

February 1, 2017

Via Fax, Email and Registered Mail

Thomas Hesse, Executive Director of Labour Relations
UFCW Local No. 401
46 Hopewell Way
Calgary, AB. T3J 5H7

Subject: Notice to Commence Negotiations with Safeway Operations (Province Wide) – Retail and Meat & Deli

Dear Mr. Hesse,

We are in receipt of your correspondence dated January 13, 2017. Please be advised that we are prepared to bargain on behalf of the Safeway stores in Alberta, but we will not be bargaining for Sobeys stores as your Local has no legal standing to bargain on behalf of those stores.

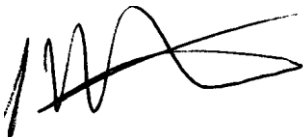
I acknowledge your desire to bargain concurrently with UFCW 1118 as set out in your letter, but please be advised that the Company's position is that we will bargain the collective agreements represented by each respective Local at separate tables in accordance with our longstanding past practice.

For the purposes of collective bargaining, I am the Company's Spokesperson and will be joined by Morgyn Ahrens and Kelsey Cole Labour Relations Managers. The Company will appoint additional members to the bargaining committee in due course and I will advise you of the same.

Pursuant to the Code, I have authority to bargain collectively, conclude a Collective Agreement and sign a Collective Agreement.

Please contact me directly to arrange for meeting dates at your convenience.

Sincerely,
SOBEYS INC - SAFEWAY OPERATIONS



Sean Naldrett
Sr. Director - Labour Relations

cc: Dave Fearon, SVP – Labour and Employee Relations
Bill Campbell, Director – Human Resources- Alberta Retail
Morgyn Ahrens, Labour Relations Manager – Alberta
Kelsey Cole, Labour Relations Manager - Alberta
Laura Lowrie, Senior Labour Relations Officer – UFCW 401
April Albrecht, Senior Labour Relations Officer – UFCW 401

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