

**RETAIL SUSHI AGREEMENT**

**between**

**UFCW UNION LOCALS  
135, 324, 770, 1167 & 1442**

**and**

**RED SHELL FOODS**

**MARCH 7, 2022 – MARCH 2, 2025**

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PREAMBLE

THIS AGREEMENT is made and entered into between Red Shell Foods, referred to hereinafter as the "Employer" and UFCW Locals 135, 324, 770, 1167, 1428 and 1442 chartered by the UNITED FOOD & COMMERCIAL WORKERS INTERNATIONAL UNION, referred to hereinafter as the "Union."

ARTICLE 1 - RECOGNITION OF THE UNION

1. BARGAINING UNIT.

1.0 The Employer recognizes the Union as the sole collective bargaining agent with respect to work, rates of pay, hours and terms and conditions of employment for the appropriate bargaining unit composed of all employees, except as limited below, who perform work within food markets, presently operated and hereafter established, owned or operated by the Employer within the jurisdiction of the Local Union. The jurisdiction of the Local Union as referred to in this Agreement is defined as set forth in Appendix H.

2. All work or services not specifically excluded by this Agreement is hereby recognized as bargaining unit work. Such bargaining unit work shall not be subcontracted, except as provided herein.

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

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

1. Notwithstanding any language to the contrary contained in this Agreement between the parties, it is agreed that this Agreement shall have no application whatsoever to any new food market, until fifteen (15) days following the opening to the public of any such new establishment. Neither shall this Agreement have any application whatsoever to any food market which is reopened after it has been closed for a period of more than thirty (30) days until the fifteenth (15th) day following the date of such reopening to the public.

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

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

2. Red Shell Management. Company management personnel who visit the retail establishments to supervise or inspect the establishment.

C. CATEGORIES OF EMPLOYEES.

There shall be established by this Agreement two (2) categories of employees to be identified as follows:

1. Sushi Case.

2. Sushi Bar.

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

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

ARTICLE 2 - EMPLOYMENT PROCEDURES

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

2. NOTICE OF NEW HIRES. The Employer agrees to notify the Union, in writing, within fourteen (14) days from the date of first employment of any employee subject to this Agreement, of the name of such employee, mailing address, store number, Social Security number, the position for which employed, the date of first employment and the rate of pay at which the person is employed. The Employer will include terminations and changes in job classification in its new hire report.

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

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

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

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

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

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

(d) The Union will advise the Employer, in writing, when any employee has failed to acquire or maintain Union membership as required by this Agreement. Immediately upon receipt of said notice, the Employer shall advise said employee(s) that they will no longer be scheduled for hours of work on the subsequent weekly schedule until said employee(s) give evidence of compliance or the Union notifies the Employer of such compliance. Failure to comply within seven (7) days after removal from the schedule said employee(s) shall be terminated, if such termination is not in violation of existing law.

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

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

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

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

G. **DUES DEDUCTION.**

1. The Employer agrees to deduct the regular monthly Union dues and initiation fees uniformly required as a condition of membership in the Union on a weekly basis from the wages of each employee covered by this collective bargaining Agreement who has completed thirty (30) days of employment and has provided the Employer with a voluntary individual written authorization to make such deductions on a form that has been mutually agreed upon by the Employer and the Union. Such deductions as referenced above, shall include political contributions and, by mutual agreement, weekly deductions for deposits or payments to a local credit union. The political contribution authorization may be either a separate authorization or one that has been combined with the dues deduction authorization. Such deductions, when authorized, shall be made from the net wages due an employee each weekly pay period, and shall be transmitted to the Union's office no later than the twelfth (12th) day of the month following the month in which such deductions were made. The deduction shall be expressly limited to regular monthly Union dues, initiation fees and political contributions only and the Employer shall have no obligation of whatsoever nature to make deductions for any other purpose, including but not limited to, reinstatement fees, special dues, special assessments, fines, strike funds or other assessments.

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

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

### ARTICLE 3 - DISCHARGE

#### 1. DISCHARGE FOR CAUSE.

1. Employees may be discharged for good cause.

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

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

4. The Employer shall provide the employee with a copy of all written warning notices when issued. If more than one (1) year (excluding absences for injury, illness or leave) has elapsed since the receipt of a written warning, that written warning will not be the sole basis for the next step of progressive discipline.

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

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

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



5. TERMINATION PROCEDURE.

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

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

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

6. PROBATIONARY PERIOD.

1. The first ninety (90) calendar days of employment shall be considered a trial period, during which time an employee may be terminated for any reason and they shall have no recourse to the grievance procedure set forth in this Agreement concerning such termination, provided, however, that such ninety (90) day period may be extended for an additional fourteen (14) days at the option of the Employer so long as prior notification in writing is given to the Union and the employee.

2. Insofar as part-time employees are concerned, the probationary period shall be 261 hours of work, but in no event to exceed sixty (60) calendar days.

ARTICLE 4 - SENIORITY, TRANSFER & LAYOFFS

1. SENIORITY LISTS.

1. (1) Within the classifications described above, seniority shall date from the day of assignment to that classification, regardless of hours worked. Such seniority within classifications shall be applied in the areas of layoff, transfers resulting from layoff, and additional hours, as specifically described below.

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

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

3. Seniority can only be broken by the following:

(1) Quit.

(2) Discharge.

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

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

## 2. LAYOFFS, TRANSFERS RESULTING FROM LAYOFF AND REINSTATEMENT.

1. Notwithstanding anything in this Agreement to the contrary, it is recognized that business conditions may require reduction of hours and/or layoffs of employees. In such an event, the following shall apply to employees:

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

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

(2) The least senior full-time employee(s) being reduced in hours in the store, within classifications, may bump the least senior full-time employee working in the same classification within twenty-five (25) miles of their place of residence within the Company district in which they are employed. If such employee does not have sufficient seniority to displace the least senior full-time employee within the twenty-five (25) miles within such district, they may bump the least senior full-time employee in their classification within such Company district in which they are employed.

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

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

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

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

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

3. Reinstatement.

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

(2) A full-time employee, who has been reduced to part-time employment because of slackening of business or for medical reasons, must be offered the first (1st) full-time job that opens in the Company district in which they are currently employed, provided that their ability and skill equip them to fill that job.

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

3. OPERATIONAL TRANSFER.

1. It is recognized that to meet the necessities of the business or to advance the Employer's equal employment opportunity program, transfer of employees either within the geographical jurisdiction of a Union party to this Agreement or from the jurisdiction of one such Local Union to another such Local Union may be required. In such cases where such transfer is effected by the Employer, the transferred employee will carry to such employee's new assignment all seniority, as defined above, acquired in the employ of the Employer. Transfers referred to in this Section shall not require an employee to travel one way more than twenty-five (25) miles between the employee's residence and the new location. Reasonable tolerance of these limits shall be allowed for temporary transfers such as vacation relief and store openings.

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

3. A senior employee may refuse an operational transfer only if it is over twenty-five (25) miles from their place of residence; provided, however, that the employee is protected inasmuch as the operational transfer provisions shall not be applied in an arbitrary, capricious, or discriminatory manner, or for disciplinary purposes, and shall not be utilized as a device for creating hardship to the employee in order to force or provoke resignation.

4. If an employee is transferred to another store for any reason, they carry their seniority with them, provided that no employee as a direct result of a transfer from the geographical jurisdiction of one Local Union party to this Agreement to the geographical jurisdiction of another Local Union party to this Agreement.

#### 4. ADDITIONAL HOURS.

1. (1) Seniority in regard to claiming a schedule with more hours shall apply to employees within their classification and within the store in which they work, insofar as is practical and feasible.

(2) It is understood, however, that no part-timer can claim the hours from employees who are full-time employees scheduled for forty (40) or more hours. It is also understood that no employee may claim a shift or shifts.

2. (1) Within classifications, when a permanent schedule calling for a forty (40) hour workweek on any assignment or shift becomes available in a given store, such work schedule shall be offered on the basis of seniority and qualifications to an experienced clerk, working less than forty (40) hours.

5. SENIORITY GRIEVANCES. Grievances pertaining to the application of seniority shall be filed in writing with the Employer within forty-eight (48) hours of the posting of the schedule. Grievances not filed within this time limit shall be deemed null and void for the week that was scheduled or any prior week. Said time limitation shall not apply to grievances relating to the filling of permanent full-time vacancies, except as to claims on behalf of the employees employed in the store in which the vacancy occurs. In such cases where the said time limitation does not apply, when the Employer fills a permanent full-time vacancy, written notice to the Local Union shall be mailed within seven (7) days from that date advising of the name of the individual selected to fill such vacancy.

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

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

G. DEMOTION. No person shall be denied their seniority because of demotion.

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

#### ARTICLE 5 - WORKING HOURS AND OVERTIME

##### 1. FULL-TIME EMPLOYEE.

1. A full-time employee is defined as one who is hired to work at least forty (40) straight-time hours per week [five (5) eight (8) hour days] or who works at least forty (40) straight-time hours a week [five (5) eight (8) hour days] in sixteen (16) consecutive weeks. With the exception of sushi chefs, the accumulation of sixteen (16) consecutive weeks, as defined above, must be worked in a single store unless it is with the prior knowledge of the employee's home store manager or district manager. For purposes of this Section, a Sunday or a holiday worked will be considered to be straight-time hours in cases in which the Sunday or holiday is one (1) of the five (5) eight (8) hour days worked by the employee during the workweek in question. Holidays not worked but paid for and vacations taken in full week increments shall not interrupt the sixteen (16) consecutive week requirement set forth in this Section. A specific individual's assignments to temporary vacancies caused by vacations, illness, injury, or leave of absence shall neither count toward nor interrupt the aforesaid accumulation of the sixteen (16) consecutive weeks. Such full-time employee is guaranteed a minimum of five (5) eight (8) hour days' work, when said employee works as scheduled or required. When a question arises as to whether or not an employee has worked the sixteen (16) consecutive week requirement set forth in this section, prior work periods shall be reviewed. Such review shall only consider weeks worked during the ten (10) months preceding the grievance. At the request of an employee, they may work less than the contractual minimum hours in any week if mutually agreeable in writing between the employee and the Employer. In the event the exception exceeds four (4) consecutive weeks, then the employee, Employer and Union must mutually agree in writing with the understanding the Union will not unreasonably withhold approval. The Employer will immediately provide the Union with a copy of all employee/Employer signed agreements which shall specify the period for which the minimum hours are waived. All of the foregoing agreements may be revoked in writing by the employee at least one week before the schedule is posted.

2. The Company shall maintain a percentage of full-time to part-time throughout the company of no less than forty percent (40%) full-time: sixty percent (60%) part-time. No full-time employee may be reduced as a result of this change in the ratio from 60/40 to 40/60. Newly opened stores will be included in the ratio once they have been open for two (2) years. Red Shell agrees to provide to the Union a seniority list by store that includes the designation of number of full-time and part-time Sushi Case and Sushi Bar during March and September of every year.

##### 2. PART-TIME EMPLOYEE.

1. A part-time employee is defined as one who is hired to work less than forty (40) hours per week, and is guaranteed at least four (4) hours work per day when said employee works as scheduled or required. Part-time students shall be guaranteed at least two (2) hours' work per day when said employee works as scheduled or required.

2. Each part-time employee shall be scheduled for at least twenty-eight (28)) hours' work in each week.

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

- (1) The store is normally open for business six (6) days or less in the workweek;
- (b) Employees scheduled to work are absent;
- (c) Work is not available as set forth in Section W of this Article;

(d) The part-time employee, the Employer and the Union agree that the employee may work less than twenty-eight (28) hours per week.

At the request of an employee, they may work less than the contractual minimum hours in any week if mutually agreeable in writing between the employee and the Employer. In the event the exception exceeds four (4) consecutive weeks then the employee, employer and union must mutually agree in writing with the understanding the union will not unreasonably withhold approval. The Employer will immediately provide the Union with a copy of all employer/employee signed agreements which shall specify the period for which the minimum hours are waived. All of the foregoing agreements may be revoked in writing by the employee at least one week before the schedule is posted;

(e) An unanticipated, significant business fluctuation;

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

4. For employees eligible for holiday pay, pay for holiday not worked shall count towards the weekly guarantee and towards the scheduled hours for the purpose of claiming schedules under Article 4(D).

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

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

D. **OVERTIME.** All work performed in excess of eight (8) hours in any one (1) day, or in excess of forty (40) hours in any one (1) workweek, shall be deemed overtime and paid for at the overtime rate of time and one-half (1½) the employee's regular rate of pay.

Scheduled overtime over one (1) hour shall be on a voluntary basis. Non-scheduled overtime shall not exceed three (3) hours in any one (1) day.

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

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

G. **REGULAR WORKDAY.**

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

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

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

I. **WORK SCHEDULE.**

1. The Employer shall post a work schedule in ink for all employees, specifying start and finish of shifts and including surname and first initial, not later than noon on Tuesday for the workweek that begins the following Monday. Except as provided for below, if the work schedule within any day is changed after posting without reasonable cause, the matter may be subject to the grievance procedure. The schedule may be changed after noon on Tuesday but not later than noon on Thursday to accommodate an employee returning from leave of absence. The schedule may also be changed with the Union's agreement in response to a grievance filed pursuant to Article 4(D)(1). An employee shall be guaranteed pay for the specific days in a workweek upon which they are scheduled to work, except as set forth in Article 3, Section B. It shall be the responsibility of each employee to check their work schedule. In the event a new schedule is not posted, the previous week's schedule shall apply.

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

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

J. **FALSIFICATION OF TIME RECORDS.** The Employer and the employee shall be jointly required to maintain daily records of time worked on time cards or other forms furnished by the Employer and the employee shall be required to verify such report weekly. Such daily record shall be available for inspection at all times by the employee's supervisor, or upon request by the Union official entitled to such information.

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

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

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

K. CONSECUTIVE DAYS WORKED. Where a five (5) day, full-time employee is scheduled to work more than seven (7) consecutive days in any combination of workweeks, said employee shall receive time and one-half (1½) (or such higher premium as may apply) for all time worked after the seventh (7th) consecutive day, until such time as their consecutive days of work have been interrupted by a prescheduled day off. The above shall not apply to regularly scheduled six (6) day employees, provided that overtime and/or premium rates are paid where applicable.

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

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

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

N. PART-TIME EMPLOYEES - SIXTH DAY. Part-time employees shall be paid time and one-half (1½), or such premium rate as may apply, for all work performed on the sixth (6th) day of work as such, in any regular workweek, or on the fifth (5th) day of work in any week in which a holiday falls, excluding the holiday, as provided in this Agreement.



O. TRAVEL PAY.

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

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

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

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

ARTICLE 6 - WAGES

1. WAGE RATES.

1. The straight-time hourly wage rates are set forth for each respective classification in Appendix A.

2. Frozen Rates. Red circled employees shall receive the negotiated wage increases for their respective classifications of employment.

2. PREMIUMS.

1. Night Premiums.

(1) All employees shall be paid a premium of fifty cents (50¢) per hour for all time worked after 10:00 p.m. and before Midnight and seventy-five cents (75¢) per hour for all time worked after Midnight and before 6:00 a.m.

2. Sunday Premiums.

(1) During the term of this Agreement all employees hired prior to March 25, 2004, shall be paid for all hours worked on Sunday, time and one-half (1 ½) minus one dollar (\$1.00) the straight-time hourly rate of pay.

(b) Employees hired or promoted on or after March 25, 2004. All employees, hired or promoted on or after March 25, 2004, shall be paid a one dollar (\$1.00) per hour premium for all time worked on Sunday. Employees upon reaching the experienced stage for their classification of employment shall be paid at time and one quarter (1 ¼) the straight time hourly wage rate for all hours worked on Sunday.

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

1. Where daily or weekly overtime and the night premium operate concurrently, the amount paid shall be time and one-half (1½) the straight-time hourly rate plus the night premium provided that this exception shall not apply to any work performed on Sundays or holidays.

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

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

E. **WAGE DISCREPANCY.**

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

2. Written Notification. Failing settlement at this level, the Union shall in writing notify the Employer of the alleged discrepancy and the names of the employees involved, and the period of time that such discrepancy is claimed to cover. Upon receipt of such written notice, the Employer agrees to promptly furnish the representative of the Union wage data pertaining to the alleged wage discrepancy.

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

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

H. **PAY DAY.** Employees shall receive their pay each week. In the case of termination of employment of any employee, the final paycheck shall be given to the employee not later than seventy-two (72) hours after the completion of their last shift.

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

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

#### ARTICLE 7 - HOLIDAYS

Sections A, B, C, D, E, F, G and H of this Article apply to employees hired prior to March 25, 2004.

##### 1. PAID HOLIDAYS.

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

New Year's Day	Thanksgiving Day
Memorial Day	Christmas Day
Independence Day	Three (3) Personal Holidays
Labor Day	

Personal Holidays. Effective January 1st of each year, employees, who have one (1) or more years of service with the Employer as of that date, shall be eligible for three (3) personal holidays that shall be observed by the employee during the calendar year-in-question. Each employee shall give the Employer no less than two (2) weeks' advance written notice of the date(s) on which they wish to observe their personal holidays. Personal holidays may not be celebrated in the same week as any of the other contractual holidays except by mutual agreement between the employee and the Employer.

The weekly hours guarantees set forth in Article 5-A and 5-B shall continue to apply to any week during which an employee takes a personal holiday.

As to the matter of scheduling personal holidays, the parties agree that there must be a mutual accommodation between the right of an employee to take these holidays when desired and the right of the Company to preserve an orderly operation through required staffing levels. Therefore, this matter will be left to the stores to work out with the reminder that the negotiating parties agreed to administer this provision in good faith and to make every reasonable effort to accommodate the employee.

The provisions of Sections D and E of this Article shall not be applicable in the computation of a part-time employee's holiday pay entitlement with each eligible part-time employee being entitled to four (4) hours of holiday pay for each of the personal holidays established herein.

An employee, who fails to receive a personal holiday(s) that they are contractually entitled to during a calendar year, shall be paid for such a personal holiday(s) immediately following the end of the calendar year-in-question. Hours of holiday pay that are paid in accordance with these provisions in lieu of a day off shall not be considered to be a day and/or hours worked for the purposes of computing weekly overtime under this Agreement.

Unused personal holiday entitlement will be liquidated for employees who are laid off or who break continuous service (except those discharged for proven or admitted dishonesty). This liquidated payoff will be prorated on the basis of one (1) holiday entitlement per each four (4) month calendar trimester. For example: employees who are laid off or break continuous service in the first calendar trimester (January, February, March, April) will receive one (1) holiday; in the second trimester (May, June, July, August) two (2) holidays; and in the third trimester (September, October, November, December) three (3) holidays.

2. All contract-ual holidays will be observed on the holiday itself.

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

2. HOLIDAY PREMIUM. Work can be performed on any of the hereinabove mentioned holidays with the exception of Thanksgiving Day and Christmas Day. However, work as such shall be compensated for at three (3) times the straight-time hourly rate of pay for all hours worked. Said triple-time shall include any premium pay or overtime that may be applicable, and includes pay for the holiday itself. It is expressly understood that no employees coming under the terms of this Agreement will be required to work on Thanksgiving and Christmas calendar days; and that the Employer will remind its store management of these special provisions prior to the involved holidays.

3. HOLIDAY WEEK. A regular holiday workweek shall consist of the holiday itself and four (4) other eight (8) hour days. A full-time employee, not working on a holiday, shall receive eight (8) hours pay for the holiday in addition to the pay specified in this Agreement for the other four (4) days referred to above. All time worked over the thirty-two (32) hours, exclusive of the holiday, shall be paid for at the rate of time and one-half (1½) the employee's regular rate of pay, except when Sunday is worked, and in that event, the higher rate shall apply.

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

5. REQUIREMENTS. No employee shall receive pay for any holidays not worked unless such employee has reported for work on their regular working day next preceding and next following said holiday. Employees shall be deemed to have reported for work if absence on said day before and the said day after said holiday is due to express permission from or action of the Employer, and also in case of certified illness, provided the employee has worked during the holiday week.

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

#### 7. HOLIDAY GUARANTEE.

1. Full-time employees scheduled to work on a holiday shall be guaranteed eight (8) hours work on such holiday. A part-time employee may be scheduled to work on a holiday for a number of hours not less than those usually worked by them on the day on which the holiday falls.

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

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

#### H. HOLIDAYS FOR EMPLOYEES HIRED ON OR AFTER MARCH 25, 2004.

1. Sections A through H of this Article do not apply to employees hired on or after March 25, 2004.

(a) After an employee has completed their probationary period they will be entitled to the Christmas holiday. After an employee has worked six (6) months under the terms and conditions of this Agreement, they will be entitled to the Thanksgiving holiday. After completing one (1) year of employment under this Agreement, the employee shall be entitled, 4<sup>th</sup> of July, Labor Day, New Year's Day, and Memorial Day.

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

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

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

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

(f) All contractual holidays shall be observed on the holiday itself.

## ARTICLE 8 - VACATIONS

### 1. FULL-TIME EMPLOYEES.

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

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

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

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

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

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

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

### C. VACATIONS FOR EMPLOYEES HIRED ON OR AFTER MARCH 25, 2004.

1. Sections A, B, E and K of this Article do not apply to employees hired on or after March 25, 2004. The provisions set forth below and Sections D, G, H, I, J and L are the only vacation provisions applicable to employees hired on or after March 25, 2004.

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

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

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

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

(4) Four (4) weeks of vacation after completing fifteen (15) years of service.

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

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

D. PRO RATA. Upon termination of employment for any reason other than discharge for proven or admitted dishonesty, an employee shall receive whatever vacation pay is due, prorated on the basis of the number of straight-time hours worked, provided that the employee has been in the continuous employ

of the Employer for six (6) months or longer. Said vacation pay shall be prorated according to the ratio that the straight-time hours actually worked bear to 2,080 hours. The forfeiture of vacation pay for proven or admitted dishonesty shall not be retroactive beyond the employee's last anniversary date.

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

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

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

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

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

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

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

#### F. VACATION SCHEDULE.

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

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

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

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

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

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

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

#### ARTICLE 9 - LEAVES OF ABSENCE

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

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

2. OTHER PURPOSES.

1. Death in Family. At the request of the employee, the Employer may grant a leave of absence for other purposes. The terms and conditions of all leaves of absence shall be set forth in writing. The Employer shall grant an automatic leave of absence, if so desired, not to exceed two (2) weeks, in cases of critical illness or injury or death in the employee's immediate family. Any period in excess of two (2)



weeks shall require the written consent of the Employer. When possible, the employee shall request such leaves of absence; but in any event, the Employer shall be notified within twenty-four (24) hours.

2. Funeral Leave. Leave for all employees shall be provided for the purpose of arranging for and attending the funeral of a member of the employee's immediate family. Pay for such leave shall be at the straight-time rate for the hours scheduled for each workday lost because of such absence. Paid funeral leave shall be confined to a maximum of three (3) calendar days within a period of forty-five (45) calendar days beginning with the date of death. Verification of time required for such paid leave shall be supplied to the Employer by the employee if requested. Immediate family shall be defined as the employee's spouse, registered domestic partners, child, mother, father, brother, sister, mother and father of the current spouse, grandparent, grandchildren or other relative living in the employee's home.

3. Union Business. An employee in good standing with the Employer, whose acceptance of employment with the Union takes them from their employment with the Employer, shall, upon written request to the Employer by the Union, receive a leave of absence for the period of their service with the Union, of not less than thirty (30) days nor more than one (1) year. A Union's request for such a leave of absence, and for the return of an employee to work at the conclusion of such a leave, shall each be served upon the involved Employer, in writing, a minimum of two (2) calendar weeks immediately preceding the date of the proposed commencement of the requested leave and the proposed return to work, respectively. Not more than one (1) employee shall be given such a leave from the same store during the same period of time, nor shall more than three (3) employees in the company be on such a leave at one time. An eligible employee shall not be granted more than one (1) such leave of absence during the term of this Agreement, nor shall such a leave of absence be granted to an employee who, at the time of their request for such leave of absence, is on a leave of absence from the Employer for any other reason. Upon their return, they shall be reemployed at work similar to that in which they are engaged immediately prior to their leave of absence in accordance with Article 9, Section D. During the period of the authorized leave of absence, the Union shall be obligated to make Trust Fund contributions on behalf of the involved employee.

4. Military Duty. The Company agrees to comply with all provisions of The Uniform Services Employment and Reemployment Recovery Rights Act (USERRA).

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

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

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

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

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

#### ARTICLE 10 - SICK LEAVE

##### 1. SICK LEAVE ENTITLEMENT.

1. Eligibility. All employees covered by this Agreement who have been continuously employed by the Employer for a period of at least one (1) year shall be entitled to six (6) days sick leave with pay and on each anniversary date of employment thereafter, they shall be entitled to six (6) days sick leave with pay; however, such sick leave benefits shall not accumulate from year to year. Sick leave shall be payable beginning with the first (1<sup>st</sup>) working day's absence due to non-hospitalized illness or injury and until the employee has received or is entitled to receive Workers' Compensation disability benefits or State disability benefits. In instances where the employee works less than half (1/2) their scheduled shift, that day will count as first (1<sup>st</sup>) day. In any event, sick leave shall be payable only during the first week of absence and shall not be payable if the employee is receiving supplementary disability benefits under this Agreement.

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

2. DOCTOR'S CERTIFICATE. A doctor's certificate or other authoritative verification of illness may be required by the Employer. The Employer agrees not to automatically require a doctor's note every time an employee calls in sick.

C. PRO RATA. Sick leave shall be paid to all full-time and part-time employees, on the basis set forth above. The total number of hours of accrued sick leave benefits shall be calculated on the ratio of total hours worked during the year preceding their anniversary date of employment to 2,080 hours.

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

## ARTICLE 11 - JURY DUTY

1. When a non-probationary, full-time employee is required to be in any court or courthouse for jury service and such service deprives such employee of pay that they otherwise would have earned, they shall be scheduled their regular schedule but paid for any day they attend jury duty as if they were scheduled between the hours of 8:00 a.m. and 5:00 p.m. at the rate of eight (8) hours times their straight-time hourly rate, less any remuneration received by them for jury service. If the employee is not actually called to report for jury service, they shall work their regular schedule that day. The Company will accommodate the employee's schedule to meet all requirements of the contract without any loss of pay to the employee. (For example, an employee regularly scheduled to work until 11 p.m. on Tuesday must be released early to perform jury service on Wednesday.)

When a non-probationary, part-time employee is required to be in any court or courthouse for jury service and such service deprives such employee of pay that they otherwise would have earned during the Monday through Friday portion of their normal workweek, they shall be scheduled their regular hours paid for any day they attend jury duty as if they were scheduled between the hours of 8:00 a.m. and 5:00 p.m. If the employee is not actually called to report for jury service, they shall work their regular schedule that day. They will be paid for that part of their normal workweek based upon their average hours worked or paid for in each workweek, Monday through Friday, in the four (4) such workweeks immediately preceding the week(s) in which jury duty is required, less any remuneration received by them for such jury service. Utilization of such an employee on the Saturday and/or Sunday portion of their normal workweek shall continue to be at the discretion of the Employer; provided the minimum weekly hour guarantee is satisfied. The Company will accommodate the employee's schedule to meet all requirements of the contract without any loss of the employee. (For example, an employee regularly scheduled to work until 11 p.m. on Tuesday must be released early to perform jury service on Wednesday.)

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

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

If an employee is permanently excused from jury service they shall immediately report for work to complete the remaining hours of their scheduled work shift that day. Failure to so report shall disqualify an employee from any pay for jury duty for the day in question as long as the transportation time will permit them to return to work prior to one (1) hour before the end of their shift. If the employee is not required to report, they shall call the manager to inform them that they have been permanently released. Thereafter, the manager may place them on a work schedule similar to which they normally work.

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

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

## ARTICLE 12 - ADJUSTMENT AND ARBITRATION

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

2. **ADJUSTMENT PROCEDURE.**

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

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

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

3. **ARBITRATION.**

1. (1) Any matter not satisfactorily settled or resolved in Section B hereinabove shall be submitted to arbitration for final determination upon written demand of either party. The written demand for arbitration may be made at any time after the expiration of fifteen (15) days but not later than sixty (60) days from the date of the notice, submitting the matter under Section B-2, hereinabove, to the meeting of representatives. Failure to comply with the time limits set forth in this Section and in Section B-2 above, shall render such grievance null and void.

(2) Notwithstanding anything else contained in this Agreement to the contrary, by mutual agreement between the Employer and the Union, any timely grievances involving discharges or suspensions only, may be submitted to an expedited arbitration process if any dispute involving a discharge or suspension is not resolved under Section B of this Article.

The parties may submit the issue to expedited arbitration within fourteen (14) calendar days. Except as set forth below, the arbitrator shall render their decision in writing to the parties within seven (7) days following the close of the hearing. However, either party may require a transcript of the

proceedings and may require written briefs within a thirty (30) day period following the close of arbitration hearing. In the event that a transcript and/or briefs are required by either party, the arbitrator's decision shall be rendered in writing to the parties no later than fifteen (15) days following receipt by the arbitrator of both documents.

The parties will jointly select an arbitrator. In the event the parties cannot agree either party may request a regional panel of nine (9) arbitrators from the Federal, Mediation and Conciliation Service. The parties will split the cost of any panel which is jointly requested. The parties shall then choose the arbitrator by alternatively striking a name from the list until one (1) name remains as the arbitrator chosen by the parties and empowered to arbitrate the dispute. The parties shall draw lots to determine who should make the first deletion from the list.

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

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

#### 4. POWERS, LIMITATIONS AND RESERVATIONS.

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

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

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

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

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

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

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

#### ARTICLE 13 - VISITS TO STORES

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

#### ARTICLE 14 - GENERAL CONDITIONS

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

2. REGISTER SHORTAGES.

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

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

3. RELIEF PERIODS. All employees working more than three and one-half (3½) hours and up to and including five (5) hours per day shall receive one (1) ten (10) minute rest period. All employees working more than five (5) hours and up to and including six (6) hours per day shall receive one (1) fifteen (15) minute rest period. All employees working more than a six (6) hour day shall receive two (2) ten (10) minute rest periods.

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

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

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

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

#### H. UNION PRINCIPLES.

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

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

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

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

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

J. TITLES. The titles and subtitles used in this Agreement are for the sole purpose of identification and shall have no bearing on the construction or meaning of the Sections or Paragraphs to which they refer.

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

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

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

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

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

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

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

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

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



## ARTICLE 15 - TRUST FUNDS

### 1. BENEFIT FUND.

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

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

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

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

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

(1) Effective April 1, 2012, and continuing thereafter, Current Employees will be required to pay premiums, deducted from their paychecks as a condition of participation in Plan A as follows: employee only - seven dollars (\$7.00) per week, employee plus children - ten dollars and fifty cents (\$10.50) per week, employee plus spouse with or without children - fifteen dollars (\$15.00). Such premiums shall be deducted from the paychecks of Current Employees without further authorization. Effective January 1, 2020, Employee premiums described above will be increased by \$1.00 per week for each coverage level,

as follows: employee only - eight dollars (\$8.00) per week, employee plus children - eleven dollars and fifty cents (\$11.50) per week, employee plus spouse, with or without children - sixteen dollars (\$16.00). Such premiums shall be deducted from the paychecks of Current Employees without further authorization.

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

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

(1) New Hire employees shall be required to pay weekly premiums, deducted from their paychecks as a condition of participation in the plan as follows: employee only – seven dollars (\$7.00) per week; employee plus children – ten dollars and fifty cents (\$10.50) per week; and employee plus spouse with or without children – fifteen dollars (\$15.00) per week. The employee premiums shall be collected in advance by the Employer and paid to the Benefit Fund coincident with the Employers' contribution obligation for hours worked in the month preceding the month in which the Benefit Fund provides coverage. Effective January 1, 2020, Employee premiums described above will be increased by \$1.00 per week for each coverage level, as follows: employee only - eight dollars (\$8.00) per week, employee plus children - eleven dollars and fifty cents (\$11.50) per week, employee plus spouse, with or without children - sixteen dollars (\$16.00). Such premiums shall be deducted from the paychecks of New Hire Employees without further authorization.

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

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

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

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

#### **Future Plan Design Commitments and Triggers**

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

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

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

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

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

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

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

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

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

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

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

e. Over the term of this agreement, phase in a HRA/HRQ process that re-assigns the Plan's funded HRA dollars to improve awareness of the individual's health status and/or engagement in healthy behaviors. By January 1, 2013, 75% of all HRA dollars (or the modified value in plan design) must be earned by completing programs, activities and the like as determined by the Trustees.

Examples of the types of additional programs and activities currently being considered, but which will evolve over time are: (1) attendance at Fund Health Fairs and New Benefit overview, (2) basic biometric screening, (3) PCP and member contact information, (4) Health and lifestyle improvement/education, (5) Eligible health coaching, (6) Smoking Cessation, (7) Eligible weight loss program, and (8) Preventive care activities such as colonoscopies, flu shots, mammograms, pap smear, PSA, etc.

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

Allow employees hired after March 2004 and eligible to participate in Platinum level coverage the option to elect an HMO Plan subject to the following criteria:

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

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

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

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

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

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

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

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

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

k. After ratification of this Agreement (March 7, 2022-March 2, 2025), implement the following benefit modifications:

1. Require working spouses to take coverage through their employer that is most comparable to the level of coverage of their participant spouse in the SoCal UFCW Fund. If that coverage costs \$200 or more a month, the participant's spouse may decline their employer's coverage and pay three times the weekly family premium to obtain spousal coverage without the impact of the Working Spouse Penalty.

2. Consistent with the process used by the Northern California UFCW Trust Fund, allow a 30-day grace period for Open Enrollment.
3. Give authority to Trust Fund Office staff to adjudicate health and welfare appeals with value up to \$500.
4. If possible for the Trust Fund Staff to implement, permit coordination of the Indemnity Plan as a secondary plan on a non-duplication basis with HMOs.
5. Allow unused dental and vision benefits, up to half the annual maximum, to be rolled over to the following year for all actives and retirees.

1. After ratification of this Agreement (March 7, 2022 – March 2, 2025), implement the following benefit modifications:

1. Dental Change – Cover implants (as major @ 70%) and increase the annual maximum to \$2,000 for Platinum Plus, Platinum, Gold, and Silver Plans.
2. Vision Change – Increase annual maximum to \$200 for Platinum Plus, Platinum, Gold, and Silver.
3. Disability Extension – Provide 6-month disability extension (occupational and non-occupational) for Gold and Silver, in addition to the Disability extensions already available in the Platinum and Platinum Plus Plans.
4. HMO – Add an additional HMO as an option to the Platinum Plan (as per Future Plan Design Commitments and Triggers, paragraph f).
5. Courtesy Clerks – Reduce initial eligibility for Courtesy Clerks to twelve (12) months (all other requirements stay the same).

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

5. Employer Contributions. The Employer agrees to the following hourly contribution increase to the current Plan A and New Hire Plan contribution rate of \$4.788 to the Benefit Fund:

- i. February 2025 hours payable in March 2025: up to \$0.15 increase, if necessary, based on the co-consultants' joint recommendation of the rate needed to ensure a reserve of three (3) months on March 1, 2026.

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

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

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

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

## 2. PENSION FUND.

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

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

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

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

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

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

5. Pension Protection Act. The Fund actuaries have: (a) certified under the Pension Protection Act (the "PPA") that the Pension Fund was in critical status for each of the Plan Years beginning 4/1/2008 to 4/1/2016, and that they expect the Fund will again be in critical status for the Plan Year beginning 4/1/2017; (b) determined that the 2014 Schedule (as that term is defined in the previous

collective bargaining agreement) is no longer sufficient to permit the Fund to emerge from critical status during the required time frame, even if the Fund takes full advantage of the funding relief available under the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (the "Pension Relief Act"). Therefore, the parties hereby agree as follows:

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

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

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

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

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

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

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

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

To the extent not rendered moot by the long-term funding solutions that may be created by the Parties, the following three increases shall be effective during the term of the March 7, 2016 – March 3, 2019 Agreement:



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

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

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

Because the 2016 Schedule and Rehabilitation Plan is no longer sufficient to permit the Fund to emerge from critical status by March 31, 2024, the Trustees are authorized and directed to adopt a new 2019 Preferred Schedule which provides that the Employers agree to pay – for the term of this Agreement only the following increases to the Rehabilitation Plan:

Effective with hours worked in October 2019, payable in November 2019, \$0.15 an additional supplement contribution of fifteen cents (\$0.15) per contribution-eligible hour.

Effective with hours worked in October 2020, payable in November 2020, \$0.15 an additional supplement contribution of fifteen cents (\$0.15) per contribution-eligible hour.

Effective with hours worked in October 2021, payable in November 2021, \$0.15 an additional supplement contribution of fifteen cents (\$0.15) per contribution-eligible hour.

Upon adoption of the 2019 Preferred Schedule, it is hereby deemed approved by the bargaining parties an automatically incorporated into this Agreement.

On the basis of the exhaustion of all reasonable measures to emerge earlier, the updated Rehabilitation Plan shall provide for emergence from critical status in 2026.

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

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

The supplemental contribution increases, in the aggregate, shall not exceed a cumulative total of forty-five cents (\$0.45) per contribution-eligible hour during the term of this Agreement, which is March 4, 2019 through March 6, 2022. Any and all future supplemental contribution increases commencing with hours worked in October 2022, shall be subject to bargaining in subsequent collective bargaining agreements.

These supplemental contributions shall be dedicated solely to improving the funding of the Pension Fund, and shall not be used to increase or improve benefits. Notwithstanding anything herein to the contrary, the October 2019 through October 2021 supplemental contributions provided herein will be reduced or discontinued before restoring benefits as provided in subsection (iv). Any such reduction of supplemental contributions shall be implemented by the Pension Fund's Trustees, based on projections provided by the Fund's actuaries, showing that such supplemental contributions are no longer needed to support the level of benefits provided for under the Pension Fund, or to enable the Fund to emerge from critical status in the required time frame.

ii. The 2019 Preferred Schedule shall first be effective with hours worked on and after October 1, 2019, as to the supplemental Employer contributions required in this subsection. The supplemental Employer contributions shall only be increased as provided above for the years during the term of this Agreement. The parties' expressly agree that future increases, if any, which may be required in the 2019 Preferred Schedule, commencing with hours worked in October 2022, shall be subject to bargaining in subsequent collective bargaining agreements. For any employer who negotiates a new or extended collective bargaining agreement with ratification date or execution date on or after March 4, 2019, that employer shall enter the 2019 Preferred Schedule and shall begin payment of contributions under this Schedule at the contribution rate then applicable for the year in which the Schedule first applies to that employer.

iii. In no event shall any further contribution increases be required from the Employer during the term of this Agreement as a result of any required annual updates or other changes to the 2019 Preferred Schedule or, if applicable, to any Default Schedule. Nor will there be any benefit reductions during the term of this Agreement.

iv. In the event the Trustees determine, based on projections provided by the actuaries of the Pension Fund that, during the term of this Agreement, a Schedule with lesser contribution rates and/or lesser benefit reductions would be sufficient to reasonably enable the Plan to emerge from critical status by the end of the Rehabilitation Period, or would otherwise be legally permissible and still support the Pension Fund benefits, the Trustees shall amend the Schedule in a manner that, to the extent possible, would (a) restore or otherwise improve benefits impacted in 2011 and/or 2012 based on input from the Fund's actuaries and taking into account the limitations of PPA Section 432(f), and (b) reduce the Employer's pre-October 2019 supplemental contributions, in an equal manner and amount, based on actuarial equivalence, provided that such modifications to the Schedule would still allow the Plan to emerge from critical status by the end of the Rehabilitation Period, taking into account to the extent legally permitted relief granted under IRC Section 412(e), as well as any other legally available funding relief under the Pension Relief Act or otherwise. In the event the Trustees amend the Schedule as provided in subsection (i) or in this subsection (iv), then the amended 2019 Preferred Schedule shall be deemed adopted by the bargaining parties, and the supplemental contribution rates and benefits will be adjusted as provided in the amended Schedule.

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

vi. If, during the term of this Agreement, there are legislative, regulatory, judicial or other changes or interpretations of the PPA or other state or federal law which would impact the contribution increases set forth in the 2019 Preferred Schedule, the Trustees are authorized and directed to mitigate such contribution increases.

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

viii. 2022-2025: Effective March 7, 2022, the Employers and the Unions agree that the Pension Fund contribution rate shall be fixed at \$2.854 (inclusive of the contribution rate of \$1.20 set forth in subsection B. 1(a) of this Article XV and all supplemental Employer Contributions), and that there will be no additional supplemental increases during the term of this Agreement.

Because the 2019 Preferred Schedule and Rehabilitation Plan are no longer sufficient to permit the Fund to emerge from critical status by 2026, the Trustees are authorized and directed to adopt a new 2022 Preferred Schedule. Upon adoption of the 2022 Preferred Schedule, it is hereby deemed approved by the bargaining parties and automatically incorporated into this Agreement.

On the basis of the exhaustion of all reasonable measures to emerge earlier, the updated Rehabilitation Plan shall provide for emergence from critical status in 20 .

A. The 2022 Preferred Schedule shall be effective with hours worked on and after October 1, 2022. For any Employer who negotiates a new or extended collective bargaining agreement with ratification date or execution date on or after March 7, 2022, that employer shall be subject to the 2022 Preferred Schedule and shall begin payment of contributions under the 2022 Preferred Schedule at the contribution rate then applicable for the year in which the Schedule first applies to the Employer.

In no event shall any contribution increases be required from the Employer – during the term of this Agreement as a result of any required annual updates or other changes to the 2022 Preferred Schedule or, if applicable, to any Default Schedule. Nor will there be any benefit reductions during the term of this Agreement

### 3. RETIREE HEALTH AND WELFARE.

1. The Employer and the Union agree that the benefits provided to retirees hereunder are not vested, and that the Employer's sole obligation with respect to such benefits is the contribution stated above. The Employer shall not be obligated to fund or otherwise pay for any benefit beyond the term of this Agreement, except as may be subsequently and expressly agreed to by the Employer. The Trustees are directed to clarify the Plan document and descriptive material accordingly.
2. The Trustees shall be obligated to provide benefits under this Section only to the extent that assets are available.
3. Amend the Plan to suspend benefits to retirees that are working within the industry for other than a contributing employer. Subject to acceptance by the Trustees, effective January 1, 2000, benefits will be suspended for retirees working more than forty (40) hours per month (fifty (50) hours in a five (5) week month) for an Employer. Implement

an enforcement plan to cover all benefit plans that will require retirees to provide social security records, IRS records and other documentation deemed necessary by the Trustees to demonstrate retiree status.

4. When disability retirements under the Pension Plan have a retroactive effective date, retiree health & welfare will be prospective only, except to the extent retroactive coverage is allowed under the rules in effect immediately prior to the effective date of this Agreement.
5. The Trustees are authorized and directed to require retirees to pay initial monthly premiums as a condition of participation in the Retiree Plan as follows:
  - (a) Non-Medicare:     Single - ninety dollars (\$90.00)  
                                  Family - one hundred eighty dollars (\$180.00)
  - (b) Medicare:            Single - forty dollars (\$40.00)  
                                  Family - eighty dollars (\$80.00)
  - (c) One on Medicare and one on non-Medicare will pay two single rates of one hundred thirty dollars (\$130.00).

Effective April 1, 2012 and annually thereafter, the pre-65 retiree co-premium shall be equal to (\$125.00) per person per month and the post -65 retiree co-premium shall be equal to fifty dollars (\$50.00) per person per month. Thereafter, the retiree co-premium shall be adjusted by the same annual percentage increase of the Medicare Part B rates.

6. New Hire employees shall not be eligible for Retiree Health and Welfare Benefits.

#### 4. ADMINISTRATION.

1. The Trustees shall continue a central administration office for the administration of the Trust, including but not limited to bookkeeping, tabulating, collection of contributions, record keeping and payment of claims and shall acquire appropriate office equipment and hire necessary personnel.

2. In addition to the central administration office, the Trustees are authorized and directed to continue the agreement and understanding entered into between the parties as outlined in the July 14, 1981 letter of agreement directing the Trustees to adopt a specific agreed-upon proposal concerning trust fund administration along with the supplemental agreement concerning trust administration dated February 10, 1982.

3. The Companies agree to change the Employer of the employees in the satellite offices from the Trust Fund to the respective Union (with a reimbursement from the Trust Fund in a manner consistent with applicable law as determined by the Trust Fund Attorneys).

5. PAYMENT OF CONTRIBUTIONS. Payment of contributions by the Employer required to be made to one or more of the Trusts established under this Article 15 shall be made on or before the twentieth (20th) day of each month based upon hours worked exclusive of overtime hours during the preceding calendar month by each employee covered by this collective bargaining Agreement.

Such payments shall be accompanied by a list of the names of the employees for whom such contribution is made, showing the number of hours worked, exclusive of overtime hours, by each such employee during the preceding calendar month. Time during vacation periods, sick leave, jury duty and

holiday absences which is paid for as provided under this collective bargaining Agreement herein referred to and all work performed on Sundays and holidays, exclusive of daily or weekly overtime, shall be considered as time worked to which the provisions of this Article shall apply. The Trustees have the authority to adopt and maintain reasonable rules regarding the acceptance of contributions in connection with the resolution of grievances.

It is understood that the contributions required on behalf of any employee shall not exceed forty (40) straight-time hours per week or two thousand eighty (2,080) straight-time hours per year. Contributions shall not be made for payments made on the basis of industry experience as set forth in Article 8-D and unused sick leave paid in accordance with Article 10-E. The Employer, by payment of the amounts provided for in this Article, shall be relieved of any further liability and shall not be required to make any further contributions to the cost of benefits, either in connection with the administration of the plans or otherwise.

The parties recognize and acknowledge that regular and prompt filing of accurate Employer reports and the regular and prompt payment of correct Employer contributions to the Trusts is essential to the proper management of the Funds, and that it would be extremely difficult, if not impossible, to fix the actual expense and damage to the Trusts which would result from the failure of an individual Employer to make accurate reports and to pay such accurate monthly contributions in full within the time specified above. Therefore, the amount of damage to the Trusts resulting from failure to file accurate reports or pay accurate contributions within the time specified shall be presumed to be the sum of fifteen dollars (\$15.00) or ten percent (10%) of the amount of the contribution or contributions due, whichever is greater, for each inaccurate or delinquent report or contribution. These amounts shall become due and payable to the Trusts as liquidated damages and not as a penalty upon the day immediately following the date on which the report or the contribution or contributions become delinquent. Liquidated damages shall be paid for each delinquent or inaccurate report or contribution and shall be paid in addition to any contributions due. In the event the Trustees shall incur any cost for the collection of said delinquency, the delinquent Employer hereby agrees to pay said additional cost including reasonable attorney's fees. The imposition of the liquidated damages described above shall require affirmative action of the Trustees following examination of periodic delinquency reports from the Administrator.

6. **BUSINESS EXPENSES.** It is understood that the provisions of this Article are being entered into upon the condition that the payments made by the Employer under this Article 15 shall be deductible under the Internal Revenue Code as it presently exists or as it may be amended subsequent to the date of this Agreement and under any similar applicable state revenue or tax laws.

7. **TRUSTEES.**

1. Local Union Nos. 135, 324, 770, 1167, 1428, and 1442 on the one hand, and Albertsons, LLC., Ralphs Grocery Company, Stater Bros. Markets and The Vons Companies, on the other hand, shall each appoint one trustee to the Board of Trustees of the Benefit Fund, Joint Pension Trust Fund, Individual Account Trust Fund, and Ancillary Benefit Fund. In any vote upon any matter, voting power shall at all times be divided equally between the Union Trustees and the Employer Trustees of each of the Board of Trustees. The Employer Trustees shall collectively cast a single unit vote and the Union Trustees shall collectively cast a single unit vote.

2. The Declarations of Trust shall provide for voting by proxy, and for alternate Trustees, and shall further provide that the tenure of Trustees, method of removal, and successor Trustees shall be designated by the parties empowered to appoint such Trustees. The Trustees shall amend the existing Agreements and Declaration of Trust as may be required to accomplish the purposes of this Article 15, and all parties to this collective bargaining Agreement agree to be bound by the terms and provisions thereof.

H. PRESERVATION OF TRUST FUNDS. The Employer and the Union hereby agree that each and all of the existing Trust Funds provided for in this Agreement shall be continued for the life of this Agreement, with the exception of the Ancillary Fund, which is being merged. In order to preserve and maintain the existence of these Trust Funds, the parties hereto expressly agree that neither the Employer nor the Union shall enter into any agreement or understanding nor undertake to dissolve, sever, partition or divide any of these Trust Funds. It is also agreed and understood between the parties hereto that during the term of this Agreement each and all of these Trust Funds shall continue to be administered at a central neutral location.

Notwithstanding the foregoing, the Individual Account Plan is being terminated in accordance with the time frame and procedures set forth in this Agreement.

#### I. ACCEPTANCE OF TRUSTS.

1. The Employer and the Union hereby accept the terms of the existing Benefit Fund, and Joint Pension Trust Fund. By this acceptance the Employer agrees to and shall become a party to each of said Trusts with the same force and effect as though the Employer had executed the original Declarations.

2. Any amendments that from time to time may be made thereto, including the creation of supplementary trusts to handle any of the funds referred to in this Agreement, shall be binding upon the Employer.

3. The Employer and the Union hereby agree to amend the Trust Agreements of the various Funds referred to in Paragraph 1 above in order to comply with the terms of this Article 15.

4. The Employer hereby accepts and designates the existing Employer Trustees and any additional or successor Trustees under these Trust Agreements as may be appointed under these Trust Agreements in accordance with the procedures set forth in such Trust Agreements.

#### ARTICLE 16 - NEW LOCATIONS

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

#### ARTICLE 17 - SUCCESSORS AND ASSIGNS

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

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

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

#### 4. **SALE OR TRANSFER**

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

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

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

4. Any employee of the seller or transferor who is employed by the new owner or transferee within such thirty (30) day period and who is retained on the payroll of the new owner or transferee for a period in excess of such thirty (30) day period, shall be credited with and retain all seniority acquired while in the employ of the seller or transferor since their most recent date of hire by such seller or transferor, for the purpose of determining benefits to which they are entitled under this collective bargaining Agreement with the new owner or transferee by virtue of such seniority, as if their employment were continuous, including retention of anniversary date of employment and vacation and sick leave benefits, provided that the employees of the seller or transferor shall for the purposes of termination be credited with no more seniority than that of the most senior employee employed by the new owner or transferee covered by an agreement with a United Food & Commercial Workers Union Local on the date of assumption of responsibility, and provided further that the new owner or transferee shall not be liable for any benefits or payments owed to the employee because of employment with the seller or transferor. "Seller or transferor" is defined to include prior owners of the same store since January 1, 1956.

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

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

#### ARTICLE 18 - OPERATIONAL CHANGES

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

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

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

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



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

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

#### ARTICLE 19 - SEPARABILITY CLAUSE

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

T.M.

ARTICLE 20 - EXPIRATION AND RENEWAL

This Agreement shall be in effect from March 7, 2022, to and including March 2, 2025, and shall continue from year to year thereafter unless either party shall give written notice to the other at least sixty (60) days prior to the expiration date of March 2, 2025, or at least sixty (60) days prior to any subsequent March 2 of any succeeding year of its desire to alter, amend or terminate this Agreement.

SIGNED THIS 1st DAY OF June, 2022.

FOR THE EMPLOYER:

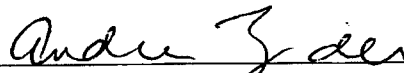


Red Shell Foods  
Tomohiro Matano  
CEO of Nagatanien RS Foods, LLC

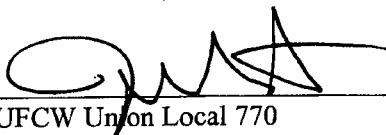
FOR THE UNION:



UFCW Union Local 135  
Bruce T. Walters, President



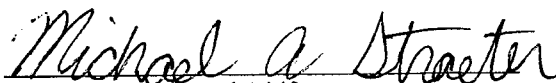
UFCW Union Local 324  
Andrea Zinder, President



UFCW Union Local 770  
John M. Grant, President



UFCW Union Local 1167  
Joe Duffle, President



UFCW Union Local 1442  
Michael A. Straeter, President

APPENDIX A – HOURLY WAGE RATES AND PROGRESSIONS FOR EMPLOYEES

	<b>3/7/2022</b>	<b>3/6/2023</b>	<b>3/4/2024</b>
<b>Sushi Case</b>			
1st 26 weeks	\$16.50	\$16.50	\$16.50
2nd 26 weeks	\$16.75	\$16.75	\$16.75
3rd 26 weeks	\$17.25	\$17.25	\$17.25
4th 26 weeks	\$17.75	\$17.75	\$17.75
5th 26 weeks	\$18.50	\$18.50	\$18.50
6th 26 weeks	\$19.50	\$19.50	\$19.50
Experienced	\$20.25	\$21.25	\$22.50
Dept Head	\$21.35	\$22.35	\$23.60

<b>Sushi Bar</b>	1st 26 weeks	\$17.00	\$17.00	\$17.00
	2nd 26 weeks	\$17.25	\$17.25	\$17.25
	3rd 26 weeks	\$17.75	\$17.75	\$17.75
	4th 26 weeks	\$18.25	\$18.25	\$18.25
	5th 26 weeks	\$19.00	\$19.00	\$19.00
	6th 26 weeks	\$20.00	\$20.00	\$20.00
	Experienced	\$21.25	\$22.25	\$23.50
	Dept Head	\$22.35	\$23.35	\$24.60

<b>Sushi Sub</b>	1st 26 weeks	\$16.25	\$16.25	\$16.25
	2nd 26 weeks	\$16.50	\$16.50	\$16.50
	3rd 26 weeks	\$16.75	\$16.75	\$16.75
	4th 26 weeks	\$17.00	\$17.00	\$17.00
	5th 26 weeks	\$17.50	\$17.50	\$17.50
	6th 26 weeks	\$18.50	\$18.50	\$18.50
	Experienced	\$19.75	\$20.75	\$22.00

The minimum wage increases are:

\$2.00 effective 3/7/22

\$1.00 effective 3/6/23

\$1.25 effective 3/4/24

## APPENDIX B - JURISDICTIONS OF UFCW LOCALS

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

LOCAL 8-GS - Inyo, Kern and Mono Counties.

LOCAL 135 (Clerks) - San Diego County.

LOCAL 324 - Orange County and Long Beach, California, including Orange County, Long Beach area west to the southernmost end of the 110 Freeway north to the 91 Freeway; thence east along the 91 Freeway to the 710 Freeway; thence north along the 710 Freeway to the Rio Hondo River; thence northeast along the Rio Hondo River to Beverly Boulevard; thence southeast towards the northern border of Whittier; thence along the northern border of Whittier to the border of Orange County.

LOCAL 770 (Clerks) - San Luis Obispo, Santa Barbara, Ventura, and Los Angeles Counties except that portion of Los Angeles County bounded by the Ventura County line east along Mulholland Drive to Sepulveda Boulevard, south to Sunset Boulevard, east on Sunset to Beverly Glen, south through center of parkway to Cattaraugus, thence to Robertson Boulevard, Robertson Boulevard to Venice Boulevard, east on Venice Boulevard to Cattaraugus, south to Jefferson Boulevard, Jefferson Boulevard to Sepulveda Boulevard, south to Imperial Highway, east to Crenshaw Boulevard, south to 190th, west to Hawthorne Boulevard, south to Newton and west to the Pacific Ocean and also excepting that portion of Los Angeles County including the Long Beach area west to the southernmost end of the 110 Freeway north to the 91 Freeway; thence east along the 91 Freeway to the 710 Freeway; thence north along the 710 Freeway to the Rio Hondo River; thence northeast along the Rio Hondo River to Beverly Boulevard; thence southeast towards the northern border of Whittier; thence along the northern border of Whittier to the border of Orange County and then north as outlined on jurisdictional map, continuing to Kern County.

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

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

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

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

Letter of Agreement

In the event the State, Federal or any municipal minimum wage increases during the term of this Agreement (2022-2025) to a rate greater than eight dollars (\$8.00), each rate will be at least forty cents (\$.40) above the minimum wage for Sushi Employee. Further, each rate will be at least ten cents (\$.10) higher than the previous rate in the progression schedule. Sushi Employees, will be a minimum of \$0.25 between each step, not to exceed the top (thereafter) rate. Moreover, if an employee working in a municipality with a higher minimum wage is involuntarily transferred to a store in another municipality, they will not be reduced in wage. Finally, this letter of Agreement expires March 2, 2025.


Executed this 1st day of June, 2022.

FOR THE EMPLOYER:



Red Shell Foods  
Tomohiro Matano  
CEO of Nagatanien RS Foods, LLC

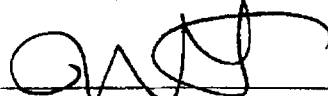
FOR THE UNION:



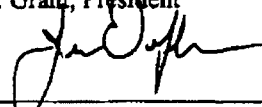
UFCW Union Local 135  
Bruce T. Walters, President



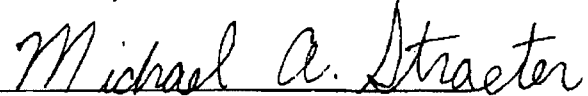
UFCW Union Local 324  
Andrea Zinder, President



UFCW Union Local 770  
John M. Grant, President



UFCW Union Local 1167  
Joe Duffie, President



UFCW Union Local 1442  
Michael A. Straeter, President