

PEPSICO BEVERAGES CANADA

OUTSIDE EMPLOYEE'S ASSOCIATION

November 1, 2010 – October 31, 2013

**WAGE AND WORKING AGREEMENT**

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Fully realising 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 Outside Employee's Association. Any changes to this agreement must be signed by the Outside 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 at a mandatory meeting on the designated date. Proxy voting will be permitted but employees will not be paid.

(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 1, 2010 to October 31, 2013.

SECTION 1 - ASSOCIATION OF EMPLOYEES

1.1 The Company recognizes The Pepsi Bottling Group Outside Employee's Association (hereinafter called "The Association"), for the purpose of negotiating the terms and conditions of employment for all Full Time Outside 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 who are representative of the workforce as follows:

3 Delivery Driver Representatives

2 MEM Representatives  
1 Chase Merchandiser Representative

- 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 of 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.

2.0

## SECTION 2 - WORKING CONDITIONS

### 2.1 UNIFORM ALLOWANCE

A Uniform Allowance of up to \$430.00 per year, which will include leather work gloves will be provided to full time employees. Full-time employees who complete the designated form by January 15th will receive a Work Glove Allowance of \$40.00, available the first week of February. The \$40.00 includes all taxes and will be deducted from the total Uniform Allowance leaving a \$390.00 balance.

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

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

### 2.2 BOOT ALLOWANCE

Annual allowance of \$180.00 plus taxes available for all full time employees.

Safety Footwear Vouchers will be available the first week of January.

Allowance is for work boots only.

### 2.3 TOOL ALLOWANCE

Annual allowance of \$500.00 including all taxes payable to full-time Service Technicians requiring tools to perform their job function. Service Technicians

must ensure they have basic hand tools identified on the inventory list. The Company will replace the loss of tools due to theft or fire while on, or in Company property, or performing job duties, providing the employee has taken the proper steps to protect tools and Company property.

#### 2.4 MEAL ALLOWANCE

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

#### 2.5 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, all reasonable efforts shall be made to settle such difference without undue delay in the manner set out in this Article.

Timelines within this 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 that the grievance procedure moves forward. Should responses not occur within the timeframes, the employee and/or the Association Representative can seek assistance from the Human Resources Manager.

##### Step 1

Within seven (7) calendar days of the occurrence of the difference, the employee with or without an Association Representative shall discuss the difference with the immediate supervisor. If the matter is not resolved within seven (7) calendar days, proceed to the next step.

##### Step 2

Present the problem in writing on a Grievance form to the Supervisor with or without an Association Representative and forward a copy of the grievance to the Human Resources Manager. If the matter is not resolved within seven (7) calendar days, proceed to the next step.

##### Step 3

Present the Grievance form to the Manager with or without an Association Representative. If the matter is not resolved in fourteen (14) calendar days, the employee may proceed to Arbitration.

##### Arbitration

1. Grievances must be submitted to the Arbitrator within fifteen (15) calendar days of the completion of Step 3 of the Grievance Procedure.
2. Each grievance will be heard by a single arbitrator.
3. The single Arbitrator will be chosen from the following list:
  - Brian Foley
  - Stan Lanyon
  - Vince Ready
  - Colin Taylor
4. The appointed Arbitrator can only apply to the Agreement, they cannot add/amend anything in the Agreement.
5. During Arbitration, the employee may be accompanied by and represented by an Association Representative.
6. The Company will pay the Arbitrator's expenses.
7. The Arbitrator's decision will be final and binding.

## 2.6 BANKING OF OVERTIME

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

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

## 2.7 OVERTIME PAY

- 1) An employee working an 8 or 10 hour shift 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 working an 8 or 10 hour shift will receive double their regular wage for all hours worked in excess of:
  - A. 10 in a day on an 8 hour shift
  - B. 12 in a day on a 10 hour shift; or
  - C. 48 in a week (excluding daily overtime).
- 3) Vacation time, banked time taken, sick time and statutory holidays shall be applied to regular hours for the purpose of the calculation of overtime hours in the work week.

## 2.8 OVERTIME WORK

Occasionally circumstances may require that the scheduled work day be extended to include overtime in order that the employee complete their days work.

Should an employee not be able to complete their days work in their normal working hours, which therefore results in the need to extend the shift into an overtime situation, each employee shall contact a manager to receive direction.

## 2.9 ASSIGNMENT OF OVERTIME

Assignment of overtime shifts will be governed by the following:

Where employees are starting the shift at the same premium, seniority will take precedent for filling the shift.

Where employees are starting the shift at a different shift premium, the lesser shift premium will take precedent for filling the shift. Where more than one employee is available at the lesser shift, seniority will prevail.

## 2.10 JOB POSTING / ROUTE SELECTION

The requirements for job postings shall be as follows:

- (a) Positions will be posted for a minimum of 14 calendar 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. Department Full Time Employees
    - 2. Outside Full Time Employees
    - 3. Inside Association Full Time Employees
    - 4. Temporary Employees
    - 5. 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 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.

## 2.11 OUTSIDE/INSIDE/DEPARTMENT TRANSFER

For purposes of seniority, the successful candidate will transfer with their current status to the bottom of the applicable department 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 four (4) month probationary period.

If the transferred employee decides to remain in the new classification at the end of the four (4) 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.

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

Layoffs within the department will be based on seniority within the classification. If a layoff occurs within the four (4) 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 again within five (5) years of the original transfer date.

## 2.12 HOURLY TO SALARY TRANSFER

In the event an Outside Association employee covered under the terms and conditions of this agreement is selected for a salaried position not covered by this agreement, the following conditions will apply for the purpose of seniority protection:

- a) The successful applicant will have a three (3) month probationary period in order to return to his/her previous job with full seniority. The Company will have a three (3) month probationary period to assess and evaluate the job performance of the successful applicant and return the employee to his/her previous job with full seniority.

- b) The successful applicant will continue to accrue seniority within his/her pre-transfer classification for the duration of the three (3) month probationary period.
- c) If the successful applicant remains in the new salaried position, the employee will no longer accrue seniority within his/her pre-transfer classification while working as a salaried employee.
- d) The successful applicant will keep all seniority earned up to and including the end of his/her three (3) month probationary period. In the event the salaried employee is no longer capable of working in his/her current position in the future, he/she may return to his/her pre-transfer classification with all seniority earned to the end of the three (3) month probationary period.
- e) The salaried employee will not accrue seniority during the period of time working as a salaried employee.
- f) Management must be aware of and accept any application submitted by a salaried employee to return to their pre-transfer classification, the salaried employee will only have seniority rights in the pre-transfer classification.
- g) Whenever possible, Management and the Association will meet to discuss options to minimize the impact on junior employees within the department.

#### 2.13 SENIORITY WORK BOARD

All Full Time Hourly positions in the Delivery & Merchandising Department will fall under the Seniority Work Board.

For seniority purposes, two seniority lists will be maintained by departments (1) Delivery and Merchandising; (2) MEM Service Department.

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

Relief work will be assigned based on seniority and required licensing, with the exception of when Article 3.9 – Assignment of Overtime applies.

#### 2.14 STATUTORY HOLIDAY PAY

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

#### 2.15 FULL SERVICE VENDING

Management will post the positions of Relief Full Service Vending on an annual basis. From this posting a relief pool will be established. The Full Service Vending Relief Delivery Drivers, Chase Merchandisers will be paid their regular rate of pay.

## 2.16 VACATION PLAN

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

| If your length of Service is:   | You are entitled to:      |
|---------------------------------|---------------------------|
| 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 1<sup>st</sup> of the year, will be credited with a full year for vacation entitlement purposes.

Employees obtaining full time status on April 1<sup>st</sup> 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 15<sup>th</sup> day of the month will be the determining date.

For example, if an employee obtains regular full-time status before or on the 15<sup>th</sup> 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 15<sup>th</sup> 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 regular full-time status on September 1, 2002, would be initially entitled to take 3 weeks of vacation in 2006. The vacation entitlement would be as follows:

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

## 2.17 VACATION PROCESS

On a seniority basis, vacation requests must be submitted by the end of February each year. Should requests not be submitted in accordance with the prescribed timeframes, the employee shall have their vacation scheduled by their Supervisor

based on operational suitability. Vacations are to be taken between January 1 and December 31.

Vacation pay will be calculated as follows:

Vacation weeks entitlement pay = regular pay in force at time taken  
OR  
Equivalent percentage of previous calendar years gross earnings

“Whichever is Greater”

If an employee is absent from work due to a Worker’s Compensation claim, Short or Long Term Disability, Maternity, or Parental Leave, vacation with pay is calculated as if there was no leave taken during the calendar year (to a maximum of 2 years).

#### General Guidelines – Delivery & Merchandising

No more than 12% of full time employees in each department shall take their holidays at any time throughout the year. A department will be defined as: (1) Delivery Drivers; (2) Chase Merchandisers and (3) Realign Merchandisers.

“Peak Periods” are designated the week leading into May long weekend to the week of September long weekend inclusive; and the last two weeks of December.

Holiday selection will be based on seniority within the above general guidelines. An employee may take consecutive weeks of vacation in non peak periods with no maximum. Employees with 20 years of service can take 3 weeks in peak periods, however, only 2 of which can be in July and August. If after all employees within the department have selected their holidays and there is still peak period weeks available, they will be offered on a seniority basis.

A committee of 2 Association Representatives and 1 Management Representative will manage the holiday schedule, based on the above parameters, throughout the year. Management and the Association should be aware of all changes to the vacation board.

If an employee books vacation on a week in which a statutory holiday falls, during peak periods (excluding the December Peak Period) the employee will not carry over vacation into the following week automatically. The employee will have the option of scheduling another day of vacation at another time subject to the provisions in this article, or request a payout of that vacation day.

Should an employee give up vacation, that vacation will be reposted and assigned based on seniority.

## General Guidelines – MEM

No more than 3 employees shall be off at any one time during peak periods (maximum of 2 Field Technicians).

“Peak Periods” are designated the week leading into May long weekend to the week of September long weekend inclusive.

Holiday selection will be based on seniority within the above general guidelines. An employee may take consecutive weeks of vacation in non peak periods with no maximum. Employees with 20 years of service can take 3 weeks in peak periods, however, only 2 of which can be in July and August. If after all employees within the department have selected their holidays and there is still peak period weeks available, they will be offered on a seniority basis.

A committee of 1 Association Representative and 1 Management Representative will manage the holiday schedule, based on the above parameters, throughout the year. Management and the Association should be aware of all changes to the vacation board.

Should an employee give up vacation, that vacation will be reposted and assigned based on seniority.

### 2.18 PAY ADMINISTRATION

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

### 2.19 HOURS OF WORK, LUNCH AND REST BREAKS

A regular workday consists of either an eight-hour or a ten-hour shift.

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

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

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

Delivery Drivers will not be deducted 1/2 hour for the lunch break. Established merchandising standards must be maintained and loads must be delivered as scheduled.

## 2.20 RELIEF SALES

When an employee is temporarily appointed to Relief Sell, the employee shall be paid a daily rate of \$221.10. For each day worked in relief sales, eight hours will be accumulated for purposes of calculating weekly overtime.

## 2.21 TRAINING / MEETINGS

An employee will be paid his regular rate when required to attend a mandatory meeting or training session during regular working hours. Workloads will be re-adjusted to ensure that a 40-hour week is maintained.

## 2.22 45 FT. TRAILER PREMIUM

A premium of \$0.23/hr will be paid for all hours worked on a 45' trailer. The following employees' will remain "grandfathered" at the Bulk (formerly Graygo) classification:

Pete Ponak  
Dave Tryon  
Darrell Poelzer  
Dave Pollard  
Wayne Cloran

## 2.23 MEM HOME BASED TECHNICIAN DRIVE TIME POLICY

Technicians who are unable to store their vehicle at home and therefore need to leave the Service vehicle at the Delta Facility, will commence work when leaving the premises.

The Company agrees to meet with the Association Representatives to address any extraordinary drive time requests with a view to ensure balanced application of the Home Based Technician Policy.

## 2.24 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.

## 2.25 NEW HIRES

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

## 2.26 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.

## Wage Schedule

| <u>Job Classification</u>  | <u>Nov 1/2010</u><br>2.3% | <u>Nov 1/2011</u><br>2.4% | <u>Nov 1/2012</u><br>2.5% |
|--|---------------------------|---------------------------|---------------------------|
| <i>Delivery &amp; Merchandising Department</i>                     |                           |                           |                           |
| Full Time Delivery Driver [Bulk, Bay, FSV]                         | \$ 31.50                  | \$ 32.25                  | \$ 33.06                  |
| Full Time Chase Merchandiser                                       | \$ 22.22                  | \$ 22.76                  | \$ 23.33                  |
| <i>MEM Department</i>  |                           |                           |                           |
| Journeyman – Refrigeration/Install (Certificate of Qualification)  | \$ 33.08                  | \$ 33.87                  | \$ 34.72                  |
| Service Technician 'A'; Field Technician                           | \$ 31.82                  | \$ 32.58                  | \$ 33.40                  |
| Service Technician B; 'A' Repair Shop Technician                   | \$ 28.62                  | \$ 29.30                  | \$ 30.04                  |
| Equipment Mover  | \$ 31.50                  | \$ 32.25                  | \$ 33.06                  |
| Assistant Equipment Mover; Install Assistant; Shop Prep Technician | \$ 25.11                  | \$ 25.72                  | \$ 26.36                  |
| MEM Leadhand Premium   | \$ 1.00                   | \$ 1.00                   | \$ 1.00                   |
| MEM On Call Schedule Premium (Full week)                           | \$ 75.00                  | \$ 75.00                  | \$ 75.00                  |
| MEM On Call Schedule Premium (Stat week)                           | \$ 95.00                  | \$ 95.00                  | \$ 95.00                  |
| <i>Temporary Employees</i>   |                           |                           |                           |
| Delivery Driver  | \$ 26.75                  | \$ 27.40                  | \$ 28.08                  |
| Chase Merchandiser   | \$ 17.93                  | \$ 18.36                  | \$ 18.82                  |
| MEM  | \$ 17.93                  | \$ 18.36                  | \$ 18.82                  |

### Wage Schedule Notes:

- Current incumbent in the MEM Cartage position will be red circled at Delivery Driver rate of pay.
- Shift Differential

Afternoon    \$0.65 per hour  
Graveyard    \$0.70 per hour

The shift differential premium will be applied in addition to regular and overtime pay. The differential will be paid based on start times within the following shift definitions:

|            |            |              |
|------------|------------|--------------|
| Days       | 5:00 a.m.  | - 12:00 noon |
| Afternoons | 12:00 noon | - 6:00 p.m.  |
| Graveyard  | 6:00 p.m.  | - 5:00 a.m.  |

MEM:

If the majority of the employee's regularly schedule shift falls after 2:00pm, the employee shall be paid the appropriate shift differential for all hours worked.

If an employee is called in early for their regularly scheduled shift, and the majority of the shift falls before 2:00pm, they shall be paid appropriate shift differential for all hours worked.

WAGE AND WORKING CONDITIONS APPROVED AND ACCEPTED THIS  
\_\_\_\_\_ DAY OF \_\_\_\_\_ A.D., 2010.

DELTA OUTSIDE  
EMPLOYEES ASSOCIATION

\_\_\_\_\_  
Russ Campbell

\_\_\_\_\_  
Bill Chivers

\_\_\_\_\_  
Colin Crozier

\_\_\_\_\_  
Jim Forbes

\_\_\_\_\_  
Curtis Hoedel

\_\_\_\_\_  
Derek Jung

\_\_\_\_\_  
Bill Young

\_\_\_\_\_  
Randy Zimmer

PEPSICO BEVERAGES CANADA

\_\_\_\_\_  
Steve Totten

\_\_\_\_\_  
Fay Wasylyniuk

\_\_\_\_\_  
Heather Ray

\_\_\_\_\_  
Phil Harris

\_\_\_\_\_  
Lance Lapointe

\_\_\_\_\_  
Ron Penner

LETTER OF UNDERSTANDING

BETWEEN:

**THE PEPSI BOTTLING GROUP (CANADA)**

**&**

**THE PEPSI BOTTLING GROUP OUTSIDE EMPLOYEE ASSOCIATION, DELTA, B.C.**

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October 16, 2007

**Re: Worker's Compensation**

When an employee is injured at work and goes on Worker's Compensation, he or she shall, when their doctor provides documentation which states that an employee may return to their regular duties, be returned to his or her previous job (and rate of pay) or a comparable job based on his or her seniority should said job no longer exist. The employee shall be required to provide the Employer a Doctor's note prior to returning to his shift and shall provide the Employer with sufficient notice of the return to work so that there is no duplication or penalty payments required by the Employer to the employee who was replacing the injured employee.

If after a period of time it is proven to the Employer that the employee is unable to perform the requisite duties of the job the employee held at the time of injury, the Employer with consultation of both Inside and Outside Associations, will attempt to find alternate work which is within the employee's physical restrictions.

LETTER OF UNDERSTANDING

BETWEEN:

**PEPSICO BEVERAGES CANADA**

**&**

**THE OUTSIDE EMPLOYEE ASSOCIATION, DELTA, B.C.**

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December 2, 2010

**Re: Discipline**

The Company and Association agree that 'Progressive Discipline' as a general guideline to be considered in addressing disciplinary issues with employees under this agreement. The following shall be the suggested model for the aforementioned guideline:

|         |                           |
|---------|---------------------------|
| Level 1 | Verbal                    |
| Level 2 | Written                   |
| Level 3 | 1 Day Suspension          |
| Level 4 | 3 Day Suspension          |
| Level 5 | 5 Day Suspension          |
| Level 6 | Termination of Employment |

Note: Severity of infraction in conjunction with other factors shall also be considered when addressing issues of misconduct.

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

LETTER OF UNDERSTANDING

BETWEEN:

**PEPSICO BEVERAGES CANADA**

**&**

**THE OUTSIDE EMPLOYEE ASSOCIATION, DELTA, B.C.**

---

December 2, 2010

**Re: Attendance Management**

Any employee who is on an attendance management program and maintains significantly improved attendance for a period of 18 months of active employment shall no longer be considered on an attendance management program.

LETTER OF UNDERSTANDING

BETWEEN:

**PEPSICO BEVERAGES CANADA**

**&**

**THE OUTSIDE EMPLOYEE ASSOCIATION, DELTA, B.C.**

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December 2, 2010

**Re: Drivers**

The Unit Sales Manager, Plant Manager and the Delta Association(s) will be given the opportunity to meet on a quarterly basis, if required, to discuss interdepartmental Driver opportunities, including transport, delivery and third party operators.

The parties further agree that productivity, cost effectiveness, and respect for the individual Wage & Working Agreements shall be guiding principles for these discussions.

LETTER OF UNDERSTANDING

BETWEEN:

**PEPSICO BEVERAGES CANADA**

**&**

**THE OUTSIDE EMPLOYEE ASSOCIATION, DELTA, B.C.**

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December 2, 2010

**Re: Termination of Employment**

The parties agree that when employment is terminated for just cause that the employee may express in writing a request for an internal hearing to review the termination decision. The hearing shall take place within two (2) weeks of the written notification, unless otherwise agreed upon by the parties. The hearing committee shall consist of either the Canada West Director of Human Resources and/or the Canada West Vice President General Manager. The employee can request an Association Representative to be present at the hearing. The decision will be issued in writing within two (2) weeks of the hearing date.

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