

**No Frills Owners
and
UFCW 1000A**

**Memorandum of Settlement
November 19th, 2011**

All previously agreed items are attached.

RATIFICATION WAGE INCREASES

Ratification increases shall be applied retroactively based on hours worked to the first full pay period following the expiry of the previous collective agreement. Retroactive increases shall be subject to the end rate maximum increase of \$0.35 for full time employees and \$0.30 for part time employees. All retroactive payments with respect to part time and full time in Article 16, Appendix "A" Article 8, Appendix "D" shall be paid within three weeks of ratification less government required deductions.

All employees on the payroll at ratification who receive less than a \$0.20 increase shall be eligible for a one-time lump sum of \$80 less applicable deductions required by law. The Employers shall apply the lowest legally permissible tax rate to the above lump sum payments.

WAGES – FULL TIME

Article 16.01

Amend as follows:

"All full time employees on the payroll on <date of ratification> shall receive the following wage increases (and ratification wage retroactivity as indicated below) and lump sum amounts at ratification and in each year of the agreement provided that they are at or above the end rate of pay on the applicable date:

| | |
|--|--------------------------|
| At ratification (applied retroactively): | 35 cents per hour |
| Effective first full pay week following June 30th, 2012: | \$600 |
| Effective first full pay week following June 30th, 2013: | 35 cents per hour |
| Effective first full pay week following June 30th, 2014: | \$600 |
| Effective first full pay week following June 30th, 2015: | 35 cents per hour |

All lump sums shall be subject to applicable taxes and withholdings required by law. The Employers shall apply the lowest legally permissible tax rate to the above lump sum payments.

\$0.15 of these monies will be applied to the end rates of the full time wage progressions. For clarity, only those employees hired full time prior to the date of ratification will receive the wage increases and lump sums on the above mentioned dates. Employees hired after the date of ratification shall be entitled to the below reflected end-rate increases only.

| Minimum Rates of Pay for Full Time Employees | | | | |
|---|----------------|---------------------|-----------------------------------|-----------------------------------|
| Clerks | Current | Ratification | June 30th, 2013 | June 30th, 2015 |
| Start | \$10.25 | \$10.50 | \$10.50 | \$10.50 |
| 6 months | \$10.25 | \$10.75 | \$10.75 | \$10.75 |
| 12 months | \$10.25 | \$11.00 | \$11.00 | \$11.00 |
| 18 months | \$11.00 | \$11.50 | \$11.50 | \$11.50 |
| 24 months | \$12.00 | \$12.00 | \$12.00 | \$12.00 |
| 30 months | \$13.00 | \$13.00 | \$13.00 | \$13.00 |
| 36 months | \$16.35 | \$16.50 | \$16.65 | \$16.80 |

| | | | | |
|-------------------------|---------|---------|---------|---------|
| Bakery Mgr. | \$19.35 | \$19.50 | \$19.65 | \$19.80 |
| Associate Mgr. | \$19.35 | \$19.50 | \$19.65 | \$19.80 |
| Night Crew Chief | \$17.10 | \$17.25 | \$17.40 | \$17.55 |

An employee must be actively employed on the date a lump sum payment is effective to be eligible to receive such payment. All lump sum payments are paid within 3 weeks less government required deductions.”

WAGES – PART TIME

Article 8 of Appendix “A”

Amend as follows:

“All non-student part-time employees on the payroll on <date of ratification> shall receive the following wage increases (and ratification wage retroactivity as indicated below) and lump sum amounts at ratification and in each year of the agreement provided that they are at or above the pre-ratification end rate of pay on the applicable date:

- At ratification (applied retroactively):** **30 cents per hour**
- Effective first full pay week following June 30th, 2012:** **\$350**
- Effective first full pay week following June 30th, 2013:** **30 cents per hour**
- Effective first full pay week following June 30th, 2014:** **\$350**

Effective first full pay week following June 30th, 2015:

30 cents per hour

All lump sums shall be subject to applicable taxes and withholdings required by law. The Employers shall apply the lowest legally permissible tax rate to the above lump sum payments.

\$0.10 of these monies will be applied to the end rates of the non-student part-time wage progression only. For clarity, only those employees hired prior to the date of ratification will receive the wage increases and lump sums on the above mentioned dates. Employees hired after the date of ratification shall be entitled to the below reflected end-rate increases only.

As of the date of ratification the below reflected “Ratification” minimum rates shall become effective. All non-student part time employees shall move to the new rates based on their accumulated hours of work.

| Minimum Rates of Pay for Part Time Employees | | | | | | | |
|---|----|------|--------------|----------------|---------------------|---------------------------------------|---------------------------------------|
| | | | | Current | Ratification | June 30th, 2013 | June 30th, 2015 |
| 0 | To | 300 | hours worked | \$10.25 | \$10.25 | \$10.25 | \$10.25 |
| 301 | To | 650 | hours worked | \$10.25 | \$10.30 | \$10.30 | \$10.30 |
| 651 | To | 1300 | hours worked | \$10.25 | \$10.35 | \$10.35 | \$10.35 |
| 1301 | To | 1950 | hours worked | \$10.25 | \$10.40 | \$10.40 | \$10.40 |
| 1951 | To | 2600 | hours worked | \$10.25 | \$10.45 | \$10.45 | \$10.45 |
| 2601 | To | 3250 | hours worked | \$10.25 | \$10.50 | \$10.50 | \$10.50 |
| 3251 | To | 3900 | hours worked | \$10.25 | \$10.55 | \$10.55 | \$10.55 |
| 3901 | To | 4550 | hours worked | \$10.25 | \$10.60 | \$10.60 | \$10.60 |
| 4551 | To | 5200 | hours worked | \$10.25 | \$10.65 | \$10.65 | \$10.65 |
| 5201 | To | 5850 | hours worked | \$10.25 | \$10.70 | \$10.70 | \$10.70 |
| 5851 | To | 6500 | hours worked | \$10.25 | \$10.75 | \$10.75 | \$10.75 |
| 6501 | + | | hours worked | \$12.10 | \$12.20 | \$12.30 | \$12.40 |

An employee must be actively employed on the date a lump sum payment is effective to be eligible to receive such payment. All lump sum payments are paid within 3 weeks less government required deductions.”

“Effective at ratification all part-time student employees shall move to the new part time student wage progression below based on their accumulated hours of work. Part time student employees with 1950 hours worked or more and who were on the payroll as of <date of ratification> shall receive the following wage increases (and ratification wage retroactivity as indicated below) and lump sum amounts at ratification and in each year of the agreement:

At ratification (applied retroactively):

30 cents per hour

Effective first full pay week following June 30th, 2012:

\$350

Effective first full pay week following June 30th, 2013: 30 cents per hour

Effective first full pay week following June 30th, 2014: \$350

Effective first full pay week following June 30th, 2015: 30 cents per hour

All lump sums shall be subject to applicable taxes and withholdings required by law. The Employers shall apply the lowest legally permissible tax rate to the above lump sum payments.

The above increase will not be applied to the end rate of the student scale.

| Minimum Rates of Pay for Part Time Student Employees | | | | |
|---|----|------|----------------|---------------------|
| Hours Worked | | | Current | Ratification |
| 0 | To | 300 | \$9.60 | \$9.60 |
| 301 | To | 650 | \$9.60 | \$9.65 |
| 651 | To | 1300 | \$9.60 | \$9.70 |
| 1301 | To | 1950 | \$9.60 | \$9.75 |
| 1950 | + | | \$9.60 | \$9.80 |

A part time student employee must be actively employed on the date a lump sum payment is effective to be eligible to receive such payment. All lump sum payments are paid within 3 weeks less government required deductions.”

NIGHT CREW

Article 11.02

Amend night shift premium from “seventy-five (75) cents” to “eighty (80) cents”

Add the following as the new final sentence of article 11.02:

“For clarity, it is not required that the consecutive nights be scheduled within one work week as defined as Sunday through Saturday.”

STATUTORY HOLIDAYS

Article 12.01

Replace “Civic Day” with “Family Day” on the list of legal holidays.

Delete final paragraph and replace with the following:

“Employees hired prior to June 22, 2007 shall also be eligible for the Civic Day holiday. Employees hired prior to June 22, 2007 who are promoted to full time will maintain their entitlement to the Civic Day holiday.”

Re: Existing Grievances on Family Day (language not to be included in the collective agreement).

In recognition of the addition of Family Day for employees hired prior to June 22, 2007 the Union agrees to withdraw any and all grievances relating to the Family Day matter and further agrees that no further grievances shall be filed in connection with this subject for any periods of time preceding the ratification of this agreement. The Employers will continue to calculate stat holiday pay for employees hired after June 22, 2007 in accordance with the current practice (ESA).

New Appendix “A” 5.01 c) insert the following:

“Employees hired after June 22, 2007 shall continue to be entitled to statutory holiday pay in accordance with the Employment Standards Act”

SENIORITY

Article 2.02 (a) of Appendix “A”

Insert the following sentence after the second sentence of article 2.02 (a) of Appendix “A”:

“For clarity, the Full time seniority credit shall not exceed the 12 months point of the full time wage progression and employees will be required to accrue the necessary full time service to advance on the progression.”

Add the following as a new sentence at the end of Article 2.02 (a):

“Part time employees promoted to full time shall be entitled to unpaid vacation time based on their combined part time and full time service. The portion of their vacation to be with pay shall continue to be determined based on full time service.”

PART TIME SCHEDULING

Article 2.03 (a) of Appendix “A”

Insert the following two paragraphs between the first and second paragraphs:

“For clarity, it is understood that an employee will normally be scheduled in one area of the store only, unless a different arrangement is worked out between the Owner and the employee.

The area of the store in which an employee is normally scheduled may be changed on a permanent or semi-permanent basis by mutual agreement between the Owner and the employee.”

NEW FRONT END TRAINING OPPORTUNITY

Add the following as a new 2.03 (b) and renumber remaining articles:

“Notwithstanding article 2.03 (a), part time cashiers with four (4) years of service, or more, may make a request to be transferred to another area of the store and shall be provided customary part time new hire training. Upon such transfer employees will maintain their seniority and rate of pay and shall be required to serve a probationary period of sixty (60) days worked in their new scheduling area. In the event an employee does not successfully complete the probationary period they will be returned to their previous role on the front end with no loss of seniority or rate of pay. Employees may also elect to return to the front end during their probationary period with no loss of seniority or rate of pay. Once transferred, employees will be scheduled and eligible for call-ins in the new scheduling area of the store. For clarity, employees who do not successfully complete their probation in another area of the store will be deemed not to have gained ability and qualifications in that area of the store.

Such transfers shall be limited to two (2) cashiers per store per six (6) month period. Individual cashiers may make one request during the term of the Collective Agreement.”

2. (a) of Appendix “C”

Add the following to the beginning of the first sentence:

“Subject to 2.03 of the Collective Agreement”

4. of Appendix “C”

Add new final sentence as follows:

“For clarity, such requests are intended to be occasional in nature.”

6. of Appendix “C”

“For clarity, the two-shift availability must be for shifts in use at the time within the area of the store where the employee normally works.”

TIME AND ATTENDANCE AND PAYSTUBS

Article 25

Add as new final paragraph to 25.02:

“Should the employer introduce a mandatory electronic paystub system during the term of the Collective Agreement one year’s notice shall be provided. A paper copy for access will be provided by each store to an employee that does not have private access to the internet. Employees who do not have private access shall make this known to their employer within four (4) weeks of the pay period in question.”

TERM OF AGREEMENT

Article 27.01

Amend to reflect a term of five (5) years from expiry.

RESORT AREAS (UPDATING NEW STORES)

Article 2.04 f) of Appendix “A”

Add Kenora, Port Dover, and Innisfill to list of resort areas.

PART TIME BENEFITS

Part Time Benefit Trust – Article 12, Appendix A

Add the following language after the existing language.

First Contribution Holiday

There shall be a 1 year contribution holiday during the calendar year 2012.

Second Contribution Holiday

There shall be an additional 1 year contribution holiday during the calendar year 2014. If the trustees will be unable to maintain the qualifiers and levels of benefits (in effect at the time of ratification) during 2014 the second contribution holiday may be suspended in full or in part by the trustees upon demonstrating clear financial justification.

The trustees shall not improve the qualifiers and levels of benefits in effect at the time of ratification unless improvements can confidently be made without jeopardizing the second premium holiday.

FULL TIME BENEFITS

Appendix “B” – Full Time Benefits

Dental

Amend third paragraph to reflect the following dental upgrades:

At ratification – reimbursement based on 2009 Ontario Dental Association Fee Guide

Eff. May 1, 2012 - reimbursement based on 2010 Ontario Dental Association Fee Guide

Eff. May 1, 2013 - reimbursement based on 2011 Ontario Dental Association Fee Guide

Eff. May 1, 2014 - reimbursement based on 2012 Ontario Dental Association Fee Guide

Eff. May 1, 2015 - reimbursement based on 2013 Ontario Dental Association Fee Guide

ORTHOTIC COVERAGE (NEW LANGUAGE)

The plan shall provide for \$350 in annual Orthotic coverage.

SEMI-PRIVATE HOSPITAL (DRUG COVERAGE)

Add the following as a new final paragraph:

“Employees are encouraged to fill their prescriptions at a No Frills or a sister company (Loblaw affiliated) “DRUGStore” pharmacy. Effective not later than February 1st, 2012 a full time employee drug card will be introduced which may be used at No Frills or sister company (Loblaw affiliated) “DRUGStore” pharmacies.

Employees who chose to fill their prescriptions with a non-“DRUGStore” pharmacy shall continue to submit their claim for reimbursement.

PHARMACY OPERATIONS

Appendix “D” – Pharmacy Operations

After the first paragraph of point 3 replace the remainder of the Article (beginning with “For all full time and part time..”) as follows:

“All full time pharmacy employees on the payroll on <date of ratification> shall receive the following wage increases (and ratification wage retroactivity as indicated below) and lump sum amounts at ratification and in each year of the agreement provided that they are at or above the end rate of pay on the applicable date:

At ratification (applied retro actively):

35 cents per hour

| | |
|--|--------------------------|
| Effective first full pay week following June 30th, 2012: | \$600 |
| Effective first full pay week following June 30th, 2013: | 35 cents per hour |
| Effective first full pay week following June 30th, 2014: | \$600 |
| Effective first full pay week following June 30th, 2015: | 35 cents per hour |

All lump sums shall be subject to applicable taxes and withholdings required by law. The Employers shall apply the lowest legally permissible tax rate to the above lump sum payments.

\$.15 of these monies will be applied to the end rates of the full time pharmacy technicians wage progression. For clarity, only those employees hired full time prior to the date of ratification will receive the wage increases and lump sums on the above mentioned dates. Employees hired after the date of ratification shall be entitled to the below reflected end-rate increases only.

In the event that a general wage increase results in an employee being on an “off-rate” within his or her classification, it is understood notwithstanding Article 16.04 and Appendix “A”, Article 8.04 (f) that the employee will still have to acquire the appropriate service to advance on their wage progression.

| Minimum Rates of Pay for the Full Time Pharmacy Technicians | | | | |
|--|----------------|---------------------|-----------------------------------|-----------------------------------|
| | Current | Ratification | June 30th, 2013 | June 30th, 2015 |
| Start | \$13.00 | \$13.00 | \$13.00 | \$13.00 |
| 6 months | \$13.50 | \$13.50 | \$13.50 | \$13.50 |
| 12 months | \$13.80 | \$13.80 | \$13.80 | \$13.80 |
| 18 months | \$14.10 | \$14.10 | \$14.10 | \$14.10 |
| 24 months | \$14.40 | \$14.40 | \$14.40 | \$14.40 |
| 30 months | \$14.70 | \$14.70 | \$14.70 | \$14.70 |
| 36 months | \$17.00 | \$17.15 | \$17.30 | \$17.45 |

An employee must be actively employed on the date a lump sum payment is effective to be eligible to receive such payment. All lump sum payments are paid within 3 weeks less government required deductions.”

WAGES – PART TIME PHARMACY

“All part-time pharmacy employees on the payroll on <date of ratification> shall receive the following wage increases (and ratification wage retroactivity as indicated below) and lump sum amounts at ratification and in each year of the agreement provided that they are at or above the end rate of pay on the applicable date:

| | |
|---|--------------------------|
| At ratification (applied retroactively): | 30 cents per hour |
|---|--------------------------|

| | |
|--|--------------------------|
| Effective first full pay week following June 30th, 2012: | \$350 |
| Effective first full pay week following June 30th, 2013: | 30 cents per hour |
| Effective first full pay week following June 30th, 2014: | \$350 |
| Effective first full pay week following June 30th, 2015: | 30 cents per hour |

All lump sums shall be subject to applicable taxes and withholdings required by law. The Employers shall apply the lowest legally permissible tax rate to the above lump sum payments.

\$0.10 of these monies will be applied to the end rates of the part-time pharmacy technician wage progression. For clarity, only those employees hired prior to the date of ratification will receive the wage increases and lump sums on the above mentioned dates. Employees hired after the date of ratification shall be entitled to the below reflected end-rate increases only.

As of the date of ratification the below reflected “Ratification” minimum rates shall become effective. All employees shall move to the new rates based on their accumulated hours of work.”

| Minimum Rates of Pay for Part Time Pharmacy Technicians | | | | | | |
|--|----|------|----------------|---------------------|-----------------------------------|-----------------------------------|
| Hours worked | | | Current | Ratification | June 30th, 2013 | June 30th, 2015 |
| 0 | To | 300 | \$10.25 | \$10.50 | \$10.50 | \$10.50 |
| 301 | To | 650 | \$10.25 | \$10.55 | \$10.55 | \$10.55 |
| 651 | To | 1300 | \$10.25 | \$10.60 | \$10.60 | \$10.60 |
| 1301 | To | 1950 | \$10.25 | \$10.65 | \$10.65 | \$10.65 |
| 1951 | To | 2600 | \$10.25 | \$10.70 | \$10.70 | \$10.70 |
| 2601 | To | 3250 | \$10.25 | \$10.75 | \$10.75 | \$10.75 |
| 3251 | To | 3900 | \$10.25 | \$10.80 | \$10.80 | \$10.80 |
| 3901 | To | 4550 | \$10.25 | \$10.85 | \$10.85 | \$10.85 |
| 4551 | To | 5200 | \$10.25 | \$10.90 | \$10.90 | \$10.90 |
| 5201 | To | 5850 | \$10.50 | \$10.95 | \$10.95 | \$10.95 |
| 5851 | To | 6500 | \$11.00 | \$11.00 | \$11.00 | \$11.00 |
| 6501 | + | | \$13.45 | \$13.55 | \$13.65 | \$13.75 |

Notwithstanding the above wage progressions where there is an increase in the Ontario minimum wage rate it shall become the new start rate and those employees so affected shall notwithstanding Article 16.04 and Appendix “A”, Article 8.04 (f) remain at such rate of pay until their hours worked with the Employer would permit them an increase in their rate of pay in accordance with the wage grid.

Appendix “A” applies to all part time employees of the pharmacy, unless noted otherwise in the Appendix.

The Collective Agreement applies to all full-time employees of the pharmacy, unless noted otherwise in this appendix.

LETTERS OF UNDERSTANDING

Renew Letter of Understanding #4 Re: Meat Premium

Renew Letter of Understanding # 7 Re: No Frills Plus Model with the below modification:

Point 7 – Replace point 7 with the following: “The wages of all DSTM employees shall be the same as for non DSTM employees as found within the main agreement and appendices.”

Renew Letter of Understanding #8 Re: Dollar Shop with the below modification:

Point iii) Amend point iii to read as follows:

“The dollar store operation shall constitute a separate seniority department unless the owner request to merge dollar store seniority with the rest of the store and the union agrees. The union agrees that such a request shall not be unreasonably denied.”

Renew Letter of Understanding #10 Re: Safety Footwear

Renew Letter of Understanding #12 Re: Scheduling on Statutory Holidays.

Renew Letter of Understanding #15 Re: Make up sick time

NO RETRO-ACTIVITY

No provision of this settlement shall be applied retro-actively unless specifically provided for within this settlement.

AGREED ITEMS

As of
September 30th, 2011

Letter of Understanding #1 Renewed
Letter of Understanding #2 Renewed
Letter of Understanding #3 Renewed
Letter of Understanding #5 Renewed
Letter of Understanding # 6 Renewed
Letter of Understanding # 9 Renewed
Letter of Understanding# 11 Renewed
Letter of Understanding #13 Renewed
Letter of Understanding #14 Renewed
Letter of Understanding #16 Renewed
Letter of Understanding #17 Renewed
Letter of Understanding #18 Renewed
Letter of Understanding #19 Renewed

6.01 Delete the word “handicap” and replace with the word “disability”.

Add “same sex partnership status” to the list of prohibited grounds for discrimination.

8.04 (New) “When considering training cash office personnel the owners commit to posting a notice of interest for employees who would like to be considered for work in the cash office.”

9.01 Delete article in its entirety and replace with the following:

“The union shall have the right to appoint two (2) shop stewards for the store. A third steward may be appointed provided at least one (1) of the three (3) is a full time employee.”

10.03 (a) Add the following new sentence to the end of 10.03 (a):

“It is agreed an employee is entitled to the greater of the notice periods of the Employment Standards Act or the Collective Bargaining Agreement.”

10.06 (d) Insert the word “qualified” immediately preceding the word “medical” .

17.02 (New) “The Employer will supply reasonable quantities of tissues and hand sanitizers for the use of cashiers. Tissues will be stored out of customers view.”

“The Employers agree to provide and maintain, in good condition, anti fatigue mats on all regular and express cash lanes.”

21.01 (b) Delete the word “duly”.

25.04(New) “Employees required by the Employer to use their personal vehicle for business travel shall be reimbursed in the amount of thirty (\$.30) per kilometre. Employees shall be required to submit a written claim for reimbursement on a form provided by the employer.”

25.05(New) Insert the following as a new article 25.05:

“All letters of understanding attached hereto are considered to be, and form part of this collective agreement.”

25.06(New) Add the following as a new article 25.06:

“If during the life of the Collective Agreement the employers choose to implement a new time and attendance system the introduction and application of such system will not violate the terms of the Collective Agreement.”

Appendix “D”:

Insert the following as a new point 4. At the end of Appendix “D” Pharmacy Operations:

As a result of ongoing changes within the pharmacy industry and legislation aimed at increasing pharmacy patient safety the following shall apply to pharmacy operations covered by this collective agreement.

The term “Pharmacy Technician” shall be used in reference to out-of-scope government regulated Pharmacy Technicians only. Current and future in-scope employees of the pharmacy will be titled as “Pharmacy Assistants” or “Pharmacy Clerks”.

A Pharmacy Assistant shall be defined as an employee who possesses the demonstrated knowledge and ability to manage a new prescription from intake to the Pharmacist/Pharmacy Technician’s sign off. A standardized Wadland Pharmacy designed and administered Pharmacy Assessment (known as the Standardized Pharmacy Assessment) will be used to assess the above. Employees hired externally or from within the store must also pass the Standardized Pharmacy Assessment in order to work as a Pharmacy Assistant. Pharmacy Assistants shall be paid in accordance with the Pharmacy Assistant wage progressions. The Employer shall determine the Pharmacy Assistant staffing requirements in its sole discretion.

A Pharmacy Clerk shall be defined as an employee who works within the pharmacy but is not assigned to perform the full normal duties of a Pharmacy Assistant. The minimum

hourly rates of pay for Pharmacy Clerks are the same minimum hourly rates of pay applicable to other Clerk classifications covered by this collective agreement.

A Pharmacy Clerk may express an interest in becoming a Pharmacy Assistant and they will be afforded the opportunity to do so provided that they are able to demonstrate the knowledge and ability to manage a new prescription from intake to the Pharmacist/Pharmacy Technician's sign off (as determined by the Standardized Pharmacy Assessment) and provided that there is a suitable opening as determined by the Employer.

It is understood that the Pharmacy Assistant classification and associated scheduling will be introduced over time and that until such time as the Standardized Pharmacy Assessment can be completed all current in-scope pharmacy employees will continue to be classified and paid as Pharmacy Assistants. No current pharmacy employee shall experience a reduction in their rate of pay as a result of the implementation of these changes. All employees working in the pharmacy at ratification shall be given the opportunity to complete the assessment.