# AGREEMENT

BY AND BETWEEN

UFCW LOCAL 21

AND

HUDSON GROUP (HG) Retail, LLC

AT

SEATTLE-TACOMA INTERNATIONAL AIRPORT

EFFECTIVE 7/1/2010 THROUGH 6/30/2013

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## AGREEMENT

This Agreement is entered into between UFCW Local 21, chartered by the United Food and Commercial Workers International Union, hereinafter referred to as the "Union" and Hudson Group (HG) Retail, LLC, located at Seattle-Tacoma International Airport, hereinafter referred to as the "Employer."

It is the intent of the parties to this Agreement to promote an increasing spirit of harmony between the Employer, the employees and the Union,

For the mutual benefits of the parties hereto, it is hereby expressly understood that the following shall be the scale of wages, the limitation of hours, and the rules and working conditions to be observed by both parties to this Agreement.

## ARTICLE 1. RECOGNITION AND BARGAINING UNIT

**1.01 UNION RECOGNITION.** The Employer recognizes the Union as the sole collective bargaining agent with respect to work, rates of pay, hours and all other terms and conditions of employment for all employees in the appropriate bargaining unit herein defined.

**1.02 BARGAINING UNIT.** The bargaining unit shall include all persons, excluding managers and supervisors, who are engaged in selling or handling merchandise (including employees of licensees or concessionaires) in any Gift, merchandise location, both selling and servicing (warehouse, etc.), operated by the Employer at the Seattle-Tacoma International Airport, Washington, which the Employer owns, leases, operates or controls or, in which the Employer or any subsidiary thereof has a controlling interest and are not under assignment; provided, however, that this provision shall not apply to the stocking of newspapers, magazines, paperback books, greeting cards, personalized notes and name stickers, or any new product items that may be added after July 1, 1995, It is agreed that any new stocking by suppliers of products that were previously stocked by employees of the bargaining unit shall not be done without prior agreement of the Union.

**1.03 NEW LOCATIONS.** Hereafter, every gift, merchandise or warehouse location opened by the Employer in Washington State, including any supporting locations off Port of Seattle property, for which goods and/or services provided are directly related to the Employer's Port of Seattle operations at Seattle-Tacoma International Airport, shall be automatically covered by this Agreement.

**1.04 EXCLUSIONS.** The bargaining unit shall exclude all office and clerical employees, guards, and supervisors as defined in the Act.

## ARTICLE 2. UNION SECURITY

**2.01 UNION MEMBERSHIP.** The Employer agrees that all employees in the bargaining unit on the Employer's payroll as of the effective date of this Agreement, or who are subsequently employed by the Employer, shall become and remain members of the Union in good standing within thirty-one (31) days of the effective date of this Agreement or their date of employment, whichever is later, as a condition of continued employment. For the purpose of this section, the execution date of this Agreement shall be considered its effective date.

2.02 Each month the Employer shall also, electronically, send a list of those persons covered by this agreement who were hired or terminated or who transferred into or out of a bargaining unit position during the prior month. This list shall include the name, address, telephone number. Social Security number, wage rate, FTE status, hire date, transfer date, and/or termination date. Also included with this list shall be all job classification, wage rate, and FTE status changes of all employees covered under this agreement.

**2.03 FAILURE TO COMPLY.** Upon the failure of any employee to comply with any provision of Article 2.01 of this Article, the Union may then notify the Employer, in writing, of such failure and thereupon the employee shall not be continued in employment thereafter, unless the Employer is notified by the Union that such employee is a member in good standing of the Union.

**2.04 HOLD HARMLESS.** It is agreed that if the Employer takes any action, including discharge of any employee pursuant to the provisions of this clause, the Union will hold the Employer harmless from any liability to the employee or any other person as a result of any such action, including the full costs to the Employer of any defense of any such claim.

**2.05 DEDUCTION OF UNION DUES.** The Employer agrees to deduct from the wages of each employee covered by this Agreement upon proper authorization from the employee affected, union dues and fees. The employees shall, within thirty (30) days after commencement of employment either provide the Employer with a signed authorization for such deductions, or tender such dues and fees directly to the Union.

**2.06 DEDUCTION.** The moneys shall be deducted from the pay period on the ninth (9th) of each month for the following month and shall be forwarded, electronically, by the Employer to the Union not later than ten (10) days following the end of the month, accompanied by statement of the names of the employees from whom the deductions were made and the amount of these deductions.

**2.07 CHANGES IN DUES.** In the event of a change in the Union dues, the Union will give the Employer notice on the effective date and amount of change, and shall submit revised authorization for such deductions, unless the prior authorization provides for the deduction of such changed amounts.

**2.08 SUPERVISORY PERSONNEL.** It is understood that supervisory and management personnel shall limit their activities primarily to supervisory functions. However, this does not preclude supervisors and managers from selling and handling merchandise on an occasional, sporadic, or emergency basis including training, rush periods and demonstration selling.

**2.09 UNION VISITATION.** Representatives of the Union shall be permitted to contact the employees on the job site to make proper investigation for the purpose of determining that this Agreement is being complied with by the Employer and for the presentation and handling of grievances, provided the Union shall not interfere with a clerk waiting on a customer and shall not interfere with the conduct of the business. The Union representative shall provide prior notice to the General Manager, Operation Manager, Store Manager, or Human Resource Manager, or their designee.

**2.10 EMPLOYEE REPRESENTATION.** Any employee may request the presence of an authorized Union Representative during any interview which is likely to result in discipline or discharge.

**2.11 SHOP STEWARDS.** The Union may designate a maximum of 5% of their members of the bargaining unit as shop stewards. A Lead Steward or Grievance Chairman shall be the direct interface with management on all union issues of concern. Duties of shop stewards shall include but not be limited to attending certain meetings between management and associates, and communication between the Union and its members. Time spent on such duties shall be unpaid except with the specific advance approval of the Employer.

**2.13 VOLUNTARY POLITICAL ACTION FUND DEDUCTION.** The Employer shall deduct the sum specified from the pay of each member of the Union who voluntarily executes a political action contribution authorization form. The minimum contribution must be at least one dollar ($1) per pay period. The amount deducted and a roster of each employee authorizing assignment of wages will be transmitted to the Union. The Union and each employee authorizing the assignment of wages for payment of the voluntary political action contributions to the Union's Active Ballot Club hereby undertakes to indemnify and hold the employer harmless from all claims, demands, suits and other liabilities that may arise against the employer for or on account of any deduction made from the wages of such employee.

## ARTICLE 3. DEFINITIONS

**3.01 REGULAR FULL-TIME EMPLOYEES.** Employees who are regularly scheduled to work forty (40) hours per week.

**3.02 REGULAR PART-TIME EMPLOYEES.** Employees who are regularly scheduled to work less than forty (40) hours per week.

**3.03 ON-CALL EMPLOYEES.** Employees who work "on-call" and who may not receive advance notice of schedules. Such schedules will be subject to business fluctuations,

absenteeism, vacations, leaves of absence, special sales, or other variables deemed appropriate by the Employer. "On-call" employees shall not exceed ten percent (10%) of the bargaining unit.

**3.04 PROBATIONARY EMPLOYEES.** All employees who are first employed shall be considered probationary employees for a period of ninety (90) calendar days. The Employer shall have the right to discipline or terminate the employment of any probationary employee and such discipline or termination may not be subject to the grievance procedure.

**3.05 PROBATIONARY WAGE RATES.** Probationary employees shall receive wages at the agreement rate for their respective classification and their rights and duties shall in all other respects be governed by the terms of this Agreement, provided however, they shall accrue no rights for the future until they have successfully completed their probationary period,

**3.06 TEMPORARY SUMMER HIRES.** The Employer may hire additional employees as Temporary Summer Hires from May 15 through September 30 and these employees will only be required to pay the part-time initiation fees. If any employee remains an employee on or after October 1, the balance of the initiation fee shall be due and payable. The Employer will supply the Union with a list of those hired as Temporary Summer Hires. The Employer shall not be required to pay Health and Welfare and Pension Contributions on these Temporary Summer Hires so long as the employee is off the payroll as of October 1. Employees remaining on the payroll after October 1 shall be entitled to retroactive seniority and contributions for Health and Welfare as of their hire date as specified under this Agreement.

**3.07 GENDER.** Where the masculine or feminine gender has been used in any provision in this Agreement, it is used solely for the purposes of illustration and shall not in any way be used to designate the sex of an employee.

## ARTICLE 4. WORK WEEK AND WORKDAY

**4.01 WORK DAY, WEEK AND OVERTIME.** The employee's regular workday shall consist of eight (8) consecutive hours with one (1) uninterrupted meal period and shall be scheduled at approximately the middle of the workday. This period is to be one-half (1/2) hour within the eight (8) hours. All time worked in excess of eight (8) hours compensable hours in any one (1) day shall be compensated for at the rate of one and one-half (1 1/2) times the employee's regular straight-time hourly rate. The workweek for Hudson Group shall start at 12:01 a.m. Monday and end at 12:00 midnight Sunday. However, if the Employer changes the pay week for other employees at Seattle-Tacoma International Airport, it may also change the pay week for employees covered under this Agreement upon one month's advance notice to the Union and the employees.

The above notwithstanding, the Employer may establish a schedule that consists of ten (10) hour workdays. Employees on such schedule shall receive three consecutive days off. All hours worked in excess of ten (10) hours in an employee's work shift or in excess of forty (40) hours in any work week shall constitute overtime work and shall be paid at the rate of one and one-half (1 1/2) times the employee's regular straight time rate of pay. Payment for Bereavement Leave

under Section 15.01 and Holiday Pay under Article 7 for normal scheduled days not worked, shall be for ten (10) hour days. If a holiday falls on a day the employee is not normally scheduled or if the employee works on a normal scheduled day that the holiday falls on, Holiday Pay under Article 7 for normal scheduled days not worked, shall be for ten (10) hour days.

**4.02 DAYS OFF.** Effective July 1, 2005, all regular full-time and regular part-time employees who have at least twelve (12) months service shall be scheduled two (2) consecutive days off in a work week, except as provided below. If possible, and at the sole discretion of the company, the company may consider additional requests from employees with less than twelve (12) months of service to be scheduled two (2) consecutive days off. If granted by the company, it will be done on a case by case basis and seniority shall be considered. "On-call" employees shall have a minimum of two (2) days off in a workweek, not necessarily consecutive. Any regular or "on-call" employee working on a sixth (6th) or seventh (7th) consecutive day, excluding day(s) for which overtime was paid, shall be compensated at the rate of one and one-half (1 1/2) times the employee's regular straight-time hourly rate for all hours worked on the sixth (6th) or seventh (7th) day in the workweek, except where working on the sixth (6th) or seventh (7th) day was necessitated by any and all shift bidding. No "on-call" employee shall work more than eight (8) consecutive days, except by mutual agreement between the employee and the Union and the Employer.

**4.03 PART-TIME SHIFTS.** The Union and the Employer agree that there may be some part-time shifts. Such part-time shifts shall be assigned for periods of not less than four (4) hours and shall be compensated for at the rates listed.

**4.04 REGULAR PAYROLL.** There shall be regular payroll periods not to exceed one-half month and a regular payday not more than seven (7) days after the end of the payroll period, except under circumstances beyond the control of the employer.

**4.05 WORK SCHEDULES.** It is agreed that the Employer will make work schedules available to the employees seventy-two (72) hours before the start of the workweek and will to the best of the Employer's ability, give any employee at least four (4) days notice of a change in days off, provided, however, that no penalty shall attach to any failure to give such notice and the employee shall be obligated to respect any notice of change of day off that is given at least twelve (12) hours prior to the start of the employee's shift on the changed days. The above notice requirements do not apply regarding situations which are outside the control of the Employer. In such cases the Employer reserves the right to amend schedules with no notice, according to business needs under the circumstances. Special requests for days off must be submitted in writing by the employee to the Employer at least seven (7) days but no more that twenty eight (28) days prior to the posting of the work schedule. The Employer will respond in writing within four (4) days of the request. Such special requests will only be considered after the employee's vacation time has been depleted. Special requests will be limited to one (1) request per employee, per month and further, as a total work unit, be limited to three (3) total requests per day. The employer reserves the right to deny any special requests based on the needs of the business.

**4.06 SPLIT SHIFTS.** There shall be no split shifts by any employee, except as provided below: The Union will not withhold permission for an exception to this policy upon the request of any employee. Said employee shall be allowed to work a split shift provided such work is on a voluntary basis.

**4.07 MIDNIGHT SHIFTS.** Any shift starting between midnight and five-thirty (5:30) a.m. will be guaranteed eight (8) hours work or pay in lieu thereof, except that, by mutual agreement between employer, union and associate, such shifts may be less than eight (8) hours.

**4.08 REST PERIODS.** Each employee shall receive a ten (10) minute rest period in each half of each employee's work shift. Such rest period shall be as close to the mid-point of the half shift as is practical. The actual schedule of the rest periods shall be determined by the Employer.

**4.09 COMBINED REST PERIODS.** Rest periods and lunch periods shall not be combined, with the exception that one rest period and the employee's lunch period may be combined by mutual agreement between the Employer and employee.

**4.10 MEAL PERIOD.** For all employees, schedules shall be so arranged that any day in excess of five (5) hours must have a scheduled meal period preferably in the middle of the shift.

## ARTICLE 5. SENIORITY

**5.01 DEFINITION.** Seniority is defined as the length of continuous employment from the last date of hire of an employee with the Employer within the bargaining unit.

**5.02 TERMINATION OF SENIORITY.** Seniority rights shall terminate if an employee:

a) Quits.
b) Is discharged.
c) Is laid off for a period equal to the employee's seniority or six (6) months, whichever is the lesser period.
d) Fails to return to work in accordance with the terms of a leave of absence or when recalled after a lay-off It is agreed that consideration shall be given to extenuating circumstances.
e) Fails to inform the Employer of a change in address while on lay-off.
f) Fails to report to work for two (2) consecutive days without notifying the Employer. It is agreed that consideration shall be given to extenuating circumstances that make such notice requirements impossible.

**5.03 PROBATIONARY EMPLOYEES.** Probationary employees shall have no seniority status during their probationary period, provided that when an employee has completed his probationary period he shall be credited with all regular service retroactive to the last date of hire for the purpose of determining the application of benefits based on length of service. (See Article 3).

**5.04 ABSENCE.** Absence during an authorized leave of absence shall not break seniority.

**5.05 APPLICATION.** The principle of seniority shall apply in the case of lay-off, vacation, shift and days off preference, provided that the employee shall have the skill and ability (including language skills where required) as determined by management to do the work, such determination shall be fairly and reasonably exercised.

**5.06 LAY-OFF.** In lay-off, the least senior employee within the job classification, as defined above, shall be the first laid off or reduced in hours, whichever the case may be. All employees who are laid off shall be given one (1) week advance notice of such lay-off. This notification requirement prior to an employee's lay-off shall not apply in cases of emergencies beyond the control of the Employer. Employees shall be recalled from emergency layoff according to the provisions of Article 5. It is hereby mutually acknowledged that the term "lay-off" does not include discharge for cause. The notification requirements of this Agreement prior to employees lay-off shall not apply in emergencies beyond the control of the Employer. Employees shall be recalled from emergency lay-off according to the provisions of this Article.

**5.07 SENIORITY'S APPLICATION IN VACATION.** Refer to Article 8, Vacation.

**5.08 SHIFT & DAYS OFF PREFERENCE.** For purposes of shift and days off preference, seniority shall apply only within the following work units:

a) Specialty Stores
b) Warehouses
c) Bookstores
d) Gift/News Unit A and Unit B: North Satellite I and, South Satellite.
e) Gift/News Unit C: D and C concourse
f) Gift/News Unit D: South Terminal and Main

For the purpose of bidding vacancies, extra hours, and required overtime, Gift/News shall be considered one work unit. Should the Employer desire to create a new or different work unit, this shall be subject to negotiation with the Union.

**5.09 BIDDING PROCEDURE.** Job openings will first be offered to other employees within the same work unit. If the vacancy is not filled within the same work unit it shall then be offered to other employees before offering the vacancy outside the bargaining unit. Employees bidding into a specialty store or a warehouse from another work unit shall be subject to management interviews and approval.

a) The initial shift and day off created by a vacancy shall be subject to bid.

b) The initial vacancy created by an employee bidding into "a" above shall also be subject to bid.

c) Any subsequent vacancies created by "b" above shall be filled at the discretion of the Employer.

**5.10 SCHEDULE CHANGES.** Seniority for shift and days off preferences shall not apply for filling temporary vacancies, such as vacations or leaves of absence for less than sixty (60) days or during a shift bid pursuant to this Article 5. Minor adjustments of an ongoing nature, changing scheduled hours of work by not more than one hour per day shall not be subject to bid. Involuntary ongoing changes in hours of work of not more than one hour per day shall be limited to one per person between bids.

**5.11 SCHEDULE BIDS.** The "closed shops" or "specialty stores" shall be eliminated. The ten cents ($0.10) per hour premium shall also be eliminated. For those specific employees who currently receive the ten cents ($0.10) per hour premium, they shall have that amount added to their regular hourly rate of pay and continue receiving it for the course of their employment. When the company determines a need to bid a job or jobs, a posting shall take place. Employees may bid for a "shift only" and will be awarded a "shift" by seniority. The company will assign the location of the work. The company reserves the right to fill open shifts and locations as needed based upon reverse seniority. The company will also make daily adjustments in work location in order to handle temporary staffing imbalances due to absences from work or changes in customer flow. It is not the intent of the company to move people unless there is a business need. After one (1) year from ratification the parties shall form a committee to determine if this procedure can be improved. The parties may also use Federal Mediation if they so choose. Any changes must be agreed to by both parties in writing.

**5.12 REINSTATEMENT.** The last employee laid off shall be given the first opportunity to reinstatement in the former position, if said employee presents himself for work within forty-eight (48) hours, from the Employer's notice. Failure of such employee to present himself within the forty-eight (48) hours, shall be considered a voluntary quit and his seniority shall be canceled. The union shall be advised when an employee is offered recall to employment.

**5.13 TRANSFER OUT OF BARGAINING UNIT, RETENTION OF SENIORITY.** In the event an employee is transferred out of the bargaining unit into a position not covered by a collective bargaining agreement between the Employer and the Union and such employee returns to a bargaining unit position within six (6) months, he shall be returned to the bargaining unit within a classification and at the progression rate which he would have held if he had not been transferred and without loss of seniority. However, employees accepting a promotion to a supervisory position may qualify for this retention of seniority only during the first sixty (60) days.

**5.14 AVAILABILITY OF HOURS.** The parties hereto recognize that full-time work is essential to the economic welfare of employees whose principal income is derived from employment by the Employer. The number of part-time employees employed by the Employer to supplement his basic fulltime personnel shall be held to a minimum consistent with the reasonable needs of the business, as related to customer service and traffic flow, by assignment of part-time work to the fewest number of persons who are available for the work required,

**5.15 ADDITIONAL HOURS.** To assist employees desiring additional hours outside their regular schedule, employees shall notify management, in writing, of their said desires on forms provided by the Employer, stating the day(s) of the week and hours for which the employee is available. Such request shall be valid until the next schedule bid. In assigning such additional hours, management shall consider the overall practicability of the employee's request, along with the employee's seniority, availability, skill and ability to do the work consistent with the reasonable needs of the business, customer service and traffic flow, before scheduling "on-call" employees and/or new hires. It is agreed that the Employer shall not be obligated to assign additional hours to part-time employees in lieu of using other sources when such assignment would result in the payment of overtime. Employees who fail to be available for the additional hours they have requested must submit a new request in order to be considered further. When a reduction of the work force or hours occurs in a classification, employees may refuse an assignment of additional hours up to forty (40) hours per week if a more junior employee within his classification is available. If no one exercises the option, the Employer shall be free to assign the hours at its discretion including, but not limited to, the right to assign the hours in inverse order of seniority.

Wherever practical, the Employer will endeavor to assign bargaining unit employees to available work, as provided herein, before resorting to temporary employment agencies.

**5.16 CONSIDERATION FOR PROMOTION.** Employees desiring advancement to a higher wage rate classification will notify the personnel department, in writing and such employee's request shall be considered when openings occur.

**5.17 REQUIRED OVERTIME.** Employees who are willing to accept overtime shall so advise the Employer in writing of their specific availability (days and shifts) within one (1) week of a shift bid. Scheduled overtime hours required by the Employer will be offered first to senior employees in the shop, warehouse and/or classification where the overtime is needed who have so requested. Overtime necessitated by the immediate needs of the business will be offered to part-time personnel currently on duty in the shop, who have signed the list in order of seniority. If there are no part-time employees available, overtime will be offered to the most senior person working who has signed the list. After the Employer has exhausted the list as provided herein, it shall be free to assign the hours at its discretion, including but not limited to the right to require overtime from the least senior employee on duty in the shop, warehouse and/or classification where the overtime is needed. Prior to offering overtime hours, the Employer may, at its discretion, offer additional hours to part-time employees (up to forty (40) hours in the workweek) pursuant to Article 5. Until such time as both warehouses are located in close proximity to each other, the employer may first extend shifts on a daily basis in each respective location (Duty Free and Merchandise), by that locations seniority. The employer is still obligated to award full shift overtime by seniority as stated elsewhere in this agreement.

## ARTICLE 6. WAGES AND CLASSIFICATIONS

**6.01 CLASSIFICATIONS AND WAGE RATES.** All work and services connected with, or incidental to the Employer's operation at the Seattle-Tacoma International Airport, Seattle,

Washington pertaining to the handling and selling of merchandise offered for sale to the public shall be performed only by employees within the appropriate unit as defined in this Agreement. Attached hereto and marked Appendix "A" is a schedule showing the classifications and wage rates of the employees covered by this Agreement. It is mutually agreed that said Appendix "A" and the contents thereof shall constitute a part of this Agreement.

**6.02 NEW CLASSIFICATION.** If the Employer hereafter establishes any new or substantially changed job classification or work operation, the Union and the Employer shall at that time enter into negotiation to determine wages, hours and conditions for those departments. Provided agreement is not reached in ten (10) days, either side may request that it be settled by arbitration as provided for in this Agreement.

**6.03 REPORT PAY**. Except in the event of emergencies beyond the control of the Employer that make compliance with the notice requirement impractical, employees who report for work and who are not given notice not to report and who are not put to work will be given three (3) hours pay. Each employee is obligated to keep the Personnel Department informed of his/her current address and telephone number.

**6.04 MINIMUM REPORT TIME.** Employees who report to work and are put to work will be given a minimum of four (4) hours work or pay. When an employee works more than the minimum four (4) hour requirement, he shall be compensated for the exact number of hours that he does work. Employees required to attend meetings at times other than during their regularly scheduled shifts or immediately before or after such shifts shall be guaranteed a minimum of three (3) hours of pay for attendance at such meetings at the applicable rate of pay. If the employee requests to attend meetings at times other than during their regularly scheduled shifts they shall be paid for a minimum of one (1) hour of pay for attendance.

**6.05 NO PYRAMIDING OF RATES.** When two (2) or more premium rates apply to the same hour of work the higher will be paid and there will be no pyramiding of any premium rates.

**6.06 PARKING.** The Company shall pay up to $51.00 per month for each employee to provide parking for those employees who park at the airport. (Probationary employees shall be eligible the first of the month following the month of hire). The employee shall pay any additional cost, up to ten dollars ($10.00) per month. Any amount required above the ten-dollar ($10.00) employee contribution, will be paid by the employer.

**6.07. BUS TRANSPORTATION**. The Company shall pay up to $51.00 per month for a bus pass for employees who use a bus to commute to work. (Probationary employees shall be eligible the first of the month following the month of hire). The employee shall pay any additional cost.

If, according to Article 6.06, the Company pays more than $51.00 per month for employee parking, then the maximum payment for a monthly bus pass shall also increase (to the maximum Company payment for monthly parking).

## ARTICLE 7. HOLIDAYS

**7.01 DESIGNATED HOLIDAYS.** The following are recognized as holidays:

New Year's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

**7.01.1 PAID PERSONAL DAYS.** One (1) paid personal day off shall be awarded for each full year of service, to a maximum of three (3) personal days per anniversary year. Days shall be awarded on the employee's anniversary date for the anniversary year just completed and must be taken off to be paid during the twelve (12) months following award. Employees desiring to use a paid personal day shall notify the Employer at least two (2) weeks in advance of the day(s) desired, on a form supplied by the Employer; the Employer shall not unreasonably deny such request. Personal Day requests made with less than two week's notice for compelling reasons, such as unexpected illness, may be considered and approved by the Employer on a case by case basis, Seniority shall govern if more than one (1) request is submitted for the same day(s) off. No days will be paid on termination of employment.

**7.02 HOLIDAY PAY.** Each full-time employee with one or more years of seniority who is on the active payroll and not on leave of absence will receive pay for his regular shift at the employee's straight-time rate for each such holiday not worked, provided that he works his regular scheduled shift immediately before and after such holidays. The Employer agrees to waive the requirement for work before and after holidays in order to receive holiday benefits in the event an employee is suffering an illness or ailment, supported by the doctor's certificate, rendering him incapable of working. In such cases, the affected employee shall receive the holiday benefit. The Employer may consider and approve other legitimate reasons for absence, on a case by case basis. (Employees hired before 7/1/98, refer to Holiday Pay under Grandfathered Provisions on page 25).

**7.03. PART-TIME EMPLOYEES.** Each part-time employee with one or more years of seniority who is on the active payroll and not on a leave of absence will receive prorated holiday pay (up to eight (8) hours) based upon the average number of regular straight-time hours a day the employee worked the previous sixteen (16) weeks. For example: an employee who averages 5 hours per day worked, excluding any overtime hours, shall be paid five (5) hours holiday pay. In no event will an employee be eligible for more than eight (8) hours holiday pay.

**7.04 WORK ON HOLIDAY.** Each employee who works on a recognized holiday, except Christmas, and who works his regularly scheduled shift immediately before and after the holiday worked, shall receive his regular holiday pay, plus pay at the straight-time rate for the first eight (8)hours worked on the holiday.

**7.05 WORK ON CHRISTMAS.** Each employee who works on the Christmas holiday and who works his regularly scheduled shift immediately before and after the Christmas holiday worked, shall receive his regular holiday pay, plus pay at one and one-half (1 1/2) times his straight-time rate for the first eight (8)hours worked on the Christmas holiday.

**7.06 HOLIDAY SHIFTS**. Employees required to work on the holiday will be scheduled for their regular shift or the length a unit is open when it is less than a regular shift. Where the shop is open more than eight (8) hours, shifts of not less than four (4) hours may be scheduled to supplement the eight (8) hour shifts as required by business. Where business reduction requires the closing of a unit prior to the end of the employee's regular shift, the employee shall be offered the option of movement to another location or the opportunity to volunteer to leave their shift early.

**7.07 HOLIDAY OVERTIME.** Any hours worked in excess of eight (8)hours on a recognized holiday shall be compensated for at two (2) times the employee's straight-time rate.

**7.08 COMPUTING WEEKLY OVERTIME.** Pay for a holiday not worked shall not be considered as time worked for purposes of computing overtime.

**7.09 FAILURE TO WORK.** An employee who is regularly scheduled to work on a recognized holiday and who does not work shall not receive holiday pay, except as shown in Section 7.02 of this Article.

**7.10 PROBATIONARY EMPLOYEE.** Probationary employees will not be eligible for holiday pay.

## ARTICLE 8. VACATIONS

**8.01 VACATION SCHEDULE.** All regular full-time and regular part-time employees shall receive an annual vacation with full pay therefore as follows:

a) For all employees vacation pay shall accrue at the rate of two percent (2%) of all wages the first (1st) year of employment through the third year of employment.
b) During the fourth (4th) year through the sixth ($6^{th}$) year, vacation pay shall accrue at the rate of four percer
c) During the seventh ($7^{th}$) year and each succeeding year, vacation pay shall accrue at the rate of six percent (6%) of all wages for the prior twelve months. (Employees hired before 7/12/98,refer to Vacations under Grandfathered Provisions on page 25).

**8.02 VACATION PAY.** Vacation pay will be paid on the first pay period after the anniversary date of employment unless the employee notifies the Employer, in writing, not more than sixty (60) days but not less than thirty (30) days prior to the anniversary date that the employee wants vacation pay included with the pay received the last pay day prior to the time of vacation.

**8.03 VACATION SCHEDULING.** Seniority shall be considered in the granting of vacations. The granting of such vacation, however, is subject to the approval of management considering

the needs of the business. Vacation schedules shall be posted in each work unit by January 1st. Employees will then be permitted to list their desired vacation date(s). The vacation schedule will be removed no earlier than March 31st, and a schedule of confirmed vacations shall be posted no later than April 15th. The Employer agrees that vacations, once scheduled, shall not be changed. Employees not previously selecting a vacation during the allotted period (January I - March 31) may, with one weeks notice and the consent of management, take the vacation period of their choice during the employee's anniversary year. The Employer retains the right to restrict certain vacation availability dates according to the needs of the business.

Vacation requests made after March 31st shall be granted on a first come, first served basis, based upon the date and time of request. When two or more employees in a store or warehouse make a simultaneous request for one opening, the senior employees's request shall be honored. Requests must be made in writing on a form to be supplied by the Employer, showing the date and time of receipt by the Employer. Management shall issue a written response within one week or less.

**8.04 TERMINATION OF EMPLOYMENT.** Upon termination of employment, except in cases of termination for gross misconduct as defined in the Employer's work rules, after one (1) year or more of employment, the employee shall be paid earned vacation pay equal to the sum of the following:

a) Annual vacation pay then due the employee but unpaid, and
b) Vacation pay computed in relation to that which would have been due the employee on the next anniversary date of employment; proportionally adjusted to the number of months employed since the date of hire or the last anniversary date of employment, whichever is later.
c) An employee who quits without giving seven (7) day's notice shall be disqualified from accumulated vacation benefits. An employee who gives such notice shall be allowed to work out his notice without reduction in hours or shall be paid in lieu thereof.

**8.05 LEAVES OF ABSENCE.** Temporary interruption in employment because of leaves of absence on account of sickness cumulative up to sixty (60) days per year shall be counted as time worked for the purpose of computing vacation eligibility.

**8.06 Personal Day.** Effective May 1, 2008, all employees with at least ten (10) years of service shall receive one (1) additional personal day for a maximum of four (4) per year.

## ARTICLE 9. LEAVES OF ABSENCE

**9.01 REASONS FOR LEAVES.** Employees shall be entitled to leaves of absence for the following reasons and up to the following maximum periods:

a) A certified illness or injury of the employee requiring absence from work as required but not more than six (6) months or the employee's length of service, whichever is less; serious illness or injury or death in the employee's immediate family (defined as "mother,

father, sister, brother, step-mother, step-father, spouse, child, or step-child") up to but not more than thirty (30) days.

b) A leave of not more than thirty (30) days may be given in hardship cases or for any other reason deemed sufficient by the Employer.

c) The time limits set forth above may be extended by agreement between the Employer and the Union in individual hardship cases.

d) Military Leave. An employee shall be granted a Military Leave of Absence, as required under the Federal Law, for the time spent in active duty in the Armed Forces of the United States. The period of such leave, and reinstatement with the Employer upon the expiration of such leave, shall be determined in accordance with applicable Federal Laws in effect at the time of such leave.

**9.02 LEAVES IN WRITING.** All leaves of absence other than emergency leave shall be in writing on forms supplied by the Employer, a copy shall be given to the employee.

**9.03 REINSTATEMENT AFTER LEAVE.** Where all conditions of the leave of absence are met and this Agreement is satisfied the employee shall be restored to the department and classification he left. If this is impractical, he shall be restored to as comparable a job as possible.

**9.04 EMPLOYMENT.** If an employee works for remuneration during a leave of absence without receiving written permission from both the Employer and the Union, he shall be considered a quit.

**9.05 TERMINATION AFTER A LEAVE.** Any employee on a leave of absence who fails to return to work at the expiration of said leave, shall be considered a voluntary quit by the Employer and shall then receive all vacation pay owed under the Agreement.

**9.06 FAMILY MEDICAL LEAVE.** The Employer agrees to abide by the provisions of the Family Medical Leave Act. Alleged violations of the FMLA shall be submitted to the grievance procedure set forth in Article 14.

**9.07 EMPLOYEE ON FMLA LEAVE.** An employee on FMLA Leave shall be allowed to bid for shifts as defined in Article 5. The employee shall leave the appropriate contact information and/or a designee authorized to bid for the employee in the event a shift bid takes place during the employee's absence. Management shall make a reasonable effort to notify these employees on FMLA leave of pending bids, using the employee's contact numbers.

## ARTICLE 10. HEALTH, WELFARE AND DENTAL

**10.01 Medical and Dental Insurance.** Subject to the terms of this agreement, the Employer and the Union agree to be bound by the terms of the Trust Agreements, which created the Sound Health and Wellness Trust, as initially executed on June 18, 1957, or the Trust Agreement which established the Sound Health and Wellness Trust, initially adopted December 3, 1998, as applicable, by all subsequent revisions or amendments thereto, and by all policies and other conditions of participation and eligibility, which may be established from time to time by the

Plan Document, the Trusts' Rules and Regulations, the Summary Plan Description, and other pertinent procedures, practices, and Trustee actions. The Employer accepts the Employer Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for purposes of managing the Trust. The Union accepts the Labor Organization Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for purposes of managing the Trust.

Adoption of Health and Welfare Labor Agreement: The Employer and the Union agree to be bound by the Health and Welfare Labor Agreement, effective May 2007, by and between Allied Employers, Inc. and UFCW Union Locals 21, 44, 81, 367, 1439, UFCW International, and Teamsters Union Local 38, and by all subsequent revisions or amendments thereto.

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 and 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 6, 2007.
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 Retail Clerks Welfare Trust in accordance with the terms and provisions of the Trust Agreement creating the Retail Clerks Welfare Trust, dated June 18, 1957, and may be subsequently amended.

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

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.

Notwithstanding the forgoing Section, the Board of Trustees of the Retail Clerks Welfare 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 case, the one hundred seventy-three (173) hour maximum shall be appropriately adjusted, as directed by the Trustees, provided that in no event shall the Employer's total obligation be different than what it would have been on a calendar basis. Further, the total contributions due for each approved accounting period shall be remitted in a lump sum not later than twenty (20) days after the end of the accounting period.

**10.02 <u>CONTRIBUTIONS.</u>** The employee shall pay one hundred percent (100%) of dependent premiums by payroll deduction per month as determined and required by the Trust.

Eligible employees are those who work or are compensated sixty (60) hours, or more, per month for employee only coverage and eighty (80) hours, or more per month, for employees who select dependant coverage, up to a maximum of one hundred seventy three (173) hours per month based upon the number of hours actually worked by an employee. The Employer is not responsible for any tax liability and/or responsibility on the part of the employee(s) which may result from a non-pretax status deduction.

The Sound Health & Welfare Trust shall be solely responsible for the payment of coverage and benefits provided by the Trust Fund Health & Welfare Program(s). The Employer agrees to abide by the rules of the Sound Health and Welfare Trust.

Over the life the contract term, the Company and Union agree that the maximum total increase to the Company's contribution to the Sound Health and Wellness Trust over the three (3) year contract shall be ninety cents ($0.90) per hour, allocated in accordance with this provision.

In the first year of the contract, the maximum increase shall be $0.30 per hour. The Union may, however, defer up to $0.15 per hour until a future contract year. In the second and third year of the contract, the Union may also defer up to $0.15 per hour until a future contract year. Regardless of the deferrals, under no circumstances shall the maximum hourly contributions be more than $4.25 per hour in the first contract year, $4.55 per hour in the second contract year, and $4.85 per hour in the third contract year. Any part of the original $0.90 total increase that has not been allocated during the life of the contract, shall be used if needed and added to the then health care rate effective May 1, 2013.

The yearly increase, if any, in the first year of the contract shall be effective no sooner than May 1, 2010, but paid retroactively on or before March 1, 2011, (after receiving the notice described below). In each of the next two contract years, the yearly increase, if any, shall take effect on May 1.

The Union shall advise the Company in writing no later than January 1, 2011, as to the amount of the increase, if any, (in accordance with this provision) effective no sooner than May 1, 2010, and also for May 1, 2011. In each subsequent year of the contract, the Union shall advise the Company in writing no later than January 1 of the increase, if any, (in accordance with this provision) as to the increase to be effective for the following May 1.

Any additional increases which may be determined by the Fund shall be paid by the employee. If at any time the hourly contribution amount set by the trustees should exceed the above limits, the difference shall be deducted from each employee's wage in order to ensure continuous coverage.

## ARTICLE 11. RETIREMENT FUND AND 401 (k) FUND

**11.01 <u>WESTERN EMPLOYEES BENEFIT FUND</u>.** The Western Employees Benefit Plan is complete within itself and by this reference made a part hereof.

**11.02 PAYMENTS REQUIRED.** As of July 1, 1988, the Employer agrees to pay into the Western Employees Benefit Trust the sum of ten cents ($. 10) for each compensable hour and for all employees within the bargaining unit, including holiday and vacation hours. Effective July 1, 2010, an additional .02-cent payment for each compensable hour shall be made to the Western Employees Benefit Trust. Effective July 1, 2011, an additional .05-cent payment for each compensable hour shall be made to the Western Employees Benefit Trust. Effective July 1, 2012, an additional .03-cent payment for each compensable hour shall be made to the Western Employees Benefit Trust. For a total contribution of ($.20) twenty cents for each compensable hour. Employer contributions shall be computed monthly to include all hours compensated for in pay periods ending in that month. The total amount due for each such month shall be remitted in a lump sum not later than fifteen (15) days after the last day of each month. The Employer agrees to furnish such data as may be required by the Trustees in administering and carrying out the provisions of the Plan.

**11.03 DAMAGES FOR NONPAYMENT.** Insofar as payments by the individual Employer into this Trust are concerned, time is of the essence. The parties recognize and acknowledge that the regular and prompt payment of amounts due by individual Employers to the Trust is essential to the operation of the Trust and the provision of benefits under the Benefit Plan and thus it would be extremely difficult, if not impractical, to fix the actual expense and damage to this Trust and to the covered employee which will result from the failure of an individual Employer to make such monthly payments in full within the time provided. Therefore, it is agreed that the amount of damage resulting from such failure to make contributions hereunder before the twenty-fifth (25th) day of the month in which they are due shall be, by way of liquidated damages and not as a penalty, the sum of fifty dollars ($50.00) for each failure to pay in full within the time provided, or twenty percent (20%) of the amount due and unpaid, whichever is the greater, which amount shall become due and payable to this Trust at the principal office of this Trust upon the day following the twenty-fifth (25th) day of the month in which such delinquency occurred, and shall be added to and become a part of said amount due and unpaid and the whole thereof shall bear interest at the rate of twelve percent (12%) per annurn until paid. If the Employer defaults in whole or in part in the payment of any payments due this Fund, in addition to the amount due and the liquidated damages provided for in this Article, there shall be added to the obligation of the defaulter all reasonable expenses incurred by this Fund in the collection of the same, including, but not limited to, reasonable attorneys' (with a minimum of fifty dollars ($50.00) and accountants' fees, costs of attachment bond, and court costs. It shall be the duty of the Trustees to enforce collection of payments due the Trust from the individual Employers and, in the event of legal action, the venue shall be laid in King County, Washington.

**11.04 ADMINISTRATION.** The Employer shall, when an employee leaves his employ, note on the Trust report forms one (1) of the following reasons therefore:

a) Terminated
b) Approved Leave of Absence
c) Disability Absence
d) Death

## ARTICLE 12. GENERAL CONDITIONS

**12.01 UNIFORMS AND PADLOCKS.** If the Employer requires any employee to wear a uniform it will be furnished at the Employer's expense along with a padlock if the employee is assigned a locker. Such uniform and padlock will at all times remain the property of the Employer. The employee will be responsible for seeing that the uniform and padlock are properly cared for, and will return the uniform and padlock to the Employer when called upon to do so. The employee will not be held responsible for normal wear and tear of the uniform, but will be held to reimburse the Employer for willful damage or failure to return the uniform and/or padlock.

**12.02 UNIFORM CLEANING.** The Employer will pay the cost of cleaning and laundering the uniform. If the Employer supplies drip dry uniforms, the Employer may elect to pay a laundry allowance of sixty cents ($.60) per week to the employee to maintain the uniforms.

**12.03 LABOR/MANAGEMENT CONFERENCES.** The Employer and the Union agree that during the life of this Agreement there shall be a Labor/Management Committee consisting of individuals from both parties (not to exceed four (4) from each) to be designated, in writing, by each party to the other. On a case-by-case basis, the parties may agree to additional representatives. Meetings will be held at mutually agreeable times and places so as to apprise the other of problems, concerns, suggestions, etc., related to the operation, the work force and services offered, all to promote better understanding with the other. A written agenda shall be established for each meeting. Such meetings shall not be for the purpose of initiating or continuing collective bargaining nor in any way to modify, add to, or subtract from this Agreement, and such meetings shall be exclusive of the grievance and arbitration procedures in this Agreement, as grievances shall not be considered proper subjects at such meetings.

## ARTICLE 13. DISCIPLINE, DISCHARGE, AND DISCRIMINATION

**13.01 JUST CAUSE**. No employee shall be disciplined or discharged without justifiable cause. When an employee is discharged, the Union shall be promptly notified by mail or phone and given the opportunity to intercede within fifteen (15) days of the phone call or the mailing of the notice.

**13.02 NOTICE OF DISCHARGE.** All notices of discharge shall be given to the employee by the Employer. Upon demand by the Union, the Employer shall furnish the employee with a written statement of the reasons for the employee's discharge.

**13.03 NO DISCRIMINATION.** The Employer and the Union agree that in accordance with applicable Federal and State Laws, there shall be no discrimination against employees because of race, color, religion, sex, age, national origin, or physical handicap, or any other protected class.

**13.04 PROHIBITION OF POLYGRAPH TESTS.** It shall be unlawful for the Employer to require any employee or prospective employee to take or be subjected to any lie detector or similar tests as a condition of employment or continued employment.

## ARTICLE 14. GRIEVANCES AND ARBITRATION

**14.01 GRIEVANCE DEFINED.** A grievance is defined as an alleged violation of the specific terms and conditions of this Agreement. If any such grievance arises, it must be submitted by the employee to the following grievance procedure. Time limits set forth in the following steps may only be extended by mutual written consent of the parties hereto, An employee's failure to comply with the contractual time limits for filing and pursuing grievances shall result in a final and binding resolution of the grievance in accordance with the Employer's decision. If the Employer should fail to respond to a grievance in accordance with the time limits set forth herein, the grievance shall automatically be moved to the next step in this grievance procedure.

**14.02 GRIEVANCE STEPS**

Step 1: Store or Warehouse Manager. The employee (and the Union Representative if requested by the employee) shall present the grievance to the Store or Warehouse Manager, or designee, not later than fourteen (14) calendar days after the first such alleged violation or within fourteen (14) calendar days of when the employee should reasonably have had knowledge of the facts that constitute the grievance. The Manager or designee shall have fourteen (14) calendar days in which to answer and attempt to resolve the grievance

Step 2: Operations Manager. If the matter is not resolved to the employee's satisfaction at Step 1, the employee (and the Union Representative if requested by the employee) shall present a written grievance to the Operations Manager or designee within fourteen (14) calendar days of the Step I decision. The written grievance at Step 2 shall contain a description of the alleged problem, the specific section of the contract that has been allegedly breached, the date it occurred and the specific corrective action the grievant is requesting. The Operations Manager or designee shall reply in writing within fourteen (14) calendar days following receipt of the grievance at Step 2.

Step 3. Arbitration. If the grievance is not settled on the basis of the foregoing procedures, and if the grievant and the Union have complied with the specific procedures and time limitations specified above, the Union may submit the issue in writing to final and binding arbitration within fourteen (14) calendar days following the Step 2 decision. If the Employer and the Union fail to voluntarily agree on an arbitrator, a list of eleven (11) arbitrators shall be requested from the Federal Mediation and Conciliation Service. The parties shall thereupon alternate in striking a name from the panel until one name remains. The person whose name remains shall be the arbitrator, The arbitrator's decision shall be final and binding on all parties except as provided herein. Both parties shall present their entire case at the hearing and no further discussion nor evidence may be presented thereafter. The arbitrator is then required to render a written decision to the parties within 30 calendar days. The arbitrator shall have no authority to add to, subtract from, or otherwise change or modify the provisions of this Agreement, but shall be authorized only to interpret existing provision of this agreement as they may apply to the specific facts of the issue in dispute. The arbitrator shall not substitute his/her judgment for that of the Employer, and shall reverse management's actions or decisions only if the Employer has violated the express terms of this Agreement. Each party shall bear one-half (1/2) of the fee of the arbitrator and any other expense jointly incurred incident to the arbitration hearing. All other expenses shall be

borne by the party incurring them, and neither party shall be responsible for the expenses of witnesses called by the other party.

**14.03 OVERTIME AND BACK PAY.** A grievance concerning overtime or back pay claims must be received in writing by the Employer within fourteen (14) calendar days of the payday such shortage appears, Such claims shall be limited to the amount involved in the thirty (30) days immediately preceding the date upon which the grievance was received in writing.

**14.04 TERMINATION.** This grievance procedure shall terminate on the expiration day of this contract, unless the contract is extended by the mutual written consent of the parties. Grievances arising after the expiration date of this contract shall be null and void, and shall not be subject to the grievance procedure.

**14.05 TIME LIMITS**. Time limits within this Article may be amended by written agreement of the Union and the Employer.

## ARTICLE 15. BEREAVEMENT LEAVE

15.01 An employee will be granted up to three (3) days bereavement pay for deaths in his/her immediate family (mother, father, sister, brother, step-mother, step-father, domestic partner as defined by King County's definition of "Domestic Partner", current mother-in-law, current father-in-law, spouse, child, or step-child and up to one (1) day for death of a grandparent or grandchild, to attend the funeral.

## ARTICLE 16. JURY DUTY

16.01 Employees who are called to serve on jury duty shall be compensated by the Employer for the difference between the jury duty pay received and their normal straight-time pay for days normally scheduled, subject to a limitation of fifteen (15) days per anniversary year. The Employer's portion of jury duty pay will be paid on the employee's next paycheck upon proof being submitted by the employee of his having received jury duty pay from the court.

## ARTICLE 17. MEALS

17.01 The Employer will make a good faith effort where possible to provide employees covered by this agreement with access to a microwave oven and a refrigerator.

## ARTICLE 18. MANAGEMENT RIGHTS

18.01 The operation of the business including subcontracting and the direction of the employees and the determining of the number of classifications and employees required, shall be the sole function of the Employer but shall not be used so as to defeat any provision of this Agreement.

18.02 The right to hire, classify, transfer, promote and demote, and discharge or discipline employees for cause to maintain discipline and efficiency of employees to assign work and

overtime to employees is the sole right of the Employer except as otherwise specifically designated or modified by express provisions of this Agreement, or by law.

18.03 The above enumerated rights of management are not all inclusive, but indicate only some of the matters which belong to and are retained by the Company. Except as specifically abridged, delegated, granted or modified by this Agreement, all of the rights, powers and authority of the Employer existing prior to the signing of any Collective Bargaining Agreement are exclusively retained by the Company.

18.04 Should any management right not be exercised in some cases or for certain periods of time due to error, omission or oversight on the part of the Employer, or alternatively, due to the Employer waiving such rights in a given case for the benefit of an employee, it is understood that this does not establish a past practice. that would preclude the Employer from exercising such right in other cases or at other times.

18.05 Nothing shall preclude the Employer from paying wages in excess of the minimums provided for within this Agreement, and the Employer may freely initiate and discontinue experimental programs intended as incentives or as positive reinforcement for employees, including but not limited to programs in the area of attendance, safety or recruiting.

18.06 The Employer is free to conduct any form of electronic surveillance of its premises that is permitted by law.

## ARTICLE 19. PICKET LINES, STRIKES, AND LOCKOUTS

**19.01 LAWFUL PICKET LINES.** The Employer agrees that it will not discipline employees who refuse to cross lawful primary picket lines against the Employer.

**19.02 NO STRIKE.** During the term of this Agreement, neither the Union nor any employee shall authorize, cause, engage in, sanction or assist in any slowdown, work stoppage, refusal to perform services or strike against the Employer. In the event that any employee or employees shall call, engage in, sanction, or assist in any unauthorized slowdown, work stoppage, refusal to perform services duly assigned when directed to do so by the Employer, the Union and its officers and representatives agree to instruct the employees of the Employer not to respect or recognize such picket line or lines, and in addition, each will do everything within his or their respective powers to secure the disestablishing and abandoning of said fine or fines.

**19.03 NO LOCKOUT.** During the term of this Agreement, the Employer shall not cause, permit, or engage in any lockout of its employees.

## ARTICLE 20. CHANGE OF OWNERSHIP

**20.01 TRANSFER, SALE, DISSOLUTION OF EMPLOYER TITLE OR INTEREST.** This Agreement shall be binding upon the parties hereto, their successors, administrators, executors, and assigns. In the event an operation covered by this Agreement is sold, leased, transferred or

taken over by sale, transfer, lease, assignment, receivership or bankruptcy proceedings (collectively referred to as a "merger") such operation shall continue to be subject to the terms and conditions of this Agreement. When the Employer transfers an operation covered by this Agreement by any of the methods set forth above, the employees of the Employer shall continue to be afforded the conditions in this Agreement and their original date of employment shall continue to be recognized in determining any of the benefits of this Agreement.

**20.02 DATE OF LIABILITY.** When the Employer transfers an operation covered by this Agreement by any of the methods set forth in 20.01 of this Article, the Employer transferring the operation shall be liable for any and all monetary benefit accrued by employees under this Agreement to the date of transfer. The new Employer shall be liable for all monetary benefits accruing to employees thereafter.

**20.03 NOTIFICATION OF SALE.** Ten (10) days prior to any transfer by any of the methods set forth in 20.01 of this Article, the Employer transferring the operation shall notify the Union, in writing of such transfer and give the Union the name and address of the new owner or transferee.

## ARTICLE 21. GENERAL SAVINGS CLAUSE

21.01 It is not the intent of either party hereto to violate any laws or any rulings or regulations of any governmental authority or agency having jurisdiction of the subject matter of this Agreement and the parties hereto agree that in the event any provisions of this Agreement are held or constituted to be void or being in contravention of any such law, ruling or regulation, nevertheless the remainder of the Agreement shall remain in full force and effect, unless the parts so found to be void are wholly inseparable from the remaining portion of this Agreement.

## ARTICLE 22. FULL AGREEMENT

22.01 The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to all proper subjects of collective bargaining, and that all such subjects have been freely discussed and negotiated, and the agreements contained in this Agreement were arrived at after the free exercise of such rights and opportunities. This Agreement constitutes the sole and entire existing Agreement between the parties and supersedes all prior Agreements, commitments, and practices, whether oral or written, between the Employer and the Union or the Employer and any of the covered employees, and expresses all obligations of and restrictions imposed on the Employer and the Union.

## ARTICLE 23. DURATION OF AGREEMENT

This Agreement shall be in full force and effect from July 1, 2010 through June 30, 2013, and shall continue from year to year thereafter unless written notification of desire to cancel or amend the Agreement is served by either party upon the other at least sixty (60) days prior to the original or subsequent date of expiration. In witness whereof the parties have caused their duly authorized representatives to execute this Agreement as indicated below:

HUDSON GROUP

Roger Fordyce
Executive VP & COO

8/23/10
Date

UFCW LOCAL 21

David Schmitz
President

9/1/10
Date

Patrick Silvernale
Negotiator

8-5-2010
Date

## APPENDIX "A" - WAGE RATES AND CLASSIFICATIONS

Effective 7/1/10:

| | Sales Person | Warehouse Person |
|---|---|---|
| Start | $8.70 | $8.73 |
| 6 months | 8.85 | 8.88 |
| 1 year | 8.95 | 8.98 |
| 18 months | 9.70 | 10.77 |

All bargaining unit employees shall receive a .23-cent per hour increase effective July 1, 2010.

All bargaining unit employees shall receive a .25-cent per hour increase effective July 1, 2011.

All bargaining unit employees shall receive a .22-cent per hour increase effective July 1, 2012.

In addition to the general across-the-board increases in July of each year, *store employees* receive the following:

$0.15 increase after 6 months of employment
$0.25 increase after 1 year of employment
All employees go to the top of their scale at 18 months.

In addition to the general across-the-board increases in July of each year, *warehouse workers* receive the following:

$0.15 increase after 6 months of employment.
$0.35 increase after 1 year of employment
Employees go to the top of their scale at 18 months.

At no time will the start wage for sales be less than 15 cents above the State minimum wage. If the start wage needs to be adjusted upward to maintain at least a 15 cent advantage over the State minimum wage, then the second step on the scale will be adjusted to maintain a 15 cent advantage over the start step. At no time will the third step on the scale be less than 10 cents above the second step on the scale.

## GRANDFATHERED PROVISIONS

**HOLIDAYS:** All employees employed continuously since before July 1, 1998 shall be considered to have achieved one year's seniority for purposes of eligibility for holidays not worked under Section 7.02. All other provisions pertaining to holidays shall fully apply.

**VACATIONS:** All regular full-time and regular part-time employees employed continuously since before July 12, 1995, unless otherwise specifically exempted herein, shall receive an annual vacation with full pay therefore as follows. All other provisions pertaining to vacations shall fully apply.

a) Accrual at the rate of two percent (2%) of all wages the first (1st) year of employment.

b) During the second (2nd) year and each succeeding year through the sixth (6th) year, vacation pay shall accrue at the rate of four percent (4%) of all wages for the prior twelve months.

c) During the seventh (7th) year and each succeeding year through the fourteenth (14th) year, vacation pay shall accrue at the rate of six percent (6%) of all wages for the prior twelve months.

d) During the fifteenth (15th) year and each succeeding year thereafter, vacation pay shall accrue at the rate of eight percent (8%) of all wages for the prior twelve months.

**Changes to Dependability Policy**
**Effective July 1, 2010**

**No-Fault Point System:** The goal of this attendance policy is to allow all employees an opportunity to correct behaviors that may jeopardize their employment. It uses a point system in conjunction with a 365 day rolling calendar and does not excuse absences. *All categories of attendance issues as listed below, will be tallied together as a single set of points for each employee.*

**A.** **Tardies**

A tardy occasion is defined as failure to clock in within seven (7) minutes after the start of your scheduled shift. Any associate who is tardy two hours or more will be considered absent.

**B.** **Absences**

An absent occasion is defined as each one (1) day of absence. Management reserves the right to require a doctor's release prior to the employee's return to work for an injury or illness for an absence of three (3) or more days. However, such doctor's note will not excuse the occasion, with the exception of an approved leave of absence, or use of a Paid Personal Day. Employees shall make a good faith effort when using a Paid Personal Day (PPD), or are going to be absent from work, to notify their manager with as much notice as possible, preferably two (2) hours prior to the start of the shift. Unless formal paperwork has been processed for a leave of absence, employees are to call their manager each day of their absence.

An "early out" is defined as any time missed from a shift after working at least the first three (3) hours of one's shift. An employee must let their manager know if they are requesting to leave work early (not work entire scheduled shift) and allow three (3) hours for the manager to arrange for coverage. If an employee does not work at least three (3) hours of their shift after requesting to leave from their manager, it is considered an absence.

**C.** **No call/no show**

A no call/no show occasion is defined as one missed shift without notification to a Store Manager prior to 8 minutes from the start of their shift. Example; Associate scheduled 6 am-2 pm calls a manager at 6:07 = absence. Associate scheduled 6 am-2 pm calls a manager at 6:08 = No call/no show. Two (2) consecutive occasions of no call/no show will result in termination.

**D.** **Disciplinary Action**

Each "early out" = 1/2 point
Each tardy = 1 point
Each day of absence = 1 point
Each no call/no show = 2 points

3 points = Verbal warning
6 points = Written warning
9 points = Final warning
12 points = Termination

An accumulation of three (3) Final Warnings over a 365 day period = Termination.

**E. Double Points**

Due to anticipated higher business traffic and needs of the business, any occurrences of "early out", tardy, absence, and no call/no show that occur on the following days of each specified year, shall be counted as double the points per occurrence as listed in Section D of this policy:

**July 1- Dec 31 2010** – July 4, September 6, August 10, August 11, August 12, September 6, September 9, September 10, September 11, November 25, November 26, December 24, December 25, December 31

**2011** – January 1, January 7, April 24, May 30, July 4, July 31, August 1, August 2, August 29, August 30, August 31, September 5, November 24, November 25, December 24, December 25, December 31

**2012** – January 1, January 7, April 8, May 28, July 4, July 19, July 20, July 21, August 18, August 19, August 20, September 3, November 22, November 23, December 24, December 25, December 31

**Jan1 – June 30 2013** – January 1, January 7, March 31, May 27

*Note; in subsequent years (after June 30 2013) the specific double point days may change based on anticipated business needs as these dates may vary slightly from year to year. At no time will the amount of Double Point days exceed seventeen (17) per calendar year*