

January 24, 2018

Sent by Email

Dear Mr. Limpricht,

Thank you for your letter dated January 19, 2018.

I have reviewed your suggested dates with the company's bargaining committee. I suggest we schedule February 1, 7 and 8 for the first set of meetings between our respective committees. We can set further dates once we meet.

Our negotiations with Local 1518 will be led by Kim Thorne, who is a partner at Roper Greyell and who has a lot of collective bargaining experience. While Tom Roper will also attend our meeting on February 1<sup>st</sup>, he will not attend future bargaining sessions.

With respect to dates, I propose that we use February 1<sup>st</sup> for the committees to meet, and to allow the company to make a presentation on its current market and financial situation. I anticipate inviting Ralf Mundel, our Vice President Operations to attend and participate in the presentation, to discuss the operating and financial environment that we are facing in B.C. Our committee will also be in attendance.

During the course of the meeting I would also like to discuss a parallel process to negotiate a new banner collective agreement for FreshCo. Given the announcement that was made today, it is important that we begin those negotiations now, to see if an agreement can be negotiated (or if necessary arbitrated) that will enable five of the stores that are closing to reopen as FreshCo stores. We need to have these negotiations for a FreshCo agreement running in conjunction with the reopener negotiations as there will undoubtedly be issues that need to be addressed at both tables.

We would then use February 7 and 8 to exchange proposals for the reopener negotiations and fully explore each other's positions. I expect that both parties would want a few days to assess each other's proposals before resuming negotiations, so we should schedule another set of dates when we meet.

I hope you will agree to this approach. I am pleased that bargaining will now commence so that we can address important issues that are facing the company and your members. I am optimistic that with hard work on both sides, we can conclude agreements that will best serve us all going forward.

Yours truly,



Dave Fearon  
Senior Vice President Labour Relations & IHM  
Sobeys Inc.

Cc: S. Naldrett; R. Mundel; D. Hill; T. Roper; K. Thorne