

Agreement by and between
UFCW 3000
and
Thrifty Payless, Inc.
dba Rite Aid

Effective through: 09-30-2024

UFCW3000

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: 1-866-210-3000

**2021-2024 AGREEMENT
By and Between**

**UNITED FOOD & COMMERCIAL WORKERS UNION
LOCAL 21**

and

Thrifty Payless, Inc. dba Rite Aid

THIS AGREEMENT is mutually entered into by and between UFCW Local # 21, of Seattle, Washington and vicinity, chartered by the United Food and Commercial Workers International Union, hereinafter referred to as the “Union”, and Thrifty Payless, Inc. dba Rite Aid hereinafter referred to as the “Employer.”

ARTICLE 1 - RECOGNITION AND BARGAINING UNIT

1.1 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 job classifications listed in Appendix “A” to this Agreement, 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. Supervisors and confidential employees as defined by the National Labor Relations Act (NLRA) are excluded from this agreement. The number of such supervisory exclusions per store shall be limited to the following:

- \$2.5 million - \$6 million in store sales dollars - up to five (5) supervisory exclusions.
- More than \$6 million in store sales dollars – up to six (6) supervisory exclusions.

In addition to the above, a total of up to four (4) supervisory exclusions shall also be excluded from the agreement within the jurisdiction of UFCW Local 21. The Employer shall annually provide the Union with a report of the total sales per store at the end of each fiscal year.

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

1.3 All work and services pertaining to the classifications contained herein shall be performed only by employees covered by this Agreement; provided that those employees excluded under Section 1.1 may continue to perform the functions they are currently performing.

1.4 At any time in the future Rite Aid opens an in-store clinic in a store covered by this agreement, associates hired to perform work other than the job classifications of front end service associate, pharmacy service associate, pharmacy technician in training, or wellness ambassador, are expressly excluded from coverage by this Collective Bargaining Agreement. Employees who are hired to work in the in-store clinic will only perform work associated with the clinic, all other

work involving handling drug sales, drug sundries, and other merchandise will continue to be handled by aforementioned job classifications.

Delivery drivers employed by an outside vendor are excluded from this contract.

ARTICLE 2 - UNION SECURITY

2.1 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 shall, on the thirtieth (30th) day following 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.

2.2 The Employer agrees not to keep in its 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.

2.2.1 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. 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.

2.3 Any new employee failing or refusing to secure membership in the Union as provided above shall, upon demand of the Union, be released from the employ of the Employer.

2.4 The employer shall provide on a weekly basis a list of terminated, newly hired or transferred employees eligible for union membership. The 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 once a calendar year, the employer shall provide a list of all bargaining unit employees, including the information listed above, except for the employee address. This information will be by disc or email attachment.

2.5 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; provided, 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 Assistant Manager. Union representatives shall not go behind the pharmacy counter.

2.6 The Union agrees, in consideration of the signing of this Agreement 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, which is the property of and issued by the United Food and Commercial Workers International Union.

2.7 Bulletin Boards - The Employer will provide space in a conspicuous area (the employee break area where possible) for a Union provided bulletin board (maximum size 3x2 foot) 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 and union privilege benefit information, and union logo products. Posting of any other information must be approved or disapproved by the Director of Labor Relations or designee within seven (7) days of the receipt of request to post.

2.8 During the term of this Agreement, Rite Aid shall deduct dues from the pay of each member of the Union who executes a wage assignment authorization form. When filed 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. Upon issuance and transmission of a check to the Union, Rite Aid's responsibility shall cease with respect to such deductions. The Union and each employee authorizing the assignment of wages for the payment of the Union dues hereby undertakes to indemnify and hold Rite Aid 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.

2.9 Voluntary Political Action Fund Deduction/Active Ballot Club (ABC). The Employer shall deduct the sum specified from the pay of each member of the Union who voluntarily executes a political action contribution wage assignment authorization form. When filed with the Employer, the authorization form will be honored in accordance with its terms. The authorization form will remain in effect until revoked in writing by the employee. The amount deducted and a roster of all employees using payroll deduction for voluntary political action contributions will be promptly transmitted to the Union by separate check payable to its order. Upon issuance and transmission of a check to the Union, the Employer's responsibility shall cease with respect to such deductions. The Union and each employee authorizing the assignment of wages for the payment of voluntary political action contributions hereby undertake to indemnify and hold the Employer harmless from all claims, demands, suits or other forms of liability that may arise against the Employer for or on behalf of any deduction made from wages of such employee. The parties recognize that the Union is obligated under the Federal Election Campaign Act (FECA) to reimburse the Employer for its reasonable cost of administering the ABC check off in the parties' Collective Bargaining Agreement. The Employer and the Union agree that one-quarter of one percent (0.25%) of all amounts deducted pursuant to the ABC check off provision in the parties' Collective Bargaining Agreement may be withheld to reimburse the Employer for its reasonable costs of administering the check off.

ARTICLE 3 - DEFINITIONS

3.1 Service Associate - Service Associate includes all employees covered by this Agreement, unless designated in a specific job title. Any Service Associate may work in any and all departments as determined by management. Their duties shall include but not be limited to general clerking such as operating the check stand, selling, housekeeping, ordering, stocking, etc.

3.2 Pharmacy Technician -

Any member of the bargaining unit who participates in the Rite Aid Technician in Training Program will remain in their current union position until such time as the employee has earned his or her Rite Aid certificate and has been hired or transferred into a non-union Rite Aid Certified Technician position.

3.3 Christmas Extras - Christmas extras shall not be subject to the following provisions of the Agreement: Sections 4.4.1 and 4.4.3, Article 7 - Holidays, Article 8 - Vacation, 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.

3.4 Wellness Ambassador- An employee who has been promoted to or hired as a Wellness Ambassador will be paid a premium wage of seventy-five cents (\$.75) per hour above the associates current rate of pay or a minimum of eleven (\$11.00) per hour, whichever is higher.

Whereas Rite Aid and UFCW Local 21 (hereinafter the "Union"), have met to discuss the implementation of a new employee position, "Wellness Ambassador", as defined in the Company's job description, which has been supplied, the Union and the Company recognize this position as part of the bargaining unit under the same terms and conditions of the current Collective Bargaining Agreement if not otherwise specifically outlined in this Collective Bargaining Agreement. It will be at Rite Aid's sole discretion as to which store locations will utilize this position. It is understood and agreed that Rite Aid may eliminate the position (and the corresponding premium pay) at any time in its sole discretion. The implementation of the position will not directly result in the reduction of hours to other associates.

Rite Aid and the Union agree that Rite Aid will have the sole discretion in the selection of individuals for these positions. Rite Aid shall be the sole judge as to the competency of the candidates and the selection shall be based solely upon Rite Aid's judgment of the skills, ability and competency of the candidates. To be considered as a candidate, he/she must be capable of performing all the essential functions, and have the ability to work a flexible schedule including days, nights, and weekends as outlined in the Company's job description. Associates promoted into this position must complete the required training successfully and will be subject to a 90 day probationary period. During such time if the associate is not able to fulfill the needs of the Wellness Ambassador position he/she and any other associates that were affected by the change will be returned to his/her original positions.

It is further agreed that this position will provide a premium pay wage increase for associates promoted into the role. The premium rate will be a \$0.75 per hour increase to the associate's current rate of pay or a minimum of \$11.00 per hour, whichever is higher. New hires starting at \$11.00 per hour or more

will be considered to have already received the premium increase. This rate will remain in effect for the duration of the current Collective Bargaining Agreement. If the premium increase is more than \$0.75 per hour due to the minimum rate of \$11.00 per hour being applied, the associate shall forfeit the entire rate increase if at any time he/she leaves this position for any reason. The associate will return to his/her original rate of pay plus any normally applied rate increases that would have been received during the time in the position. If an associate was hired as a Wellness Ambassador and is demoted to a lesser position, his/her rate of pay will be subject to change based on the minimum rate for the new position and the associate's length of service with Rite Aid.

3.5 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

4.1 Basic Straight-time Work Week - The basic straight-time workweek shall consist of up to forty (40) hours, five (5) eight (8) hour days within the designated workweek. 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 4.4.2 of this section.

4.2 Basic Straight-time Work Day - The basic straight-time work day shall consist of eight (8) hours, to be worked within nine (9) consecutive hours, with a scheduled uninterrupted meal period not less than one-half (½) nor more than one (1) hour at approximately the middle of the workday.

4.2.1 Rest Periods - Employees shall be allowed a rest period of not less than ten 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 mid-point of the work period. No employee shall be required to work more than three (3) hours without a rest period. In free standing five-hour shifts, employees shall receive one (1) 15-minute rest period.

4.3 Employees shall be compensated at the rate of one and one-half (1½) times the regular straight-time rate of pay for all work performed over eight (8) hours in any one (1) day, forty (40) hours in any one (1) workweek. When six (6) days are worked on a mandatory basis during a workweek, time and one-half (1½) shall be paid for work on the day (other than Sunday) the least number of hours are worked.

4.3.1 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 other supervisor requests further service of said employee, in which case the employee shall be paid.

4.3.2 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.

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

4.4 Premium Hours

4.4.1 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 (\$0.30) 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.

4.4.2 All work performed on a employee's ninth (9th) consecutive workday and any consecutive day thereafter, shall be premium time and shall be paid for at the rate of time and one-half (1½) times. This may be waived by mutual agreement between the Employer and the employee, provided, however, the employee will not be discriminated against for reasonable refusal. This waiver is only allowable for the ninth and tenth (9th and 10th) consecutive day; any consecutive day thereafter shall be paid at the overtime rate. 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 4.1.

4.4.3 Sundays - All work performed on Sundays will be compensated for at an employee's regular straight-time rate of pay, plus a one dollar (\$1.00) per hour premium; provided that employees who were hired prior to February 14, 1989 shall receive a premium of one dollar and sixty-seven and a half cents (\$1.67).

4.5 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.

4.6 Work Schedule - It is agreed that the Employer will make work schedules available by posting said work schedules at the end of the shift on Tuesday for the next two (2) week period. 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.

4.7 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.

4.8 Except in cases of emergency beyond the Employer's control, no employee, except Store Helpers, shall be scheduled for less than four (4) continuous hours' employment or equivalent compensation in any day they are 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 they are ordered to report for work.

4.9 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.

4.10 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 (1½) the employee's regular rate of pay. This provision shall not apply to the Seasonal Shifts defined in 3.4.

ARTICLE 5 - SENIORITY, LAYOFF & REHIRE,
RESTRICTION AGAINST REDUCTION OF HOURS, AVAILABLE HOURS

5.1 Attainment of Seniority

5.1.1 Regular part-time and regular full-time employees shall attain seniority after ninety (90) days of continuous employment within one store, except as modified by 5.2.2 below. If an employee has not completed 90 calendar days due to a Rite Aid Benefits Service Center (BSC) approved leave of two weeks or more duration, that leave time shall be excluded from the probation period calculation.

5.1.2 Upon completion of this period, seniority shall date back to the last date of hire.

5.2 Application of Seniority

5.2.1 Seniority shall be applicable on an individual store basis, except as otherwise provided under Sections 5.2.2 and 5.2.3 and shall apply only to the extent provided in this Article.

5.2.2 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 previous three month period.

5.2.3 An employee's seniority shall not be broken if the Employer mandatorily transfers an employee to a different store, or agrees to an employee's request for transfer to a different store

5.2.4 In the event the 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 5.2.3. 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 5.2.3 and 5.5/e.

5.3 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, skills and ability are equal, except as otherwise provided in the Agreement.

5.4 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.

5.5 Loss of Seniority - Except as otherwise provided in Section 9.1 (Emergency Leave), 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 13.1 (Discipline & Discharge).
- d. Failure to report to work immediately following a leave of absence as provided in Section 9.1 (Emergency Leave).
- e. If on layoff three (3) months or more.
- f. Absence from work for more than six (6) months because of illness or injury, unless the employee and Employer mutually agree to a longer period.

5.6 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.

5.7 Available Hours - The parties recognize that it is necessary to utilize both full-time and part-time employees in the Employer's business. Nevertheless, it is the policy of the Employer to utilize as many full-time employees (up to forty (40) straight-time 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 5.1.1 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) straight-time hours per week, provided that the senior employee's qualifications, skills, and ability are equal, and that said employee is available to perform the longer 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 Store Manager or Assistant Manager within forty-eight (48) 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.

ARTICLE 6 - WAGES AND CLASSIFICATIONS

6.1 Rates and Classifications -

Position Minimum Hourly Rates effective the first full pay period following ratification:

Service Associate, Seattle	\$15.45 or minimum wage whichever is higher
Service Associate, Non-Seattle	\$12.00 or minimum wage whichever is higher
Wellness Ambassadors, Seattle	\$0.75 above minimum Seattle Service Associate Rate
Wellness Ambassadors, Non-Seattle	\$0.75 above minimum Non-Seattle Service Associate Rate

The first full pay period after ratification, all associates with three months of employment or more as of the first full pay period after ratification (and as of January 1, 2023 and January 1, 2024) will receive the increases listed below. Employees who are eligible for a federal, state, local, or municipal minimum wage increases, including but not limited to minimum wage increases in January 2022, January 2023, or January 2024 will receive either (1) the Across the Board increase, (2) the Washington minimum wage plus 25 cents, or (3) the local minimum wage increase, whichever is greater, but not all three or any combination thereof (meaning employees are only eligible for one increase; there will be no double-dipping). Employees are therefore eligible for only one increase per year, whichever increase is the highest.

<u>Across The Board Increase</u>			
Timing/Position	January 2022 (first full pay period)	January 2023 (first full pay period)	January 2024 (first full pay period)
Service Associates (includes Pharmacy Tech in Training and Pharmacy Service Associates)	\$0.40	\$0.40	\$0.40

Position Maximum Hourly Rates effective in the pay period including 1/1/2022:

Service Associate – Seattle	\$22.00/hr.
Service Associate – Non-Seattle	\$18.50/hr.
Wellness Ambassadors – Seattle	\$25.70/hr.
Wellness Ambassadors – Non-Seattle	\$20.50/hr.

The Starting wage rate shall be at least twenty five cents (\$0.25) per hour above the Washington State minimum wage rate.

6.2 Employees’ Work Record - The 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.

6.3 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.

6.4 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.

6.5 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.

6.6 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 (10) days thereafter, either side may request that it be settled by arbitration as provided for in this Agreement.

6.7 Western Employee Benefit Plan 401(k) - The parties agree that effective the date of execution of this Agreement, the Employer will withhold from the wages of employees such amount(s) as the employee may designate on a voluntary written authorization and forward such monies to the Western Employee Benefit written authorization and forward such monies to the Western Employee Benefit Trust Plan (hereinafter “Trust Fund”). Employees may enroll or change their designated withholdings no more frequently than once every six (6) months. Employees may terminate their deductions with a thirty (30) day written notice.

6.8 The parties agree that the Employer is only liable for the withholding and forwarding of employee contributions to the Trust Fund. The employee assumes all investment risks for the monies invested in the Trust Fund. The Employer agrees to institute this plan only after 125 employees enroll in the WEB plan. The employer is only responsible for withholding and processing per instructions of the participant and plan administrators. The Employer is not responsible for contributions themselves.

6.9 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.

(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	Severance Pay
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 vacation 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 Article 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 Article 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

7.1 Holidays Observed - The following days shall be observed as holidays on the date established for each:

- New Year's Day (January 1st)
- Memorial Day (last Monday in May)
- Independence Day (July 4th)
- Labor Day (first Monday in September)
- Thanksgiving Day (last Thursday in November)
- Christmas Day (December 25th)

7.2 Personal Holidays - After one (1) year of employment, employees shall be entitled to three (3) Personal Holidays. Such Personal Holidays shall be scheduled by mutual agreement between the Employer and the employee, provided the employee shall give the Employer thirty (30) days' advance notice (except as provided below) of the days they desire as their personal day. After the first year of employment, such Personal Holidays will be available on the first day of the pay period following the anniversary date and must be taken each year before the employee's anniversary date. Personal Holidays may not be accumulated or carried over from one year to the next. One (1) of the Personal Holidays must be taken in conjunction with a scheduled vacation. By mutual agreement, the employee may receive pay in lieu of a day off for their Personal Holidays.

7.2.1 Personal holidays may be used for illness of an employee or family member, provided the employee has not previously requested that day off and had the request denied by management.

7.2.2 Regarding Personal Holidays: In 2004 contract negotiations, the parties agreed to change eligibility for all personal holidays to one year of employment for all employees hired after August 13, 2004. It is understood and agreed that employees hired prior to August 13, 2004 shall continue to be covered by Article 7.2 of the 2001-2004 collective bargaining agreement.

7.3 Eligibility - After six (6) months' employment, employees normally working sixteen (16) hours or more per week shall be eligible for holiday pay, provided that they report to work for their scheduled shifts immediately before and after the holiday, work the day of the holiday if scheduled, and work at least one day during the workweek of the holiday, except when on vacation. The requirement that the employee work sometime during the week 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 Rite Aid Benefits Service Center (BSC) approved leave of absence commencing within fifteen (15) days prior to the holiday and then returns to work regularly within fifteen (15) days following such holiday. Any regular employee or regular part-time employee laid off the day before or the day following a holiday shall receive pay for said holiday.

7.4 Holiday Pay - The amount of holiday pay is computed 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 “normal hours worked.”

7.4.1 Personal Holiday Pay Calculation - Personal holidays shall be calculated as specified in Article 7.4, except that the standard computing period shall be anniversary date to anniversary date.

7.5 Work on Holidays: Pay - After six (6) months of employment, if an employee works on a holiday, in addition to the pay set forth in Section 7.4, the employee shall be paid for all work performed on the holiday at the rate of time and one-half (1½) 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 rate.

7.6 Work on Holidays: Scheduling - Holiday work shall be on a voluntary basis; however, if there are not enough employees who volunteer to work to operate the store, then the necessary employees shall be scheduled to work beginning with the least senior employee, provided qualifications and ability are equal.

ARTICLE 8 – PAID TIME OFF (PTO)/VACATIONS

PAID TIME OFF (PTO PLAN)

8.1 Eligibility and Usage

Employees hired on or after July 1, 2021, and covered by this agreement are eligible to accrue PTO beginning July 1, 2022. Employees are eligible to take accrued PTO once the initial 180 calendar day waiting period is satisfied. Associates hired before July 1, 2021 may opt into the PTO plan, but once they are opted in, they cannot return to the grandfathered vacation, personal holiday, and state sick plans. Associates hired before July 1, 2021, must opt into the PTO Plan by submitting a written request to their Regional HR Lead. Associates who opt into the PTO Plan after June 1, 2022, will be eligible to accrue PTO within 30 days of their election to opt into the PTO Plan. Accruals will not be retroactive beyond these 30 days.

8.2 Accrual

Employees shall accrue PTO time based upon the following formula:

0-1 years: 1.0 hour PTO for each thirty (30) hours compensated for, which is an accrual rate of .03334.

2-6 years: 1.5 hours PTO for each thirty (30) hours compensated for, which is an accrual rate of .05000.

7 to 13 years: 2.08 hours PTO for each thirty (30) hours compensated for, which is an accrual rate of .06934.

14+ years: 2.65 hours PTO for each thirty (30) hours compensated for, which is an accrual rate of .08834.

8.3 The term “compensated for” includes all time worked or paid, which shall include all regular/straight time and overtime hours worked, paid PTO hours, paid holiday hours, paid funeral leave hours, and paid jury duty.

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

8.5 Usage

PTO is to 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. After March 1, vacations shall be granted on a first come, first served basis in accordance with individual store needs. Employees shall request PTO in writing and PTO requests shall be responded to within two (2) weeks of the request.

8.6 If a holiday named under Article 7 of this Agreement falls within the PTO period of any employee, the employee shall be paid for the holiday and no PTO will be charged. Employees hired on or after July 1, 2021, and those employees who have opted out of the traditional Vacation (Sections 8.12-8.21) and into the PTO Plan, are not eligible for Personal Holidays and State Sick Time.

8.7 PTO may only be used for scheduled hours, and cannot be used to inflate pay if the associate is not scheduled. PTO will not be lost and PTO will accrue on hours paid if the Employer denies a PTO request.

8.8 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.

8.9 Carryover

PTO may carryover from one (1) calendar year to another subject to the maximum accrual limits of:

- 0-6 years 216 hours
- 7-14 years 272 hours
- 14+ year 352 hours

8.10 Payout

After one (1) year of continuous employment in which a minimum of 800 hours has been worked, up to 120 hours of available PTO accrued under Section 8.2, 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.

8.11 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.

VACATIONS

(Only for employees hired on or before June 30, 2021, and who have not opted into the PTO Plan.)

8.12 Employees working a minimum of 800 hours in an anniversary year of employment shall be entitled to the following vacation based upon continuous years of service:

After completion of one (1) continuous year - One (1) week

After completion of two (2) continuous years - Two (2) weeks

After completion of eight (8) continuous years - Three (3) weeks

After completion of fifteen (15) continuous years - Four (4) weeks

8.13 Employees working a minimum of 800 hours in an anniversary year of employment shall earn vacation time effective the first day of the pay period after the anniversary date of employment based upon the following formula:

Employees with Less Than two (2) Years of Continuous Service:

One (1) hour vacation pay for each fifty-two (52) hours compensated for.

Employees completing Two (2) to Eight (8) Years of Continuous Service:

Two (2) hours' vacation pay for each fifty-two (52) hours compensated for.

Employees Completing Eight (8) to Fifteen (15) Years of Continuous Service:

Three (3) hours' vacation pay for each fifty-two (52) hours compensated for.

Employees Completing Fifteen (15) or More Years of Continuous Service:

Four (4) hours' vacation pay for each fifty-two (52) hours compensated for.

8.13.1 Compensable time, as used in 8.2, shall mean all straight-time and overtime hours worked, paid vacation hours, paid holiday hours, paid funeral leave hours, and paid jury pay.

8.13.2 In addition to 8.2.1, employees shall be allowed up to eighty (80) hours per year of scheduled work loss because of bona fide illness or accident.

8.13.3 The hours calculated under Section 8.2 shall be paid for at the employee's straight-time rate.

8.14 The sale by the Employer of its business shall not relieve the Employer of the obligation to employees for accrued vacation pay to the date of sale.

8.15 Vacations are to 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 vacation period, provided the senior employee has applied for vacation prior to March 1 of each year. After March 1, vacations shall be granted on a first come first serve basis in accordance with individual

store needs. Employees shall request vacation in writing and vacation requests shall be responded to within two (2) weeks of the request.

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

8.17 Vacations may not be cumulative from one (1) year to another.

8.18 If a holiday named under Article 7 of this Agreement falls within the vacation period of any employee, the employee shall be granted an additional day off with full pay or a day's pay in lieu thereof. Employees hired on or after July 1, 2021, and those employees who have opted out of the traditional Vacation (Sections 8.12-8.21) and into the PTO Plan, are not eligible for Personal Holidays and State Sick Time.

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

8.20 After one (1) year of continuous employment in which a minimum of 800 hours has been worked, any vacation accrued under Section 8.2, 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, that any right to be paid for accrued but unused vacation upon termination will be considered waived by the employee in the event the employee is terminated for dishonesty or gross misconduct.

8.21 Health & Welfare Eligibility: Employees shall be allowed to use vacation hours to meet Health & Welfare eligibility provided the employee has enough scheduled hours in a month to meet eligibility requirements.

ARTICLE 9 - LEAVES

9.1 Emergency Leave - Any employee may take an emergency leave of absence not to exceed two (2) weeks in the event of a 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, and the employee receives an approved leave of absence from the Rite Aid Benefits Service Center (BSC).

9.2 Personal Leave of Absence - The Employer may grant a personal leave of not to exceed one (1) year. Any such leave of absence shall be requested by the employee in writing and any approval by the Employer must be in writing. The written request for leave of absence by the employee shall state the following information:

- a. Reason for such request;
- b. Date leave is to begin; and

c. Date of return to work.

9.2.1 Such leave shall be reported on the Pension report turned in by the Employer for the last month the employee worked. As such leave might relate to Pension, there will be no extension of leave without approval of the Pension Board of Trustees.

9.3 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 the 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.

9.4 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 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.

9.5 Funeral 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 for the purpose of attending the funeral of a member of the immediate family. Funeral leave will be paid only with respect to a workday on which the employee would otherwise have worked and shall not apply to an employee's scheduled days off, holidays, vacation, or any other day in which the employee would not, in any event, have worked. Funeral leave shall be paid for at the employee's regular straight-time hourly rate. Immediate family shall be defined as spouse, son, daughter, stepchildren residing with the employee, grandchild, mother, father, mother-in-law, father-in-law, brother, or sister.

9.6 Jury Duty Pay - After their first year of employment, employees who have been compensated at least four hundred and eighty (480) hours in the prior six (6) months, and 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 five (5) working days of an employee's scheduled hours. The employee shall be paid the difference between the fee they receive for such service and the amount of straight-time earnings lost by reason of such service up to a limit of eight (8) hours per day, provided, however, an employee called for jury duty who is temporarily released from attendance at court must report for work if sufficient time remains after such release to permit him to report to the workplace and work at least one-half (½) the employee's normal workday. In order to be eligible for such payments, the employee must furnish a written statement from the appropriate public official

showing the date and time served and the amount of jury pay received. The Employer will not reschedule employees to circumvent the requirements of this Article.

9.7 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.

9.8 Family and Medical Leave Act (FMLA), American 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.

9.9 Regarding Union Leave of Absence: Requests from employees for leaves to conduct Union business will not automatically be rejected for that reason. Requests are limited to two (2) per year in the bargaining unit and in no event will any leave exceed a three-month duration. Employees granted Union Leave will not conduct any union activity involving Rite Aid stores during the leave.

ARTICLE 10 - HEALTH & WELFARE, DENTAL AND VISION

10.1 Rite Aid agrees to continue to provide the Health and Welfare benefits currently provided to eligible associates through June 30, 2019. Thereafter Rite Aid will offer health care benefits to all associates as outlined in this article.

10.2 Rite Aid agrees to contribute to a Comprehensive Medical Plan, Prescription Plan, Vision Plan, and a Dental Plan for the benefit of its eligible associates as outlined in article 10.3 and 10.4. Each eligible associate who participates in any of these plans is entitled to access to a Summary Plan Description (or Plan Document) of the Plan(s) elected. The level of benefits for each of these plans shall be set by Rite Aid each year. It is understood by and between the Parties that Rite Aid's health and welfare plan may be unilaterally changed, substituted, amended, altered, modified, discontinued or revised by the Employer as long as the changes, substitutions, amendments, alterations, modifications, discontinuance or revisions are required for all Associates participating in the Plan. The Plan(s) that are provided shall be the same Plan(s) provided to Rite Aid associates generally and are subject to updates and changes once the Company has given advance notice to the Union of any change in carriers or Plan design, and the Union and the Company have met and discussed the impact of these changes prior to implementation.

10.3 Newly employed Associates that average a minimum of 30 hours per week during the first two (2) months of employment will be entitled to receive health care benefits on the first of the month following the first two (2) months of employment. All other Associates are eligible if they have averaged thirty (30) or more hours per week during the Company's monitoring period (currently a 12-month period from April to April each year).

10.4 Associates hired before September 20, 2018 will be offered the following:

Health and Welfare medical and prescription benefits: Eligible associates shall be offered the medical and prescription benefits the same as Rite Aid associates generally at the employee contribution rates below.

Associate weekly rates will be as follows:

Effective date	Single	Assoc + Child	Assoc + Spouse	Family
7/1/2021	\$36.15	\$59.71	\$62.05	\$87.00
7/1/2022 Plus	\$38.68	\$63.89	\$66.39	\$93.09
7/1/2023 Plus	\$41.39	\$68.36	\$71.04	\$99.61
7/1/2024 Plus	\$44.29	\$73.15	\$76.01	\$106.58

Optical Plan: Eligible associates shall be offered the vision plan the same as Rite Aid associates generally.

Dental Plan: Eligible associates shall be offered the dental plan the same as Rite Aid associates generally.

Life Insurance Plan: Eligible associates shall be offered the life insurance plan the same as Rite Aid associates generally.

Short Term Disability: Eligible associates shall be offered the short term disability plan the same as Rite Aid associates generally.

Flexible Spending Account: Eligible associates shall be offered the flexible spending account the same as Rite Aid associates generally.

Accidental Death & Dismemberment: Eligible associates shall be offered the life insurance plan the same as Rite Aid associates generally.

Voluntary Benefits: Eligible associates shall be offered the voluntary benefits the same as Rite Aid associates generally.

10.5 Layoff: In the event of layoff, the Employer agrees to continue benefit coverage until the end of the month in which an associate has been laid off.

10.6 Effective July 1, 2019, Associates will be offered the same Wellness offering as Rite Aid associates generally.

10.7 The Company reserves the right to implement, discontinue and/or modify surcharges in addition to the weekly contribution for any Associate at the same rates as Rite Aid associates generally.

10.8 Benefit eligibility for each monitoring period shall be based on the average hours worked during this designated period. The monitoring period is subject to change as per Company

guidelines and legal requirements. Associates will be notified of any monitoring changes prior to implementation.

10.9 All associates hired on or after September 20, 2018, if eligible, will receive the Rite Aid Health & Welfare Benefits at the same rates as Rite Aid associates generally.

10.10 Effective July 1, 2019, Rite Aid will no longer offer medical coverage to spouses who have medical coverage available to them through their Employer.

ARTICLE 11 - RETIREMENT

11.01 Payments Required. The Employer shall pay into the Sound Retirement Trust (“SRT”) 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.

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 and as subsequently amended, and known as the Sound Retirement Trust 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.

(a) This Agreement is subject to the Rehabilitation Plan adopted by the Board of Trustees for the SRT dated December 2021. The Board of Trustees of the Plan is authorized to adopt a Rehabilitation Plan. The Employer is required to make additional contributions under the Rehabilitation Plan and elects the Preferred Schedule as updated in December, 2021 and the following rates:

Current CBA Period	1/1/2021	1/1/2022	1/1/2023	1/1/2024
Base Rate	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20
Pre-Rehab Rate	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18
Current Rehab Rate	\$ 0.86	\$ 1.056	\$ 1.192	\$ 1.222
Total	\$ 1.24	\$ 1.436	\$ 1.572	\$ 1.602

(b) Until the effective date of the Employer's contributions to the Sound Variable Annuity Pension Trust (Sound VAP) 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 2021 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 such contributions under this Section in accordance with subsection (g).

(c) In accordance with the Preferred Schedule effective for hours worked, on and after the first day of the month occurring on or after 15 days following ratification, the Employer agrees to pay an additional supplemental contribution in an amount equal to the hourly rates contained in the above table, with the understanding that the additional supplemental contributions will not result in any pension credit for the covered employees.

(d) Upon the effective date of the employer's contributions to the Sound VAP 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 under this Section 11.03 will be reduced by this adjusted base contribution under this Section 11.03.

(e) The Employer will continue to contribute to the SRT and it is the parties' intention and understanding that withdrawal liability shall not be triggered by this Agreement since the Employer's obligation to contribute to the SRT shall not cease during this Agreement.

(f) 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. 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.

(g) 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. The parties understand that additional contributions for funding improvement made under the SRT's

Rehabilitation Plan shall be excluded from any calculation of withdrawal liability in accordance with applicable law.

11.04 Variable Annuity Plan.

(a) As of the effective date of the employer's contributions to Sound VAP, future service benefit accruals will be earned in the VAP. 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. The VAP shall operate on a calendar plan year basis.

(b) 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 of the employer's contribution to the Sound VAP, which shall be defined as W-2 gross wages for federal income tax purposes plus pre-tax elective deferrals under sections 401(k), 125, health and welfare plan contributions and amounts contributed for 132(f)(4) plans under the Internal Revenue Code of 1986, for each eligible active participant to the VAP. Notwithstanding the above, in no event shall the contribution be less than 125% of the base contribution to the SRT as of such 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 under the current collective bargaining agreement. Contributions shall be remitted monthly, in the same manner as they have been made to the SRT.

(c) 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. 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 in accordance with this Section. 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.

(d) 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.

(e) The eligibility, rights and features of the benefit design 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). 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.

(f) The Employer agrees to promptly provide 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 to allow administration of the VAP.

ARTICLE 12 - GENERAL CONDITIONS

12.1 Required promotional, sales, or other store meetings shall be considered time worked for the purpose of determining time and one-half (1½) after forty (40) hours worked. Sections 4.7 and 4.8 shall not apply to such meetings.

12.2 Whenever the Employer requires the wearing of uniforms or head coverings, the same shall be paid for by the Employer.

12.3 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.

12.4 Whenever any employee is required to work in more than one (1) store during the same day, such employee shall be compensated at his normal rate of pay. The mileage allowance when the employee uses his own car for business purposes shall be \$0.25 per mile or the Company policy, whichever is greater.

12.5 Management Rights - Except as herein clearly and explicitly limited in the express terms of this Agreement, the rights of the Employer in all respects to manage its business operation and affairs, including but not limited to the right to make and enforce reasonable rules to assure the orderly and efficient operation of the business, shall be unimpaired. The above rights of management are not all inclusive, but indicate the type of matters or rights which belong to and are inherent to management.

12.6 Drug and Alcohol Policy - Employees shall be subject to the Employer's Drug and Alcohol Policy, as those standards may be modified or amended by the Employer from time to time; provided, however, that prior to implementing any change in the Drug and Alcohol Policy, the Employer will give the Union notice of the proposed change and an opportunity to bargain. Any request to bargain must be received by the Employer within fifteen (15) calendar days after receipt of the proposed changes by the Union.

12.7 Safety Committee.

12.7.1 The Employer agrees that it will provide a safe and healthy workplace and agrees to correct any unsafe condition or safety or health hazards, within its control, as soon as possible. This includes the Employer's commitment to comply with all federal, state and local laws and regulations. The Employer agrees to promptly investigate all hazards, unsafe

conditions and accidents brought to its attention and to promptly remedy all hazards and unsafe conditions its investigation reveals if those hazards and/or conditions are within its control. The Employer will furnish, at its expense, all safety and protective equipment required or advisable for the protection of employees consistent with OSHA, WISHA, DOSH, Municipal and CDC applicable guidelines.

12.7.2. The Employer shall work with the Union to establish a Health and Safety Committee to discuss issues of Health and Safety at the stores. The Committee shall include up to two (2) bargaining unit representatives. The Committee shall meet quarterly, upon request from the Union, for up to three (3) hours. However, if urgent safety issues arise, or if the Parties deem it otherwise necessary, the Committee may meet more frequently based on mutual agreement. Committee members shall be paid by the employer for time spent at committee meetings. The Committee will review and monitor the Employer's Disaster and Evacuation map during the Committee meetings as needed. The Committee will include Union and Company representatives as well.

12.7.3. Each store's shop steward, or another employee designated by the Union, shall have access to inspect facility conditions and bring any hazards or unsafe conditions to the Company's attention. The Employer agrees to correct hazards and unsafe conditions, within its control, when the shop steward or designated employee brings them to its attention.

12.7.4. In the event an employee encounters an unsafe situation, the employee should inform the Employer to make them aware of the situation. The employee may also address their concern(s) with the Committee.

ARTICLE 13 - DISCIPLINE, DISCHARGE AND DISCRIMINATION

13.1 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. If an employee has not completed ninety (90) calendar days due to a leave of two (2) weeks or more duration, that leave time shall be excluded from the probation period calculation. Any termination within the said probationary period shall not be subject to the grievance and arbitration procedures of this Agreement.

13.2 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.

13.3 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.

13.4 Non-Discrimination - The Employer and the Union agree that each will fully comply with applicable city, county, state and federal 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.

13.5 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.

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

ARTICLE 14 - GRIEVANCE PROCEDURE

14.1 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 an accredited representative of the 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 14.6, 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.

14.2 If arbitration is requested, within five (5) days of such request, the moving party shall request a metropolitan panel of seven (7) arbitrators from FMCS and selection of the arbitrator shall be done by alternatively striking names until only one remains. If the original panel is determined by either party to be entirely unacceptable, a second panel will be requested by that party. The arbitrator will not have the right to change, modify or alter this Collective Bargaining Agreement and may only interpret the provisions of this Agreement

Upon the parties' agreeing to an arbitrator, a mutually agreeable hearing date will be scheduled.

14.2.1 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.

14.3 The parties shall notify the arbitrator at the time of selection of the requirement that he or she must render 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. The arbitrator shall not have the power to alter change or modify this Agreement in any respect.

14.4 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.

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

14.6 Grievances shall not be recognized unless received in writing by the accredited representative of either party, with a copy to the Employer, describing as fully as possible the matter at issue and the section(s) of the Agreement allegedly violated, within thirty (30) calendar days from the date the grieving party knew or should have known of the occurrence causing the complaint or grievance, except as otherwise provided herein. Following the filing and the response to the grievance, neither party is permitted to add to, subtract 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 its contractual position in writing based upon the newly acquired evidence; provided that in any event it is prior to requesting arbitration, as provided for under Section 14.1.

14.6.1 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 involved in the thirty (30) days immediately preceding the date upon which the grievance was received in writing.

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

14.6.3 Where a grievance arises 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.

14.7 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.

ARTICLE 15 - RIGHTS AND RESPONSIBILITIES

15.1 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.

15.1.1 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), handbilling or any other activity which interferes, directly or indirectly, with the Employer's operations at any location.

15.2 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 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 re-negotiation and agreement on the provision or provisions so invalidated.

15.3 Sales or Transfer of Store - Upon the sale or transfer of a store, the Employer 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 Employer 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

16.1 Except as provided below, this Agreement shall be in full force and effect as of the 1st day of October 2021, through the 30th day of September 2024, 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 31st day of August, 2022.

**UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL 21**

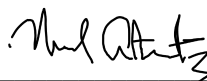


Faye Guenther, President

THRIFTY PAYLESS, INC. DBA RITE AID



Gordon Hinkle
Director, Labor Relations



7-18-2022

Michael Atcovitz - SVP, Strategic HR Business
Solutions • HL-Human Resources

MEMORANDUM OF UNDERSTANDING RE: SEATTLE’S SECURED SCHEDULING ORDINANCE

Thrifty Payless Inc. dba Rite Aid (“Employer”) and United Food and Commercial Workers Union Local No. 21 (“Union,” collectively, “the Parties”) enter this Memorandum of Understanding (“MOU”) effective August ~~31st~~, 2022. This MOU is considered part of the Parties’ 2021-2024 collective bargaining agreement, as extended. It shall remain in effect following the expiration of the 2021-2024 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 went into effect on July 1, 2017;

WHEREAS, there has been 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);

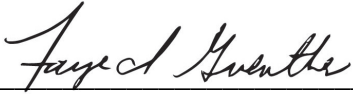
WHEREAS, the Employer’s scheduling practices – as controlled and guided by the Parties’ collectively-bargained terms – meets the public policy goals articulated in SMC Chapter 14.22, including providing for employee input into scheduling practices; creating processes for employees to obtain access to 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 MOU 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.

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IN WITNESS BY, the authorized representatives of the parties to this MOU have signed on this 31st day of August 2022.

**UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL 21**

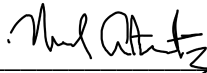


Faye Guenther, President

THRIFTY PAYLESS, INC. DBA RITE AID

 7-6-22

Gordon Hinkle
Director, Labor Relations



Michael Atcovitz - SVP, Strategic HR Business
Solutions • HL-Human Resources

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

WWW.UFCW3000.ORG

UFCW3000



UFCW3000

1-800-732-1188 | MEMBER RESOURCE CENTER 1-866-210-3000

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