Agreement by and between

UFCW 21 and D'Ambrosio & Associates

Meat
King/Kitsap County

Effective 5/5/2013 — 5/7/2016

UFCW 21
a VOICE for working America

YOUR VOICE, YOUR UNION, YOUR CONTRACT

About UFCW 21

UFCW 21 is a large, strong, progressive, and diverse union, representing more grocery workers, retail workers, and professional and technical health care workers than any other union in the state.

With over 44,000 members united, we have the power and resources to take on tough employers, represent members on the job, raise standards in our industries, and support laws that make a difference for working families.

My Union Representative:

_____

My Union Steward:

_____

With a union you and your co-workers have a voice in decisions about your work life—wages, benefits, holidays and vacations, scheduling, seniority rights, job security, and much more. Union negotiations put us across the bargaining table from management—as equals.

A negotiating committee of your co-workers and union staff negotiated this contract. How does the negotiating committee know what issues are important? Union members tell us. The issues raised in contract surveys and proposal meetings help us decide what to propose in contract negotiations. Stewards and union representatives report on issues that arise on the job, talking with members about grievances, problems, and needs. They have a hands-on sense of what the issues are.

The more that union members stand together and speak out with one voice, the stronger the contract we can win. A contract can only take effect after union members have a chance to review the offer and vote on it.

A union is as strong as its members. It's no secret—an active and united membership means a stronger union—which means a better contract.

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AGREEMENT

By and Between
D'AMBROSIO & ASSOCIATES

and
UNITED FOOD AND COMMERCIAL WORKERS UNION
LOCAL NO. 21
AFL-CIO

MEAT
(King/Kitsap)

This Agreement is made by and between D'Ambrosio & Associates, for and on behalf of its members operating meat markets in King and Kitsap Counties, and United Food and Commercial Workers Union Local #21. It is the intent and purpose of the parties hereto that this Agreement shall promote and improve the industrial and economic relationship between the Company and the Union and its members as set forth herein, and to set forth herein rates of pay, hours of work, and other conditions of employment to be observed between the parties hereto.

ARTICLE 1 - CONDITIONS OF EMPLOYMENT

1.01 D'Ambrosio & Associates hereby recognizes, during the term of this Agreement, United Food and Commercial Workers Union Local #21, as the sole and exclusive collective bargaining agency for all employees of the Employer whose job classification is set forth in this Agreement.

1.02 The United Food and Commercial Workers Union Local #21, for and on behalf of its members, hereby recognizes during the term of this Agreement D'Ambrosio & Associates as the sole and exclusive collective bargaining agency for all Employers who are designated as parties to this Agreement.

1.03 Pursuant to and in conformance with Section 8(a)3 of the Labor Management Relations Act of 1947, it is agreed that all employees coming under the terms of this Agreement, including but not limited to any family member or owner, (except as provided for in section 15.02) performing work coming under the terms of this Agreement shall make application to join the Union within thirty-one (31) days following the date of employment or within thirty-one (31) days following the signing of this Agreement, whichever is the latter, and must maintain membership in good standing for the life of this Agreement and any renewal thereof. The Employer shall discharge any employee to whom the Union, through its authorized representative, delivers to the Employer's Main Office a written notice that such employee is not in good standing. The Union agrees to hold the Employer harmless for discharges made pursuant to this section. The Employer shall inform employees of the foregoing requirement at the time they are employed.

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

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

ARTICLE 2 - WORKING HOURS

2.01 The basic straight-time workweek shall be Sunday through Saturday. Whenever fresh meat is offered for sale, at least one (1) Journeyman meatcutter must be employed Monday through Saturday in each market for at least eight (8) hours, exclusive of lunchtime each day, between the hours of 6:00 a.m. and 6:00 p.m. No split shifts shall be allowed.

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

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

b. Employees working this optional workweek shall be guaranteed forty (40) hours per week;

c. Notice of the optional workweek shall be given by Thursday of the preceding week;

d. A minimum of two (2) consecutive scheduled days off;

e. The fifth and sixth day worked in the same workweek shall be paid for at the rate of time and one-half (1-1/2) (except Sunday which shall be paid for at the Sunday rate);

f. All work over ten (10) hours per day shall be paid for at the rate of time and one-half (1-1/2) the straight-time rate of pay;

g. In addition to the rest periods provided for in Section 3.01, employees working the four/ten workweek shall be given an additional rest period of ten (10) minutes after the completion of eight (8) hours' work;

h. Sick leave pay shall begin after sixteen (l6) hours missed;

i. Holidays shall be paid as follows:

1. If the employee is scheduled for forty (40) hours during the holiday week, he/she shall receive eight (8) hours holiday pay for holidays not worked;

2. If an employee is scheduled for less than forty (40) hours during a holiday week, he/she shall receive ten hours holiday pay for holidays not worked.

2.02 Days off shall be rotated to the end that consecutive days off shall be shared equally unless otherwise mutually agreed upon.

2.03 In order to give employees as much notice as possible in the planning of their weekly schedules of work, the Employer agrees to post a work schedule for all regular full-time and regular part-time employees before 6:00 p.m. on Thursday of the preceding workweek. Except in cases of emergency, no changes shall be made in said schedule without a full twenty-four (24) hours notice to the employees involved in such changes in schedule. All emergency change of shift hours will be reported to the Union. If they report for work as scheduled, regular full-time employees shall be guaranteed eight (8) hours work per day and forty (40) hours work per week, Monday through Saturday*, and regular part-time employees shall be guaranteed a minimum of four (4) hours work. Extra employees shall receive not less than four (4) hours continuous work or equivalent compensation in any one (1) day ordered to report for work. These guarantees shall not apply in cases of acts of God or other emergencies beyond the Employer's control.

* See Letter of Understanding attached (Scheduling Grievance Settlement).

2.04 All hours worked in excess of eight (8) hours per day, forty (40) hours per week, Monday through Saturday, and between the hours of 9:00 p.m. to 6:00 a.m. shall be paid for at the rate of time and one-half (1-1/2) the regular contract scale. A premium rate of fifty cents (50¢) per hour shall be paid in addition to the straight-time rate for all work performed between the hours of 6:00 p.m. and 9:00 p.m. When an employee works six (6) days in a workweek, Monday through Saturday, time and one-half shall be paid for work on the day the least number of hours are worked. Employees required to work on Sundays or holidays, shall be paid at the applicable rate for Sunday and/or holiday work. Minimum call-ins on Sundays and Holidays shall be four (4) hours. For those employees scheduled to work only four (4) hours on Sundays, such four (4) hours shall be on a voluntary basis. If the Employer is unable to obtain sufficient qualified volunteers, then it shall assign such work on an inverse rotating seniority basis by store. A minimum of ten (10) hours shall be required between straight-time shifts. Otherwise, the premium of time and one-half (1-1/2) will be required for any hours that may be worked prior to the expiration of the ten (10) hour period. All time worked after eight (8) consecutive days shall be paid at the rate of time and one-half (1-1/2) the appropriate contract rate (excluding Sunday/holiday premium pay) until a day off is given. Employees requested to work on the ninth (9th) consecutive day shall advise management that they have already worked eight (8) consecutive days.

2.04.1 Employees required to work after 6:00 p.m. on New Year's Eve or Christmas Eve shall be entitled to time and one-half for all hours worked after 6:00 p.m. on such days.

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

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

ARTICLE 3 - REST PERIODS

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

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

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

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

ARTICLE 4 - VACATIONS

4.01 Employees on the first anniversary date of their employment (after the first year of continuous employment) shall be entitled to a vacation with pay based upon the number of hours worked in the preceding twelve (12) months at the hourly rate in effect at the time the vacation is paid as follows:

Hours Worked	Hours of Paid Vacation
1000 to 1200	20
1200 to 1600	24

1600 to 2000	32
2000 or more	40

4.02 Employees on the second and each subsequent anniversary date of their employment to the fifth (5th) anniversary date of their employment (after the second and each subsequent year to the fifth (5th) year of continuous employment) shall be entitled to vacation with pay at the hourly rate in effect at the time vacation is paid and based upon the number of hours worked in the preceding twelve (12) months as follows:

Hours Worked	Hours of Paid Vacation
1000 to 1200	40
1200 to 1600	48
1600 to 2000	64
2000 to 2288	80
2288 to 2496	88
2496 or more	96

4.03 Employees on the fifth (5th) and each subsequent anniversary date of their employment to the twelfth (12th) anniversary date of their employment (after the fifth (5th) and each subsequent year to the twelfth (12th) year of continuous employment) shall be entitled to vacation with pay at the hourly rate in effect at the time vacation is paid and based upon the number of hours worked in the preceding twelve (12) months as follows:

Hours Worked	Hours of Paid Vacation
1000 to 1200	60
1200 to l600	72
1600 to 2000	96
2000 to 2288	120
2288 to 2496	132
2496 or more	144

4.04 Employees on the twelfth (12th) and each subsequent anniversary date of their employment (after the twelfth (12th) and each subsequent year of continuous employment) shall be entitled to vacation with pay at the hourly rate in effect at the time vacation is paid and based upon the number of hours worked in the preceding twelve (12) months as follows:

Hours Worked	Hours of Paid Vacation
1000 to 1200	80
1200 to 1600	96
1600 to 2000	128
2000 to 2288	160
2288 to 2496	176
2496 or more	192

4.05 Regular employees who average twenty hours or more per week, who terminate or are terminated (termination for dishonesty excepted) after the first or any subsequent anniversary

date of their employment and prior to their next anniversary date of employment, shall be entitled to vacation pay at their hourly rate based upon the number of hours worked since the last anniversary date of their employment at the following rates for each full one hundred (100) hours worked: After the first (1st) to the fifth (5th) anniversary date, four (4) hours vacation pay; after the fifth (5th) to the twelfth (12th) anniversary date, six (6) hours vacation pay; after the twelfth (12th) anniversary date, eight (8) hours vacation pay.

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

4.07 Employees whose vacations are scheduled during a holiday week shall receive holiday pay provided for under the terms of Article 5, section 5.02, of this Agreement, in addition to vacation pay.

4.08 It is hereby understood and agreed that in computing "Hours of Paid Vacation" for full-time employees (employees who regularly appear on the payroll for forty (40) hours or more per week), the terms of Article 4, section 4.01, 4.02, 4.03, and 4.04 shall be applied so that working time lost up to a maximum of one hundred sixty (160) hours due to verified cases of sickness or accident, or other absence from work approved by the Employer shall be counted as time worked. In determining the number of hours of paid vacation to which an employee is entitled, there shall be no deduction from his bank of hours due to absence from work because of vacation or holiday time earned and taken under this Agreement.

4.09 Earned vacations must be taken within twelve (12) months following the employee's anniversary date.

4.10 Vacation schedules, after being completed by the Employer, shall be posted in each market for that particular market.

4.11 Vacation hours for continuing employees shall be considered hours worked for the purpose of establishing eligibility as per Article 7 and Article 18. As such, vacation hours, and the corresponding contributions due, shall be reported and paid to those Trusts during the month in which the employee takes vacation time off from work.

ARTICLE 5 - HOLIDAYS

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

Employer and employee, the employee may receive payment at the straight-time rate in lieu of such personal holidays in accordance with section 5.02 of Article 5.

5.01.1 For employees hired after [date of ratification]: Employees with one year of continuous service with the Employer shall receive one personal day, two personal days after two years, and three personal days after three years – to be scheduled as mutually agreed.

5.02 A regular full-time employee shall receive no reduction in his straight-time weekly pay as the result of the holiday not worked, provided such employee works sometime during the week in which the holiday occurred and works his last scheduled working day preceding and his next scheduled working day immediately following the holiday. A part-time employee who averages twelve (12) hours or more per week shall be paid for the holiday on the basis of one fifth (1/5) of the employee's average hours worked per week in the four (4) weeks immediately preceding the holiday week, to a maximum of eight (8) hours, provided the employee works sometime during the holiday week and reports for work his last scheduled working day preceding and his next scheduled working day immediately following the holiday.

5.03 An employee shall not be deprived of holiday pay if he is absent from work his last scheduled working day preceding and/or his next scheduled working day immediately following the holiday if he is unable to work such scheduled working day for one or more of the reasons specified below, provided that the employee has in all other respects qualified for pay for the holiday not worked, including the requirement to work sometime during the week in which the holiday occurs:

5.03.1 The requirement to work sometime during the holiday week shall be waived when the involuntary absence is due to a bona fide illness or injury, provided that the employee has worked within the seven (7) calendar days preceding the holiday and within the seven (7) calendar days following the holiday.

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

5.03.3 Temporary layoff.

5.03.4 Jury duty as defined in Article 9.

5.03.5 Funeral leave as defined in Article 19.

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

5.04 All work performed on Sundays shall be paid pursuant to the terms of Section 6.05. For current employees, holidays shall be paid for at the rate of one and three-quarters (1-3/4) times

the straight-time hourly rate in addition to holiday pay. Employees hired on or after December 3, 2010 shall be paid time and one-half the straight time wage rate for work performed on the holiday.

5.05 In a holiday week, either thirty-two (32) straight-time hours or forty (40) straight-time hours worked shall constitute a week's work. If an employee works 32 or more hours in a holiday week, they shall receive 8 hours of holiday pay.

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

ARTICLE 6 - CLASSIFICATIONS AND RATES OF PAY

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

In no event shall any wage classification be less than ten cents (10¢) per hour above the then current Washington State minimum wage. Effective January 1, 2016, each rate will be at least ten cents (10¢) per hour higher than the previous rate in the progression schedule.

6.02 **Meat Cutters:**

Ratification Lump Sum: For all Journeyperson employees on the payroll on October 31, 2013, there shall be a lump sum payment which shall be calculated by taking $0.25 per hour for all Journeyperson hours and $0.15 per hour for all Apprentice hours compensated in the previous twelve (12) months. For all Apprentice employees on the payroll on October 31, 2013, there shall be a lump sum payment which shall be calculated by taking $0.15 per hour for all Apprentice hours compensated in the previous twelve (12) months. (The bonus is to be paid on all hours compensated regardless if the hour was a straight-time hour or overtime hour. The parties have factored in overtime requirements in the $0.25 and $0.15 figures.)

For employees hired before December 3, 2010:

Classifications	CURRENT	7/6/14	7/5/15
Market Manager	$22.75	$23.00	$23.25
Journeyperson	21.75	22.00	22.25
4th 6 months	16.60	16.60	16.60
3rd 6 months	15.66	15.66	15.66
2nd 6 months	13.81	13.81	13.81
1st 6 months	11.96	11.96	11.96

For employees hired on or after December 3, 2010:

Classifications	CURRENT	7/6/14	7/5/15
Market Manager	$22.75	$23.00	$23.25
Journeyperson	21.75	22.00	22.25
6th 6 months	19.70	19.70	19.70
5th 6 months	18.15	18.15	18.15
4th 6 months	16.60	16.60	16.60
3rd 6 months	15.06	15.06	15.06
2nd 6 months	13.51	13.51	13.51
1st 6 months	11.96	11.96	11.96

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

6.03 **Meat Wrappers:**

Ratification Lump Sum: For all Journeyperson employees on the payroll on October 31, 2013, there shall be a lump sum payment which shall be calculated by taking $0.25 per hour for all Journeyperson hours and $0.15 per hour for all Apprentice hours compensated in the previous twelve (12) months. For all Apprentice employees on the payroll on October 31, 2013, there shall be a lump sum payment which shall be calculated by taking $0.15 per hour for all Apprentice hours compensated in the previous twelve (12) months. (The bonus is to be paid on all hours compensated regardless if the hour was a straight-time hour or overtime hour. The parties have factored in overtime requirements in the $0.25 and $0.15 figures.)

For employees hired prior to August 15, 2004:

Classifications	CURRENT	1/1/14	7/6/14	7/5/15
Journeyperson	$19.20	$19.20	$19.45	$19.70
3293-3812 hrs	14.11	14.11	14.11	14.11
2773-3292 hrs	12.57	12.57	12.57	12.57
2081-2772 hrs	11.81	11.81	11.81	11.81
1385-2080 hrs	11.01	11.01	11.01	11.01
693-1384 hrs	9.48	9.52	9.52	9.52
0- 692 hrs	9.29	9.42	9.42	9.42

For employees hired on or after August 15, 2004:

Classifications	CURRENT	1/1/14	7/6/14	7/5/15
Journeyperson	$19.20	$19.20	$19.45	$19.70
Next 520	13.50	13.50	13.50	13.50
Next 1040 hrs	12.00	12.00	12.00	12.00

Next 1040 hrs	11.00	11.00	11.00	11.00
Next 1040 hrs	10.00	10.00	10.00	10.00
Next 1040 hrs	9.50	9.72	9.72	9.72
Next 1040 hrs	9.29	9.62	9.62	9.62
Next 1040 hrs	9.29	9.52	9.52	9.52
1st 1040 hrs	9.29	9.42	9.42	9.42

6.04 Wrapper employees as covered by this Agreement shall not be permitted to cut or grind fresh meat.

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

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

Seafood products may be wrapped and priced in the Service Department and placed in the self-service meat counter or other places in the store for customer purchase, provided the store has a designated Lead Service Counter employee.

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

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

6.07 **Service Counter:**

Ratification Lump Sum: For all Journeyperson employees on the payroll on October 31, 2013, there shall be a lump sum payment which shall be calculated by taking $0.25 per hour for all Journeyperson hours and $0.15 per hour for all Apprentice hours compensated in the previous twelve (12) months. For all Apprentice employees on the payroll on October 31, 2013, there shall be a lump sum payment which shall be calculated by taking $0.15 per hour for all Apprentice hours compensated in the previous twelve (12) months. (The bonus is to be paid on all hours compensated regardless if the hour was a straight-time hour or overtime hour. The parties have factored in overtime requirements in the $0.25 and $0.15 figures.)

For employees hired prior to August 15, 2004:

Classifications	**CURRENT**	**1/1/14**	**7/6/14**	**7/5/15**
Lead S/C	$15.50	$15.50	$15.75	$16.00
Journeyperson	15.00	15.00	15.25	15.50
3293-3812 hrs	10.27	10.27	10.27	10.27
2773-3292 hrs	9.71	9.82	9.82	9.82
2081-2772 hrs	9.29	9.72	9.72	9.72
1385-2080 hrs	9.29	9.62	9.62	9.62
693-1384 hrs	9.29	9.52	9.52	9.52
0- 692 hrs	9.29	9.42	9.42	9.42

For employees hired on or after August 15, 2004:

Classifications	**CURRENT**	**1/1/14**	**7/6/14**	**7/5/15**
Lead S/C	$15.50	$15.50	$15.75	$16.00
Journeyperson	15.00	15.00	15.25	15.50
Next 520	11.00	11.00	11.00	11.00
Next 1040 hrs	10.50	10.50	10.50	10.50
Next 1040 hrs	10.00	10.00	10.00	10.00
Next 1040 hrs	9.50	9.82	9.82	9.82
Next 1040 hrs	9.29	9.72	9.72	9.72
Next 1040 hrs	9.29	9.62	9.62	9.62
Next 1040 hrs	9.29	9.52	9.52	9.52
1st 1040 hrs	9.29	9.42	9.42	9.42

6.08 The wages for superannuated members shall be determined by the representatives of the Union and the Employer. All steady employees shall be paid on the pay period established by the Employer at least every two (2) weeks. Extra employees who so request from the store manager will have their checks mailed to their last known address.

6.09 For the purpose of computing months of experience under section 6.01 of Article 6, the equivalent of one hundred and seventy-three (173) hours worked in the Retail Meat Industry

shall be counted as one (1) month's experience, provided that no employee shall be credited with more than one hundred and seventy-three (173) hours of experience in any one (1) calendar month.

6.10 Sixty (60) days prior to the introduction of any new methods of operation into the bargaining unit that would create the need for a new work classification and rate of pay for such new classification, the Employer shall notify the Union of any such new methods, including a description of work being performed and the wage rate assigned. Any question as to the adequacy of the wage rate established for the new job classification shall be presented in writing by the Union within ten (10) calendar days following the Employer's written notice to the Union, and shall be subject to negotiation and if not agreed upon, shall be subject to the grievance procedure as set forth in Article 14 of this Agreement. If, through the procedure as set forth in Article 14, it is determined that the wage rate assigned by the Employer should be adjusted, such adjustment shall be retroactive to the date that such new method is put into effect. It is mutually agreed that should one party desire expedited arbitration of any grievance arising from this section 6.10, the other party will move in such a manner as to proceed immediately to arbitration.

ARTICLE 7 - RETIREMENT PROGRAM

7.01 During the term of this Agreement, the Employer shall pay into the Washington Meat Industry Pension Trust and then to the Sound Retirement Trust on account of each member of the bargaining unit the amounts as specified in this section.

7.02 Contributions shall be paid on all compensable hours up to a maximum of 173 hours per calendar month. The term "compensable hours" shall have the same meaning as set forth in Article 18 - Health and Welfare.

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

7.04 Vacation hours for continuing employees shall be reported and corresponding contributions paid in accordance with Article 4, section 4.11.

7.05 The Union and the Employers party to this Agreement direct the Trustees of the Sound Retirement Trust to enter into a merger with the Trustees of the Washington Meat Industry Pension Trust effective with a target date of July 1, 2014 and give full authority to effectuate such merger to the Board of Trustees of the Sound Retirement Trust and the Washington Meat Industry Pension Trust without further approval of the parties to this Agreement. It is understood that the contribution rates specified below would be paid to the continuing Trust. Contemporaneously with the merger of the Washington Meat Industry Pension Trust into the

Sound Retirement Trust, the bargaining parties also direct that the Trustees of the Sound Retirement Trust enter into a transfer agreement under which all Kroger related liabilities of the Washington Meat Industry Pension Trust will be transferred to the UFCW Consolidated Pension Fund. The parameters of the merger and the transfer, including the transfer of assets and liabilities, is set forth in Appendices hereto.

7.06 Prior to the merger of the Washington Meat Industry Pension Trust and the Sound Retirement Trust, the Employers shall continue to contribute at their current contribution rates of:

	Meatcutters & Wrappers	**Service Counter**
Base	$1.00	$0.50
Pre-PPA Suppl.	$0.60	$0.30
Past Rehab Incr.	$0.672	$0.336
Current Total:	$2.272	$1.136

Kroger (Fred Meyer and QFC) Post-Merger Rates: Upon merger of the Washington Meat Industry Pension Trust into the Sound Retirement Trust, the Employers will contribute the following amounts:

Meatcutters/Wrappers: $0.45 per hour

Service Counter: $0.225 per hour

Albertsons & Safeway (And Other Similarly-Situated Employers) Post-Merger Rates: Upon merger of the Washington Meat Industry Pension Trust into the Sound Retirement Trust, Safeway and Albertsons (and other similarly-situated Employers) will make a supplemental contribution on all Grocery and Meat employees to account for their Washington Meat Fund liabilities (past service). Assuming the merger is completed, the following will be the contribution rates:

	Meatcutters & Wrappers	**Service Counter**
Base	$0.45	$0.225
1st Rehab. Suppl.	$0.10	$0.10
July 2014* Total:	$0.55	$0.325
July 2015 (2nd Rehab. Suppl. increase)	$0.65	$0.425

* Assumes merger date of July 1, 2014. This rate will be effective upon merger, but no earlier than July 1, 2014.

7.07 The Union shall have the right to defer any contractual Journeyperson wage increase arising during this contract into the Pension Plan. The Union shall decide whether and for how

long such deferral will last. Such additional contribution shall go to deficit reduction, and not to increase the benefit credit. The details of the deferral are subject to review and approval by the trustees and trust counsel.

7.08 Pension Protection Act ("PPA").

Prior to the merger, this Agreement is to be subject to the Washington Meat Industry Pension Trust Rehabilitation Plan (last modified January 17, 2014). Post-merger, this Agreement is to be subject to the 2010-2011 Rehabilitation Plan adopted by the Sound Retirement Trust Board of Trustees, as revised June 19, 2013.

ARTICLE 8 - SICK LEAVE

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

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

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

8.03 Sick leave pay, to the extent it has been earned, shall begin on the third (3rd) working day of illness or injury, or first (1st) day of hospital confinement, shall continue for each working day of illness or injury there after, and shall be in an amount per day equal to the average number of straight-time hours worked per day by the employee during the past twelve (12) months; provided 1) the daily total of sick leave pay under this section and disability payments provided by the Health and Welfare plan shall not exceed the contract rate for one (1) eight (8) hour day; and 2) not more than five (5) days sick leave pay shall be required in any one (1) workweek. Sick leave pay shall be paid on a six (6) day week but not to exceed forty (40) hours pay in any one (1) week. For purposes of this Article, disabling outpatient surgery will be treated as hospitalization.

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

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

verification must be presented prior to return to work, provided the Employer has given the employee reasonable advance notice.

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

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

8.08 Employees injured on the job shall be paid for the remainder of their shift, if unable to return to work as medically verified.

8.09 Family Leave - Employees shall be permitted family leave in accordance with RCW 49.12 on the same terms and conditions (including eligibility requirements) as provided in Sections 8.01 through 8.08 above.

ARTICLE 9 - JURY DUTY

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

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

9.01.2 If an employee is required to appear on behalf of his/her Employer during regular scheduled hours, he/she shall receive compensation at their regular straight-time hourly rate of

pay for the time spent in making such appearance, less any witness fees. In this event, these hours will be considered compensable hours under the terms of this Agreement.

ARTICLE 10 - APPRENTICES

10.01 Matters concerning apprentices shall be as provided in the Seattle Meat Cutters Joint Apprenticeship Standards as approved by the Joint Apprenticeship Committee and the Washington State Apprenticeship Council, and apprentices shall be allowed on the following basis: One (1) to a market where two (2) Journeymen are employed; two (2) where five (5) Journeymen are employed; three (3) where ten (10) Journeymen are employed. Three (3) shall be the maximum apprentices to any shop regardless of the number of Journeymen.

10.01.1 Notwithstanding the above, apprentice meatcutters may work alone during their entire apprenticeship period.

10.02 Shops whose owners work with the tools of the trade and work the major part of the day and employing one (1) Journeyman shall be entitled to one (1) apprentice.

ARTICLE 11 - SENIORITY, LAYOFFS AND DISCHARGES

11.01 Seniority shall prevail in layoffs for all employees after working 435 compensated hours within a 150 consecutive calendar day period or a consecutive 21-week period. Once an employee has worked 435 compensated hours in 150 calendar days or 21 weeks, his or her seniority will date back to the date the 150 calendar days or 21 weeks began. An employee's seniority date shall also be considered their anniversary date for all purposes under this Agreement. Each Employer shall have the option, on a company-wide basis, of applying either the 150 consecutive calendar day period or a 21 consecutive week period under this section. The seniority status of employees hired on the same day shall be determined by the Employer with notification to the Union.

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

11.02 In the event of a layoff, the last employee hired shall be the first (1st) laid off, and the last employee laid off shall be the first (1st) rehired; provided that qualifications are substantially equal, that the employee is available, and reports for work within twenty-four (24) hours following receipt of notification to report for work.

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

11.03.1 Voluntary quit;

11.03.2 Discharge in accordance with sections 11.07 and 11.07.1;

11.03.3 Absence caused by a layoff in excess of six (6) months;

11.03.4 Absence caused by an illness or non-occupational injury of more than nine (9) months unless a longer period is mutually agreed upon between the Employer and the Union;

11.03.5 Absence caused by an occupational injury of more than eighteen (18) months unless a longer period is mutually agreed upon between the Employer and the Union;

11.03.6 Failure to return from a leave of absence in accordance with Article l2.

11.04 There shall be established three (3) separate seniority groups: 1) Journeyperson Meatcutters and Apprentice Meatcutters; 2) Wrappers; 3) Service Counter Employees.

11.04.1 Wrappers desirous of promotion to Apprentice Meatcutter status shall make their desires known to the company, in writing, and such employees shall be given first consideration for such vacancies. Selection to fill the vacancies shall be made on the basis of company seniority within the geographical jurisdiction of the Local Union, ability and qualifications being relatively equal.

11.04.2 A wrapper promoted to Apprentice Meatcutter shall have a ninety (90) day trial period. Said trial period shall not jeopardize the employee's former classification or seniority. There shall be no reduction in pay to any wrapper as a result of promotion to Apprentice Meatcutter, i.e., the Wrapper rate of pay shall apply until such time as the Apprentice rate exceeds the Wrapper rate, at which time the Apprentice rate shall apply.

11.04.3 Service Counter employees desirous of promotion to Wrapper or Apprentice Meatcutter shall make their desires known to the company, in writing, and such employees shall be given first consideration for such vacancies. Selection to fill the vacancies shall be made on the basis of company seniority within the geographical jurisdiction of the Local Union, ability and qualifications being relatively equal.

11.04.4 A Service Counter employee promoted to Wrapper or Apprentice Meatcutter shall have a ninety (90) day trial period. Said trial period shall not jeopardize the employee's former classification or seniority. There shall be no reduction in pay to any Service Counter employee as a result of promotion to Wrapper or Apprentice Meatcutter, i.e., the Service Counter employee rate of pay shall apply until such time as the Wrapper/ Apprentice Meatcutter rate exceeds the Service Counter rate, at which time the Wrapper/Apprentice Meatcutter rate shall apply.

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

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

11.06 For the purpose of the above paragraphs of this section, seniority shall prevail on a company-wide or a company-district basis within the jurisdiction of this Agreement, except as provided in Section 11.08; provided, where an employee is transferred to a different area with the same Employer within the geographic jurisdiction covered by the Collective Bargaining Agreements between the Employer and United Food and Commercial Workers Local Union #21 and #367, the transferred employee shall retain all seniority rights with the Employer but shall not be entitled to exercise such rights until the expiration of six (6) months after the date of transfer, at which time his or her seniority shall be based upon the original seniority date with the Employer, regardless of area. However, during such period of six (6) months the transferred employee shall accrue seniority rights in the new area from the date of transfer and shall retain all seniority rights in the area from which he or she was transferred. Such transfers shall be by mutual agreement between the Employer and employee. The affected Local Unions shall be notified of such transfers.

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

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

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

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

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

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

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

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

11.07.2 The first ninety (90) days shall be considered a probationary period in which an employee may be terminated and such termination shall not be subject to the grievance procedure. This ninety (90) day period shall be extended by the amount of time the employee is absent from or unavailable for work due to medical reasons during the probationary period. The employer must notify both the employee and the union in writing, prior to the completion of the probationary period, of their intent to extend the probationary period.

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

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

11.09.1 If the laid off employee accepts the vacancy, he shall be considered as a new employee in such seniority group, including probationary period, seniority, and wages, but shall retain his seniority in the seniority group from which he was laid off for six (6) months as provided in Section 11.03.1. The laid off employees shall retain their length of service with the company for purposes of vacations, sick leave, leave of absence, and jury duty. If the laid off employee remains in the new seniority group for six (6) months, he shall then retain his original seniority date.

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

ARTICLE 12 - LEAVE OF ABSENCE

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

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

12.01.2 Serious illness or injury in the employee's immediate family.

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

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

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

12.03 Any request for a leave of absence under the terms of sections 12.01 and 12.02 shall be in writing and state the following information:

12.03.1 Reason for such request;

12.03.2 Date leave is to begin; and,

12.03.3 Date of return to work.

12.04 Any leave of absence, with the exception of section 12.01.2, may run to a maximum of nine (9) months unless a longer period is mutually agreed upon between the Employer and the Union.

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

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

12.06.1 A doctor's certificate verifying that the employee is able to resume his normal duties must be furnished if requested by the Employer.

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

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

ARTICLE 13 - GENERAL CONDITIONS

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

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

13.02.1 The Employer shall bear the expense of sharpening tools for all employees coming under this Agreement.

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

13.04 Required store meetings shall be paid for at the straight-time hourly rate, and shall be considered time worked for the purpose of computing weekly overtime in accordance with the provisions of the Agreement. Article 2.03 and 2.04 shall not apply to this provision.

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

ARTICLE 14 - GRIEVANCES

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

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

1. Gary L. Axon
2. Martin Henner
3. Michael E. Cavanaugh
4. Joseph W. Duffy
5. Alan Krebs
6. Tom Levak
7. Howell Lankford
8. James Paulson
9. Shelly Shapiro
10. Ron Miller

11. Kathryn T. Whalen
12. Jane R. Wilkinson
13. Timothy D.W. Williams

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

14.01.1 In cases where it is concluded that an employee has been improperly discharged, the arbitrator may reinstate the improperly discharged employee. The arbitrator may not render an award which requires the Employer to pay an improperly discharged or suspended employee

for time that the employee has not actually worked in excess of the wage and benefits the employee would have earned had he worked his normal schedule during the one hundred and eighty (180) calendar days immediately following the date of discharge or suspension.

The Parties confirm that the above is a hard cap with no exceptions.

14.02 During the process of making adjustments under the rule and procedure set forth in section 14.01 above, no strike or lockout shall occur.

14.03 No grievance or claim of violation of this Agreement shall be recognized unless presented in writing within thirty (30) days of the date of the occurrence causing the complaint or grievance, except in cases of discharge which must be presented within fifteen (15) days; otherwise, such right of protest shall be deemed to have been waived. In the event the claim is one for additional wages, any such claim shall be limited to additional wages, if any, accruing within the ninety (90) day period immediately preceding the date upon which the Employer received notice in writing of the claim.

14.04 No wages shall be computed in any manner at a lower rate than herein specified and any release or waiver by employees shall be declared null and void as contravening the spirit and conditions of this Agreement. There shall be no individual agreements between Employer and employees covered by this Agreement.

14.05 The Union reserves the right to discipline its members for violation of this Agreement.

14.06 No employee shall be dismissed for upholding Union principles.

ARTICLE 15 - GENERAL POLICY

15.01 The Employers agree to display conspicuously the Union Shop Card, which is the property of the Union and may be withdrawn for violation of this Agreement.

15.02 In cases of two (2) or more partners in a market, only one (1) shall be recognized as owner. Members of the Union are free to accept employment anywhere without discrimination by any Employer.

15.03 The jurisdiction of Local No. 21 covers, on an as-needed basis, the cutting, handling, pricing and sale of all meats, fish, poultry and rabbits in the area covered by this Agreement in either service or self-service markets.

15.03.1 Items currently considered Meat Department items shall continue to be considered Meat Department items, and new items of a like nature, whether fresh, frozen, pre-cut, pre-priced, etc., shall be within the jurisdiction of Local No. 21 as described above, regardless of where they may be offered for sale.

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

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

ARTICLE 16 - SEPARABILITY

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

ARTICLE 17 - NON-DISCRIMINATION

17.01 The parties to this Agreement acknowledge their responsibilities under Title VII of the Civil Rights Act of 1964 and do hereby agree not to discriminate on the basis of age, race, color, religion, sex or national origin.

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

ARTICLE 18 - HEALTH AND WELFARE

18.01 Each Employer and the Union agrees to be bound by the terms and provisions of that certain Trust Agreement creating the Sound Health & Wellness Trust (formerly Retail Clerks Welfare Trust), initially executed June 18, 1957, and all subsequent revisions or amendments thereto, including the revision of June 25, 1990. Each Employer accepts as his representatives for the purpose of this Trust Fund, the Employer Trustees serving on the Board of Trustees of said Trust Fund and their duly appointed successors.

18.02 The Employers party to this Agreement shall continue to pay on a per compensable hour basis (maximum of one hundred and seventy-three (173) hours per calendar month per employee) into the Sound Health & Wellness Trust for the purpose of providing the employees with hospital, medical, surgical, vision, group life, accidental death and dismemberment, weekly indemnity benefits and dental benefits in accordance with the contribution rates and related provisions established by the separate Health and Welfare Agreement between Allied Employers, Inc. and various Local Unions dated April 1, 1977, and as subsequently amended, including the revision dated May 5, 2013.

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

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

18.04.1 Notwithstanding the foregoing section, the Board of Trustees of the Sound Health & Wellness Trust shall have the authority to establish and enforce a method for reporting contributions on an accounting period basis rather than a calendar month basis. In such a case, the one hundred and seventy-three (173) hour maximum shall be appropriately adjusted, as directed by the Trustees, provided that in no event shall the Employer's total obligation be different than what it would have been on a calendar month basis. Further, the total

contributions due for each approved accounting period shall be remitted in a lump sum not later than twenty (20) days after the end of the accounting period.

18.05 Vacation hours for continuing employees shall be reported and corresponding contributions paid in accordance with Article 4, section 4.11.

ARTICLE 19 - FUNERAL LEAVE

19.01 When seniority is acquired, employees shall be allowed up to three (3) days off with pay for loss of their normal scheduled days of work due to the death of an immediate member of their family, provided the employee attends the funeral. Immediate family shall be defined as spouse, son, daughter, mother, father, brother, sister, mother-in-law or father-in-law, grandparents, stepchildren, grandchildren, current step-mother, current step-father, domestic partner or relatives residing with the employee. Funeral leave will be paid only with respect to a workday on which the employee would otherwise have worked and shall not apply to an employee's scheduled day off, holidays, vacation or any other day in which the employee would not in any event have worked. Funeral leave shall be paid for at the employee's regular straight-time hourly rate.

ARTICLE 20 - NO STRIKES OR LOCKOUTS

20.01 During the life of this Agreement the Union agrees not to engage in any strike or stoppage of work and the Employer agrees not to engage in any lockout. It shall not be a violation of this Agreement nor shall it be cause for discharge or discipline for an employee to refuse to cross a primary picket line including, but not limited to, a primary picket line at the Employer's premises.

ARTICLE 21 - TERMINATION OF AGREEMENT

21.01 This Agreement shall be in full effect and binding upon both parties from May 5, 2013 through May 7, 2016. It shall automatically renew itself thereafter from year to year unless opened by either party upon sixty (60) days written notice prior to the expiration date. If the negotiating period extends beyond the sixty (60) days, the Agreement finally reached shall be retroactive to the date following the expiration of the old Agreement.

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

IN WITNESS WHEREOF, we attach our signatures this 17th day of Dec, 2015.

D'AMBROSIO & ASSOCIATES
For and on behalf of the
firms listed below:

BY _____
Jerry D'Ambrosio
Labor Consultant

UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL #21,

BY _____
Dave Schmitz
President

FIRMS PARTY TO THIS AGREEMENT

Bert's Red Apple Market
Bridle Trails Red Apple
CAP Food Services, Inc.
Island Market Co., Inc.
KC Foods Corp.
Matthew's Lakemont Thriftway (Mavis Foods)

LETTER OF UNDERSTANDING #1

SCHEDULING

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

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

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

AGREED this 23rd day of April, 2001.

UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL 81

BY (*s*) Michael J. Williams

UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL 367

BY (*s*) Teresa M. Iverson

UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL 44

BY (*s*) Michael P. Hatfield

ALLIED EMPLOYERS, INC.
For and on behalf of:
Albertson's, Inc.
Brown & Cole Stores
Everybodys
Fred Meyer, Inc.
Fullers
Haggen, Inc.
KKLD, Inc.
QFC
Safeway, Inc.
Stormans, Inc.
Swanson Foods, Inc.

BY (*s*) Scott K. Powers

LETTER OF UNDERSTANDING #2

SELF-SERVICE DELI JURISDICTION

It is agreed that those Employers who are currently using employees covered by this labor agreement (formerly members of Local #81) in their self-service delis shall continue to do so regardless of where located. This understanding shall not apply to Fred Meyer, Inc., previous stores owned by Lucky Stores, Inc. and now owned and operated by Employers party to this Agreement, or any other Employer who is currently (effective July 10, 1977) using members of any other bargaining units in their self-service delis.

LETTER OF UNDERSTANDING #3

APPRENTICES

It was agreed during negotiations that if any Employer could not comply with the Apprentice to Journeyman ratios provided for in Article 10, Section 10.01, but was desirous of employing an Apprentice(s), the Union and Employer would meet and discuss the waiver of said ratios.

LETTER OF UNDERSTANDING #4

NO STRIKES OR LOCKOUTS

During our most recent negotiations there was much discussion concerning the proper interpretation and application of Article 20 - No Strikes or Lockouts provision in the Labor Agreement between D'Ambrosio & Associates, on behalf of its members, and UFCW Union Local #21. This letter is to confirm the parties' agreement that in the event a primary labor union picket line at the Employer's premises is established to support a legal strike and such picket line has been approved by UFCW Union Local #21, Article 20 permits the employees covered under our Labor Agreement to refuse to cross such primary labor union picket line, provided, however if such picket line is removed and thereafter reestablished during the same labor dispute, such picket line will not be considered a sanctioned picket line by UFCW Union Local #21.

LETTER OF UNDERSTANDING #5

DESIGNATION OF UNION REPRESENTATIVE

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

LETTER OF UNDERSTANDING #6

SERVICE COUNTER EMPLOYEE
(Hired prior to June 4, 1986 and prior to May 11, 1989)

The wage rates were deleted for Lead Service and Service Counter employees hired prior to June 4, 1986, and prior to May 11, 1989, because of a conclusion that there are no longer any apprentice employees that were hired prior to such dates. However, in the event there is an Apprentice Service Counter employee that has not yet achieved the Thereafter rate, the appropriate adjustment shall be made by applying the appropriate increases to the deleted 3120 hour progression brackets.

This agreement would also apply to any Lead Service or Thereafter employee hired prior to the above referenced dates.

LETTER OF UNDERSTANDING #7

CORPORATE CAMPAIGN

This Letter of Understanding is by and between D'Ambrosio & Associates on behalf of its members and UFCW Union Local #21 and it should be considered as incorporated by reference as part of the Collective Bargaining Agreement that will go into effect on May 5, 2013. The Agreement is as follows:

> The Employers signatory hereto and the UFCW Locals, during the negotiations for the Clerks and Meatcutters Agreement in Puget Sound, believe they have a good faith working relationship and will not take any action to depart from that relationship or take any action inconsistent with maintaining that relationship. Consistent with its duty of fair representation under the Agreements and their grievance procedures, UFCW Local #21 will not be a party to, instigate or support class action litigation (except charges with the National Labor Relations Board) or engage in any type of corporate campaign against any involved Employer.
>
> It is also recognized that various monies from the Local Unions are paid to UFCW International Union funds. The Local does not control such funds. Consequently, the UFCW International Union's use of those funds for purposes contrary to this Agreement will not be a violation of this Agreement.

LETTER OF UNDERSTANDING #8

MOST FAVORED NATIONS

This Letter of Understanding is by and between D'Ambrosio & Associates on behalf of its members and UFCW Union Local #21 and it should be considered as incorporated by reference as part of the Collective Bargaining Agreement that will go into effect on May 5, 2013. The Agreement is as follows:

> Should the Union at any time after the date of this Agreement enter into a renewal agreement, or any extension thereof, covering any grocery store(s) within the geographic area covered by this Agreement based upon a settlement of new terms negotiated after the date of this Agreement which are more advantageous to such grocery store(s), the Employer party to this Agreement shall be privileged to adopt any such settlement in its entirety, provided the Employer has sent written notice to the Union calling the matter to its attention. (N/A to new store openings.)

LETTER OF UNDERSTANDING #9

DUES CHECK-OFF

1. Add initiation and uniform dues through payroll deduction as follows:

   a. Union Dues Check-Off

      On a monthly basis the Employer agrees to deduct uniform dues and initiation fees from the paycheck of those covered employees whose individual written unrevoked authorizations are on file with the Employer and to transmit the amounts so deducted to the Union within twenty (20) days of such deductions. Said deduction authorizations shall be in such form as to conform with Section 302(c) of the Labor Management Relations Act of 1947. (Note: Change to provide weekly deduction with monthly remittance as soon as practical after written notice from the Union.)

   b. Authorized initiation fees will be deducted in three (3) equal installments and remitted to the Local Union monthly.

   c. It is understood the Employer is not liable in any manner if the employee is not on the payroll at the time deductions are being processed.

   d. Indemnify and Hold Harmless:

      The Union shall indemnify and hold the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company in reliance upon signed authorization cards furnished to the Company by the Union or for the purpose of complying with any of the provisions of this Article.

2. The involved Employers shall be granted a reasonable period to adopt administrative and payroll procedures to accommodate this agreement.

3. Active Ballot Club - For employees who voluntarily authorize a contribution to the UFCW Active Ballot Club political action committee, the Employer agrees to deduct the authorized amount each payroll period on a payroll deduction basis and forward same to the Union monthly.

LETTER OF UNDERSTANDING #10

DOCTOR'S NOTES

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

LETTER OF UNDERSTANDING #11

UNION JURISDICTION

This is to confirm our understanding as to the application of section 2.05.

As agreed during previous negotiations, the work of the bargaining unit, (i.e., jurisdiction of Local #21), shall be performed only by members of the bargaining unit. For the purpose of this section and Article 15, the term "handling" includes, but is not limited to, the placing or removing of product from display or cooler areas, except as provided for in section 2.05.

In the event of a first violation of this understanding, the Employer shall pay to the Local Union, for equal distribution to all regular bargaining unit employees employed at the market where the violation occurred, one day's pay (8 hours total) at the Journeyman Meat Cutters' rate applicable on the day of the violation.

In the event of a second or subsequent violation at the same location, the Employer shall pay to the Local Union for disbursement to all regular bargaining unit members employed at the market where the violation occurred, one day's pay for each bargaining unit member employed at the market where the violation occurred, at the applicable rate of pay for the day upon which the violation occurred.

Penalties will not apply to the following:

a) Bleeders or broken package removal;

b) Orders that the Meat Cutter had put up, with the customer's name attached, and put in the cooler;

c) Covering the product at night;

d) Removal during total loss of refrigeration;

e) Placing of products that have been prepared by meat department employees and are in storage ready for sale, in the meat counter.

Further, it is agreed that a permanent arbitration panel shall be established consisting of five (5) members as mutually selected by the office of D'Ambrosio & Associates, and the Union, the Union striking two (2) names, then the Employer striking two (2).

All grievances that cannot be resolved through a meeting with the parties involved shall be submitted to one of the persons on the five (5) person panel in not more than thirty (30) days from the date such grievance is filed with the representative of the Employer.

It is agreed that a first violation or subsequent violation shall not be in effect for more than eighteen (18) months from the date of the violation.

It is further agreed that should the losing party in the process above described fail to comply with the decision of the arbitrator within a reasonable time, the other party shall have the right to take economic action, notwithstanding any provision of the Agreement to the contrary.

LETTER OF UNDERSTANDING #12

SCHEDULED DAYS OFF

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

LETTER OF UNDERSTANDING #13

GRIEVANCE PROCEDURE

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

1. All disputes that are resolved at the store level (whether a formal grievance has been filed or not) shall be on a non-precedent basis (unless otherwise expressly stated in writing) and shall not be used by any party in any other situation or procedure regarding another employee or union agent and any manager or supervisor at the store or regional level.

2. The parties should strive to share factual details regarding a grievance (or pre-grievance issue) as early as possible in the process. The filing party should provide as much detail as possible in the original grievance or soon thereafter. The responding party should provide as much detail as possible with its response. This will allow both parties to more effectively investigate and assess the grievance and hopefully resolve the matter short of needing an in-person grievance meeting.

3. Written warnings need not be processed beyond the union filing a grievance in order to preserve the union's right to challenge the warning if it is used as progressive discipline in the future.

LETTER OF UNDERSTANDING #14

OPTIONAL VOLUNTARY BUYOUT

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

PENSION ADDENDUM

BETWEEN

ALBERTSONS AND SAFEWAY

and

UFCW LOCAL 21

1. Safeway and Albertsons will agree to support a merger of the Washington Meat and Sound Pension Funds and will agree to merge their meat employees into the Sound Pension Fund under the following conditions:

   a. Kroger will take its active and inactive liabilities from the Washington Meat Fund to the Consolidated Fund and will fully fund its share of current meat orphan liabilities in the Sound Fund.

   b. Kroger will be responsible – on a pro-rata basis -- for future grocery orphans (past and future service) in the Sound Fund on a going forward basis.

   c. Kroger will be responsible – on a pro-rata basis -- for future meat orphans (future service) in the Sound Fund on a going forward basis.

   d. Kroger will be responsible – on a pro-rata basis -- for future meat orphans (past service) in the Sound Fund on a "wear-away" basis, as set forth in the attached.

   e. The merged Fund will use a three-pool application of the current method for calculating withdrawal liability that will not cause the withdrawal liability for those employers who would have both Meat and Clerk employees participating in a merged Sound Fund to increase.

2. Upon finalization of the merger, Safeway and Albertsons will make a supplemental contribution on all Grocery and Meat employees to account for their Washington Meat Fund liabilities (past service). This contribution shall be no more than an additional $.10 cents per year, beginning no earlier than July 2014 and continuing annually on July hours thereafter, through the term of the current rehabilitation plan.

3. If the merger of the Washington Meat and Sound Pension Funds does not occur for any reason, Albertsons and Safeway will continue to participate in the Washington Meat plan and pay the rates required by the Washington Meat Rehabilitation Plan as revised January 17, 2014. Upon mutual agreement, the parties may reopen the agreement to further address pension benefits (no party is required to reopen).

PENSION ADDENDUM
BETWEEN
KROGER
(Doing business as Fred Meyer and Quality Food Center)
and
UFCW LOCAL 21

1. Subject to implementation of all of the steps contemplated by this Tentative Agreement, the Washington Meat Industry Pension Trust (the "Washington Meat Plan") will be merged into the Sound Retirement Trust (the "Sound Plan"). In connection with such merger:

   (a) Accruals for Kroger employees under the Washington Meat Plan will cease immediately prior to the merger.

   (b) Kroger will change its participation in the Sound Plan to include Kroger employees previously covered under the Washington Meat Plan.

   (c) As part of the merger, Kroger and the other Allied Employers will contribute the following amounts under the Sound Plan for future service with respect to employee classifications previously covered under the Washington Meat Plan:

      (i) The contribution rate for future service (i.e. for accruals on and after the merger date) (applicable to all employers who were contributing to the Washington Meat Plan on the merger date) will be:

         (1) Meatcutters/Wrappers - $0.45 per hour

         (2) Service Counter Employees - $0.225 per hour

      (ii) Kroger's contribution rate for future service with respect to Kroger employees previously covered under the Washington Meat Plan will be the same as the "future service" rate negotiated by the other Allied Employers but will not include any component for funding past service (pre-merger) liabilities of the Washington Meat Plan (the "Washington Meat Liabilities") because of the transfer of assets and liabilities to the UFCW Consolidated Pension Fund noted in Paragraph 3 below. As such, the parties agree that the future service rate established from time to time shall not include any component for funding the Washington Meat Liabilities.

   (d) The Allied Employers (other than Kroger) shall be required to negotiate a contribution schedule for funding the Washington Meat Liabilities (applicable to employers other than Kroger) that will fund the Washington Meat Liabilities in compliance with the funding requirements of the Internal Revenue Code and

ERISA. In the event that there are unfunded liabilities associated with "Kroger's Allocable Share of the Washington Meat Plan Orphan Liability" or "Kroger's Share of Future Orphan Liability" (both as determined in accordance with Paragraph 2(f) below, but determined based on the assumptions used by the Sound Plan for determining funding of the Washington Meat Liabilities), Kroger's contribution rate under the next CBA will be adjusted (in the same proportion as the adjustment applicable to the Allied Employers (other than Kroger) with respect to the funding of the Washington Meat Liabilities; provided, however, in no event will Kroger be required to contribute an amount in excess of the amount needed to maintain full funding of "Kroger's Allocable Share of the Washington Meat Plan Orphan Liability" or to amortize "Kroger's Share of Future Orphan Liability" (both as determined in accordance with Paragraph 2(f) below, but determined based on the assumptions used by the Sound Plan for determining funding of the Washington Meat Liabilities).

2. In connection with the merger of the Washington Meat Plan into the Sound Plan, and as a condition to such merger, the Trustees of the Sound Plan must:

(a) Determine that the contribution schedule negotiated by the bargaining parties *for future service* complies with the funding requirements of the Internal Revenue Code and ERISA (which rate will not take into account any Washington Meat Liabilities).

(b) Determine that the *past service contribution rate* negotiated by the bargaining parties will fund the Washington Meat Liabilities in compliance with the funding requirements of the Internal Revenue Code and ERISA.

(c) Modify the Rehabilitation Schedules to reflect the (1) future service contribution rates, and the (2) required past service contribution for the Washington Meat Liabilities.

(d) Notify the PBGC of the proposed merger and transfer at least 120 days prior to the merger and transfer dates.

(e) Request a determination by the PBGC (jointly with Washington Meat Plan and the Sound Plan) that the proposed merger/transfer complies with the requirements of Section 4231 of ERISA.

(f) Adopt a three-pool alternative method of withdrawal liability based on the following principles:

(i) Pool #1 (the Washington Meat Plan Pool) – Pool #1 will consist of the pre-merger Washington Meat Liabilities, less Kroger's share of the pre-merger orphans in Washington Meat as described under Pool #3 below ("Kroger's Allocable Share of the Washington Meat Plan Orphan Liability"). The Washington Meat Liabilities (less Kroger's Allocable

Share of the Washington Meat Plan Orphan Liability) would be walled off in this separate pool and allocated to the contributing employers in the Washington Meat Plan (other than Kroger). The "past service" contributions made by the employers to cover the Washington Meat Liabilities would be allocated to Pool #1. The Pool would be adjusted each year to reflect the amount of the remaining liabilities, as determined after adjusting for contributions, expenses, benefit payments, and investment returns. The withdrawal liability method and assumptions used for Pool #1 would be the same as the withdrawal liability method and assumptions used by the Washington Meat Plan. The annual payment amount for purposes of Section 4219(c) of ERISA would be determined separately for this pool (as if the merger had not occurred). Only increases in the Washington Meat Plan "past service" contribution rate would be taken into account in determining payments for purposes of the Section 4219(c) annual payment under Pool #1, but in no event shall the rate be less than the rate applicable under the Washington Meat Rehabilitation Schedule determined as of the year of the withdrawal (as if the merger had not occurred). In determining the Section 4219(c) annual payment amount under Pool #1, the historical contribution rates under the Washington Meat Plan would be taken into account.

(ii) Pool #2 (the Sound Plan Pool) – Pool #2 would consist of the current and future liabilities of the Sound Plan, including future service accruals with respect to the former participants in the Washington Meat Plan. The "future service" contributions made by the employers would be allocated to Pool #2. The Pool would be adjusted each year to reflect the amount of the remaining liabilities, as determined after adjusting for contributions, expenses, benefit payments, and investment returns. The withdrawal liability method and assumptions used for Pool #2 would be the same as the withdrawal liability method and assumptions used currently by the Sound Plan. The Section 4219(c) annual payment amount would be determined separately for this pool (as if the merger had not occurred). In addition, for purposes of determining the Section 4219(c) annual payment amount, the contributions base units ("CBUs") and contribution rates would be calculated separately for those participants in employee classifications covered by the former Washington Meat Plan and the remainder of the Sound Plan participants. Thus, the "future service" contribution rate would be applied to the CBUs of the Washington Meat Plan participants and the current and historical Sound Plan contribution rates would be applied to the CBUs of the pre-merger Sound Plan participants to determine the Section 4219(c) annual payment amount (with the two separate annual payment amounts added together to determine the Section 4219(c) annual payment amount applicable to the Sound Plan Pool). In determining the Section 4219(c) annual payment amount under Pool #2, the historical contribution rates under the

Washington Meat Plan would not be taken into account.

(iii) Pool #3 (the Kroger Orphan Pool) – Pool #3 would consist of Kroger's Allocable Share of the Washington Meat Plan Orphan Liability. Pool #3 would be created by (1) identifying the orphan liabilities that exist as of the merger date (the "Total Orphan Liability"); (2) identifying the assets allocable to the Total Orphan Liability on the merger date (the "Orphan Assets"); (3) determining Kroger's percentage of the total pre-merger orphan liabilities (with the Total Orphan Liability being allocated among employers of the Washington Meat Plan in proportion to each employer's share of the total Washington Meat Liabilities, less the Total Orphan Liability) ("Kroger's Fixed Percentage of the Total Orphan Liability"); (4) determining Kroger's initial share of the Total Orphan Liability by multiplying the Total Orphan Liability on the merger date by Kroger's Fixed Percentage of the Total Orphan Liability ("Kroger's Initial Orphan Share"); (5) assigning to Pool #3 assets equal to the initial dollar value of Kroger's Initial Orphan Share (since Kroger's Initial Orphan Share was fully funded by the transfer) (the "Initial Asset Credit"), and (6) adjusting each year, Kroger's Allocable Share of the Washington Meat Plan Orphan Liability as follows:

(A) Step 1 – Assume that on the merger date, the Total Orphan Liability is fully funded; that is the Orphan Assets equal the Total Orphan Liability (the "Deemed Orphan Assets").

(B) Step 2 – Adjust the Deemed Orphan Assets for investment returns and benefit payments (but not contributions made by non-Kroger employers to fund their share of the Washington Meat Liabilities).

(C) Step 3 – Adjust the Total Orphan Liability to reflect benefit payments, deaths, data corrections, etc.

(D) Step 4 – Determine any net unfunded Total Orphan Liability (the "Adjusted Orphan Liability"), based on Steps 1 and 2.

(E) Step 5 – Adjust Kroger's Allocable Share of the Washington Meat Plan Orphan Liability each year so that it equals the Adjusted Orphan Liability times Kroger's Fixed Percentage of the Total Orphan Liability.

For withdrawal liability purposes, the pool established to reflect Kroger's allocable share of the orphans can never be less than zero. To the extent that the pool established for withdrawal liability purposes would be less than zero, the "excess" will be treated as a credit against Kroger's liability under the Sound Plan Pool (Pool #2), and if Kroger does not have any liability under the Sound Plan Pool (Pool #2), then to any remaining liability of the other Washington Meat Plan employers in the Washington

Meat Plan Pool (Pool #1).

The net effect of this process is intended to ensure that Kroger retains the investment risk on its Allocable Share of the Washington Meat Plan Orphan Liability (as determined as of the merger date).

The parties recognize that alternative withdrawal liability method described above is subject to approval by the PBGC in accordance with Section 4211 of ERISA and PBGC Reg. §4211.21 and 4211.22.

(iv) In regards to "Kroger's Share of Future Orphan Liability," for a period of 48 months following the merger date, Kroger shall retain residual liability for its share of any future orphan liability associated with past service in the Washington Meat Plan that is attributable to employers other than Safeway and Albertsons (i.e., liability with respect to an employer (other than Safeway or Albertsons) who becomes an orphan after the merger date) as follows:

(A) For orphan liabilities arising during the first 12 months following the merger date: 80% of Kroger's Share of Future Orphan Liability.

(B) For orphan liabilities arising during the more than 12 months but less than 24 months following the merger date: 60% of Kroger's Share of Future Orphan Liability.

(C) For orphan liabilities arising 24 months or more but less than 36 months following the merger date: 40% of Kroger's Share of Future Orphan Liability.

(D) For orphan liabilities arising 36 months or more but less than 48 months following the merger date: 20% of Kroger's Share of Future Orphan Liability.

(E) For orphan liabilities arising 48 months or more following the merger date: 0% of Kroger's Share of Future Orphan Liability.

For this purpose, "Kroger's Share of Future Orphan Liability" shall be determined based on its proportionate share of the total Washington Meat Liabilities, less the Total Orphan Liability on the merger date. For example, if Kroger's proportionate share of the total Washington Meat Liabilities, less the Total Orphan Liability, on the merger date is 30%, Kroger's Share of Future Orphan Liability would be 30%. In the case of an orphan arising within the first 12 months following the merger date, Kroger would remain responsible for 24% of such orphan liability (80% of 30% = 24%). Kroger will not have any residual liability for orphans that

arise 48 months or more after the merger date.

3. The Trustees of the Sound Plan must agree to transfer to the UFCW Consolidated Pension Fund the Washington Meat Liabilities related to Kroger's employees, terminated vested employees, retirees, beneficiaries and alternate payees. Such transfer will be governing by the following principles:

   (a) The transfer will be made in accordance with Section 4231 of ERISA.

   (b) The transfer will consist of Kroger related Washington Meat Liabilities and assets, such that the net amount of liabilities in excess of assets will equal Kroger's share of the plan underfunding – *including its share of orphans* (as determined as of the transfer date based on (i) the proration of Washington Meat Liabilities in accordance with each employer's share of the total Washington Meat Liabilities, less the Total Orphan Liability), (ii) the market value of plan assets, and (iii) the plan rate used for funding purposes).

   (c) No Washington Meat Liabilities attributable to orphans will be transferred to the UFCW Consolidated Pension Fund; instead Kroger's share of orphan liability will be fully funded by including Kroger's share of the orphan liability in the calculation of the "net" assets and liabilities transferred to the UFCW Consolidated Pension Fund. In addition, Kroger retains the investment risk on its Allocable Share of the Washington Meat Plan Orphan Liability (as determined as of the merger date).

   (d) The Trustees of the UFCW Consolidated Pension Fund must approve the transfer of assets and liabilities.

4. The Kroger proposal is conditioned on all elements of the proposal being implemented, except with respect to the PBGC's approval of that aspect of the alternative withdrawal liability method relating to the determination of the annual payment amounts under Section 4219(c) described above. That is, the contribution obligation to the Sound Plan to fund future service accruals for participants of the Washington Meat Plan, the agreement to merge the Washington Meat Plan into the Sound Plan, and the transfer of assets and liabilities from the merged Sound Plan to the UFCW Consolidated Pension are all conditioned on each of the transactions described in Paragraphs 1 through 3 being completed; provided that the merger of the Washington Meat Plan into the Sound Plan shall be completed no later than July 1, 2014. If the PBGC determines that the payment methodology does not satisfy Section 4219(c), the payment methodology shall be modified by the Trustees of the Sound Pension Fund in a manner that complies with Section 4211 and 4219(c), and is consistent, to the extent permitted by Section 4211 and 4219(c) of ERISA, with the concepts and principles set forth in Paragraph 2(f) above.

   Pending completion of the merger and transfer of assets and liabilities, if accruals under the Washington Meat Plan cease, then contributions to the Sound Plan to fund future service accruals shall commence on the date following the cessation of accruals under the

Washington Meat Plan. To the extent that the transactions described in Paragraphs 1 through 3 are not completed as described in this proposal, then (1) accruals in the Washington Meat Plan will resume, (2) accruals for future service under the Sound Plan shall cease on the day before accruals under the Washington Meat Plan resume, (3) the liability for future accruals and all related contributions (as adjusted for investment gains/losses) shall be transferred from the Sound Plan back to the Washington Meat Plan, (4) Kroger and the other Allied Employers shall remain obligated to make contributions to Washington Meat Plan in accordance with the Washington Meat rehabilitation plan.

The parties may agree to reopen the CBA, Pension Article 7, for the purpose of allowing Kroger to fund a future service benefit under a multiemployer plan (which may be the UFCW Consolidated Pension Fund or another UFCW pension fund) of at least equivalent value to the future service accruals under the Washington Meat Plan and to address the funding of Kroger's share of the liabilities of the Washington Meat Plan by the movement of Kroger's share into the UFCW Consolidated Pension Fund or another UFCW pension fund.

5. Notwithstanding the foregoing:

(a) If accruals under the Washington Meat Plan cease, and contributions to the Sound Plan to fund future service accruals commence prior to the actual merger, Kroger shall contribute the amounts described in Paragraph 1(c) to the Sound Plan pending completion of the merger and transfer of assets and liabilities, and

(b) The cessation of accruals under the Washington Meat Plan and the commencement of accruals under the Sound Plan will be structured and timed so as not to trigger a termination of the Washington Meat Plan under Section 4041A of ERISA.

The parties hereby agree to the following Letters of Understanding and Addendums:

- LETTER OF UNDERSTANDING #1: Scheduling
- LETTER OF UNDERSTANDING #2: Self-Service Deli Jurisdiction
- LETTER OF UNDERSTANDING #3: Apprentices
- LETTER OF UNDERSTANDING #4: No Strikes or Lockouts
- LETTER OF UNDERSTANDING #5: Designation of Union Representative
- LETTER OF UNDERSTANDING #6: Service Counter Employees
- LETTER OF UNDERSTANDING #7: Corporate Campaign
- LETTER OF UNDERSTANDING #8: Most Favored Nations
- LETTER OF UNDERSTANDING #9: Dues Check-Off
- LETTER OF UNDERSTANDING #10: Doctor's Notes
- LETTER OF UNDERSTANDING #11: Union Jurisdiction
- LETTER OF UNDERSTANDING # 12: Scheduled Days Off
- LETTER OF UNDERSTANDING # 13: Grievance Procedure
- LETTER OF UNDERSTANDING # 14: Optional Voluntary Buyout
- PENSION ADDENDUM Albertsons and Safeway
- PENSION ADDENDUM Kroger (d/b/a Fred Meyer and QFC)

CONFIRMED: 8/12/16 (Date)

D'AMBROSIO & ASSOCIATES

BY _____
Jerry D'Ambrosio
Labor Consultant

UNITED FOOD & COMMERCIAL WORKERS UNION LOCAL #21

BY _____
Dave Schmitz
President

THE UNION DIFFERENCE

As a union member, you have certain rights at your workplace:

A Voice at Work

Because you have a union, you have a voice at work. A negotiating committee of union members and staff negotiate with management—as equals—over wages, benefits, working conditions, and other issues. The union committee pushes for the issues that union members choose. The result of negotiations is a proposed contract which members vote on before it takes effect.

Right to Union Representation

Every union member has the right to union representation during an investigatory interview that could lead to discipline. This is called your "Weingarten" right, after a Supreme Court case which established the right to representation.

Just Cause for Discipline

The just cause provision in your union contract ensures you have due process in cases of discipline. The just cause standard is a well-defined set of legal rules that involve several different "tests" of a disciplinary action. The tests of just cause provide considerable protection against retaliation, discrimination, or other unfair actions.

The Security of a Union Contract

As a union member, your wages and working conditions are spelled out in writing in a legally-binding union contract. You are not alone at the workplace—instead, you have the security of knowing that your rights are protected by your union contract and backed up by the 44,000 other members of UFCW 21.

Statement of Your Right to Union Representation

(Weingarten Rights)

"I understand that this proceeding is for the purpose of investigating whether I may receive discipline. Therefore, I request that a union representative be present on my behalf before this proceeding continues. If you insist that the proceeding continue without allowing me union representation, I hereby protest your denial of rights guaranteed to me under federal labor law."

Know Your Rights:

- Fair Treatment and Respect
- Family and Medical Leave
- Union Representation

Learn more about your rights:

www.ufcw21.org

Our mission: building a powerful Union that fights for economic, political and social justice in our workplaces and in our communities.

VISIT UFCW21.ORG:

SCHOLARSHIP INFO | BARGAINING UPDATES | STEWARD TRAININGS | HELPFUL MEMBER RESOURCES | ACTIONS INFORMATION ON YOUR RIGHTS | AND MORE...

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