

5. COLLECTIVE AGREEMENT

During 2006, members of certain Ontario locals of the United Food and Commercial Workers union ratified a new four-year collective agreement with Loblaw. The new agreement enables Loblaw to convert 44 stores in Ontario to the *Real Canadian Superstore* banner or food stores with equivalent labour economics, and the flexibility to invest in additional store labour where appropriate. As a result of securing this agreement, Loblaw recognized a one-time charge in 2006 of \$84 in operating income, including a \$36 amount due to a multi-employer pension plan which was paid in 2007 (see note 16) and a payment of \$38 which was paid to employees in 2006 upon ratification.