



5/5/19 - 5/7/22

Safeway Inc., d/b/a Haggen
Pierce County Retail Meat
Wage & Working Agreement

: November 7, 2019

United Food & Commercial Workers Union Local 367
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AGREEMENT

By and Between
Safeway Inc., d/b/a Haggen
and
United Food and Commercial Workers Union Local No. 367
Chartered By
United Food and Commercial Workers International Union AFL-CIO
Meat Dealers (Pierce County)

: November 7, 2019

This Agreement is made by and between Safeway Inc., d/b/a Haggen operating meat markets in Pierce County and United Food and Commercial Workers Union Local No. 367.

ARTICLE 1 - CONDITIONS OF EMPLOYMENT

1.01 Safeway Inc., d/b/a Haggen hereby recognizes, during the term of this Agreement, United Food and Commercial Workers Union Local No. 367, as the sole and exclusive Collective Bargaining Agency for all employees of the Employer whose job classification is set forth in this Agreement.

1.02 United Food and Commercial Workers Union Local No. 367, for and on behalf of its members, hereby recognizes, during the term of this Agreement, Safeway Inc., d/b/a Haggen as the sole and exclusive Collective Bargaining Agency for the Employer who is designated as party to this Agreement.

1.03 Pursuant to and in conformance with Section 8(a)3 of the Labor Management Act of 1947, it is agreed that all employees (including members of the family, except one who shall be exempt as owner) coming under the terms of this Agreement shall make application to join the Union within thirty-one (31) days following the date of employment or within thirty-one (31) days following the signing of this Agreement, whichever is the latter, and must maintain membership in good standing for the life of this Agreement and any renewal thereof. The Employer shall discharge any employee as to whom the Union, through its authorized representative, delivers to the Employer's main office a written notice that such employee is not in good standing. The Employer shall inform employees of the foregoing requirement at the time they are employed.

1.03.1 For the purpose of this Agreement, good standing shall be defined as the tendering of dues and initiation fees, uniformly required of members of the Union.

1.03.2 The Union agrees to hold the Employer harmless for discharges made pursuant to this section.

1.03.3 The Employer agrees to deduct Union dues and initiation fees from the wages of the employees in the bargaining unit who provide the Employer with a voluntary written authorization which shall be irrevocable for a period of not more than one (1) year or beyond the termination date of the agreement, whichever occurs sooner. The deduction of the Union dues shall be made on a monthly basis and shall be forwarded to the Union within ten (10) days after such deduction is made. In the event no wages are due the employee, or are insufficient to cover the required deduction, the deduction for such month shall be made in the succeeding month and forwarded to the Union. The Union agrees to provide the Employer with thirty (30) days' notice of a change in any employee's monthly dues amount.

1.04 No bargaining unit work will be permitted by clean-up employees.

1.05 Each month, the Employer shall provide an electronic report of all new hires and terminations. Such report shall include the employees' first name, middle initial and last name, social security number, address, phone number, (home and/or cell), email (if available), store number/work location, department, job classification, wage rate, date of hire/rehire and/or date of termination.

Each quarter, the Employer shall provide an electronic report of all employees covered under the current bargaining agreement. Such report shall include the employees' first name, middle initial and last name, social security number, address, phone number (home and/or cell), email (if available), store number/work location, department, job classification, wage rate, and date of hire/rehire.

ARTICLE 2 - WORKING HOURS

2.01 The straight-time workweek shall be Sunday through Saturday and such straight-time work may be scheduled on daily shifts beginning at 6:00 a. m. or after. Whenever fresh meat is offered for sale at least one (1) journeyman meat cutter must be employed Monday through Saturday in each market for at least eight (8) hours, exclusive of holidays and exclusive of lunch time each day, between the hours of 6:00 a. m. and 6:00 p.m. Eight (8) consecutive hours, exclusive of lunch period, shall constitute a day's work and five (5) full eight (8) hour days shall constitute a workweek. All time worked in excess of eight (8) hours in any one day, in excess of forty (40) hours in any calendar week, or before the employee's scheduled starting time shall be considered overtime and shall be paid for at the rate of one and one-half (1 -1/2) times the regular rate of pay. Extra employees shall receive not less than four (4) continuous hours' work or equivalent compensation in any one day ordered to report for work, compensation to begin at the time of reporting for duty. No split shift shall be allowed. Where six (6) days, Monday through Saturday, are worked in any one week, time and one-half (1-1/2) shall be paid for work on the day the least number of hours are worked.

2.01.1 An optional workweek of four (4) ten (10) hour days may be utilized with the following terms:

a. This optional workweek must be mutually agreeable between the Employer and the employee;

- b. Employees working this optional workweek shall be guaranteed forty (40) hours per week;
- c. Notice of the optional workweek shall be given by Thursday of the preceding week;
- d. A minimum of two (2) consecutive scheduled days off;
- e. The fifth and sixth day worked in the same workweek shall be paid for at the rate of time and one-half (1-1/2) (except Sunday which shall be paid for at the Sunday rate);
- f. All work over ten (10) hours per day shall be paid for at the rate of time and one-half (1-1/2) the straight-time rate of pay;
- g. In addition to the rest periods provided for in Section 3.01, employees working the four/ten workweek shall be given an additional rest period of ten (10) minutes after the completion of eight (8) hours' work;
- h. Sick leave pay shall begin after sixteen (16) hours missed;
- i. Holidays shall be paid as follows:
 - 1. If the employee is scheduled for forty (40) hours during the holiday week, he/she shall receive eight (8) hours holiday pay for holidays not worked;
 - 2. If an employee is scheduled for less than forty (40) hours during a holiday week, he/she shall receive ten (10) hours holiday pay for holidays not worked.

2.02 In order to give employees as much notice as possible in the planning of their weekly schedules of work, the Employer agrees to post a work schedule for all regular full-time and all regular part-time employees not later than 6:00 p.m. on Thursday preceding the start of the workweek, and except in cases of emergency, no changes shall be made in said schedule without full forty-eight (48) hours' notice to the employees involved in such changes of schedule. All emergency change of shift hours will be reported to the Union. If they report for work as scheduled, regular full-time employees shall be guaranteed eight (8) hours' work per day and forty (40) hours' work per week, Sunday through Saturday*, and regular part-time employees shall be guaranteed a minimum of four (4) hours' work. These guarantees shall not apply in cases of Acts of God or other emergencies beyond the Employer's control. Employees required to work after 6:00 p.m. on Christmas Eve or New Year's Eve shall be entitled to time and one-half (1-1/2) for all hours worked after 6:00 p.m. on such days. *See Letter of Understanding attached (Scheduling Grievance Settlement).

2.03 All work performed after 7:00 p.m. shall be paid for at the premium rate of fifty cents (\$.50) per hour. Such work shall first be offered to regular employees. However, premium pay shall not be required in addition to overtime pay. Unless scheduled the week before, guaranteed call-in for Sunday shall be eight (8) hours except Service Counter Employees whose guaranteed call-in shall be four (4) hours. Minimum call-ins on holidays shall be four (4) hours. When an

employee works six (6) days in a workweek, time and one-half (1-1/2) rate shall be paid for work on the day the least number of hours are worked.

2.04 When fresh meat is offered for sale and a member of the bargaining unit is not on duty in the meat market during such hours, no one other than a member of the bargaining unit shall perform work in the meat market. When a member of the bargaining unit is not on duty, this clause shall not apply to those products that have been prepared by the meat department employees and are in storage ready for sale, such may be placed in the meat counter by the person in charge of the store, and such action shall not be considered a violation of this clause.

2.05 A minimum of ten (10) hours shall be required between straight-time shifts. Otherwise, the premium of time and one-half (1-1/2) will be required for any hours that may be worked prior to the expiration of the ten (10) hour period. All time worked after eight (8) consecutive days shall be paid at the rate of time and one-half (1-1/2) the appropriate contract rate (excluding Sunday/holiday/premium pay) until a day off is given. Employees requested to work on the ninth (9th) consecutive day shall advise management that they have already worked eight (8) consecutive days.

2.06 No Pyramiding: There shall be no compounding or pyramiding of premium pay and overtime pay and only the highest applicable rate shall be paid for an hour of work performed under this Agreement.

ARTICLE 3 - REST PERIODS

3.01 There shall be a rest period of at least fifteen (15) minutes in every continuous four (4) hour period of employment. In the event that one shift shall be less than four (4) hours and the other shift shall be four (4) hours or more, there shall be only one (1) rest period, fifteen (15) minutes in the longer shift. Provided, further, any employee who works eight (8) hours in any daily straight-time or night shift shall receive two (2) fifteen (15) minute rest periods, one (1) prior to the lunch period and one (1) after the lunch period. No employee shall be required to work more than three (3) hours without a rest period nor more than five (5) hours without a lunch period.

3.02 The Employer may arrange such rest periods by individual relief or general periods and they shall be as nearly as practicable in the middle of each work period.

3.03 If an employee is scheduled to work two (2) hours beyond the end of his regular straight-time shift, he shall be given an additional rest period often (10) minutes at the end of his regular straight-time shift. For each full two (2) hours of overtime work an employee shall be entitled to an additional ten (10) minute restperiod.

3.04 Any rest period interval shall cover time from stopping work and returning thereto.

^

Classifications	Current	5/5/19	1/1/20	5/3/20	1/1/21^	5/2/21^	1/1/22^
Market Manager	\$24.05	\$24.60	\$24.60	\$25.15	\$25.15	\$25.70	\$25.70
Journeyman	23.05	23.60	23.60	24.15	24.15	24.70	24.70
	Current	5/5/19	1/1/20	5/3/20	1/1/21^	5/2/21^	1/1/22^
6 th 6 months	19.70	19.70	19.70	19.70			
5 th 6 months	18.15	18.15	18.15	18.15			
4 th 6 months	16.60	16.60	16.60	16.60			
3 rd 6 months	15.06	15.06	15.06	15.06			
2 nd 6 months	13.51	13.51	13.70	13.70	13.89		
1 st 6 months	12.10	12.10	13.60	13.60	13.79		

Wage rates TBD based on minimum wage at that time.

4.01.1 Journeyman Meat Cutters performing Market Manager's responsibilities for a period of four (4) hours or more shall receive the Market Manager's rate of pay for all hours involved.

4.02 Meat Wrappers: Increases shall be across the board so that employees paid above scale will receive the wage increases. The exceptions to this rule are: (a) employees being paid an over scale rate due to an increase in the Washington State minimum wage; and (b) employees who have transferred into another classification and have had their wage rate frozen at an above-scale level.

In no event shall any wage classification be less than ten cents (10¢) per hour above the then current Washington state minimum wage. Each rate will be at least ten cents (10¢) per hour higher than the previous rate in the progression schedule.

MEAT WRAPPERS

Hired prior to August 15, 2004: The progression step hours were not printed, however, they still exist for employees that were hired prior to 2004 that transfer between Appendices.

MEAT WRAPPERS

Hired on or after August 15, 2004

Classifications	Current	5/5/19	1/1/20	5/3/20	1/1/21^	5/2/21^	1/1/22^
Journey person	\$20.50	\$21.05	\$21.05	\$21.60	\$21.60	\$22.15	\$22.15
	Current	5/5/19	1/1/20	5/3/20	1/1/21^	5/2/21^	1/1/22^
Next 520 hrs.	13.50	13.50	14.30	14.30	14.49		
Next 1040 hrs.	12.70	12.70	14.20	14.20	14.39		
Next 1040 hrs.	12.60	12.60	14.10	14.10	14.29		
Next 1040 hrs.	12.50	12.50	14.00	14.00	14.19		
Next 1040 hrs.	12.40	12.40	13.90	13.90	14.09		
Next 1040 hrs.	12.30	12.30	13.80	13.80	13.99		
Next 1040 hrs.	12.20	12.20	13.70	13.70	13.89		
1st 1040 hrs.	12.10	12.10	13.60	13.60	13.79		

^Wage rates TBD based on minimum wage at that time.

4.03 Service Counter Employees: Service Counter employees will be considered a separate classification for all purposes including seniority. Service Counter employees shall not be permitted to cut, bone, or grind fresh meat or perform any wrapping of meat products for preparation for sale in self-service cases. Service counter employees may cut a steak or roast which has already been processed by a Meat Cutter to size in order to serve a customer, modify any prepared cut to suit a customer, or use the slicing or cube machines to serve a customer. When a Meat Cutter or Meat Wrapper is not on duty, the Service Counter employee may stock the self-service case with products that have been prepared by Meat Cutters or Meat Wrappers and are in storage ready for sale. Service Counter employees may perform work in the self-service deli.

Service Counter employees performing work in the self-service deli shall be paid for such work at the Wrapper rate of pay in the corresponding progression bracket. Service Counter employees scheduled to work in the self-service deli shall have such scheduled time designated on the work schedules.

Lead Service Counter employees shall be a separate classification at the option of the Employer. Service Counter employees assigned to the Lead position shall not lose their seniority status. Seniority shall not apply in the selection of the Lead Service Counter employee. This position shall apply to the employee assigned by management the responsibilities of scheduling and directing the work within the Service Department. Employees assigned the above responsibilities shall be classified as Lead Service Counter employees.

Classifications	Current	5/5/19	1/1/20	5/3/20	1/1/21[^]	5/2/21[^]	1/1/22[^]
Lead S/C	\$16.80	\$17.40	\$17.40	\$18.00	\$18.00	\$18.60	\$18.60
Journey person	16.30	16.90	16.90	17.50	17.50	18.10	18.10
	Current	5/5/19	1/1/20	5/3/20	1/1/21[^]	5/2/21[^]	1/1/22[^]
Next 520	12.80	12.80	14.30	14.30	14.49		
Next 1040 hrs.	12.70	12.70	14.20	14.20	14.39		
Next 1040 hrs.	12.60	12.60	14.10	14.10	14.29		
Next 1040 hrs.	12.50	12.50	14.00	14.00	14.19		
Next 1040 hrs.	12.40	12.40	13.90	13.90	14.09		
Next 1040 hrs.	12.30	12.30	13.80	13.80	13.99		
Next 1040 hrs.	12.20	12.20	13.70	13.70	13.89		
1st 1040 hrs.	12.10	12.10	13.60	13.60	13.79		

4.01 4.04 Sunday Rates: For employees hired prior to December 3, 2010, all work performed on Sundays shall be paid at the rate of time and one-third (1-1/3) of the straight-time hourly rate. Employees hired on or after December 3, 2010, shall receive \$1.00 per hour over the employee's regular straight-time wage rate for all hours worked on Sunday.

4.05 Matters concerning apprentices shall be as provided in the Tacoma Meat Cutters Joint Apprenticeship Standards as approved by the Joint Apprenticeship Committee and the Washington State Apprenticeship Council. (Notwithstanding the above, no Apprentice to Journeyperson ratio shall apply and Apprentices may work alone in the market.)

4.06 Wrapper employees as covered by this Agreement shall not be permitted to cut, bone, or grind fresh meat; however, the wrapper may cut a steak or roast which has already been processed by a Meat Cutter to size in order to service a customer, modify any prepared cut to suit a customer; use the slicing machine or cube steak machine to serve customers.

4.07 For the purpose of computing months of experience under paragraph 4.01 of this Article, one hundred seventy-three and one-third (173-1/3) hours of employment in the retail-wholesale meat industry shall be counted as one month's experience, provided that no employee shall be credited for more than one hundred seventy-three and one-third (173-1/3) hours of experience in any one month.

4.08 Service Counter Employee Promotion. Meat Service Counter employees who are promoted to another position under Grocery Appendix "B" or "C" shall remain at their Ten cent wage rate, but shall be given credit for prior hours of experience toward their new progression.

Meat Service Counter employees who are promoted to a Wrapper position or a position under Grocery Appendix "A" shall remain at their current wage rate until accumulating 2080 hours and then shall progress to the next higher rate in the progression and then continue their progression under the Wrapper or Appendix "A" progression.

4.09 All employees shall be paid not less frequently than every two (2) weeks on a regular basis.

4.10 Sixty (60) days prior to the introduction of any new methods of operation into the bargaining unit that would create the need for a new work classification and rate of pay for such new classification, the Employer shall notify the union of any such new methods, including a description of work being performed and the wage rate assigned. Any question as to the adequacy of the wage rate established for the new job classification shall be presented in writing by the Union within ten (10) calendar days following the Employer's written notice to the Union, and shall be subject to negotiation and if not agreed upon, shall be subject to the grievance procedure as set forth in Article 15 of this Agreement. If, through the procedure set forth in Article 15, it is determined that the wage rate assigned by the Employer should be adjusted, such adjustment shall be retroactive to the date that such new method is put into effect.

ARTICLE 5 - RETIREMENT PROGRAM

Note: During the 2019 negotiations, the parties reached detailed pension agreements which are set forth in LC #20 (Kroger) and LOU #21 (Albertsons/Safeway). The required employer hourly contributions are set forth in this Article below.

During the term of this Agreement the Employer shall pay into the Sound Retirement Trust on account of each member of the bargaining unit the amounts as specified in this Article.

5.01 Acceptance of Trust Agreement. The Employer and the Union agree to be bound by the terms of the Trust Agreement, which created the Sound Retirement Trust, as initially executed on

January 13, 1966, by all subsequent revisions or amendments thereto, and by all policies and other conditions of participation and eligibility, which may be established from time to time by the Trust's Plan Document, Summary Plan Description, and other pertinent rules, regulations, and Trustee actions. The Employer accepts the Employer Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for purposes of managing the Trust. The Union accepts the Labor Organization Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for the purposes of managing the Trust.

5.02 The Employer shall contribute to the Sound Retirement Trust, on behalf of each member of the bargaining unit, contributions to be calculated on the basis of the number of hours for which the Employer is obligated to pay contributions to the Sound Retirement Trust and in accord with the separate Pension Agreement by and between Allied Employers, Inc. and U.F.C.W. Union Locals 21,367, and 1439, U.F.C.W. International (AFL-CIO) and Teamsters Union Local 38 and by all amendments thereto except as provided in this Section.

5.2.1 Until the effective date of the new future service defined benefit variable plan (VAP) under Section 5.05, the Employer will continue to make contributions to the Sound Retirement Trust as described in this Article and the Employer's active participants will continue to earn benefit accruals until such effective date.

5.2.2 The parties hereby adopt the Preferred schedule under the Rehabilitation Plan of the Sound Retirement Trust as revised December, 2019 with the Preferred schedule to be effective with respect to those subject to the terms of this collective bargaining agreement as of the date stated in the Rehabilitation Plan and selected Schedule and the Employer shall contribute in accordance with such schedule as follows

	Meat Cutters & Wrappers	Service Counter
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	Meat Cutters and Wrappers	Meat Service Counter
Accrual Rate	\$.45	\$.225
Pre-Rehab Rate	0.100	0.100
Non-benefit redirect from retiree welfare	0.01	0.01
TOTAL	\$1.55	\$1.325
Jan 2020 Rehab Rate	0.814	.0814
July 2020 Rehab Rate	0.914	0.914
Jan 2021 Rehab Rate	0.99	.99
July 2021 Rehab Rate	1.09	1.09
Jan 2022 Rehab Rate	1.166	1.166

5.2.3 Upon the effective date of the new future service defined benefit variable plan under Section 5.05, future benefit accruals for the Employees under the SRT will cease. As a result, the funding of 125% of the employer's contribution on which employee accruals are based for the SRT for the Employer's employees is discontinued once future benefit accruals commence under the VAP and all hourly contribution rates paid to the SRT will be reduced by such amount under this Section.

5.2.4 The Employer will continue to contribute to the SRT and not incur a withdrawal from the SRT solely as a result of the cessation of future benefit accruals under the SRT. The SRT Employer liabilities will be funded under an updated Rehabilitation Plan designed with the objective that the Plan will move to the green zone and achieve 102% funding by 2030. This updated Rehabilitation Plan will include the current scheduled increases beginning July 1, 2020 (July hours/August payment) over a new ten-year period. Such accelerated funding in this agreement shall apply to the SRT liabilities and shall remain in effect regardless of the Zone status of the Plan.

5.2.5 The Employer shall continue to pay all of the scheduled contribution increases under the updated Rehabilitation Plan, as set forth above, through the term of this CBA, regardless of the zone status of the SRT. All hourly contributions to the SRT shall continue to be made on behalf of all compensable hours above regardless of whether the employee participates in the SRT prior to the freeze date.

5.2.6 The parties recognize that this global solution for the pension funding liabilities is contingent on the full implementation of the agreement between Safeway/Albertson's and the Union and the full implementation of the agreement between Kroger and the Union, including the transfer of liabilities and assets from the SRT to the UFCW Consolidated Fund under the MOU between Kroger and the Union. If either the SRT or the UFCW Consolidated Fund does not approve the global solution, the bargaining parties will meet to discuss other alternatives.

5.2.7 In part in order to ensure the prudent funding of the Sound Retirement Trust, the Employers, in total, agree to redirect Health & Wellness Trust contributions up to the total amount of \$100 million to the SRT commencing with January 2020 hours.

5.2.8 The parties will cooperate in seeking approval by the relevant parties for this global solution for accelerated funding of the unfunded liabilities of the SRT, including the SRT Board of Trustees, the PBGC and the UFCW Consolidated Fund Board of Trustees (subject to final agreement on the details of any Kroger transaction).

5.2.9 This agreement is contingent on the bargaining parties reaching an overall collective bargaining agreement, including an agreement between the Employer and the Union for a new future service defined benefit variable plan for all current employees affected by this transfer.

5.03 The total amount due for each calendar month shall be remitted in a lump sum not later than twenty (20) days after the last business day of such month. The Employer agrees to abide by such rules as may be established by the Trustees of said Trust to facilitate the determination of contributions due, the prompt and orderly collection of such amounts, and the accurate reporting and recording of such amounts paid on account of each member of the bargaining unit. Failure to make all payments herein provided for within the time specified shall be a breach of this Agreement

Contributions shall be paid on all compensable hours up to a maximum of one hundred and seventy-three (173) hours per calendar month. The term "compensable hours" shall have the same meaning as set forth in Article 8 - Health and Welfare.

5.04 As of the effective date of the new future service defined benefit variable annuity plan (VAP), future service benefit accruals will be earned in the VAP, a multiemployer variable annuity defined benefit plan. Participants' service earned under the Sound Retirement Trust (SRT) and the VAP will

be recognized for participation, vesting and benefit eligibility purposes in both plans. In the event of a short plan year running from the transfer date to December 31, the benefit guarantee will apply for the short plan year ending December 31, 2021. The VAP shall operate on a calendar plan year basis.

5.5 Variable Annuity Plan

- 5.5.1 Employer contributions to the VAP contributions will be made in accordance with the separate Pension Agreement by and between Allied Employers, Inc. and U.F.C.W. Union Locals 21, 367, and 1439, UF.C.W. International (AFL-CIO) and Teamsters Union Local 38 and by all amendments thereto, except as provided as follows:
- 5.5.2 The Employer will contribute (\$0.xx) per hour for each eligible active participant to the VAP, commencing with the effective date. This amount will increase to (\$xxx) per hour effective January 1, 2022. This amount will increase to xxxxxx cents (\$x.xx) per hour effective January 1, 2023. Contributions will be made on behalf of current active employees and future newly hired employees in classifications for whom contributions have been made under the current collective bargaining agreement. Contributions shall be remitted monthly, in the same manner as they have been made to the SRT.
- 5.5.3 In addition, the Employer will contribute three cents (\$.03) per hour for each eligible active participant to the VAP, commencing with the effective date of the VAP through the end of the initial short Plan Year.
- 5.5.4 The Employer agrees to promptly provide, on a periodic basis, such salary data for employees intended to be covered by the VAP to allow the actuaries for the parties developing the VAP to determine the benefit accrual rate from the VAP that can be funded with such contributions determined above and in the future as the VAP operates to allow administration of the VAP.
- 5.5.5 The benefit accrual under the VAP will be periodically reviewed (but at least every three (3) years) to ensure that the plan is designed to maintain full funding of all benefit liabilities, with the first review no later than December 31, 2021. Notwithstanding the above, for the term of this contract, all actuarial assumptions of the plan will be reviewed and adjusted as necessary on an annual basis for the term of this CBA.
- 5.5.6 The eligibility, rights and features of the benefit design of the VAP on the effective date of the VAP will replicate the current benefit design of the SRT, except that the benefit accrual will be based on a formula that utilizes total contributions made on the employee's behalf and a percentage accrual factor that reflects the VAP characteristics (to be reviewed jointly by the parties). For the short plan year ending December 31,, 2021, there shall be a floor benefit and the benefit accrual of the VAP cannot be less than what the participant would have earned in the same period under the SRT benefit formula. Thereafter, the earned benefit accrual will be adjusted annually up or down based on performance to a 5.5% hurdle rate which will also be used to discount the benefit liabilities.
- 5.5.7 Annual benefit improvements will be capped at 3.0% above the 5.5% hurdle rate. Any surplus investment return between the 5.5% and the 8.5% cap will fund benefit improvements and any surplus investment return over 8.5% shall be allocated to the stabilization reserve.

- 5.5.8 The VAP board of trustees will formulate a stabilization reserve policy which will define the board's discretion to manage the stabilization reserve and determine how and when it is used to support benefit accruals in years in which the plan investments underperform the hurdle rate. The Employer will contribute to the stabilization reserve from January through March, 2022 in accordance with Section 8.07 and the Health & Welfare Agreement.
- 5.5.9 It is the intent of the parties that the stabilization reserve policy will be used to stabilize benefits for active and retired participants in the event of returns of 2% or lower ("the Floor Return") and maintained in order to address the VAP investment and demographic experience and the level of assets/benefits accrued under VAP. It is not the intent that the stabilization reserve be used in the event of investment returns higher than the Floor Return.

5.05 The Union shall have the right to defer any contractual Journeyperson wage increase arising during this contract into the Pension Plan. The Union shall decide whether and for how long such deferral will last. Such additional contribution shall go to deficit reduction, and not to increase the benefit credit. The details of the deferral are subject to review and approval by the trustees and trust counsel.

5.06 The contributions referred to in Article 5 shall be computed monthly and the total amount due for each calendar month shall be remitted in a lump sum not later than twenty (20) days after the first day of the month.

ARTICLE 6 - SICK LEAVE

6.01 Employees, during each twelve (12) months following their last date of employment (after the first (1st) and each succeeding year of continuous employment with their current Employer) shall be entitled as set forth below to paid sick leave at their current regular straight-time hourly rate for bona fide illness or injury.

6.02 Sick leave pay shall be accrued by an employee depending upon the number of straight-time hours worked, (including paid vacations and paid holiday hours) by the employee with his current Employer in each twelve (12) months as follows:

<u>Hours Worked</u>	<u>Hours of Sick Leave Pay</u>
1248 to 1679	24
1680 to 1999	32
2000 or more	40

6.03 Sick leave pay, to the extent it has been earned, shall begin on the third (3rd) working day of illness or injury or first (1st) day of hospital confinement, shall continue for each working day of illness or injury thereafter, and shall be in an amount per day equal to the average number of straight-time hours worked per day by the employee during the past twelve (12) months; provided 1) the daily total of sick leave pay under this Article and disability payments provided by the Health and Welfare Plan shall not exceed the contract rate for one (1) eight (8) hour day; and 2) not more than five (5) days' sick leave pay shall be required in any one (1) workweek. For purposes of this Article, disabling outpatient surgery will be treated as hospitalization.

6.04 Sick leave pay shall be cumulative from year to year, but not to exceed a maximum of one hundred and sixty (160) hours. Sick leave pay must be earned by employment with one (1) Employer.

6.05 A doctor's certificate or other authoritative verification of illness may be required by the Employer and, if so, must be presented by the employee not more than forty-eight (48) hours after return to work. If the employee is absent more than two (2) scheduled days, such verification must be presented prior to return to work, provided the Employer has given the employee reasonable advance notice.

6.06 Any employee found to have abused sick leave benefits by falsification or misrepresentation shall thereupon be subject to disciplinary action, reduction or elimination of sick leave benefits (including accumulated sick leave) and shall further restore to the Company amounts paid to such employee for the period of such absence, or may be discharged by the Company for such falsification or misrepresentation.

6.07 Sick leave may be used to supplement Workmen's Compensation to the extent it has been accumulated; however, the total of sick leave pay, disability payment under any Insurance Plan and the Workmen's Compensation benefits paid to an employee in any calendar week will not exceed the average earnings of that employee for the six (6) workweeks prior to his/her absence.

6.08 Family Leave: Employees shall be permitted family leave in accordance with RCW 49.12 on the same terms and conditions (including eligibility requirements) as provided in Section 6.01 through 6.07 above.

ARTICLE 7 - JURY DUTY

7.01 After their first year of employment, employees who are regularly employed twenty-four (24) hours or more per week who are called for service on a Superior Court or Federal District Court jury shall be excused from work for the days on which they serve and shall be paid the difference between the fee they receive for such service and the amount of straight-time earnings lost by reason of such service up to a limit of eight (8) hours per day and forty (40) hours per week; provided, however, an employee called for jury duty who is temporarily excused from attendance at court must report for work if sufficient time remains after such excuse to permit him to report to his place of work and work at least one-half (1/2) of his normal work day. Employees who have served a full day as juror, and who are scheduled to commence work after 5:00 p.m. shall not be required to report to work that day. In order to be eligible for such payments, the employee must furnish a written statement from the appropriate public official showing the date and time served and the amount of jury pay received. This clause shall not apply to an employee who volunteers for jury duty.

7.02 Witness Duty: Employees required to appear in court or in legal proceedings on behalf of their Employer during unscheduled hours, shall receive compensation at their regular straight-time hourly rate of pay only for the time spent in making such appearance, less any witness fees received. No other provision of this Agreement shall apply to this section.

7.03 If an employee is required to appear on behalf of his/her Employer during regular scheduled hours, he/she shall receive compensation at their regular straight-time hourly rate of pay for the time spent in making such appearance, less any witness fees. In this event, these hours will be considered compensable hours under the terms of this Agreement.

ARTICLE 8-HEALTHAND WELFARE

8.01 The Employer and the Union agree to be bound by the terms and provisions of that certain Trust Agreement creating the Sound Health & Wellness Trust initially executed June 18, 1957, and all subsequent revisions or amendments thereto, including the revision of January 25, 1990 and by all policies and other conditions of participation and eligibility, which may be established from time to time by the Trust's Plan Document, Summary Plan Description, and other pertinent rules, regulations, and Trustee actions. The Employer accepts as his representatives for the purpose of this Trust Fund, the Employer Trustees serving on the Board of Trustees of said Trust Fund and their duly appointed successors. The Employer and the Union also agree to be bound by the Health and Welfare Labor Agreement, effective May 2, 2010, by and between Allied Employers, Inc., and U.F.CW. Union Locals Nos. 21, 367, and 1439, U.F.CW. International (AFL-CIO), and Teamsters Union Local No. 38, and by all amendments thereto..

8.02 The Employer party to this Agreement shall continue to pay on a per compensable hour basis (maximum of one hundred and seventy-three (173) hours per calendar month per employee) into the Sound Health & Wellness Trust for the purpose of providing the employees with hospital,

medical, surgical, vision, group life, accidental death and dismemberment, weekly indemnity benefits, and dental benefits in accordance with the contribution rates and related provisions established by the separate Health and Welfare Agreement between Allied Employers, Inc., and various Local Unions dated April 1, 1977, and as subsequently amended.

8.03 The details of the benefit program including a description of exact benefits to be provided, and the rules under which employees and their dependents shall be eligible for such benefits, shall be determined by the Trustees of the Sound Health & Wellness Trust in accordance with the terms and provisions of the Trust Agreement creating the Trust, dated June 18, 1957, and as may be subsequently amended.

8.04 The contribution referred to shall be computed monthly and the total amount due for each calendar month shall be remitted in a lump sum not later than twenty (20) days after the last day of the month in which the contributions were earned.

8.04.1 Notwithstanding the foregoing section, the Board of Trustees of the Sound Health & Wellness Trust shall have the authority to establish and enforce a method for reporting contributions on an accounting period basis, rather than a calendar month basis. In such a case the one hundred and seventy-three (173) hour maximum shall be appropriately adjusted, as directed by the Trustees, provided that in no event shall the Employer's total obligation be different than what it would have been on a calendar month basis. Further, the total contributions due for each approved accounting period shall be remitted in a lump sum not later than twenty (20) days after the end of the accounting period.

8.05 The failure of an insurance carrier, medical service contractor, or the Trust, to provide the benefits specified in a policy, contract, or benefit plan sponsored by the Trustees, shall result in no liability to the Employer party to this Agreement or constitute a breach of any of the obligations which the Employer has undertaken in this Agreement.

8.06 The term "compensable hour" shall mean any hour for which any employee receives any compensation required by this Agreement.

8.07 Employer Contribution Rates:

Haggen agrees to be bound by the contribution rate(s), as increased or decreased, which will be established and agreed upon in the 2019 Retail Food Industry negotiations with the United Food and Commercial Workers Union under the Health and Welfare Labor Agreement, effective May 2, 2010, by and between Allied Employers, Inc., and U.F.C.W. Union Locals Nos. 21, 367, and 1439, U.F.C.W. International (AFL-CIO), and Teamsters Union Local No. 38, and by all amendments thereto. This shall include the redirection of contributions to the Sound Retirement Trust and to the variable annuity pension plan.

ARTICLE 9 - BEREAVEMENT LEAVE

9.01 When seniority is acquired, employees shall be allowed up to three (3) days off with pay for loss of their normal scheduled days of work during the three calendar days commencing with or immediately following the date of the death of an immediate member of their family. Immediate family shall be defined as spouse, son, daughter, mother, father, brother, sister, mother-in-law or

father-in-law, grandparents, step-children, grandchildren, current step-mother, current step-father, domestic partner or relatives residing with the employee. Bereavement leave will be paid only with respect to a workday on which the employee would otherwise have worked and shall not apply to an employee's scheduled day off, holidays, vacation or any other day in which the employee would not in any event have worked. Bereavement leave shall be paid for at the employee's regular straight-time hourly rate.

ARTICLE 10 - HOLIDAYS

10.01 The following shall be recognized as holidays with pay for regular full-time employees who have acquired seniority (for employees hired on or after December 3, 2010, the initial wait for holiday eligibility shall be six consecutive months): New Year's Day, Presidents' Day (third Monday in February), Memorial Day (last Monday in May), Independence Day, Labor Day (first Monday in September), Thanksgiving Day and Christmas Day. Employees with one (1) year of continuous service with the Employer shall receive three (3) personal days as paid holidays each year to be scheduled as mutually agreed. Employees shall give the Employer thirty (30) days' notice prior to the days requested as personal holidays. By mutual agreement between the Employer and employee, the employee may receive payment at the straight-time rate in lieu of such personal holidays in accordance with paragraph 10.02 of Article 10.

10.01.1 For employees hired after December 12, 2013: Employees with one year of continuous service with the employer shall receive one personal day, two personal days after two years, and three personal days after three years - to be scheduled as mutually agreed.

10.02 A regular full-time employee shall receive no reduction in his straight time weekly pay as the result of the holiday not worked, provided such employee works sometime during the week in which the holiday occurred and works his last scheduled working day preceding and his next scheduled working day immediately following the holiday. A part-time employee who averages twelve (12) hours or more per week shall be paid for the holiday on the basis of one-fifth (1/5th) of the employee's average hours worked per week in the four (4) weeks immediately preceding the holiday week, to a maximum of eight (8) hours, provided the employee works sometime during the holiday week and reports for work his next scheduled working day preceding and his next scheduled working day immediately following the holiday. An employee shall not be deprived of holiday pay if he is absent from work his last scheduled working day preceding and/or his next scheduled working day immediately following the holiday if he is unable to work such scheduled working day for one or more of the reasons specified below, provided that the employee has in all other respects qualified for pay for the holiday not worked, including the requirement to work sometime during the week in which the holiday occurs:

10.02.1 Illness or Accident: A doctor's certificate or other authoritative verification of illness may be required by the Employer and, if so, must be presented by the employee not more than forty-eight (48) hours after return to work. If the employee is absent more than two (2) scheduled days, such verification must be presented prior to return to work, provided the Employer has given the employee reasonable advance notice.

10.02.2 Temporary layoff.

10.02.3 Jury duty as defined in Article 7.

10.02.4 Bereavement leave as defined in Article 9.

10.02.5 Other absence from work approved by the Employer at his sole discretion.

10.03 For current employees, work performed on holidays shall be paid for at the rate of one and three-quarter (1-3/4) times the straight-time hourly rate in addition to holiday pay. Employees hired on or after December 3, 2010, shall be paid time and one half (1-1/2) the straight time wage rate for work performed on the holiday.

10.04 Work on Thanksgiving Day and Christmas Day shall be on a voluntary basis, however, if there are insufficient volunteers, employees shall be scheduled by inverse seniority.

ARTICLE 11 - VACATIONS

11.01 Vacation with pay shall be given employees on the plan of one (1) week after one (1) year of service, two (2) weeks after (2) years' service, three (3) weeks after five (5) years' service and four (4) weeks after twelve (12) years' service.

11.02 The amount of vacation pay, paid an employee, will be based upon their average compensable hours per week during the preceding year at straight time together with applicable premium for regularly scheduled overtime, Sunday, and night work. Work will be considered regularly scheduled if half the employee's hours were in the category, or if the employee worked half of the available time in the category during the twelve (12) months preceding their anniversary. For example, an employee would have Sunday premium added for the Sunday hours if they worked half of the available Sundays, and night premium added if half their hours were at night.

11.03 It is hereby understood and agreed that in computing hours of paid vacation for employees who regularly appear on the payroll for thirty-two (32) or more hours per week, the terms of Section 11.01 and 11.02 of this Article shall be applied so that working time lost up to a maximum of one hundred sixty (160) hours due to temporary layoff, verified cases of sickness or accident, or other absence from work approved by the Employer (in addition to vacation and holiday time-off earned and taken by the employee) shall be counted as time worked.

11.04 Employees, who average twenty (20) hours or more per week, who terminate or are terminated (discharge for dishonesty excepted) after the first or any subsequent anniversary date of their employment prior to their next anniversary date of employment, shall be entitled to vacation pay at their hourly rate based upon the number of hours worked since the last anniversary date of their employment at the following rates for each full one hundred (100) hours worked: After the first (1st) to the fifth (5th) anniversary date, four (4) hours' vacation pay; after the fifth (5th) to the twelfth (12) anniversary date, six (6) hours' vacation pay; after the twelfth (12) anniversary date, eight (8) hours' vacation pay.

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

11.06 Employees whose vacations are scheduled during a holiday week shall receive holiday pay provided for under the terms of Article 10 of this Agreement in addition to vacation pay.

11.07 The Employer agrees to pay earned vacation pay prior to vacation if requested by the employee on a timely basis.

11.08 All vacations shall be scheduled by seniority and all weeks of vacation may be taken separately or consecutively (up to 3 weeks) at the sole discretion of the employee.

ARTICLE 12 - GENERAL CONDITIONS

12.01 The Employer shall bear the expense of furnishing and laundering aprons, shop coats and smocks, for all employees under this Agreement. If an Employer requires employees to wear uniforms or other types of apparel, the Employer shall bear the expense of furnishing a minimum of three (3) per employee. Where the apparel is of a drip-dry fabric, the employee shall launder his or her own. Worn or damaged uniforms shall be replaced in a timely manner. The Employer shall bear the expense of sharpening of all tools.

12.02 The Employer agrees to display the Union Card of the United Food and Commercial Workers International Union which is the property of the Union and cannot be sold and may be withdrawn for violation of this Agreement. Where no contract is signed, the Union Shop Card shall be considered as this Agreement.

12.03 Union members shall not be expected to perform acts contrary to accepted Union principles.

12.04 Members of the Union shall be free to accept employment in any market when to their benefit to do so. No one shall be discriminated against for upholding lawful Union principles. No individual agreement may be made between Employer and employee.

12.05 In order that the Business Representative of the Union shall not interfere with the work of the men, any employee being in arrears in the payment of Union dues shall be required to give his consent in writing to the Employer before any of his wages may be turned over to the Union or its officers in payment of such dues.

12.06 The jurisdiction of Local No. 367 covers, on an as-needed-basis, the cutting, handling, pricing and sale of all meats, fish, poultry and rabbits in the area covered by this Agreement in either service or self-service markets.

Items currently considered Meat Department items shall continue to be considered Meat Department items, and new items of a like nature whether fresh, frozen, pre-cut, pre-priced, etc. shall be within the jurisdiction of Local No. 367 as described above regardless of where they may be offered for sale in the store.

12.07 Employees relieving others for lunch and using their own cars shall be paid at the current local federal car allowance rate.

12.08 Required store meetings shall be paid for at the straight-time hourly rate, and shall be considered time worked for the purpose of computing weekly overtime in accordance with the provisions of the Agreement. Article 2.01, 2.02, and 2.03 shall not apply to this provision.

12.08.1 Employees required to attend such meetings on their day off, or who have been called back after an hour of off-duty time shall receive a minimum of a two (2) hour call-in for such meetings.

12.09 It is expressly understood that employees receiving more than the minimum compensation or enjoying more favorable working conditions provided for in this Agreement, shall not suffer by reason of signing or adoption; however, the terms of this Agreement are intended to cover only minimums of wages and other employee benefits. The Employer may place superior wages and other employee benefits in effect and reduce the same to the minimum herein prescribed without the consent of the Union.

12.10 The Employer shall be responsible for payment of all hours worked, and an employee shall only work those hours specifically authorized by the Employer. Accordingly, it is intended that there shall be no "free or time-off--the-clock" work practices under this Agreement. Any employee found by the Employer or the Union to be engaging in such practice shall be subject to discipline, which may include termination.

12.11 The appendices and side letters attached to this Agreement are a part of the Agreement. This Agreement is modified in certain respects (including dues check-off, trust contributions, vacation, lead clerks, self-service deli, exemptions, drug program and probationary period) by the Top Foods Addendum and New Stores Agreement negotiated between area UFCW Local Unions Safeway Inc., d/b/a Haggen.

12.12 Drug Testing: The Employer may require the employee to submit to a legally recognized drug or alcohol test at the Employer's expense if the Employer has reasonable grounds to believe the employee is under the influence of alcohol or drugs. Reasonable grounds will not be required for drug or alcohol testing when an employee suffers an on-the-job injury. An employee who tests positive shall be entitled to have a second test performed using a different disclosure method to verify the accuracy of the test results. Time spent in such testing shall be on Company time; however, any employee refusing to submit to a drug or alcohol test shall be taken off the clock effective with the time of the Employer's request. An employee who refuses to take a drug or alcohol test upon request shall be subject to termination.

ARTICLE 13 - SENIORITY, LAYOFFS AND DISCHARGE

13.01 Seniority shall prevail in layoffs for all employees after working four hundred thirty-five (435) compensated hours within a one hundred fifty (150) consecutive calendar day period or a consecutive twenty-one (21) week period. Once an employee has worked four hundred thirty-five (435) compensated hours in one hundred fifty (150) calendar days or twenty-one (21) weeks, his or her seniority will date back to the date the one hundred fifty (150) calendar days or twenty-one (21) weeks began. An employee's seniority date shall also be considered their anniversary date for all purposes under this Agreement. Each Employer shall have the option, on a company-wide

basis, of applying either the one hundred fifty (150) consecutive calendar day period or a twenty-one (21) consecutive week period under this section. The seniority status of employees hired on the same day shall be determined by the Employer, with notification to the Union.

13.01.1 Service Counter employees shall attain seniority after ninety (90) calendar days with the Employer.

13.01.2 In the event of layoff, the last employee hired shall be the first laid off, and the last employee laid off shall be the first rehired; provided, that qualifications are equal, that the employee is available, and reports for work within twenty-four (24) hours following receipt of notification to report for work.

13.01.3 Seniority shall be broken and the employee's service shall be terminated for the following reasons:

- a. Voluntary quit;
- b. Discharge in accordance with sections 13.02 and 13.02.1;
- c. Absence caused by a layoff in excess of six (6) months;
- d. Absence caused by an illness or non-occupational injury of more than nine (9) months unless a longer period is mutually agreed upon between the Employer and the Union;
- e. Absence caused by an occupational injury of more than eighteen (18) months unless a longer period is mutually agreed upon between the Employer and the Union;
- f. Failure to return from a leave of absence in accordance with Article 14.

13.01.4 There shall be established three (3) separate seniority groups: 1) Journeyperson, Meat Cutters and Apprentice Meat Cutters; 2) Wrappers; 3) Service Counter Employees.

- a. Wrappers desirous of promotion to Apprentice Meat Cutter status shall make their desires known to the Company, in writing, and such employees 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.
- b. A Wrapper promoted to Apprentice Meat Cutter shall have a ninety (90) 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 as a result of promotion to Apprentice Meat Cutter; i.e., the Wrapper rate of pay shall apply until such time as the Apprentice rate exceeds the Wrapper rate, at which time the Apprentice rate shall apply.
- c. Service Counter employees desirous of promotion to Wrapper or Apprentice Meat Cutter shall make their desires known to the Company, in writing, and such employees 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.

d. A Service Counter employee promoted to Wrapper or Apprentice Meat Cutter shall have a ninety (90) 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 Service Counter employee as a result of promotion to Wrapper, or Apprentice Meat Cutter; i.e., the Service Counter employee rate of pay shall apply until such time as the Wrapper/Apprentice rate exceeds the Service Counter rate, at which time the Apprentice rate shall apply.

e. When a Wrapper is promoted to an Apprentice Meat Cutter and/or a Service Counter employee is promoted to a Wrapper, the length of service as a Wrapper and/or Service Counter employee shall be counted in their seniority.

13.01.5 Journeymen promoted to Head Meat Cutter shall not lose their seniority status. Seniority shall not apply in the selection of Head Meat Cutter.

13.01.6 For the purpose of the above paragraphs of this Article, seniority shall prevail on a company-wide or a company-district basis within the jurisdiction of this Agreement; except as provided in Section 13.03; provided, where an employee is transferred to a different area with the same Employer within the geographic jurisdiction covered by the Collective Bargaining Agreement between the Employer and United Food and Commercial Workers Local Unions, No. 21 and 367, the transferred employee shall retain all seniority rights with the Employer but shall not be entitled to exercise such rights until the expiration of six (6) months after the date of transfer, at which time his or her seniority shall be based upon the original seniority date with the Employer, regardless of area. However, during such period of six (6) months the transferred employee shall accrue seniority rights in the new area from the date of transfer and shall retain all seniority rights in the area from which he or she was transferred. Such transfers shall be by mutual agreement between the Employer and employee. The affected Local Unions shall be notified of such transfers.

a. If the transferred employee is laid off in the new area (prior to the six (6) month period) he or she shall have the option of either remaining on layoff in the new area or returning to original area in accordance with his or her seniority. The option to return to the original area must be exercised, in writing to the Employer, within two (2) weeks of layoff in the new area or this option is waived and no longer applicable. A reduction of weekly hours shall not be considered a layoff.

b. If the transferred employee has acquired seniority in the new area, is laid off (prior to the six (6) month period) and returns to the original area, his or her seniority in the new area shall not apply until recalled.

c. If the transferred employee is recalled to the new area, he or she shall then have the option of returning to the new area or remaining in the original area; provided:

1. If the employee chooses not to accept recall to the new area, all seniority rights in that area are forfeited.

2. If the employee chooses to accept recall to the new area, the total accumulated time since the original transfer date shall apply to the six (6) month period.

d. Once the six (6) month period is completed, in accordance with the above, the employee shall be considered transferred and shall have no right to return to the original area.

13.02 The Employer reserves the right to discharge or discipline any person for just cause.

13.02.1 After an employee has been continuously employed for a period of three (3) months, the Employer shall give the employee one (1) written warning, with a copy to the Union, prior to discharge, except in cases of discharge for drunkenness, dishonesty or other just cause. A warning notice shall not remain in effect for a period of more than six (6) months.

13.02.2 In order for the Employer to have ample time in which to properly evaluate the performance of an employee, it is hereby agreed that the Employer has ninety (90) calendar days after the initial date of employment in which to evaluate that employee for continued employment. Within said ninety (90) calendar day period, the Employer may terminate the employee without recourse from the Union. This ninety (90) day period shall be extended by the amount of time the employee is absent from or unavailable for work due to medical reasons during the probationary period. The Employer must notify both the employee and the Union in writing, prior to the completion of the probationary period, of their intent to extend the probationary period.

13.03 Seniority for Service Counter employees shall be applied on an individual store basis, (it was agreed that scheduling of hours would continue in the same manner except on an individual store basis), provided further, where, on an individual store basis, there is a reduction in the number of employees who hold seniority within the Service Counter employee classification, the affected employee so reduced may displace the most junior employee of the Employer in the same classification within the geographical jurisdiction covered by this Agreement, provided qualifications and ability are equal. A layoff is defined as two consecutive weeks that an employee is not shown on the weekly work schedule. In the event of a store closure, the affected employees shall be considered laid off at the time of the closure.

13.04 Employees laid off, in one seniority group shall be given the opportunity to accept a permanent vacancy in a lower seniority group before hiring a new employee for such vacancy.

13.04.1 If the laid off employee accepts the vacancy, he shall be considered as a new employee in such seniority group including probationary period, seniority, and wages, but shall retain his seniority in the seniority group from which he was laid off for six (6) months as provided in Section 13.01.2. The laid off employees shall retain their length of service with the Company for purposes of vacations, sick leave, leave of absence, and jury duty. If the laid off employee remains in the new seniority group for six (6) months, he shall then retain his original seniority date.

13.04.2 If the laid off employee is recalled to a permanent vacancy in the seniority group from which he was laid off, he shall have the option of returning to his original seniority group, at which time he shall relinquish all seniority rights in the new seniority group or remain in the new seniority group, at which time he shall relinquish all seniority rights in the original seniority group.

ARTICLE 14 - LEAVE OF ABSENCE

14.01 Regular employees with one (1) year or more of continuous service shall be entitled to a leave of absence without pay for the following bona fide reasons:

14.01.1 Illness or non-occupational injury which requires absence from work;

14.01.2 Pregnancy;

14.01.3 Serious illness or injury in the employee's immediate family; and

14.01.4 When one of the reasons above is given for the requested leave of absence, the employee will, upon request from the Employer, provide the Employer with a doctor's verification.

14.02 Leaves for personal reasons may be granted by agreement between the Union, the Employer and the employee regardless of length of service.

14.02.1 Union stewards may be granted up to two (2) unpaid days off per calendar year to attend Union functions. Only one (1) shop steward per store location may be granted this time off.

14.02.2 Upon request of the Union, leaves of absence without pay for Union business not to exceed nine (9) months may be granted by the Employer to employees regardless of length of service.

14.03 Any request for a leave of absence under the terms of Section 14.01 and 14.02 shall be in writing and state the following information:

14.03.1 Reasons for such request;

14.03.2 Date leave is to begin; and

14.03.3 Date of return to work.

14.04 Any leave of absence with the exception of Section 14.01.3 may run to a maximum of nine (9) months unless a longer period is mutually agreed upon between the Employer and the Union.

14.05 Leaves due to occupational injuries shall be granted for a period up to eighteen (18) months unless a longer period is mutually agreed upon between the Employer and the Union.

14.06 The employee must be able to resume his regular duties upon return to work from an approved leave of absence.

14.07 Any employee who fails to return to work at the end of a leave of absence shall be terminated.

14.08 The Employer shall give to the employee, with a copy to the Union, a letter stating all of the conditions agreed upon for such leave of absence.

ARTICLE 15 - GRIEVANCE PROCEDURE

15.01 All matters pertaining to the proper application and interpretation of any and all of the provisions of this Agreement shall be adjusted by the accredited representative of Safeway Inc., d/b/a Haggen and the accredited representative of the Union. In the event of the failure of these parties to reach a satisfactory adjustment within fifteen (15) calendar days, the matter shall be referred for final adjustment to a Labor Relations Committee selected as follows: Two (2) members from the Employer and two (2) members from the Union, and the decision of this Committee shall be final and binding. In the event the Labor Relations Committee fails to reach an agreement within fifteen (15) days, the moving party must, within seven (7) days thereafter, refer the grievance to arbitration by written notice to the other party.

When selecting an arbitrator, the parties shall take turns striking names off the list of the following permanent panel:

- | | |
|-------------------------|---------------------------|
| 1. Gary L. Axon | 8. Tom Levak |
| 2. Howell Lankford | 9. Shelly Shapiro |
| 3. Michael E. Cavanaugh | 10. Martin Henner |
| 4. Joseph W. Duffy | 11. Timothy D.W. Williams |
| 5. Ron Miller | 12. Alan Krebs |
| 6. Jane R. Wilkinson | 13. James Paulson |
| 7. Kathryn R. Whalen | |

The arbitrator's Decision and Award shall be final and binding upon both parties to this agreement and shall be rendered within thirty (30) days from the close of the arbitration hearing or the arbitrator's receipt of the post-hearing briefs, whichever is later. If the arbitrator does not render his decision within said thirty (30) days, neither party will be required to compensate the arbitrator. Payment of the arbitrator's fee shall be borne by the losing party. The parties agree that the arbitrator has the authority to determine appropriate proration of this cost in the event of a split decision and award. The arbitrator should be made aware of the requirements of this provision at the time of selection. The Labor Relations Committee as thus constituted shall have no power to add to, subtract from or change or modify any provisions of this Agreement, but shall be authorized only to interpret existing provisions of this Agreement as they apply to the specific facts of the issue in dispute.

15.01.1 In cases where it is concluded that an employee has been improperly discharged, the arbitrator may reinstate the improperly discharged employee. The arbitrator may not

render an award which requires the Employer to pay an improperly discharged or suspended employee for time that the employee has not actually worked in excess of the wage and benefits the employee would have earned had he worked his normal schedule during the one hundred and eighty (180) calendar days immediately following the date of discharge or suspension. The parties confirm that the above is a hard cap with no exceptions.

15.02 During the process of making adjustments under the rule and procedure set forth in paragraph 15.01 above, no strike or lockout shall occur.

15.03 No grievance or claim of violation of this Agreement shall be recognized unless presented in writing within thirty (30) days of the date of the occurrence causing the complaint or grievance, except in case of discharge which must be presented within fifteen (15) days; otherwise, the right to protest shall be deemed to have been waived. During the process of making adjustment under the rule and procedure set forth in paragraph 15.01 above, no strike or lockout shall occur. In the event the claim is one for additional wages, any such claim shall be limited to additional wages, if any, accruing within the ninety (90) day period immediately preceding the date upon which the Employer received notice in writing of the claim.

15.04 The payment of any wages computed at a lower rate than herein provided shall constitute a violation of this Agreement, as will any agreement or release or waiver contravening the spirit and condition of this Agreement. However, no claim arising under this Agreement shall be recognized unless presented in writing to the Employer or his representative within thirty (30) days of its first occurrence.

15.05 The Union agrees that should it enter into any agreement with an individual Employer or group of Employers to provide wages or working conditions more favorable to the Employer than are included in this Agreement, such more favorable wages and working conditions shall automatically be included in this Agreement.

ARTICLE 16 - SEPARABILITY

16.01 If any Article or paragraph of this Agreement should be held invalid by operation of law or by any tribunal of competent jurisdiction, the balance of this Agreement shall continue in full force and effect. The Article or paragraph held invalid shall, upon a sixty (60) day written notice by either party, be renegotiated for the purpose of an adequate replacement.

ARTICLE 17 - NON-DISCRIMINATION

17.01 The parties to this Agreement acknowledge their responsibilities under Title VII of the Civil Rights Act of 1964 and do hereby agree not to discriminate on the basis of race, color, religion, sex, age, national origin, honorably discharged veterans or military status, sexual orientation, of the presence of any sensory, mental or sensory disability.

17.02 Where the masculine or feminine gender has been used in any provision of this Agreement, it is used solely for the purpose of illustration and shall not in any way be used to designate the sex of the employee eligible for the position or the benefits or any other provisions.

ARTICLE 18 - WORKPLACE SAFETY

18.1 Safety Committees will be held in accordance with applicable laws. Upon request, the Employer will notify the Union when the Safety Committee will meet. Minutes of the Safety Committee meetings will be posted or made otherwise available for review.

18.2 In addition to the store level safety committees, the Employer and the Unions will jointly set up a Master Safety Committee, made up of (2) members from each Union (UFCW Local 21, UFCW Local 367, and Teamsters Local 38), and up to an equal number of members from the Company. If necessary to address certain issues at a workplace either party may invite guests, with prior approval of the committee.

The Master Safety Committee will meet periodically, and no less frequently than once per quarter, to review workplace safety matters. The parties will discuss and work toward resolving safety issues in the workplaces.

In addition, the Company and the Union agree that they will continue to discuss and jointly address safety related issues and/or questions about the Company's safety program in good faith.

18.3 The Company agrees that it shall provide safety training in accordance with the law and its policies as necessary. In addition, the store safety committees may recommend training subjects and those recommendations will be considered and acted upon by the Master Safety Committee.

18.4 The parties agree that no party shall retaliate against any employee for bringing forward safety issues.

18.5 Nothing in this article shall be interpreted to diminish the Employer's rights/obligations or employee rights/obligations under applicable laws or current Company practices and policies.

18.6 The Company and Union agree that the Employer is responsible for maintaining a sound safety program and employees are responsible for adhering to the safety program.

ARTICLE 19- DURATION OF AGREEMENT

18.01 19.01 This Agreement shall be effective from May 5, 2019, through May 7, 2022, and shall continue in full force and effect from year to year thereafter, unless either party serves written notice of desire to amend or terminate not later than sixty (60) days prior to May 4, 2019, or any anniversary thereafter.

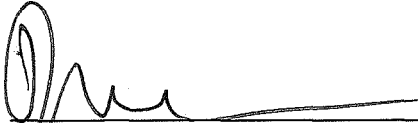
18.02 19.01 If any owner or Employer hereunder sells, leases or transfers his business or any part thereof, whether voluntary, involuntary or by operation of law, it shall be his obligation to advise the successor, lessee or transferee of the existence of this Agreement and shall be obligated to retain the employees with their seniority intact and shall assume all other obligations of this Agreement including but not limited to all of the obligations owing for the fringe benefits, Health and Welfare, Prescription Drug, Dental and Pension Trusts.

Safeway Stores, Inc., d/b/a Haggen
Wage & Working Agreement
5/19- 5/7/22

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UNITED FOOD & COMMERCIAL
WORKERS UNION LOCAL NO. 367

Safeway Inc., d/b/a/ Haggen


Derrick Anderson
VP Haggen

7/6/22
Date

Michael Hines President

Date

LETTER OF UNDERSTANDING #1
DESIGNATION OF UNION REPRESENTATIVE

This is to confirm that during the recent negotiations the employers confirmed the Union's right to designate their Union Stewards. The parties also agreed that such designation of authority or responsibility shall not interfere with the normal performance of the employee's work.

LETTER OF UNDERSTANDING #2
DOCTOR'S NOTE

The Employers agree that they will not automatically require doctor's notes when employees call in sick.

LETTER OF UNDERSTANDING #3
DUES CHECK-OFF

1. Add initiation and uniform dues through payroll deduction as follows:
 - a. On a weekly basis, the Employer agrees to deduct uniform dues and initiation fees from the paycheck of those covered employees whose individual written unrevoked authorizations are on file with the Employer and to transmit the amounts so deducted to the Union monthly. Said deduction authorizations shall be in such form as to conform with Section 302(c) of the Labor Management Relations Act of 1947.
 - b. Authorized initiation fees will be deducted in three (3) equal installments and remitted to the Local Union monthly.
 - c. It is understood the Employer is not liable in any manner if the employee is not on the payroll at the time deductions are being processed.
 - d. Indemnify and Hold Harmless: The Union shall indemnify and hold the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company in reliance upon signed authorization cards :furnished to the Company by the Union or for the purpose of complying with any of the provisions of this Letter of Understanding.
2. The involved Employer shall be granted a reasonable period to adopt administrative and payroll procedures to accommodate this agreement.
3. Active Ballot Club - For employees who voluntarily authorize a contribution to the UFCW Active Ballot Club political action committee, the Employer agrees to deduct the authorized amount each payroll period on a payroll deduction basis and forward same to the union monthly.

LETTER OF UNDERSTANDING #4
SCHEDULING

This Agreement is to confirm the resolution of a dispute that has arisen between UFCW Local 81 and Fred Meyer, Inc., over the proper method of scheduling meat cutters and meat Wrappers. The dispute concerned the proper application of three prior unpublished arbitration awards: Food Industry, Inc. and A.M.C. Local 81 (Peck, 1966), Allied Employers, Inc. and A.M.C. Local 81 (Gillingham, 1970), and Olson's Foods, Inc. and UFCW Local 44 (Tinning, 1995). The parties agree to resolve their dispute as follows:

The Employers agree that the Tinning decision is null and void and that Meat scheduling must be carried out according to the Peck and Gillingham decisions (daily seniority) as per the practice in the industry over the last three decades. In consideration for that agreement, the Unions agree that the Employer may schedule meat department employees for forty hours per week Sunday through Saturday (instead of Monday through Saturday).

Because the involved language is identical to language in several other labor agreements in Western Washington, and given that the parties to those agreements agree that this is a fair and proper resolution of the dispute, it is the intent of all parties below that this Agreement shall apply to each of the labor agreements listed in Attachment A.

AGREED this 23rd day of April, 2001.

UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL 81

Safeway Inc., d/b/a Haggen

By (s) Michael J. Williams

UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL 367

By (s) Teresa M. Iverson

UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL 44

By (s) Michael P. Hatfield

LETTER OF UNDERSTANDING #5
SCHEDULED DAYS OFF

When an employee requests a day off in advance of the schedule being written and the request is granted, the Employer will endeavor to work with the employee so that there is not a reduction in hours because of the request. (This LU shall not be subject to the grievance procedure).

LETTER OF UNDERSTANDING #6 GRIEVANCE PROCEDURE

All parties would benefit from a dispute resolution procedure that is both more timely and more efficient. To that end, the parties agree to the following:

1. All disputes that are resolved at the store level (whether a formal grievance has been filed or not) shall be on a non-precedent basis (unless otherwise expressly stated in writing) and shall not be used by any party in any other situation or procedure regarding another employee or union agent and any manager or supervisor at the store or regional level.
2. The parties should strive to share factual details regarding a grievance (or pre-grievance issue) as early as possible in the process. The filing party should provide as much detail as possible in the original grievance or soon thereafter. The responding party should provide as much detail as possible with its response. This will allow both parties to more effectively investigate and assess the grievance and hopefully resolve the matter short of needing an in person grievance meeting.
3. Written warnings need not be processed beyond the union filing a grievance in order to preserve the union's right to challenge the warning if it is used as progressive discipline in the future.

LETTER OF UNDERSTANDING #7
OPTIONAL VOLUNTARY BUYOUT

The parties agree that the Employer may offer voluntary buyout opportunities to employees at any time(s) during the term of this agreement. In the event such voluntary buyouts are offered during the term of this agreement, the Company agrees to provide advance notice to the Union concerning the buyout components, the terms of the offer(s), and the timing of any offering(s), and to allow the Union to attend employee meetings regarding this issue.

LETTER OF UNDERSTANDING #8
INVESTMENT IN WORKFORCE DEVELOPMENT WETRRAIN NON-PROFIT

The employers and unions agree to a Joint Committee on Workforce Development.

The employer and unions will utilize the committee as described below:

1. The Joint Committee will work towards the establishment of a training program to meet the needs of future staff.
2. The committee will have an equal number of union and employer representatives.
3. Joint Committee will meet quarterly.
4. The Joint Committee will seek new funding streams.
5. All members of the Joint Committee will cooperate in order to meet requirements of grants, when reasonable and makes business sense to do so.
6. Each signatory employer will contribute to the WeTrain program \$500 per graduated worker who either (1) get pre-approval from the employer to take the training and works for the employer at the time of graduation; or (2) is hired by the employer within 6 months of graduation, provided the employee provides notice of the graduation prior to being hired. This amount will be paid in aggregate for all employers up to \$300,000, matching a one-time seed contribution from UFCW 21 of \$300,000 and \$9,500 from Teamsters 38.
7. The bargaining parties agree to allow the joint committee to address future funding needs during the term of the agreement.

Nothing herein is intended to diminish work preservation rights the unions have under existing contractual provisions of law.

LETTER OF UNDERSTANDING #9
BENEFITS FOR WORKERS WITH DISABILITIES

For employees with disabilities who are also covered by Medicaid/SSI Disability (definition as determined by the trustee and restricted by Medicaid/SSI (definition as determined by the trustees) rules in their ability to work enough hours qualify for life insurance or vacation pay under the normal contract rules, the parties agree to the following provisions that will only apply to these employees:

1. The Parties agree to request that the Trustees of the Sound H&W Trust Fund develop rules which will result these employees being eligible for a life insurance benefit similar to that offered to other qualified participants of the Fund, and;
2. The Employers agree that for any of these employees who work less than the annual hours required hours earn a normal vacation benefit under the contract (currently less than 800 hours per year), the Employer shall pay pro-rated vacation pay to these employees based on the yearly schedule outlined in the contract and based on the actual number of hours worked in the prior anniversary year, divided by 2080 hours. (For example, employee who only works 700 hours in their anniversary year and would otherwise not be eligible for vacation pay, would be paid 13.46 hours per week of vacation earned.)

LETTER OF UNDERSTANDING #10
JOINT LABOR MANAGEMENT COMMITTEES

Electronic Schedules: The parties agree to establish a Joint-Labor Management Committee to consider the Union's propo regarding the providing of electronic schedules.

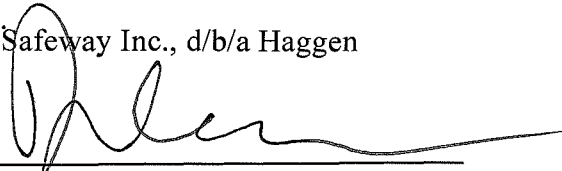
New Hire Orientation: The parties agree to establish a Joint Labor-Management Committee to consider the Union's propo regarding new employees orientation if Right to Work is passed.

Safeway Stores, Inc., d/b/a Haggen
Wage & Working Agreement
5/19- 5/7/22

The parties hereby agree to the following Letters of Understanding:

- | | |
|-----------------------------|--|
| LETTER OF UNDERSTANDING#1: | Designation of Union Representative |
| LETTER OF UNDERSTANDING #2: | Doctor's Note |
| LETTER OF UNDERSTANDING #3: | Dues Check-Off |
| LETTER OF UNDERSTANDING #4: | Scheduling |
| LETTER OF UNDERSTANDING#5: | Scheduled Days Off |
| LETTER OF UNDERSTANDING#6: | Grievance Procedure |
| LETTER OF UNDERSTANDING #7: | Optional Voluntary Buyout |
| LETTER OF UNDERSTANDING #8 | Investment in Workforce |
| LETTER OF | Benefits for Workers with Disabilities |
| UNDERSTANDING #9 | Joint Labor Management Comm. |
| LETTER OF | |
| UNDERSTANDING #10 | |

Safeway Inc., d/b/a Haggen



Derrick Anderson VP Haggen

Date



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UFCW Union Local No. 367
6403 Lakewood Drive W
Tacoma, WA 98467

Michael Hines, President

Date