

**RETAIL FOOD, MEAT, BAKERY, CANDY
AND GENERAL MERCHANDISE AGREEMENT**

between

UFCW LOCALS 324, 770 & 1167

and

SUPER A FOODS, INC.

March 7, 2016 – March 3, 2019

INDEX

Page

<u>ARTICLE 1 - RECOGNITION OF THE UNION</u>	1
A. BARGAINING UNIT	1
B. FOOD MARKET EXCLUSIONS	2
14. <i>Overall Store Manager and Assistant Manager</i>	4
15. <i>Owner</i>	4
C. CATEGORIES OF EMPLOYEES - FOOD MARKET	4
1. <i>Food Clerk</i>	5
2. <i>General Merchandise Clerk</i>	5
3. <i>Clerk's Helper</i>	6
D. DEFINITION OF A UNIFORM DEPARTMENT	ERROR! BOOKMARK NOT DEFINED.
1. <i>Definition</i>	<i>Error! Bookmark not defined.</i>
2. <i>Employees</i>	<i>Error! Bookmark not defined.</i>
E. UNION JURISDICTION	ERROR! BOOKMARK NOT DEFINED.
<u>ARTICLE 2 - EMPLOYMENT PROCEDURES</u>	7
A. UNION SECURITY	7
B. NOTICE OF NEW HIRES	7
C. CONDITIONS OF WORK FOR NEW EMPLOYEES	7
D. ENFORCEMENT	7
1. <i>Introductory Letter</i>	7
3. <i>Delinquency Notice</i>	8
4. <i>Termination Notice</i>	8
E. HIRING NEW EMPLOYEES	9
F. EXTRA HELP	9
G. COOPERATION/MEAT	9
H. NONDISCRIMINATION	9
I. GENDER REFERENCE	9
J. DUES DEDUCTION	9
<u>ARTICLE 3 - DISCHARGE</u>	10
A. DISCHARGE FOR CAUSE	10
B. TERMINATION FOR INCOMPETENCY AND LAYOFF	10
C. NOTICE OF INTENTION TO QUIT	10
D. TERMINATION PAYMENT	11
E. TERMINATION PROCEDURE	11
F. PROBATIONARY PERIOD	11
<u>ARTICLE 4 - SENIORITY, TRANSFER & LAYOFFS</u>	11
A. SENIORITY LISTS	11
B. LAYOFFS, TRANSFERS RESULTING FROM LAYOFF AND REINSTATEMENT	13
4. <i>Seniority in Layoffs</i>	14
5. <i>Reinstatement</i>	14
C. OPERATIONAL TRANSFER	15
D. ADDITIONAL HOURS	16
E. SENIORITY GRIEVANCES	17
F. SENIORITY AND QUALIFICATIONS	18
H. PROMOTION	18
I. DEMOTION	18
J. TRANSFER TO HIGHER CATEGORY	18
K. CLARIFICATION	19
L. HIRING PROCEDURES	19
<u>ARTICLE 5 - WORKING HOURS AND OVERTIME</u>	19

A.	FULL-TIME EMPLOYEE.....	19
2.	<u>Full-time/Part-time ratio</u>	19
B.	PART-TIME EMPLOYEE.....	19
5.	<u>Part-time Meat Cutter</u>	20
C.	EXTRA MEAT CUTTER.....	20
D.	MEAT DEPARTMENT EIGHT-HOUR GUARANTEE.....	20
E.	WORKWEEK.....	21
F.	OVERTIME.....	21
G.	SIXTH DAY/GROCERY.....	21
H.	SIXTH OR SEVENTH DAY/GROCERY.....	21
I.	SIXTH OR SEVENTH DAY/MEAT.....	21
J.	REGULAR WORKDAY.....	21
K.	READY FOR WORK.....	22
L.	LEGAL PROCEEDINGS.....	22
M.	WORK SCHEDULE.....	22
N.	FALSIFICATION OF TIME RECORDS.....	22
1.	<u>No Employer Knowledge</u>	23
2.	<u>Collusion</u>	23
3.	<u>Coercion</u>	23
O.	CONSECUTIVE DAYS WORKED.....	23
P.	PREDESIGNATED DAY OFF GUARANTEE.....	23
Q.	SUNDAY GUARANTEE.....	23
R.	WORKDAY DEFINED.....	24
S.	ON CALL.....	24
T.	PART-TIME EMPLOYEES - SIXTH DAY.....	24
U.	WORK IN A HIGHER CATEGORY AND OTHER DEPARTMENTS.....	24
V.	TRAVEL PAY.....	25
W.	INTERRUPTION OF OPERATIONS.....	25

ARTICLE 6 - WAGES.....26

A.	WAGE RATES.....	26
2.	<u>Frozen Rates</u>	26
B.	PREMIUMS.....	26
2.	<u>Sunday Premiums</u>	26
(a)	<u>Clerks</u>	26
(b)	<u>Meat Cutters and Wrappers/Meat Clerks</u>	26
(c)	<u>Clerk's Helpers</u>	26
3.	<u>Person In Charge/Grocery</u>	27
4.	<u>Service Seafood Department Head</u>	27
C.	NONPYRAMIDING.....	27
D.	APPRENTICESHIP.....	27
E.	EMPLOYEE LISTS.....	28
F.	WAGE DISCREPANCY.....	28
1.	<u>Settlement Attempt</u>	28
2.	<u>Written Notification</u>	28
G.	NO REDUCTION IN RATES.....	29
H.	OVERTIME BASIS.....	29
I.	DEPARTMENT HEAD.....	29
1.	<u>Definition</u>	29
2.	<u>Department Head Time</u>	29
4.	<u>Head Meat Cutters' Rates</u>	29
K.	PAY DAY.....	29
L.	NEW CONTRACT.....	30
M.	INJURY ON THE JOB.....	30
N.	BONUS PAYMENTS.....	30

ARTICLE 7 - HOLIDAYS.....30

A.	PAID HOLIDAYS.....	30
B.	HOLIDAY PREMIUM.....	31

C.	HOLIDAY WEEK.....	31
D.	PART-TIME EMPLOYEES.....	31
E.	REQUIREMENTS.....	31
F.	VOLUNTARY CLOSING.....	32
G.	HOLIDAY GUARANTEE.....	32
H.	EASTER SUNDAY/GROCERY.....	32
I.	<u>HOLIDAYS FOR EMPLOYEES HIRED ON OR AFTER MARCH 1, 2004.</u>	32
J.	PREFERENCE FOR HOLIDAY WORK.....	33
<u>ARTICLE 8 - VACATIONS</u>.....		33
A.	FULL-TIME EMPLOYEES.....	33
1.	<i>One Year</i>	33
2.	<i>Two Years</i>	33
3.	<i>Five Years</i>	33
4.	<i>Fifteen Years</i>	33
5.	<i>Twenty Years</i>	33
6.	<i>Full Pay Defined</i>	34
B.	PART-TIME EMPLOYEES.....	34
C.	<u>VACATIONS FOR EMPLOYEES HIRED ON OR AFTER THE MARCH 1, 2004.</u>	34
D.	PRO RATA.....	34
E.	VACATION TRUST	35
F.	ABSENCE.....	36
G.	VACATION SCHEDULE.....	36
H.	NOTICE.....	36
I.	NOT WAIVED.....	36
J.	NOT CUMULATIVE.....	36
K.	HOLIDAY DURING VACATION.....	36
L.	PAYMENT DATE.....	36
<u>ARTICLE 9 - LEAVES OF ABSENCE</u>.....		37
A.	PREGNANCY, ILLNESS AND INJURY.....	37
B.	OTHER PURPOSES.....	37
1.	<i>Death in Family</i>	37
2.	<i>Funeral Leave</i>	37
3.	<i>Union Business</i>	37
C.	LEAVE REQUESTS.....	38
D.	SENIORITY AFTER A LEAVE.....	38
E.	TERMINATION AFTER A LEAVE.....	38
F.	VERIFICATION.....	38
G.	EMPLOYMENT.....	38
<u>ARTICLE 10 - SICK LEAVE</u>.....		38
A.	SICK LEAVE ENTITLEMENT.....	38
1.	<i>Eligibility</i>	38
3.	<i>Sick Pay Defined</i>	38
B.	DOCTOR'S CERTIFICATE.....	39
C.	PRO RATA.....	39
D.	UNUSED SICK LEAVE PAID.....	39
<u>ARTICLE 11 - JURY DUTY</u>.....		39
<u>ARTICLE 12 - ADJUSTMENT AND ARBITRATION</u>.....		40
B.	ADJUSTMENT PROCEDURE.....	40
1.	<i>Store Level</i>	40
2.	<i>Meeting of Representatives</i>	40
C.	ARBITRATION.....	40
D.	POWERS, LIMITATIONS AND RESERVATIONS.....	43
1.	<i>Arbitrator</i>	43
2.	<i>Work Stoppages</i>	43

3. <i>Wage Claims</i>	43
E. STATUS QUO.....	43
F. EXPENSES.....	43
G. TIME LIMITS.....	43
H. REPORTING DISCREPANCIES.....	43
<u>ARTICLE 13 - VISITS TO STORES</u>	44
<u>ARTICLE 14 - GENERAL CONDITIONS</u>	44
A. TRAINING SCHOOL FEES/GROCERY.....	44
B. REGISTER SHORTAGES.....	44
C. RELIEF PERIODS.....	44
D. STORE HOURS.....	44
E. UNIFORMS/GROCERY.....	44
F. MAINTENANCE OF CLOTHING/MEAT.....	45
G. CLOTHING REQUIREMENT/MEAT.....	45
H. FIRST AID KITS.....	45
I. FLOOR COVERINGS/MEAT.....	45
J. SHOP CARD.....	45
K. UNION NOTICES.....	45
L. UNION PRINCIPLES.....	45
M. UNION ACTIVITY.....	46
N. TITLES. THE.....	46
O. ALTERATIONS.....	46
P. POLYGRAPH TESTS.....	46
Q. INVENTORY.....	46
R. DONATIONS.....	46
S. STORE MEETINGS/GROCERY.....	46
T. MEETINGS/MEAT.....	46
U. SANITATION AND SAFETY/MEAT.....	47
V. WORKING RULES.....	47
W. BOND.....	47
X. STEWARDS.....	47
Y. BULLETIN BOARD.....	47
<u>ARTICLE 15 - TRUST FUNDS</u>	48
A. BENEFIT FUND.....	48
B. PENSION FUND.....	53
<u>ARTICLE 16 - NEW LOCATIONS</u>	56
<u>ARTICLE 17 - SUCCESSORS AND ASSIGNS</u>	57
A. PARTNERSHIP DISSOLUTION.....	57
B. NEW OWNER.....	57
C. ACCRUED VACATION.....	57
D. SALE OR TRANSFER.....	57
<u>ARTICLE 18 - OPERATIONAL CHANGES</u>	58
<u>ARTICLE 19 - SEPARABILITY CLAUSE</u>	59
<u>ARTICLE 20 - EXPIRATION AND RENEWAL</u>	60
<u>APPENDIX B - FOOD CLERK WORK</u>	66
<u>APPENDIX C - GENERAL MERCHANDISE CLERK WORK</u>	67
<u>APPENDIX D - MEAT DEPARTMENT EMPLOYEES</u>	68

<u>ARTICLE 1 - RECOGNITION OF THE UNION</u>	68
<i>A. BARGAINING UNIT</i>	68
<i>B. WORK PERFORMED</i>	68
<i>C. NEW METHODS</i>	68
<i>D. FAILURE TO REACH AGREEMENT ON NEW METHODS</i>	69
<i>E. TEMPERATURE</i>	70
<i>F. JOURNEYMAN ON DUTY</i>	70
<i>G. CATEGORIES OF EMPLOYEES - MEAT DEPARTMENT</i>	70
<u>ARTICLE 4 - SENIORITY, TRANSFER & LAYOFFS</u>	71
<i>A. SENIORITY</i>	71
<i>B. PART-TIME SENIORITY</i>	72
<i>C. LOSS OF SENIORITY</i>	72
<i>D. LAYOFF</i>	72
<i>E. RECALL</i>	73
<i>F. SPECIAL JOB SECURITY PROVISION</i>	73
<i>G. INTER-UNION TRANSFER</i>	73
<i>H. TRAVEL DISTANCE</i>	73
<i>I. ADDITIONAL HOURS</i>	74
<u>ARTICLE 6 - WAGES</u>	74
<i>N. BONUS PAYMENTS</i>	74
<u>ARTICLE 21 - MANAGEMENT PREROGATIVE</u>	75
<u>APPENDIX H - JURISDICTIONS OF UFCW LOCALS</u>	76

PREAMBLE

THIS AGREEMENT is made and entered into between Super A Foods, Inc., referred to hereinafter as the "Employer" and UFCW Locals 324, 770 & 1167 chartered by the UNITED FOOD & COMMERCIAL WORKERS INTERNATIONAL UNION, referred to hereinafter as the "Union."

ARTICLE 1 - RECOGNITION OF THE UNION

A. BARGAINING UNIT.

1. The Employer recognizes the Union as the sole collective bargaining agent with respect to work, rates of pay, hours and terms and conditions of employment for the appropriate bargaining unit composed of all employees, including employees of lessees, licensees and concessionaires (sometimes herein referred to as "leased departments"), except as limited below, who perform work within food markets, presently operated and hereafter established, owned or operated by the Employer within the jurisdiction of the Local Union. The jurisdiction of the Local Union as referred to in this Agreement is defined as set forth in Appendix H. Food markets are defined as those types of establishments covered by the collective bargaining Agreement identified as Retail Food, Bakery, Candy and General Merchandise Agreement, July 31, 1978 to July 26, 1981.

2. All work or services not specifically excluded by this Agreement is hereby recognized as bargaining unit work. Such bargaining unit work shall not be subcontracted, except as provided herein. Employees of lessees, licensees and concessionaires (hereinafter referred to as leased departments) shall be covered by this Agreement, and the Employer will at all times exercise and retain full control of the terms and conditions of employment within its stores of all employees of such leased departments. The employees of such leased departments shall be and remain members of a single overall unit encompassing all employees at the stores. This Agreement shall apply to all bargaining unit employees of such leased departments, except that if such leased department engages in a line of business which has not been historically and generally been of the type and kind engaged in by the Employer through its grocery, produce, drug, delicatessen, general merchandise, bakery or liquor departments, then in such event, the Union and the operator of the leased department shall meet and negotiate appropriate wages for employees performing such work. If the Union and the operator of the leased department are unable to agree upon such appropriate wages, an arbitrator shall be selected to hear and determine the dispute with respect to such matter, in accordance with Article 12 of this Agreement, notwithstanding in this situation any provisions to the contrary contained therein. The seniority of employees of leased departments shall be separate from the seniority of employees of the Employer and the employees of other leased departments. The obligation of the Employer under this Agreement with respect to any leased department shall be limited to the foregoing, and the Employer shall not be liable for any breach of contract or failure of a leased department to abide by any provision of this Agreement; provided that the Employer shall furnish to the Union written evidence of its agreement with the operator of the leased department that the operator of the leased department has assumed the obligations of this Agreement. With respect to leased departments which are in existence as of the effective date of this Agreement, this Paragraph 2 shall have no application to such leased departments and no claim of violation of this Agreement or any predecessor agreement shall be made or maintained with respect to any such leased departments in existence as of the effective date of this Agreement.

3. It is recognized by the Employer and the Union that Paragraph 2 of this Section A is a single integral understanding and agreement, and further agreed that if and when a final decision of a court of competent jurisdiction or a decision of the National Labor Relations Board, if such decision becomes final without review in the courts, adjudges the said Paragraph 2, or any part thereof, to be in conflict with or in violation of any law, Paragraph 2 in its entirety shall be of no further force and effect and the parties shall, at the request of any party, meet for the purpose of renegotiation and agreement on the said Paragraph 2. This Agreement with respect to said Paragraph 2 only, supersedes the provisions of Article 19.

4. In the event that the Employer establishes a new department or creates new work in any of the stores or establishments operated by the Employer which are covered by this Agreement, for which wages are not specifically provided in this Agreement, it is agreed that, should the parties be unable to reach agreement upon wages for such work, the parties shall then submit the matter to arbitration in accordance with Article 12 of this Agreement, notwithstanding in this situation any provisions to the contrary contained therein and shall be bound by the terms of the arbitration award.

5. No restrictions or prohibitions shall be placed on the sale of any prepackaged or pretreated merchandise purchased from any source not directly related through ownership or management control to the Employer. It is understood, however, that the work involved in the sale of such merchandise will be performed in accordance with this Agreement.

B. FOOD MARKET EXCLUSIONS. Excluded from the segment for food markets are:

1. Persons engaged exclusively in janitorial and/or maintenance work.
2. Persons presently under a collective bargaining agreement with the Culinary Workers Union, or persons employed in a complete restaurant.
3. Persons who confine their work solely to demonstration, offering of samples, assisting customers in the selection of merchandise being demonstrated, and activities of an advertising nature.
4. Persons who build promotional displays as long as such displays do not include merchandise for selection or pick-up by customers.
5. During any three (3) consecutive days preceding the reopening of an old food market of the Employer, which has been closed for remodeling for a period of thirty (30) days or less, upon prior notice to the Union, persons not in the bargaining unit may perform any work in such store.
6. Except as provided for in Article 14, the taking of inventories may be done by employees or persons who are not members of the bargaining unit and who are engaged exclusively in such work, provided that any such employees will become a part of the bargaining unit upon the signatory Union giving proof (cross-check) of its majority representation of such employees.
7. Notwithstanding any language to the contrary contained in this Agreement between the parties, it is agreed that this Agreement shall have no application whatsoever to any new food market, discount store, drug store or shoe store until fifteen (15) days following the opening to the public of any such new establishment. Neither shall this Agreement have any application whatsoever to any food market, discount

store, drug store or shoe store which is reopened after it has been closed for a period of more than thirty (30) days until the fifteenth (15th) day following the date of such reopening to the public.

The Employer shall staff such new or reopened food market with a combination of both current employees and new hires, in accordance with current industry practices of staffing such stores with a cadre of current employees possessing the necessary skills, ability and experience, plus sufficient new hires to meet staffing requirements. Employees, who are thus transferred, upon whom contributions are made to the various trust funds shall continue to have contributions to the several trust funds made on their behalf in the same manner and in the same amount per hour as such contributions were made prior to their transfer.

Notwithstanding anything in this Agreement to the contrary, it is agreed that when the remodeling of an existing location occurs without such store being closed, the Employer shall only be obliged to give the members of the bargaining unit employed by him in such store an opportunity to perform the work required for such remodeling at the applicable contract rate except that such opportunity to perform such work shall not include any overtime hours. When members of the bargaining unit within such store are not available for such work, such work may be performed by persons not in the bargaining unit.

Notwithstanding anything to the contrary contained in this Agreement between the parties, it is agreed and understood that the probationary period for any new hires in such new or reopened store(s) referred to above shall not begin until the fifteenth (15th) day following such opening or reopening of such store(s) to the public.

8. Persons engaged in the inspection of merchandise displayed for sale as to its condition or status of inventory for the purpose of recommending changes to be made or services to be performed by the employees within the bargaining unit.

9. Store office employees whose work is not directly connected to checkstand operation or procedures.

10. Employees of suppliers engaged in the handling of the following categories of merchandise:

(a) Bread and cakes when delivered by bakery drivers.

(b) Potato chips, corn chips and similar snack items, but no other delicatessen products.

(c) Bulk and cello-wrapped candy when delivered by sales drivers.

(d) Items requiring immediate refrigeration may be placed under refrigeration but not displayed.

11. No bargaining unit work may be performed within the Employer's retail establishments by persons known as book salesmen or advance salesmen; except that, book salesmen and advance salesmen may check the condition of merchandise and may build initial promotional displays (at specifically designated locations, not to include normal shelf displays), which displays may include merchandise for selection or pick-up by customers; provided, however, that if such displays require replenishment of merchandise because of customer pick-up, such replenishment of merchandise shall be performed by

members of the bargaining unit. The foregoing prohibition shall not be construed to apply to work on categories of merchandise, which have heretofore been handled by employees of suppliers other than book salesmen and advance salesmen.

12. Any new work created by the Employer covered by the Retail Food, Bakery, Candy and General Merchandise Agreement within his stores involving categories of merchandise not presently offered for sale is recognized and shall be deemed clerk's work and performed by members of the bargaining unit; except that, for a temporary period of tryout and familiarization, not to exceed six (6) months in each store following the introduction of such new category of merchandise, the Employer may contract for the performance of all or part of such work by non-bargaining unit persons; however, after the six-month period has expired, such work shall be and remain in any such store bargaining unit work exclusively subject to the terms of the collective bargaining Agreement. The rate of pay for such new work shall be as provided in the several classifications of the collective bargaining Agreement or as established pursuant to Article 1, Section A-4.

13. The Employer may maintain or adopt the vendor/supplier assistance practices or policies in effect at any employer covered by the October 4, 1999 through October 5, 2003 Retail Food, Meat, Bakery, Candy and General Merchandise Agreement, as well as said practices or policies in effect between October 4, 1999 and October 5, 2003 at Food 4 Less, Gelsons, Max Foods, Pak 'N' Save, Super A and Super Saver.

14. Overall Store Manager and Assistant Manager. Two (2) persons commonly known as the overall store manager and as the assistant manager in each of the retail stores or store of the Employer are exempt from the present Agreement. A third (3rd) supervisor and/or managerial exemption, as designated by the Employer, will be allowed in each store that has a total interior square footage of 50,000 square feet or more. No bargaining unit employee shall be involuntarily reclassified as a direct result of this provision during the term of this Agreement. Nothing in this Agreement shall in any way be construed to interfere with any work which the overall store manager, assistant manager and/or third (3rd) exclusion may perform.

15. Owner. There shall not be more than two (2) Employers in any store or group of stores having common ownership. In partnerships, "Employer" as used in this Paragraph means only bona fide partners who own an interest in the assets, and in the profits of, the partnership. In corporations, "Employer" as used in this Paragraph means only two (2) officers of the corporation who own capital stock of the corporation. No more than two (2) shareholders of a corporation, or more than two (2) bona fide partners, shall be deemed or classified as an Employer within the meaning of this Agreement. Employers as thus defined may do such work as is necessary in the conduct of the business.

C. CATEGORIES OF EMPLOYEES - FOOD MARKET. The parties hereto declare that in providing for the following allocation of work, involving the handling of categories of merchandise calling for the Food Clerk rate of pay and General Merchandise Clerk rate of pay in this Agreement, they have taken into account the allocation of such work as provided for in the most recently expired contract and, have encompassed as binding herein the various decisions of arbitrators on the subject, and written settlements reached between Union parties and Employer parties, during the term of the predecessor Agreement. In

addition, the allocation reflects an agreement to reassign certain items which have been in dispute in the liquor departments, to reassign nuts and peanuts, and also frozen bakery items.

A liquor department is a section of the store stocked with various alcoholic beverages and items associated with the consumption of alcoholic beverages, including non-alcoholic mixes and beverages, ice, packaged nuts, packaged peanuts, beef jerky, cups, napkins and plates, barware, cocktail party products and special holiday packs. It is not the intent that when the unrefrigerated soft drink table or aisle is located in the liquor department that the handling of the unrefrigerated soda pop on that table or aisle be performed at the general merchandise rate of pay.

The Union and Employer parties further declare that they have no intention to attempt to otherwise enlarge or diminish the merchandise assigned to each such classification rate of pay during the term of this Agreement.

Therefore, this Agreement shall recognize an industry-wide intent of the parties hereto with regard to this subject, recognizing, however, that some disputes will inevitably arise, and that no party intends to abandon legitimately held positions in such disagreements.

There shall be established by this Agreement four (4) categories of employees to be identified as follows:

1. Food Clerk. Subject to the exclusions from the bargaining unit described above, a Food Clerk is an employee who handles all foodstuffs, excluding alcoholic beverages and products located in the liquor department including drink mixes and related items, bakery items, bulk foods, candy, nuts and peanuts in the liquor department and candy sections, tobacco, disposable diapers, special purpose party plates, special purpose party cups and special purpose party napkins, snack bar items, take-out food items, service delicatessen items, health products, nutritional supplements, beauty aids and household hardware, drug clerk functions, nursery and florist merchandise, insecticides and general merchandise. Store office employees whose work is directly connected to checkstand procedures or operations are also included in this category.

Employees presently classified as Food Clerk who may be affected by this modification will be given the opportunity to be reassigned to food work or voluntarily continue in their current assignment at the appropriate rate.

Items which have been determined to be Food Clerk work in accordance with either a joint settlement or arbitration award are set forth in Appendix B, which is attached hereto, and is expressly made a part of this Agreement.

2. General Merchandise Clerk. Subject to the exclusions from the bargaining unit described above, a General Merchandise Clerk is one who handles any merchandise including, but not limited to, all household paper goods, household cleaning and laundry supplies, alcoholic beverages and products located in the liquor department including drink mixes and related items, bakery items, bulk foods, candy, nuts and peanuts in the liquor department and candy sections, tobacco, disposable diapers, special purpose party plates, special purpose party cups and special purpose party napkins, service delicatessen items, health products, nutritional supplements, beauty aids and household hardware, drug clerk functions, nursery and florist merchandise, insecticides, or performs any function other than that included in the definition of Food Clerk. General Merchandise Clerks may handle bottled water, soda pop, ice and pre-packaged produce (including but not limited to peeled carrots, prepared celery, prepared fruit and bagged

salad but excluding bagged bulk items such as potatoes, onions and apples) and any item that can be handled by a vendor. Traveling clerks of concessionaires who service health products, nutritional supplements, beauty aids and houseware items or similar lines of merchandise shall be classified as General Merchandise Clerks.

General Merchandise Clerks may handle merchandise delivered by Grocery Specialty. No Food Clerk shall suffer a reduction in hours or be laid off as a result of this change.

Items which have been determined to be General Merchandise Clerk work in accordance with either a joint settlement or arbitration award are set forth in Appendix C, which is attached hereto, and is expressly made a part of this Agreement.

Irrespective of the above, the Employer shall be allowed up to one (1) General Merchandise Clerk per store (hereinafter referred to as General Clerk) to stock any product in the store. The General Clerk may not operate a cash register.

3. Clerk's Helper. A Clerk's Helper is an employee whose duties do not include any of the work of a regular clerk. Clerk's Helpers may perform cleanup work anywhere in the store, except that they shall not perform floor stripping, waxing, or the scrubbing of floors as distinguished from daily cleanup work, or the washing of windows which constitute exterior walls, which work shall be reserved for classifications other than that of Clerk's Helper. If a Clerk's Helper is assigned to periodically clean shelves, he shall only be permitted to remove the product necessary to clean the shelf and replace only those products in the same location on the shelf. Clerk's Helpers may keep the checkstands stocked with supplies, such supplies not to include merchandise offered for sale. Clerk's Helpers may handle merchandise after it has become the property of the customer and may also assist the checker or cashier in removing merchandise from the baskets or pushcarts and may return carry-backs to the shelves. Clerk's Helpers may collect and line up push carts or baskets and return them to the market and may keep the parking lot orderly and free from refuse. Clerk's Helpers may carry empty bottles to a collection point, sort and account for same and may also carry refuse to a point of disposal. Clerk's Helpers may hang signs and may put up any non-price specific signs and their duties include breaking up, removal and baling of cartons. Clerk's Helpers may put up and/or remove ice that is not consumed and/or for sale to the public. The work to be performed by Clerk's Helpers is limited to the duties set forth in this Paragraph.

Clerk's Helpers hired on or after October 4, 1999, shall be considered casual employees and shall not be covered by the collective bargaining agreement during the first twenty-four (24) months of their employment. On the first day of the twenty-fifth (25th) month of employment, or upon promotion, the clerk's helper shall be considered a permanent employee and all terms of the collective bargaining agreement apply. At the time the employee becomes permanent his/her seniority date shall be based on his/her original date of hire with the company as a casual employee.

Clerk's Helpers hired on or after July 31, 2007 shall be considered casual employees and shall not be covered by the collective bargaining agreement. Upon promotion, the employee shall be considered a permanent employee and all the terms of the collective bargaining agreement apply.

Casual clerk's helpers may perform only clerk's helper duties. Casual clerk's helpers may not perform any food clerk or general merchandise clerk duty. In the event of a violation of this provision, the Company shall pay the most senior part time clerk or general merchandise clerk in the store, eight (8) additional hours of pay for each violation of this provision.

Current clerk's helpers shall not have their hours reduced or schedules changed as a result of the company's use of casual clerk's helpers.

4. Past practice shall not be a guide in the interpretation or application of the provisions of this Section F.

5. At the Employer's option, work in a lower category may be performed by employees in a higher category provided the Employer pays the employee at the higher rate.

It is further understood and agreed that nothing contained herein shall preclude an Employer from assigning work from a higher-rated classification of employment to a lower-rated classification at any time regardless of the Employer's practice provided that such an assignment is not violative of the express terms of this Agreement.

ARTICLE 2 - EMPLOYMENT PROCEDURES

A. **UNION SECURITY.** All employees shall, as a condition of employment, pay to the Union the initiation fees and/or reinstatement fees and periodic dues lawfully required by the Union. This obligation shall commence on the thirty-first (31st) day following the date of employment by the Employer who is signatory to this Agreement, or the effective date of this Agreement, or the date of signature, whichever is later.

B. **NOTICE OF NEW HIRES.** The Employer agrees to notify the Union, in writing, within fourteen (14) days from the date of first employment of any employee subject to this Agreement, of the name of such employee, mailing address, store number, Social Security number, the position for which employed, the date of first employment and the rate of pay at which the person is employed.

C. **CONDITIONS OF WORK FOR NEW EMPLOYEES.** The Employer shall pay such person so employed during the period said person is not a member of the Union, the regular Union wages provided for in this Agreement for the class of work said person is doing, and shall in all other respects require said person to work under and live up to all of the provisions set forth in this Agreement.

D. **ENFORCEMENT.** The parties hereto agree that this Article 2 shall be implemented and enforced as hereinafter set forth.

1. Introductory Letter. This letter will be sent by the Union to the employee's home (if the Employer has complied with Article 2-B of this Agreement requiring the Employer to supply such home address to the Union), or to the store where the employee is employed.

(a) This letter will quote the language of Article 2-A of this Agreement and advise employees of the Union's office hours and other matters relating to the employee's satisfaction of his obligations under Article 2-A of this Agreement.

(b) A copy of this letter shall be sent to the Employer's Industrial Relations Department on the same date that the original of the letter is sent to the employee.

2. All employees will be billed for their appropriate initiation fee and/or reinstatement fee and/or periodic dues lawfully applied in accordance with the Bylaws of the respective Local Unions.

3. Delinquency Notice. This notice will be sent to the employee's home address (if the Employer has furnished the Union with such information); otherwise it will be sent to the store in which the employee works, with copies sent to the Industrial Relations Department of the Employer and to the store manager.

The delinquency letter is to be sent to the employee specifically advising him that:

(a) He is delinquent in his financial obligations to the Union;

(b) Advising him of the specific amount due;

(c) How the amount is computed;

(d) The date the sum must be received by the Union;

(e) The penalty for noncompliance, i.e., discharge if the obligation has not been met; and

(f) Address and telephone number of the Local Union offices and hours of operation.

4. Termination Notice. The termination notice shall be sent to the Employer involved. The copy to be sent to the employee shall be sent to the employee's home address (if the Employer has furnished the Union with such information). If the Employer has not furnished such information, the copy shall be sent to the employee at the store where the employee works.

(a) The termination notice will be sent at such time as the employee has ignored all efforts by the Union to obtain compliance with this Article 2.

(b) The notice will advise the Employer that the employee has failed to comply with the Union Security Clause of this Agreement in that the employee has not paid the initiation fees and/or reinstatement fees and/or dues as lawfully applied. In addition, the notice shall advise that the Union has complied with the decisions of the National Labor Relations Board, as well as its own International Constitution and Bylaws with regard to the required procedural steps of notifying the employee of the delinquency.

(c) The termination notice shall also advise that the Union will not accept any payments from the employee from and after the expiration of the "seven (7) day notice" provided for in (d) below. The Union agrees that it will not in fact accept any such payments.

(d) The Union will advise the Employer, in writing, when any employee has failed to acquire or maintain Union membership as required by this Agreement. Immediately upon receipt of said notice,

the Employer shall advise said employee(s) that they will no longer be scheduled for hours of work on the subsequent weekly schedule until said employee(s) give evidence of compliance or the Union notifies the Employer of such compliance. Failure to comply within seven (7) days after removal from the schedule said employee(s) shall be terminated, if such termination is not in violation of existing law.

(e) The Union shall indemnify and hold harmless the Employer against any and all claims, damages or suits or other forms of liability or expenses which may arise out of or by reason of any action taken by the Employer for the purpose of complying with this Article.

5. With regard to the application of this Article 2-D, all employees covered by this Agreement shall be treated without discrimination.

E. HIRING NEW EMPLOYEES. When new or additional employees are needed, exclusive of Clerk's Helpers, the Employer shall notify the Union of said need. The Employer reserves the right to select the particular applicant to be hired, but there shall be no discrimination against any applicant by reason of membership or nonmembership in the Union.

F. EXTRA HELP. Where the Employer has called for extra Meat Department employees and an applicant to fill the job, who meets normal requirements for the job arrives on or before the time designated by the Employer, prepared to work and presentable for work, such applicant shall be given a full day's work or pay in lieu thereof. In case the Employer requests applicants from more than one source for the same job and applicants meet these requirements, all such applicants shall be given a full day's work or pay in lieu thereof.

G. COOPERATION/MEAT. In consideration for the granting of the conditions herein by the Employer, the Union agrees to refer job applicants who work for the best interest of the Employer in every way just and lawful, to give honest and diligent service to patrons of the Employer's establishment, to do everything within their power for the uplifting of the meat industry.

H. NONDISCRIMINATION. To the extent required by Federal or State laws, the Union and the Employer agree not to discriminate against any employee or applicant for employment because of race, creed, religion, color, national origin, handicap, age, gender or sexual orientation.

I. GENDER REFERENCE. All references in this Agreement to sex, for example, reference to "his," "he" or "him" shall also apply to "her," "she" or "hers" and vice versa. References to "they," "them" or "theirs" shall apply equally to both sexes.

J. DUES DEDUCTION.

1. The Employer agrees to deduct the regular monthly Union dues and initiation fees uniformly required as a condition of membership in the Union on a weekly basis from the wages of each employee covered by this collective bargaining Agreement who has completed thirty (30) days of employment and has provided the Employer with a voluntary individual written authorization to make such deductions on a form that has been mutually agreed upon by the Employer and the Union. Such deductions as referenced above, shall include political contributions and, by mutual agreement, weekly deductions for deposits or payments to a local credit union. The political contribution authorization may be either a separate authorization or one that has been combined with the dues deduction authorization. Such deductions, when authorized, shall be made from the net wages due an employee each weekly pay period, and shall

be transmitted to the Union's office no later than the twelfth (12th) day of the month following the month in which such deductions were made. The deduction shall be expressly limited to regular monthly Union dues, initiation fees and political contributions only and the Employer shall have no obligation of whatsoever nature to make deductions for any other purpose, including but not limited to, reinstatement fees, special dues, special assessments, fines, strike funds or other assessments.

2. No deductions will be made from the wages of any such employee until the Employer has received a signed copy of a voluntary individual written authorization to make such deductions with such authorization to be received by the Employer no later than the first (1st) day of the month in which the deductions are to commence in order to be deducted for that month.

3. Authorization for such deductions is to be entirely voluntary on the part of each such individual employee, and after one (1) year following his written authorization to make deductions, any such employee may revoke his individual voluntary authorization upon giving thirty (30) days' written notice to the Employer and the Union.

ARTICLE 3 - DISCHARGE

A. DISCHARGE FOR CAUSE.

1. Employees may be discharged for good cause.

2. Employees who are discharged for failure to perform work as required, or excessive absenteeism, shall first have had a prior warning, in writing, of related or similar offense, with a copy sent to the Union. The employee so notified shall be required to initial such notice, but such initialing shall in no way constitute agreement with the contents of such notice. Except for failure to call prices, a warning notice shall not be required in the case of a discharge for cash register irregularities, but such alleged irregularities must constitute good cause for the purpose of sustaining said discharge. When a condition arises necessitating a bunching of sales, it shall be mandatory that the checker or cashier involved call the person in charge to supervise the ringing of the accumulated cash.

3. Any employee who is discharged shall be informed at the time of discharge of the immediate cause of discharge. Such information shall be confirmed in writing promptly upon request.

4. The Employer shall provide the employee with a copy of all written warning notices when issued.

B. TERMINATION FOR INCOMPETENCY AND LAYOFF. It is understood that discharge for incompetency shall occur only at the end of the employee's current workweek. Discharges for reasons other than incompetency may occur at any time without reference to the work schedule. A layoff shall occur only at the end of an employee's posted schedule.

C. NOTICE OF INTENTION TO QUIT. An employee who intends to quit his job shall, to the extent possible, give two (2) weeks' notice of his intention to quit. An employee who gives any notice of his intention to quit his job shall not be terminated, except for good cause or seniority layoff, or otherwise discriminated against during the current workweek and the workweek following the date on which he gives such notice, but in no event can he insist upon working later than his designated quit date.

D. TERMINATION PAYMENT. An employee who quits or is terminated for any reason shall be paid promptly all monies due.

E. TERMINATION PROCEDURE.

1. Upon the termination of an employee for any reason, the Employer shall within seven (7) days thereafter notify the Union in writing of such termination, stating the reason therefor.

2. A discharged grocery employee has seven (7) days from the date of discharge within which to file written protest with the Union. Following receipt of such written notice to the Union by the employee, the Union has fourteen (14) days in which to file a protest in writing to the Employer. If such protest by the Union is not filed with the Employer within the time limits specified herein, all rights possessed by said employee or by the Union to protest the discharge are waived.

3. Where the Employer fails to give said seven (7) days' notice to the Union, the Union may request a hearing not later than thirty (30) days from the date of termination.

4. Initiation of any claim by Meat Department employees shall be made within ten (10) calendar days of the discharge. Failure to initiate claims within the time limit set forth shall render any complaint null and void.

F. PROBATIONARY PERIOD.

1. The first forty-five (45) calendar days of employment shall be considered a trial period, during which time an employee may be terminated for any reason and he shall have no recourse to the grievance procedure set forth in this Agreement concerning such termination, provided, however, that such forty-five (45) day period may be extended for an additional fourteen (14) days at the option of the Employer so long as prior notification in writing is given to the Union and the employee.

2. Insofar as part-time employees are concerned, the probationary period shall be 261 hours of work, but in no event to exceed sixty (60) calendar days. This provision shall also apply to General Merchandise Clerks, Wrappers/Meat Clerks and/or Clerk's Helpers promoted to an apprentice Food, General Merchandise, Meat Apprentice or Meat Clerk classification to the extent that such an employee shall be returned to his former status during this period without recourse to the grievance procedure.

ARTICLE 4 - SENIORITY, TRANSFER & LAYOFFS

A. SENIORITY LISTS.

1. Within the separate classifications as set forth in the wage section of this Agreement, there shall be created two (2) separate and distinct seniority lists identified as "available" and "self-restricted."

2. The "available" seniority list within the separate classifications set forth hereinafter is defined as a list composed of those employees who have declared that they are available for a forty (40) hour week to be worked in any five (5) days.

3. The "self-restricted" seniority list, within the separate classifications set forth herein, shall consist of all employees who have declared their unavailability to work forty (40) hours per week in any five (5) days.

4. (a) Employees of the individual companies shall notify the Employer in writing, with a copy to the Union, of their individual selection as described in Paragraphs 2 and 3 above. Such selection by the employee shall be a permanent selection, except that two (2) times per year thereafter during the last seven (7) days of the months of January and July, the Employer shall notify all employees, in writing, that the employee may elect to change the option of original or subsequent selection of seniority lists. The selection made by the employee shall become effective on the first (1st) Monday in February and August of each year.

(b) The Employer will supply the Union with a list of "available and self-restricted" clerks by Company district. The list will be automatically submitted to each union in March and September of each year for each district which includes any store in that local union. Each list shall include the employee's name, social security number, store, hire date, seniority date, job classification and full-time and part-time status. To the extent a company does not currently have the program capacity to furnish all the information, they will work toward that goal.

(c) In the event an employee fails to complete the form indicating his preference as to being on either the "available" or "self-restricted" list he shall have no seniority rights until he so declares and will be subject to disciplinary action, provided that he shall first have been given notice in writing, with a copy sent to the Union, warning him of that fact, after which the Union shall have fourteen (14) days to respond before any such disciplinary action may be taken.

(d) If a "self-restricted" employee is laid off, he cannot change his designation to "available" during the period of layoff, but must wait until recalled from the layoff and then can exercise his right during the next selection period.

5. (a) Within the classifications described above, seniority shall date from the day of assignment to that classification, regardless of hours worked. Such seniority within classifications shall be applied separately to the "self-restricted" and "available" seniority lists in the areas of layoff, transfers resulting from layoff, and additional hours, as specifically described below.

(b) When an employee is promoted, he starts a new seniority date for that classification. For layoff purposes, he can bump back to his former classification carrying with him his total seniority. Company seniority is retained for vacation purposes. Thus, the seniority date of each employee commences with the date of hire with the Company; however, when that employee moves to a new classification his seniority will date, for seniority purposes within that classification, as the first date of his appointment to such new classification.

6. When an employee is assigned from one classification of work to another, the seniority acquired within the store and the Company shall be retained, and new seniority in the new classification shall commence as of the time of such assignment. Such assignment shall not be made for the purpose of displacing another employee. Should layoff or reduction in hours occur where the newly assigned employee is to be replaced or reduced in hours, such employee shall be permitted to reclaim the position

formerly vacated, or whatever equivalent position entitled to by the combined seniority in the old and new classifications.

7. Seniority can only be broken by the following:

(a) Quit.

(b) Discharge.

(c) Layoff for a period of time equivalent to the employee's seniority but in no event to exceed twelve (12) months.

(d) Failure to return in accordance with the terms of a leave of absence or when recalled after a layoff.

B. LAYOFFS, TRANSFERS RESULTING FROM LAYOFF AND REINSTATEMENT.

1. Notwithstanding anything in this Agreement to the contrary, it is recognized that business conditions may require reduction of hours and/or layoffs of employees. In such an event, the following shall apply to employees excluding Clerk's Helpers and Snack Bar/Take-Out Food employees:

(a) In laying off an employee, other than during the probationary period, the Employer agrees to abide by the seniority rule as defined above in the following precedence: Seniority in the store, seniority in the Company district if the Company has established and notified the Union of such bona fide Company district. The Company will advise the Union of its Company districts and any realignments thereof. If the Company does not have districts, seniority shall be on a Company-wide basis.

In the event of the closure of all stores within an existing district, seniority for layoff purposes as provided in this Agreement may be applied to the remaining stores of the Company within the geographical jurisdiction of the Union Local in which the affected employees are employed at the time of such closure. It is not the intention of this clause to continue to retain a single store in the district for the purpose of making this Paragraph not operative.

The Employer will give the Union advance notice of a permanent store closing.

(b) The least senior full-time employee(s) being reduced in hours in the store, within classifications, may bump the least senior full-time employee working in the same classification within twenty-five (25) miles of his place of residence within the Company district in which he is employed. If such employee does not have sufficient seniority to displace the least senior full-time employee within the twenty-five (25) miles within such district, he may bump the least senior full-time employee in his classification within such Company district in which he is employed. Union jurisdictional lines shall no longer be applicable.

(c) The affected full-time employee may elect not to bump the least senior full-time employee in his classification in the Company district in which he is employed and may take a reduction to part-time within his own store based on seniority and the hours available for which he is qualified and available to work.

(d) The least senior full-time employee within the affected classification who is being displaced by the procedure in Paragraph (b) above, may bump the least senior full-time employee in his classification within the Company district in which he is employed. If the affected full-time employee is the least senior within the Company district, he shall be reduced to part-time within his own store or laid off based on seniority and qualifications.

(e) The least senior part-time employee within an affected classification who is being laid off from work in his store, may displace the least senior part-time employee in the same classification within the Company district in the same manner as set forth in Paragraphs (b) and (d) above. If the affected part-time employee is the least senior within the Company district, he shall be laid off and shall have no bumping rights.

(f) The above is subject to qualified employees being available to perform the required work. It is recognized that the affected employees must possess the necessary ability and qualifications to perform the available work when they assert their seniority rights under these provisions.

2. Insofar as layoffs are concerned for employees on the "self-restricted" list, the application of the seniority rule shall be confined to other "self-restricted" employees only.

3. Insofar as layoffs are concerned for Clerk's Helpers and Snack Bar/Take-Out Food employees, the application of the seniority rule shall be confined to the store in which they work. If such employees are laid off, they do not have any recall rights in any store other than the one from which they were laid off.

4. Seniority in Layoffs. Except as specified herein, in terminating the employment of an employee, other than for good cause, the Employer agrees to abide by the seniority rule, which means the length of employment, and that the employment of the last employee employed by the Employer shall be the first to be terminated. Age, sex, or color shall not be grounds for the termination of an otherwise qualified employee, as long as those factors do not nullify Section A of Article 3, nor any of the other provisions of this Article.

5. Reinstatement.

(a) The last employee(s) laid off, by reason of slackening of business, shall be given the first opportunity to reinstatement in the former position, if said employee presents himself for work within ninety-six (96) hours, excluding Saturday and Sunday, from the postmarked date of a certified or registered letter to the employee's last known address, and such letter shall state that failure of such employee to present himself within the ninety-six (96) hour period shall cancel his seniority. Failure of such employee to present himself within ninety-six (96) hours shall cancel his seniority.

(b) A full-time employee, who has been reduced to part-time employment because of slackening of business or for medical reasons, must be offered the first (1st) full-time job that opens in the Company district in which he is currently employed, provided that his ability and skill equip him to fill that job. The parties expressly agree that the one-for-one remedy provided for under Paragraph 3-(d) of Section D of this Article shall not be applicable to any full-time job opening that is filled by an Employer pursuant to this provision and that the Employer shall not have any monetary liability of whatsoever nature under this provision until the second (2nd) weekly work schedule posted following its receipt of a written grievance alleging a specific violation of such provision.

(c) Twenty-one (21) days after the store opens to the public, employees who are laid off or reduced from full-time to part-time or reduced in classification in the district shall be recalled by seniority and classification before any new employees who have been hired in the store during this period are retained.

C. OPERATIONAL TRANSFER.

1. It is recognized that to meet the necessities of the business or to advance the Employer's equal employment opportunity program, transfer of employees either within the geographical jurisdiction of a Union party to this Agreement or from the jurisdiction of one such Local Union to another such Local Union may be required. In such cases where such transfer is effected by the Employer, the transferred

employee will carry to such employee's new assignment all seniority, as defined above, acquired in the employ of the Employer. This transfer rule shall have application to both the "available" and "self-restricted" seniority lists. Transfers referred to in this Section shall not require an employee to travel one way more than twenty-five (25) miles between the employee's residence and the new location. Reasonable tolerance of these limits shall be allowed for temporary transfers such as vacation relief and store openings. If there are not three (3) stores within 25 miles of the employee's residence, the Employer may transfer the employee to any of the three (3) closest stores to the employee's residence but in no event shall the transfer require the employee to travel more than forty (40) miles between the employee's residence and the new store.

2. In cases involving operational transfers, the Employer must show either (a) business necessity or (b) the transfer's necessity to advance the Employer's equal employment opportunity program.

3. A senior employee may refuse an operational transfer only if it is over twenty-five (25) miles from his place of residence; provided, however, that the employee is protected inasmuch as the operational transfer provisions shall not be applied in an arbitrary, capricious, or discriminatory manner, or for disciplinary purposes, and shall not be utilized as a device for creating hardship to the employee in order to force or provoke resignation. If there are not three (3) stores within 25 miles of the employee's residence, the Employer may transfer the employee to any of the three (3) closest stores to the employee's residence but in no event shall the transfer require the employee to travel more than forty (40) miles between the employee's residence and the new store.

4. If an employee, on either list, is transferred to another store for any reason, he carries his seniority with him, provided that no employee on the "available" seniority list is displaced or reduced in hours as a direct result of a transfer from the geographical jurisdiction of one Local Union party to this Agreement to the geographical jurisdiction of another Local Union party to this Agreement.

5. The Employer shall have the right to transfer employees from one Company district to another Company district without regard to Local Union jurisdiction and without penalty. Such transferred employees shall retain all their seniority rights.

D. ADDITIONAL HOURS.

1. (a) Seniority in regard to claiming a schedule with more hours shall apply to Clerk's Helpers, Snack Bar employees and Combination Take-Out Bar employees within their respective classifications and within the store in which they work, insofar as is practical and feasible. Such employees shall have no seniority over apprentices or experienced clerks, nor shall their seniority apply toward experienced clerk's status.

(b) An employee on the "available" list may exercise his seniority over other employees in accordance with the provisions of this Section regardless of whether such other employees are on either the "available" or "self-restricted" list. It is understood, however, that no part-timer can claim the hours from employees who are full-time employees scheduled for forty (40) or more hours. It is also understood that no employee may claim a shift or shifts.

2. (a) An employee on the "available" list may, within classification, claim a schedule with more hours, except as limited by Section D-3 of this Article, when one becomes available in the store in which said employee is employed, based on seniority rights. Except that, when such employee is employed by

a Company not having a fixed retail place of business, seniority shall be Company-wide within the jurisdiction of the Local Union. When no employee on the "available" list claims a schedule with more hours as set forth above, an employee on the "self-restricted" list may claim such schedule for more hours when one becomes available in the store in which said employee is employed, based on seniority rights.

(b) An employee on the "self-restricted" list may exercise his seniority only over other "self-restricted" employees to claim an available schedule with more hours, but may not claim shifts as such and this claim for schedules can only be made after all the employees on the "available" list have exercised their seniority rights to claim such schedules.

3. (a) Within classifications, when a permanent schedule calling for a forty (40) hour workweek on any assignment or shift becomes available in a given store, such work schedule shall be offered on the basis of seniority and qualifications to an experienced clerk, working less than forty (40) hours, from the "available" seniority list in that store. If the offer is rejected for any reason, the employee, by such rejection, is automatically placed on the "self-restricted" seniority list and may not opt for the "available" seniority list until the second (2nd) selection period following the rejection. Employees can claim a schedule only in a store in which they work.

(b) "Experienced clerk" shall mean a clerk entitled to the experienced rate of pay for his classification according to Article 6, Section D of this Agreement; provided that, it is further understood that within classifications, if all experienced clerks as so defined, on the "available" seniority list, are working at least forty (40) hours per week, then the forty (40) hour work schedule shall be offered on the basis of seniority to an apprentice on the "available" seniority list who is qualified to do the work and who is working less than forty (40) hours per week.

(c) Skills and ability are recognized for the Employer's assignment of Department Heads, third (3rd) person's, and P.I.C.'s (person-in-charge), who shall be designated on the schedule. Such employees are excused from the application of seniority. The P.I.C.'s must be in charge for sixty-four (64) hours or more per calendar month [eighty (80) in a five-week month].

(d) In the event an employee attains sixteen (16) consecutive full-time weeks of employment in the store in which he is employed or is hired full-time, the one-for-one remedy shall apply, provided a more senior available employee in the store who has the skill and ability to perform the work involved successfully grieves. The Employer's obligation to promote the most senior "available" part-time clerk commences upon the Union's written notification to the Employer of the fact.

E. SENIORITY GRIEVANCES. Grievances pertaining to the application of seniority shall be filed in writing with the Employer within forty-eight (48) hours of the posting of the schedule. Grievances not filed within this time limit shall be deemed null and void for the week that was scheduled or any prior week. Said time limitation shall not apply to grievances relating to the filling of permanent full-time vacancies, except as to claims on behalf of the employees employed in the store in which the vacancy occurs. In such cases where the said time limitation does not apply, when the Employer fills a permanent full-time vacancy, written notice to the Local Union shall be mailed within seven (7) days from that date advising of the name of the individual selected to fill such vacancy. The Local Union may file a protest or claim within seven (7) days of the receipt of such notice, provided that any such protests or claims filed after the expiration of such seven (7) day period shall be deemed null and void. Such claims shall not have retroactive application before the date that such claim is filed by the Local Union unless the Employer fails to give the seven (7) day notice described above and, in the event of such failure, retroactivity of any

claim may begin as of the date of the challenged assignment to the permanent full-time vacancy. In the event that the notice of the filling of such permanent full-time vacancy is sent to the Local Union after the expiration of the seven (7) day period, the Local Union shall still have seven (7) days after the receipt of such tardy notice to file its protest or claim. As above, protests or claims not filed by the Local Union within such seven (7) day period shall be deemed null and void.

F. SENIORITY AND QUALIFICATIONS. When seniority is invoked by an employee, qualifications for performing the work claimed shall be one of the determining factors in establishing such rights.

Should an issue arise regarding the application of seniority where employees are hired on the same day, the last four digits of the employee's social security number (on record with the Employer) shall be used as the impartial tie breaker with the highest number designating the senior employee.

G. It is not the intent of this Article to allow selection by the employee of job assignments or specific hours of duty. The employee declaration of the "available" or "self-restricted" list does not allow selection of job assignment or specific hours. Neither shall part-time jobs be created for the purpose of destroying the eight-hour day or the forty-hour week principle.

H. PROMOTION. In the event an employee is transferred, within the Company, out of the bargaining unit for any reason and is later transferred back, he shall be returned to employment as an experienced clerk in a department in which he formerly qualified without loss of seniority from his last date of hire.

I. DEMOTION. No person shall be denied his seniority because of demotion.

J. TRANSFER TO HIGHER CATEGORY.

1. With respect to General Merchandise Clerks (including prior Bakery, Health and Beauty Aids and Household Hardware Clerks), when a permanent job is available for work to be performed in Food, any General Merchandise employees in the store shall be considered candidates. If a General Merchandise Clerk is selected for the Food position, such employee shall be paid the rate of pay according to said employee's experience.

Employees promoted to a higher rated classification of employment shall receive the next immediate higher rate of pay for that classification and progress each 26 weeks thereafter.

2. Where an employee is transferred from one category of work to another, the seniority acquired with the store and the Company shall be retained, and the new seniority in the new category shall commence as of the time of transfer. Transfers shall not be made for the purpose of displacing another employee. Should layoff or reduction in hours occur where the transferred employee is to be replaced or reduced in hours, he shall be permitted to reclaim the position he formerly vacated, or whatever equivalent position he is entitled to by his combined seniority in his old and new categories.

3. Clerk's Helpers, as well as employees employed in classifications other than Food Clerks, who accumulate one (1) year of service with the Employer under this Agreement, shall upon making application to the Employer, be considered candidates in the store for promotion to apprentice clerks, in the case of Clerk's Helpers, or to Food Clerks, in the case of the General Merchandise Clerk, based upon his ability and qualifications and his employment record.

4. Should such Clerk's Helpers and/or General Merchandise Clerks, as a result of the application of the above, be assigned a permanent forty (40) hour per week schedule, such assignment shall be excluded from the "one-for-one" formula referred to in the seniority letter dated July 22, 1981. However, no Clerk's Helper or General Merchandise candidate shall be assigned to a permanent forty (40) hour per week schedule pursuant to this Paragraph unless his seniority qualifies him for that position.

K. CLARIFICATION. Nothing in this Article shall in any way hinder or prevent the application of Section A of Article 3.

L. HIRING PROCEDURES. Nothing contained in this Article 4 shall impair any of the rights of the Employer to hire new or additional employees to meet the employment needs of the Employer, in accordance with the terms and provisions of this collective bargaining Agreement or to meet the obligations of the Employer under Article 2, Section H of this Agreement or to take affirmative steps to comply with any requirements under any applicable Federal or State law prohibiting discrimination in employment.

ARTICLE 5 - WORKING HOURS AND OVERTIME

A. FULL-TIME EMPLOYEE.

1. A full-time employee is defined as one who is hired to work at least forty (40) straight-time hours per week [five (5) eight (8) hour days] or who works at least forty (40) straight-time hours a week [five (5) eight (8) hour days] in sixteen (16) consecutive weeks. For purposes of this Section, a Sunday or a holiday worked will be considered to be straight-time hours in cases in which the Sunday or holiday is one (1) of the five (5) eight (8) hour days worked by the employee during the workweek in question. Holidays not worked but paid for and vacations taken in full week increments shall not interrupt the sixteen (16) consecutive week requirement set forth in this Section. A specific individual's assignments to temporary vacancies caused by vacations, illness, injury, or leave of absence shall neither count toward nor interrupt the aforesaid accumulation of the sixteen (16) consecutive weeks. Such full-time employee is guaranteed a minimum of five (5) eight (8) hour days' work, when said employee works as scheduled or required. When a question arises as to whether or not an employee has worked the sixteen (16) consecutive week requirement set forth in this section, prior work periods shall be reviewed. Such review shall only consider weeks worked during the ten (10) months preceding the grievance.

2. Full-time/Part-time ratio. For the life of this Agreement, at least forty percent (40%) of all bargaining unit employees employed under this Agreement shall be full-time.

B. PART-TIME EMPLOYEE.

1. A part-time employee is defined as one who is hired to work less than forty (40) hours per week, and is guaranteed at least four (4) hours' work per day when said employee works as scheduled or required. Part-time students and/or Clerk's Helpers, Snack Bar employees and Combination Take-Out Bar employees as described in Article 6, Section N-1 and 5 shall be guaranteed at least two (2) hours' work per day when said employee works as scheduled or required.

2. Except for Meat Cutters, Grandfathered Wrappers, Clerk's Helpers and Snack Bar employees and Combination Take-Out Bar employees, each part-time employee shall be scheduled for at least twenty-four (24) hours' work in each week. It is understood and agreed that Regular Meat Clerks shall be

included in the twenty-four (24) hour minimum weekly guarantee. In the case of Clerk's Helpers, each part-time employee shall be scheduled for at least sixteen (16) hours' work in each week provided that the employee is available, willing and able to work as scheduled during such workweek.

3. The aforementioned weekly guarantees shall not apply if one or more of the following conditions exist:

(a) The store is normally open for business six (6) days or less in the workweek;

(b) A week in which one of the holidays named in this Agreement falls;

(c) Employees scheduled to work are absent;

(d) Work is not available as set forth in Section W of this Article;

(e) The part-time employee, the Employer and the Union agree that the employee may work less than twenty-four (24) hours per week, except in the case of Clerk's Helpers, who may work less than sixteen (16) hours per week in any week without the Union's agreement in accordance with this Section B;

(f) An unanticipated, significant business fluctuation;

(g) During the week an employee is hired, recalled from layoff or returns from leave of absence.

4. The Employer agrees that it will not flat schedule part-time employees in any store.

5. Part-time Meat Cutter. A part-time employee is one who is employed for less than forty (40) hours per week on a regular basis. Part-time employees shall receive all the benefits as specified in this Agreement. The Employer shall have the right to hire part-time employees to meet the needs of the business, but part-time employees shall not be hired to replace or to avoid hiring full-time employees.

C. EXTRA MEAT CUTTER. An Extra Meat Cutter is an employee who is hired on a daily and/or temporary basis to fill vacancies caused by such events as vacations, illness, injury, leaves of absence, jury duty, funeral leave, other personal leaves, personal days off, store openings or seasonal fluctuations in store sales volume, and emergency situations. Such employees shall not acquire seniority, unless and until they are reclassified as a full-time employee or part-time employee as defined in this Article. All Extra Meat Cutter employees shall be engaged and paid for full eight (8) hour shift.

D. MEAT DEPARTMENT EIGHT-HOUR GUARANTEE. Except as provided below, no Meat Department employee shall be hired for less than eight (8) hours per day. Employees shall not be reclassified or extra employees hired to defeat the purpose of the guaranteed workweek, but nothing herein shall restrict the Employer's right to effect reductions in the work force as specified in Article 4 of the Meat Appendix.

Notwithstanding anything else contained in this Agreement to the contrary, any Wrappers hired by the Employer on or after November 4, 1985 may be scheduled for less than eight (8) hours per day but

shall be guaranteed at least four (4) hours' work per day when such employees work as scheduled or required.

E. **WORKWEEK.** The workweek shall be Monday through Sunday. For full-time employees, eight (8) hours shall constitute a day's work and forty (40) hours, consisting of any five (5) eight (8) hour days out of seven (7), shall constitute a regular week's work.

F. **OVERTIME.** All work performed in excess of eight (8) hours in any one (1) day, or in excess of forty (40) hours in any one (1) workweek, shall be deemed overtime and paid for at the overtime rate of time and one-half (1 ½) the employee's regular rate of pay.

Within the Meat Department there shall be no regularly scheduled daily overtime in excess of one (1) hour without agreement with the Union. Scheduled overtime over one (1) hour shall be on a voluntary basis. Non-scheduled overtime shall not exceed three (3) hours in any one (1) day.

G. **SIXTH DAY/GROCERY.** A full-time grocery employee may be scheduled to work six (6) days in any workweek. In that event, and in addition to the guarantee of five (5) eight (8) hour days, he shall be guaranteed a minimum four (4) hours' work for such sixth (6th) day, as long as such sixth (6th) day is not Sunday. The four (4) hour day need not be the actual sixth (6th) day of work, but may be, at the Employer's discretion, any one of the six (6) days in the weekly work schedule, other than Sunday. Time and one-half (1½) shall be paid on such day if the employee is scheduled to work less than eight (8) hours, and contingent upon the employee's completion of his schedule, provided that all time over eight (8) hours in any one (1) day, or forty (40) hours in any one (1) week, shall be paid at the overtime rate.

H. **SIXTH OR SEVENTH DAY/GROCERY.** No grocery employee shall be required to work seven (7) days in any workweek except in an emergency. It shall not be a violation of this contract, nor shall it constitute cause for discharge, if said employee declines to work on the sixth (6th) or seventh (7th) day of the workweek unless scheduled to work on such days.

I. **SIXTH OR SEVENTH DAY/MEAT.** All work performed on the sixth (6th) day in the workweek by Meat Department employees shall be paid for at the rate of time and one-half (1 ½) the regular rate of pay of the employee involved, or the applicable rate for Sundays and holidays as specified in this Article. No Meat Department employee shall be required to work seven (7) consecutive days in the workweek; however, in case of emergency work performed on the seventh (7th) day in the workweek, or work performed on the sixth (6th) day in a holiday workweek, exclusive of the holiday, triple pay or three (3) times the employee's regular rate shall be paid.

J. **REGULAR WORKDAY.**

1. The regular day's work for all employees shall be worked within nine (9) consecutive hours, and all employees shall receive one (1) hour off for lunch at approximately the middle of the working shift. No eight (8) hour employee shall be scheduled for more than five (5) hours or less than three (3) hours before a meal break. Where night stocking crews are required to work behind closed doors, a one-half (½) hour lunch period may be instituted. Notwithstanding the above, in a given store, deviations in lunch schedules may be made upon mutual agreement between an employee and the Employer with the approval of the Union.

2. There shall be no split shift except as provided in Article 6, Section N. Where the operation does not permit more than one (1) employee in any single shift, a one-half (½) hour lunch period may be allowed in order to permit continuous coverage of the store and permit the employee to work a full eight (8) hour day. Relief for lunch periods shall be handled in the same manner as the relief for rest periods.

K. **READY FOR WORK.** All employees shall report for and be ready for work at their scheduled starting time. The term "ready for work" shall include appropriate or required dress.

L. **LEGAL PROCEEDINGS.**

1. Employees shall be paid as time worked under the terms of this Agreement for time spent at appearances in legal proceedings at the request of the Employer.

2. In addition, employees shall be paid as time worked under this contract for time spent at appearances in legal proceedings under subpoena issued at the request of any public authority and enforceable by a court when the event, or events, giving rise to the issuance of the subpoena occurred while the employee was on duty working for the Employer, and so long as the Employer is not a party defendant or respondent in such proceeding, and no relief of any kind is sought against the Employer nor the imposition of any penalty or punishment upon him.

3. Employees who at the time of the legal appearance are no longer employed by the Employer, shall be paid by such Employer at the rate of straight-time for the time spent at the legal appearance, with a minimum guarantee of four (4) hours per day.

M. **WORK SCHEDULE.**

1. The Employer shall post a work schedule in ink for all employees, specifying start and finish of shifts and including surname and first initial, not later than 12:00 noon on Friday preceding the first day of the following workweek. If the work schedule within any day is changed after Friday without reasonable cause, the matter may be subject to the grievance procedure. An employee shall be guaranteed pay for the specific days in a workweek upon which he is scheduled to work, except as set forth in Article 3, Section B. It shall be the responsibility of each employee to check his work schedule. In the event a new schedule is not posted, the previous week's schedule shall apply.

2. In formulating the work schedule of any employee, a minimum of ten (10) hours shall have elapsed between the two (2) consecutive work shifts unless the weekly rotation of Sunday and night shifts is involved; provided however, that this provision shall not apply to an employee predesignated on the work schedule by the store manager to act in his absence, nor shall it apply in the event of emergencies. Work performed prior to the ten (10) hours' elapsed time shall be paid at the rate of time and one-half (1½). In no event will an employee be scheduled or required to work with less than eight (8) hours between shifts, except in the case of an emergency.

3. The schedule shall not be used for disciplinary or punitive purposes.

N. **FALSIFICATION OF TIME RECORDS.** The Employer and the employee shall be jointly required to maintain daily records of time worked on time cards or other forms furnished by the Employer and the employee shall be required to verify such report weekly. Such daily record shall be available for

inspection at all times by the employee's supervisor, or upon request by the Union official entitled to such information.

1. No Employer Knowledge. In the event of proven falsification of such time records by an employee, where it is established that the Employer or his representative had no knowledge of such falsification, the employee may be summarily dismissed, and he shall be entitled only to pay for the time reported.

2. Collusion. In the event of falsification of time records where it is established that both the employee and the Employer or his representative had knowledge of such falsification, the employee may be disciplined, and he shall be paid for all time worked by check mailed to the Union. In such cases, where an employee receives pay for work that was not recorded on the time report, a sum equal to that amount shall be paid by the Employer to the Health and Welfare Fund. All claims under this Section shall be limited to the ninety (90) day period immediately prior to the date the claim is presented to the Employer.

3. Coercion. Where it is found that time worked without pay is the result of coercion on the part of the Employer or his representative, and provided that the employee has reported such coercion to the Union by the next following payroll period, payments to the Health and Welfare Fund shall be made as hereinabove set forth and the employee shall not be subject to discipline, and shall receive pay for all time due.

O. CONSECUTIVE DAYS WORKED. Where a five (5) day, full-time employee is scheduled to work more than seven (7) consecutive days in any combination of workweeks, said employee shall receive time and one-half (1 ½) (or such higher premium as may apply) for all time worked after the seventh (7th) consecutive day, until such time as his consecutive days of work have been interrupted by a prescheduled day off. The above shall not apply to regularly scheduled six (6) day employees, provided that overtime and/or premium rates are paid where applicable.

P. PRE-DESIGNATED DAY OFF GUARANTEE. Whenever any full-time employee, including full-time Clerk's Helpers, is called in for work on his pre-designated day off, said employee shall be guaranteed a full day's work at the overtime rate of time and one-half (1½), or the premium rate, whichever is applicable. Hours worked on such pre-designated days off shall not be counted for the purpose of computing weekly overtime. Such pre-designated days off, worked or not worked, shall interrupt the continuity of consecutive days worked.

Q. SUNDAY GUARANTEE.

1. A full-time clerk or General Merchandise Clerk scheduled to work on Sunday, may be scheduled for a minimum of four (4) hours, providing the employee has been scheduled in addition to the Sunday, forty (40) hours in the workweek (32 hours in a holiday week). All Clerk's Helpers and part-time food clerks and General Merchandise Clerks who are scheduled to perform work on Saturday or Sunday shall be guaranteed four (4) hours work on those days at the Sunday premium rate of pay.

2. In those stores open for less than nine (9) hours on Sundays, full-time clerks who have been scheduled for five (5) eight (8) hour days will be permitted to work less than eight (8) hours on Sunday, but will be guaranteed the number of hours the store is open, less a lunch hour if the shift exceeds six (6) hours. Such clerks shall receive no less than five (5) hours' pay at the Sunday premium rate. If said

employees perform work before the store opening and/or after the store closing, the eight (8) hour guarantee at the Sunday premium rate of pay shall apply and all hours worked in excess of eight (8) hours shall be compensated at the Sunday premium rate of pay or overtime, whichever is higher. This exemption from the Sunday guarantee shall apply to full-time clerks only unless no full-time clerks are available.

3. This clause shall be deemed to have been complied with if less than an eight (8) hour shift is worked on Sunday, but said hours are part of an eight (8) hour shift which includes hours on either Saturday or Monday.

4. In the event the Employer is not able to obtain enough qualified voluntary employees in the needed classifications, qualified employees in the needed classifications shall be selected to work on Easter Sunday by order of inverse seniority. Sunday ratios of full-time to part-time employees, as provided for in this Agreement, shall not apply on Easter Sunday.

5. All five (5) day employees required to perform a shift including Sunday shall receive two (2) consecutive days off in the workweek. Five (5) day employees not working on Sunday shall receive Sunday and one (1) other day off. All work performed on Sundays by regular and/or extra employees shall be paid at time and one-half (1 ½) the employee's regular rate of pay.

R. **WORKDAY DEFINED.** For the purpose of this Agreement, a working day is the period from midnight to midnight. Where shifts overlap into two (2) working days, payment shall be made for the hours worked on each working day in accordance with the rates established for such days.

S. **ON CALL.** If the Employer requires an employee to remain at home "on call" on a Sunday or holiday, the Employer shall guarantee the employee four (4) hours' pay at the appropriate premium rate for such day. This Section shall not become operative prior to the Union giving the Employer a prior warning notice in writing of a specific violation.

T. **PART-TIME EMPLOYEES - SIXTH DAY.** Part-time employees shall be paid time and one-half (1 ½), or such premium rate as may apply, for all work performed on the sixth (6th) day of work as such, in any regular workweek. Part-time Clerks can work a 6th day at straight-time during a week in which they are scheduled a minimum of thirty-two (32) hours. If an employee is scheduled at least thirty-two (32) hours but does not work their schedule, they do not thereby become entitled to time and-and-half on the 6th day.

U. **WORK IN A HIGHER CATEGORY AND OTHER DEPARTMENTS.**

1. A General Merchandise Clerk (including prior Bakery, Health and Beauty Aids and Household Hardware Clerks) shall be guaranteed four (4) hours of work in that category. Such clerk may work as a Food Clerk provided that any work as a Food Clerk shall be paid at the rate of experience accumulated as a General Merchandise Clerk and shall be for a period of not less than two (2) hours, provided the four (4) hour daily guarantee as a General Merchandise Clerk is fulfilled. After such clerk has accumulated one hundred four (104) weeks experience, his hours worked as a Food Clerk shall be accumulated until he has the hourly equivalent of twenty-six (26) weeks experience as a Food Clerk with twenty (20) actual experience hours of work as a Food Clerk being equal to one (1) week of experience under the apprenticeship progression schedule for the limited purposes of the interpretation and application of this Paragraph only. At that time he shall be paid the experienced food rate of pay for all food work performed. During that twenty-six (26) week period, he shall be paid the fourth (4th) step Food Clerk apprentice rate for work performed in the food department. At such time as the clerk may be promoted to

the Food Clerk classification of employment, he shall be compensated and progressed in accordance with the provisions of Article 4-J-1. The involved clerk shall also have his actual total accumulated experience hours of work as a Food Clerk since his most recent date of hire by the Employer converted to weeks of experience credit at the time of such a promotion for the purposes of determining his subsequent progression through the Food Clerk classification's apprenticeship progression schedule with twenty (20) hours of actual experience hours of work as a Food Clerk being equal to one (1) week of experience under such apprenticeship progression schedule for the limited purpose of the interpretation and application of this Paragraph only, i.e., an employee who had accumulated an actual total of 1,320 experience hours of work in the Food Clerk classification would be credited with 66 weeks (1,320 experience hrs ÷ 20 hrs. = 66 wks.) of experience at the time of his promotion for the purposes of determining his subsequent progression through the Food Clerk classification's apprenticeship progression.

2. In the temporary absence of a scheduled Food Clerk, a General Merchandise Clerk (including prior Bakery, Health and Beauty Aids and Household Hardware Clerks) may be assigned to work as a Food Clerk for the full shift, or the remainder thereof, at the applicable rate provided herein. Temporary absence shall not include any vacation of any duration or disability leave of a known duration exceeding two (2) weeks.

3. Any portion of an hour that is worked in a higher category shall require payment for the full hour -- on the hour. (For example, a General Merchandise Clerk assigned to work as a Food Clerk at 10:15 A.M. shall be paid the applicable food rate starting at 10:00 A.M.)

4. Food Clerks will not be intentionally or knowingly underscheduled to facilitate the use of this Article.

5. This provision shall not be used in a store when Food Clerks are reduced in classification, reduced from full-time status or laid off within said store except as set forth in Paragraph 2 above.

V. TRAVEL PAY.

1. Whenever a grocery employee is required by the Employer to change from one (1) store to another store during the same day, all time spent by such employee in travel between stores shall be considered and paid for as a part of the employee's regular duties.

2. When an employee is assigned to work in more than one (1) market in one (1) day, all work and travel time shall be paid for, except in instances where an employee is hired to work in more than one (1) market. Bus fare or taxi fare, at the Employer's option, shall be paid by the Employer or, if the employee uses his own car, he shall be paid for such use at the prevailing Internal Revenue Service mileage rate for the total mileage from the market of origin to the market of reassignment and return.

3. Any employee, who is temporarily assigned for a full day or more but less than two (2) weeks to a market over forty (40) miles from said employee's home, shall receive travel pay at the prevailing Internal Revenue Service mileage rate once each way to the assignment and return, and said employee shall be reimbursed for his room and meals on each day so assigned.

W. INTERRUPTION OF OPERATIONS. In the event operations cannot commence or continue when so recommended by civil authorities; or public utilities fail to supply electricity, water or gas; or the interruption of work is caused by an Act of God, the foregoing guarantees shall not be applicable.

ARTICLE 6 - WAGES

A. WAGE RATES.

1. Rates of Pay. The straight-time hourly wage rates for each classification are set forth in Appendix A.
2. Frozen Rates. Red circled employees shall receive the negotiated wage increases for their respective classifications of employment except employees who have been transferred to a lower rated classification of work or who have accepted a position requiring less responsibility and who retained the rate of pay of their former classification shall not receive the contractual wage increases provided by this Agreement until the rate of pay of their present classification equals or exceeds the frozen rate as a result of such contractual wage increase(s).
3. The differential in the straight-time hourly wage rates between the Journeyman Meat Cutter classification and the Head Meat Cutter classification shall be one dollar (\$1.00) per hour.
4. The classifications and minimum wages under this Agreement shall be as set forth in Appendix A, which is attached hereto, and is expressly made a part of this Agreement. (These rates do not include night or holiday premiums.)

B. PREMIUMS.

1 Sunday Premiums.

- (a) Clerks. During the term of the Agreement all employees hired prior to March 1, 2004, except Clerk's Helpers, shall receive an extra one dollar (\$1.00) per hour for all hours worked on Sunday.

Preference for Sunday Work. Employees hired prior to March 1, 2004 who wish to work on Sundays shall make their desire known to the store manager. Employees will be scheduled for Sunday work in accordance with seniority as follows: the Company will first schedule by seniority those employees who want to work on Sunday and then schedule the remaining employees by inverse seniority.

- (b) Meat Cutters and Wrappers/Meat Clerks. All five (5) day employees required to perform a shift including Sunday shall receive two (2) consecutive days off in the workweek. Five (5) day employees not working on Sunday shall receive Sunday and one (1) other day off. All work performed on Sundays by full-time, part-time and/or extra employees hired prior to March 1, 2004, except those promoted after the March 1, 2004, shall be paid, for all hours worked on Sunday, time and one-quarter ($\frac{1}{4}$) the straight-time hourly rate of pay for each covered classification. Extra Meat Department employees working on Sunday shall be paid for their full eight (8) hour shift at the applicable rates for Sunday.

- (c) Clerk's Helpers. During the period of this Agreement, Clerk's Helpers shall be paid a premium of fifty cents (50¢) per hour for all time worked on Sunday.

(d) Employees hired or promoted on or after the March 1, 2004: All employees except for Clerk's Helpers, hired or promoted on or after the March 1, 2004 shall be paid a one dollar (\$1.00) per hour premium for all time worked on Sunday.

2. Person In Charge/Grocery. An experienced clerk who is not a Department Head and who is designated by the Employer to open or close the store to the public shall be paid a premium of one dollar (\$1.00) per day for any day in which he performs that duty.

3. Service Seafood Department Head. In the event that the Employer elects to assign an employee, who is employed in the Meat Clerk classification of employment, the responsibility for the supervision and direction of a Service Seafood Department, including the scheduling and direction of employees, the ordering of product, price changes, the implementation of Company merchandising policies and practices, etc., the involved employee shall be classified as a Seafood Department Head and paid a premium of one dollar (\$1.00) per hour effective October 4, 1999 above the contractual straight-time hourly rate of pay established under this Agreement for the experienced Meat Clerk (hired by the Employer on or after November 4, 1985) classification of employment. This classification of employment shall not be compulsory and the Employer shall have the right to designate or remove an employee from this classification without regard to seniority.

4. General Merchandise Clerks Department Heads that regularly supervise and direct the activities of ten (10) or more employees on a weekly basis shall receive fifty cents (50¢) per hour above the contractual straight-time hourly rate of pay established under the Agreement for the General Merchandise Clerks Department Head (hired or promoted after 8/7/81) classification of employment.

C. NONPYRAMIDING. There shall be no pyramiding or combination of one premium pay with another or of premium pay with overtime pay but only the highest applicable rate shall be paid except:

1. Where daily or weekly overtime and the night premium operate concurrently, the amount paid shall be time and one-half (1 ½) the straight-time hourly rate plus the night premium provided that this exception shall not apply to any work performed on Sundays or holidays.

2. Overtime shall be computed on the base straight-time hourly rate.

3. Work performed in the Meat Department in excess of eight (8) hours on Sundays shall be paid at time and one-half (1 ½) of the rate of pay for that day.

4. Where a Meat Department employee works a shift including both shift premium pay and daily overtime, he shall receive both but the shift premium pay shall not be included in computing the overtime rate.

D. APPRENTICESHIP.

1. In order to receive credit for a week of progression under the new apprenticeship wage schedule, an employee must have performed work or received pay for time not worked (vacation, sick leave, holiday, jury duty or funeral leave pay) in the classification during that week. No credit shall be earned for any week in which no work is performed in the classification by the involved employee.

2. Employees will be given credit for prior food and/or general merchandise experience acquired in a supermarket covered by any collective bargaining agreement in Southern California for the purpose of determining their placement under the Wage Schedule established under Appendix A for the classification of employment that they are hired into. Such experience shall be given recognition towards the experienced rate of pay only for the classification of work where the experience obtained was the same.

Claims for prior experience will not be recognized unless such experience is fully revealed on the employee's application.

3. Notwithstanding anything to the contrary contained herein, experience acquired in Paragraphs 1 through 4 above, if acquired in a period ending more than five (5) years immediately prior to employment under this Agreement, shall entitle the employee to a rate of pay one (1) bracket [twenty-six (26) weeks] below that for which their experience qualifies them.

Experience acquired in Paragraphs 1 through 4 above, if acquired in a period ending more than ten (10) years immediately prior to employment under this Agreement, shall entitle the employee to the rate of two (2) brackets [fifty-two (52) weeks] below that for which their experience qualifies them.

4. The Employer agrees that Clerk's Helpers who have indicated their desire for a promotion to the Clerk's classification shall be considered prior to the hiring of any new apprentice Clerk. Promotions will not be unreasonably denied providing the individual possesses the necessary skills and ability for the job.

Clerk's Helpers entering the Combo Food Clerk apprenticeship program, or being promoted to the Food Clerk classification shall, for the first sixty (60) days, be in a probationary period and paid at the rate of fifty percent (50%) of the experienced rate per hour for all hours worked as a Food Clerk during that period of time.

Clerk's Helpers, upon being promoted to the Food Clerk classification, shall be credited with all time worked as a Food Clerk while in the Combo Food Clerk apprenticeship program and receive a wage increase at the rate one bracket above that upon which their credited time is based.

The apprenticeship schedule for Clerk's Helpers hired on or after August 27, 1987, shall be three (3) three (3) month periods.

E. **EMPLOYEE LISTS.** The Employer agrees to permit the Union representative, upon request of the Union, to check the list or lists of employees available in the store and to check the respective wage scale of each employee.

F. **WAGE DISCREPANCY.**

1. Settlement Attempt. If a wage discrepancy is claimed to exist, the representative of the Union shall first attempt to settle it with the representative designated by the Employer.

2. Written Notification. Failing settlement at this level, the Union shall in writing notify the Employer of the alleged discrepancy and the names of the employees involved, and the period of time that

such discrepancy is claimed to cover. Upon receipt of such written notice, the Employer agrees to promptly furnish the representative of the Union wage data pertaining to the alleged wage discrepancy.

G. **NO REDUCTION IN RATES.** No employee shall suffer any reduction in hourly rates or general working conditions by reason of the signing of this Agreement. No employee receiving hourly rates in excess of the rates herein shall be replaced by another employee at a lesser hourly rate for the purpose of avoiding any of the provisions of this Agreement.

H. **OVERTIME BASIS.** The overtime rate for employees who receive a wage scale in excess of the rates in this Agreement shall be based on said employee's actual rate of pay.

I. **DEPARTMENT HEAD.**

1. Definition. A Department Head is an employee who, in addition to the duties of a regular clerk, is assigned by his superiors to the direction of a particular department and the employees therein in the store in which he is employed. To be classified as a Department Head, an employee must be vested with sufficient authority by his superiors to direct the operation of the department and to exercise supervision over the other employees in the department to the extent that he has effective influence over hiring and/or discharge and/or transfer and/or discipline of those employees. In addition to the above, the exercise of independent judgment in the operation of the department shall be a primary criterion in establishing Department Head status. Department Heads shall not be mandatory, but any employee having the authority and duties as described herein shall be paid as a Department Head. No more than one (1) Department Head shall be required for any one (1) department. The provisions of this Paragraph shall not nullify Paragraph 2 of this Section. No Department Head shall be demoted from that position because of deficient performance in the job without first having received a prior warning notice in writing, copy to the Union, calling attention to his deficiencies.

2. Department Head Time. When an employee is assigned by his superiors to the work and/or duties of a Department Head, as defined in Paragraph 1 of this Section, provided that the assignment is for more than fifty percent (50%) of the employee's total week's work, the Department Head rate shall be paid for the entire week. It shall not be the intent of this Section to require or create two (2) Department Heads in any one (1) department.

3. Intent. The industry's proposals regarding the Department Head classification and any conversations, arguments, discussions, and documents relating to the negotiations thereof do not contemplate the exclusion of Department Heads from the bargaining unit, nor does the industry's negotiating committee contemplate invoking the Taft-Hartley Act in this respect.

4. Head Meat Cutters' Rates. Journeymen Meat Cutters performing Head Meat Cutters' responsibility for a period of one (1) week or more shall receive a Head Meat Cutter's rate of pay.

J. **PAY DAY.** Employees shall receive their pay each week. Upon request, extra Meat Department employees shall be paid in full when their work is completed. Failure to pay such extra Meat Department employees upon completion of work shall require the Employer to pay the employee eight (8) hours pay for each twenty-four (24) hour period until payment in full has been made. In the case of termination of employment of any employee, the final paycheck shall be given to the employee not later than seventy-two (72) hours after the completion of his last shift.

K. NEW CONTRACT. When a first contract is signed the period of employment for vacation and sick leave eligibility shall be measured from the last date of hire with the Employer, except as provided in Article 17, Section D hereof.

L. INJURY ON THE JOB. When an employee is injured on the job, there shall be no deduction from the employee's pay for the day in which the employee was injured and reported for medical care. When such employee returns to work following the injury, and is certified as ready and able to perform all regular duties, but requires medical treatment as a result of the same injury, the Employer shall adjust the work schedules without penalty to the Employer, to provide both the time for medical care and the number of hours of work for which the employee is regularly scheduled.

M. BONUS PAYMENTS. Bonus or lump sum payments to employees, other than regular wage payments, shall not be used to defeat the wage provisions of this Agreement.

The General Merchandise rate shall be applicable when the Employer operates a service delicatessen, a take-out food operation alone, or a combination service delicatessen and take-out food operation. In addition to the General Merchandise rate all other terms and conditions of the Food Agreement shall be applicable to all employees of such department.

It is intended that Paragraph 2 shall apply to what is either a service delicatessen, a take-out food operation alone, or a combination service delicatessen and take-out food operation. With respect to employees employed in operations governed by Paragraph 2, the apprentice progression rates for General Merchandise Clerks shall apply.

Whenever the service of a full-time cook is required, a competitive rate shall be negotiated. In the event that the parties are unable to agree upon such rate the matter shall be submitted to arbitration in accordance with Article 12 of this Agreement, notwithstanding in this situation any provisions to the contrary contained therein. A cook employed in a department covered by Paragraph 1, above, shall be entitled to the fringe benefits provided by that Paragraph, and a cook employed in a department covered by Paragraph 2, above, shall be entitled to the benefits provided by that Paragraph.

ARTICLE 7 - HOLIDAYS

Sections A through H of this Article apply to employees hired prior to March 1, 2004.

A. PAID HOLIDAYS.

1. The Employer agrees that the following days shall be considered holidays and granted without reduction in pay:

Thanksgiving Day
Christmas Day
Labor Day

The Employer agrees that the following days shall be considered holidays for purposes of the holiday premium, but employees shall not be paid holiday pay if no work is performed on the holiday:

New Year's Day
Independence Day

Personal Holidays. Effective January 1st, 2011, eliminate the four (4) personal holidays.

2. All contractual holidays shall be observed on the holiday itself.

3. Any employee hired within thirty (30) days of any holiday shall not be entitled to pay for time not worked on the holiday.

4. The Company agrees to maintain forms in an area accessible to employees at each store which shall be developed in conjunction with the Union. The form shall be in triplicate with one (1) copy for the employee, one (1) copy for the store manager and the third copy for the Company's main office. A copy of the form is attached as Appendix B. Once the form has been signed by the store manager, the personal holiday shall be considered fixed and may not be changed except by mutual agreement. The Company agrees that store managers will respond to requests promptly to assure employee's adequate notice of their personal holidays.

B. HOLIDAY PREMIUM. Work can be performed on any of the hereinabove mentioned holidays with the exception of Thanksgiving Day and Christmas Day. However, work as such shall be compensated for at two (2) times the straight-time hourly rate of pay for all hours worked. Extra Meat Department employees working on a holiday shall be paid for their full eight (8) hour shift at the rate of two (2) times the regular rate of pay for the employee involved. Said double-time shall include any premium pay or overtime that may be applicable, and includes pay for the holiday itself. It is expressly understood that no employees coming under the terms of this Agreement will be required to work on Thanksgiving and Christmas calendar days; and that the Employer will remind its store management of these special provisions prior to the involved holidays.

C. HOLIDAY WEEK. A regular holiday workweek shall consist of the holiday itself and four (4) other eight (8) hour days. A Full-time employee, not working on New Year's Day or Independence Day, shall be entitled to five (5) other eight (8)-hour days that week. A full-time employee, not working on Labor Day, Thanksgiving Day or Christmas Day, shall receive eight (8) hours' pay for the holiday in addition to the pay specified in this Agreement for the other four (4) days referred to above.

D. PART-TIME EMPLOYEES. Regular part-time employees shall be entitled to pay in accordance with this Article on Labor Day, Thanksgiving Day and Christmas only if said holiday falls on their scheduled workday or if such employee is scheduled for forty (40) hours' work during the holiday week. Holiday pay for any such regular part-time employee shall be computed by averaging the number of hours worked by the employee on the day of the week on which the holiday falls for the four-week period immediately prior to the holiday week. Work schedules shall not be changed for the purpose of avoiding holiday payments. The determining factor shall be the employee's prior work schedules. A part-time employee, as used in this Section, is defined to include an employee regularly scheduled for thirty-six (36) hours per week or less.

E. REQUIREMENTS. No employee shall receive pay for any holidays not worked unless such employee has reported for work on his regular working day next preceding and next following said holiday. Employees shall be deemed to have reported for work if absence on said day before and the said

day after said holiday is due to express permission from or action of the Employer, and also in case of certified illness, provided the employee has worked during the holiday week.

F. VOLUNTARY CLOSING. When the Employer voluntarily closes his store to the public on any holiday other than those set forth in Section A above, it is agreed that the employees shall suffer no reduction in straight-time weekly earnings on account of such closing. Neither shall the employees suffer a reduction in straight-time weekly earnings in the event the Employer chooses to close his store in memory of or in tribute to any individual or event.

G. HOLIDAY GUARANTEE.

1. Full-time employees scheduled to work on a holiday shall be guaranteed eight (8) hours' work on such holiday. A part-time grocery employee may be scheduled to work on a holiday for a number of hours not less than those usually worked by him on the day on which the holiday falls. For Meat Department employees the holiday guarantee for part-time employees shall be as defined in Article 5-B-1 of this Agreement. All Clerk's Helpers who are required to perform work on any of the holidays enumerated in Article 7 shall be guaranteed four (4) hours' work on those days as long as they are able and available to work those hours.

2. The eight (8) hour guarantee shall be deemed to have been complied with if less than an eight (8) hour shift is worked on the holiday, but said hours are part of an eight (8) hour shift which includes hours on either the day before or the day after the holiday. Hours worked during the twenty-four (24) hour period of the holiday shall be compensated at the triple-time rate of pay and each hour so compensated shall apply toward the eight (8) hour holiday guarantee.

3. In those stores open for less than nine (9) hours on holidays, full-time clerks who have been scheduled for four (4) eight (8) hour days will be permitted to work less than eight (8) hours on the holiday, but will be guaranteed the number of hours the store is open, less a lunch hour if the shift exceeds six (6) hours. Such clerks shall receive no less than five (5) hours' pay at the holiday premium rate. If said employees perform work before the store opening and/or after the store closing, the eight (8) hour guarantee at the holiday premium rate of pay shall apply and all hours worked in excess of eight (8) hours shall be compensated at the holiday premium rate of pay. This exemption from the holiday guarantee shall apply to full-time clerks only, unless no full-time clerks are available.

H. EASTER SUNDAY/GROCERY. In the event the Employer is not able to obtain enough qualified voluntary employees in the needed classifications, qualified employees in the needed classifications shall be selected to work on Easter Sunday by order of inverse seniority. Sunday ratios of full-time to part-time employees, as provided for in this Agreement, shall not apply on Easter Sunday.

I. Holidays for Employees hired on or after March 1, 2004.

1. Sections A through H of this Article do not apply to employees hired on or after the March 1, 2004. Set forth below are the only holiday provisions applicable to employees hired on or after the March 1, 2004.

(a) After an employee has worked six (6) months under the terms and conditions of this Agreement, he will be entitled to two (2) holidays: Thanksgiving and Christmas. After completing one (1) year of employment under this Agreement, the employee shall be entitled to one (1) more holiday, 4th of

July. After completing eighteen (18) months of employment, under this Agreement, the employee shall be entitled to an additional holiday, Labor Day. After an employee has completed a second year of employment under this Agreement, the employee shall be entitled to New Year's Day.

(b) In order for an employee to be paid for a holiday not worked, he must have completed his probationary period, have worked the scheduled workday immediately before, and the scheduled workday immediately following the holiday (unless his absence was expressly permitted by the Company), and must have worked during the payroll period in which the holiday occurred.

(c) All hours worked on a listed holiday shall be payable at the rate of double-time the employee's regular straight-time hourly rate of pay (includes holiday pay).

(d) For Labor Day, Thanksgiving Day or Christmas not worked, full-time employees shall receive eight (8) hours of pay at the straight-time hourly rate. Part-time employees shall receive holiday pay up to eight (8) hours prorated to the number of hours worked in the holiday week up to forty (40) hours.

(e) If a sufficient number of employees volunteer, then no employee shall be required to work on Thanksgiving or Christmas days. If an insufficient number volunteer, then employees will be scheduled work by inverse seniority.

J. PREFERENCE FOR HOLIDAY WORK. Employees hired prior to October 4, 1993, who wish to work on holidays shall make their desire known to the store manager. Said employees shall be scheduled to work holiday hours before new hires are scheduled provided they have the ability to perform the work.

ARTICLE 8 - VACATIONS

Except as provided for in Section C of this Article, all the terms of the 1999-2003 Agreement contained in Article 8 continue to apply to employees hired prior to March 1, 2004.

A. FULL-TIME EMPLOYEES.

1. One Year. All full-time employees who have been continuously employed by the Employer for one (1) year shall receive one (1) week's vacation with full pay.

2. Two Years. All full-time employees who have been continuously employed by the Employer for two (2) years shall receive two (2) weeks' vacation with full pay.

3. Five Years. All full-time employees who have been continuously employed by the Employer for five (5) years shall receive three (3) weeks' vacation with full pay.

4. Fifteen Years. All full-time employees who have been continuously employed by the Employer for fifteen (15) years shall receive four (4) weeks' vacation with full pay.

5. Twenty Years. All full-time employees who have been continuously employed by the Employer for twenty (20) years shall receive five (5) weeks' vacation with full pay.

6. Full Pay Defined. The term "full pay" shall be defined as forty (40) hours' pay at the employee's straight-time hourly rate which was in effect at the time his vacation became due.

B. PART-TIME EMPLOYEES. Part-time employees, including Clerk's Helpers, shall be entitled to vacation pay on each anniversary date of their employment, prorated on the basis of the average straight-time hours worked during the preceding year, according to the vacation formula set forth above.

C. VACATIONS FOR EMPLOYEES HIRED ON OR AFTER THE MARCH 1, 2004.

1. Sections A, B, E and K of this Article do not apply to employees hired on or after March 1, 2004. The provisions set forth below and Sections D, G, H, I, J and L are the only vacation provisions applicable to employees hired on or after that date.

(a) All employees shall receive a paid vacation in accordance with the following schedule;

(1) One (1) week of vacation after completing one (1) year of service,

(2) Two (2) weeks of vacation after completing three (3) years of service,

(3) Three (3) weeks of vacation after completing seven (7) years of service.

(b) Employees must work at least one year to be eligible for any vacation entitlement.

(c) Part-time employees shall be entitled to vacation pay prorated on the basis of the average weekly straight-time hours worked during the preceding year to 1,940 hours.

D. PRO RATA. Upon termination of employment for any reason other than discharge for proven or admitted dishonesty, an employee shall receive whatever vacation pay is due, prorated on the basis of the number of straight-time hours worked, provided that the employee has been in the continuous employ of the Employer for six (6) months or longer. Said vacation pay shall be prorated according to the ratio that the straight-time hours actually worked bear to 2,080 hours. The forfeiture of vacation pay for proven or admitted dishonesty shall not be retroactive beyond the employee's last anniversary date.

1. Formula for employees hired prior to March 1, 2004

a. Employees whose employment is terminated, and who have been in the continuous employ of the Employer more than six (6) months, but less than one (1) year, shall not be entitled to such pro rata pay where termination of employment is due to a discharge or to a voluntary quit, but shall receive prorated vacation only where termination of employment is due to a layoff.

b. Any employee who has been in the employ of the same Employer for twelve (12) consecutive calendar months, but not to exceed eighteen (18) consecutive calendar months, shall upon termination of employment be entitled to receive a pro rata of his earned vacation on the basis of one (1) workweek consisting of forty (40) hours at straight-time pay for all months for which no vacation has been paid.

c. Where an employee has been in the employ of the same Employer in excess of eighteen (18) consecutive calendar months, he shall receive upon termination, a pro rata of accrued vacation pay

on the basis of eighty (80) hours at straight-time pay for all months for which no vacation has been paid, but in no event shall vacation pay for the first year's employment exceed one (1) week's pay. It is further provided that employees who voluntarily quit after eighteen (18) consecutive calendar months of employment with the same Employer, and prior to two (2) years' employment with the same Employer, shall receive pro rata of accrued vacation pay on the basis of forty (40) hours at the straight-time rate of pay.

d. An employee who has been in the employ of the same Employer for five (5) years or more shall, upon termination, receive accrued vacation pay on the basis of three (3) weeks per year for all time in excess of five (5) years for which no vacation pay has been received.

e. An employee who has been in the employ of the same Employer for fifteen (15) years or more shall, upon termination, receive accrued vacation pay on the basis of four (4) weeks per year for all time in excess of fifteen (15) years for which no vacation pay has been received.

f. An employee who has been in the employ of the same Employer for twenty (20) years or more shall, upon termination, receive accrued vacation pay on the basis of five (5) weeks per year for all time in excess of twenty (20) years for which no vacation pay has been received.

2. Employees hired on or after March 1, 2004

a. Employees whose employment is terminated, and who have been in the continuous employ of the Employer more than six (6) months, but less than one (1) year, shall not be entitled to such pro rata pay where termination of employment is due to a discharge or to a voluntary quit, but shall receive prorated vacation only where termination of employment is due to a layoff.

b. Any employee who has been in the employ of the same Employer for twelve (12) consecutive calendar months, but not to exceed twenty four (24) consecutive calendar months, shall upon termination of employment be entitled to receive a pro rata of his earned vacation on the basis of one (1) workweek consisting of forty (40) hours at straight-time pay for all months for which no vacation has been paid.

c. Where an employee has been in the employ of the same Employer in excess of twenty four (24) consecutive calendar months, he shall receive upon termination, a pro rata of accrued vacation pay on the basis of eighty (80) hours at straight-time pay for all months for which no vacation has been paid, but in no event shall vacation pay for the first year's employment exceed one (1) week's pay. It is further provided that employees who voluntarily quit after twenty four (24) consecutive Calendar months of employment with the same Employer, and prior to three (3) years employment with the same Employer, shall receive pro rata of accrued vacation pay on the basis of forty (40) hours at the straight-time rate of pay.

1. An employee who has been in the employ of the same Employer for seven (7) years or more shall, upon termination, receive accrued vacation pay on the basis of three (3) weeks per year for all time in excess of seven (7) years for which no vacation pay has been received.

E. VACATION TRUST. Additional vacation pay based on industry experience shall be provided in accordance with the provisions of the Industry Vacation Plan. Said additional vacation pay shall be paid

to the employee by the Employer together with the vacation pay that is due from the Employer as set forth above. The additional amount of vacation pay paid to the employee because of industry experience, plus any other amounts which the Employer is required to pay by law in connection with such payments, shall be reimbursed to the Employer from the Trust Fund in accordance with the procedures established by the Trustees of said Fund.

F. ABSENCE. Absence from work up to seven (7) weeks within a period of fifty-two (52) consecutive weeks, due to sickness, injury or temporary layoff, shall be considered as time worked for the purpose of determining eligibility for full vacation pay. In the event that an employee is absent from work in excess of seven (7) weeks, as set forth above, whatever vacation pay the employee is entitled to shall be prorated according to straight-time hours actually worked.

G. VACATION SCHEDULE.

1. Vacation periods shall be fixed by the Employer to suit the requirements of his business, but as far as possible and practicable, vacations will be given during the summer months, and for employees with school-age children, during the school vacations. Vacation periods shall be unbroken unless by mutual consent between Employer and employee, or where it is impractical. Grievances relating to this Section shall be subject to the Adjustment and Arbitration Procedure in this Agreement.

2. Time off, based upon service in the Industry Vacation Plan, may be granted to an employee by mutual agreement between the Employer and the employee. The Employer shall not be required to give time off based upon service under the Industry Vacation Plan. However, if such additional industry vacation time off is granted to an employee, such time off shall be counted as time worked for the purpose of computing the employee's earned vacation benefits on his next anniversary date of employment.

H. NOTICE. In scheduling a vacation of an employee, the Employer shall give at least two (2) weeks' notice prior to the date of beginning the vacation.

I. NOT WAIVED. Vacations may not be waived by employees, nor may extra pay be received for work during the period; provided, however, that by prior mutual agreement between the Employer, employees and the Union, this provision may be waived.

J. NOT CUMULATIVE. Vacations may not be cumulative from one year to another.

K. HOLIDAY DURING VACATION. If a holiday, named under Article 7 of this Agreement, falls within the vacation period of an employee, he shall be granted an additional day's pay in lieu of the holiday.

L. PAYMENT DATE. The Employer shall pay the employee the vacation pay accrued during the employee's anniversary year, either prior to taking the vacation or on the employee's anniversary date. The payment of an employee's vacation pay shall be by separate check or computed at same tax rate schedules as the computation of regular wages per week.

ARTICLE 9 - LEAVES OF ABSENCE

A. **PREGNANCY, ILLNESS AND INJURY.** Except as set forth in Article 3, Section A, and for pregnancy as set forth below, the Employer agrees to grant to any employee who has been with the Employer for six (6) months or more, a leave of absence for certified illness and/or injury, up to ninety (90) days, and to an employee who has been with the Employer for one (1) year or more, a leave of absence for certified illness and/or injury up to six (6) months. In cases of Workers' Compensation, the employee's leave of absence shall be continuous until such time as said employee has been released from his period of temporary disability and is available and qualified for work, provided, however, such leave of absence shall not exceed one (1) year.

The Employer agrees to grant to any pregnant employee who has been with the Employer for less than one (1) year, a leave of absence for that pregnancy, childbirth or related medical conditions, pursuant to the California Fair Employment Practices and Housing Act, Sec. 12945-(b)(2), for a reasonable period, not to exceed four (4) months. If the employee has been with the Employer for one (1) year or more, the leave may be up to six (6) months.

B. **OTHER PURPOSES.**

1. **Death in Family.** At the request of the employee, the Employer may grant a leave of absence for other purposes. The terms and conditions of all leaves of absence shall be set forth in writing. The Employer shall grant an automatic leave of absence, if so desired, not to exceed two (2) weeks, in cases of critical illness or injury or death in the employee's immediate family. Any period in excess of two (2) weeks shall require the written consent of the Employer. When possible, the employee shall request such leaves of absence; but in any event, the Employer shall be notified within twenty-four (24) hours.

2. **Funeral Leave.** Leave for all employees, except Clerk's Helpers, Snack Bar and Take-Out Foods employees, shall be provided for the purpose of arranging for and attending the funeral of a member of the employee's immediate family. Pay for such leave shall be at the straight-time rate for the hours scheduled for each workday lost because of such absence. Paid funeral leave shall be confined to a maximum of three (3) calendar days within a period of fourteen (14) calendar days beginning with the date of death to grieve regardless of whether or not there is a funeral. Verification of time required for such paid leave shall be supplied to the Employer by the employee if requested. Immediate family shall be defined as the employee's spouse, child, mother, father, brother, sister, mother and father of the current spouse, grandparent, grandchildren or other relative living in the employee's home.

3. **Union Business.** An employee in good standing with the Employer, whose acceptance of employment with the Union takes him from his employment with the Employer, shall, upon written request to the Employer by the Union, receive a leave of absence for the period of his service with the Union, of not less than thirty (30) days nor more than one (1) year. A Union's request for such a leave of absence, and for the return of an employee to work at the conclusion of such a leave, shall each be served upon the involved Employer, in writing, a minimum of two (2) calendar weeks immediately preceding the date of the proposed commencement of the requested leave and the proposed return to work, respectively. Not more than one (1) employee shall be given such a leave from the same store during the same period of time, nor shall more than three (3) employees in the company be on such a leave at one time. An eligible employee shall not be granted more than one (1) such leave of absence during the term of this Agreement, nor shall such a leave of absence be granted to an employee who, at the time of his request for such leave of absence, is on a leave of absence from the Employer for any other reason. Upon his

return, he shall be reemployed at work similar to that in which he was engaged immediately prior to his leave of absence in accordance with Article 9, Section D. During the period of the authorized leave of absence, the Union shall be obligated to make Trust Fund contributions on behalf of the involved employee.

C. LEAVE REQUESTS. All requests for leaves of absence must be in writing.

D. SENIORITY AFTER A LEAVE. At the end of any period of such leave of absence for illness and/or injury or Union business as set forth in Section B-3 above, an employee shall be restored to employment with the Employer with full seniority to a position comparable to the one he held immediately prior to such leave of absence, provided that the employee is physically able to efficiently perform work comparable to that which he performed prior to such leave of absence. In restoring such employee to employment with full seniority, no employee, who has actually worked a longer period of time for the Employer than the absentee has worked, shall be replaced.

E. TERMINATION AFTER A LEAVE. Should an employee exceed the leave of absence granted by the Employer, vacation pay which has accrued for time worked to such employee as of the date of the beginning of such leave of absence shall be computed and a check for same shall be forwarded to the employee with a notice that his employment has been terminated.

F. VERIFICATION. This Article shall not be used to justify or support excessive absenteeism, and, should the Employer wish to verify an employee's illness or his ability and/or inability to perform the work required, it may employ a doctor of its own choosing for such purpose, paying all charges for such doctor's services.

G. EMPLOYMENT. An employee may not accept other employment while on leave of absence and may be terminated for violation of this provision, except where written consent has been obtained from the Employer.

ARTICLE 10 - SICK LEAVE

A. SICK LEAVE ENTITLEMENT.

1. Eligibility. All employees covered by this Agreement who have been continuously employed by the Employer for a period of at least one (1) year shall be entitled to six (6) days' sick leave with pay and on each anniversary date of employment thereafter, he shall be entitled to six (6) days' sick leave with pay; however, such sick leave benefits shall not accumulate from year to year. Sick leave shall be payable beginning with the first (1st) working day's absence due to non-hospitalized illness or injury and until the employee has received or is entitled to receive Workers' Compensation disability benefits or State disability benefits. In instances where the employee works less than ½ their scheduled shift, that day will count as the first day. In any event, sick leave shall be payable only during the first week of absence and shall not be payable if the employee is receiving supplementary disability benefits under this Agreement.

2. Sick Pay Defined. For the purpose of this Section, sick pay shall mean pay at the employee's regular classification rate for those days and hours which the employee would have worked had the disability not occurred, calculated at straight-time.

B. DOCTOR'S CERTIFICATE. A doctor's certificate or other authoritative verification of illness may be required by the Employer.

C. PRO RATA. Sick leave shall be paid to all full-time and part-time employees, including Clerk's Helpers, on the basis set forth above, but shall not be paid to Snack Bar employees and Combination Take-Out Bar employees as described in Article 6, Section N-1 and 5. The total number of hours of accrued sick leave benefits shall be calculated on the ratio of total hours worked during the year preceding his anniversary date of employment to 2,080 hours.

D. UNUSED SICK LEAVE PAID. For the employee's second (2nd) and succeeding anniversary dates of employment, any unused sick leave to which an employee may be entitled shall be paid on the employee's anniversary date of employment. After a year's employment, the employee in the event of termination, shall be entitled to a payoff of unused sick leave entitlement and to pro rata payment of accumulated sick leave since his last anniversary date. The pro rata payment of accumulated sick leave, since his last anniversary date, shall not be paid to an employee who is discharged for proven or admitted dishonesty or who quits voluntarily.

ARTICLE 11 - JURY DUTY

A. When a non-probationary, full-time employee is required to be in any court or courthouse for jury service and such service deprives such employee of pay that he otherwise would have earned, he shall be scheduled a Monday through Friday workweek between the hours of 8:00 a.m. and 5:00 p.m. and paid for each day on such jury service at the rate of eight (8) hours times his straight-time hourly rate, less any remuneration received by him for jury service.

When a non-probationary, part-time employee is required to be in any court or courthouse for jury service and such service deprives such employee of pay that he otherwise would have earned during the Monday through Friday portion of his normal workweek, he shall be scheduled a shift between the hours of 8:00 a.m. and 5:00 p.m. He will be paid for that part of his normal workweek based upon his average hours worked or paid for in each workweek, Monday through Friday, in the four (4) such workweeks immediately preceding the week(s) in which jury duty is required, less any remuneration received by him for such jury service. Utilization of such an employee on the Saturday and/or Sunday portion of his normal workweek shall continue to be at the discretion of the Employer; provided the minimum weekly hour guarantee is satisfied.

B. If such employee in addition works for the Employer on Saturday, he shall be paid at the rate of straight-time. If he works for the Employer on Sunday, he shall be paid at the Sunday rate of pay.

C. If an employee is temporarily excused from jury service on any scheduled day, i.e., Monday through Friday, he shall immediately report for work to complete the remaining hours of his scheduled work shift. Failure to so report shall disqualify an employee from any pay for jury duty for the day in question as long as the transportation time will permit him to return to work prior to one (1) hour before the end of his shift.

If an employee is permanently excused from jury service he shall immediately report for work to complete the remaining hours of his scheduled work shift that day. Failure to so report shall disqualify an employee from any pay for jury duty for the day in question as long as the transportation time will permit

him to return to work prior to one (1) hour before the end of his shift. If the employee is not required to report, he shall call the manager to inform him that he has been permanently released. Thereafter, the manager may place him on a work schedule similar to which he normally works.

D. The employee shall notify the Employer as soon as he receives his jury duty summons. Failure to provide such summons prior to the posting of the schedule shall relieve the Employer from the scheduling requirements set forth above. The Employer will verify eligibility if provided with a timely summons. The Employer may require proof of attendance for jury service. An employee making a false claim for jury duty pay shall be subject to discharge.

E. An employee shall be eligible for jury duty pay for three (3) tours of jury duty service only during the life of this Agreement. The total number of days that an employee may receive jury duty pay is limited to fifteen (15) days through the life of the Agreement. An employee shall no longer be eligible for jury duty pay when three (3) tours are served or when fifteen (15) days have been compensated, whichever occurs first. Jury duty pay shall not be required for Grand Jury service. In the event an employee is called for jury service for which he would not be eligible for pay, the Employer shall join the employee in seeking excuse from service if such service would cause a financial hardship to the employee.

ARTICLE 12 - ADJUSTMENT AND ARBITRATION

A. **CONTROVERSY, DISPUTE OR DISAGREEMENT.** Any and all matters of controversy, dispute or disagreement of any kind or character existing between the parties and arising out of or in any way involving the interpretation or application of the terms of this Agreement, except as may be otherwise provided in Section D of this Article, shall be settled and resolved by the procedures and in the manner hereinafter set forth.

B. **ADJUSTMENT PROCEDURE.**

1. Store Level. The Union through its representatives shall attempt to settle or resolve any such matter with the appropriate store supervisor or person designated by the Employer in the manner indicated in Article 13 of this Agreement.

2. Meeting of Representatives. Upon receipt of a written notice setting forth the exact nature of the grievance from either party, the representatives of the Employer and the representatives of the Union may meet within a calendar week and attempt to settle or resolve the matter. Such meeting may be accomplished by telephone at the option of either party.

3. After a grievance is settled with the Union under Paragraph 2 above involving adjustment in compensation, the Union shall be notified in writing of the settlement, including the amount thereof.

C. **ARBITRATION.**

1. (a) Any matter not satisfactorily settled or resolved in Section B hereinabove shall be submitted to arbitration for final determination upon written demand of either party. The written demand for arbitration may be made at any time after the expiration of fifteen (15) days but not later than sixty (60) days from the date of the notice, submitting the matter under Section B-2, hereinabove, to the meeting

of representatives. Failure to comply with the time limits set forth in this Section and in Section B-2 above, shall render such grievance null and void.

Nothing contained herein shall prevent an individual Employer and an individual Local Union from mutually agreeing to submit a timely grievance involving a discharge or suspension only to a mediator/arbitrator that has been mutually selected by the parties for a final and binding decision. A mediator/arbitrator, who has been selected to hear a discharge or suspension grievance, shall attempt to mediate a mutually agreeable resolution of the involved grievance. If the mediator/arbitrator is unable to achieve a mediated resolution of such grievance, he is expressly authorized to render a final and binding arbitral decision on the grievance-in-question and is hereby empowered and directed to do so.

A mediated resolution of a grievance and/or arbitrator's decision under this mediation/arbitration process shall be final and binding on all of the parties to such grievance, including the grievant(s), and shall be of no precedential or evidentiary value of whatsoever nature in any other grievance arising under the terms of this Agreement. An arbitral decision pursuant to this mediation/arbitration procedure shall be issued, in writing, within seven (7) calendar days of the conclusion of such proceeding. A mediator/arbitrator's authority in cases in which the mediator/arbitrator finds it necessary to render a final and binding arbitral decision shall be expressly limited to that provided for in Paragraph 1 of Section D of this Article.

In the event that more than one (1) grievance is submitted to a mediator/arbitrator for resolution on any one (1) day, the fee of the mediator/arbitrator shall be prorated and charged equally between the involved grievances for which a decision is rendered. The mediator/arbitrator's fees shall be borne by the loser in a grievance in which he is required to render a final and binding arbitral decision. Should a dispute arise as to who, in fact, is the losing party in any arbitration held pursuant to these provisions and the mediator/arbitrator is called upon to make a determination as to who, in fact, is the losing party, his additional fees, if any, for making such a final determination shall be paid by the losing party. Further, the mediator/arbitrator may order a splitting of the fees in cases where he cannot make a decision as to who, in fact, is the losing party.

(b) Notwithstanding anything else contained in this Agreement to the contrary, by mutual agreement between the Employer and the Union, any timely grievances involving discharges or suspensions only, may be submitted to an expedited arbitration process before one (1) of the nine (9) permanent arbitrators permanently agreed upon neutral arbitrators if any dispute involving a discharge or suspension is not resolved under Section B of this Article.

The parties may submit the issue to expedited arbitration within fourteen (14) calendar days. Except as set forth below, the arbitrator shall render his decision in writing to the parties within seven (7) days following the close of the hearing. However, either party may require a transcript of the proceedings and may require written briefs within a thirty (30) day period following the close of arbitration hearing. In the event that a transcript and/or briefs are required by either party, the arbitrator's decision shall be rendered in writing to the parties no later than fifteen (15) days following receipt by the arbitrator of both documents.

Notwithstanding the nine (9) permanent arbitrators as called for in this Agreement, nothing shall prevent any individual Employer and any individual Local Union party to any given dispute from mutually agreeing to select some other neutral arbitrator to hear any individual dispute in lieu of one (1) of the nine (9) permanent arbitrators.

The panel of nine (9) permanent neutral arbitrators for the term of this Agreement shall be:

Howard Block
Mark Burstein
Joseph Grabuskie
Edgar Jones

Anthony Miller
William Petrie
Michael Prihar
Mark Keppler

In an attempt to further facilitate the expeditious handling of grievances under the expedited arbitration process established herein, the parties agree to institute the following special elective procedures for a one (1) year trial period for the purpose of determining the practicality and feasibility of such special procedures with the continuation and/or modification of such procedures at the conclusion of such trial period being subject to the parties express written mutual agreement:

(1) A representative of the Employer and one (1) duly designated representative for the involved Locals shall obtain and schedule two (2) arbitration dates each month from the list of fifteen eleven (11) permanent arbitrators set forth in this Paragraph or as may otherwise be agreed upon by the designated representatives in cases in which they mutually agree to select some other neutral arbitrator to serve in this capacity in lieu of one (1) of the nine (9) permanent arbitrators;

(2) The parties shall provide the designated representatives with a minimum of thirty (30) calendar days written advance notice of their desire to utilize an available monthly special expedited arbitration date with such dates to be assigned to the parties that mutually request such a date on a first-come first-served basis;

(3) Cancellation of a scheduled case which results in a cancellation fee from the arbitrator will be the responsibility of the canceling party;

(4) In the event that none of the parties to this Agreement wishes to utilize a pre-scheduled monthly date(s), the date(s) will be canceled by the designated representatives no later than fifteen (15) days prior to the scheduled date in order to avoid cancellation fee(s), with the cost of any resultant cancellation fee(s) arising under this Paragraph to be borne by the designated representative responsible for the untimely cancellation.

(c) Any of the time limits set forth in this Article 12 may be extended by mutual agreement.

2. The Union and the Employer may mutually select an arbitrator. Should the parties be unable to mutually select an arbitrator, then they shall alternately strike names from the permanent arbitrators listed in Section C-1-(b) until one name remains. The parties shall draw lots to determine who should make the first deletion from the list.

The parties agree that an arbitrator will be selected within fourteen (14) days from the date the arbitration demand is mailed or faxed. If the selection is not made within the fourteen (14) day period, and the parties do not mutually agree to an extension, there will be an automatic selection of the first arbitrator in Section C-1-(b) above. Each subsequent failure to select an arbitrator within the fourteen (14) day time period shall trigger automatic selection of the next arbitrator in order on the list. Each Local Union will rotate through the list with each Company separately. The parties shall endeavor to set the arbitration within ninety (90) days from the date the arbitrator is selected, when practicable.

3. The arbitrator shall be empowered to hear and determine the matter in question and the determination shall be final and binding upon the parties, subject only to their rights under law. The arbitrator shall have the power to decide the date or dates upon which the arbitration is to be held if agreement cannot be reached by the parties.

D. POWERS, LIMITATIONS AND RESERVATIONS.

1. Arbitrator. The arbitrator shall not have the authority to decide questions involving the jurisdiction of any Local, or of the International, or which may in any way affect or change the Union Security clause; nor shall the arbitrator have the authority to effect a change in, modify, or amend any of the provisions of this Agreement, or to make decisions on provisions covering wages or working conditions to be incorporated either in a new agreement or any subsequent annual agreement. If a question of the arbitrability of an issue is raised by either party, such question shall be determined in the first instance by the arbitrator. Neither party to this Agreement shall refuse to proceed to arbitration upon the grounds that the matter in question is not arbitrable.

2. Work Stoppages. Matters subject to the procedures of this Article shall be settled and resolved in the manner provided herein. During the term of this Agreement, there shall be no cessation or stoppage of work, lockout, picketing or boycotts, except that this limitation shall not be binding upon either party hereto if the other party refuses to perform any obligation under this Article or refuses or fails to abide by, accept or perform a decision or award of an arbitrator.

3. Wage Claims. In the case of direct wage claim or a claim for contributions to employee benefit plans which does not involve an interpretation of any of the provisions of this Agreement, either party may submit such claim for settlement to either the grievance procedure provided for herein or to any other tribunal or agency which is authorized and empowered to effect such a settlement. Except as may be provided otherwise in this Agreement, wage claims shall be limited to a maximum of a six-month period.

E. STATUS QUO. During the period of adjustment or arbitration as provided in this Article, the conditions in effect at the time of receipt of written notice specified in Section C above, shall continue in effect pending final decision. This Section shall have no application to, and shall not be invoked, in connection with any store closing, store sale or transfer of a store.

F. EXPENSES. With the exception of arbitrations involving suspension and/or discharge, the expenses of the arbitrator shall be borne equally by both the Employer and the Union. All jointly incurred expenses (i.e., transcripts, reporters' costs, arbitrator's fees, room rental) of arbitrations involving suspension and/or discharge shall be borne by the loser. Unless the grievance which has been submitted to the arbitrator is totally sustained or denied, it shall be deemed split and the jointly incurred expenses shall be borne equally between the Employer and the Union.

G. TIME LIMITS. The time limits set forth above may be extended by mutual agreement between the parties.

H. REPORTING DISCREPANCIES. It shall be the responsibility of the employee to report any claimed discrepancy to the Union promptly upon discovery and it shall then become the responsibility of the Union to notify the Employer promptly of such claimed discrepancy. In any event, so long as this does not conflict with any other Article in this Agreement, all complaints by Grocery Department employees must be filed in writing within thirty (30) days after the matter in dispute or disagreement is

first reported to the Union. All complaints by Meat Department employees must be filed in writing within fifteen (15) working days of the occurrence of such dispute or disagreement. Complaints not filed within the limits herein specified shall be deemed null and void.

ARTICLE 13 - VISITS TO STORES

It is the general policy of the Union for its representatives not to visit the stores during the busy afternoon hours, Saturdays, or days preceding holidays. However, upon the receipt of reported violations, the Union representative shall have the privilege of visiting such store for the purpose of investigating such violations. The Union further agrees that it will arrange with the store manager for such investigation, and that any meetings between employees and Union representatives shall be limited to one (1) employee at a time and shall be conducted with the least possible interference with store operations. Such meetings shall be held on the premises in a place designated by the store manager. Further, the Union representative and employees shall not engage in Union activities during working hours. In instances where employees are working during hours that the stores are closed to the public, Union representatives shall be admitted to the premises if they are identified or recognized by the employees on duty.

ARTICLE 14 - GENERAL CONDITIONS

A. TRAINING SCHOOL FEES/GROCERY. Where, as a condition of employment, the Employer requires attendance at a school or training establishment, and where a fee is charged for such instruction or training, the fee shall be borne by the Employer.

B. REGISTER SHORTAGES.

1. No employee may be required to make up cash register shortages unless he is given the privilege of checking the change and daily receipts upon starting and completing the work shift and unless the employee has exclusive access to the cash register during the work shift, except as specified below.

2. No employee may be required to make up register shortages when management exercises its right to open the register during the employee's work shift, unless the register is opened in the presence of the employee and the employee is given the opportunity to verify all withdrawals and/or deposits.

C. RELIEF PERIODS. All employees working more than three and one-half (3 ½) hours and up to and including five (5) hours per day shall receive one (1) ten (10) minute rest period. All employees working more than five (5) hours and up to and including six (6) hours per day shall receive one (1) fifteen (15) minute rest period. All employees working more than a six (6) hour day shall receive two (2) ten (10) minute rest periods.

D. STORE HOURS. The Employer shall have the sole right to fix and determine the opening and closing hours of his market.

E. UNIFORMS/GROCERY. The Employer shall furnish all gowns, aprons, and uniforms, and, except where the garment is of a drip-dry material, shall pay for the laundering and upkeep of same. The Union members shall have the right to wear their Union buttons. The Employer shall provide a jacket for use by employees working in store walk-in freezer boxes.

F. MAINTENANCE OF CLOTHING/MEAT. The Employer shall furnish and maintain in sanitary condition, at no expense to the employee, all linens, frocks, aprons, caps and all types of uniforms required by the Employer. The term "uniform" shall not include any personal clothing. Adequate clothing shall be available for work in freezers. Adequate sharpening service for all tools shall be furnished and paid for by the Employer. If an employee chooses to use a "drip-dry" uniform offered by the Employer, the employee shall be responsible for laundering such uniform.

G. CLOTHING REQUIREMENT/MEAT. The Employer may require normal work clothing to be identical or similar in type and color for all employees, but may not require the employee to furnish any clothing which would subject the employee to unusual expense.

H. FIRST AID KITS. The Employer shall furnish and maintain and have available and accessible in good condition a first aid kit in all retail meat markets whose employees are under the jurisdiction of the Union. The Employer shall post the names of doctors and hospitals to be used by employees in case of industrial injury. A responsible representative of management shall instruct injured employees to report for proper medical care.

I. FLOOR COVERINGS/MEAT. Wood, rubber matting, or other suitable floor covering shall be placed behind service meat cases and at all work stations where employees stand.

J. SHOP CARD. The Union Shop Card is the property of the United Food and Commercial Workers International Union Local No. _____, and is loaned to the Employer for display, who signs and abides by this Agreement. The Employer agrees at all times to display it in a conspicuous place. The Shop Card can be removed from any market by the President of the Union or his Deputy for any violation of this Agreement.

K. UNION NOTICES. Space shall be provided in each Meat Department for the posting of this Agreement and notices of meetings, but same shall not be posted until they have been first called to the attention of the Employer.

L. UNION PRINCIPLES.

1. It shall not be a violation of this Agreement and it shall not be the cause for discharge or disciplinary action in the event an employee refuses to go through or work behind any lawful, sanctioned, primary picket line, including the lawful, sanctioned, primary picket line of the Union party to this Agreement, and including such picket lines at the Employer's place of business.

2. For the purposes of this Section, a sanctioned picket line shall be one which is sanctioned by the Local Union signatory to this Agreement and the Southern California Food and Drug Council.

3. The Union shall not command, order or direct employees to exercise their rights under the foregoing clause but shall have the right to advise employees whether the strike or picket line is sanctioned, as to the facts of the particular labor dispute, and as to the employee's rights under the foregoing clause. Neither shall the Employer command, order or direct employees to refuse to exercise their rights under the foregoing clause.

4. Each individual employee shall have the right to make his free choice to cross or not to cross any sanctioned picket line as defined above. The Union shall not abridge or interfere with the employee's individual privilege of decision with respect to this matter.

M. UNION ACTIVITY. No employee covered by this Agreement shall be discriminated against for membership in or legal activity on behalf of the Union.

N. TITLES. The titles and subtitles used in this Agreement are for the sole purpose of identification and shall have no bearing on the construction or meaning of the Sections or Paragraphs to which they refer. The use of the word "grocery" in this Agreement is strictly used for clarification only. The term is designated to mean employees working in classifications which were included in the bargaining unit of the 1993-1996 Retail Food, Bakery, Candy and General Merchandise Agreement. Except where the word "meat" refers to the product, the term "meat" as used in this agreement means employees working in classifications which were included in the bargaining unit of the 1993 - 1996 Retail Meat Agreement.

O. ALTERATIONS. This contract can only be altered, amended or changed by an instrument in writing signed by the Union and the Employer and any oral statements or agreements shall be of no force and effect whatsoever.

P. POLYGRAPH TESTS. No Employer shall demand or require any applicant for employment or prospective employment or any employee to submit to or take a polygraph lie detector or similar test or examination as a condition of employment or continued employment.

Q. INVENTORY. All inventory work in the Meat Department shall be considered as part of the duties of employees to be performed under the requirements of this Agreement.

R. DONATIONS. It is recognized that the Employer may sponsor donations to worthy charitable organizations. However, no employee shall be required to make contributions nor shall any employee be told a specific amount he should contribute. There shall be no compulsion with regard to such contributions.

S. STORE MEETINGS/GROCERY. No store meetings shall be held as to conflict with the regular meetings of the Union, and upon three (3) days' notice to the Employer of a special meeting, the Employer agrees to hold no store meetings in conflict therewith.

T. MEETINGS/MEAT. The Union shall advise the Employer of the regular meeting dates of the Union, and the Employer shall not call Company meetings which conflict with such regular meetings. If any employee is required to attend a Company meeting on his regular day off or during his vacation, he shall receive a minimum of one (1) day's pay. No employee shall be disciplined or discharged for failure to attend a Company meeting outside his regular working hours. A day's pay for any Meat Clerks hired by the Employer on or after November 4, 1985 shall be a minimum of four (4) hours.

U. SANITATION AND SAFETY/MEAT.

1. Except in the customary performance of duties in taking care of the merchandise in the walk-in coolers, no employee shall be required to work a full eight (8) hour shift in the coolers. All sanitary and safety regulations of federal, state, and local governments shall prevail in all establishments. Working conditions which the Union believes to be injurious to the health and safety of the employees shall be directed to the attention of the Employer. If such conditions are found to be in violation of any federal, state or local law or regulation, they shall immediately be corrected. No employee shall be subject to disciplinary action or discharge for failure to use such faulty equipment. Employees shall be required to use safety equipment provided by the Employer and any employee failing to use such safety equipment shall be subject to appropriate disciplinary action or discharge, including summary discharge.

2. Meat Department employees shall not be required to maintain restrooms.

V. WORKING RULES. When an Employer establishes working rules, a copy of such rules shall be made available to all employees at the store and it shall be the responsibility of each employee to familiarize himself with those rules. Said working rules shall not be in conflict with the terms of this Agreement. Changes in the working rules shall also be made available to employees in the store and, upon request, the Union shall be furnished such rules and such changes.

W. BOND. Whenever the Employer requires the bonding of any employee or the carrying of any insurance for the indemnification of the Employer, the premiums for the same shall be paid for by the Employer. Should an employee be refused bond by a bonding company, after his first thirty (30) days of employment, the Employer agrees to make a reasonable effort to secure a bond in an appropriate case.

X. STEWARDS. The Company recognizes the right of the Local Union to appoint no more than two (2) stewards per store. The Union will notify the labor relations department of the names and store numbers of the stewards. Upon two (2) weeks notice to the Company labor relations department, said stewards will be scheduled off and paid, at the employee's daily straight-time rate based on the average daily hours worked in the pay period preceding, not to exceed eight (8) hours, to attend one (1) one-day stewards training seminar per calendar year. Full-time employees will be paid eight (8) hours. The parties agree that such time shall not be considered time worked for purposes of overtime, benefit contributions or other incidents of "time worked".

One of said stewards per store who shall be designated by the Union will not be subject to the provisions of Article 4-C-1 through 4-C-5 of this Agreement.

Y. BULLETIN BOARD. The Union may supply each store with one (1) bulletin board not to exceed two feet by three feet in size for the purpose of posting notices involving official Union business. Bulletin boards shall not be used to post notices of a political or adversarial nature. The utilization of this program shall be coordinated by the Employer's Labor Relations Department. The bulletin boards shall be placed in a non-sales area designated by the Employer but one generally frequented by all employees. Notices shall be posted by designated representatives of the Union.

ARTICLE 15 - TRUST FUNDS

A. BENEFIT FUND.

1. The Employer and Unions agree to continue the existing United Food and Commercial Workers Unions and Food Employers Benefit Fund (the "Benefit Fund"). The Benefit Fund will continue to provide health and welfare benefits that are consistent with the terms and limitations of this Agreement.

2. If any Employer ceases all or part of its operations covered by this Agreement, files a petition in bankruptcy or otherwise becomes subject to the jurisdiction of the bankruptcy court, or sells all or part of its operations covered by this Agreement (and the buyer does not assume the obligations under this Article), then such Employer shall pay a lump sum to the Benefit Fund as of the date of the cessation of operations, the filing of the bankruptcy petition, or the closing date of sale. Said sum shall be owing without regard to whether any other Employer's successor collective bargaining agreement contains the maintenance of benefits contribution obligation set forth in Article 15 (A)(2) of the expired 1999-2003 Agreement. The lump sum payment shall be the amount determined in the second paragraph of Article 15 (A)(2) of the expired 1999-2003 Agreement, except that the total obligation of all Employers shall be deemed to be ninety million dollars (\$90,000,000) and the total hours reported by both the Employer and by all Employers shall be measured from the beginning of this Agreement to the last day of the month preceding the month in which the cessation or sale occurs or the petition is filed. If an Employer ceases or sells less than all of its covered operations, only those hours attributable to operations ceased or sold shall be used. Notwithstanding the foregoing, this Paragraph shall apply only where the cessation or sale involves three hundred (300) or more of the Employer's eligible employees, or more than twenty-five percent (25%) of the Employer's eligible employees, whichever is greater. A series of transactions occurring over any consecutive twenty-four (24) month period shall be considered a single transaction for the purposes of this Paragraph.

3. Resolution of Differences. Differences between the Employer and the Union as to the interpretation or application of the provisions of the Trust Agreement relating to employee benefits shall not be subject to the grievance or arbitration procedure established in any collective bargaining agreement. All such differences shall be resolved in the manner specified in the Trust Agreement.

4. Benefits and Eligibility. The Trustees are authorized and directed to maintain the following provisions:

(a) Benefits for Employees Hired Prior to March 1, 2004. All employees hired prior to March 1, 2004 ("Current Employees") shall continue to participate in Plan A, as modified herein. A Current Employee whose employment is terminated or who is laid-off and who is rehired by another Employer in the Industry following an absence of less than four months shall maintain his status as a Current Employee (subject to the applicable contribution/premium rates for Current Employees).

(1) Effective April 1, 2012, and continuing thereafter, Current Employees will be required to pay premiums, deducted from their paychecks as a condition of participation in Plan A as follows: employee only – seven dollars (\$7.00) per week, employee plus children – ten dollars and fifty cents (\$10.50) per week, employee plus spouse with or without children - fifteen dollars (\$15.00). Such premiums shall be deducted from the paychecks of Current Employees without further authorization.

(2) The Trustees are authorized and directed to modify Plan A in accordance with Section 4 Paragraph (c) below.

(b) Benefits for Employees Hired On or After March 1, 2004 (“New Hire”). The Trustees are authorized and directed to modify the New Hire Plan as described in Section 4 Paragraph (c) below.

(1) New Hire employees shall be required to pay weekly premiums, deducted from their paychecks as a condition of participation in the plan as follows: employee only – seven dollars (\$7.00) per week; employee plus children – ten dollars and fifty cents (\$10.50) per week; and employee plus spouse and/or children – fifteen dollars (\$15.00) per week. The employee premiums shall be collected in advance by the Employer and paid to the Benefit Fund coincident with the Employers' contribution obligation for hours worked in the month preceding the month in which the Benefit Fund provides coverage.

(c) The bargaining parties agree to the contribution rates in Section 5 below accompanied by this joint direction from the bargaining parties to require the Board of Trustees to design a plan of benefits consistent with the *"Future Plan Design Commitments and Triggers"* outlined here. It is understood and agreed that the Union Trustees shall bear the primary responsibility for designing the benefit structure which will then be presented to the full Board of Trustees for consideration. Provided the newly proposed benefit structure does not violate any fiduciary responsibility or duty of the Trustees and complies with the directives contained in this Agreement, it shall be approved by the Board of Trustees.

Additionally, the Union agrees that absent Employer Trustee approval, the newly proposed benefit structure will not (1) improve the current eligibility timetable or structure, (2) improve or expand the existing retiree plan of benefits or (3) add any plan design options or benefit improvements beyond the following:

(1) Continuation of coverage during disability for up to three (3) months upon graduation to the Gold Level; and

(2) Increase all dental annual maximums by two hundred dollars (\$200.00).

Future Plan Design Commitments and Triggers

The bargaining parties direct the Trustees to implement the following components/modifications to the Fund structure:

a. Develop a Board of Trustees approved comprehensive, ongoing communication and outreach effort, sponsored through the Fund Office, Unions and Employers. The goal is to ensure member awareness of program changes and their role and responsibility for using their benefits effectively.

The key is to ensure ongoing and comprehensive communication from all stakeholders (Trust Fund, Unions and Employers).

The Stakeholders agree to assist with distribution of Trust Fund created communication and outreach which will occur through multiple channels some of which will be: enrollment packets, postcards, fliers regarding HRQ reminders, open enrollment reminders, HRA information or other trust fund health plan or wellness initiative information.

The Trustees will approve the production of a Health Plan and Wellness Orientation video that will be provided to new hires by the Trust office with the enrollment packet.

The Employers will post trust approved posters in appropriate locations and for appropriate times in all stores. The Employers also agree to show trust fund produced videos on their in-store video loops.

Although not intended to be all inclusive, other forms of outreach by the Fund Office will be e-mail/text, web (e.g. Fund websites and Union websites), and telephonic outreach. Member access to a web-based platform that includes relevant cost planning and comparison tools, and comprehensive customer service support (Benefits Ombudsman) is critical. Within sixty (60) days following ratification of this Agreement, the Trustees will agree on the initial, comprehensive communication/outreach effort. This will include timeline/effective date(s), methods of communication and specific parties to be involved in this initial effort.

Should a grievance under this section (a) be filed under the CBA and fail to be resolved, such grievance shall be arbitrated on an expedited basis. Any deadlock on the Trust Fund under this section (a) shall be submitted to expedited arbitration.

b. On an initial and on-going basis for both active and retiree plan(s), examine each current benefit structure (i.e., PPO and HMO) and vendor (e.g., Anthem, Kaiser, UHC, HMC, etc) along with the current and projected associated expenses to ensure plan assets are being utilized in the most efficient manner possible. Where necessary, the Trustees shall make modifications to ensure the appropriate funding of the Plan.

c. Implement on or about January 1, 2012, a reference based pricing (or formulary management) prescription drug program that will aim to reduce current prescription drug costs by at least twelve percent (12%). The Parties jointly agree that an approach similar to Destination RX/RxTE seems to be the most participant friendly way to encourage cost effective utilization of medications.

d. No later than July 2012, implement a reference based pricing design for certain medical procedures. The first phase of this design will target knee surgeries and hip replacement surgeries. The focus of this initial phase will be on procedures that either require precertification or would be expected to generate member (or provider) inquiries regarding benefit coverage. No later than July 2013, implement a reference based pricing design for additional medical procedures (e.g., diagnostic lab and imaging, colonoscopies, etc). The Trustees agree to implement and expand this program unless it is clear that a robust, comprehensive, on-going communication/outreach process is not working to properly inform the members about this plan design (and its requirements prior to service being rendered). In addition, the Trustees will make available the Castlight or a similar web-site for participants to voluntarily shop and compare prices for medical services.

e. Over the term of this agreement, phase in a HRA/HRQ process that re-assigns the Plan's funded HRA dollars to improve awareness of the individual's health status and/or engagement in healthy behaviors. By January 1, 2013, 75% of all HRA dollars (or the modified value in plan design) must be earned by completing programs, activities and the like as determined by the Trustees. Examples of the types of additional programs and activities currently being considered, but which will evolve over time are: (1) attendance at Fund Health Fairs and New Benefit overview, (2) basic biometric screening, (3) PCP and member contact information, (4) Health and lifestyle improvement/education, (5) Eligible health coaching, (6) Smoking Cessation, (7) Eligible weight loss program, and (8) Preventive care activities such as colonoscopies, flu shots, mammograms, pap smear, PSA, etc.

f. Not later than January 1, 2012, redesign the current HMO benefit structures for both active and retiree Plan(s) to reduce overall projected expenses by \$0.07 cents per hour.

Allow employees hired after March 2004 and eligible to participate in Platinum level coverage the

option to elect an HMO Plan subject to the following criteria:

Platinum HMO Equivalency Rates. The Trustees shall be directed to adopt the following rule and such shall apply beginning with the first open enrollment period following ratification of this Agreement in which the new Platinum HMO plan is offered:

"The maximum premium rates that any current HMO (or any successor HMO) shall be allowed to charge for the first year of the new plan and for each year thereafter shall be determined as follows:

Platinum HMO Premium Rate - the Platinum HMO premium rate for participants in the Platinum level of benefits shall not exceed the projected per employee per month cost (the "Cost") for participants in the Platinum PPO level of coverage in the self-funded program of benefits. The Cost for the purpose of this provision shall be equal to the total of the following: PPO medical costs, PPO fees, UR fees and the jointly agreed cost directly attributable to the administration of PPO claims."

g. Implement the other jointly agreed plan design changes that have been discussed and agreed to. Specifically:

- Implement the Anthem Blue Cross JAA.
- Establish a dependent audit procedure that will be performed every three years, or more frequently at the Trustees' direction, by an outside third party. Additionally, modify the annual enrollment procedures to provide for a more thorough annual check of dependent eligibility.
- Allow employees to Opt-in to use HRA funds for Rx co-pays.
- Allow employees who are reduced in classification to Clerk's Helpers in lieu of layoff to keep the benefit level and family eligibility earned in the previous classification.
- Modify the procedure used by the Fund to resolve errors when employee contributions are authorized by the employee but not timely deducted from the employee's check and forwarded to the Trust Fund. If the error is caused by the Employer or the Trust Fund, eligibility shall be triggered by timely submission of completed payroll deduction and election of coverage forms to the Fund Office.
- Review and set up procedures so that employees do not lose eligibility if vacation hours are incorrectly reported/recognized when employees take vacation (details still to be discussed and worked out).
- Allow covered immunizations or any other legally permitted medical benefits/procedures offered through the Trust to be obtained at in-store, network pharmacies.

h. Effective on the same date as the HMO for Platinum participants referenced in paragraph (f) becomes effective, increase the eligibility for retiree health and welfare from 10 years of service to 15 years of service with the understanding that any participant who has satisfied the prior 10 years of service requirement on or before the effective date of this change shall be grandfathered at the 10 years of service requirement.

i. After ratification of this Agreement, maintain a targeted reserve of 3.0 months expenses (based on the last twelve months of historical expenses.)

j. After ratification of this Agreement, implement the following benefit modifications:

1. Allow pregnant dependent children to drop welfare coverage.

2. Retiree “Kids Fly Free” rule applies to all retiree dependent children.
3. Cover transgender treatment and surgery under the PPO plan as discussed at the November 2015 Board meeting. It is understood that this benefit will require a compliant clinical review and approval process.
4. Annual income cap for disabled dependents- Restore to \$6,000 and adjust annually based on CPI.
5. HMC will be given the authority to direct the Trust administration to remove the disincentive (\$500 deductible increase) for any member HMC has confirmed was incorrectly identified (via the HMC predictive model) as having one of the disease states under management. This authority exists whether or not the member responds timely to the DM outreach/engagement initiatives and will apply to all deductible year increases/disincentives. To be considered incorrectly identified, the member must not have the disease state identified by HMC’s predictive model.
6. If the member proves that both her home address and primary telephone number (cell and Home if both are provided) used by HMC are inaccurate or incorrect, then the member will be given 14 days to provide an accurate home address and primary telephone number. Once updated information is provided to HMC, they will initiate another outreach process. Those members who (1) respond to HMC timely (same timeline as currently used for initial outreach/engagement) and (2) agree to participate in the program will have any deductible disincentive removed for the current and prior plan year.

(d) Except for those changes described in, required by, or necessary to implement this Article 15 A and C, and subject to the right of the Trustees to amend, modify or eliminate any Plan benefit or feature at any time as provided herein, the existing Plan coverages and all resolutions and letters of understanding shall initially be a part of the new Plan design. This provision shall not be interpreted, applied or construed to: (a) create any express or implied obligation to maintain or preserve any benefit or Plan feature for any period of time; (b) create any vested entitlement to any benefit or feature under the Plan; or (c) limit or restrict, directly or indirectly, the right of the Trustees to make changes in those benefits or features when they deem it necessary or appropriate under the Plan and/or as a matter of fiduciary duty.

5. Employer Contributions. The Employer agrees to contribute \$4.42 effective with hours worked in March 2013 to the Benefit Fund for Plan A and the New Hire Plan. The Company will continue to contribute \$4.42 per hour for all straight time hours worked in the first two (2) years and up to \$4.67 effective in March 2018.

6. Plan B. The Trustees are directed to modify Plan B in a similar manner and with similar effect as in Plan A. In addition, the existing provisions governing the operation of Plan B shall continue as follows:

(a) The benefits of Plan B shall be based on the joint recommendation of the consultants based on a contribution rate of seventy-five percent (75%) of the cost of Plan A. Neither the contribution rate nor the benefits of Plan B shall be affected by the actual experience of Plan B.

(b) Any new Employer with more than three hundred (300) employees shall be reviewed by the consultants to ensure that their admission would not have a significant adverse actuarial impact. Employers with three hundred (300) or less employees, who otherwise meet the definition of eligible Employer, shall be admitted without any review.

(c) If an Employer moves from Plan B to Plan A, the employees of that Employer who are still employed on the date the Employer moves to Plan A shall be treated under all Plans (the pension plan, vacation plan, supplementary plan, ancillary plan, health and welfare plan, but not the individual account plan) as if the Employer had always been under Plan A. The Trustees shall adopt reasonable rules based upon recommendations of the consultants to govern the situation of an employee who moves from Plan B to Plan A as the result of moving from one Employer to another.

B. PENSION FUND.

1. Contributions. The Employers agree to contribute to the Pension Fund for the term of this Agreement based on the following contribution amounts:

(a) The Employer agrees to contribute to the Pension Fund for the term of this Agreement one dollar and twenty cents (\$1.20) per straight-time hour worked for all Employees covered by this Agreement (including Employees covered by Appendix F), regardless of date of hire.

(b) The contribution credited for a given Plan Year shall continue to be based on hours worked in the twelve (12) month period beginning November and ending October of the following year (which has been referred to as the “7 month shift”).

2. Amended Trust Agreement and Pension Plan. The Agreement and Declaration of Trust providing for the Pension Trust Fund and the Pension Plan shall be amended, as may be required, to conform to the provisions of this Section B.

3. Other Pension Plans. The Employer retains the exclusive right to alter, amend, cancel or terminate any presently existing company-sponsored pension plan or employee retirement plan that existed prior to the establishment of this Pension Fund.

4. Laws and Regulations. The Trust and the benefits to be provided from the Pension Trust Fund and all acts pursuant to this Agreement and pursuant to such Trust Agreement and Pension Plan shall conform in all respects to the requirements of the Treasury Department, Internal Revenue Service, California Franchise Tax Board and to any other applicable state or federal laws and regulations.

5. Pension Protection Act. The Fund actuaries have: (a) certified under the Pension Protection Act (the “PPA”) that the Pension Fund was in critical status for each of the Plan Years beginning 4/1/2008 to 4/1/2016, and that they expect the Fund will again be in critical status for the Plan Year beginning 4/1/2017; (b) if the Fund will emerge from critical status under the Pension Fund’s Rehabilitation Plan; and (c) determined that the 2014 Schedule (as that term is defined in the previous collective bargaining agreement) is no longer sufficient to permit the Fund to emerge from critical status during the required time frame, even if the Fund takes full advantage of the funding relief available under the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (the “Pension Relief Act”). Therefore, the parties hereby agree as follows:

Because the 2014 Schedule and Rehabilitation Plan is no longer sufficient to permit the Fund to emerge from critical status by March 31, 2024, the Trustees are authorized and directed to adopt a new 2016 Preferred Schedule which provides for increases in the employer contribution rates consistent with this Article (the "2016 Preferred Schedule"). The Trustees are further authorized to update the Rehabilitation Plan as required by the PPA and to be consistent with the 2014 Preferred Schedule. Upon adoption of the 2016 Preferred Schedule, it is hereby deemed approved by the bargaining parties and automatically incorporated into this Agreement. The following provisions shall apply to the implementation and operation of the Preferred Schedule:

- i. The bargaining parties agree and understand that the Employer's obligation to make pension contributions in addition to the base contribution rate specified in Article 15, Section B(1) (a) of this Agreement shall be limited to the following contribution rates provided herein:

Effective with hours worked in January 2012, payable in February 2012, and ending with hours worked through June 2012, a supplemental contribution of eight and 3/10 cents (\$0.083) per contribution-eligible hour;

Immediately in the event the Fund is unsuccessful in prospectively terminating its 412(e) relief, but no later than hours worked in July 2012, payable in August 2012, the foregoing supplemental contribution shall automatically be reduced to seven and 7/10 cents (\$0.077) per contribution-eligible hour;

Effective with hours worked in October 2012, payable in November 2012, an additional supplemental contribution of seven and 7/10 cents (\$0.077) per contribution-eligible hour; and

Effective with hours worked in October 2013, payable in November 2013, an additional supplemental contribution of seven and 7/10 cents (\$0.077) per contribution-eligible hour.

Effective with hours worked in October 2014, payable in November 2014, an additional supplemental contribution of seventeen and 6/10 cents (\$0.176) per contribution-eligible hour.

Effective with hours worked in October 2015, payable in November 2015, an additional supplemental contribution of seventeen and 6/10 cents (\$0.176) per contribution-eligible hour.

Effective with hours worked in October 2016, payable in November 2016, an additional supplemental contribution of twenty and 7/10 cents (\$0.207) per contribution-eligible hour.

Effective with hours worked in October 2017, payable in November 2017, an additional supplemental contribution of twenty and 7/10 cents (\$0.207) per contribution-eligible hour.

Effective with hours worked in October 2018, payable in November 2018, an additional supplemental contribution of twenty and 7/10 cents (\$0.207) per contribution-eligible hour.

The supplemental contributions described above shall be subject to the following:

The supplemental contributions shall be adjusted proportionally for other Trustee-approved base contribution rates.

The supplemental contribution increases shall be subject to the following automatic reduction in the event the Pension Fund is successful in prospectively terminating its 412(e) relief: effective for hours worked in the month in which 412(e) relief is terminated, the supplemental contributions rates shall automatically be reduced by the maximum amount permitted that would still allow the Fund to exit the red zone consistent with the 2014 Preferred Schedule. Such reduction shall first apply with respect to hours worked on and after the first day of the month in which the 412(e) relief is terminated.

These supplemental contribution increases, in the aggregate, shall not exceed a cumulative total of sixty two and 1/10 cents (\$0.621) per contribution-eligible hour during the term of this Agreement. Any and all future supplemental contribution increases commencing with hours worked in October 2019, shall be subject to bargaining in subsequent collective bargaining agreements.

These supplemental contributions shall be dedicated solely to improving the funding of the Pension Fund, and shall not be used to increase or improve benefits. Notwithstanding anything herein to the contrary, the October 2016 through October 2018 supplemental contributions provided herein will be reduced or discontinued before restoring benefits as provided in subsection (v). Any such reduction of supplemental contributions shall be implemented by the Pension Fund's Trustees, based on projections provided by the Fund's actuaries, showing that such supplemental contributions are no longer needed to support the level of benefits provided for under the Pension Fund, or to enable the Fund to emerge from critical status in the required time frame.

ii. The 2016 Preferred Schedule shall first be effective with hours worked on and after October 1, 2016, as to the supplemental Employer contributions required in this subsection. The supplemental Employer contributions shall only be increased as provided above for the years during the term of this Agreement. The parties' expressly agree that future increases, if any, which may be required in the 2016 Preferred Schedule, commencing with hours worked in October 2019, shall be subject to bargaining in subsequent collective bargaining agreements. For any employer who negotiates a new or extended collective bargaining agreement with ratification date or execution date on or after March 7, 2016, that employer shall enter the 2016 Preferred Schedule and shall begin payment of contributions under this Schedule at the contribution rate then applicable for the year in which the Schedule first applies to that employer.

iii. The Trustees are authorized and directed to adopt and take into account to the extent legally permitted the relief granted to the Fund under IRC Section 412(e) in determining when the Fund emerges from critical status. Notwithstanding the previous sentence, the Trustees are authorized and directed to terminate such relief by amending the Plan, before April 1, 2016, so as to increase the liabilities of the Plan by increasing benefits by \$1.00 per month, effective as of March 1, 2016, to retirees (as defined in the Pension Plan and excluding surviving spouses and other beneficiaries) who have reached the age of 90 prior to March 31, 2016. The Employer (along with Stater Bros. Markets) agrees to make a one-time voluntary contribution in the amount of \$59,000 to be funded on or before March 31, 2016, as follows: Ralphs Grocery Company to contribute \$21,240; Albertsons, Inc./Vons, a Safeway Company to contribute \$25,960; and Stater Bros. Markets to

contribute \$11,800, in a lump sum to the Fund, to pay for the increase in benefits. The foregoing contribution is an additional contribution not required or contemplated by the Fund's rehabilitation plan. This additional contribution will not be considered by the Fund in calculations performed by the Fund under Section 4219 of ERISA. The collective bargaining parties understand that this increase will be an increase within the meaning of IRC Section 412(f)(1), not subject to any exception under IRC Section 412(f)(2), as those sections are applied and administered before the enactment of the Pension Protection Act of 2006, and will terminate prospectively the Section 412 (e) relief granted the Fund. The savings associated with the elimination of the Fund's 412(e) relief will be used to reduce the amount of each of the supplemental Employer contribution increases in the manner and the amount set forth in subsection (i); provided that in no event shall the employer supplemental contribution be reduced below zero.

iv. In no event shall any further contribution increases be required from the Employer during the term of this Agreement as a result of any required annual updates or other changes to the 2016 Preferred Schedule or, if applicable, to any Default Schedule. Nor will there be any benefit reductions during the term of this Agreement.

v. In the event the Trustees determine, based on projections provided by the actuaries of the Pension Fund that, during the term of this Agreement, a Schedule with lesser contribution rates and/or lesser benefit reductions would be sufficient to reasonably enable the Plan to emerge from critical status by the end of the Rehabilitation Period, or would otherwise be legally permissible and still support the Pension Fund benefits, the Trustees shall amend the Schedule in a manner that, to the extent possible, would (a) restore or otherwise improve benefits impacted in 2011 and/or 2012 based on input from the Fund's actuaries and taking into account the limitations of PPA Section 432(f), and (b) reduce the Employer's pre-October 2016 supplemental contributions, in an equal manner and amount, based on actuarial equivalence, provided that such modifications to the Schedule would still allow the Plan to emerge from critical status by the end of the Rehabilitation Period, taking into account to the extent legally permitted relief granted under IRC Section 412(e) (subject to section (iii) above), as well as any other legally available funding relief under the Pension Relief Act or otherwise. In the event the Trustees amend the Schedule as provided in subsection (i) or in this subsection (v), then the amended 2016 Preferred Schedule shall be deemed adopted by the bargaining parties, and the supplemental contribution rates and benefits will be adjusted as provided in the amended Schedule.

vi. The Board of Trustees is authorized and directed to take all reasonable measures to cooperate and assist in achieving these objectives, provided that the adoption of such measures is otherwise consistent with their fiduciary obligations.

vii. If, during the term of this Agreement, there are legislative, regulatory, judicial or other changes or interpretations of the PPA or other state or federal law which would impact the contribution increases set forth in the 2016 Preferred Schedule, the Trustees are authorized and directed to mitigate such contribution increases.

viii. The Parties have entered into the attached side letter confirming the Parties' collective commitments to devise and agree to a long-term funding solution to the pension issue.

ARTICLE 16 - NEW LOCATIONS

When an Employer establishes a new location within the geographical jurisdiction of Locals 135, 324, 770, 1167, 1428 and 1442, and recruits part of the crew from one of his places of business already under Agreement with any of the above-named Unions, all rights as to seniority and as to other provisions of this Agreement shall apply to such employees.

ARTICLE 17 - SUCCESSORS AND ASSIGNS

A. **PARTNERSHIP DISSOLUTION.** In cases of dissolution of a partnership, the remaining partner shall be expressly obligated to carry out the terms of this Agreement, regardless of whether or not he was signatory to the original Agreement.

B. **NEW OWNER.** In the event of bona fide sale or transfer of any store covered by this Agreement during the period hereof, the new owner or such transferee shall be notified of the existence of this Agreement. The former owner shall be required to meet any and all monetary benefits that employees have accumulated under this Agreement, but, except as provided in this Section, shall have no further or other obligations whatsoever, notwithstanding any other provision to the contrary in this Agreement.

C. **ACCRUED VACATION.** It is further agreed by the parties hereto that, upon sale or transfer of ownership of any store or upon dissolution of business, vacation pay for all months worked for which no vacation pay has been given shall be immediately paid to all employees coming under this Agreement, regardless of length of time said employee has been with the Employer.

D. **SALE OR TRANSFER.**

1. In the event of a sale or transfer of a store or stores, an employee shall be allowed a seven (7) day period from the date of announcement to the employees of the sale or transfer during which time he may determine whether he wishes to stay with the seller or whether he wishes to make application for employment with the new owner or transferee. In the event the employee chooses to remain with the seller, such choice shall not be construed as any guarantee of employment over and beyond the terms of this Agreement.

2. In the event of a sale or transfer of a store or stores, the new owner or transferee shall make every effort to fill his employment needs in such store or stores from those employees of the seller or transferor who were employed in the stores sold or transferred.

3. Such new owner or transferee, however, shall not be required to retain in his employ any of the employees of the seller or transferor. Any employee of the seller or transferor, who is employed within the thirty (30) day period referred to immediately below by the new owner or transferee, shall be employed on a probationary basis for a period of thirty (30) days from the date the new owner or transferee assumes responsibility for the management and operation of the store or stores, subject to termination within such thirty (30) days with or without cause and without reference to seniority. Any termination within such thirty (30) day period shall not be reviewable through the grievance or arbitration procedures except for a violation of Section D-2 of this Article 17.

4. Any employee of the seller or transferor who is employed by the new owner or transferee within such thirty (30) day period and who is retained on the payroll of the new owner or transferee for a period in excess of such thirty (30) day period, shall be credited with and retain all seniority acquired while in the employ of the seller or transferor since his most recent date of hire by such seller or transferor, for the

purpose of determining benefits to which he is entitled under this collective bargaining Agreement with the new owner or transferee by virtue of such seniority, as if his employment were continuous, including retention of anniversary date of employment and vacation and sick leave benefits, provided that the employees of the seller or transferor shall for the purposes of termination be credited with no more seniority than that of the most senior employee employed by the new owner or transferee covered by an agreement with a United Food & Commercial Workers Union Local on the date of assumption of responsibility, and provided further that the new owner or transferee shall not be liable for any benefits or payments owed to the employee because of employment with the seller or transferor. "Seller or transferor" is defined to include prior owners of the same store since January 1, 1956.

5. Notwithstanding Section D-4 above, with respect to (and only with respect to) any sale or transfer occurring on or before July 29, 1990, vacation benefits accruing by reason of seniority with the seller or transferor shall be the responsibility of the Benefit Fund under the Industry Vacation Plan of benefits; provided, however, that the Benefit Fund shall not be responsible for any such vacation benefits accruing on or after July 29, 1991, regardless of when the sale or transfer occurred. Such sale or transfer industry vacation benefits due on and after July 29, 1991, shall be the responsibility of the buyer or transferee regardless of when the sale or transfer of a store or stores occurred. The amount of benefits shall be determined by the buyer or transferee by using the same formulas and procedures used by the Benefit Fund as of June 1990 for sale or transfer industry vacation benefits.

In any sale or transfer of a store or stores occurring on and after July 30, 1990, sale or transfer industry vacation benefits resulting from such a sale or transfer shall be the responsibility of the buyer or transferee. The Benefit Fund shall have no liability for any such benefits.

ARTICLE 18 - OPERATIONAL CHANGES

The parties recognize and agree that it is in the mutual best interests of the parties to this Agreement and the bargaining unit employees covered there under that the Employer be able to effectively compete in the highly competitive Southern California Area Marketplace in that both its continued successful operations and employment of bargaining unit employees is directly dependent upon its being able to do so. The parties also recognize the Employer's need to continually seek new or improved methods of operations, systems and equipment that will enable it to achieve the necessary efficiencies and increased productivity that will enable it to continue to effectively compete in the Marketplace and agree that nothing contained herein shall prohibit the Employer from instituting any such new methods, systems or equipment.

The parties agree that in cases in which the Employer intends to institute any operational change, new method of operation, system or equipment that will have a material impact on the employment of its then employed bargaining unit employees covered by this Agreement, the Employer shall give the affected Union or Unions at least sixty (60) days' advance written notice, by certified or registered mail, of its intention to implement the involved operational change, new method, system or equipment, whichever the case may be, with such notice to set forth the nature of the intended change(s) and/or new method(s) of operations.

The Union upon its receipt of the advance written notice provided for in the preceding Paragraph may request, in writing, negotiations with respect to the following subjects and such negotiations shall be promptly held by the parties: rates of pay for any new job(s) which may be created; efforts to avoid displacement of bargaining unit employees whose job may be modified as a direct result of the Employer's institution of such operational change(s), new method(s), system(s) or equipment. The Employer agrees

that it will retrain those employees displaced as a direct result of technological change of the nature contemplated herein.

In the event that the parties do not reach agreement within the sixty (60) days' period provided herein, all unresolved issues as set forth above shall be submitted to final and binding arbitration. It is not the intent of the parties that such negotiations or arbitration will in any way jeopardize the efficiencies and increased productivity to be gained by the installation of such operational change(s), new method(s), system(s) or equipment. The arbitrator shall be selected in accordance with the provisions of Article 12 of this Agreement.

The parties further agree that the arbitrator's decision shall be final and binding, and that there will be no strikes, work stoppages, lockout, or economic action of any sort or form employed by either party in connection with or arising out of any dispute concerning or related in any way to the operation of this Article.

It is agreed and expected that the parties will exert every effort to accomplish the foregoing within the sixty (60) day allotted time period, but failing to do so shall not prohibit or in any way impede the Employer from installing or effectuating any such operational change(s), new method(s), system(s) or equipment upon the expiration of such time period, unless such period is extended by mutual written agreement of the parties. The decision of the arbitrator or the parties shall be effective on or retroactive to the date such operational change(s), new method(s), system(s) or equipment is installed. The cost of the impartial arbitrator shall be borne equally by the parties. In the event of any conflict between any of the provisions of this Article and the provisions of Article 12 of this Agreement, the provision(s) of this Article shall be deemed to be controlling.

ARTICLE 19 - SEPARABILITY CLAUSE

The provisions of this Agreement are deemed to be separable to the extent that, if and when a court of last resort adjudges any provisions of this Agreement in its application between the Union and the undersigned Employer to be in conflict with any law, such decision shall not affect the validity of the remaining provisions of this Agreement, but such remaining provisions shall continue in full force and effect, provided further, that in the event any provision or provisions are so declared to be in conflict with a law, both parties shall meet immediately for the purpose of renegotiation and agreement on provision or provisions so invalidated.

ARTICLE 20 - EXPIRATION AND RENEWAL

This Agreement shall be in effect from March 7, 2016 to and including March 3, 2019, and shall continue from year to year thereafter unless either party shall give written notice to the other at least sixty (60) days prior to the expiration date of March 3, 2019, or at least sixty (60) days prior to any subsequent March 3 of any succeeding year of its desire to alter, amend or terminate this Agreement.

Agreed to and executed this _____ day of 2018 subject to ratification by the affected membership.

SIGNED THIS _____ DAY OF _____, 2018.

FOR THE EMPLOYER:

Super A Food, Inc.
Jim Amen, President

FOR THE UNION:

UFCW Union Local 324
Greg M. Conger, President

UFCW Union Local 770
John M. Grant, President

UFCW Union Local 1167
Rick Bruer, President

APPENDIX A HOURLY PAY RATES AND PROGRESSIONS FOR EMPLOYEES

MEAT CUTTERS:		<u>Current</u>	Effective 1 0/ 3/ 1 6	Effective 3/ 6/ 1 7	Effective 3/ 5/ 1 8	Effective 3/ 4/ 1 9
CA Minimum Wage		\$10.00	\$10.00	\$10.50	\$11.00	\$12.00
LA Minimum Wage		\$10.50	\$10.50	\$10.50	\$12.00	\$13.25
1 st 6 months		\$11.80				
2 nd 6 months	1 st 26 Weeks	\$12.30	\$12.30	\$12.30	\$12.30	\$12.30
Next 6 months	2 nd 26 Weeks	\$13.30	\$13.30	\$13.30	\$13.30	\$13.30
Next 6 months	3 rd 26 Weeks	\$14.30	\$14.30	\$14.30	\$14.30	\$14.30
Next 6 months	4 th 26 Weeks	\$15.30	\$15.30	\$15.30	\$15.30	\$15.30
TOP RATE	hired or promoted after 6/21/99	\$18.48	\$18.78	\$19.08	\$19.38	\$19.68
Red-Circled	hired or promoted before 6/21/99	\$20.33	\$20.63	\$20.93	\$21.23	\$21.53
Head Meat Cutter		\$21.33	\$21.63	\$21.93	\$22.23	\$22.53

APPENDIX A HOURLY PAY RATES AND PROGRESSIONS FOR EMPLOYEES

GM CLERK MEAT/BAKERY CLERK		<u>Current</u>	Effective 10/3/16	Effective 3/6/17	Effective 3/5/18	Effective 3/4/19
CA Minimum Wage		\$10.00	\$10.00	\$10.50	\$11.00	\$12.00
LA Minimum Wage		\$10.50	\$10.50	\$10.50	\$12.00	\$13.25
1 st 26 weeks	eliminate	\$10.35				
2 nd 26 weeks	eliminate	\$10.70				
3 rd 26 weeks	eliminate	\$11.05				
4 th 26 weeks	eli min ate	\$11.40				
5 th 26 weeks	1st 26 weeks	\$11.75	\$11.75	\$11.75	\$12.40	\$12.40
6 th 26 weeks	2nd 26 weeks	\$12.10	\$12.10	\$12.10	\$12.80	\$12.80
7 th 26 weeks	3rd 26 weeks	\$12.45	\$12.45	\$12.45	\$13.15	\$13.15
8 th 26 weeks	4 th 26 weeks	\$12.80	\$12.80	\$12.80	\$13.50	\$13.50
9 th 26 weeks	5th 26 weeks	\$13.15	\$13.15	\$13.15	\$13.80	\$13.80
TOP RATE		\$13.72	\$14.02	\$14.32	\$14.62	\$14.92
Dept Managers		\$14.72	\$15.02	\$15.32	\$15.62	\$15.92

GM Clerks may perform work as Bakery / Meat Clerks and visa veresa.

FOOD CLERK WORK

The following items have been determined to be Food Clerk's work in accordance with either a joint settlement or an arbitration award:

Receiving Food items

Price significant shelf tags on Food items

Unloading Food and breaking down Food pallets

Diet Products

Diet canned meats

Diet canned fruits and vegetables
(such as Diet Delight)

Diet gelatins and puddings
(such as D-Zerta)

Diet jams and jellies

Diet pastas

Diet soups

Diet tuna

Diet V-8 juice

Low sodium peanut butter

Low-Cal salad dressing

Sugar substitutes

*(such as Nutrasweet, Sweet and Low,
Equal and Saccharin)*

Weight Watchers

*(excluding any bakery items
and/or candy)*

Miscellaneous Items

Baby food

Beef Jerky *(not in liquor department)*

Brewer's yeast

Pitted dates

Dip mixes

Frozen and refrigerated bakery products
(baked or unbaked)

Jello and other gelatins

Sure-gel

Ice-cream cones

Ice-cream toppings

Marshmallow creams, toppings or spreads

Mincemeat

Popcorn

(Prepackaged - popped or unpopped)
but not popcorn sweetened with syrup

Popcorn oil

Potato and other chips

(not in liquor department)

Packaged prunes

Pudding

Package raisins

All forms of edible salt

Spices

Rice cakes

APPENDIX C - GENERAL MERCHANDISE CLERK WORK

The following items have been determined to be General Merchandise Clerk work in accordance with either a joint settlement or an arbitration award:

Receiving general merchandise items

Price significant shelf tags on general merchandise items

Unloading general merchandise and breaking down general merchandise pallets

Any item that can be handled by a vendor

Miscellaneous Items

Air freshener
Baby formula
(including *Similac, Enfamil, ProSobee, Isomil*)
Bar soap
Bottled water, soda pop and ice (not in liquor department)
Carpet cleaning supplies
when displayed with carpet rental equipment
Carpet deodorizers
Cookies and crackers
Dyes
Feminine napkins
Liquid hand soap
Marshmallows
Nutrament, Alba, Sego, Slender and Figurines
Pet food
Popcorn sweetened with syrup (*such as "Crackerjacks," Poppycock" and caramel corn*)
Rock Salt
Scotch-Guard
Plastic trash bags
Plastic sandwich bags
Aluminum foil
Wax paper
Plastic wrap

Household Cleaners

Silver cleaner
Copper cleaner
Easy-Off oven and stain remover
Sponges and cleaning pads
Toilet bowl cleaners
Window cleaner
Carpet cleaners
Spray and other cleansers (*such as Comet and Fantastic*)
Clear King stain and rust remover
Pine-Sol products
Oven cleaner
Tub and tile cleaners
Floor polish
Household waxes
Pre-packaged produce (including but not limited to peeled carrots, prepared celery, prepared fruit and bagged salad; but excluding bagged bulk items such as potatoes, onions and apples)
Distribution Plus, Inc. ("Dairy Fresh," and any successors) items located in the service deli department

APPENDIX D - MEAT DEPARTMENT EMPLOYEES

All of the terms and conditions of the Retail Food, Meat, Bakery, Candy and General Merchandise Agreement shall apply to Meat Department employees except as specifically set forth below.

ARTICLE 1 - RECOGNITION OF THE UNION

1) *REPLACE WITH THE FOLLOWING:*

A. BARGAINING UNIT. In order to assure the securing of benefits intended to be derived by the Employer and the employees under these Articles of Agreement, the Employer agrees that this Agreement will apply to all employees performing work under the jurisdiction of Local 324, 770 and 1167 in all meat markets or departments that are now, or may be in the future, operated by said Employer in the jurisdictional area of Local 324, 770 & 1167.

B. WORK PERFORMED.

1. None other than employees covered by this Agreement shall be permitted to serve the trade in the cutting and sales of meat in Meat Departments or meat markets, except during the lunch period in markets where only one (1) journeyman is on duty, said lunch period not to exceed one (1) hour in length. This clause shall not apply to the owners of the meat markets. No one shall be considered a partner or working owner unless he has a substantial proprietary interest in the market.

2. The Union shall have jurisdiction over all meats that are not cut or prepared for immediate human consumption, including package items of fresh, frozen and smoked meats, fresh or frozen fish, poultry and rabbits.

3. Except as set forth below, it is agreed that all fresh unfrozen meat shall be cut, prepared, fabricated and wrapped on the premises. With regard to beef, veal, lamb, and/or pork in carcass form, it is agreed that an exception will be made and the same may be broken down into primal cuts such as rounds, ribs, chucks, plates and loins and subprimal cuts off the premises, but said primal cuts and subprimal cuts shall be reduced to retail cuts on the premises. It is further agreed that:

(a) Lamb, offal, beef rib bones, short ribs, neck bones, shanks, and stew beef need not be cut on the premises.

(b) All fresh pork (not to exceed 50% of the gross pork tonnage per store) need not be cut on the premises.

4. With regard to presliced bacon, dissected and prefabricated fowls, ground beef and pork sausage in casings, fish and/or rabbits, along with all seasoned and/or smoked meats, frozen meats, or combination of such meat products, whether in bulk or package form, need not be cut on the premises but all the above products, along with fresh, frozen, or smoked sausages, shall be handled, displayed, dispensed and offered for sale by employees covered by this Agreement.

C. NEW METHODS. Notwithstanding the above, it is agreed that should the Employer intend to institute any new method of operation that would result in a material change in any job presently being done and covered by this Agreement, the Employer shall give to the affected Union or Unions at least one

hundred and twenty (120) days written advance notice by certified or registered mail, setting forth the nature of such intended changes and/or methods of operations.

Upon written request by the Union, negotiations on job classifications, wages, working conditions, and/or the disposition of displaced employees resulting from the institution of such new methods shall begin promptly.

D. FAILURE TO REACH AGREEMENT ON NEW METHODS. If agreement is not reached in such negotiations on the subjects set forth in the preceding Section within the first thirty (30) day period of the one hundred and twenty (120) day period described above, the parties shall submit all those unresolved issues to a fact-finding panel during a second thirty (30) day period. The fact-finding panel shall consist as hereafter provided: Each party shall, within five (5) days, designate one person to serve as its representative and those two people shall select a third, who will act as chairman. Failing to agree upon a third, the two members shall, within five (5) days, notify the Federal Mediation and Conciliation Service, who will, within five (5) days from such notification, furnish a panel of fifteen (15) names from which the chairman will be selected by alternately striking until but one name remains. The panel shall make inquiries, investigations, hold meetings and take whatever steps it may deem appropriate to render a confidential report and recommendations within twenty (20) days, which report and recommendations shall not be binding upon either party.

Upon receipt of the confidential report of the factfinders, the parties shall resume negotiations for a period not to exceed a third thirty (30) days.

In the event the parties do not reach agreement within such third thirty (30) day period, then all unresolved issues in regard to job classifications, wages, working conditions and/or the disposition of displaced employees shall be submitted to final and binding arbitration.

The Arbitrator shall, within ten (10) days, be selected in accordance with the same procedure as is provided above for the selection of the chairman of the fact-finding panel.

The parties further agree that the arbitrator's decision shall be final and binding, and that there will be no strikes, work stoppages, lockout, or economic action of any sort or form employed by either party in connection with or arising out of any dispute concerning or related in any way to the operation of this Section.

It is agreed and expected that the parties will exert every effort to accomplish the foregoing within the one hundred and twenty (120) day allotted period, but failing to do so, shall not prohibit or in any way impede the Employer from installing or effectuating any such new methods, systems, or equipment upon the expiration of the allotted one hundred and twenty (120) day time period, unless such period is extended by mutual written agreement. The decision of the arbitrator shall be effective on or retroactive to the date such new method is installed. The cost of the impartial factfinder and/or arbitrator shall be borne equally by the parties.

The provisions of Article 12 of this Agreement shall in no way affect or be applicable to the procedures set forth in this Section.

E. TEMPERATURE. Where low temperature and/or self-service cases are used for any of such merchandise coming under the jurisdiction of the Union, such cases shall be served only by employees covered by this Agreement.

F. JOURNEYMAN ON DUTY. There shall be at least one Head Meat Cutter or Journeyman Meat Cutter scheduled at the store for one (1) eight (8) hour shift to be worked within a nine (9) hour period on each day that the Meat Department is open and products are offered for sale.

G. CATEGORIES OF EMPLOYEES - MEAT DEPARTMENT.

1. Meat Cutter. Subject to the exclusions set forth in Paragraph 3 below, production work functions requiring the skills and judgment of the meat cutting craft in the reduction of primal and subprimal beef, pork and veal products, as may be delivered to the store, to retail cuts (except as set forth in Article 1, Section B-3 of this Appendix) is reserved exclusively to the Meat Cutter classification (Head Meat Cutter, Journeyman Meat Cutter or Apprentice Meat Cutter). Production work for the purposes of this Paragraph is defined as the work commencing with the initial reduction of the primal and/or subprimal beef, pork or veal (whether by use of the saw, knife or other tool(s) of the trade) through and including the trimming, boning and leaning out of such product as may be necessary to reduce the beef, pork or veal product to a retail cut. Production work does not include the functions of scraping/boating, dusting, traying, etc. A Meat Cutter may also perform any work in the Meat Department and shall perform such work as assigned.

2. Apprentice Meat Cutters.

(a) Ratio. One (1) apprentice shall be allowed to the first three (3) Journeymen or a fraction thereof, and one (1) additional Apprentice allowed for every three (3) additional Journeymen or fraction thereof.

(b) Length of Apprenticeship. Apprentice Meat Cutters shall be employed only in accordance with the Shelley-Maloney Act and be paid the rates provided for Apprentices herein. The Apprentice program shall consist of a two (2) year training period.

Apprentices may work without supervision fifty percent (50%) of their work schedule during the first half of the program and may work alone during the second half of the program.

(c) Weekly Guarantee. Apprentices must be employed a minimum of forty (40) hours per week.

3. Wrapper. Wrappers hired on or after November 4, 1985 shall be titled as "Meat Clerks." The Wrapper classification is permitted to perform any work in the Meat and/or Seafood Departments not expressly reserved to the Meat Cutter classification as set forth in Paragraph 1 above. Further, employees in the Wrapper classification may perform cubing/tenderizing. Grinding of any meat product utilizing the large production grinder shall be performed under the direct supervision of a Meat Cutter, except that the grinding of the contents of preground chubs may be performed by a Meat Wrapper when no Meat Cutter is on duty. Use of the small grinder by the Meat Wrapper for any purpose may be done without conditions or restrictions.

4. Response to Customer Requests. Notwithstanding anything hereinabove, any employee covered by this Agreement shall be permitted to perform any functions on any product in satisfying a customer's request.

ARTICLE 4 - SENIORITY, TRANSFER & LAYOFFS

2) *REPLACE WITH THE FOLLOWING:*

A. SENIORITY.

1. Seniority shall be recognized on a Company-wide basis within the jurisdictional area of the Union covering all employees from the date of employment and shall prevail in reference to vacations, transfers, layoffs, rehiring and promotions as set forth below.

2. Seniority shall be used covering these issues and shall apply in each instance separately as to the Meat Wrapper classification (includes Meat Clerks) and the Meat Cutter classification (Journeyman Meat Cutters and Apprentice Meat Cutters).

Wrappers/Meat Clerks desirous of promotion to Apprentice Meat Cutter status shall make their desires known to the Employer, in writing, and such employee shall be given first consideration for such vacancies. Selection to fill the vacancies shall be made on the basis of Company seniority within the geographical jurisdiction of the Local Union, ability and qualifications being relatively equal.

A Wrapper/Meat Clerk commencing the Apprenticeship Program shall have a thirty (30) day trial period. Said trial period shall not jeopardize the employee's former classification or seniority.

There shall be no reduction in pay to any Wrapper/Meat Clerk as a result of entering the Apprenticeship Program, i.e., the Wrapper/Meat Clerk rate of pay shall apply until such time as the Apprentice rate exceeds the Wrapper/Meat Clerk rate, at which time the Apprentice rate shall apply.

On and after the effective date of this agreement, when an employee is promoted or reclassified, he starts a new seniority date for that classification. For layoff purposes, he can bump back to his former classification carrying with him his total seniority. Company seniority is retained for vacation purposes. Thus, the seniority date of each employee commences with the date of hire with the Company; however, when that employee moves to a new classification his seniority will date, for seniority purposes within that classification, as the first date of his appointment to such new classification.

On and after the effective date of this agreement, when an employee is assigned from one classification of work to another, the seniority acquired within the current classification shall be retained, and new seniority in the new classification shall commence as of the time of such assignment. Such assignment shall not be made for the purpose of displacing another employee. Should layoff or reduction in hours occur where the newly assigned employee is to be replaced or reduced in hours, such employee shall be permitted to reclaim the position formerly vacated, or whatever equivalent position entitled to by the combined seniority in the old and new classification.

3. Seniority shall be recognized and employees covered by this Agreement promoted, provided they meet qualifications fitting them for such promotion. The Employer hereby agrees that when promotions are in order or a higher-rated job becomes open, those already employed by said Employer

shall be given preference and a trial period of thirty (30) working days shall be given without jeopardizing the employee's former rating.

4. In order not to impair the normal operation of any Employer's business, it shall be permissible on vacations only, to apply seniority preference on a store-by-store basis.

B. PART-TIME SENIORITY. Part-time employees shall have no seniority over full-time employees.

C. LOSS OF SENIORITY. Break in continuity of service and cancellation of seniority will result from any of the following:

1. Quit.

2. Discharge.

3. Layoff for a period of time equivalent to the employee's seniority but in no event to exceed twelve (12) months.

4. Failure to return in accordance with the terms of a leave of absence or when recalled after layoff.

D. LAYOFF. In the event reduction of the work force is necessary in a particular store, the employee with the least seniority in that store, limited to the classifications as described in Section A-2 above, shall have the right to displace: (1) the least senior employee in the same classification currently employed by the Company within twenty five (25) miles of his home; or (2) the least senior employee in the Company within the jurisdiction of the Local Union, within the same classification. Any employee displaced as the result of No. (1) above, shall have the right to displace the least senior employee in the Company within the same classification. Should any employee who is involved in the application of seniority set forth in this Section refuse such transfer or should such employee lack the ability and qualifications to fill the job created by the seniority system set forth in this Section the Employer's obligation shall cease, except as specified in Section E below, and the layoff shall be effected in the store where the reduction in work force is necessary. No regular employee shall be laid off until the end of his 40-hour weekly shift.

Nothing set forth in the preceding Paragraph shall prevent the Employer and the Union from developing a mutually satisfactory and agreeable system pertaining to the same subject.

Before a full-time meat cutter is subject to a layoff or an hours reduction, the meat cutter will be offered sufficient hours to retain full-time status by first reducing hours of any extra meat cutter(s) or any part-time meat cutter(s) within twenty-five (25) miles from his home within the Company's district in which he is employed.

Second, by reducing hours of any extra meat cutter(s) or any part-time meat cutter(s) within the entire district, and third by reducing the hours of any extra meat cutter(s) or any part-time meat cutter(s) within the Union's jurisdiction. If there are no extra meat cutters or part-time meat cutters within the jurisdiction, working the hours necessary to retain full-time status, then the affected full-time meat cutter shall have the right to displace the least senior full-time meat cutter within the Union's jurisdiction. This displaced least senior full-time meat cutter shall have the same hours retaining rights as set forth above.

E. RECALL. The Employer agrees that full-time or part-time employees laid off and not terminated for cause shall be eligible for recall prior to the hiring of any new employees for a period of time equivalent to the employee's seniority but in no event to exceed twelve (12) months from the date of layoff. Employees recalled pursuant to this provision shall be credited with seniority, and other benefits accumulated up to the time of layoff. Employees shall have the right to refuse recall without loss of seniority if the position available would require them to travel one way more than twenty-five (25) miles.

F. SPECIAL JOB SECURITY PROVISION.

1. Wrappers active on the payroll of their current Employer as of November 3, 1985, and who remain continuously employed with their current Employer, shall be guaranteed a minimum of eight (8) hours work per day when such employees work as scheduled or required.

Wrappers active on the payroll of their current Employer as of November 3, 1985, may claim, with no reduction in their grandfather rate of pay, for a workday when they are not otherwise scheduled, on a seniority basis, the hours of a Meat Clerk hired after November 3, 1985, subject to the following conditions:

(a) Both Wrapper and Meat Clerk must be working in the same store.

(b) A claim for hours must be filed in writing with the Employer within forty-eight (48) hours of the posting of the weekly work schedule.

(c) Only an entire scheduled daily shift may be claimed.

(d) By claiming hours in the store, an employee may not claim hours which result in his working more than eight (8) hours in a day or more than forty (40) hours in a week. Overtime hours may not be claimed.

(e) If a day with fewer than eight (8) scheduled hours is claimed, the aforementioned eight (8) hour guarantee is thereby automatically waived for that day.

(f) An employee claiming hours must possess the necessary skills and requisite ability to perform the work required.

G. INTER-UNION TRANSFER. It is recognized that to meet the needs of the business, transfer of employees, either within or between Company districts or between the geographical jurisdiction of a Union party to this Agreement may be required. In such cases where such transfer is effected by the Employer, the transferred employee will carry to such employee's new assignment all seniority, as defined above, acquired in the employ of the Company.

H. TRAVEL DISTANCE. An employee covered by this Agreement shall have the right to refuse a transfer to another location if the distance to travel one way between his place of residence and the new location is more than twenty-five (25) miles or the distance between his place of residence and his current store, whichever is greater. A refusal of a transfer by an employee covered by this Agreement under any of these circumstances shall not constitute a reason for discrimination, layoff or discharge, except as set forth in Section D above. If there are not three (3) stores within 25 miles of the employee's residence, the Employer may transfer the employee to any of the three (3) closest stores to the employee's residence but

in no event shall the transfer require the employee to travel more than forty (40) miles between the employee's residence and the new store.

I. **ADDITIONAL HOURS.** A part-time employee may claim a scheduled weekly work schedule of another part-time employee within the same store and classification of employment calling for more weekly hours based upon the employee's seniority over other part-time employees provided:

1. The claim is made within the same store, classification of employment and department.

2. No part-time employee can claim the weekly work schedule of full-time employees or the weekly work schedule of another part-time employee with the same amount or lesser amount of hours. It is also understood that no employee may claim a shift or shifts.

3. The part-time employee claims the entire weekly work schedule and makes his claim in writing to the store management within twenty-four (24) hours after the posting of the store's weekly work schedule. The part-time employee whose weekly work schedule has been successfully claimed then assumes the weekly work schedule of the claiming employees.

4. No claim can be made unless the claiming employee possesses the necessary skill and ability to perform the type of work being done.

5. Grievances pertaining to the application of weekly work schedule claims shall be filed in writing with store management within forty-eight (48) hours of the posting of the involved weekly work schedule. Grievances not filed within this time limit shall be deemed null and void for the week that was scheduled or any prior week.

6. Part-time employees shall be given the first opportunity at full-time employment when permanent, full-time vacancies occur in any store within the jurisdiction of the Local Union. Selection of the part-time employee to fill the full-time vacancy shall be based on seniority, qualifications, skill and ability. Total hours worked for the Employer shall be given consideration in making such selection.

ARTICLE 6 - WAGES

3) *MODIFY AS FOLLOWS:*

N. **BONUS PAYMENTS.** No employee shall be required or requested to make any written or verbal agreement that will conflict with the terms of this Agreement. All employees must be paid weekly for all hours worked as provided in this Agreement. Any bonuses, commissions or other methods of payments over and above the requirements of this Agreement shall be in addition to the requirements of this Agreement and may not be used to offset such contractual requirements and shall not be subject to negotiations.

4) *ADD THE FOLLOWING NEW ARTICLE 21:*

ARTICLE 21 - MANAGEMENT PREROGATIVE

MANAGEMENT PREROGATIVE. The management of the business of the Company and the direction of its working force, the type and variety of products to be handled, the work schedules and methods and means of handling or processing, are prerogatives of Management, subject to and where not in conflict with this Agreement.

APPENDIX H - JURISDICTIONS OF UFCW LOCALS

The jurisdiction of the Local Unions as referred to in Article 1 of this Agreement is defined as follows:

LOCAL 135 (Clerks) - San Diego County.

(Meat) - San Diego County and Imperial County.

LOCAL 324 (Clerks) - Orange County and Long Beach, California, including Orange County, Long Beach area west to Alameda, Alameda north to 168th Street, west to Central Avenue, north to Rosecrans Avenue, east to Alameda, north to Pacific Electric tracks, southeast on Pacific Electric tracks to the Los Angeles River, north to San Gabriel Boulevard, southeast from San Gabriel Boulevard to Orange County line at Fullerton Road.

(Meat) - The Harbor Area of Los Angeles County, beginning with Hawthorne Boulevard at Rosecrans Avenue, South to Pacific Coast Highway on a direct Southwest angle to Point Vincent, East on Rosecrans to the Los Angeles River, North on the River to Century Boulevard, Northeast to the Rio Hondo to Anaheim-Telegraph Road, East on Anaheim-Telegraph Road to Los Nietos Road to Colima Boulevard to Whittier Boulevard, East on Whittier Boulevard to Orange County Line, all of Orange County, Catalina Island. All markets on the North side of the North boundaries facing South.

LOCAL 770 (Clerks) - San Luis Obispo, Santa Barbara, Ventura, and Los Angeles Counties except that portion of Los Angeles County bounded by the Ventura County line east along Mulholland Drive to Sepulveda Boulevard, south to Sunset Boulevard, east on Sunset to Beverly Glen, south through center of parkway to Cattaraugus, thence to Robertson Boulevard, Robertson Boulevard to Venice Boulevard, east on Venice Boulevard to Cattaraugus, south to Jefferson Boulevard, Jefferson Boulevard to Sepulveda Boulevard, south to Imperial Highway, east to Crenshaw Boulevard, south to 190th, west to Hawthorne Boulevard, south to Newton and west to the Pacific Ocean and also excepting that portion of Los Angeles County including the Long Beach area west to Alameda, Alameda north to 168th Street, west to Central Avenue, north to Rosecrans Avenue, east to Alameda, north to Pacific Electric tracks, southeast on Pacific Electric tracks to the Los Angeles River, north to Rio Hondo River, Rio Hondo River north as outlined on jurisdictional map, continuing to Kern County.

(Meat) - San Luis Obispo, Santa Barbara, Ventura, and Los Angeles Counties except that portion of the Harbor Area of Los Angeles County beginning with Hawthorne Boulevard at Rosecrans Avenue, South to Pacific Coast Highway on a direct Southwest angle to Point Vincent, East on Rosecrans to the Los Angeles River, North on the River to Century Boulevard, Northeast to the Rio Hondo to Anaheim-Telegraph Road, East on Anaheim-Telegraph Road to Los Nietos Road to Colima Boulevard to Whittier Boulevard, East on Whittier Boulevard to Orange County Line and also excepting that portion of Los Angeles County which is bordered on the north by the Angeles National Forest and on the west by the western city limits of Altadena, Pasadena, and South Pasadena south to Eastern Avenue and south to Highway 60, east to the southern city limits of South El Monte, southeast to and including Hacienda Heights, south to the Orange County boundary, and east to the San Bernardino County boundary.

LOCAL 1167 (Clerks) - Imperial County, Riverside County, and San Bernardino County west to Archibald Avenue, extending due north and south.

(Meat) - The Counties of San Bernardino and Riverside and that portion of the County of Los Angeles which is bordered on the north by the Angeles National Forest and on the west by the western city limits of Altadena, Pasadena, and South Pasadena south to Eastern Avenue and south to Highway 60, east to the southern city limits of South El Monte, southeast to and including Hacienda Heights, south to the Orange County boundary, and east to the San Bernardino County boundary.

LOCAL 1428 (Clerks) - Archibald Avenue in San Bernardino County, extending due north and south, the Orange County line to the Rio Hondo River, the Rio Hondo River north through Crystal Lake to the Kern County line, the Kern County line east to Archibald Avenue.

LOCAL 1442 (Clerks) - Ventura County line east along Mulholland Drive to Sepulveda Boulevard, south to Sunset Boulevard, east on Sunset to Beverly Glen, south through center of parkway to Cattaraugus, thence to Robertson Boulevard, Robertson Boulevard to Venice Boulevard, east on Venice Boulevard to Cattaraugus, south to Jefferson Boulevard, Jefferson Boulevard to Sepulveda Boulevard, south to Imperial Highway, east to Crenshaw Boulevard, south to 190th, west to Hawthorne Boulevard, south to Newton and west to the Pacific Ocean.

NOTE: The above boundaries do not include all of the detail shown on the jurisdictional map, which is the final authority.