Association again within five (5) years of the original transfer date.

2.11 STATUTORY HOLIDAY PAY

An employee must be 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

2.12 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, 2008, would be initially entitled to take 3 weeks of vacation in 2011. The vacation entitlement would be as follows:

2008 No Vacation entitlement
2009 4 days (based on 4 months of service in 2008)
2010 2 weeks (based on a full year of service in 2009)
2011 2 weeks

2012 3 weeks (based on 3 full years of service, 2009, 2010, 2011)

2.13 VACATION PROCESS

Vacation Requests are to be submitted by the end of February each year. Vacation will be scheduled on a seniority basis. Should requests not be submitted in accordance with the prescribed timeframes, the employee shall have their vacation scheduled by their Manager based on operational suitability. 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. "Peak Periods" are designated as mid May to mid September and the month of December.

General Guidelines:

No more than the following shall be off at one time during peak periods:

- Quality Control - 2 employees
- Warehouse - 4 employees in peak, 6 employees in non-peak
- Production - 4 employees
- Maintenance - 2 employees

No more than 2 employees shall be off at one time in the Fleet department. Peak periods do not apply.

Each employee will be entitled to take all of his/her vacation consecutively once every five (5) years, at any time during that year, subject to current seniority provisions and article 2.13.

2.14 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.

2.15 WORK SCHEDULES

The Company will post all employee work schedules each week by 1:00 pm on Thursday.

2.16 EXTERNAL 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.

2.17 LEAVE OF ABSENCE

Parental Leave

An employee shall be entitled to one (1) day off with pay for the birth of their child.

Personal Leave

The Company may grant a leave of absence without pay to any employee for legitimate reasons; such permission and request to be in writing. Requests for leave of absence shall not be unreasonably withheld in any instance. When such permission is granted, there shall be no loss of seniority and seniority shall accumulate as if the employee was at work.

2.18 LEAD HANDS

Lead Hands shall not have managerial authority to hire, dismiss or discipline employees. They may be assigned to direct the workforce under the direction of management.

2.19 EMPLOYEE ABSENTEEISM

Employees shall make an earnest effort to call their supervisor one hour prior to their shift commencing to notify of absence due to illness.

2.20 BEREAVEMENT LEAVE

- a) In the event of bereavement in an employee's immediate family (meaning spouse, son, daughter, parents), the Company agrees to allow the employee time off, not exceeding five (5) days without loss of pay.
- b) In the event of the death of an employee's sister, brother, grandmother, grandfather, mother-in-law, father-in-law, brother-in-law and sister-in-law the employee shall receive up to three (3) days without loss of pay.
- c) Additional time off without pay may be requested in writing by the employee.

2.21 ACCESS TO EMPLOYEE FILE

The Company agrees that employees can access their own Personnel file under the following conditions. The employee:

- a) sends a written request to review the file to Human Resources
- b) agrees to review the file in the presence of Human Resources or a designated representative
- c) view the file outside the employee's normal working hours, unless Human Resources agrees
- d) views the personnel file only once per calendar year.

2.22 SUPERVISORS

Supervisors shall not normally perform jobs done by hourly employees except in cases of emergency or when qualified employees are not available. Both parties agree to a reasonable application of the above language.

WAGE SCHEDULE

<u>Job Classification</u>	<u>Nov 1/2010</u> 2.4%	<u>Nov 1/2011</u> 2.4%	<u>Nov 1/2012</u> 2.5%
Foreman	\$ 31.89	\$ 32.65	\$ 33.47
Journeyman Millwright	\$ 35.83	\$ 36.69	\$ 37.61
Journeyman Fleet Mechanic	\$ 35.83	\$ 36.69	\$ 37.61
Lead Hand	\$ 31.11	\$ 31.85	\$ 32.65
Line Mechanic	\$ 31.34	\$ 32.09	\$ 32.89
Transfer Driver	\$ 30.41	\$ 31.14	\$ 31.92
Checker	\$ 30.26	\$ 30.98	\$ 31.76
Syrup Maker	\$ 30.53	\$ 31.26	\$ 32.04
C.I.P. Operator	\$ 30.53	\$ 31.26	\$ 32.04
Lab Technician	\$ 30.26	\$ 30.98	\$ 31.76
Greaser	\$ 29.41	\$ 30.12	\$ 30.87
Machine Operator I	\$ 29.26	\$ 29.97	\$ 30.72
Machine Operator II	\$ 28.89	\$ 29.58	\$ 30.32
Forklift Operator	\$ 29.26	\$ 29.97	\$ 30.72
General Labour	\$ 26.78	\$ 27.42	\$ 28.10
Janitor	\$ 18.67	\$ 19.11	\$ 19.59
Seasonal (1st Year)	\$ 16.60	\$ 17.00	\$ 17.42
Transport Driver per mile	\$ 0.67	\$ 0.68	\$ 0.70

WAGE SCHEDULE NOTES:

- A Journeyman holding a valid 4th Class Engineers or Boiler Certificate (temporary permits not included) will receive a premium of \$.60/hour over the established Journeyman Rate.
- Fleet Mechanic Lead Hand will be paid \$1.50 per hour more than the Fleet Mechanic wage rate.
- Maintenance/Millwright Lead Hand will be paid \$1.50/hour more than Millwright wage rate.
- Sanitation Lead Hand will be paid \$1.65 per hour more than the Sanitizer wage rate.
- Micro Lab Technician wage rate will be the same as Syrup Maker classification.
- The Transport Driver shall be paid per mile, \$0.01/mile shift differential. Down time due to weather, road closures, or vehicle failure will be paid per hour at the same rate as the Transfer Driver classification. Shift differentials will be paid in accordance with the Agreement.
- Seasonal employees may be hired between April 1st and September 15th, and November 1st and December 31st. Employment may be terminated at the end of these periods. When the season ends, Seasonal employees may be changed to part-time status.
- The second year Seasonal rate is set at \$4.25 less than the standard classification rate.
- The Part Time Seasonal rate for all standard classification rates is as follows:

600 hours	85% of the standard classification rate
1200 hours	100% of the standard classification rate
- Full time status will be obtained upon completion of 1350 hours within the employee's anniversary year for all classifications. All hours worked are credited towards obtaining full time status. Hours are reset at the anniversary date should accumulation of 1350 hours not occur. In the event that 2 employees obtain full time status on the same date, their seniority standing will be determined by their original date of hire.
- Certified Forklift Trainers will receive an hourly premium of \$0.40 per hour.

Shift Differential

Afternoon (after 2:00 pm)	\$0.65/hour
Graveyard (after 10:00 pm)	\$0.80/hour

If a shift starts outside of the above defined times, the individual will be paid the differential according to the greater number of hours worked in either Afternoon or Graveyard.

Level 1 First Aid	\$0.25/hour
Level 2 First Aid	\$0.85/hour

WAGES AND WORKING CONDITIONS APPROVED AND ACCEPTED THIS _____ DAY OF
_____ A.D., 2010.

DELTA INSIDE EMPLOYEES ASSOCIATION

PEPSICO BEVERAGES CANADA

Sarwan Bhangu

Fay Wasyluniuk

Dixon Cheng

Steve Totten

Brendan Farrelly

Grant Bistriz

Richard Forlin

Heather Ray

Jaydeep Multani

Don Loomer

LETTER OF UNDERSTANDING

BETWEEN:

PEPSICO BEVERAGES CANADA

&

THE INSIDE EMPLOYEE ASSOCIATION, DELTA, B.C.

November 24, 2010

The Company agrees that it will meet with the employees in the Maintenance Department, Plant Manager, Maintenance Manager, Maintenance Supervisor and Human Resources Manager to discuss the feasibility of shift by seniority in this specific department. This meeting will be held no later than the end of February 2011.

LETTER OF UNDERSTANDING

BETWEEN:

PEPSICO BEVERAGES CANADA

&

THE INSIDE EMPLOYEE ASSOCIATION, DELTA, B.C.

December 2, 2010

Re: Class 3 Power Engineer

The Company agrees that it requires a minimum of one Class 3 Power Engineer.

An employee holding a valid 3rd Class Engineer Certificate will receive \$2.00 added to their current hourly base rate of pay.