

RETAIL MEAT AGREEMENT
By and Between
SAAR'S, INC.
For and on Behalf of
OAK HARBOR MARKET PLACE
And
UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL 21

APRIL 6, 2014 through APRIL 8, 2017

This Agreement is entered into by and between Saar's, Inc., for and on behalf of Oak Harbor Market Place, referred to hereinafter as the "Employer" and the United Food and Commercial Workers Union Local 21, referred to hereinafter as the Union".

It is the intent and purpose of the Company and the Union to promote and improve labor management relations between them and to set forth the basic terms of agreement covering wages, hours and conditions of employment to be observed by the parties to this Agreement.

In consideration of the mutual promises and agreements between the parties hereto, and in consideration of their mutual desire in promoting the efficient conduct of business and in providing for the orderly settlement of disputes between them, the parties to this Agreement agree as follows:

ARTICLE 1 -RECOGNITION AND BARGAINING UNIT

1.01 Saar's, Inc. hereby recognizes United Food & Commercial Workers Union Local 21 as the sole and exclusive collective bargaining agency for all employees of the Employer whose job classifications are set forth herein.

1.02 The jurisdiction, of Local Union No. 21 covers the cutting, handling and sale of all fresh meats, poultry, and rabbits in the geographical area covered by this Agreement, in both service and self-service markets. The Union agrees to inform the Employer whenever it shall sign this Agreement with any newly organized market.

1.03 It is agreed that those Employers who are currently using members of Local 21 in their self-service delis shall continue to do so regardless of where located.

1.04 Whenever fresh meat is offered for sale at least one (1) Journeyman Meat Cutter must be employed Monday through Saturday in each market for at least eight (8) hours, exclusive of lunchtime, each day except for holiday weeks when a Journeyman need not work the holiday. In the event the Union enters into any agreement which permits a retail meat market within its jurisdiction to require a Journeyman Meat Cutter to be employed five (5) days per week, the firms covered by this Agreement shall automatically have the right to also schedule a Journeyman Meat Cutter five (5) days per week,

notwithstanding 1.04 of this Article, but otherwise in accordance with all other provisions of the Agreement.

1.05 Whenever work is done in a market, it will be performed by a member of the bargaining unit with the exception of cleanup work.

1.06 The work of pricing performed in service or self-service markets covered by this Agreement shall be performed by members of Local Union No. 21.

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

ARTICLE 2 -UNION MEMBERSHIP

2.01 Pursuant to and in conformance with Section 8 (a) 3 of the Labor Management Relations Act of 1947, it shall be a condition of employment that all employees covered by this Agreement shall make application to join on the date of employment or within thirty-one (31) days following the signing of this Agreement, whichever is later, and must maintain membership in good standing for the life of this Agreement and any renewal thereof. The Employer shall discharge any employee as to whom the Union, through its business agent, delivers to the Employer's main office a seven day written notice that such employee is not in good standing, unless, within the seven day period, Employer is notified that the notice is revoked.

2.01.1 For the purpose of this Agreement, good standing shall be defined as the tendering of dues and initiation fees uniformly required of members of the Union.

2.01.2 The Union agrees to hold the Employer harmless for discharge made pursuant to this Article.

2.02 The actual owner shall be exempt from membership in the Union, but in cases of two or more partners in a market, only one shall be designated as owner.

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

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

ARTICLE 3 -SENIORITY, LAYOFFS, AND DISCHARGES

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

3.01.1 Service Counter Employees shall obtain seniority after ninety (90) calendar days with the Employer.

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

3.01.3 Seniority shall be broken in the event of a layoff in excess of six (6) months.

3.01.4 There shall be established four (4) separate seniority groups.

1) Journeyman, 2) Apprentices, 3) Wrappers, and 4) Service Counter employees.

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

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

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

3.01.8 A Service Counter employee promoted to Wrapper or Apprentice Meat Cutter shall have a ninety (90) day trial period. Said trial period shall not jeopardize the employee's former classification or seniority. There shall be no reduction in pay to any Service Counter employees as a result of promotion to

Wrapper or Apprentice Meat Cutter, i.e., the Service Counter employee rate of pay shall apply until such time as the Wrapper/Apprentice rate exceeds the Service Counter rate, at which time the Wrapper/Apprentice rate shall apply.

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

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

3.01.11 If the laid off employee accepts the vacancy, he shall be considered as a new employee in such seniority group including probationary period, seniority, and wages, but shall retain his seniority in the seniority group from which he was laid off six (6) months as provided in Section 3.01.3. The laid off employees shall retain their length of service with the company for purposes of vacation, sick leave, leave of absence, and jury duty. If the laid off employee remains in the new seniority group for six (6) months, he shall then retain his original seniority date.

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

3.02 Journeyman promoted to Head Meat Cutter shall not lose his seniority status. Seniority shall not apply in the selection of Head Meat Cutters.

3.03 For the purpose of the above paragraphs of this section, seniority shall prevail on a company-wide basis or a company-district basis within the jurisdiction of this Agreement. Employees contemplating a change between bargaining units and continuing to work for the same Employer will be provided with a written understanding of their seniority status as a result of the transfer from one bargaining unit to another prior to such transfer by the Employer. A copy of same will be sent to the Union.

3.03.1 Where an employee is transferred to a different area with the same Employer within a geographic jurisdiction covered by the Collective Bargaining Agreements between the Employer and United Food and Commercial Workers Local Unions #21 and #367, the transferred employee shall retain all seniority rights with the Employer but shall not be entitled to exercise such rights until the expiration of six (6) months after the date of transfer, at which time his or her seniority shall be based upon the original seniority date with the Employer, regardless of area. However, during such period of six (6) months the transferred employee shall accrue seniority rights in the new area from the date of transfer and shall retain all seniority rights in the area from which he or she was transferred. Such transfers shall be by mutual agreement between the Employer and employee. The affected Local Unions shall be notified of such transfers.

3.03.2 If the transferred employee is laid off in the new area (prior to the six (6) month period) he or she shall have the option of either remaining on layoff in the new area or returning to original

area in accordance with his or her seniority. The option to return to the original area must be exercised, in writing to the Employer, within two (2) weeks of layoff in the new area or this option is waived and no longer applicable. A reduction of weekly hours shall not be considered a layoff.

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

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

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

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

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

3.04 The Employer reserves the right to discharge or discipline any employee for just cause. After an employee has acquired seniority, the Employer shall give the employee one (1) written warning with a copy to the Union prior to discharge, except in cases of discharge for drunkenness, dishonesty, or such other misconduct which is so serious in nature as to justify discharge without written warning.

3.05 No one shall be discharged during or immediately following an illness or accident, except as provided in section 3.04 above, provided the employee is able to return to work within twelve (12) months and is able to perform all required duties.

3.06 In order for the Employer to have ample time in which to properly evaluate the performance of an employee, it is hereby agreed the Employer has ninety (90) calendar days after initial date of employment in which to evaluate that employee for continued employment. Within said ninety (90) calendar day period, the Employer may terminate the employee without recourse from the Union. This ninety (90) day period shall be extended by the amount of time the employee is absent from or unavailable for work due to medical reasons during the probationary period. The Employer must notify both the employee and the Union in writing, prior to the completion of the probationary period, of their intent to extend the probationary period.

ARTICLE 4 -LEAVE OF ABSENCE

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

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

4.01.2 Pregnancy; and,

4.01.3 Serious illness or injury in the employee's immediate family. Length of such leave shall not exceed twelve (12) weeks in conformance with the Family Medical Leave Act.

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

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

4.03 Any request for a leave of absence under the terms of Section 4.1 and 4.2 shall be in writing and state the following information:

4.03.1 Reason for such request;

4.03.2 Date leave is to begin; and,

4.03.3 Date of return to work.

4.04 Any leave of absence with the exception of Section 4.01.3 and 4.05, may run to a maximum of nine (9) months.

4.05 Leaves due to occupational injuries that result from employment with the current Employer regardless of length of service, shall be granted for a period of up to eighteen (18) months unless a longer period is agreed upon between the Employer and the Union.

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

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

4.06.2 The employee shall then return to the job previously held or to a job comparable with regard to rate of pay, on the first weekly schedule prepared after the Employer has received notice in writing of the employee's availability.

4.07 Any employee found to have abused the "leave of absence" by falsification or misrepresentation shall thereupon be subject to disciplinary action.

ARTICLE 5 -HOURS OF WORK AND OVERTIME

5.01 In order to give employees as much notice as possible in the planning of their weekly schedules of work, the Employer agrees to post a work schedule for all regular full-time and all regular part-time employees by the end of the first full shift Wednesday of the preceding workweek, including employees scheduled to work on Sundays shall be notified on the preceding Wednesday, and except in cases of emergency, no changes shall be made to said schedule without forty-eight (48) hours' notice to the employees involved in such changes of schedule. All emergency change of shift hours will be reported to the Union.

5.01.1 All time worked after eight (8) consecutive days shall be paid at the rate of time and one-half (1-1/2) the appropriate contract rate (excluding Sunday/holiday premium pay) until a day off is given. Employees requested to work the ninth (9th) consecutive day shall advise management that they have already worked eight (8) consecutive days.

5.02 Forty (40) hours shall constitute a weeks' work, five (5) days per week, Sunday through Saturday. Nine (9) hours, including not more than one (1) hour off for lunch, shall constitute a day's work. No split shifts shall be allowed. Any employee called to work shall be offered no less than four (4) hours work with four (4) hours pay; provided, however, this shall not apply in emergency situations beyond the Employer's control.

5.02.1 Employees scheduled to work on Sundays and holidays shall do so on a voluntary basis by seniority. If the Employer is unable to obtain sufficient qualified volunteers, then it shall assign such work on an inverse rotating seniority basis by store.

5.03 Subject to the provision of paragraph 5.01 and 5.02 of this Article 5, the Employer shall otherwise have the right to decide and schedule the number of daily and weekly hours to be worked by individual employees in each individual market. Senior employees in each seniority group listed in Article 3, paragraph 3.01 above, within the individual market, if merit and ability are equal, shall be offered the most weekly hours up to a maximum of forty (40) hours per week; provided the senior employee is available to perform the work and has notified the Employer in writing of his or her desire to work additional hours. Nothing in this paragraph shall be construed to require pay for time not actually worked. Employees normally working forty (40) hours per week shall not have their hours arbitrarily reduced for the sole purpose of increasing the working hours of presently employed part-time employees or for the purpose of employing additional part-time employees.

5.04 Overtime at the rate of time and one-half shall be paid for all work performed over eight (8) hours per day and forty (40) hours per week. Where work is performed on six (6) days in anyone week, Monday through Saturday, time and one -half (1-1/2) shall be paid for the day the least number of hours worked.

5.05 Except for cleaning the market at closing time, a premium rate of fifty cents (50¢) per hour shall be paid in addition to the straight-time rate for all work (except Service Counter) performed between the

hours of 7:00 pm and 6:00 am. Service Counter employees shall receive a premium rate of twenty-five cents (25¢) per hour in addition to the straight-time rate of pay for work performed between the hours of 10:00 pm and 6:00 am.

5.06 Employees shall not be required to take time off in lieu of overtime or premium pay.

5.07 There shall be no free time or time off the clock work practices under this Agreement. Any employee found by the Employer to be engaging in such unauthorized practice shall be subject to discipline which may include termination.

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

ARTICLE 6 - REST PERIODS

6.01 All employees shall be entitled to a rest period of fifteen (15) minutes for each continuous work period of four (4) hours in a daily straight-time or night shift. Any employee who works eight (8) hours in a daily straight-time or night shift shall receive two (2) fifteen (15) minute rest periods, one (1) prior to the lunch and one (1) after the lunch period.

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

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

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

ARTICLE 7 -HOLIDAYS

7.01 The following days shall be considered holidays for employees who have acquired seniority (for employees hired on or after June 3, 2011, the initial wait for holiday eligibility shall be six consecutive months):

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

The holidays set forth in section 7.01 shall be observed as holidays on the date established for each by Federal legislation.

Employees with one (1) year of continuous service with the Employer shall receive three (3) personal days as paid holidays each year to be scheduled as mutually agreed. Employees shall give the Employer fourteen (14) days notice prior to the days requested as personal holidays. By mutual agreement between the Employer and employee, the employee may receive payment, at the straight-time rate, in lieu of such personal holidays in accordance with Section 7.02 of Article 7.

7.02 A regular full-time employee shall receive no reduction in his straight-time weekly pay as the result of the holiday not worked, provided such employee works sometime during the week in which the holiday occurred and works his last scheduled working day preceding and his next scheduled working day immediately following the holiday. A part-time employee who averages twelve (12) hours or more per week shall be paid for the holiday on the basis of one-fifth (1/5) the employee's average hours worked per week in the four (4) weeks immediately preceding the holiday week, to a maximum of eight (8) hours, provided the employee works sometime during the holiday week and reports for work his last scheduled working day preceding and/or his next scheduled working day immediately following the holiday. An employee shall not be deprived of holiday pay if he is absent from work his last scheduled working day preceding and/or his next scheduled working day immediately following the holiday if he is unable to work such scheduled working day for one or more of the reasons specified below, provided that the employee has in all other respects qualified for pay for the holiday not worked, including the requirement to work sometime during the week in which the holiday occurs.

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

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

7.02.3 Temporary layoff.

7.02.4 Jury duty as defined in Article 10.

7.02.5 Funeral leave as defined in Article 11.

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

7.02.7 The requirement to work sometime during the holiday week shall be waived when the involuntary absence is caused by an on-the-job illness or accident that is incurred in the week prior to the holiday week, and is determined to be covered by the State Industrial Insurance.

7.03 Regular full-time employees may work the fifth day in a holiday week at straight-time by mutual consent between the employee and the Employer, but there shall be no discrimination if an employee declines to work more than four (4) days in a holiday week. In a holiday week, either thirty-two (32) straight-time hours or forty (40) straight-time hours worked constitutes a week's work. If an employee works 32 or more hours in a holiday week, they shall receive 8 hours of holiday pay.

7.04 Employees scheduled to work on a holiday shall be on a voluntary basis. If the Employer is unable to obtain sufficient qualified volunteers, then he shall assign such work on an inverse seniority basis.

7.05 Current employees working on a holiday shall be paid at the rate of time and three-quarters (1-3/4) in addition to their holiday pay; provided this shall not apply to the employee's three (3) personal holidays. Employees hired on or after June 3, 2011 shall be paid time and one half the straight time wage rate for work performed on the holiday.

7.06 Employees required to work after 6:00 pm on New Year's Eve or Christmas Eve shall be entitled to time and one-half (1-1/2) for all hours worked after 6:00 pm on such days. There shall be a fifteen (15) minute grace period from 6:00-6:15 pm. Employees who complete their shift within the grace period shall not be entitled to the premium pay.

ARTICLE 8 -VACATION

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

<u>Hours Worked</u>	<u>Hours of Paid Vacation</u>
1000 to 1200	20
1200 to 1600	24
1600 to 2000	32
2000 or more	40

8.02 Employees on the second and each subsequent anniversary date of their employment to the fifth (5th) anniversary date of their employment (after the second (2nd) and each subsequent year to the fifth (5th) year of continuous employment) shall be entitled to a vacation with pay at the hourly rate in effect at the time vacation is paid and based upon the number of hours worked in the preceding twelve (12) months as follows:

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

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

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

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

<u>Hours Worked</u>	<u>Hours of Paid Vacation</u>
1000 to 1200	80
1200 to 1600	96
1600 to 2080	128
2080 to 2288	160
2288 to 2496	176
2496 or more	192

8.05 Regular employees who average twenty (20) hours or more per week, who terminate or are terminated (discharge or dishonesty excepted) after the first of any subsequent anniversary date of their employment and prior to their next anniversary date of employment shall be entitled to vacation pay at their straight-time hourly rate based upon the number of straight-time hours worked since the last anniversary date of their employment at the following rates of each full one hundred (100) hours worked: After the first (1st) to the fifth (5th) anniversary date, four (4) hours' vacation pay; after the fifth (5th) to the twelfth (12th) anniversary date, six (6) hours' vacation pay; and after the twelfth (12th) anniversary date, eight (8) hours' vacation pay.

8.06 Vacation may not be waived by employees nor may extra pay be received for work during that period, provided however, that by prior mutual agreement between the Employer, employee and the Union, this provision may be waived. Only two (2) weeks of a three (3) or four (4) week vacation need be consecutive, but this does not preclude more than two (2) consecutive weeks off by mutual agreement between the Employer and the employee.

8.07 Employees whose vacations are scheduled during a holiday week shall receive holiday pay provided for under the terms of Article 7, paragraph 7.02 of this Agreement in addition to vacation pay.

8.08 It is hereby understood and agreed that in computing "Hours of Paid Vacation" for full-time employees (employees who regularly appear on the payroll for forty (40) hours or more per week), the terms of Article 8, paragraph 8.01, 8.02, 8.03, and 8.04 shall be applied so that working time lost up to a maximum of one hundred sixty (160) hours due to verified cases of sickness or accident shall be counted as time worked. In determining the number of hours paid vacation to which an employee is entitled, there shall be no deduction from his bank of hours due to absence from work because of vacation or holiday time earned and taken under this Agreement.

8.09 Earned vacation must be taken within twelve (12) months of the employee's anniversary date.

8.10 Vacation hours for continuing employees shall be considered hours worked for the purpose of establishing eligibility under the Retail Clerks Health and Welfare Trust and the Washington Meat Industry Pension Trust. As such, vacation hours and the corresponding contributions due shall be reported and paid to those Trusts during the month in which the employee takes the vacation time from work.

ARTICLE 9 -SICK LEAVE

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

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

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

9.03 Sick leave pay, to the extent it has been earned, shall begin on the third (3rd) normally scheduled working day of illness or injury or the first (1st) normally scheduled working day, if the employee is hospitalized on such first (1st) normally scheduled working day and shall continue for each normally scheduled working day of illness thereafter, and shall be in an amount per day equal to the average

number of straight-time hours worked per day by the employee during the past twelve (12) months, provided, 1) the daily total of sick leave pay under this Article and disability payments provided by the Health and Welfare Plan or State Industrial Insurance shall not exceed the current regular straight-time rate for the employees' average hours up to eight (8) hours per day, and 2) not more than five (5) days sick leave pay shall be required in anyone (1) work week. For purposes of this Article, disabling outpatient surgery will be treated as hospitalization.

9.04 Sick leave pay shall be cumulative from year to year, but not to exceed a maximum of one hundred twenty (120)* hours. Sick leave pay must be earned by employment with one (1) Employer. *For hours earned after June 2, 2002, increase the maximum sick leave bank to one hundred sixty (160) hours.

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

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

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

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

9.09 Employees shall be permitted to use the above sick leave benefits for family leave to care for immediate relatives as provided in Revised Code of Washington State 49.12.

ARTICLE 10 -JURY DUTY PAY

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

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

10.01.2 If an employee is required to appear on behalf of his/her Employer during regular scheduled hours, he/she shall receive compensation at their regular straight-time hourly rate of pay for the time spent in making such appearance, less any witness fees. In this event, these hours will be considered compensable hours under the terms of this Agreement.

ARTICLE 11 -FUNERAL LEAVE

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

ARTICLE 12 -APPRENTICES

12.01 All matters concerning apprentices shall be provided in the Bellingham Meat Cutters Joint Apprenticeship Standards as approved by the Joint Apprenticeship Council and the Washington State Apprenticeship Council.

12.02 Apprentices shall only be employed with the understanding that such Apprentices shall be given every opportunity to learn the trade.

12.03 Notwithstanding the above provisions of this Article 12, Apprentices may work alone in the market.

ARTICLE 13 -WAGES

13.01 For the purposes of this exhibit, a month of experience shall be one hundred seventy-three and one-third (173-1/3) hours of employment; provided however, no employee shall be credited with more than 173-1/3 hours of experience in anyone calendar month.

13.02 Wrapper employees, as covered by this Agreement, shall not be permitted to cut, bone, or grind fresh meat; however, the Wrapper may cut a steak or roast which has already been processed by a Meat Cutter to size in order to serve a customer, modify any prepared cut to suit a customer, use the slicing machine or cube steak machine to serve customers.

13.03 Sunday Premium Pay: Employees hired before June 3, 2011 shall receive time and one-third (1-1/3) the regular straight-time rate of pay for Sunday work.

Employees hired on or after June 3, 2011 shall receive \$1.00 per hour over the employee's straight-time rate for all hours worked on Sunday.

Ratification Bonus:

For all Journeyman employees on the payroll on the ratification date of this agreement, there shall be a lump sum payment which shall be calculated by taking 25¢ per hour for all Journeyman hours and 15¢ per hour for all Apprentice hours compensated in the previous twelve (12) months. For all Apprentice employees on the payroll on the ratification date of this agreement, there shall be a lump sum payment which shall be calculated by taking 15¢ per hour for all Apprentice hours compensated in the previous twelve (12) months.

(The bonus is to be paid on all hours compensated regardless if the hour was a straight-time hour or overtime hour. The parties have factored in overtime requirements in the 25¢ and 15¢ figures.)

Meat Cutters:

For employees hired prior to June 3, 2011:

Classifications	Current	June 7, 2015	June 5, 2016
Market Manager	\$22.85	\$23.10	\$23.35
Journeyman	21.85	22.10	22.35
4 th 6 months	16.76	16.76	16.76
3 rd 6 months	15.83	15.83	15.83
2 nd 6 months	13.98	13.98	13.98
1 st 6 months	12.12	12.12	12.12

For employees hired on or after June 3, 2011:

Classifications	April 3, 2011	June 3, 2012	June 2, 2013
Market Manager	\$22.85	\$23.10	\$23.35
Journeyman	\$21.85	22.10	22.35
6 th 6 months	19.70	19.70	19.70

5 th 6 months	18.15	18.15	18.15
4 th 6 months	16.60	16.60	16.60
3 rd 6 months	15.06	15.06	15.06
2 nd 6 months	13.51	13.51	13.51
1 st 6 months	11.96	11.96	11.96

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

Meat Wrappers:

For employees hired prior to April 3, 2005:

Meat Wrappers	Current	June 7, 2015	June 5, 2016
Journeyman	\$19.30	\$19.55	\$19.80
3294-4160 hrs	12.65	12.65	12.65
2428-3293 hrs	11.87	11.87	11.87
1561-2427 hrs	11.04	11.04	11.04
693-1560 hrs	9.55	9.55	9.55
0-692 hrs	9.29	9.42	9.42

For employees hired on or after April 3, 2005:

Meat Wrappers	Current	June 7, 2015	June 5, 2016
Journeyman	\$19.30	\$19.55	\$19.80
Next 520 hours	13.56	13.56	13.56
Next 1040 hours	12.06	12.06	12.06
Next 1040 hours	11.06	11.06	11.06
Next 1040 hours	10.06	10.06	10.06
Next 1040 hours	9.56	9.72	9.72
Next 1040 hours	9.29	9.62	9.62
Next 1040 hours	9.29	9.52	9.52

1 st 1040 hours	9.29	9.42	9.42
----------------------------	------	------	------

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

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

13.04 Service Counter Employee-Service Counter employees will be considered a separate classification for all purposes including seniority. Service Counter employees shall not be permitted to cut, bone, grind fresh meat or perform wrapping of any products in preparation for sale in self-service cases.

13.04.1 Service Counter employees' duties shall be to maintain cleanliness of the Service Counter area, prepare seafood products for display, display product and service customers in the Service Counter area. Service Counter employees may cut a steak or roast which has already been processed by a Meat Cutter to size in order to serve a customer, or modify any prepared cut to suit a customer. When a Meat Cutter or Meat Wrapper is not on duty, the Service Counter employee may stock the self-service case with products that have been prepared by Meat Cutters or Meat Wrappers and are in storage ready for sale.

Seafood products may be wrapped and priced in the Service Department and placed in the Self-Service Meat Counter or other places in the store for customers to purchase provided the store has a designated Lead Service Counter employee.

A lead person shall be assigned to each Service Counter. Seniority shall not apply in the selection of the Lead Service Counter employee. This position shall apply to the employee assigned by management the responsibilities of directing work within the Service Counter area. Service Counter employees assigned to the lead position shall not lose their seniority status.

For employees hired prior to April 3, 2005:

Service Counter	Current	Sunday	6/7/15	Sunday	6/5/16	Sunday
Lead Service	\$15.60	\$18.27	\$15.85	\$18.52	\$16.10	\$18.77
Journey person	15.10	17.77	15.35	18.02	15.60	18.27
3121-3812 hours	9.86	12.53	9.86	12.53	9.86	12.53
2423-3120 hours	9.29	11.87	9.72	12.39	9.72	12.39

1730-2422 hours	9.29	11.67	9.62	12.29	9.62	12.29
866-1729 hours	9.29	11.47	9.52	12.19	9.52	12.19
0-865 hours	9.29	11.32	9.42	12.09	9.42	12.09

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

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

For employees hired on or after April 3, 2005*:

Service Counter	Current	Sunday	6/7/15	Sunday	6/5/16	Sunday
Lead Service	\$15.60	\$18.27	\$15.85	\$18.52	\$16.10	\$18.77
Journey person	15.10	17.77	15.35	18.02	15.60	18.27
Next 520 hours	11.00	13.67	11.00	13.67	11.00	13.67
Next 1040 hours	10.50	13.17	10.50	13.17	10.50	13.17
Next 1040 hours	10.00	12.67	10.00	12.67	10.00	12.67
Next 1040 hours	9.50	12.17	9.82	12.49	9.82	12.49
Next 1040 hours	9.29	11.96	9.72	12.39	9.72	12.39
Next 1040 hours	9.29	11.96	9.62	12.29	9.62	12.29
Next 1040 hours	9.29	11.96	9.52	12.19	9.52	12.19
1 st 1040 hours	9.29	11.96	9.42	12.09	9.42	12.09

For Service Counter employees hired after June 3, 2011 all work performed on Sunday shall receive \$1.00 per hour over the employees straight time rate for all hours worked on Sunday.

ARTICLE 14 -GENERAL CONDITIONS

14.01 It is expressly understood that employees receiving more than the minimum compensation or enjoying more favorable working conditions than provided for in this Agreement, shall not suffer by reason of signing or adoption; however, the terms of this Agreement are intended to cover only

minimums of wages and other employee benefits. The Employer may place superior wages and other employee benefits into effect and reduce the same to the minimum herein prescribed without the consent of the Union.

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

14.03 Proprietors of one-man markets must be members in good standing in order to display the Union Shop Card.

14.04 The Employer agrees to display the Union Shop Card of the United Food and Commercial Workers International, which is the property of the Union, cannot be sold, and can be withdrawn from the market for violation of this Agreement. Where no contract is signed, the Union Card, when displayed, is considered as willingness to abide by the terms of this Agreement with the Union.

14.05 After first contacting the Employer or his representative, the Business Representative of the Union shall be allowed access to the shops to investigate the working conditions to see that this Agreement is in full force and effect, providing that no interview of employees be held during rush hours.

14.06 No employee shall be discriminated against for upholding lawful Union principles or be discharged without good and sufficient cause. The Union agrees not to discipline or discriminate against any Market Manager in the performance of their supervisory responsibilities.

14.07 There shall be no individual agreements between an Employer and employee which are in conflict with this Agreement.

14.08 When two or more Employers in the same merchandising group who are parties to this Agreement schedule or transfer an employee between their markets, those Employers shall establish a method of insuring that the employee involved suffers no loss of any benefit covered by this Agreement which he would earn if he were employed for the total number of hours between Employers, by only one Employer.

14.09 Stock taking (inventory) or book work shall be paid at the appropriate rate.

14.10 Where time clocks are not provided, the Employer will provide time cards or time sheets to be completed accurately by the employee.

14.11 Required store meetings shall be paid for at the straight-time rate and shall be considered time worked for the purpose of computing overtime for all hours in excess of forty (40) during any workweek. Section 5.02, split shift and four-hour call-in, shall not apply to this Section.

14.12 Employers party to this Agreement shall use "cal-rods", mechanical cutters, or other similar devices applying to wrapping machines.

14.13 The Company agrees to notify the Union of the sale and/or closure of a store at least thirty (30) days in advance, whenever practical. Reasons where the thirty (30) days' notice is not practical may include but are not limited to lease contingencies, financing arrangements, and/or finalization of the buy/sell agreements.

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

ARTICLE 15 -HEALTH AND WELFARE

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

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

15.03 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 Retail Clerks Welfare Trust, dated June 18, 1957, and as may be subsequently amended.

15.04 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.

15.04.1 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.

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

ARTICLE 16 -RETIREMENT PROGRAM

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

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

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

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

16.05 The Union and the Employers party to this Agreement direct the Trustees of the Sound Retirement Trust to enter into a merger with the Trustees of the Washington Meat Industry Pension Trust effective with a target date of July 1, 2014 and give full authority to effectuate such merger to the Board of Trustees of the Sound Retirement Trust and the Washington Meat Industry Pension Trust without further approval of the parties to this Agreement. It is understood that the contribution rates specified below would be paid to the continuing Trust. Contemporaneously with the merger of the Washington Meat Industry Pension Trust into the Sound Retirement Trust, the bargaining parties also direct that the Trustees of the Sound Retirement Trust enter into a transfer agreement under which all Kroger related liabilities of the Washington Meat Industry Pension Trust will be transferred to the UFCW Consolidated Pension Fund. The parameters of the merger and the transfer, including the transfer of assets and liabilities, is set forth in Appendices hereto.

16.06 Prior to the merger of the Washington Meat Industry Pension Trust and the Sound Retirement

Trust, the Employers shall continue to contribute at their current contribution rates of:

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

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

Meatcutters/Wrappers: \$0.45 per hour

Service Counter: \$0.225 per hour

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

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

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

16.07 The Union shall have the right to defer any contractual Journeyman wage increase arising during this contract into the Pension Plan. The Union shall decide whether and for how long such deferral will last. Such additional contribution shall go to deficit reduction, and not to increase the benefit credit. The details of the deferral are subject to review and approval by the trustees and trust counsel.

16.08 Pension Protection Act ("PPA").

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

ARTICLE 17 -NON-DISCRIMINATION

17.01 The parties to this Agreement do hereby agree not to discriminate on the basis of race, color, national origin, or age and acknowledge their responsibilities under all applicable laws and executive orders concerning discrimination, and do hereby agree that same shall apply in the administration of this Agreement.

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

ARTICLE 18 -NEW METHODS

18.01 Sixty (60) days prior to the introduction of any new methods of operation into the bargaining unit that would create the need for a new work classification and rate of pay for such new classification, the Employer shall notify the Union of any such new methods, including a description of work being performed and the wage rate assigned. Any questions as to the adequacy of the wage rate established for the new job classification shall be presented in writing by the Union within ten (10) calendar days following the Employer's written notice to the Union, and shall be subject to negotiation and if not agreed upon, shall be subjected to the grievance procedure as set forth in Article 19 of this Agreement.

ARTICLE 19 -VIOLATION -GRIEVANCES

19.01 All matters pertaining to the proper application and interpretation of any and all of the provisions of this Agreement, shall be adjusted by the accredited representative of Saar's, Inc., and the accredited representative of the Union. In the event of the failure of these parties to reach a satisfactory adjustment within seven (7) days from the date a grievance is filed in writing by either party upon the other, the matter shall be referred for final adjustment to a labor relations committee selected as follows: Two (2) members from the Employers and two (2) members from the Union. In the event the labor relations committee fails to reach an agreement within twenty-one (21) days from the date a grievance is filed in writing by either party upon the other, the four (4) shall select a fifth (5th) member or they shall take turns striking names off the list of the following permanent panel:

1. Gary L. Axon
2. Howell Lankford
3. Michael E. Cavanaugh
4. Joseph W. Duffy
5. Alan Krebs
6. Tom Levak
7. Ron Miller
8. James Paulson
9. Shelly Shapiro
10. Martin Henner
11. Kathryn T. Whalen
12. Jane R. Wilkinson
13. Timothy D.W. Williams

19.01.1 In cases where it is concluded that an employee has been improperly discharged, the Arbitrator may reinstate the improperly discharged employee. The Arbitrator may not render an award which requires the Employer to pay an improperly discharged or suspended employee for time that the employee has not actually worked in excess of the wage and benefits the employee would have earned had he worked his normal schedule during the one hundred and eighty (180) calendar days immediately following the date of discharge or suspension.

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

19.02 During the process of making adjustments under the rule and procedure set forth in paragraph 19.01 above, no strike or lockout shall occur.

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

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

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

19.06 During the life of this Agreement, the Union agrees not to engage in any strike or stoppage of work and the Employer agrees not to engage in any lockout. It shall not be a cause for discharge or discipline and it shall not be a violation of this Agreement for any employee to refuse to cross a primary labor union picket line at the Employer's premises which has been established to support a legal strike, provided the picket line is approved by United Food and Commercial Workers Local 21.

ARTICLE 20 -SAVING CLAUSE

20.01 In the event any provision of this Agreement is subsequently found to be in conflict with any federal law, the parties shall meet and enter into negotiations to revise and amend such provision to conform to law. However, any such conflict shall not invalidate any other provision of the Agreement.

ARTICLE 21 -TERM OF AGREEMENT

21.01 This Agreement shall be in full effect and binding upon both parties from the 6th day of April, 2014, to the 8th day of April, 2017. It shall automatically renew itself thereafter from year to year unless opened by either party upon sixty (60) days' written notice prior to the expiration date.

IN WITNESS WHEREOF, we attach our signatures this 24th day of February 2016.

SAAR'S, INC.
OAK HARBOR MARKET PLACE

Greg Saar
Greg Saar, Owner Warren Martin, Attorney

UNITED FOOD & COMMERCIAL
WORKERS LOCAL #21

Todd Crosby
Todd Crosby, President

**LETTER OF UNDERSTANDING #1
CONCERNING DUES CHECK OFF
MEAT
OAK HARBOR MARKET PLACE**

1. Added initiation and uniform dues though payroll deduction as follows:
 - a. Union Dues Check-Off On a monthly basis the Employer agrees to deduct uniform dues and initiation fees from the paycheck of those covered employees whose individual written unrevoked authorizations are on file with the Employer and to transmit the amounts so deducted to the Union within twenty (20) days of such deductions. Said deduction authorizations shall be in such form as to conform with Section 302© of the Labor Management Relations Act of 1947. (Note: Change to provide weekly deduction with monthly remittance as soon as practical after written notice from the Union.)
 - b. Authorized initiation fees will be deducted in three (3) equal installments and remitted to the Local Union monthly.
 - c. It is understood the Employer is not liable in any manner if the employee is not on the payroll at the time deductions are being processed.
 - d. Indemnify and Hold Harmless: The Union shall indemnify and hold the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company in reliance upon signed authorization cards furnished to the Company by the Union or for the purpose of complying with and of the provisions of this Article.
2. The involved Employer shall be granted a reasonable period to adopt administrative and payroll procedures to accommodate this Agreement.
3. Active Ballot Club
 - a. For employees who voluntarily authorize a contribution to the UFCW Active Ballot Club political action committee, the Employer agrees to deduct the authorized amount each payroll period on a payroll deduction basis and forward same to the Union monthly.

**LETTER OF UNDERSTANDING #2
CONCERNING MOST FAVORED NATIONS ARTICLE
MEAT
OAK HARBOR MARKET PLACE**

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

**LETTER OF UNDERSTANDING #3
DOCTOR'S NOTES**

The Employer agrees that it will not automatically require doctor's notes when employees call in sick.

**LETTER OF UNDERSTANDING #4
GRIEVANCE PROCEDURE**

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

1. All disputes that are resolved at the store level (whether a formal grievance has been filed or not) shall be on a non-precedent basis (unless otherwise expressly stated in writing) and shall not be used by any party in any other situation or procedure regarding another employee or union agent and any manager or supervisor at the store or regional level.
2. The parties should strive to share factual details regarding a grievance (or pre-grievance issue) as early as possible in the process. The filing party should provide as much detail as possible in the original grievance or soon thereafter. The responding party should provide as much detail as possible with its response. This will allow both parties to more effectively investigate and assess the grievance and hopefully resolve the matter short of needing an in person grievance meeting.
3. Written warnings need not be processed beyond the union filing a grievance in order to preserve the union's right to challenge the warning if it is used as progressive discipline in the future.

PENSION ADDENDUM
BETWEEN
ALBERTSONS AND SAFEWAY
and
UFCW LOCAL 21

1. Safeway and Albertsons will agree to support a merger of the Washington Meat and Sound Pension Funds and will agree to merge their meat employees into the Sound Pension Fund under the following conditions:
 - a. Kroger will take its active and inactive liabilities from the Washington Meat Fund to the Consolidated Fund and will fully fund its share of current meat orphan liabilities in the Sound Fund.
 - b. Kroger will be responsible – on a pro-rata basis -- for future grocery orphans (past and future service) in the Sound Fund on a going forward basis.
 - c. Kroger will be responsible – on a pro-rata basis -- for future meat orphans (future service) in the Sound Fund on a going forward basis.
 - d. Kroger will be responsible – on a pro-rata basis -- for future meat orphans (past service) in the Sound Fund on a “wear-away” basis, as set forth in the attached.
 - e. The merged Fund will use a three-pool application of the current method for calculating withdrawal liability that will not cause the withdrawal liability for those employers who would have both Meat and Clerk employees participating in a merged Sound Fund to increase.
2. Upon finalization of the merger, Safeway and Albertsons will make a supplemental contribution on all Grocery and Meat employees to account for their Washington Meat Fund liabilities (past service). This contribution shall be no more than an additional \$.10 cents per year, beginning no earlier than July 2014 and continuing annually on July hours thereafter, through the term of the current rehabilitation plan.
3. If the merger of the Washington Meat and Sound Pension Funds does not occur for any reason, Albertsons and Safeway will continue to participate in the Washington Meat plan and pay the rates required by the Washington Meat Rehabilitation Plan as revised January 17, 2014. Upon mutual agreement, the parties may reopen the agreement to further address pension benefits (no party is required to reopen).

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

1. Subject to implementation of all of the steps contemplated by this Tentative Agreement, the Washington Meat Industry Pension Trust (the "Washington Meat Plan") will be merged into the Sound Retirement Trust (the "Sound Plan"). In connection with such merger:
 - (a) Accruals for Kroger employees under the Washington Meat Plan will cease immediately prior to the merger.
 - (b) Kroger will change its participation in the Sound Plan to include Kroger employees previously covered under the Washington Meat Plan.
 - (c) As part of the merger, Kroger and the other Allied Employers will contribute the following amounts under the Sound Plan for future service with respect to employee classifications previously covered under the Washington Meat Plan:
 - (i) The contribution rate for future service (i.e. for accruals on and after the merger date) (applicable to all employers who were contributing to the Washington Meat Plan on the merger date) will be:
 - (1) Meatcutters/Wrappers - \$0.45 per hour
 - (2) Service Counter Employees - \$0.225 per hour
 - (ii) Kroger's contribution rate for future service with respect to Kroger employees previously covered under the Washington Meat Plan will be the same as the "future service" rate negotiated by the other Allied Employers but will not include any component for funding past service (pre-merger) liabilities of the Washington Meat Plan (the "Washington Meat Liabilities") because of the transfer of assets and liabilities to the UFCW Consolidated Pension Fund noted in Paragraph 3 below. As such, the parties agree that the future service rate established from time to time shall not include any component for funding the Washington Meat Liabilities.
 - (d) The Allied Employers (other than Kroger) shall be required to negotiate a contribution schedule for funding the Washington Meat Liabilities (applicable to employers other than Kroger) that will fund the Washington Meat Liabilities in compliance with the funding requirements of the Internal Revenue Code and ERISA. In the event that there are unfunded liabilities associated with "Kroger's Allocable Share of the Washington Meat Plan Orphan Liability" or "Kroger's Share of Future Orphan Liability" (both as determined in accordance with Paragraph 2(f) below, but determined based on the assumptions used by the Sound Plan for determining funding of the Washington Meat Liabilities), Kroger's contribution rate under the next CBA will be adjusted (in the same proportion as the adjustment applicable to the Allied Employers (other than Kroger) with

respect to the funding of the Washington Meat Liabilities; provided, however, in no event will Kroger be required to contribute an amount in excess of the amount needed to maintain full funding of "Kroger's Allocable Share of the Washington Meat Plan Orphan Liability" or to amortize "Kroger's Share of Future Orphan Liability" (both as determined in accordance with Paragraph 2(f) below, but determined based on the assumptions used by the Sound Plan for determining funding of the Washington Meat Liabilities).

2. In connection with the merger of the Washington Meat Plan into the Sound Plan, and as a condition to such merger, the Trustees of the Sound Plan must:
 - (a) Determine that the contribution schedule negotiated by the bargaining parties *for future service* complies with the funding requirements of the Internal Revenue Code and ERISA (which rate will not take into account any Washington Meat Liabilities).
 - (b) Determine that the *past service contribution rate* negotiated by the bargaining parties will fund the Washington Meat Liabilities in compliance with the funding requirements of the Internal Revenue Code and ERISA.
 - (c) Modify the Rehabilitation Schedules to reflect the (1) future service contribution rates, and the (2) required past service contribution for the Washington Meat Liabilities.
 - (d) Notify the PBGC of the proposed merger and transfer at least 120 days prior to the merger and transfer dates.
 - (e) Request a determination by the PBGC (jointly with Washington Meat Plan and the Sound Plan) that the proposed merger/transfer complies with the requirements of Section 4231 of ERISA.
 - (f) Adopt a three-pool alternative method of withdrawal liability based on the following principles:
 - (i) Pool #1 (the Washington Meat Plan Pool) – Pool #1 will consist of the pre-merger Washington Meat Liabilities, less Kroger's share of the pre-merger orphans in Washington Meat as described under Pool #3 below ("Kroger's Allocable Share of the Washington Meat Plan Orphan Liability"). The Washington Meat Liabilities (less Kroger's Allocable Share of the Washington Meat Plan Orphan Liability) would be walled off in this separate pool and allocated to the contributing employers in the Washington Meat Plan (other than Kroger). The "past service" contributions made by the employers to cover the Washington Meat Liabilities would be allocated to Pool #1. The Pool would be adjusted each year to reflect the amount of the remaining liabilities, as determined after adjusting for contributions, expenses, benefit payments, and investment returns. The withdrawal liability method and assumptions used for Pool #1 would be the same as the withdrawal liability method and assumptions used by the Washington Meat Plan. The annual payment amount for purposes of Section 4219(c) of ERISA would be determined separately for this pool (as if the merger had not occurred). Only increases in the Washington Meat Plan "past service" contribution rate would be taken into account in determining payments

for purposes of the Section 4219(c) annual payment under Pool #1, but in no event shall the rate be less than the rate applicable under the Washington Meat Rehabilitation Schedule determined as of the year of the withdrawal (as if the merger had not occurred). In determining the Section 4219(c) annual payment amount under Pool #1, the historical contribution rates under the Washington Meat Plan would be taken into account.

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

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

- (B) Step 2 – Adjust the Deemed Orphan Assets for investment returns and benefit payments (but not contributions made by non-Kroger employers to fund their share of the Washington Meat Liabilities).
- (C) Step 3 – Adjust the Total Orphan Liability to reflect benefit payments, deaths, data corrections, etc.
- (D) Step 4 – Determine any net unfunded Total Orphan Liability (the “Adjusted Orphan Liability”), based on Steps 1 and 2.
- (E) Step 5 – Adjust Kroger’s Allocable Share of the Washington Meat Plan Orphan Liability each year so that it equals the Adjusted Orphan Liability times Kroger’s Fixed Percentage of the Total Orphan Liability.

For withdrawal liability purposes, the pool established to reflect Kroger’s allocable share of the orphans can never be less than zero. To the extent that the pool established for withdrawal liability purposes would be less than zero, the “excess” will be treated as a credit against Kroger’s liability under the Sound Plan Pool (Pool #2), and if Kroger does not have any liability under the Sound Plan Pool (Pool #2), then to any remaining liability of the other Washington Meat Plan employers in the Washington Meat Plan Pool (Pool #1).

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

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

- (iv) In regards to “Kroger’s Share of Future Orphan Liability,” for a period of 48 months following the merger date, Kroger shall retain residual liability for its share of any future orphan liability associated with past service in the Washington Meat Plan that is attributable to employers other than Safeway and Albertsons (i.e., liability with respect to an employer (other than Safeway or Albertsons) who becomes an orphan after the merger date) as follows:
 - (A) For orphan liabilities arising during the first 12 months following the merger date: 80% of Kroger’s Share of Future Orphan Liability.
 - (B) For orphan liabilities arising during the more than 12 months but less than 24 months following the merger date: 60% of Kroger’s Share of Future Orphan Liability.
 - (C) For orphan liabilities arising 24 months or more but less than 36 months following the merger date: 40% of Kroger’s Share of Future Orphan Liability.
 - (D) For orphan liabilities arising 36 months or more but less than 48 months following the merger date: 20% of Kroger’s Share of Future Orphan

Liability.

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

For this purpose, "Kroger's Share of Future Orphan Liability" shall be determined based on its proportionate share of the total Washington Meat Liabilities, less the Total Orphan Liability on the merger date. For example, if Kroger's proportionate share of the total Washington Meat Liabilities, less the Total Orphan Liability, on the merger date is 30%, Kroger's Share of Future Orphan Liability would be 30%. In the case of an orphan arising within the first 12 months following the merger date, Kroger would remain responsible for 24% of such orphan liability (80% of 30% = 24%). Kroger will not have any residual liability for orphans that arise 48 months or more after the merger date.

3. The Trustees of the Sound Plan must agree to transfer to the UFCW Consolidated Pension Fund the Washington Meat Liabilities related to Kroger's employees, terminated vested employees, retirees, beneficiaries and alternate payees. Such transfer will be governing by the following principles:
- (a) The transfer will be made in accordance with Section 4231 of ERISA.
 - (b) The transfer will consist of Kroger related Washington Meat Liabilities and assets, such that the net amount of liabilities in excess of assets will equal Kroger's share of the plan underfunding – *including its share of orphans* (as determined as of the transfer date based on (i) the proration of Washington Meat Liabilities in accordance with each employer's share of the total Washington Meat Liabilities, less the Total Orphan Liability), (ii) the market value of plan assets, and (iii) the plan rate used for funding purposes).
 - (c) No Washington Meat Liabilities attributable to orphans will be transferred to the UFCW Consolidated Pension Fund; instead Kroger's share of orphan liability will be fully funded by including Kroger's share of the orphan liability in the calculation of the "net" assets and liabilities transferred to the UFCW Consolidated Pension Fund. In addition, Kroger retains the investment risk on its Allocable Share of the Washington Meat Plan Orphan Liability (as determined as of the merger date).
 - (d) The Trustees of the UFCW Consolidated Pension Fund must approve the transfer of assets and liabilities.
4. The Kroger proposal is conditioned on all elements of the proposal being implemented, except with respect to the PBGC's approval of that aspect of the alternative withdrawal liability method relating to the determination of the annual payment amounts under Section 4219(c) described above. That is, the contribution obligation to the Sound Plan to fund future service accruals for participants of the Washington Meat Plan, the agreement to merge the Washington Meat Plan into the Sound Plan, and the transfer of assets and liabilities from the merged Sound Plan to the UFCW Consolidated Pension are all conditioned on each of the transactions described in Paragraphs 1 through 3 being completed; provided that the merger of the Washington Meat Plan into the Sound Plan shall be completed no later than July 1, 2014. If the PBGC determines that the payment methodology does not satisfy Section 4219(c), the payment methodology shall be modified by the Trustees of the Sound Pension Fund in a manner that complies with Section 4211

and 4219(c), and is consistent, to the extent permitted by Section 4211 and 4219(c) of ERISA, with the concepts and principles set forth in Paragraph 2(f) above.

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

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

5. Notwithstanding the foregoing:

- (a) If accruals under the Washington Meat Plan cease, and contributions to the Sound Plan to fund future service accruals commence prior to the actual merger, Kroger shall contribute the amounts described in Paragraph 1(c) to the Sound Plan pending completion of the merger and transfer of assets and liabilities, and
- (b) The cessation of accruals under the Washington Meat Plan and the commencement of accruals under the Sound Plan will be structured and timed so as not to trigger a termination of the Washington Meat Plan under Section 4041A of ERISA.

The parties hereby agree to the following Letters of Understanding:

- LETTER OF UNDERSTANDING #1: Dues Check Off
- LETTER OF UNDERSTANDING #2: Most Favored Nations
- LETTER OF UNDERSTANDING #3: Doctor's Notes
- LETTER OF UNDERSTANDING #4: Grievance Procedure
- PENSION ADDENDUM: ALBERTSONS AND SAFEWAY
- PENSION ADDENDUM: KROGER (doing business as Fred Meyer and QFC)

CONFIRMED: 2-29-2017 (Date)

SAARS, INC.
OAK HARBOR MARKET PLACE

BY Greg Saar

Greg Saar Warren Martin
Owner Attorney

UNITED FOOD & COMMERCIAL
WORKERS UNION LOCAL NO. 21

BY Todd Crosby

Todd Crosby
President