

June 26th, 2017

Sean Naldrett
Sr. Director Labor Relations
Sobeys West
1020-64 Avenue NE Calgary
Alberta T2E 7V8

Re: Letter of Understanding No. 4 – Joint Union/Management Reviews

We are in receipt of your letter of June 12, 2017, notifying the Union of the Company's intention to review 20 stores pursuant to LOU No. 4, and your email of June 21, 2017 indicating a desire to meet to review the stores listed in your letter. I am writing to advise you that the Union does not agree that the Company can trigger LOU No. 4 in the manner it has attempted.

First, the language of LOU No. 4 is clear that it is to be used for review of the individual performance of stores that are experiencing financial difficulties. LOU No. 4 is not properly used as a process to review 20 stores (nearly one-third of Safeway stores in British Columbia) together. The Company's notice is inappropriate and contrary to the language and intent of LOU No. 4.

Second, at least one of the stores, specifically Store #90/4934 (English Bay Vancouver), listed in the Company's notice is scheduled to be closed for a confirmed redevelopment. In the Union's view, a store that is facing a confirmed imminent closure is not eligible for review under LOU No. 4, as the continued viability of the store is not in issue

Further, seven (7) of the stores listed in the Company's notice have already been reviewed under LOU No. 4 and the parties have in place a Joint Labour Review Agreement ("JLR Agreements") for these stores:

#182/4963 Powell River

#184/4964 Newton Town Centre Surrey

#20/4904 Sunwood Square Coquitlam

#70/4924 Trail

#33/4907 City Square Vancouver

#75/4926 100 Mile House

#179/4962 Trenant Park Ladner

Under LOU No. 4, once the parties have agreed to a JLR Agreement, LOU No. 4 does not provide for a second review for the purpose of further amending the Collective Agreement. Rather, LOU No. 4 requires meeting to discuss the potential return of the store to the full Collective Agreement, once the store has operated on modified terms for a reasonable period of time.

As the Union continues to review the appropriateness of the Company's request to meet to review 20 stores, which we believe is not a proper use of the individual store review under LOU No. 4, we seek the following information for all 20 stores listed in the Company's notice:

Disclosure of lease information for each store that is leased, including when the lease expires;

Disclosure of each property that is being considered for re-developed, with timelines.

We await the requested information as the Union continues to review the appropriateness of the Company's request to meet to review 20 stores, which we believe is not a proper use of the individual store review under LOU No. 4,

Sincerely:

Suzanne Hodge

President

UFCW Local 247