

Memorandum of Agreement

Between

Saputo Dairy Products Canada G.P.
Georgetown, ON
(Hereinafter referred to as the "Company") And
Unifor, Local 4003 (Hereinafter referred to as the Union")
(together the "Parties")

WHEREAS the Parties have reached terms of settlement relating to a new collective bargaining agreement, and which is intended to continue to promote good relations, which is in the best interest of the Company, the Union and the bargaining unit members:

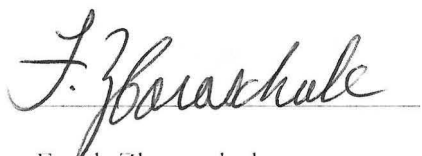
NOW THEREFORE:

- The Parties agree to the terms of this Memorandum of Agreement (the "Memorandum") as constituting full settlement of all matters in dispute between the Parties.
- The Parties further agree that:
 1. those terms agreed to as attached hereto as Appendix "A" - shall become the terms of the new 2022 Collective Bargaining Agreement.
 2. those terms agreed to as attached hereto as Appendix "B" - shall represent Letter of Intent #1 -- Ontario RDO Business/Education Review.
 3. those terms agreed to as attached hereto as Appendix "C" - shall represent Letter of Intent #2 -- Increasing or Decreasing of RDO Routes.
 4. those terms agreed to as attached hereto as Appendix "D" - shall represent Letter of Intent #3 -- Bereavement.
- The terms set forth in this Memorandum are made by the Company in good faith to ensure sustainability of the RDO Business Model and in order to promote good relations between the Parties. The substantive terms contained herein are on a without prejudice and without precedent basis until agreed to and signed by the Parties. In the event that this Memorandum is not accepted by the Union at its ratification vote, it shall automatically be revoked by the Company.
- The undersigned representatives of the Union, along with its bargaining committee, and the undersigned representatives of the Company, along with its bargaining committee, do hereby agree to present the terms of this Memorandum as a unanimous recommendation, to their principals and constituent members for their acceptance.
- The terms set forth in this Memorandum are confidential.

- Once accepted, the Parties agree that this settlement is enforceable pursuant to s.96(7) of the *Labour Relations Act, 1995*, and again, without precedent or prejudice.
- Each party acknowledges and agrees that they enter into the terms of this Memorandum freely and voluntarily without reliance on any representation which does not appear on the face of this Memorandum.

Signed at Mississauga, this 23 day of November 2022.

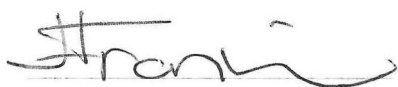
For the Company:



Frank Zbaraschuk

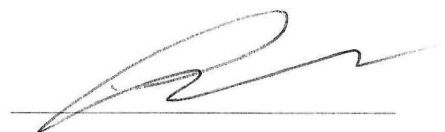


David Battist



Jennifer Franklin

For the Union:



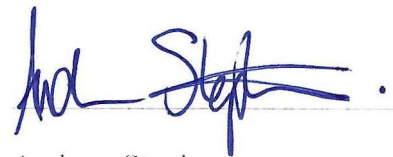
Zbigniew Godlewski



Giritharan Panchalingam



Sina Piluso



Andrew Stephen



Barry Kennedy

APPENDIX A

2022 Collective Bargaining Agreement

ARTICLE 1 - RECOGNITION AND SCOPE

- 1.01 Saputo Dairy Products Canada G.P., herein referred to as the 'Company', recognizes Unifor and Unifor National Council 4000/Local 4003, herein referred to as the 'Union', as the sole collective bargaining agent and representative for all Dependent Contractors that are Registered Distribution Operators (RDO's) of Saputo Dairy Products Canada G.P., excluding their drivers, working out of the Regional Municipality of York, Regional Municipality of Halton and Regional Municipality of Ottawa-Carleton, save and except for supervisors and persons above the rank of supervisors.

ARTICLE 2 - MANAGEMENT RIGHTS

- 2.01 The Union recognizes and acknowledges that the management of Dependent Contractors is fixed exclusively by the Company and, without limiting the generality of the foregoing, the Union acknowledges that it is the exclusive function of the Company to:
- a) Maintain order and efficiency, select, assign and change accounts, routes, make, alter and enforce from time to time reasonable rules, regulations, policies and practices to be observed by Dependent Contractors, and to discipline, discharge or terminate the Dependent Contractor relationship.
 - b) Require medical examination(s) at the Company's request by a physician of the Company's choice, at the Company's expense. Such medical examination(s) shall be carried out promptly following the Company's request and may include drug, urine and other testing for substance use and abuse and for any other testing required in order to comply with any regulations or requirements of the Ministry of Transportation or other government authority.
- 2.02 The Company retains all other management functions and rights not listed above unless expressly restricted by this Agreement.
- 2.03 In addition to the Dependent Contractor Collective Agreement, Saputo will enter into separate commercial agreements with each of the Dependent Contractors to be called the Delivery Agreement.
- 2.04 Compensation is set in discussion with Dependent Contractors under the Dependent Contractor Agreements individually and such Agreements may contain performance specifications on an individual basis.

- 2.05 This Collective Agreement shall only prevail over individual Delivery Agreement(s) where expressly stated. The Union recognizes that the Delivery Agreement(s) remain in effect and are not rendered invalid or unenforceable because of the existence of this Collective Agreement.

ARTICLE 3 - STRIKES AND LOCK-OUTS

- 3.01 In view of the orderly procedures established by this Collective Agreement for the settling of disputes, the Union and members of the bargaining unit agree that, during the life of this Collective Agreement there will be no strike, interruption, slow-down or stoppage of work either complete or partial or any other interference which will halt, disrupt, limit or interfere with normal service or work.
- 3.02 The Company agrees that there will be no lock-out of Dependent Contractors during the life of this Agreement.

ARTICLE 4 - UNION DUES AND REPRESENTATION

- 4.01 The Company shall deduct each month from the compensation of all Dependent Contractors (RDOs) covered under Article 1, Union dues in an amount as specified by the National Secretary -- Treasurer of the Union (or his/her designate) in accordance with the Union's Constitution. The monthly dues remittance shall be accompanied by a report showing the amount deducted from each RDO for the pay period in which the deductions were made. All Dependent Contractors shall become and remain members of the Union. The Company will provide the Union with the name of any newly contracted RDO.
- 4.02 The Union shall indemnify and save the Company harmless from any and all claims for amounts deducted and remitted under the terms of this Article.
- 4.03 The Company will recognize two (2) Union Representatives who are Dependent Contractors, whom are and must remain in good standing with the Company.
- 4.04 The Company acknowledges the right of the Union to appoint or otherwise select up to two (2) Dependent Contractors to form the negotiating committee. For which they will be paid a maximum of \$250 for each day or portion thereof while attending negotiations up to and including conciliation and/or mediation for a total of 5 days.

ARTICLE 5 - DISPUTE RESOLUTION PROCEDURE

- 5.01 It is the mutual desire of the parties hereto that complaints of Dependent Contractors shall be addressed as quickly as possible without interference with any work.
- 5.02 A "Complaint" shall be defined for purposes of this Collective Agreement as a complaint regarding the interpretation, application or alleged violation of the terms and provisions of this Collective Agreement and shall be processed as set out below.
- 5.03 Step 1: The Dependent Contractor and/or Union shall submit a signed, dated and written statement of such Complaint to management no later than seven (7) calendar days from the time the Complaint first arose. The signed, dated and written statement of the Complaint must set out the nature of any alleged breach of this Collective Agreement, the Article of the Collective Agreement allegedly violated, misapplied or misinterpreted and the remedy sought to resolve the matter, failing which such Complaint shall be deemed to have been abandoned. The Company may respond in writing within seven (7) calendar days of the date of receipt of such Complaint, failing which the Complaint may automatically be taken to Step 2 by the Dependent Contractor and/or the Union.

Step 2: If the Complaint has not been resolved at Step 1 or if the Union has not received a satisfactory response, the Dependent Contractor and/or the Union shall request a meeting with local management no later than fourteen (14) calendar days after the expiry of the time limits for the Company's response set out in Step 1. If such meeting is not requested within such fourteen (14) calendar day time period, the Complaint shall be deemed to have been abandoned. If such meeting is requested, local management at the location at which the difference arose will conduct such meeting within fourteen (14) calendar days of the request.

- 5.04 If final settlement of the Complaint is not reached at Step 2, the Dependent Contractor and/or the Union shall notify local management in writing, within fourteen (14) calendar days after the expiry of the time limits for the Company's response set out in Step 2, of its desire to refer such Complaint to arbitration. The Union shall in turn refer the complaint to Arbitration within thirty (30) calendar days of such notification. Failure to provide such notification to local management or to refer the complaint within the specified time limits shall result in the complaint being deemed to have been abandoned.
- 5.05 Should the Company choose to file a Complaint alleging that the Union has violated, misapplied or misinterpreted this Collective Agreement, the Company shall provide the Union with such Complaint within fourteen (14)

calendar days from the time the difference arose and shall request a meeting with the appropriate Union officers within fourteen (14) calendar days from the filing of such Complaint. If such Complaint is not resolved at that meeting, the Company shall provide written notice within fourteen (14) calendar days of the scheduled date of such meeting of its intention to refer the Complaint to arbitration. The Company shall in turn refer the complaint to Arbitration within thirty (30) calendar days of such notification. Failure to provide such notification or to refer the complaint within the specified time limits shall result in the complaint being deemed to have been abandoned.

- 5.06 Time limits specified in this Dispute Resolution Procedure are mandatory and the parties hereto hereby agree that subsection 48(16) of the *Labour Relations Act* R.S.O. 1995 shall not apply. The parties hereto also agree that time limits specified in the Dispute Resolution Procedure may be extended by mutual agreement in writing between the Company and the Union.
- 5.07 No Complaint may be submitted concerning the termination, lay-off or Disciplining of a probationary Dependent Contractor. The probation period is sixty (60) days worked which may be extended upon agreement in writing between the Union, the Company and the Dependent Contractor.

ARTICLE 6 - ARBITRATION

- 6.01 Where a Complaint is referred to arbitration in accordance with the requirements of Article 5, Dispute Resolution Procedure, such Complaint shall be in writing, to be heard by a single arbitrator unless the parties otherwise agree. The written referral shall contain the names of three (3) arbitrators for consideration of being the sole arbitrator. The other Party to the arbitration shall have the opportunity to provide other names for consideration within thirty days of such notice. It is understood and agreed that the parties will make their selection of such arbitrator based on mutual agreement. If the parties fail to reach mutual agreement, the appointment shall be made by the Minister of Labour for Ontario upon the request of either party.
- 6.02 An arbitrator shall not have jurisdiction to amend, alter, modify, or add to any of the provisions of this Collective Agreement, nor to substitute any new provision in lieu thereof, nor to give any decision inconsistent with the terms and provisions of this Collective Agreement.
- 6.03 Each of the parties hereto will equally share the fees and expenses of the arbitrator. Each party shall pay its own costs otherwise.
- 6.04 Arbitration's shall be heard at a location agreeable to the parties involved.
- 6.05 The time limits set out in this Article may be extended by Mutual Agreement in writing between the Parties.

ARTICLE 7 - DISCHARGE

- 7.01 A Dependent Contractor who has been discharged for just cause or non-performance of responsibilities and has completed probation may complain in accordance with the Dispute Resolution Procedure, 5.03, step 2, within fourteen (14) calendar days from the date of discharge. A written decision concerning a discharge grievance shall be rendered, by the Company, within fourteen (14) calendar days of receiving the grievance from the Dependent Contractor. No right to complain under the Dispute Resolution Procedure or Arbitration will arise in any instances where ninety (90) days notice (unless the Parties mutually agree to shorten) in writing or payment in lieu thereof in accordance with the individual Delivery Agreement has been provided to the Dependent Contractor.
- 7.02 Upon termination or discharge:
- a) The Dependent Contractor shall cease to carry on business under or in association with the name Saputo Dairy Products Canada G.P. and shall not carry on any phase of its business, activity or undertaking after the termination hereof under or in association with any trademarks, industrial designs or trade adaptations used or employed by the Company during the term hereof whether or not the same be the subject of registration under the trade-marks Act (Canada) or any other statute.
 - b) All indebtedness of the Dependent Contractor to the Company or an associate company shall immediately become due and payable.
 - c) The Dependent Contractor shall forthwith remove and discontinue the use of all signs, stationery, advertising and other material that would make it appear to the public that the Dependent Contractor is still associated with the Company's products.
 - d) All rights granted by the Company or any associated company to the Contractor shall terminate immediately.
- 7.03 The Dependent Contractor is entitled to the presence of one (1) Union representative at any meeting where such Dependent Contractor is given a disciplinary reprimand, suspension or discharge, which shall be in writing, stating the reason for such. However, non-compliance with this entitlement shall not result in the discipline or discharge being null and void.

ARTICLE 8 - DURATION

- 8.01 The Mutually agreed to Collective Agreement shall become effective on the day both Parties have ratified a mutually agreed to Memorandum of Agreement and shall remain in effect until the end of the month following three (3) full years from the date of both Parties Ratification of the Memorandum of Agreement and shall continue in force from year to year thereafter, unless not more than ninety (90) days and not less than thirty (30) days before the end of the yearly period, either Party furnishes the other with written notice of termination or proposed revision of this Collective Agreement. Such notice shall be addressed to the Company at the Company's place of business and to the Union Representative at the Union Representative's place of business.

APPENDIX B

Letter of Intent #1

ONTARIO RDO BUSINESS/EDUCATION REVIEW

This letter of intent is part of the Memorandum, but not to be included as part of the Collective Agreement.

The Company commits to undertake a detailed Business/Education review that will include each Ontario RDO. The purpose of the review is twofold.

1. To provide the RDO with a better understanding of the Individual Business Agreement only, not to alter, change or delete any of the provisions therein and to communicate the purpose for and understanding the workings of the Proforma.
2. To update each RDO's specific Proforma, with the participation of the RDO, based on the current activity of that specific route/territory, creating a current annual estimate of revenue, volume, mileage, fixed and variable expenses. The intent of this review is to ensure the RDO and their respective route is viable.

The Company and the RDO will participate in an open, honest and reasonable manner when dealing with the detail in the Proforma.

As a result of this RDO Business review the Company will have the sole discretion to take and implement any changes it sees fit, to attempt to make the RDO successful and viable.

This RDO Business/Education review is a priority and is to be completed as soon as possible, but by no later than June 30, 2023; and then annually by no later than June 30, 2024 and June 30, 2025. An RDO may have a union representative present at their review.

Should an RDO wish to seek clarity on their respective Individual Business Agreement and/or Proforma, they may do so at any time, by submitting a request in writing to the Distribution Management Team, detailing the reasons.

Notwithstanding, the above noted review, the Company has made regular adjustments to the fees for service, (see attached history of fee increases) and will continue to do so as needed. The Company further commits to pay each RDO a Retention Bonus per the following Schedule:

Retention Bonus Payment Schedule

<u>Date</u>	<u>Payment Amount</u>
Ratification Date	\$3000
April 1, 2023	\$800
July 1, 2023	\$800
October 1, 2023	\$750
January 1, 2024	\$750
April 1, 2024	\$750
July 1, 2024	\$750
October 1, 2024	\$700
January 1, 2025	\$700

The RDO, in order to receive payment of the Retention Bonus as per the above schedule, must show the Company that he/she is in full compliance with all the terms of the Individual Business Agreement (IBA), inclusive of all licensing, insurances (inventory, liability, damage, injury, WSIB certification, etc), appearance and good working order of all required equipment (truck, refer, handheld, etc) and understanding and compliance with Saputo's requirements set forth in Saputo's policy manual regarding the distribution of its products. Failure by the RDO, to comply with and maintain good standing with all the terms of the IBA, will forfeit such payment and may negatively affect the long term RDO relationship with the Company.

The terms of this Letter of Intent will expire on July 1, 2025.

APPENDIX C

Letter of Intent #2

INCREASING OR DECREASING OF RDO ROUTES

This letter of intent is part of the Memorandum, but not to be included as part of the Collective Agreement.

In the event the Company anticipates increasing or decreasing the number of routes available to RDOs, it commits to communicating such change to all RDOs.

It is the RDO's responsibility to inform the Company if they desire an increase or a decrease to their route(s).

APPENDIX D

Letter of Intent #3

BEREAVEMENT

The Company shall reimburse RDOs to a maximum of three (3) days at \$200.00 per day to cover the cost of a replacement driver in the event of the death of an immediate family member.

Immediate family member includes parent, spouse, child, sibling and parent-in-law.

For the small drop routes an additional \$100.00 shall be provided.

In the event the RDO is unable to have the work covered by a replacement driver, and Saputo has the work performed by alternative means, the RDO shall not receive the revenue normally generated by the route but shall not be billed for any additional cost for these three (3) days.