COLLECTIVE AGREEMENT

BETWEEN: PHARMX REXALL DRUG STORES LTD.
(hereinafter called the "Company")

AND: RETAIL, WHOLESALE AND DEPARTMENT STORE UNION,
DISTRICT COUNCIL - of the - UNITED FOOD AND
COMMERCIAL WORKERS INTERNATIONAL UNION
(hereinafter called the "Union")

ARTICLE 1 - PREAMBLE:

1.01 This Agreement is entered into by the parties hereto so as to provide for orderly collective bargaining relations between the Company, the Union and those employees who fall within the bargaining unit.

1.02 It is the desire of the parties to this Agreement to co-operate in maintaining a harmonious relationship between the Company and its employees and to provide an expeditious and amicable method of settling differences or grievances having to do with the application, interpretation or violation of this Agreement.

ARTICLE 2 - SCOPE/RECOGNITION:

2.01 The Company recognizes the Union as the sole and exclusive bargaining agent of all employees of Pharmx Rexall Drug Stores Ltd. working at 228 King Street in the Town of Sturgeon Falls, Ontario, saves and except Pharmacists, including Pharmacy Students and Pharmacy Interns, supervisors, persons above the rank of supervisor, office and clerical staff and bookkeeper.

2.02 (a) The term full-time employee, whenever herein used, shall mean employees regularly scheduled to work a normal work week of twenty-eight (28) to forty (40) hours per week, as defined in Article 13.

(b) The term part-time employee whenever herein used, shall mean employees regularly scheduled to work less than a normal work week of twenty-eight (28) hours. Should a part-time employee’s normal work week exceed twenty-eight (28) hours for a period in excess of ten (10) consecutive weeks, the employee shall become full-time unless relieving for sickness, vacations, holidays or leaves of absence. Two (2) or more employees shall not be scheduled in such a manner as to displace or prevent the hiring of regular full-time employees.

ARTICLE 3 - NO DISCRIMINATION/HARASSMENT:

3.01 The Company and the Union agree that every person has the right to be free from discrimination and harassment in accordance with the provisions of the Ontario Human Rights Code. A copy of the Human Rights Code will be posted in the store.

ARTICLE 4 - MANAGEMENT RIGHTS:
4.01 The Union recognizes and acknowledges that the management of the store and direction of the working force are fixed exclusively in 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, classify, transfer, suspend and retire employees, and to discipline or discharge any employees for just and sufficient cause provided the employee has passed the probationary period and provided that a claim by an employee who has acquired seniority that he has been discharged or disciplined without just and sufficient cause may be the subject of a grievance and dealt with as hereinafter provided;

(c) make, enforce and alter, from time to time, reasonable rules and regulations to be observed by the employees, which rules and regulations shall not conflict with any specific term of the Agreement;

(d) determine the nature and kind of business conducted by the Company, the kinds and locations of operations, equipment and materials to be used, control of materials and parts, the methods and techniques of work, the content and arrangement of jobs, the limitations, curtailment or cessation of operations or any part thereof, and to determine and exercise all other functions and prerogatives which shall remain solely with the Company except as specifically limited by the express provisions of this Agreement.

4.02 Without limiting the generality of the foregoing provisions, it is expressly understood and agreed that breach of any of the Store rules that are current and fairly applied, or of any of the provisions of this Agreement, shall be conclusively deemed to be sufficient cause for discipline or dismissal of an employee, provided that nothing herein shall prevent an employee going through the grievance procedure to determine whether or not such breach actually took place.

ARTICLE 5 - UNION SECURITY:

5.01 New employees shall make application for membership in the Union at the time of their hiring.

5.02 The Company agrees to deduct from the pay of each employee in the bargaining unit such dues and initiation fees as are set by the Union and communicated to the Company in writing. The Company shall remit such deductions to the Union in accordance with the Company’s bi-weekly payroll. Along with such remittances, the Company will include the employees’ names, addresses, Social Insurance Numbers and sums deducted.

5.03 The Company agrees to forward to the Union office on a monthly basis a complete alphabetical listing of all employees including their home address, telephone numbers, starting date and department, separated into full-time and part-time.

5.04 For informational purposes, the company will include on each employee’s T-4 taxation form the total amount of Union dues deducted during the previous tax year.
5.05 The Union shall hold the Company harmless with respect to all dues and initiation fees so deducted and remitted and with respect to any liability which the Company might incur as a result of such deduction and remittance.

ARTICLE 6 - NO STRIKE/NO LOCKOUT:

6.01 In view of the orderly procedures established by this Agreement for the settling of disputes and the handling of grievances, the Union and its members agree that, during the life of this Agreement, there will be no strike, work stoppages, or work slowdown.

The Company agrees that there will be no lockout of employees during the life of this Agreement. The term "strike" and "lockout" shall be defined in accordance with the Labour Relations Act.

ARTICLE 7 - REPRESENTATION:

7.01 The Company agrees to recognize one (1) union steward and one (1) alternate as appointed by the Union for the purpose of handling grievances and attending meetings with management in the administration of this Agreement on behalf of the employees covered hereunder. The Union shall notify the Company in writing of the names of such stewards at the time of their appointment and the Company shall not be required to recognize any steward until it has been so notified. Store management will advise new employees that a union contract is in place and will identify the Union Steward and introduce them as soon as the schedule permits.

7.02 The stewards shall be allowed necessary time off work without loss of pay for the purpose of processing grievances during working hours in the store provided:

(a) they obtain prior consent from management, which shall not be unreasonably withheld;

(b) such time off shall be of reasonable length and shall not unduly impair the efficient operation of the business.

7.03 The Union Bargaining Committee shall be comprised of two (2) bargaining unit employees, one (1) from the front shop and one (1) from the dispensary, along with full-time representatives of the Union. The employees will not suffer loss of regular wages for scheduled hours for bargaining.

7.04 No individual member or group of members shall undertake to represent the Local Union at a meeting with Management without proper authorization by the Local Union.

7.05 The parties agree to hold labour management committee meetings, at times mutually agreed upon, to address workplace issues of concern.

7.06 It is agreed that the Business Representative of the Union shall be admitted during working hours, at reasonable times, to interview employees while on duty or to inspect working conditions, provided however, that such visits shall not unduly disturb the Company's business and further, that the Business Representative shall report his presence to the store manager upon arrival at the store.
7.07 Where operationally practical, the Company will grant a leave of absence without pay to one employee to attend Union Conferences and Conventions.

ARTICLE 8 - ADJUSTMENT OF GRIEVANCES:

8.01 Should any difference arise between the Company and any of the employees, or between the Company and the Union, as to the interpretation, application or alleged violation of any of the provisions of the Agreement, an earnest effort shall be made to settle such difference without undue delay in the following manner:

STAGE ONE

Any individual grievance must first be submitted to the store manager, or designate. The employee concerned and a union steward or union representative may within seven (7) calendar days of the alleged occurrence said to have caused the grievance, take the matter up with the store manager or designate who shall give his answer verbally within five (5) calendar days. If the employee does not receive a satisfactory response, they may proceed to the next step of the grievance procedure;

STAGE TWO

The union committee comprised of not more than two (2) employees of the Company and/or not more than two (2) union representatives may, on behalf of the employee, present the grievance in writing, to the Management within seven (7) calendar days after the decision has been received at Stage One, who shall discuss the matter with such committee within ten (10) calendar days or such other dates as may be mutually agreed upon by the parties, and give a written decision no later than seven (7) calendar days after such discussion is concluded. If satisfactory settlement of the grievance is not reached, it may be dealt with as hereinafter provided by arbitration.

8.02 (a) ARBITRATION

When either party to the Agreement requests that a grievance be submitted for arbitration, they shall make such request in writing within thirty (30) calendar days, addressed to the other party to the Agreement.

The arbitration procedure incorporated in the Agreement shall be based on the use of a single arbitrator.

When either party refers a grievance to arbitration, they shall propose three (3) acceptable arbitrators. If none of the three (3) proposed arbitrators are acceptable to the other party, they shall propose three (3) arbitrators. Either party may request the Ministry of Labour to appoint an arbitrator.

(b) No person shall be appointed as an arbitrator who has been involved in the grievance.

8.03 No matter shall be submitted to arbitration which has not been properly carried through all the required steps of the grievance procedure. Only grievances which arise through the application, interpretation or alleged violation of the provisions of this Agreement, shall form the subject of arbitration.
The arbitrator shall not be authorized to make any decisions inconsistent with the provisions of this Agreement, nor to alter, modify or amend any part of this Agreement;

(b) The fees of the arbitrator shall be borne equally by the parties to this Agreement.

GENERAL

8.04 The time limits mentioned in this Article 8 may be extended by mutual agreement between the parties.

8.05 If a discharged employee believes that his discharge was without just and sufficient cause, he may file a grievance which shall be immediately taken up at Stage Two of the grievance procedure, provided the grievance is filed within ten (10) days from the date of discharge. The Company will give notice in writing of the reasons for discharge.

8.06 If an employee is demoted as a result of discipline or disciplined in another manner and he believes that such demotion or discipline is without just and sufficient cause, he may file a grievance. The Company will give notice in writing of the reasons for such demotion or discipline to an employee within two (2) calendar days of the date of demotion or discipline.

ARTICLE 9 - BARGAINING UNIT SENIORITY:

9.01 Bargaining unit seniority means the relative ranking of the employees as determined by their respective length of accumulated seniority with the Company in the bargaining unit. Seniority shall be the governing factor in matters such as vacations, layoff, transfers, demotions, promotions, reduction to part-time, rehire after layoff, and in the filling of new positions, providing the employee has the ability, willingness and qualifications as determined by management to perform the work as required.

9.02 (a) An employee shall be on probation for the first fifty (50) worked days or three (3) months, whichever occurs first, without seniority rights during which period he may be dismissed by the Company without recourse. Upon completion of his probationary period his name shall be added to the seniority list and the seniority shall be computed from the day he first commenced to work for the Company.

(b) A part-time employee shall be on probation for ninety (90) shifts worked, or six (6) months whichever comes first without seniority rights during which period they may be dismissed by the Company without recourse. Upon completion of his probationary period their name shall be added to the seniority list and the seniority shall be computed from the day he first commenced to work for the Company.

9.03 The Company shall post a seniority list in a prominent place in the store every six (6) months and a copy of such list shall be forwarded to the Union Office presently located at 230 Regent Street, Sudbury.

9.04 SENIORITY ON RECALL

In the event that any employee is laid off, such employee shall retain his bargaining unit seniority and be entitled to recall in accordance with his bargaining unit seniority standing up to twelve (12) consecutive months following his lay-off, before other permanent help is hired, provided that such employee
makes himself available, within five (5) working days after the mailing of the notice to return to work by the Company which notice shall be sent by registered mail to the employee’s address last recorded with the Company.

9.05 BREAK IN BARGAINING UNIT SENIORITY

A break in seniority shall be deemed to have occurred and employment shall be terminated if an employee:

(a) quits;

(b) is discharged and such discharge is sustained by the arbitrator if the case is taken to arbitration;

(c) fails to return to work in accordance with the provisions of 9.04;

(d) fails to return to work after the completion of a leave of absence, unless a reason satisfactory to the Company is given by the employee for failure to return to work as previously agreed;

(e) is absent without leave for a period of three (3) days or more, and fails to advise the Company without a legitimate reason.

9.06 LAYOFF AND RECALL

In the case of layoffs and recalls, the principle of seniority shall govern provided the senior employee has the ability and qualifications as determined by management to perform the job.

It is understood that part-time employees may not displace full-time employees.

9.07 In the event a full-time employee’s status is changed to part-time, the employee will be granted their length of continuous service from their most recent date of hire as a new seniority date.

9.08 For the purpose of calculating full-time seniority, a part-time employee transferring to full-time will be credited with one-half (½) of their calendar years of part-time service from their most recent date of hire.

9.09 JOB POSTING

In the event that a permanent vacancy or a newly-created position comes open, notice of such vacancy or newly-created position shall be posted for five (5) working days on bulletin board or boards provided on the premises for such purpose. All such notices shall designate the job, classification, title, the rate of pay of the job, and the date such notice was posted. Any employee may apply for such job within the time limit specified above.

9.10 The following factors shall determine which employee shall fill the vacancy or newly-created position;

(a) the ability and qualifications of the individual to fulfill the requirements of the job;

(b) the seniority ranking of the applicants;

(c) where the ability and qualifications of candidates are relatively equal, as determined by the management, seniority shall govern.

The name of the successful candidate will be posted.
ARTICLE 10 - DISCHARGE AND DISCIPLINE:

10.01 The Company agrees that a steward or in the absence of a steward, another available bargaining unit employee of their choice to be present during disciplinary meetings.

10.02 The specific penalty for proven pilferage shall be discharge.

10.03 All reprimands, warnings or disciplinary measures will be issued in writing. The employee in question shall receive a copy of such written reprimand, warning or disciplinary measure.

10.04 When an employee has given twenty-four (24) consecutive months without discipline, the Company agrees it will not use such past discipline when addressing future discipline.

ARTICLE 11 - CASH SHORTAGES:

11.01 No employee may be required to make up cash register shortages unless she is given the privilege of checking the money and daily receipts upon starting and completing the work shift, and unless the employee has exclusive access to the cash register during the work shift, except as specified below.

11.02 No employee may be required to make up register shortages when Management exercises the right to open the register during the employee’s work shift, unless the register is opened in the presence of the employee, and the employee is given the opportunity to verify all withdrawals and/or deposits.

ARTICLE 12 - PREGNANCY/PARENTAL LEAVE:

12.01 Employees shall be entitled to pregnancy/parental leave as provided by the Ontario Employment Standards Act as amended 2005.

ARTICLE 13 - HOURS OF WORK:

13.01 (a) The regular work week for full-time employees shall consist of up to and including forty (40) hours per week on the basis of five (5) shifts of eight (8) hours each.

(b) It is understood and agreed that the provisions of this Article are intended only to define the normal hours of work and shall not be considered a guarantee as to the hours of work per day or the days of work per week, nor shall it restrict management from altering an employee’s schedule.

13.02 Authorized hours worked in excess of forty-four (44) hours in a week shall be compensated at time and one-half the employees’ regular straight time hourly rate.

13.03 There shall be no duplication or pyramiding of hours worked for the purpose of computing overtime or other premium payment.

13.04 The Company shall post a schedule of hours of work for all employees by Monday at 5:00 p.m. for the one (1) week commencing on the Sunday following and the schedule shall not be changed without providing two (2) days
13.05 The Company shall endeavour to schedule full-time employees to work only one (1) Saturday every two (2) weeks.

13.06 The Company agrees that employees shall not work split shifts.

13.07 The Company shall endeavour to schedule full-time employees to work five (5) consecutive days, although the Union recognizes that this may not always be possible. In any event, this clause shall not apply between December 1 and January 15.

13.08 The Company will adjust the wages of any employees who performs the key functions of a higher position for more than two (2) hours of continuous work in the higher position, pursuant to the formula outlined in Article 26.

13.09 The scheduling of regular hours for part-time employees will be in accordance with seniority, provided the employee has the willingness and ability to perform the work.

ARTICLE 14 - CALL-OUT AND REPORTING PAY:

14.01 If any employee is called out to work for any reason other than the regular work shift, they shall be paid a minimum of three (3) hours pay at the regular rate.

ARTICLE 15 - REST AND LUNCH PERIODS:

15.01 Employees working over three (3) hours in any one (1) day shall receive one (1) rest period, with pay. Employees scheduled six (6) hours or more in any one (1) day shall receive two (2) rest periods, with pay. Employees scheduled nine (9) hours or more in any one (1) day shall receive three (3) rest periods. Rest periods shall be of fifteen (15) minutes duration and scheduled by the Company as near as possible to the midway point of the work period. The lunch period shall be one-half (1/2) hour without pay or one (1) hour by mutual agreement, without pay. The Company will also endeavour to schedule a break for employees scheduled to work three (3) hours.

ARTICLE 16 - PAID HOLIDAYS:

16.01 There shall be paid holidays during the term of this Agreement as follows:

| New Year’s Day | Labour Day          |
| Family Day     | Thanksgiving Day    |
| Good Friday    | Christmas Day       |
| Victoria Day   | Boxing Day          |
| Canada Day     | Floater Day         |
| Civic Holiday  |                    |

16.02 Employees regularly scheduled to work on a holiday referred to in 16.01 will be paid a regular days pay for such holiday whether they work or not, and employees required to work shall be paid an additional amount at the rate of time and one-half (1½) hours worked. Regular days pay is calculated according to the provisions of the Ontario Employment Standards Act, as amended 2005.

16.03 In order for an employee to receive Statutory Holiday pay, they must not have been absent from work on their scheduled work day prior to or following
such holiday, unless the absence was justified on bona fide grounds acceptable to management.

ARTICLE 17 - VACATIONS:

17.01 (a) Employees who have completed one (1) to four (4) years of continuous service, prior to July 1st of the year in which the vacation is to be taken, shall receive two (2) weeks at 4% vacation pay.

(b) Employees who have completed five (5) to nine (9) years of continuous service, prior to July 1st of the year in which the vacation is to be taken, shall receive three (3) weeks at 6% vacation pay.

(c) Employees who have completed ten (10) to fourteen (14) years of continuous service, prior to July 1st of the year in which the vacation is to be taken, shall receive four (4) weeks at 8% vacation pay.

(d) Employees who have completed fifteen (15) to nineteen (19) years of continuous service, prior to July 1st of the year in which the vacation is to be taken, shall receive five (5) weeks at 10% vacation pay.

(e) Employees who have completed twenty (20) years or more of continuous service, prior to July 1st of the year in which the vacation is to be taken, shall receive six (6) weeks at 12% vacation pay.

Part-time employees will be paid out total vacation accrual, as described above, on the first full pay period of July of each year.

17.02 Vacations must be taken in the year in which they are due, and may not be accumulated unless mutually agreed upon.

17.03 If a Statutory Holiday occurs during an employee’s vacation period, an extra day’s vacation shall be scheduled, by the Company, immediately preceding or following their vacation period.

17.04 A vacation calendar shall be posted between February 1 and March 31 and all employees who are entitled to request vacations shall indicate on the form within three (3) weeks, the dates on which they wish to have vacation. The choice of vacation dates will be according to seniority, providing that it does not result in a schedule which interferes with the operation of the business. However, after March 31, any further scheduling shall be on a first-come, first-served basis. In order to ensure equitable distribution of vacations, those employees entitled to three (3) weeks of vacation or more, will only have priority over less senior employees with respect to the scheduling of two (2) such weeks in the period between June 1st and September 1st each year. It is understood that all full-time employees shall have preference of vacation dates over all part-time employees up until March 31.

ARTICLE 18 - JURY DUTY:

18.01 If a full-time employee is required to serve as a juror in any court of law or is required by subpoena to attend a court of law in connection with a case arising from the performance of duties with the Company, or is required by subpoena to act as a witness for the Crown, they shall not lose regular pay because of such attendance provided:

(a) that the Company is immediately notified of their requirement to attend court;

(b) that they present proof of service requiring attendance;
(c) that they promptly repay to the Company the amount paid to them for such service or attendance.

ARTICLE 19 - BEREAVEMENT LEAVE:

19.01 Full-time and part-time shall suffer no loss of earnings for scheduled hours in the event of bereavement, as follows:

(a) Five (5) consecutive days: spouse, including common-law spouse, children, including stepchildren, parents (including in-laws), brother, sister

(b) Three (3) consecutive days: brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandchildren

(c) One (1) consecutive day: grandparents, aunt, uncle, niece, nephew, grandparents-in-law

(d) Should a death occur in the winter and the internment is postponed employees may defer one (1) of their bereavement entitlement to attend the burial.

(e) If while on vacation and a death occurs, the employees vacation shall be extended and those days turn into bereavement days, up to the maximum days set out on (a), (b) and (c) above.

ARTICLE 20 - LEAVE OF ABSENCE:

20.01 Employees may request, in writing, one special two (2) week leave of absence without pay, which will be approved or denied according to the needs of the business.

20.02 Where it will not interfere with the efficiency of the Store operation, an employee appointed by the Union as a full-time representative may be granted a leave of absence not to exceed one (1) year without pay while serving in such capacity. Such person shall continue to accumulate seniority while serving as Union Representative and shall be entitled to return to the bargaining unit, should their services be terminated by the Union, with full accumulated seniority. The Union agrees to provide a minimum of 3 months written notice of such leave. This provision shall not come into effect until January 2008.

20.03 MILITARY LEAVE

A leave of absence shall be granted upon providing eight (8) weeks’ notice and a letter from a commanding officer to an employee for the purpose of allowing such employee to be provided with training in the Canadian Armed Forces during peace time, not to exceed sixty (60) days per year. During such leave of absence, the employee’s seniority shall continue to accrue. In the event that such employee serves in war time, such employee shall be considered on an indefinite leave of absence until he is discharged from duty and he/she shall provide the Company with ninety (90) days notice of his intention to report back to work and he/she shall report back to work within these ninety (90) days. Upon return to work, the employee shall be reinstated to their former classification, or a comparable position in another classification.

ARTICLE 21 - BENEFITS:
The Katz Group Benefit Plan on behalf of full-time employees, as described in the plan text, and amended in September of 2005, shall continue in force for the duration of the Collective Agreement. It is understood that the Company’s obligation is to pay the premiums only in support of these benefits. Each full-time employee shall be provided with a benefit booklet upon request.

All full-time employees shall be covered by the KATZ Group Pension Plan and shall be governed by the plan for store employees.

ARTICLE 22 - UNION DECAL:

22.01 (a) The Company agrees to display the current official Union Decal in a location where it can be seen by customers.
   (b) Employees shall be allowed to wear a small union pin on their uniform.

ARTICLE 23 - BULLETIN BOARDS:

A bulletin board will be provided for the Union’s exclusive use, where the Union will have the right to post notices of meetings or such other official notices as may be required, provided that all such notices have the prior approval of the Store manager and that no information derogatory to the business is posted. All notices shall be signed on behalf of the Union by one of the following persons:

(a) A staff representative of the Northern Ontario Joint Council
(b) A staff representative of the Retail, Wholesale and Department Store Union, District Council

Notwithstanding anything to the contrary above, a meeting notice of a regular Local Union membership meeting or notices pertaining to Local Union elections shall be posted and do not require the permission of any member of management.

ARTICLE 24 - DOCTOR’S APPOINTMENT:

Where an employee is unable to schedule their doctor’s appointment on their day off, the Company agrees to allow the employee time off from work without pay for the purpose of attending to the doctor’s appointment, provided the employee endeavours to provide at least one (1) day’s notice of such appointment. Arrangements may be made to make up lost time. Employees shall not provide a doctor’s note unless they have repeated instances of illness or injury a pattern of abuse, in the event of any suspicious circumstances.

ARTICLE 25 - WAGES:

The minimum hourly rate of wages for all employees coming under this Agreement shall be as per Schedule “A” of this Agreement, provided that where an individual employee’s wages are higher, such rate of wages shall not be reduced by reason of this Agreement. The rates of pay provided in Schedule "A" are minimum rates and apply to the job classifications and not to the individual.

RELIEVING RATE OF PAY FOR MANAGEMENT

When an employee is assigned to be "In Charge" in the absence of the Store Manager for one (1) day or more, such employee shall receive a premium of
two dollars ($2.00) per hour for all hours worked during the Store Manager’s absence. The above-named employee shall be identified in a posting, which shall include the assigned management duties.

25.03 When an employee is promoted to a higher-rated classification, they will continue to receive the same wage rate they were receiving previously, provided his former wage rate is set out in the range of the new classification. If their previous wage rate is not set out in the range of the higher-rated classification, then the employee’s wage rate will be that of the next highest rate on the range for the new classification. In all cases, the employee’s movement across the range of their new classification will commence at the rate in the range which is determined above.

25.04 For the purposes of placement on the wage schedule only, employees with previous experience working in a Pharmx Rexall Drug Store will be granted full credit for such experience, provided they left the employ of the Company no later than two (2) years prior to their rehire. This does not change the probationary status of the employee for their rehire.

ARTICLE 26 - TERMINATION AND RENEWAL:

26.01 This Agreement shall be for a period commencing August 1, 2011 and ending July 31, 2014 and, upon its expiry, it shall automatically be renewed unless either party give notice to the other, not more than ninety (90) days prior to the expiry date, of its desire to enter into negotiations for the revision or renewal of all or any part of this Agreement wherein both parties shall thereafter enter into
negotiations in good faith and make every reasonable effort to expedite and secure a renewal.

26.02 In the event that negotiations for the renewal of this Agreement continue past the expiry date, the terms and conditions as set out herein shall continue in full force and effect until such renewal is affected.

Dated at Sudbury, this 2nd day of February, 2012.

SIGNED ON BEHALF OF THE COMPANY:

STACY PANEK
Labour Relations Manager

CLAIRED AUBIN
Bargaining Committee Representative

CHRISTOPHER GARNETT
Eastern Ontario

JEANNE AYOTTE
Bargaining Committee Representative

SANDRA ROGERSON
Representative

JEFF BLACK
Representative

DERIK J. McARTHUR
President, Northern Joint Council
Canadian Director, RWDSU
International Vice-President, UFCW
SCHEDULE “A”

WAGES AND CLASSIFICATIONS

FULL-TIME EMPLOYEES

FULL-TIME EMPLOYEES:

August 1, 2011

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### August 1, 2013

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## SCHEDULE “B”

### WAGES AND CLASSIFICATIONS

#### PART-TIME EMPLOYEES

**August 1, 2011**

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Any employee in the Pharmacy Technician or Certified Technician shall be placed on the grid at the step that would provide an increase. For example an employee currently at 14.95 would be placed at the 15.15 rate of pay. Any employee above the end rate shall be red circled until such time as the grid catches up to their rate of pay.

Full-time Red Circled employees shall receive a lump sum payment in the sum of $500.00 effective on Ratification and again on August 1, 2012, and on August 1, 2013.

Part-time Red Circled employees shall receive a lump sum payment in the sum of $250.00 effective on Ratification and again on August 1, 2012, and on August 1, 2013.
LETTER OF UNDERSTANDING #1

BETWEEN: PHARMX REXALL DRUG STORES LTD. (hereinafter called the "Company")

AND: RETAIL, WHOLESALE AND DEPARTMENT STORE UNION, DISTRICT COUNCIL - of the - UNITED FOOD AND COMMERCIAl WORKERS INTERNATIONAL UNION (hereinafter called the "Union")

RE: PHARMACY ASSISTANT

In recognition of current trends, the present "Pharmacy Technician" classification will be re-named "Pharmacy Assistant". All employees currently classified as Pharmacy Technicians of Certified Pharmacy Technicians will be moved into the Pharmacy Assistant classification unless they meet the requirements in section below.

Registered Pharmacy Technician Classification

All employees currently classified as Pharmacy Assistants will be eligible to move into the new classification of Registered Pharmacy Technician subject to the following requirements, which have been established and mandated by the provincial Ontario College of Pharmacists and passed into law by the Government of the province:

(i) Completed a Pharmacy Technician Diploma from an accredited College

OR

Completed a Pharmacy Technician Bridging program from an accredited College

AND

(ii) Successfully completed the PEBC Qualifying exam.

(iii) Is a member in good standing with the provincial College of Pharmacists (ie OCP)

Upon confirmation that they have registered with the provincial College of Pharmacists as Pharmacy Technicians, "Pharmacy Assistants" will immediately move to the new Registered Pharmacy Technician classification corresponding to their placement on the new registered Pharmacy Technician classification as per Article 25.03.

Dated at Sudbury this 2nd day of February, 2012.

SIGNED ON BEHALF OF THE COMPANY: STACEY PANEx
Labour Relations Manager

SIGNED ON BEHALF OF THE UNION: JEFF BLACK
Representative
LETTER OF UNDERSTANDING #2

BETWEEN: PHARMX REXALL DRUG STORES LTD. (Hereinafter called the “Company”)

AND: RETAIL, WHOLESALE AND DEPARTMENT STORE UNION, DISTRICT COUNCIL - of the - UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION (Hereinafter called the “Union”)

RE: COSMETIC COMMISSION PAYMENT

OBJECTIVE:

To define how cosmetic commissions are calculated, who receives them and how and when they are paid.

SCOPE:

Applies to all staff classified as cosmetician, after completion of probationary period, employed by Rexall Drug Stores whether full-time or part-time, in the stores covered by this Collective Agreement. Effective on ratification- commissions will be paid on a pro-rata basis for relief time worked to individuals who are qualified as cosmetician who are relieving for leave of absence and periods of illness for more than one week. Applies to all cosmetic products having the cosmetic colored ticket.

HOW CALCULATED:

The primary basis for the calculation of cosmetic commissions payable is the net cosmetic sales figure for your store. This figure is obtained from data on the Daily Weekly Store Cash Summary and is the same information that shows for “cosmetic sales” on the Store Performance Report. Commission amount due will be calculated by the paid through the Payroll department. Any questions regarding the payment of commission should be directed to the Payroll department. Commission will be paid to eligible cosmeticians within 30 days of the end of the relevant quarter. Commission payments will be included with the regular pay, and details of the entitlement will be provided.

Commission quarters are outlined as follows:
1st quarter - Periods 1, 2 and 3;
2nd quarter- Periods 4, 5, 6 and 7;
3rd quarter- Periods 8, 9 and 10;
4th quarter- Periods 11, 12 and 13;

The amount of commission for which the cosmetician(s) in a store are eligible currently remains at 2% of net cosmetic sales.

Where relevant for purposes of paying commission, hours worked will include all vacation hours, and exclude sick leave and leave of absence.

COMMISSION PAYMENT

One Cosmetician/Store

The total scheduled hours for the accounting period are totaled. If the cosmetician worked 100% of the scheduled hours she will receive 100% of the commission. If she worked less than 100% of the scheduled hours, the percentage must be calculated.

Example:
Commission is ... $2,360.52
Scheduled hours... 480.00
Hours worked... 464.00
464 divided by 480...97%
$2360.52/97%... $2,289.70 (Commission paid)

Dated this at Sudbury, this 2nd day of February, 2012

SIGNED ON BEHALF
OF THE COMPANY:

STACEY PANIK
Labour Relations Manager

SIGNED ON BEHALF
OF THE UNION:

JEFF BLACK
Representative
BETWEEN: PHARMX REXALL DRUG STORES LTD.  
(Hereinafter called the “Company”)

AND: RETAIL, WHOLESALE AND DEPARTMENT STORE UNION,  
DISTRICT COUNCIL - of the - UNITED FOOD AND  
COMMERCIAL WORKERS INTERNATIONAL UNION  
(Hereinafter called the “Union”)

RE: EVENING AND WEEKEND WORK

The Company and the Union agree to meet to discuss the scheduling of hours on evenings and weekends to endeavor to create a more equitable distribution of hour while maintaining operational efficiency.

Dated at Sudbury, this 2nd day of February 2012

SIGNED ON BEHALF OF THE COMPANY: SIGNED ON BEHALF OF THE UNION:

STACEY PANEK JEFF BLACK  
Labour Relations Manager Representative
COLLECTIVE AGREEMENT

BETWEEN

PHARMX REXALL DRUG STORES LTD.

AND

RETAIL, WHOLESALE AND DEPARTMENT STORE UNION, DISTRICT COUNCIL

- of the -

United Food and Commercial Workers International Union