

# LETTER OF UNDERSTANDING

BETWEEN:

LOBLAWS SUPERMARKETS LIMITED

(the "Employer")

- and -

UNITED FOOD AND COMMERCIAL WORKERS UNION,  
LOCAL 1000A

(the "Union")

Whereas the Company has expressed its desire to open a new grocery store (to be located at 60 Carlton Street, Toronto) under the terms of the Great Canadian Food Store appendices of the parties' Collective Agreement.

And whereas the Company has indicated that this unique and highly complex store will require a different management structure including a number of additional bargaining unit exclusions and 1 new union management positions that are not provided for within the Great Canadian Food Store appendices.

The following is agreed:

1. In addition to the existing exclusions permitted under the Great Canadian Food Store Appendices the following additional working exclusions shall be permitted for this specific store location: Warehouse Director, Produce Director, Deli/Cheese Director, Bakery Director, Meat & Seafood Director, Home Meal Replacement (HMR) Director, and Executive Chef.

The primary responsibilities of the Warehouse Director relate to managing the flow of goods through the common receiving area on behalf of all occupants of the premises as well to managing the flow and organization of goods in the Loblaw dedicated warehouse areas. The Warehouse Director's duties include the prioritization and scheduling of deliveries, direction of staff working in the warehouse and receiving areas, management of recyclable/reclaimable products and all related paperwork and financials. The Warehouse Manager is anticipated to have an active physical involvement in the receiving of goods for the non-Loblaw occupants of the building and may at times be physically involved in the handling of Loblaw product in the discharge of his or her duties; however, physical handling of Loblaw product is expected to represent a limited component of the Warehouse Director's role.

An Administrative Assistant exclusion shall exist on a non working basis.

A General Manager exclusion may be used for a maximum of eighteen (18) months on a transitional basis once the Store Manager exclusion is utilized.

2. Notwithstanding the above additional exclusions, this store shall have the majority of the customary union Department Manager and Assistant Department Managers. These include: Night Crew Manager, Grocery Manager, Produce Manager, Deli Manager, Bakery Manager, Meat Manager, Seafood Manager, Front End Manager, Bookkeeper, Home Meal Replacement (HMR) Manager, Natural Value Manager, Floral Manager, HBC Manager, Assistant Produce Department Manager, Assistant Grocery Department Manager, Assistant Bakery Department Manager, and Assistant Meat Department Manager. The above list is not intended to be an exhaustive list of union Department Managers and Assistant Department Managers rather but rather is a list of those specifically planned for use in this location.

3. In addition to the above indicated traditional union Department Manager and Assistant Department Manager positions the following additional union management positions are created: Cheese Manager, Coffee Bar/Gelato Manager, and Marketing/Signage Assistant Department Manager. These new positions shall be compensated on the following basis.

The Cheese Manager will be placed on the scale applicable to Seafood Managers.

The Coffee Bar/ Gelato Manager will be placed on the scale applicable to Bean Roast Managers.

The Marketing Signage Assistant Department Manager will be placed on the scale applicable to GM Managers .

4. In addition to the above specified union management positions, for each Director exclusion noted in 1 above which is utilized the Company commits that it shall maintain a minimum of one (1) full time union position within a department under the control of that Director. This position is in addition to any union Department Managers or Assistant Department Managers.
5. The parties agree that notwithstanding the language of the Great Canadian Food Store appendices, in consideration of the above additional exclusions the Department Manager positions which report to a Director shall be posted rather than appointed. These Manager positions are: Produce Manager, Deli Manager, Cheese Manager, Bakery Manager, Meat Manager, HMR Manager and Seafood Manager. It is understood that the initial staffing of these roles shall be determined by the Company from within the 1000A bargaining unit and to the extent that it is necessary to hire externally this shall remain subject to observing the terms and obligations of the collective agreement. Should the Company initially staff a Manager position with a Loblaws conventional employee that employee will be provided with a buy-down or economic option as would be applicable to the employee were they impacted by a conversion to the Great Canadian Food Store appendices.
6. Subsequent to initial staffing, the Company may fill a vacancy in one of the Manager positions identified in 5 above through transfer from another store operating under the Great Canadian Food Store appendices rather than posting. In doing so the Company agrees that it will post the vacancy created by the transfer or series of transfers (rather than filling the vacancy by appointment as would otherwise be the case under the terms of the Great Canadian Food Store appendices). Subsequent filling of vacancies in such non MLG positions would return to being appointment-based.
7. The Company has indicated that the Bakery department within this location will produce and sell specialized Ace Bakery product. The parties have agreed that the Company may appoint up to two (2) external (Ace Bakery associated) employees who will work in the Bakery as members of the bargaining unit for up to eighteen (18) months to establish the program. The Parties agree that these two individuals will leave the bargaining unit at the conclusion of their appointment.
8. The Company has indicated that it intends to operate a unique kitchen within this store. The parties have agreed that aside from the Executive Chef and HMR Director the employees within this operation will be members of the bargaining unit. Such individuals will be hired on the basis of professional cooking ability and qualifications (acquired through formal training or equivalent experience) as established by the Executive Chef.