Agreement by and between UFCW 3000 and Bartell Drugs

Effective: 5/1/2020 - 4/30/2023



Faye Guenther, President • Joe Mizrahi, Secretary-Treasurer

WEINGARTEN RIGHTS Your Right to Union Representation

You have the right to union representation if you are called to a meeting with management that could lead to discipline.

"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."

Weingarten rights were won in a 1975 Supreme Court decision with these basic guidelines:



You must make a clear request for union representation either before or during the interview. Managers do not have to inform employees of their rights.



Management cannot retaliate against an employee requesting representation.



Management must delay questioning until the union steward arrives.



It is against Federal Law for management to deny an employee's request for a steward and continue with an interrogation. In this case, an employee can refuse to answer management's questions.

Discipline? Contract violations? Call the **Member Resource Center**

If you or a coworker need help regarding an Investigatory Meeting, are facing Discipline or Corrective Action, or need to report Contract Violations our MRC Representatives will work with you on a plan of action. *Call the Member Resource Center at:* **206-436-6570**

2020-2023 AGREEMENT By and Between

UNITED FOOD & COMMERCIAL WORKERS UNION

LOCAL 21

and

THE BARTELL DRUG COMPANY

THIS AGREEMENT is mutually entered into by and between UFCW Local 21, of Seattle and vicinity, chartered by the United Food and Commercial Workers International Union, hereinafter referred to as the "Union" and The Bartell Drug Company, hereinafter referred to as the "Employer."

ARTICLE 1 – RECOGNITION AND BARGAINING UNIT

1.01 The Employer recognizes the Union as the sole and exclusive bargaining representative with respect to wages, hours, and other terms and conditions of employment for, and this Agreement shall apply to, all employees of the Employer employed in the classification related thereto, in the Employer's present and future retail stores in King and Snohomish counties which handle drugs, drug sundries, and other merchandise presently handled by the Employer under this Agreement.

1.02 The Union recognizes that the selected collective bargaining representative of the Employer is vested with the sole authority to state the Employer's position relating to the proper application and interpretation of the terms and conditions of the Collective Bargaining Agreement.

1.03 All concessions and lessees under the direct control of the Employer shall be covered by this Agreement unless the concession and/or lessee premises are physically separated and/or have a separate entrance from outside and/or from an enclosed mall.

1.04 All work and services pertaining to the classifications contained herein shall be performed only by employees covered by this Agreement.

ARTICLE 2 – UNION SECURITY

2.01 It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the effective date of this Agreement shall remain members in good standing, and those who are not members on the effective date of this Agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its effective date shall, on the thirtieth (30th) day following the beginning of such employment, become and remain

members in good standing in the Union. For the purpose of this Section, the execution date of this Agreement shall be considered as its effective date.

2.02 The Employer agrees not to keep in his employ, in the classifications listed herein, anyone whose membership in the Union has terminated because of the failure to tender periodic dues or initiation fees uniformly required as a condition of acquiring or retaining membership in the Union. The parties agree that under this Article the sole remedy for an employee's failure to be a member in good standing is termination. If an employee is rehired following termination under this Article, such employee will be considered a new employee for all purposes.

2.02.1 Whenever the Union shall require the discharge of any employee in connection with the union security clause of this Agreement, the Union shall hold the Employer harmless and shall indemnify the Employer against loss, as a result of relying upon the direction of the Union in terminating any employee. In so doing, the Union shall concurrently send copies of all notices sent to the Employee to the Employer as well, including the final notice of termination which will be designated as such. The Employer agrees that when the Union notifies the Employer, in writing, that the reason for the termination was a bona fide clerical error, the Employer will offer to reinstate the employee within a reasonable time, not later than the beginning of the next scheduled workweek after receipt of such written notice.

2.02.2 Dues Deduction. During the term of this Agreement, the Employer shall deduct Union dues from the pay of each member of the Union who voluntarily executes a wage assignment authorization form. When filed with the Employer, the authorization form will be honored in accordance with its terms. Deductions will be promptly transmitted to the Union by check payable to its order. Included with the check the Employer shall provide the Union a separate list of all employees using payroll deduction. The list shall be transmitted electronically and shall include employee's name, social security number, and dollar amount deducted by pay period. Upon issuance and transmission of a check to the Union, the Employer's responsibility shall cease with respect to such deduction. The Union and each employee authorizing the assignment of wages for the payment of Union dues hereby undertakes to indemnify and hold the Employer harmless from all claims, demands, suits or other forms of liability that shall arise against the Employer for or on account of any deduction made from the wages of such employee.

2.03 Any new employee failing or refusing to become and remain a member in good standing as provided above shall, upon demand of the Union, be released from the employ of the Employer provided all notices, including the final notice of termination designated as such, are sent to the Employee by the union have been concurrently sent to the Employer.

2.04 The Employer shall provide to the Union on a monthly basis a master list of terminated, newly hired or transferred employees eligible for union membership. The master list shall include name, address, phone number, ID number, social security number, hire date, store number, and hourly rate of each employee. Upon request, and no more than twice a year, the employer shall provide a master list of all bargaining unit employees including the information listed above. This

information will be provided in paper form until such time as the Employer and the Union have the capability to provide the information in a secure electronic format.

2.04.1 Orientation Sheet – At the time of hire, the Employer will provide each new employee with a one page non-adversarial union information sheet. The information sheet shall be provided by the union and agreed upon by the employer.

2.04.2 New Hire Orientation – The Employer agrees to meet and discuss New Hire Orientation practices with the Union if Right to Work legislation is passed or enacted nationally or in Washington state.

2.05 Representatives of the Union shall be permitted to contact the employees covered by this Labor Agreement 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 the conduct of business. Additionally, the parties understand that Union Representatives are permitted to make contact with employees in a manner in which will not interfere with the employee's duties, or service to the customer, to engage in brief conversations which include but are not limited to, informing members that the Union is in the store distributing information or flyers to employees, brief discussions regarding upcoming projects or events, exchange of pleasantries or concerns over contract enforcement. However, representatives of the Union shall not go into an area of the store not open to the general public without first notifying the Store Manager or Person-In Charge. Union representatives shall not go behind the pharmacy counter.

2.06 The Union agrees, in consideration of the signing of this Agreement by the Employer and for the period of the good and faithful performance of its provisions and covenants by the Employer, to lease to each store represented by the Employer, a Union Store Card, the property of and issued by the United Food and Commercial Workers International Union.

2.07 Bulletin Board – The Employer will provide space in the employee break area for a Union provided bulletin board for posting of union notices and information. These postings include a union representative and/or union steward card, the contract, meeting notices, the union web site address, medical and pension plan information, union scholarship applications, union privilege program information and union logo products. Posting of any other information must be approved by the Vice President, Human Resources or their designee. The parties recognize that in some stores there are space limitations for bulletin boards.

ARTICLE 3 – DEFINITIONS

3.01 Designated Clerk – A clerk that may work in any or all departments of the store and designated by management. There shall be a minimum of fifteen (15) designated clerks in the bargaining unit. All currently designated clerks as of ratification of this agreement, October 14, 2007, will be grandfathered and continue to receive designated clerk wage rates.

3.02 General Clerk – Main duties consist of general clerking such as operating the checkstand, selling, housekeeping, ordering, stocking, etc.

3.03 Christmas Extras – Christmas extras also referred to as Seasonal Help, shall not be subject to the following provisions of this Agreement:

Section 4.04.1 and 4.04.3; Article 7 – Holidays; Article 8 – Paid Time Off; Article 10 – Health and Welfare & Dental; Article 11 –Retirement

Any Christmas extra hired September 17th or later, who remains on the payroll on or after the second Sunday in January shall be covered by all the provisions of this Agreement, prospectively.

3.04 Regular Rate of Pay – Regular rate of pay shall normally be the rates stated in this Agreement; provided, however, for any employees receiving in excess of the minimum herein provided, the regular rate of pay shall be the actual hourly rate of pay excluding; bonuses and commissions.

ARTICLE 4 – WORKING HOURS

4.01 Traditional Workweek Schedule – The basic workweek shall consist of forty (40) hours, five (5) eight (8) hour days within the calendar week. Work schedules shall be arranged so that employees will not be required to work more than six (6) consecutive days without a day off except in case of unexpected emergency beyond the control of the Employer, or except as provided in paragraph 4.04.2 of this Section. Notwithstanding the foregoing, these employees may work "flexible workweek" schedules, which are defined as all schedules other than five (5) eight (8) hour days within a calendar week. A flexible schedule must be mutually agreeable to both the Employer and employee. If the Employer requested the flex schedule, the employee has 30 calendar days to return to his/her previous schedule. If an employee moves to a flex schedule and, at the employee's request, does not timely return to a non-flexible schedule, the basic five (5) eight (8) day rules no longer apply. However, these employees shall be offered no less than twenty-four (24) hours in a week.

4.02 Meal and Rest Periods

Employees shall be allowed a meal period of at least thirty (30) minutes which commences no less than two (2) hours nor more than five (5) hours from the beginning of the shift. Employees scheduled eight (8) hours, to be worked within nine (9) consecutive hours, will be scheduled an uninterrupted meal period not less than one-half (1/2) nor more than one (1) hours. Meal periods shall be on the Employer's time when the employee is required by the Employer to remain on duty on the premises or at a prescribed work site in the interest of the Employer. No Employee shall be required to work more than five (5) consecutive hours without a meal period. Employees working three (3) or more hours longer than a normal day shall be allowed at least one thirty (30) minute unpaid meal period prior to or during the overtime period.

Employees shall be allowed a rest period of not less than 15 minutes, on the Employer's time, for each four (4) hours of working time. Rest periods shall be scheduled as near as possible to the midpoint of the work period. No employee shall be required to work more than three (3) hours without a rest period.

By mutual agreement, no employee's schedule will be changed to avoid the payment of overtime.

4.03 Employees shall be compensated at the rate of one and one-half $(1^{1}/_{2})$ times the regular straight-time rate of pay for all work performed over ten (10) hours in any one (1) day, forty (40) hours in any one (1) calendar week, and when six (6) days are worked on a mandatory basis. On Monday through Saturday, time and one-half $(1^{1}/_{2})$ shall be paid for work on the day (other than Sunday) the least number of hours are worked. A Store Helper may work the sixth (6th) day at straight-time, on a voluntary basis, except when the sixth day results in the employee working in excess of forty (40) hours in a week.

4.03.1 Overtime shall be figured on the closest one-tenth (1/10th) of an hour. Any employee whose hourly shift has been completed before the closing time of the store shall discontinue doing any further work at the completion of the employee's hourly shift unless the Manager or Employer requests further service of said employee, in which case the employee shall be paid.

4.03.2 Non-Pyramiding – There shall be no pyramiding or combination of one premium pay with another, or of premium pay with overtime pay, but only the highest applicable rate shall be paid.

4.03.3 No employee shall be required or expected to take time off in lieu of overtime pay.

4.04 Premium Hours

4.04.1 All work performed before 4:00 a.m. or after 11:00 p.m. shall be premium time and shall be paid for at the employee's regular straight time rate plus a thirty cent (30¢) per hour premium. For those stores closing to the public at 11:00 p.m., to facilitate closing the store, schedules may be set for those employees designated, to complete their shift at fifteen (15) minutes after 11:00 p.m. without applying premium night scales.

4.04.2 All work performed on an employee's ninth (9^{th}) consecutive workday and any consecutive day thereafter shall be premium time and shall be paid for at the rate of time and one-half (1-1/2) times. This may be waived by mutual agreement between Employer, employee, and the Union; provided, however, the employee will not be discriminated against for reasonable refusal. It is the intent of this provision that back to back scheduling shall only be done where necessary when making shift changes or acceptable in the best interests of both the employee and Employer. In no instance shall this be used to defeat the intent of Article 4, Section 4.01.

4.04.3 Sundays – All work performed on Sunday will be compensated for at the employee's regular straight-time rate of pay, plus one dollar (\$1.00) per hour for all work performed on Sunday. Employees hired prior to February 14, 1989, will continue to be paid \$1.675 per hour Sunday premium.

4.05 No Free Time – The Employer shall be responsible for payment for 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.

4.06 Work Schedule – It is agreed that the Employer will post a two-week work schedule at least fourteen (14) days in advance. The work schedule will designate the employee's day off. All employees shall be guaranteed work as scheduled or pay at applicable rates, in lieu thereof, on each day that they report to and remain available for work as scheduled by the Employer, provided the schedule may be changed as required by unexpected emergencies, mutual agreement between the Employer and the employee, or by forty-eight (48) hour notice.

4.07 There shall be no split shifts by any employee, except as provided below:

The Union will not unreasonably withhold permission for an exception to this policy upon the request of any employee who cannot work a continuous guaranteed shift. Said employee shall be allowed to work a split shift provided such work is on a voluntary basis.

4.08 Except in cases of emergency beyond the Employer's control, no employee, except Store Helpers, shall be scheduled less than four (4) continuous hours' employment or equivalent compensation in any day ordered to report for work, compensation to begin at the time of reporting for duty. Store Helpers shall be guaranteed not less than three (3) hours' compensation in any day ordered to report for work.

4.09 Promotional sales or other store meetings shall be considered time worked for the purpose of determining time and one-half $(1^{1}/_{2})$ after 40 hours worked. Sections 4.07 and 4.08 shall not apply to such meetings.

4.10 Rotation of Work – The Employer may rotate five (5) day salespersons on night and Sunday work, except where such rotation adversely affects the Employer's operation.

4.11 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.

4.12 In formulating the work schedule of any employee, a minimum of ten (10) hours shall be scheduled between two (2) consecutive straight-time work shifts. Work performed prior to the ten (10) hours between the two (2) straight-time work shifts, when so scheduled by the Employer, shall be paid at the rate of time and one-half $(1^{1}/_{2})$ the employee's regular rate of pay. This provision shall not apply to the Christmas season defined in 3.05.

ARTICLE 5 – SENIORITY, LAYOFFS, & REHIRES, RESTRICTION AGAINST REDUCTION OF HOURS, AVAILABLE HOURS

5.01 Definition – Seniority shall be defined as continuous length of service in calendar days with the Employer from the most recent date of hire. In accordance with Article 13.01, Probationary period for employees spans ninety (90) calendar days beginning on the initial day of employment.

5.02 Attainment of Seniority

Regular part-time and regular full-time employees shall attain seniority after six (6) months of continuous employment with one (1) Employer. Upon completion of this period, seniority shall date back to the last date of hire.

5.03 Application of Seniority

5.03.1 Seniority shall be applicable on an individual store basis, except as otherwise provided under Sections 5.03.2, 5.03.3 and shall apply only to the extent provided in this Article.

5.03.1(a) Where an employee is assigned hours of work in more than one store, the employee's seniority rights shall apply to the store where the employee works the most average weekly hours in the three month previous period.

5.03.2 An employee's seniority shall not be broken if the Employer mandatorily transfers an employee to a different store of the same Employer covered by this Agreement, or agrees to an employee's request for transfer to a different store of the same Employer covered by this Agreement.

5.03.3 In the event an Employer terminates the operation of any of its stores in the bargaining unit, the Employer may transfer affected employees in accordance with the terms of Section 5.03.3. Any employee not transferred to another store prior to the actual closure shall have preferential recall rights to fill available openings at any two (2) other locations of the Employer as designated by the employee, subject to both 5.03.2 and 5.06/d.

5.03.4 For purposes of Section 5.03, 5.04, and 5.07, the parties agree that the Employer is not precluded from taking the position that the junior employee has greater qualifications and abilities than the senior employee even though the senior employee has acquired seniority and the junior employee has not. If neither of the involved employees has acquired seniority, then seniority will not be a factor. Also, the terms of these sections are not applicable to the exemptions set forth under Appendix "B", including management trainees.

5.04 Layoff – Where there is a reduction of the number of employees performing comparable work, the last employee hired shall be the first employee laid off, provided qualifications and ability are equal, except as otherwise provided in the Agreement.

5.05 Rehire – Where there is an increase in the number of employees performing comparable work, the last employee laid off from such comparable work shall be the first employee rehired, except as otherwise provided in this Agreement.

5.06 Loss of Seniority – Except as otherwise provided in Article 9 – Leaves, seniority shall be broken and employee's service shall be terminated for the following reasons:

- a. Mandatory retirement;
- b. Voluntary quit;
- c. Discharge in accordance with Section 13.01 (Discipline & Discharge);
- d. If on layoff three (3) months or more.

5.07 Prohibition Against Reduction of Hours – Regular employees shall not have their hours arbitrarily and capriciously reduced for the purpose of forcing the employee to quit.

5.08 Available Hours – The parties recognize that it is necessary to utilize both full-time and parttime employees in the Employer's business. Nevertheless, it is the policy of the Employer to utilize as many full-time employees (up to 40 hours per week) as is practical, taking into consideration the needs of the Employer's business. The Employer retains the sole and exclusive right to determine the needs of business and to establish weekly work schedules in accordance with said needs, and nothing in this Agreement shall restrict these rights. An employee with seniority, as provided in Section 5.01, performing a comparable work assignment within the same job classification as a junior employee who has been assigned a longer weekly work schedule, shall be entitled, upon request, to said junior employee's work schedule up to a maximum of forty (40) hours per week, provided that the senior employee's qualifications and ability are equal, that said employee is available to perform the longer weekly work schedule, and that said employee has previously notified the Employer, in writing, of the employee's desire to work additional hours. The senior employee's request for said longer weekly work schedule shall be made in writing to the employee's immediate department or section supervisor within twenty-four (24) hours of the publication of the weekly work schedule in question. Nothing herein shall be construed as a guarantee of daily or weekly hours of work. It shall be the obligation of the Employer to promptly investigate alleged abuses upon presentation, and to rectify such abuses when justified within the meaning of this section.

5.09 Nothing set forth in this Article 5 shall be interpreted or applied to require any compensation for time not worked.

ARTICLE 6 – WAGES AND CLASSIFICATION

6.01 Rates and Classifications – Refer to Appendix "A".

6.02 Employees' Work Record – Employer shall be responsible for payment for all hours worked and an employee shall only work those hours authorized by the Employer. It is agreed that an accurate method shall be used for the recording of time of all employees by which the actual hours worked will be recorded.

6.03 The Employer agrees to furnish each employee with a wage statement each pay period showing period covered, name of employee, hours worked, overtime (if any), total amount of wages paid, and to list deductions made.

6.04 Progression increases provided for in Apprentice Clerk brackets as listed under Appendix "A", shall be placed in effect on the beginning of the Employer's nearest or actual pay period following the employee's completion of the required number of hours to advance the employee to the next wage bracket.

6.04.1 The apprentice pay bracket formula is based entirely on actual hours of comparable experience in the retail industry, experience which is absolutely essential for proper understanding of the responsibilities and satisfactory performance of the job or position. However, for those individuals who go into the military service prior to becoming a journeyperson, such an employee will be re-employed at the next higher wage rate above the employee's rate at the time of entry, into the military service, if the employee applies for re-employment within ninety (90) days following discharge.

6.05 Prior Experience – Where an employee is hired in a department where comparable past experience is applicable, all past experience for an Apprentice shall apply if the Apprentice has worked within the two (2) years prior to employment. The Employer shall be the sole judge of the comparability of prior experience and such judgment shall not be arbitrary or capricious. Past experience for employees who were, formerly a Journeyperson shall be applied as follows:

- a. Comparable experience means having performed similar kinds of work and handling similar general kinds of merchandise at a Bartell Drug store.
- b. Apprentices If less than two, (2) years have elapsed since last employed in comparable experience, full credit is given; if more than two (2) years, no credit shall be given.
- c. Journeyperson If less than two (2) years have elapsed, an employee shall be considered a Journeyperson. If two (2) to three (3) years have elapsed, an employee shall be considered a Step 4 Apprentice; if three (3) to four (4) years have elapsed, an employee shall be considered a Step 3 Apprentice. If more than four (4) years have elapsed, no credit shall be given.

6.05.1 Prior hours of experience must be claimed on the employment application. The burden of providing proof of previous comparable experience rests solely with the employee. Should the employee and/or the Union fail to provide, within thirty (30) days from date of application with the Union, acceptable proof of actual hours of previous experience, the Employer is under no obligation to make any adjustments whatsoever.

6.06 Bonus Payments – All bonuses, discounts, and commissions paid or given to the employee shall not be considered as wages, but are to be considered for the purpose of this Agreement as extra compensation over and above the minimum wage provided for in this Agreement. All bonuses, discounts, and commissions are at the option of the Employer and may be changed or discontinued at any time without notice. Bonuses, discounts, and commissions shall not be used to defeat the wage provision of this Agreement.

6.07 Contract Minimums – Except as provided in this Agreement, the terms herein are intended to cover only minimums in wages, hours, and working conditions, and the Employer may place superior wages, hours, and other terms and conditions of employment in effect and may reduce the same to the minimums herein prescribed without the consent of the Union.

6.08 New Classifications – Should the Employer introduce a new classification of work it shall assign a rate to such work classification. The Union shall have the right to question the reasonableness of such new rate and the Employer agrees to meet with the Union for this purpose. If agreement is not reached within ten (10) days thereafter, either side may request that it be settled by arbitration as provided for in this Agreement.

6.09 Severance Notice Or Pay

(1) In the event the Employer permanently closes a store and associates are terminated as a result thereof, severance pay will be paid to any associate who works until store closing date as indicated by the employer, according to the following schedule as listed in Article 6.9.

(2) All associates are eligible for severance only if there is a layoff or store closure following procedures in Article 5, or sale of store only if the purchaser does not offer a position.

Years of Service Pay	Severance
Two (2) through four (4) years	1 week
Five (5) through six (6) years	2 weeks
Seven (7) through eight (8) years	3 weeks
Nine (9) through ten (10) years	4 weeks
Ten (10) years or more	5 weeks

(3) Severance pay will equate to the average hours paid in the fourteen (14) weeks, Sunday through Saturday, preceding separation, not to exceed forty (40) hours straight time pay.

(4) Associates who receive severance pay shall be paid accrued, unused personal holidays under Article 7 and accrued, unused paid time off (PTO) under Article 8.

(5) The Union waives its right to demand effects bargaining.

(6) In order to receive severance, pay under this Section, associates shall be required to execute a release of claims against the employer.

(7) No benefits shall accrue under the terms of this Section unless the Employer makes a business decision to close a store. If a store closing is caused by a fire, flood, storm or land contamination, then this Section shall not apply.

(8) The Employer may at any time at its sole discretion implement a voluntary severance program for eligible bargaining unit employees. In the event the Employer elects to implement such a program in its sole discretion, the Employer will provide the Union with a copy of the Voluntary Severance Plan at least three (3) weeks before distributing it to eligible employees.

ARTICLE 7 – HOLIDAYS

7.01 The following days shall be observed as holidays on the date established for each:

New Year's Day	Thanksgiving Day
Memorial Day (last Monday in May)	Christmas Day
Independence Day	
Labor Day (1st Monday in September)	

7.02 After six (6) months employment, employees, provided they normally work the hours as specified in Section 7.03 (who work during the week in which the holiday occurs), and report for work their last scheduled working day preceding and their next scheduled working day immediately following the holiday, shall be paid for holidays specified in Section 7.01 of this Article not worked as provided for under Section 7.03, if such employee works sometime during the workweek that the holiday occurs; provided, however, the requirement that the employee work sometime during the workweek shall not apply to an employee who has been regularly employed with the Employer in excess of one (1) year if the employee was absent because of a bona fide illness or authorized leave of absence commencing within fifteen (15) days prior to the holiday specified in Section 7.01 and who returns to work regularly within fifteen (15) days following such holiday.

7.03 Employees normally working, sixteen (16) hours or more per week shall be paid for the holiday on the basis of one-fifth (1/5th) of the employee's normal hours worked per week, up to a maximum of eight (8) hours of pay per holiday. The Employer shall use a standard computing period of no less than four (4) calendar weeks preceding the holiday week to determine the "hours normally" worked.

7.04 After six (6) months of employment, if an employee works on a holiday, in addition to the pay set forth in Section 7.03, the employee shall be paid for all work performed on the holiday at the rate of time and one-half $(1^{1}/_{2})$ the employee's straight-time rate, except for work performed on Christmas Day, which shall be paid for at the rate of two (2) times the employee's straight time rate.

7.05 Holiday work shall be on a voluntary basis. If there are not enough employees who volunteer to work to properly operate the store, then the necessary employees shall be scheduled to work beginning with the least senior employee, provided qualifications and ability are equal. This section does not preclude assigning non-bargaining unit employees to work on Thanksgiving or Christmas before applying the mandatory work requirements, provided bargaining unit employees have been asked and have declined to volunteer.

ARTICLE 8 – Paid Time Off (PTO)

8.01 Eligibility and Usage

Employees covered by this agreement are eligible to accrue PTO based upon date of hire. Employees are eligible to take accrued PTO once the initial 180 calendar day waiting period is satisfied.

8.02 Accrual

Employees shall accrue PTO time on each anniversary date of employment (which includes breaks of employment lasting 7 months or less) based upon the following formula:

Employees with less than two (2) years of service: 1.0 hour PTO for each thirty (30) hours compensated for.

Employees completing two (2) to seven (7) years of service: 1.5 hours PTO for each thirty (30) hours compensated for.

Employees completing seven (7) to fourteen (14) years of service: 2.08 hours PTO for each thirty (30) hours compensated for.

Employees completing fourteen (14) or more years of service: 2.65 hours PTO for each thirty (30) hours compensated for.

8.02.1 Compensable time, as used in 8.02 shall mean all straight time and overtime hours worked, paid PTO hours, paid holiday hours, paid funeral leave hours, and paid jury duty.

8.02.3 The hours calculated under Section 8.02 shall be paid for at the employee's straight-time rate.

8.02.4 Upon request, employees will be granted time off in full work week increments without regard to the amount of compensation they receive for their use of PTO. A work week is defined as the schedule period beginning at 12:00 a.m. Sunday through 11:59 p.m. Saturday.

8.03 The sale by the Employer of his business shall not relieve such Employer of the obligation to his employees for accrued PTO to the date of sale.

8.04 Usage

Request of foreseeable PTO should be scheduled at mutually agreeable times in accordance with the individual store needs. Seniority shall prevail where two (2) or more employees select the same PTO period, provided the senior employee has applied for PTO prior to March 1 of each year. PTO requests for foreseeable use submitted after February 28th of each year shall be granted on a first come, first served basis regardless of length of service depending upon operational and staffing needs. The Employer will respond to PTO requests within two weeks, except for PTO requests for July and August. PTO requests for the months of July and August will be responded to within thirty (30) days or less. Absences for unforeseeable reasons such as illness and need for safe leave will be handled in accordance with the Employer's policy. Additionally, Employees may request PTO hours be used to meet Health & Welfare eligibility provided the employee has enough scheduled hours in a month to meet eligibility requirements.

8.05 If a holiday named under Article 7 of this Agreement falls within the PTO period of any employee, the employee shall be granted an additional day off with full pay or a day's pay in lieu thereof.

8.06 Upon ten (10) days prior notice by the employee on a form furnished by the Employer, PTO compensation shall be paid on the normal payday immediately preceding the beginning of the PTO period.

8.07 Carryover

PTO may carryover from one (1) calendar year to another subject to the maximum accrual limits in accordance with the Employer's policy in effect August 26, 2012.

8.08 After one (1) year of continuous employment in which a minimum of 800 hours has been worked, any available PTO accrued under Section 8.02, but not taken, shall be paid to the employee at the time of termination, in accordance with the Employer's regular payroll period; provided, however, accrued PTO will not be paid out if the employee is terminated for dishonesty or gross misconduct.

8.09 No employee shall lose accrued PTO or fail to accrue PTO because of the Employer's denial of a PTO request.

ARTICLE 9 – LEAVES

9.01 Emergency Leave - Any employee may take an emergency leave of absence not to exceed two (2) weeks, in the event of certified, serious illness or injury of the employee, or serious illness, injury or death in the employee's immediate family without prior notice; provided that the employee makes every reasonable effort to notify the Employer within twenty-four (24) hours of the commencement of said leave.

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

- a. Leave due to illness or injury of employees shall run to a maximum of six (6) months. This time frame may be extended and length of service requirements may be waived in limited circumstances as required by ADA, WLAD or other applicable state or federal legislation.
- b. Leave due to serious illness or injury in the employee's immediate family shall run to a maximum of 12 weeks within a twelve (12) month period, this time frame may be extended to care for covered service members.
- c. Leaves due to occupational illness or injury shall run to a maximum of twelve (12) months, unless the employee and Employer mutually agree to a longer period.
- d. Leaves to care for a newborn or newly adopted child or a child placed for foster care shall run to a maximum of 12 weeks within a twelve (12) month period, this time may be extended in accordance with the WFLA.
- e. The twelve (12) weeks of Family Medical Leave starts on the first day of the certified event.

9.01.2 Leaves for personal reasons may be granted at the sole discretion of the Employer to regular employees regardless of length of service.

9.01.3 Requests for leaves of absence must be submitted 30 days in advance when the leave is foreseeable. If the leave is due to unforeseen circumstances, the request must be submitted as soon as possible.

9.01.4 Any request for a leave of absence under the terms of paragraphs 9.01 and 9.02 shall be in writing and state the following information:

- a. Reasons for such request (to include medical certification if leave is for medical reasons)
- b. Date leave is to begin; and
- c. Date of return to work.

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

- a. A doctor's certificate verifying the date that the employee is certified to return to work and that the employee is able to resume his normal duties must be furnished if requested by the Employer.
- b. The employee shall then return to the job previously held or to an equivalent position, including rate of pay and benefits on the first weekly schedule prepared after the Employer has received notice in writing to the employee's availability.

9.01.6 Failure to report to work immediately following a leave of absence in this section, will result in a break of seniority and the employee's service shall be terminated.

9.02 Injury On The Job – When an employee is physically injured on the job, there shall be no deduction from the employee's pay for the day in which the employee was injured and reported for medical care; provided, however, that if after medical care the doctor releases the employee to return to work, the employee will be required to return and complete his scheduled shift. When such employee returns to work following the injury, and is certified as ready and able to perform all regular duties but requires medical treatment as a result of the same injury, the Employer shall adjust the work schedule without penalty to the employee to provide both the time for medical care and the number of hours of work for which the employee is regularly scheduled. When an employee returns to work following an injury, but is unable to perform all regular duties as prescribed by the doctor the employee may be provided a temporary structured transitional work accommodation. Failure to report to work immediately following a leave of absence in this section, will result in a break of seniority and the employee's service shall be terminated.

9.03 Any approved leave of absence under the terms of paragraph 9.01 and 9.02 will be subject to a requirement of utilizing accrued and unused PTO. In the event leave approved under 9.01 eliminates all accrued and unused PTO leave hours an employee will still be entitled to unpaid PTO approved in accordance with Article 8.04.

9.04 Military Service – In the event any employee covered by this Agreement shall be called or conscripted for the United States Military Service in any capacity, the employee shall retain, consistent with their physical and mental abilities, all seniority rights hereunder for the period of this Agreement or any renewal or extension thereof, provided application for re-employment is made within ninety (90) days after being honorably discharged from such military service. In the event the re-employment of any veteran necessitates the reduction of the working force, such reduction may be made by the Employer without penalty. Also, any further veteran legislation enacted by Congress shall be considered binding by both parties.

9.05 Bereavement Leave – After their first year of employment, employees who are regularly employed twenty-four (24) hours or more per week shall be allowed up to three (3) days off with pay for loss of their normal scheduled hours of work in case of a death in the employee's immediate family. Bereavement leave will be paid only with respect to a workday on which the employee would otherwise have worked and shall not apply to an employee's scheduled days off, holidays, PTO, or any other day in which the employee would not, in any event, have worked. Bereavement leave shall be paid for at the employee's regular straight-time hourly rate. Immediate family shall be defined as

spouse, domestic partner, son, daughter, stepchildren residing therein, grandparents, grandchild, mother, father, brother, or sister, step-brother, stepsister, current mother-in-law or father-in-law. Employees seeking additional time off for bereavement leave may use their available PTO. The Company will not unreasonably deny such requests for use of PTO leave.

9.06 Jury Duty Pay – After their first year of employment, employees who are regularly employed eighty (80) hours or more per month who are called for service on a superior court, federal district court, municipal court or district court jury shall be excused from work for the days on which they serve, up to a calendar year maximum of two (2) weeks of an employee's scheduled hours, and shall be paid the amount of straight time earnings lost by reason of such service up to a limit of forty (40) hours per week; provided, however, an employee called for jury duty who is temporarily excused from attendance at court must report for work if sufficient time remains after such excuse to permit him to report to his place of work and work at least one-half (1/2) his normal workday. In order to be eligible for such payments, the employee must furnish a written statement from the appropriate public official showing the date and time served. The Employer will not reschedule employees to circumvent the requirements of this Article.

9.07 Witness Pay – Any employee who appears as a witness in court or at any other hearing on behalf of the Employer shall be paid for such time at straight-time. If the employee appears on the employee's day off or at a time of day when they are not scheduled to work, then they shall be paid as though it is work time.

9.08 Family and Medical Leave Act (FMLA) – Americans with Disabilities Act (ADA), Washington Family Leave Act (WFLA), The Washington Family Care Act (WFCA). The Employer will comply with these Acts and other relevant federal and state legislation.

9.09 Union Leave – Upon request by the Union, leaves of absences without pay for union business not to exceed six (6) months may be granted by the Employer to employees regardless of length of service. The Employer has the sole and exclusive authority to grant or deny such requested leave, but shall not unreasonably deny such requested leave. Employees will return to work at their previous position after such leave without the loss of seniority. Employees granted Union Leave will not conduct any union activity involving Bartell or Rite Aid stores during the leave.

ARTICLE 10 – HEALTH & WELFARE, DENTAL AND VISION

10.01 The Employer and the Union agrees to be bound by the terms and provisions of that certain Trust Agreement creating the Sound Health & Wellness Trust, initially executed June 18, 1957, and all subsequent revisions or amendments thereto, 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 as its 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, 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.

10.02 Contribution – The Employer 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.

10.03 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 Trust, and as may be subsequently amended.

10.04 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.

10.04.1 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.

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

If, by May 1, 2023 the parties have not reached a successor agreement the contract will be extended and may be terminated with 72 hours' notice. The Employer will continue to pay the contribution rate determined by the Trust consistent with the wage reduction and cost sharing provisions in Section 10.05.1, if the annual maximum set forth in this Article is exceeded.

10.05.1 The Employer will contribute to the Sound Health and Wellness Trust:

Effective with October 1, 2019 ("Effective Date") hours, the Employer's current contribution rate(s) shall be reduced by twenty-one cents (21ϕ) per hour except that, effective upon notice by the Sound Health and Wellness Trust and consistent with the Agreement referenced in Section 10.01, the Employer's contribution rate shall further decrease on a temporary basis in

order to allow for an increase in the Employer contribution rate to the Sound Retirement Trust under Article 11.04.06.

Additionally, consistent with the Agreement referenced in Section 10.01 herein, beginning with the month following notice from the Trustees of the Health and Wellness Trust that a temporary reduction in the Employer's contribution rate is authorized, the amount of such reduction shall be added as a monthly employer contribution to the Sound Retirement Trust on behalf of all eligible employees as described in Article 11.03.11. These amounts are in addition to the employer contributions required under Article 11. The payment of such reduced contributions shall continue until the earlier of the thirteenth month following the effective date of the reduction or when the Trustees determine, in their sole discretion, that the amount of surplus assets in the Health and Wellness is reduced to, or anticipated to be reduced to zero. The Health and Wellness Trust shall provide notice of such determination. However, in no event shall the Employer's contribution rate to the Health Trust be reduced below \$4.65 per hour if the Trust excess assets (above the required reserves) are anticipated to fall below 2 ½ months of excess reserves before such date.

Starting October 2020, every six months through March 2022, the consultants will project Plan expenses and income and report these amounts to the Trustees. Based on those projections, the Trustees will set the contribution rate with a minimum rate of the initial hourly rate before the temporary decrease. Each recalculated rate shall become effective for the Employer as of the effective date determined by the Trustees provided that the Employer shall pay a maximum of \$4.65 for hours reported in 2021 and a maximum of \$4.86 for hours reported through 2022 before application of cost sharing described below.

In March 2022, the consultants will determine the actual current hourly cost of the plan based on (1) the most recent 12 months of incurred plan expenses adjusted to reflect trend to the 12-month period ending April 30, 2022, (2) the most recent 12 months of employee contributions, (3) the most recent 12 months of hours, and (4) expected investment income. The contribution rate will be set based on this hourly cost analysis and shall become effective with April 2022 hours, provided that the hourly rate shall not be less than \$4.86 before application of the cost sharing described below. The employer shall pay a maximum of \$5.10 for hours reported in 2023 prior to application of the cost sharing described below. However, for January through March 2022, the Employer's contribution rate will be temporarily reduced from this contribution rate by such amount as to redirect the total amount of \$15 million for all employers to the Variable Annuity Plan to the extent consistent with the Agreement referenced in Section 10.01 herein.

Required contributions to the Trust in excess of the annual maximum referenced above shall be funded by a wage reduction and cost sharing as follows:

If the amount required by the Trust exceeds the annual maximum, the first 5% of the increase above the annual maximum will be paid by the employee until such time that new contribution rates are set. Any amount above the 5% will be split 50/50 between the employee and Employer.

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

10.06 Liability Insurance. The Employer will either self-insure or carry an insurance policy for each person in each accident in order to protect the pharmacy personnel, while working on the job against any civil losses for incorrect compounding of prescriptions. The Employer shall make available to the Union evidence of such coverage.

10.07 Employee Only and Dependent Coverage – Each eligible employee shall authorize the Employer to deduct from their wages the appropriate amount of employee contributions as set from time to time by the Board of Trustees. The Employer will, consistent with applicable law, arrange for this deduction to be made on a pre-tax basis.

10.08 Eligibility – Each employee shall be entitled to benefits under the rules established by the Board of Trustees.

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

ARTICLE 11- RETIREMENT

11.01 Payments Required. The Employer shall pay into the Sound Retirement Trust in accordance with this Section 11.

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

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

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 ten (10) days after the last day of each month.

During an employee's probationary period the Employer contribution for pension is 17 cents per hour (17ϕ) . Five cents is for benefit accrual and 12 cents is for deficit reduction. However, in the event the 12 cents or any part thereof is no longer needed for deficit reduction, the employer will continue contributing the 17 cents.

Notwithstanding the foregoing, the Board of Trustees of the Sound Retirement 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 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.

11.02 The Employer and the Union agree to be bound by the terms and provisions of the executed Trust Agreement, which created the Sound Retirement Trust (formerly known as Retail Clerks Pension Trust), and as subsequently amended, and by all policies and other conditions of participation and eligibility, which may be established from time to time by the Trust's Plan Document, and other pertinent rules, regulations, and Trustee actions. Further, the Employer accepts as its representatives, for the purpose of such Trust Fund, the Employer Trustees who serve on the Board of Trustees of said Trust Fund and their duly appointed successors.

11.03 Contribution Rates.

11.03.1 This Agreement is subject to the Rehabilitation Plan adopted by the Board of Trustees for the Plan year commencing October 1, 2010 and that will be effective no later than January 1, 2011 and as thereafter amended and adopted under this Agreement. The Board of Trustees of the Plan is authorized to adopt a Rehabilitation Plan. The Employer and the Union affirmatively agree to the Preferred Schedule as updated in December, 2020.

11.03.2 Until the effective date of the new future service defined benefit variable plan under Section 11.04, the Employer will continue to make contributions to the Sound Retirement Trust as described in the Rehabilitation Plan and Preferred Schedule in effect as of December 2020 and the Employer's active participants will continue to earn benefit accruals under the Sound Retirement Trust until such effective date. The Employer shall make contributions on behalf of all eligible employees to the Sound Retirement Trust under this Section.

11.03.3 The parties hereby adopt the Preferred Schedule table 3 under the Rehabilitation Plan of the Sound Retirement Trust as revised December, 2019 with the Preferred schedule to be effective with respect to those subject to the terms of this collective bargaining agreement as of the date stated in the Rehabilitation Plan and selected Schedule and the Employer shall contribute in accordance with such schedule.

11.03.4 In accordance with the Preferred Schedule, Table 3, effective with January 2020 hours worked, the Employer agrees to pay an additional supplemental contribution in an amount equal to the hourly rates contained in the following table, with the understanding that the supplemental contributions will not result in any pension credit for the covered employees. Supplemental contributions increase to be effective with the following hours worked. Exhibit A has been removed and replaced with the Preferred Schedule, Table 3, below.

	Bartell Drugs	Bartell Drugs - Probationary Period	Bartell Drugs	Bartell Drugs - Probationary Period	Bartell Drugs
Current CBA Period	Current	Current	Date of Ratification 2020	Date of Ratification 2020	1/1/2021
Accrual Rate	0.20	0.05	0.20	0.05	0.20

Pre-Rehab Rate	0.18	0.12	0.18	0.12	0.18
Current Rehab	0.754	0.754	0.784	0.784	0.920
Rate					
TOTAL	1.134	0.924	1.164	0.954	1.300
	Bartell	Bartell Drugs	Bartell	Bartell Drugs	Bartell
	Drugs -		Drugs -		Drugs -
	Probationary		Probationary		Probationary
	Period		Period		Period
Current CBA	1/1/2021	1/1/2022	1/1/2022	1/1/2023	1/1/2023
Period					
Accrual Rate	0.05	0.20	0.05	0.20	0.05
Pre-Rehab Rate	0.12	0.18	0.12	0.18	0.12
Current Rehab	0.920	1.056	1.056	1.192	1.192
Rate					
TOTAL	1.090	1.436	1.226	1.572	1.362

11.03.5 Upon the effective date of the new future service defined benefit variable plan under Section 11.04, future benefit accruals under the SRT will cease and the SRT plan will be frozen; as a result, the funding of 125% of the employer's base contribution for the SRT for the Employer's employees is discontinued once future benefit accruals commence under the VAP and all hourly contribution rates paid to the SRT will be reduced by this adjusted base contribution under this Section 11.03.

11.03.6 The Employer will continue to contribute to the SRT and not incur a withdrawal from the SRT solely as a result of the cessation of future benefit accruals under the SRT.

11.03.7 The SRT Employer liabilities will be funded under an updated Rehabilitation Plan designed with the objective that the Plan will move to the green zone and achieve 102% funding by 2030. This updated Rehabilitation Plan will include the current scheduled increases plus an additional contribution of three (\$.03) cents per hour in annual increases over a new ten-year period beginning January 1, 2020 (January hours/February payment). Such accelerated funding in this agreement shall apply to the SRT liabilities and shall remain in effect regardless of the Zone status of the Plan.

11.03.8 The Employer shall continue to pay all of the scheduled contribution increases under the updated Rehabilitation Plan, as set forth above, through the term of this CBA, regardless of the zone status of the SRT. All hourly contributions to the SRT shall continue to be made on behalf of all compensable hours above regardless of whether the employee participates in the SRT prior to the freeze date. In addition, the Parties request that the Trustees of the Plan to explore adopting specific language that all additional contributions will not be used in calculations of the employers' share of the unfunded vested benefits, to the extent permitted by law.

11.03.9 The parties recognize that this global solution for the pension funding liabilities is contingent on the full implementation of the agreement between Safeway/Albertson's and the Union and the full implementation of the agreement between Kroger and the Union, including the transfer of liabilities and assets from the SRT to the UFCW Consolidated Fund under the MOU between Kroger and the Union. If either the SRT or the UFCW Consolidated Fund does not approve the global solution, the bargaining parties will meet to discuss other alternatives. However, in no event will the alternatives to be considered include any increases to the contribution rates for the SRT and VAP set forth in Sections 11.01, 11.03.04 or 11.04.01 or for the Sound Health & Welfare Trust set forth in Article 10 during the term of this Agreement.

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

11.03.11 In part in order to ensure the prudent funding of the Sound Retirement Trust, the Employers, including the Employers covered by the Agreement referenced in Section 10.01 herein, in total, agree to redirect health & welfare trust contributions up to the total amount of \$100 million to the SRT commencing with January 2020 hours.

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

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

i. Continue to extend cash-matched period under Beta portfolio as the situation warrants in order to continue to reduce investment risk in the SRT;

ii. Reduce the valuation assumption to 6.5% net of investment expenses; and

iii. Invest the \$165 million in assets to be transferred from the SRT to the UFCW Consolidated Pension Fund at a risk free rate of return from the ratification date of the collective bargaining agreement until the date of transfer. (Subject to final agreement on the details of any Kroger transaction.)

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

11.04 Variable Annuity Plan.

As of the effective date of the new future service defined benefit variable annuity plan (VAP), future service benefit accruals will be earned in the VAP, a multiemployer variable annuity defined benefit plan. Participants' service earned under the Sound Retirement Trust (SRT) and the VAP will be recognized for participation, vesting and benefit eligibility purposes in both plans. In the event of a

short plan year running from the transfer date to December 31, the benefit guarantee will apply for the short plan year ending December 31, 2021. The VAP shall operate on a calendar plan year basis.

11.04.1 The Employer will contribute two and a half percent (2.5%) of salary per month for each eligible active participant to the VAP, commencing with the effective date. Contributions will be made on behalf of current active employees and future newly hired employees in classifications for whom contributions have been made to the Sound Retirement Trust under the current collective bargaining agreement. Salary shall be defined as hours reported under Section 11.01 for which the Participant is paid multiplied by the Participant's highest base hourly wage rate per reporting period, up to a maximum of 173 hours per month. Contributions shall be remitted monthly, in the same manner as they have been made to the SRT. The benefit accrual under the VAP will be periodically reviewed (but at least every three years) to ensure that the plan is designed to maintain full funding of all benefit liabilities, with the first review no later than December 31, 2021. Notwithstanding the above, in no event shall the contribution be less than 125% of the base contribution to the SRT as of the effective date of the VAP. All actuarial assumptions of the VAP will be reviewed and adjusted as necessary on an annual basis for the term of this CBA.

In addition, the Employer will contribute three cents (\$.03) per hour for each eligible active participant to the VAP, commencing with the effective date of the VAP through the end of the initial first full Plan Year.

11.04.2 The benefit accrual under the VAP will be periodically reviewed (but at least every three (3) years) to ensure that the plan is designed to maintain full funding of all benefit liabilities, with the first review no later than December 31, 2021. Notwithstanding the above, for the term of this contract, all actuarial assumptions of the plan will be reviewed and adjusted as necessary on an annual basis for the term of this CBA.

11.04.3 The eligibility, rights and features of the benefit design of the VAP on the effective date of the VAP will replicate the current benefit design of the SRT, except that the benefit accrual will be based on a formula that utilizes total contributions made on the employee's behalf and a percentage accrual factor that reflects the VAP characteristics (to be reviewed jointly by the parties). For the first plan year, to the extent provided by the VAP, there shall be a floor benefit and the benefit accrual of the VAP cannot be less than what the participant would have earned in the same period under the SRT benefit formula. Thereafter, the earned benefit accrual will be adjusted annually up or down based on performance to a 5.5% hurdle rate which will also be used to discount the benefit liabilities.

The Employer agrees to promptly provide, on a periodic basis, such salary data for employees intended to be covered by the VAP to allow the actuaries for the parties developing the VAP to determine the benefit accrual rate from the VAP that can be funded with such contributions determined above and in the future as the VAP operates to allow administration of the VAP.

11.04.4 Annual benefit improvements will be capped at 3.0% above the 5.5% hurdle rate. Any surplus investment return between the 5.5% and the 8.5% cap will fund benefit improvements and any surplus investment return over 8.5% shall be allocated to the stabilization reserve.

11.04.5 The VAP board of trustees will formulate a stabilization reserve policy which will define the board's discretion to manage the stabilization reserve and determine how and when it is used to support benefit accruals in years in which the plan investments underperform the hurdle rate. The Employer will contribute to the stabilization reserve from January through March 2022 in accordance with Section 10.05.01.

It is the intent of the parties that the stabilization reserve policy will be used to stabilize benefits for active and retired participants in the event of returns of 2% or lower ("the Floor Return") and maintained in order to address the VAP investment and demographic experience and the level of assets/benefits accrued under VAP. It is not the intent that the stabilization reserve be used in the event of investment returns higher than the Floor Return.

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

ARTICLE 12 – GENERAL CONDITIONS

12.01 Promotional sales or other store meetings shall be considered time worked for the purpose of determining time and one-half $(1\frac{1}{2})$ after 40 hours worked. Sections 4.07 and 4.08 shall not apply to such meetings.

12.02 Whenever the Employer requires the wearing of uniforms or head coverings, the same shall be paid for, laundered (except for drip dry uniforms) and cleaned by the Employer.

12.03 It is agreed that the Employer will pay charges incident to the hiring of employees which are incurred due to the requirements of the Employer, such as medical examinations, bonding, and if such services are specifically requested by the Employer, employment agency fees.

12.04 Whenever any employee is required to work in more than one work location during the same day, such employee shall be compensated at his normal rate of pay. The mileage allowance, when the employee uses their own car for business purposes, shall in accordance with the Company policy. Employees assigned to work at a second store location or the corporate office shall be compensated for any extra travel time and mileage associated with the second assignment. This provision is applicable only when the roundtrip travel is twenty (20) or more miles.

12.05 Management Rights

12.05.01 Except as herein clearly and explicitly limited in the express terms of this Agreement, the rights of the Employer shall be unimpaired in all respects to manage its business operation and affairs, including but not limited to the sole and exclusive right to manage and direct the workforce and to execute the various duties, functions and responsibilities incident thereto; to

require and schedule reasonable overtime; to establish qualifications for all job titles; to schedule work; to determine methods, processes and means of accomplishing the work; to conduct employee satisfaction or related surveys; to determine the quality and quantity of work to be performed; to introduce new or improved methods, equipment or facilities for accomplishing the work; to change or discontinue existing work methods, products, material, or facilities; to transfer work; to enforce, establish, revise or add reasonable work rules, policies and procedures which the Employer deems necessary to ensure the safety and efficiency of the facility and its employees, by which all employees must abide (including drug testing) and which are not inconsistent with the provisions of this Agreement; to decide the number of employees and the number and location of its store, and to sell, relocate, lease or close the same; to hire, promote, or transfer employees, to demote, suspend, discipline or discharge employees for just cause; to relieve employees from duty because of lack of work; to allocate and assign work to employees; and to exercise such other rights as may be necessary for the proper management of the Employer's facilities and operations. The above rights of management are not all inclusive, but indicate the type of matters or rights which belong to and are inherit to management.

12.05.02 Failure by the Employer to exercise any management function or right reserved or otherwise retained by the employer or its exercise, or failure to exercise, any management function or right in a particular manner, shall not be considered a waiver of the Employer's right and authority to exercise such function or right nor prevent the Employer from exercising the same in some other way not in conflict with the express provisions of this Agreement.

12.05.03 It is understood and agreed that the exercise of management rights by the Company is not subject to prior notice, discussion or negotiation with the Union, except to the extent expressly required by a specific provision of this Agreement.

ARTICLE 13 – DISCIPLINE, DISCHARGE AND DISCRIMINATION

13.01 Probationary Period – In order for the Employer to have ample time within which to properly evaluate the performance of an employee, it is hereby agreed that the Employer has ninety (90) calendar days after the initial date of employment in which to evaluate the employee. Within the said probationary period, the Employer may terminate the employee without recourse.

13.02 Notice of Intention to Quit – Any employee who intends to quit shall, to the extent possible, give two (2) weeks' notice. Any employee who gives such notice shall not be terminated or have hours reduced solely for said reason.

13.03 Polygraph Tests – The Employer agrees not 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, except as provided in Washington State Law.

13.04 Non-Discrimination – The Employer and the Union agree that each will fully comply with applicable laws and regulations regarding discrimination and will not discriminate against any

employee or applicant for filing a complaint or advocating their rights or because of such person's age, sex, marital status, sexual orientation including gender identity, race, creed, color, national origin, honorable discharged veteran military status, or the presence of any sensory, mental, or physical disability. Any reference to gender in this Agreement includes both genders. Both parties recognize in all cases of conflict between the Americans with Disabilities Act (ADA) and any provision of this Agreement, or any practice under any of its provisions, the ADA shall prevail.

13.04.1 When the gender "he" or "she" is used within this Agreement, it is for explanatory purposes only and does not refer to the actual sex of any person.

13.05 Disciplinary Action – The Employer shall be the judge as to the competency of its employees and continuity of employment shall be based upon the Employer's judgment of the merit and ability of the individual employee, provided that such judgment shall be fairly and reasonably exercised and provided however, that no employee shall be discharged or discriminated against for any lawful Union activity or for performing service on a Union committee outside of business hours, or for reporting to the Union the violation of any provisions of this Agreement.

13.05.1 No employee shall be disciplined or discharged except for just cause. The Employer shall be the sole judge of the competency and qualification of his employee and shall make judgment fairly. The Employer's judgment is subject to review by an arbitrator.

ARTICLE 14 – GRIEVANCE PROCEDURE

14.01 Any dispute or grievance arising between the parties to this Agreement as to the proper interpretation or application of the Agreement shall be adjusted by the accredited representative of involved Employer and the accredited representative of the Union. If these parties fail to reach a satisfactory adjustment within thirty, (30) calendar days from the date the grievance is filed in writing, as required by Section 14.06, by either party upon the other, the moving party must refer the matter for final adjustment to a Labor Relations Committee selected as follows: One (1) member from the Employer and one (1) member from the Union, or the grievance shall be deemed waived. If the Labor Relations Committee fails to reach an agreement within five (5) calendar days from the date of the Labor Relations meeting, the moving party must request arbitration or the grievance shall be deemed waived.

14.02 If arbitration is requested, within five days of such request, the moving party must request a panel of eleven (11) arbitrators from the Federal Mediation and Conciliation Service. Upon the parties' receipt of said FMCS panel, the parties shall, within 15 days, select an arbitrator and schedule a mutually agreeable hearing date. The method of selecting an arbitrator shall be by alternately striking a name from the FMCS panel until one (1) name remains as the arbitrator chosen by the parties.

14.02.1 The parties to the arbitration have the right to request and receive information needed to prepare for arbitration or for the renegotiation of this Agreement to the extent permitted under Federal law. The requesting party shall pay all reasonable costs incurred as the result of such request.

14.03 The parties shall notify the arbitrator at the time of selection of the requirement that he or she must reader a final and binding decision within thirty (30) days from the close of the arbitration hearing, or from the arbitrator's receipt of the post-hearing briefs, whichever is later. In the event the selected arbitrator is unable to agree to such requirement, the parties shall contact the remaining arbitrators provided by FMCS in inverse order of their striking until agreement to comply with the above condition is obtained. Upon proper receipt, the decision of the arbitrator shall be final and binding upon both parties to this Agreement.

14.04 Either party may obtain a transcript of the arbitration at the party's expense for its sole use, unless the other party wishes a copy, in which case the expense of the transcript shall be shared equally. The fees of the arbitrator shall be borne by the losing party. The arbitrator shall have authority to appropriately apportion costs between the parties in the event of a split decision and/or award.

14.05 During the process of making adjustments under the rules and procedures set forth in this Section, no strike or lockout shall occur.

14.06 Grievances shall not be recognized unless received in writing by the accredited representative of either party within thirty (30) calendar days from the date the grieving party knew or should have known of the occurrence causing the grievance, except as otherwise proved herein.

14.06.1 Overtime or back pay claims must be received in writing within fifteen (15) calendar days of the payday such shortage appears. Such claims shall be limited to the amount it involved in the thirty (30) days immediately preceding the date upon which the grievance was received in writing, except that where there is an automatic apprentice wage bracket adjustment due under the terms of Appendix "A", the period of adjustment shall be extended to one (1) year.

14.06.2 Claims for unjust suspensions and discharge must be received in writing within fifteen (15) calendar days from the date of suspension or discharge.

14.06.3 Where grievances arise upon the dismissal of an employee which involves claims for adjustment of wages received during the employment, said grievance must be received, in writing, within fifteen (15) calendar days following the dismissal, or receipt of final paycheck, whichever is later.

14.06.4 Following the filing and the response to the grievance neither party is permitted to add to, substrate from, modify, or change its contractual position, as required by this Section, at any time prior to the final decision by an arbitrator, except where newly acquired evidence is documented. In such case, either party shall have the right to modify.

14.06.5 The moving party shall present a written statement describing their position as fully as possible no later than thirty (30) days prior to the date of the arbitration hearing. Failure to comply with this requirement shall render the grievance null and void.

14.07 Any grievance not originally filed in accordance with the time limits of Article 14 shall be deemed waived. Any time limitation established herein may be extended only by mutual agreement of the parties.

14.08 The arbitrator shall have no authority to amend, modify, nullify, add to, or subtract from any provision of the Agreement or to make a decision, which is contrary or inconsistent with the terms of the collective bargaining agreement or to the arbitration record.

14.08.1 In cases involving discharge, the arbitrator has no authority to order back pay more than ninety (90) days following the date the Employer receives the original grievance.

14.08.2 The conduct of the arbitration proceeding is under the arbitrator's jurisdiction and control, and the arbitrator's decision shall be based upon the evidence and testimony presented at the hearing or otherwise incorporated in the record of the proceeding.

14.08.3 The arbitrator must provide a fair and adequate hearing which assures that the parties have sufficient opportunity to present their respective evidence and argument and must address all significant issues raised by the parties.

ARTICLE 15 – RIGHTS AND RESPONSIBILITIES

15.01 Picket Lines – It is understood and agreed that the grievance and arbitration procedure of this Agreement and the judicial and administrative remedies provided by law are the sole and exclusive means for settling any dispute between the employees and/or the Union and the Employer, whether relating to the application of this Agreement or otherwise.

15.01.1 Accordingly, for the duration of this Agreement and any extension thereof, the Union agrees that neither the Union, its officers, agents, representatives and members, nor any employees covered by this agreement shall in any way, directly or indirectly authorize, cause, assist, encourage, participate in, ratify or condone any strike, (whether it be an economic strike, unfair labor practice strike, sympathy strike, or otherwise), sit-down, sit-in, slowdown, walkout, cessation or stoppage of work, picketing (including any refusal to cross any other labor organization's or other party's picket lines), hand billing or any other activity which interferes, directly or indirectly, with the Employer's operations at any location.

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

15.03 Sales or Transfer of Store – Upon the sale or transfer of a store, the former owner shall be responsible for any and all monetary benefits that employees have accrued under this Agreement to the date of sale or transfer. Within twenty (20) days after any such sale or transfer, the former owner shall notify the Union, in writing, of such sale or transfer, including the name and address of the new owner or transferee.

ARTICLE 16 – EXPIRATION AND RENEWAL

16.01 Except as provided below, this Agreement shall be in full force and effect as of the 1st day of May, 2020, through the 30th day of April, 2023, and shall be automatically renewed each year thereafter upon each anniversary of said date, unless written notice to the contrary be given to either party by the other on or before sixty (60) days prior to the expiration date.

IN WITNESS WHEREOF, we attach our signatures this _____ day of 2022.

UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 21 THE BARTELL DRUG COMPANY

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Faye Guenther President

BY:

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Ken Mahoney SVP of Store Operations The Bartell Drug Company

APPENDIX "A" – WAGES

Wage Increases

First full pay period in May 1, 2021: Increase of \$0.30 per hour for employees at the Journeyperson and Designated Clerks rate.

First full pay period in January 1, 2022: Increase of \$0.35 per hour for employees at the Journeyperson and Designated Clerks rate.

First full pay period in January 1, 2023: Increase of \$0.35 per hour for employees at the Journeyperson and Designated Clerks rate.

Employees who are eligible for a federal, state, local, or municipal minimum wage increases in January 2022 and 2023, will receive either (1) the \$0.35 increase at the Journeyperson or Designated Clerks rate, (2) the wage scale increase, or (3) the minimum wage increase, whichever of the three is greater, but not all three or any combination thereof (meaning employees are only eligible for one increase). Employees are therefore eligible for only one increase per year, whichever is the highest.

Wage Scales

Effective May 1, 2021:

	<u>Seattle</u>	Outside Seattle
Journeyperson (5400+)	\$16.99	\$14.50
Step 2 (2406-5399)	\$16.84	\$13.84
Step 1 (0-2405)	\$16.79	\$13.79
Designated Clerk	\$17.09	\$14.82

In no event shall any wage classification be less than ten cents (10¢) per hour above the then current Washington State, Federal, or Municipal minimum wage. Each rate will be at least five cents (5¢) per hour higher than the previous rate in the progression schedule. As noted above in the Wage Increases section, employees are eligible for only one increase per year.

APPENDIX "B" – Exemptions

Notwithstanding the requirements of Section 2.01, the following exemptions (per store) shall not be required to be members of the Union nor shall they be covered by the terms of the Agreement*:

Store Manager Assistant Manager Second Assistant Manager All Student Interns

Exemption shall be applied based on the efficient operation of business.

MEMORANDUM OF UNDERSTANDING

The Bartell Drug Company ("Employer") and United Food and Commercial Workers Union Local No. 21 ("Union") enter this Memorandum of Understanding ("MOU") effective June 16, 2017. This MOU is considered part of the parties' 2015-2017 collective bargaining agreement, as extended. It shall remain in effect following the expiration of the 2015-2017 CBA while such agreement is open for negotiation. Further, this MOU shall remain in effect and be appended to all future successor collective bargaining agreements between the parties, including any periods when such agreements are open for negotiation, unless and until this MOU is mutually revoked by both parties in writing.

WHEREAS, Seattle's Secured Scheduling Ordinance provides secured scheduling and other important work-related benefits to employees who work in Seattle, Washington:

WHEREAS, Seattle's Secured Scheduling Ordinance goes into effect on July 1, 2017:

WHEREAS, there is an existing CBA in effect and/or open for negotiation for an employer who is covered under Seattle's Secured Scheduling Ordinance (Seattle Municipal Code 14.22);

WHEREAS, the Employer's scheduling practices - as controlled and guided by the parties' collectively-bargained terms - meets the public policy goals articulated in SMC Chapter 14.22, including providing for employee input into scheduling practices; creating processes for employees to obtain access to additional work hours; and establishing predictable work schedules advancing race, social equity, greater economic security, health, safety and welfare for bargaining-unit employees;

THEREFORE, the parties agree in this Memorandum of Understanding to waive their rights and obligations under the Secured Scheduling Ordinance in accordance with SMC 14.22.145 until the parties are no longer covered by any CBA or one open for negotiations.

IN WITNESS BY, the authorized representatives of the parties to this MOU have signed on this 14 day of June 2017.

For the Employer:

Title: SUP ItR

For the Unior Matchalan itle: Negotiato Title:

Letter of Understanding between Bartell Drugs and UFCW Local 21

The parties agree on the following procedures when Bartell Drugs opens new stores:

- 1. Bartell Drugs will give UFCW Local 21 ("Union") a list of employees that includes names, addresses and phone numbers 14 days prior to the new store opening.
- 2. Bartell Drugs will convene a union orientation meeting for employees to meet with the union 3 to 5 days prior to store opening. This meeting will last no more than one hour.
- 3. Bartell Drugs will provide an updated employee list including names, addresses and phone numbers on the day of the union orientation meeting and on the day of store opening. All employees hired up to and including the day of store opening shall be on the final list used to determine representation status. All employees on the final list must be employed at the store when the list is used to determine majority status
- 4. Union representatives agree to limit their time in the store to 12 hours throughout the time from the orientation meeting to the cut-off date.
- 5. Thirty (30) days after the store opening will be the cut-off date for determining whether a majority of employees want union representation. Representation status will be determined by the Union demonstrating that a majority of employees on the final list have signed and dated union authorization cards prior to the cutoff date. Provided the Union has demonstrated majority status, Bartell Drugs will recognize the union as the exclusive collective bargaining representative of the employees and such employees will be covered by the collective bargaining agreement in effect between the two parties.

Dick King representing Bartell Drugs

Dave Schmitz, President UFCW Local 21

0/09/0 Date

Date

Letter of Understanding for New Seattle Stores between Bartell Drugs and UFCW Local 21

The parties agree on the following procedures when Bartell Drugs opens new Seattle stores:

- 1. Bartell Drugs will give the union a list of employees that includes names, addresses and phone numbers, 14 days prior to the new store opening.
- 2. Bartell Drugs will convene a union orientation meeting for employees to meet with the union 3 to 5 days prior to store opening. This meeting will last no more than one hour.
- 3. Bartell Drugs will provide an updated employee list on the day of the union orientation meeting and on the day of store opening. All employees hired up to and including the day of store opening shall be on the final list used to determine representation status. All employees on the final list must be employed at the store when the list is used to determine majority status.
- 4. 35 days after the store opening will be the cut-off date for determining whether a majority of employees want representation.
- 5. Union representatives agree to limit their time in the store to18 hours throughout the time from the orientation meeting to the cut-off date.
- 6. Employees who wish to choose union representation will indicate that choice by signing a union authorization card. Signing an authorization card is the same as casting your vote in favor or representation. Simple Majority of Union authorization cards (50% + 1) will result in union recognition.
- 7. Once recognized, any employees at newly organized stores will be accreted into the existing CBA.

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Cindy Demeules representing Bartell Drugs

Date

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Todd Crosby, President UFCW Local 21 Date

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 50,000 other members of UFCW 3000.

Union Leadership

UFCW 3000 leadership is provided by the member-elected Executive Board. The Executive Board is made of rank-and-file UFCW 3000 members from diverse workplaces, income levels and backgrounds. My Shop Steward is:

My Union Rep is:

Building a powerful Union that fights for economic, political and social justice in our workplaces and in our communities.

Seattle: 5030 First Ave S, Suite 200, Seattle, WA 98134-2438
Mt. Vernon: 1510 N 18th St, Mt Vernon, WA 98273-2604
Des Moines: 23040 Pacific Hwy S, Des Moines, WA 98198-7268
Silverdale: 3888 NW Randall Way, Suite 105, Silverdale, WA 98383-7847
Spokane: 2805 N Market St, Spokane, WA 99207-5553
Spokane: 1719 N Atlantic St., Spokane, WA 99205
Tri-Cities: 2505 Duportail St, Suite D, Richland, WA 99352-4079
Wenatchee: 330 King St, Suite 4, Wenatchee, WA 98801-2857
Yakima: 507 S 3rd St, Yakima, WA 98901-3219

