

9/1/22 - 12/31/25

THE VALU DRUG COMPANY
WAGE AND WORKING AGREEMENT

This Agreement is mutually made and entered into by and between The Valu Drug Company, hereinafter referred to as the "Employer", and the United Food and Commercial Workers Union Local No. 367 of Tacoma, Washington, chartered by the United Food and Commercial Workers International Union, AFL-CIO & CLC, hereinafter referred to as the "Union".

SECTION 1
Jurisdiction and Union Security

1.01 The employees under the jurisdiction of the Union are those employees of the Employer engaged in selling merchandise, office work and stock room work. Those employees exempt from the Union's jurisdiction are: the owner(s) and/or manager (with the understanding that not more than two (owner(s) and one "manager" will be exempt at one time, supervisors and confidential employees as defined by the Act of 1947, employees covered under other collective bargaining agreements, employees hired for the Christmas season which is defined as the period November 15 to January 1, (employees retained after January 1 will be considered as bargaining unit employees effective January 1), and other exemptions agreed upon between the parties in writing.

1.02 The Employer recognizes the Union as the sole collective bargaining agent for its employees coming under the Union's jurisdiction.

1.03 All employees not holding membership in the Union at the time of their employment shall become and remain members of the Union thirty-one (31) days from the date of their employment as a condition of their continued employment.

1.04 The Employer agrees not to keep in his employ those under the Union's jurisdiction whose membership in the Union has been terminated because of failure to tender periodic dues or initiation fees, uniformly required as a condition of acquiring or retaining membership in the Union.

1.05 All employees failing or refusing to secure or retain membership in the Union as provided above shall, upon written demand of the Union, be released from the employ of the Employer.

1.06 Any person or persons operating but not owning a permanent concession (in Union Store) in which no salespeople are employed shall be members of the Union.

1.07 The Employer agrees to furnish the Union and each employee a notice outlining the provisions of Section 1. The original of such notice shall be delivered to the Union and the first copy to the employee not later

than fifteen (15) days following the date of employment. This form shall be supplied by the Union.

**SECTION 2
Hours of Work**

- 2.01 Forty (40) hours per week, consisting of five (5) days of eight (8) consecutive hours each (exclusive of a lunch period) shall constitute the maximum straight time work week.
- 2.02 All time worked in excess of eight (8) hours per day, forty (40) hours per week or on the sixth (6th) day in any one week (Monday through Saturday) shall be paid for at the rate of time and one-half (1-1/2).
- 2.03 All work performed on Sunday shall be paid at the rate of one and one-half (1-1/2) times the employee's regular rate of pay.
- 2.04 Employees shall not be permitted to take time off in lieu of receiving overtime pay.
- 2.05 Bona fide students employed while attending school during a regular school term (which does not include vacations unless otherwise agreed) may work six (6) days per week at straight time. This may be done only by written agreement between the Employer, the affected employee and the Union.
- 2.06 The Employer has the right to schedule the employee's day off. Before any change is made in an employee's days off schedule, notice of such change shall be given in the prior week except in case of emergency, or where the change is mutually agreed upon by the Employer and the affected employee.
- 2.07 All employees shall be placed on a schedule of hours which shall be posted by the close of business the Thursday preceding the start of the work week. There shall be no change in the work schedule except in cases of emergency or where the change is mutually agreed upon by the Employer and the affected employee.
- 2.08 An "emergency" is an unusual or abnormal condition beyond the Employer's control and a condition beyond his reasonable power to remove or overcome.
- 2.09 All employees called or scheduled to work shall be guaranteed four (4) hours' work or equivalent compensation if such employee has four (4) hours' time available.
- 2.10 All hours of employment shall be consecutive, except for rest periods and meal periods. Employees shall continue to properly serve the trade in the store at the time of closing

**SECTION 3
Holidays**

3.01 Holiday pay shall be given to eligible employees for the following holidays:

New Year's Day (January 1)
President's Day (3rd Monday in February)
Memorial Day (last Monday in May)
Independence Day (July 4)
Labor Day (1st Monday in September)
Thanksgiving Day (4th Thursday in November)
Christmas Day (December 25)
One (1) Personal Holiday

3.02 If any of the above-named holidays fall on Sunday, the following Monday shall be substituted as the holiday.

3.03 The personal holiday shall be taken at any time mutually agreeable to the Employer and the employee.

3.04 To be eligible for holiday pay, an employee shall have worked his last scheduled workday before, and his first scheduled workday following, such holiday, provided that the employee has worked within the seven (7) calendar days preceding the holiday or within seven (7) calendar days following the holiday. The Employer may waive any of the foregoing requirements.

3.05 Any employee who does not qualify for a holiday because he did not work his last scheduled workday before the holiday and/or his first scheduled workday following the holiday, because of illness or accident, shall be excused from such requirement as the result of such illness or accident, upon giving his Employer a true and satisfactory explanation of such illness or accident.

3.06 An Employer may request, but may not require, an employee to work on a contract holiday. If an employee works on a contract holiday, he shall be paid at the rate of time and one-half (1- 1/2) and shall receive in addition thereto his contract holiday pay.

3.07 Holiday pay for hourly employees shall be computed based on the average number of hours worked per day during the employee's last eight (8) weeks or since date of hire, whichever period is the shorter. Holiday pay for hourly employees will be paid at their current hourly rate. Any employee who works five (5) days in a week, in which any of the above-named holiday's fall, shall receive six (6) day's pay at the straight-time rate.

3.08 When a holiday falls during an employee's vacation, his vacation shall be extended by one (1) day or he may be paid an extra day's pay if he does not take the time off.

3.09 If an employee works on a contract holiday, he shall be paid at the rate of time and one-half (1-1/2) and shall receive in addition thereto his contract holiday pay. Work on any and all holidays shall be offered based on the employee's seniority. In the event the Employer is unable to fill the work schedule, then the Employer shall have the right to schedule by inverse seniority.

3.10 Any employee laid off a day prior to or the day following any of the said holidays shall receive his regular holiday pay, provided he would otherwise be entitled to such pay.

SECTION 4

Vacations

4.01 All employees shall receive two (2) weeks' vacation with pay after one (1) year's continuous service with an Employer. All employees shall receive three (3) weeks' vacation with pay after seven (7) years* continuous service with an Employer. All employees shall receive four (4) weeks' vacation with pay after ten (10) years' continuous service with an Employer. All employees shall receive five (5) weeks' vacation with pay after eighteen (18) years' continuous employment.

4.02 Vacations may be taken at any time during the year at such times as shall be mutually agreed upon between the Employer and the affected employee, giving due regard to the Employer's seasonal requirements and other employees on vacation. Employees shall be permitted to take up to fifty percent (50 %) of their accrued annual vacation on a single or multiple day basis in less than weekly increments.

4.03 Employees may be permitted to take vacation weeks consecutively, but with the clear understanding that this is not to interfere with the Employer's right to determine the number of employees in a given department, if any, who can be on vacation in any particular week.

4.04 Preference of vacation dates shall be determined by seniority with an Employer, provided such precise vacation dates are requested by May 1 of each year.

4.05 Vacation pay for hourly employees shall be computed by averaging their total compensable hours in their most recent anniversary year, applying them to the vacation schedule and multiplying by the rate of pay in effect at the time the vacation is taken. Vacation pay must be paid at the time the employee leaves the store to go on vacation.

4.06 Time loss from employment because of illness or accident (not in excess of seven (7) days each year),

holidays and vacation shall be considered as time worked for the purpose of computing paid vacations.

4.07 If, after one (1) or more years' service, the employee's services are terminated, he shall be paid for vacation time earned on a prorata basis of one (1) day for each five (5) weeks' work for which vacation time has not been paid or awarded. Employees eligible for a three (3) week vacation at the time of termination shall receive one and one-half (1-1/2) days' vacation for each five (5) weeks' work for which vacation time has not been paid or awarded. Employees eligible for a four (4) week vacation at the time of termination shall receive two (2) days' vacation for each five (5) weeks' work for which vacation time has not been paid or awarded

SECTION 5

Wages

5.01 The terms and conditions of employment covered under this Agreement are intended to be only the minimum of wages and other benefits. The Employer may place superior wages and other benefits in effect and may reduce the same to the minimum herein prescribed without consent of the Union. Employee(s) being paid above scale will have such amount incorporated into the employee's regular rate of pay. The parties agree that any employee on the payroll as of ratification that is over scale will not have their rate reduced except for a showing of just cause.

5.02 Past experience for the purposes of determining the wage bracket for a new employee shall be known or provable experience in the same classification or department, and within the previous five (5) years prior to the employment, providing that a new experienced employee may be started at the next lower bracket, for which he would otherwise qualify, for a period not to exceed thirty (30) days.

5.03 Written statements or check stubs shall be furnished to all employees, showing dates of pay period, straight-time and overtime hours worked, hourly rate of pay, gross earnings, deductions and net earnings.

5.04 One hundred seventy-three (173) hours of work shall equal one (1) month.

5.05 No employee shall suffer any reduction in hourly pay, unless there is a change in job classification. An apprentice transferred from one department to another shall continue to receive the annual or periodical wage increase until he receives journeyman's wages. Any journeyman transferred from one department to another shall suffer no reduction in pay.

5.06 When a new department and/or job classification is established by the Employer for which no rate of pay is provided for within this Agreement, the Employer agrees to meet with the Union, upon its request, for the purpose of negotiations for a wage rate of such classification. The wage rate agreed upon as the result of such negotiations, shall be effective from the date of the establishment of the new department and/or job

classification. If agreement between the parties is not reached within thirty (30) days from the date of the Union's request for such negotiations, the matter may be referred by either party to the arbitration procedures as set forth in this Agreement, and the decision resulting therefrom shall be binding upon the parties for the remaining term of this Agreement

**SECTION 6
General Provisions**

6.01 Any condition or provision herein contained relative to a wage paid to any employee contrary to the terms and conditions contained in the Fair Labor Standard Acts of 1938, as amended, shall be void and of no force and effect, but shall be superseded by the pertinent provisions controlling such wage payment as contained in said Act.

6.02 When employees are requested and authorized to use personal cars on company business, they shall be paid at the current IRS standard.

6.03 Aprons, uniforms, or other special wearing apparel, not suitable for street wear, required by the Employer of his employees shall be furnished and laundered by the Employer.

6.04 The Union shall issue a Union Store Card and/or window decals to the Employer. Such Union Store Cards and decals are and shall remain the property of the United Food and Commercial Workers International Union, and the Employer agrees to surrender said Union Store Cards and/or decals to an authorized representative of the Union on demand in the event of failure by the Employer to observe the terms of this Agreement.

6.05 The Employer shall display such Union Store Cards and/or decals in conspicuous areas accessible to the public in each establishment covered by this Agreement.

6.06 The Union shall advance the interests of the Employer through advertising and other means that will result in the patronage of the store.

6.07 Where an Employer requires bonding of an employee, or the carrying of any insurance for the indemnification of the Employer, the premiums for the same shall be paid by the Employer.

6.08 Each employee shall receive a rest period on the Employer's time of fifteen (15) minutes duration during the longest of his two (2) daily periods of continuous employment, or if he be employed for but a single period of continuous employment, then during such period. If an employee's shift is in excess of seven and one-half

(7-1/2) hours per day, he shall receive two (2) rest periods of fifteen (15) minutes duration each. Such rest periods shall be as close as practicable to the middle of the appropriate period of continuous employment, but at such time as the Employer shall direct.

6.09 No employee shall be allowed to work more than five (5) consecutive hours without a meal period. Employees shall be provided a meal period of not less than thirty (30) minutes nor more than one (1) hour. Meal periods shall be on the Employer's time when the employee is required by the Employer to remain on the premises or at a prescribed work site in the interest of the Employer.

6.10 The Employer shall furnish to the Union, on demand, such information as the law requires the Employer to give to the Union regarding wages and hours as may be necessary to properly administer this contract.

6.11 A copy of this Agreement must be posted on a bulletin board accessible to all employees.

6.12 Employees shall be compensated for attendance for any department or group meeting held for the purpose of imparting information pertaining to merchandise selling techniques, store regulation procedure and/or store policies. Stores are entitled to require attendance at this type of meeting. An employee who is required to attend such a meeting on his scheduled day off shall be paid his minimum call-in time of four (4) hours, unless he shall have been scheduled for at least four (4) hours' work.

6.13 Employees shall not be compensated or required to attend any store meeting for civic or patriotic purposes, such as United Way, U.S. Bond Drives, Red Cross, etc.

6.14 One (1) apprentice may be employed for each store and one (1) additional apprentice for every three (3) journeyman salespeople regularly employed. No journeyman shall be replaced by an apprentice to avoid paying journeyman's wages.

SECTION 7 **Seniority and Available Hours**

7.01 It is the intent of this Agreement and the provision of this section, consistent with efficient scheduling of store hours, to provide whenever possible employment to each employee in the bargaining unit full-time employment to a maximum of forty (40) hours in each work week, consisting of five (5) days per week of eight (8) hours per day. Seniority shall be defined as the accumulated continuous length of employment with the Employer and shall be established by the employee's last date of hire with the Employer. Seniority shall be determined for those in the registered pharmacist's category separate and apart from other employees.

7.02 Where there is a reduction of the number of employees, the last employee hired within a department

shall be the first employee laid off, provided their qualifications and ability are equal.

7.03 Where there is an increase in the number of employees, the last employee laid off shall be the first employee rehired, provided their qualifications and ability are equal. In cases where two or more employees are laid off on the same day, the senior employee shall be the first rehired.

7.04 Seniority shall be broken, and the employees service shall be terminated for the following reasons:

7.04.1 Voluntarily quit;

7.04.2 Discharge for reasonable cause;

7.04.3 Absence caused by a layoff in excess of ninety (90) consecutive calendar days, unless a longer period is agreed upon between the Employer and the Union;

7.04.4 Failure to report to work within seventy-two (72) hours following the Employer's notification of return to work following a layoff;

7.04.5 Failure to report to work immediately following leave of absence.

7.05 Part-time employees desiring additional hours of the same kind of work up to full-time employment shall so notify the Employer in writing. The Employer shall utilize the most senior employee before scheduling less senior employees or new hires where such additional work is available at times that part-time employees have available. This provision shall not apply to Christmas extras (those employed between November 15 and December 26).

7.06 It is understood and agreed that the employee will not be entitled to request wages under the provision of this section except to the extent of time lost commencing with the weekly work schedule next following receipt of the Union's written notification to the Employer of the claim in accordance with Section 7.05. If less than three (3) days remain prior to the announcement of the weekly work schedule, the Employer's liability, if any, for time lost shall commence with the second next work schedule and thereafter until resolved.

7.07 Job Posting All job openings shall be posted by the Employer next to the work schedule. All openings shall be filled by the most senior employee applying for such job, provided qualifications and abilities are equal. In the event that no current employee(s) applies for a posted job, the Employer may then fill such job with a new hire. An employee promoted to a different classification shall have a sixty (60) day trial period. Said trial period shall not jeopardize the employee's former classification or seniority. In the event the employee is not capable of performing the new position or does not stay in the promoted position, they shall have the right to

return to their prior position.

SECTION 8

Non-Discrimination

8.01 No employee shall be discriminated against for upholding Union principles, and any employee working under instructions of the Union or on a committee shall not lose his position or be discriminated against for that reason; provided, there shall be no interference with required duties.

8.02 It shall not be cause for discipline or discharge if any employee or employees refuse to go through a legal picket line which has been recognized by the Union.

8.03 Where the masculine or feminine gender has been used in any job classification or 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 of any other provisions.

SECTION 9

Settlement of Disputes

9.01 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 the Employer and the accredited representative of the Union. In the event of the failure of these parties to reach a satisfactory adjustment within seven (7) days from the date of grievance filed in writing by either party upon the other, the matter may be referred by either party for final adjustment to a Labor Relations Committee consisting of two (2) members from the Employer and two (2) members from the Union. In the event the Labor Relations Committee fails to reach an agreement within twenty-one (21) days from the date a grievance is referred to the Committee, either party may require and refer the grievance to arbitration by requesting Federal Mediation and Conciliation Service to submit a list of eleven (11) names of qualified arbitrators, from which the party shall select the arbitrator. The decision of the arbitrator shall be final and binding on all parties. The cost of the arbitrator shall be borne equally by both parties. The Labor Relations Committee, as thus constituted and the arbitrator 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 the existing provisions of this Agreement as they apply to the specific facts of the issue in dispute.

9.02 During the process of making adjustments under the rules and procedures set forth herein, no strikes or lockouts shall occur. No grievance or claim of violation of this Agreement shall be recognized unless presented in writing within sixty (60) days from the date of the occurrence causing the complaint or grievance except as provided below.

9.03 No claim or grievance relating to layoff or termination of employment shall be recognized unless

presented in writing within twenty (20) days of notification of layoff or termination.

9.04 If any employee receives a paycheck which is inadequate as to the amount for the period covered thereby, such employee shall direct such deficiency to the Employer's attention within sixty (60) days of receiving said paycheck or his claim is waived. In the event a grievance claim presented is one for additional wages, any such claim shall be limited to additional wages, if any, accruing within the sixty (60) day period immediately preceding the date upon which the grievance was filed in writing.

9.05 The Employer and the Union shall make available each to the other pertinent data necessary for the examination of all circumstances surrounding a grievance upon demand therefore. The arbitrator shall be empowered to effect compliance with this provision by the issuance of appropriate subpoenas duces tecum requiring the production of documents as well as other real evidence.

SECTION 10

Jury Duty

10.01 After their first (1st) year of employment, employees who are regularly employed twenty (20) hours or more per week who are called for service on a District Court, Superior Court, Municipal 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 within any calendar year; 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 (*A) of his normal workday. 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. Employees may receive compensation on one (1) panel per year.

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 appearances, less any witness fees received. No other provision in this Agreement shall apply to this Section.

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.

**SECTION 11
Funeral Leave**

11.01 Employees with less than six (6) months of employment will be allowed time off without pay for bereavement for the immediate family as defined below. After six (6) months of employment, employees who are regularly employed twenty (20) hours or more per week shall be allowed up to three (3) days off with pay for loss of their normal scheduled hours of work. Funeral 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 days off, holidays, vacation or any other day in which the employee would not, in any event, have worked. Scheduled days off will not be changed to avoid payment of funeral leave. Funeral leave shall be paid for at the employee's regular straight-time hourly rate. Immediate family shall be defined as spouse, son, daughter, mother, father, mother-in-law, father-in-law (existing spouse), grandparents, brother, sister, stepchildren, grandchildren, step-mother, step-father, domestic partner.

**SECTION 12
Health and Welfare**

12.01 The Employer and the Union agree to be bound by the terms of the Trust Agreements which created the Retail Clerks Welfare Trust, as initially executed on June 18, 1957, or the Trust Agreement which established the Retail Clerks Retiree Welfare Trust, initially adopted December 3, 1998, as applicable, 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 Plan Document, the Trusts' Rules and Regulations, the Summary Plan Description, and other pertinent procedures, practices, 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 purposes of managing the Trust.

12.02 The Employer and the Union agree to be bound by the Health and Welfare Labor Agreement, effective May 6, 2007, by and between Allied Employers, Inc., and UFCW Union Locals No 21, 44, 81, 367, 1439, UFCW International (AFL-CIO), and Teamsters Union Local 38, and by all subsequent revisions or amendments thereto.

12.03 Employers 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 Retail Clerks Welfare 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, including the

revision dated May 6, 2007. (Including renaming "Retail Clerks Welfare Trust" to "Sound Health and Wellness Trust".)

12.04 The details of the benefit programs 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 and Wellness Trust in accordance with the terms and provisions of the Trust Agreement creating the Retail Clerks Welfare Trust, dated June 18, 1957, and as may be subsequently amended.

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

12.06 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.

12.07 Notwithstanding the foregoing Section, the Board of Trustees of the Sound Health and 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 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.

12.08 All hours worked through September 30, 2019, the Employer will contribute the required rate as determined by the Trust as needed, up to a maximum of \$5.10 per compensable hour.

12.09 The Employer will contribute to the Sound Health and Wellness Trust as follows:

The Employer will contribute up to \$5.25 per compensable hour for Trust coverage. Should the contribution rate increase to above \$5.25 per hour, the amount over \$5.25 per hour shall be paid 50% by the employee(s) through a payroll deduction and 50% by the Employer.

The one cent redirect from the elimination of the Retiree Health & Welfare will continue to be reflected on the Employer Reporting Remittance Report from the sound Health & Welfare Trust each month as an additional cent per compensable hour to pension rehab bringing the 10c to .11 cents SRT Pre-Rehab Supp. 4. Section 13 Retirement.

The buy-up rate, if applicable, also will be decreased and increased accordingly.

12.10 All other Trust programs shall continue unless modified by the Trustees based on the terms of the Trust and Plan documents.

SECTION 13
Retirement

13.01 The Employer and the Union agree to be bound by the terms of the Trust Agreement which created the Retail Clerks Pension 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 purpose of managing the Trust.

13.02 All contributions shall be paid on compensable hours with a maximum of one hundred seventy-three (173) hours per calendar month per employee.

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

13.04 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.

13.05 Notwithstanding the foregoing Section, the Board of Trustees of the Retail Clerks Pension 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 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.

13.06 The company agrees to adopt the updated Rehabilitation Plan of the Sound Retirement Trust Preferred Schedule Appendix "D" (See attached), as updated and in effect as of the adoption of this Agreement and as updated December 2019.

13.06.1 In accordance with the Preferred Schedule, the Employer agrees to pay an additional

supplemental contribution in an amount equal to the hourly rates contained in Appendix A, with the understanding that the supplemental contributions will not result in any pension credit for the covered employees. Supplemental contributions increase to be effective with the following hours worked.

13.06.2 Until the effective date of the new future service defined benefit variable plan under Section 13.09, the Employer will continue to make contributions to the Sound Retirement Trust as described in this Section and the Employer's active participants will continue to earn benefit accruals until such effective date. The Employer shall make contributions on behalf of all eligible employees to the Sound Retirement Trust under this Section.

13.06.3 Upon the effective date of the new future service defined benefit variable plan under Section 13.07, future benefit accruals under the SRT will cease and the SRT plan will be frozen; as a result, the funding of 125% of the employer's base contribution 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 this adjusted base contribution under Section 13.07.1.13.06.4 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.

13.06.5 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 plus an additional contribution of three (\$.03) cents per hour in annual increases over a new ten-year period beginning January 1, 2020 (January hours/February payment). 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.

13.06.6 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. In addition, the Parties ask the Trustees of the Plan to explore adopting specific language that all additional contributions will not be used in calculations of the employers' share of the unfunded vested benefits, to the extent permitted by law.

13.06.7 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.

13.06.8 The parties agree to request that the Actuaries for the SRT review and update, as they determine is appropriate, the current withdrawal liability methods used by the Fund.

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

13.06.10 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.

13.06.11 To that end, the parties agree to ask that the SRT Trustees consider the following:

- i. Continue to extend cash-matched period under Beta portfolio as the situation warrants in order to continue to reduce investment risk in the SRT;
- ii. Reduce the valuation assumption to 6.5% net of investment expenses; and
- iii. Invest the \$165 million in assets to be transferred from the SRT to the UFCW Consolidated Pension Fund at a risk free rate of return from the ratification date of the collective bargaining agreement until the date of transfer. (Subject to final agreement on the details of any Kroger transaction.)

13.06.12 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.

13.7 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 and the subsequent initial full plan year ending December 31, 2021. The VAP shall operate on a calendar plan year basis.

13.07.1 The Employer will contribute or on behalf of for each eligible active participant to the VAP,

commencing with the VAP effective date and per the rate chart below. (Chart 1.0) The intent of the parties are that: (1) that the contribution is set based on the cost of the aggregate current benefit accrual for the Employer’s employees, but determined using a 5.5% discount rate and administrative costs, and (2) the benefit accrual rate is determined by the amount that can be funded with such contributions determined under (1) above (with a margin in the benefit accrual rate that is designed to guard against adverse non-investment experience).] 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. Salary shall be gross wages per payroll period. Contributions shall be remitted monthly.

Valu Drugstore Pension Rates Chart 1.0

13.8 Modify the language of Section 13 Retirement above to allow for the continuation of the Sound Variable Annuity Plan(SVAP) on a cents per hour basis, plus yearly increases consistent with Trust requirements and policy. Contributions to the Sound Retirement Trust Legacy Plan (SRT) and to the Sound Variable Annuity Plan (SVAP) will be made in accordance with the schedule outlined below:

	Jan-21	Sep-21	Jan-22	Jan-23	Jan-23	Jan-25
Base Accrual Rate*	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Pre-Rehab Rate-	.10	.10	.10	.10	.10	.10
SHWRT Redirect Penny-	.01	.01	.01	.01	.01	.01
Rehab/Funding Rate	.86	.86	0.966	**\$1.192	\$1.222	\$1.252
SRT Sub total Equals	\$2.37	\$2.37	\$2.476	\$2.702	\$2.732	\$2.762

SVAP- Contribution Credit=	(\$1.75)	(\$1.75)	(\$1.75)	(\$1.75)	(\$1.75)	(\$1.75)
Total SRT Rate=	.62	.726	.952	.982		1.012

*125% of \$1.40 Base=1.75

****Switch from Table 3 to 4**

SVAP contribution rates

Redirected SRT Benefits-	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75
New cents per hour increases	.0	.03	.08	.12	.16
Total SVAP Contributions	\$1.75	\$1.78	\$1.83	\$1.87	\$1.91
Total Rate for SRT+SVAP	\$2.37	\$2.506	\$2.786	\$2.782	\$2.922
New Money Rehab+SVAP=	.0	.136	.276	.07	.07

.552 over 4yrs

13.08.1 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.

13.08.2 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 and the first full plan year, 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.

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.

13.08.3 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.

13.08.4 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 12.07.

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.

13.08.5 The Governance of the VAP will be modeled after the SRT Trust Agreement document, as appropriate and agreed to by the plan sponsor.

13.09 The provisions of the Grievance Procedure language set forth in this Agreement shall, in no way, apply to or affect the Employer's obligation to pay contributions under Section 13.06 and 13.07.

SECTION 14
Savings Provision

14.01 Should any court or administrative agency of competent jurisdiction determine that any portion of this

Agreement is in conflict with any law or regulation, such decision shall not affect the validity of the remaining provisions of this Agreement. After the appellate procedures from such decision have been exhausted, or if no appeal is taken therefrom after the time for appeal shall have expired, the parties shall meet for the purpose of considering the necessity of supplementing the language of the Agreement to the extent necessitated by such decision. Any failure to reach agreement on such supplemental language shall be subject to arbitration.

SECTION 15
Strikes and Lockouts

15.01 During the life of this Agreement, the Union shall not engage in any strike or stoppage of work, slowdown or boycott, and the Employer agrees not to engage in any lockout.

SECTION 16
Transfer of Employer's Interest

16.01 In the event of a bona fide sale or transfer of any store covered by this Agreement during the term hereof, the Employer hereunder who was the operator of such store shall be responsible for any and all monetary benefits that his employees have accumulated under this Agreement up to the date of such sale or transfer.

16.02 In the event of the dissolution of a partnership which is one of the Employers hereunder, and if any one of the former partners continue the operation of such former partnership enterprise, this Agreement shall be binding on such former partner, who continues said enterprise, for the balance of the term of this Agreement.

SECTION 17
Employer's Rights

17.01 The Employer reserves the right of hiring and discharge, but no employee shall be discharged because of legitimate Union activity, and no employee shall be discharged without reasonable cause. There shall exist one (1), ninety (90) calendar day probationary period for new employees measured from the first date of employment. If an employee is terminated during this probationary period for any cause, such termination shall not be subject to the grievance and arbitration procedure.

17.02 Except as specifically abridged, delegated, granted, or modified by this Agreement, or any supplementary Agreements that may hereafter be made, all of the rights, powers, and authority the Employer had prior to the signing of this Agreement are retained by the Employer, and remain exclusively and without limitation within the rights of management, which are not subject to the grievance procedure and/or arbitration.

**SECTION 18
Notice of Sale or Closure and Severance Pay**

18.1 The Employer agrees to provide the employees and the Union not less than thirty (30) days' notice of the sale or closure of the store/business. In the event of a store/business closure, the Employer agrees to pay all employees with four (4) years or more of employment, who are not retained by the new ownership, not less than eighty (80) hours of severance pay. In order to be eligible for severance pay, an employee must have worked not less than six hundred (600) hours in the preceding twelve (12) months. All severance pay due under these provisions shall be paid in the calendar month immediately following the sale or closure of the store/business.

**SECTION 19
Termination and Modification**

19.01 This agreement shall be in full force and effect from September 1, 2022, to and including December 31, 2025, and shall continue from year to year thereafter unless written notice of a specific desire to cancel or terminate the agreement is served by either party upon the other at least sixty (60) days prior to December 31, 2025.

19.02 Where no such cancellation or termination notice is served and the parties desire to continue said agreement, but also desire to negotiate changes or revisions in this agreement, either party may serve upon the other a notice at least sixty (60) days prior to August 31, 2022 of desire to revise or change terms or conditions of such agreement. 19.03 The respective parties shall be permitted all legal or economic recourse to support their requests for revision if the parties fail to agree thereon.

**THE VALU DRUG CO.
207 Pioneer East
Montesano, WA 98563**

**UFCW UNION LOCAL NO. 367
6403 Lakewood Drive W
Tacoma, WA 98467**



Jerry D'Amoroso
Consultant

7/10/24
Date



Michael Hines
President

7/9/2024
Date

APPENDIX "A"

Wages

	<u>1/1/22</u>	<u>1/1/23</u>	<u>1/1/24</u>	<u>1/1/25</u>	<u>9/05/21</u>
Salesclerk/Clerical/Pharmacy Assistant	\$15.20	\$16.00	\$16.50	\$17.00	\$17.00
Pharmacy Technician	\$16.10	\$16.50	\$17.00	\$17.50	\$17.50
Registered Pharmacist	\$48.80	\$54.00	\$55.50	\$57.00	\$57.00

In no event shall any wage classification be less than ten cents (10c) per hour above the then current Washington State minimum wage.

Overscale employee wage increases/rates are covered on page three of ratified document dated 12/19/23 and said rates are incorporated by reference in this Agreement.

APPENDIX "B"

PHARMACY TECHNICIAN DUTIES

1. Pharmacy Technicians may perform only the following work functions in and about the pharmacy under the direct supervision of a Registered Pharmacist at all times.
2. Operate the computer; however, if the display screen indicates a potential drug interaction or other problem, the pharmacist in charge at that time must be consulted before any "over-ride" action takes place.
3. Enter the prescription information in the patient profile including information regarding non-safety closure and type the label AFTER the document has been examined and clarified (transcribed) if necessary, by a pharmacist.
4. Receive refill "approval" or "denial" information only, from the prescriber.
5. Take the product from the shelf AFTER the pharmacist has determined the product to be used on the prescription.
6. May "count" and "pour" but must not complete the labeling, etc. The original container, the medication,

plus the prescription document and label must be available for examination and completion of the prescription by the pharmacist.

7. May perform Pharmacy Assistant Level "B" functions under the general supervision of a Registered Pharmacist.
8. Employees shall wear a badge indicating Pharmacy Technician.
9. Pull medications for prescriptions.

APPENDIX "C"

PHARMACY ASSISTANT DUTIES

Pharmacy Assistants may perform only the following work functions, in or about the pharmacy, and must be under the general supervision of a Registered Pharmacist at all times.

1. Filling and refilling.
2. Bookkeeping
3. Pricing (cost and/or selling price).
4. Stocking.
5. Delivery.
6. Documentation related to third-party reimbursement.
7. Housekeeping.
8. Cashiering in drug department.
9. Non-professional phone inquiries (i.e., those calls that are unrelated to the "practice of pharmacy" as defined in RCW 18.64).

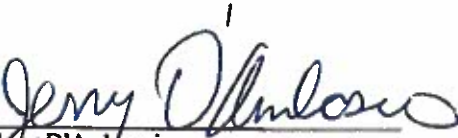
10. Employees shall wear a badge indicating Pharmacy Assistant title.

Letter of Understanding

It is mutually agreed that one part-time pharmacist who works less than fifty (50) hours per month shall be excluded from the bargaining unit. Office employees not performing bargaining unit work shall also be exempted by mutual agreement per Article 1.01

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Consultant

7/10/2024
Date


Michael Hines
President

7/9/2024
Date

LETTER OF UNDERSTANDING - DUES CHECK-OFF

a. Union Dues Check-Off

On a monthly 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 within twenty (20) days of such deductions. 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 Article.

**Appendix D
Employer Bargaining Agreements Covering Only Sound Retirement Trust
Preferred Schedule**

This is the Preferred Schedule for Employers that have bargaining agreements with an obligation to contribute to the Sound Retirement Trust. This Appendix applies to stores in bargaining agreement areas (e.g., Spokane) in which both the grocery and meat department employees (if any) have historically participated in the Sound Retirement Trust (that is bargaining agreements where the meat department employees were NOT covered under the former Washington Meat Industry Pension Trust). This Preferred Schedule will apply to participating Employers and Unions that have adopted it as follows:

Contract Period	9/01/2020 - 8/31/2022	Rate of Increase
Current	\$2,264	\$0.03
1 st Month following Ratification	\$2,294	\$0,136
Jan. 2021 Rehab Rate	\$2.43	\$0,136
Jan. 2022 Rehab Rate	\$2,566	\$0,133
Jan. 2023 Rehab Rate (Subject to 2022 Bargaining)	\$2,702	\$0,136
		Total \$0,435