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2004 – 2007 AGREEMENT

OF



**UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL 876**

Chartered by

**UNITED FOOD AND COMMERCIAL
WORKERS INTERNATIONAL UNION,
AFL-CIO-CLC**

With

**THE GREAT ATLANTIC & PACIFIC TEA
COMPANY, INC.
(FARMER JACK)**

(GROCERY DIVISION)
January 1, 2004 – June 1, 2007



United Food & Commercial Workers Union Local No. 876

ANCE "ANDY" JOHNSON
President

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Dear Member:

The following is the Collective Bargaining Agreement as negotiated with The Great Atlantic and Pacific Tea Company, Inc. Grocery (Farmer Jack) – for the period commencing January 1, 2004 and expiring June 1, 2007.

I urge you to fully acquaint yourself with the terms and provisions of this Agreement.

If you have any questions concerning this Agreement, please contact your Business Representative at the Local 876 office, (248) 585-9671 or 1-800-321-6406.

With best wishes and kindest regards.

Fraternally yours,

A handwritten signature in cursive script that reads "Ance Johnson".

Ance "Andy" Johnson
President

AJ:eh
ufcw/876

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AGREEMENT

This Agreement entered into this 26th day of December 2003, effective January 1, 2004, between **The Great Atlantic and Pacific Tea Company, Inc. (Farmer Jack)**, hereinafter designated as the "Employer", and the **United Food and Commercial Workers Union, Local 876**, its successors and assigns, chartered by the **United Food and Commercial Workers International Union, AFL-CIO and CLC** hereinafter designated as the "Union".

ARTICLE 1 INTENT AND PURPOSE

Both parties are desirous of preventing strikes and lockouts, maintaining a uniform wage scale, working conditions and hours of employees of the Employer, and facilitating peaceful adjustment of all grievances which may arise from time to time between the Employer and his employees.

ARTICLE 2 COVERAGE

The Employer recognizes the Union as the sole and exclusive bargaining agent of all employees of the Employer, including employees of lessees, licensees, and concessionaires, including those classifications of employees covered by this Agreement and of any new classifications hereafter established in retail food stores now or hereafter owned and/or operated and supervised in the counties of Wayne, Macomb, St. Clair, Oakland, Livingston, Washtenaw, Lenawee and Monroe, Michigan, excluding Store Managers (a total of seven [7] management exclusions for all stores), as provided under Article 8-B herein and Meat Department employees, Pharmacists, Pharmacist Interns and Managers-in-training.

Pursuant to the above, the Employer warrants that he has the authority to and shall require the operator of any such concession or leased and/or licensed department to fully apply and comply with the terms and provisions of this Agreement.

ARTICLE 3 UNION SHOP, CHECK-OFF, DUES/FEEES

A. The Union is recognized as the sole representative and bargaining agent for all employees covered by this Agreement in collective bargaining with the Employer. It shall be a condition of continued employment that all employees of the Employer covered by this Agreement shall remain members in good standing and those who are not members on the execution date of this Agreement shall, on the thirty-first (31st) day following the execution date of this Agreement become and remain members in good standing in the Union.

B. It shall also be a condition of continued employment that all employees covered by this Agreement and hired on or after the date of execution shall, on the thirty-first (31st) day following the beginning of such employment, become and remain members in good standing in the Union.

C. New employees, pending their application for, and membership in, the Union as aforesaid, shall with all other employees, be uniformly subject to the provisions of this Agreement, including those pertaining to wages, hours and working conditions; except new employees within thirty (30) days (sixty [60] days for those hired in a new store) of hire may be discharged or disciplined without recourse for any reason whatsoever. The probationary period may be extended an additional thirty (30) days by mutual agreement between the company and the Union.

D. When the Employer needs additional employees, it shall afford the Union equal opportunity with others to nominate or refer suitable applicants, provided that the Employer shall not be required to hire those nominated or referred by the Union.

E. Upon written notice by the Union, the Employer agrees within seven (7) days to discontinue the employment of any employee who fails to become and remain a member of the Union in good standing as provided under this Article.

F. **Check-Off:** The Employer agrees to deduct weekly union dues/fees uniformly required as a condition of acquiring or retaining membership in the Union from the wages of each employee, present and future, as the same shall be due, provided each such employee executes written authorization therefore, in a form authorized by law, and such authorization is turned over to the Employer. The Employer agrees to remit such dues/fees as deducted to the Union.

The Union shall, on or before the tenth (10th) day of each month, furnish to the Employer, a list of member-employees and the amounts due therefore, including dues owing for the succeeding month. The Employer shall, on or before the twenty-fifth (25th) day of the month, deduct and remit such dues, as authorized, to the Union.

At the time of such remittance of check-off sums, the Employer shall also furnish the Union a list of all persons hired within the previous thirty (30) days (or since the last such list was furnished, whichever is later), including name, address, classification, assigned store and date of hire and social security number, if possible. The Employer shall also furnish from time to time, upon the Union's request and within two (2) weeks of such request, a seniority list of all employees covered by this Agreement.

G. Check-Off For The Active Ballot Club:The Employer agrees to honor and transmit to the Local Union contribution deductions for the UFCW Active Ballot Club from employees who are union members and who sign deduction authorization cards.

The deductions shall be in the amount specified on the political contribution authorization and deducted weekly and remitted monthly to the Local Union.

H. The phrases "members in good standing in the Union", "members", "membership in the Union", "member of the Union in good standing", "member-employees" and "Union members" as used in this Article include persons who are members of the Union and persons who elect and maintain non-member status. Persons who elect non-member status shall be required to pay, as a condition of continued employment, initiation fees and weekly union fees in an amount not to exceed the full amount of initiation fees and weekly union dues.

ARTICLE 4 MANAGEMENT RIGHTS

The management of the business in all its phases and details shall remain vested in the Employer. The rights of the Employer and the employees shall be respected and the provisions of this Agreement for the orderly settlement of all questions regarding such rights shall be observed.

ARTICLE 5 DISPUTE PROCEDURE

A. The Union shall have the right to designate or elect one (1) steward and one (1) alternate steward for each store.

B. Should any difference, disputes, or complaints arise over the interpretation or application of this Agreement, there shall be an earnest effort on the part of the parties to settle such promptly through the following steps:

Step 1. By conference during scheduled working hours between the Union's steward and/or the business representative and/or aggrieved employee, or any of them, and the manager of the store.

Step 2. If the grievance is not satisfactorily adjusted in Step 1, by conference conducted with reasonable promptness between the Union's business representative, and the District Manager or Human Resources representative of the Employer.

Step 3. If the grievance is not satisfactorily adjusted in Step 2, then the grievance is to be reduced to writing and signed by the employee or employees involved with concurrence of a Union representative, or signed by a Union representative on their behalf, presented to the Employer, and discussed within seven (7) calendar days (unless extended by mutual agreement between the Union and the Employer) by an officer or officers of the Union, and a representative or representatives of the Employer.

Step 4. If the grievance is not satisfactorily adjusted in Step 3, either party may, with reasonable promptness, in writing, request arbitration, and the other party shall be obliged to proceed with arbitration in the manner hereinafter provided. The Executive Board of the Union shall have the exclusive right to determine whether or not the employee's grievance shall be submitted to arbitration by the Union. The parties shall forthwith attempt to agree upon an impartial arbitrator. If they cannot so agree within five (5) working days of the request for arbitration, the party requesting arbitration may with reasonable promptness thereafter file a demand for arbitration with the American Arbitration Association in accordance with the then applicable rules and regulations of the Association. The expenses of the arbitrator, excepting the parties own expenses, shall be borne equally by the Union and the Employer.

C. The arbitrator shall have authority and jurisdiction to determine the propriety of the interpretation and/or application of the Agreement respecting the grievance in question, but he shall not have the power to alter or modify the terms of the Agreement. With respect to arbitration involving discharge or discipline of employees, the arbitrator shall determine if the discharge or discipline was for just cause; and he shall review the penalty imposed, and if he shall determine the Employer's action to be improper, inappropriate and/or unduly severe, he may vacate it or modify it accordingly.

He shall have the authority and jurisdiction in cases concerning discharge, discipline or other matters, if he shall so determine, to order the payment of back wages and compensation for an employee which the employee would otherwise have received, and/or enter such other or further award as may be appropriate and just.

D. Grievances must be taken up promptly and no grievance shall be considered or discussed which is presented later than fourteen (14) days from the time known by the individual that there was a contract violation, (eighteen (18) months in the case of wage claims) after such has happened. Wage claims shall be defined as, and limited to, the following:

- a. Overdue progression step increases.
- b. Incorrect wage rates.
- c. Computer error.
- d. Errors in the mathematical calculation of wages or wage rates or failure to pay for holidays, sick pay, vacations, etc.
- e. Improper recall of laid-off employees.

Sixty (60) days for alleged improper promotions.

Constructive notices will not be used in cases of progressive discipline if over one (1) year, except for cases of proven harassment (including sexual) and/or violence, threats, etc.... Instances involving final warning letters will not be used in cases of progressive discipline if over two (2) years.

E. No employee shall be discharged or disciplined except for just cause. Grievances respecting the discharge or discipline of an employee shall be presented and processed in accordance with the grievance procedure hereinabove set forth. Any agreement reached between the Union and the Employer under the grievance procedure by their authorized representative, which in the case of the

Union shall be subject to the approval by its chief executive officer, its President, and any decision of the arbitrator under .

Step 4 shall be final and binding upon the Employer, the Union, and the employee or employees involved.

F. It is the intention of the contracting parties that, with the exception of those individual grievance privileges expressly set forth herein, in the redress of alleged violations of this Agreement by the Employer, the Union shall be the sole representative of the interests of employees or groups of employees within the bargaining unit. Subject to individual rights expressly set forth in the grievance procedure of this Agreement, only the Union shall have the right under arbitration procedures or in any judicial or adjudicatory forum, to assert or press against the Employer a claimed violation of this Agreement.

G. Lengthy discussions between employees and representatives of the Union, including the steward, or among themselves, concerning disputes shall not take place during working hours.

Stewards shall have sufficient time to investigate and/or work with store management on grievance resolutions during scheduled working hours, including time to make phone calls relative to these duties. Time spent on the phone shall be limited to union business and shall be limited in duration. Abuses of the above shall be dealt with by conference between the Company and Union to a mutual agreement.

H. The Employer, including all supervisors, shall grant to any accredited union representative access to the store for the purpose of satisfying himself that the terms of this Agreement are being complied with, including but not limited to, checking rates of pay, work schedules, and time and attendance records.

I. The Employer shall have the right to call a conference with the officials of the Union for the purpose of discussing its grievances, criticisms, or other problems.

ARTICLE 6 NO STRIKE, NO LOCKOUT

A. During the process of settling any complaint of violation or infraction of any section of this Agreement, as herein set forth, the Union shall not call any strikes of any kind and the employees shall continue to work properly and efficiently until a decision is made as called for in this Agreement. The Employer agrees that there shall be no lockout.

No present employee will have their hours reduced as a direct result of any utilization of this section.

In the event of a violation of the above section, the first violation shall be a written warning, a second or subsequent violations the Employer agrees, as liquidated damages, to pay two (2) times the top rate of a clerk-cashier, in effect at the time of violation, for all such time worked, but in no event shall the penalty be less than one (1) hour at two (2) times the clerk-cashier rate. If such violation is reported by a member of the bargaining unit, the liquidated damages shall be paid to the reporting member. When the violation is reported by the Union, such double (2) time damages shall be added to the pay of the most senior employee working less than forty (40) hours in the work week the violation occurs and shall thereafter be rotated amongst such employees by seniority, working less than forty (40) hours that week. If such pay places the most senior employee over 40 hours for that week, such pay in excess of forty (40) hours shall be paid to the next most senior employee working less than forty (40) hours, etc. Effective May 1, 2004, in the case of a customer service manager doing bargaining unit work, the first occurrence is eight (8) hours pay. Any additional occurrence is twenty-four (24) hours pay of a top rate of a clerk-cashier.

D. The Employer may designate persons of its choice as managers-in-training and will be allowed one (1) manager-in-training for each four (4) stores up to a maximum of twenty (20) managers-in-training. The Employer shall notify the Local Union of the names, assigned stores, and date of hire or entry into the manager training program and shall further update this information on an every four (4) week basis for the duration of the training program.

Managers-in-training who are hired from outside of the bargaining unit shall be on a one hundred eighty (180) day probationary period and shall not be required to become members of the Union until the end of the one hundred eighty (180) day probationary period and may be terminated during this period for unsatisfactory performance without recourse. Managers-in-training from the bargaining unit shall be on a one hundred eighty (180) day training period during which time they shall remain members in accordance with the provisions of Article 3 and during which time they shall remain fully subject to the provisions of this Agreement except as provided in the following sentence. During the one hundred eighty (180) day training period, managers-in-training shall be excepted from the provisions of Article 8-C hereof and shall be permitted to perform work of the bargaining unit, provided that said managers-in-training shall not displace any full-time or part time employees.

On or before the expiration of the one hundred eighty (180) day training period, the Employer shall do the following, and shall notify the Union accordingly.

1. Promote the manager-in-training to store manager, or
2. Place in and into the assistant manager classification, or
3. As to a manager-in-training from outside the bargaining unit, discharge such person or place him in one (1) of the bargaining unit classifications with seniority beginning at time of placement in the bargaining unit classification, or
4. As to a manager-in-training from the bargaining unit, disqualify him as a manager-in-training and return him to his former position with uninterrupted seniority.

E. Assistant Managers/CO-B Managers

1. The collective bargaining Agreement between the parties entered into shall, except as hereinafter provided be deemed to apply to employees in the retail food stores of the Employer classified as Assistant Manager/Co-B Managers.
2. It is agreed the Employer recognizes the Union as the sole and exclusive bargaining agent for employees classified as Assistant Manager/Co-B Managers in the retail food stores in the present territorial area as outlined in Article 2 - Coverage.
3. Employees promoted to the Assistant Manager/Co-B Manager classification shall receive the rates indicated in schedule "A".
4. It is agreed that Assistant Managers/Co-B Managers shall be exempt from the provisions of Article 10-C, third paragraph, Article 10-D-9, Article 23-D, and Article 23 E.
5. It is agreed that presently eligible Assistant Managers shall be permitted to maintain, at current levels, their existing Company Life Insurance Program. New Assistant Managers promoted after September 1, 1970, shall not participate.
6. Assistant Managers/Co-B Managers shall be paid mileage at the rate of thirty-two point five cents (\$.325) per mile when an Assistant Manager/Co-B Manager is assigned to a store other than his home store provided the round trip mileage is more than twenty (20) miles in excess of his normal mileage from his home to his

home store. The above rate will be adjusted periodically to coincide with Company policy.

ARTICLE 9 MAINTENANCE OF STANDARDS

The Employer agrees that all conditions of employment relating to wages, hours of work, overtime differentials and general working conditions shall be maintained at not less than the highest minimum standards in effect at the time of the signing of this Agreement, and the conditions of employment shall be improved wherever specific provisions for improvements are made elsewhere in this Agreement. No employee is to receive a reduction in wages as a result of the signing of this Agreement.

ARTICLE 10 WORKING CONDITIONS

A. For purposes of establishing eligibility for full-time benefits as set forth in this Agreement, a full-time person is one who is hired as such, or an employee who averages more than thirty-two (32) hours per week for twelve (12) consecutive calendar weeks. (For the months of July and August, part-time employees may be scheduled up to 40 hours per week and any such week will not be counted toward the twelve-week qualifier.) Full-time employees involuntarily reduced to part-time shall continue to be classified and treated as full-time until they have averaged thirty (30) or fewer hours for twelve (12) consecutive weeks.

Hours of work on Sundays, Holidays, and all compensable pay during an employee's basic work week shall be included to calculate full time status.

During the twelve (12) week qualifying period, employees off for up to one (1) week due to illness and/or layoff shall not be reclassified and the number of weeks worked shall be frozen and upon return to work shall continue as if there was no break for the purpose of qualifying.

B. **Wages:** Effective during the term of this Agreement, the minimum wage rates and classifications shall be as set forth in Appendix (A) attached hereto.

Previous comparable experience must be shown on an application for employment, otherwise the employee shall forfeit any claim under this provision.

Documentation to support employee's previous experience rate shall be provided to the union upon request.

Employees shall be paid for all time spent in the service of the Employer.

If new job classifications not presently in existence are established, the parties shall, within thirty (30) days, negotiate appropriate wage rates.

Rates of pay and pay schedules as set forth in the wage schedule shall constitute the basis of determination of wages for time worked.

The employer shall post all hours paid for on all paycheck stubs.

C. **Work Week:** The basic work week for all full-time employees shall be forty (40) hours, which shall be worked in five (5) eight (8) hour days, not necessarily consecutive. Ten (10) hour shifts may be permitted by mutual agreement between the Employer and all full-time employees on said shift. This may be cancelled any time by the Employer, the Union, or by the employees. Daily overtime will not apply for ten (10) hour shifts.

For employees on the payroll as of (Farmer Jack 8/7/87) (A&P 4/10/88), the work week shall be Monday through Saturday inclusive. For all employees hired after (Farmer Jack 8/7/87) (A&P 4/10/88), the work week shall be Sunday through Saturday inclusive.

For employees on the payroll as of (Farmer Jack 8/7/87) (A&P 4/10/88), Sunday and/or holiday work shall be isolated and shall not be a part of the basic workweek. Such employees shall be given the opportunity to post their name for Sunday and/or holiday work the last week of January, March, May, July, September & November each year, and such posting shall be in effect for the following two months during which time no employee shall be permitted to add or delete their name from the posting. The Employer shall rotate schedules for such employees from the Sunday/holiday posting for Sunday/holiday work by classification provided they have the ability to perform such work and are otherwise authorized by this Agreement to do so.

Sunday/holiday at 1 1/2 rate - Future Sunday/holiday hours available by store at 1 1/2 times rate will not exceed the Sunday/holiday hours work at the 1 1/2 time rate in each store during the last quarter of 1991. Additional reduced stores affect will be worked out by the parties.

In the event an adequate staff cannot be obtained for Sunday and/or holiday work from the list, the Employer can require employees to work in the reverse order of seniority to meet staffing requirements. In the event an employee, whose name is on such list, transfers to another store or terminates his employment, a replacement name may be added to the list at that time.

D. Work Schedules:

1. The Employer shall post and maintain a current seniority list of employees employed in the store and the hours of each employee shall be scheduled by the Employer in conformity with this Agreement.

2. Work schedules shall be posted in the stores no later than Thursday 6:00 p.m. for the following week (night crews are to be notified before leaving work Thursday morning of their following week's schedule). All employees listed on the schedule for work shall be guaranteed work or pay provided they report and work as scheduled. Any employee required to work over his scheduled time any day shall not be required to take time off later in the workweek. This guarantee shall be inapplicable in the event of fire, flood, civil disturbances or acts of God. Where possible, work schedules will be placed in a non-tamperable location in the store with a seniority list next to it.

- (a) If the schedule of employees is not in conformance with the employees' seniority, employees shall have until Saturday 6:00 p.m. to bring to the store manager's attention the error in scheduling, and such schedule shall be adjusted prior to the start of the workweek. In the event an employee fails to report the scheduling error as outlined above, the schedule will be deemed acceptable and not subject to a grievance.
- (b) Assistant head cashiers when scheduled to operate a register or other than assistant head cashier duties at the beginning of their shift and/or for their full shift, shall be scheduled in accordance with their clerk-cashier seniority.
- (c) Full-time employees may, in writing, request a reduction of hours indicating their unavailability for continued full-time work and once agreed to in writing by the Employer, the employee shall be placed on the store seniority list for available hours only and shall receive the hours of work his position on the seniority list entitles him to. The letter (R) will be placed next to the names of employees who have restrictions on their schedule.

- (d) If the employee at a later date advises the Employer in writing of his availability for additional hours up to forty (40) hours per week, the employee may claim additional available hours but may not claim previously scheduled hours of another employee until hours become available because of a vacancy or become available on a regular basis; (available hours on a regular basis are hours expected to exist on a permanent basis for more than thirty (30) days).
 - (e) Upon receiving the hours as described above, the employee shall be placed into the store seniority list and hours will be scheduled in accordance with his seniority. The Company must notify employees if their schedule is changed after it has been posted.
 - (f) After the third (3rd) occurrence of the same offense and provided the Store Manager is notified, the Company will pay four (4) hours pay to the grievant on the fourth (4th) or subsequent offenses.
 - (g) Preference for department scheduling shall be given to those employees currently working in the departments at that time of ratification.
 - (h) Clerks will be allowed to perform all work for which they are qualified within the store.
3. The Employer shall recognize the wishes of senior employees' choice for days off and daily work schedules by seniority based on classification and ability to perform the duties within the store in which they work. Once the choice is made, neither the Employer nor employee will arbitrarily change the schedule.
4. After five (5) grievances relating to the late posting of schedules or five (5) grievances regarding late lunches and breaks within the store, a letter is to be sent to the main office for verification. If confirmed, after five (5) more occurrences, the Employer will be required to pay one (1) hour pay to the employee filing the grievance, two (2) hours on the second occurrence and three (3) on the third and subsequent occurrences. If there are no violations for a one (1) year period, the initial group of grievances will not be considered in the application of this provision.

The above language will not apply to circumstances beyond the control of the Employer.

5. Employees who, in writing, have voluntarily limited their availability for work may thereafter claim additional available hours, up to thirty (30) hours but may not claim previously scheduled hours of another employee until a vacancy occurs or additional hours become available.
6. When scheduling two (2) or more employees for less than an eight (8) hour shift for a similar assignment in the same classification, there shall be a lapse of at least two and one-half (2 1/2) hours between shifts. The intent of this provision shall be to maximize senior employees' hours but shall not be construed to guarantee overtime. In any circumstance where an eight (8) hour shift cannot be scheduled, this language will not apply.
7. Part-time employees shall be scheduled for available hours in each store, in accordance with seniority, job classification and ability to perform the work. Such employees who claim available hours can only claim up to thirty (30) hours per week (Monday through Saturday for employees on the payroll, as of (Farmer Jack 8/7/87) (A&P 4/10/88)); Sunday through Saturday for employees hired after (Farmer Jack 8/7/87) (A&P 4/10/88). In no event can part-time employees be scheduled or claim hours so that their total hours worked exceed thirty (30) hours (Monday through Saturday for employees on the payroll, as of (Farmer Jack 8/7/87) (A&P 4/10/88); (Sunday through Saturday for employees hired after (Farmer Jack 8/7/87) (A&P 4/10/88)) per week, unless by mutual agreement by the Employer and the employee, and in accordance with store seniority. Part-time employees shall be scheduled for no less than twelve (12) hours per week in accordance with seniority, job classification and ability to perform the work. A part-time employee may waive his right to the minimum in writing subject to Employer and Union approval.
8. Employees who work in addition to their scheduled time shall not be compelled to take time off to avoid payment of overtime. If for any reason it becomes necessary to work an employee in addition to his scheduled time, he shall also be permitted to work the balance of his week as originally scheduled.
9. No full-time employee, except night stocking and receiving crews, shall be required to work more than two (2) nights after 6:30 p.m. in any workweek, except as necessary to enable work for the employee's basic work week. Saturday night work shall be uniformly rotated among those full-time employees scheduled to work nights. The Employer shall schedule such employees in the reverse order of full-time seniority to work nights in accordance with the needs of the store. No

- full-time employee, because of his seniority, shall force another full-time employee to work a third or more nights. No Assistant Head Cashiers will be forced to work more than two (2) nights without a Head Cashier working two (2) nights.
10. A part-time employee shall not be used to displace full-time employees for any part of the basic eight (8) hour day or basic forty (40) hour week. Nor shall a junior part-time employee be used to displace a more senior part-time employee, provided the senior employee has the ability to perform the work.
 11. No employee shall be allowed or required to work a split shift.
 12. A split shift is defined as two (2) work periods separated by more than the normal lunch period. For any violation of this provision, the employee shall be paid at the applicable rate of pay from the start of the first work period to the end of the second work period.
 13. Employees who, in writing, have voluntarily limited their availability for full-time work may thereafter claim additional available hours but may not claim previously scheduled hours of another employee until a vacancy occurs or additional hours become available.
 14. Only management personnel or Department Heads shall be assigned the duty of closing the store in the evening, except only in the event of a bona fide emergency.
 15. The Employer agrees that he shall have in each store a minimum of Department Heads as follows:
 - Stores employing thirty-one (31) or more members of the bargaining unit - four (4) Department Heads, one (1) Produce Manager, one (1) Head Cashier, one (1) Head Dairy and either Head Stock or Head Grocery.
 - Stores with a delicatessen department shall have one (1) Head Deli Clerk.
 16. The Company will provide Clerk/Cashier and Department Head hour and head count data on a bi-monthly basis.

**ARTICLE 11
OVERTIME AND PREMIUM PAY**

A. Overtime:

1. Any employee who works in excess of eight (8) hours in any one day or forty (40) hours in any one (1) week, or thirty - two (32) hours and/or four (4) days during a holiday week shall be paid at the rate of time and one-half (1 1/2) his straight-time hourly rate. Employees hired after (Farmer Jack 8/7/87) (A&P 4/10/88) shall be paid at the rate of time and one-half (1 1/2) after eight (8) hours in any one (1) day or forty (40) hours and/or five (5) days during a holiday week.
2. Any employee called upon to work the sixth (6th) day in any one (1) work week, or the fifth (5th) day in a holiday week shall be paid at the rate of time and one-half his straight-time hourly rate. Employees hired after (Farmer Jack 8/7/87) (A&P 4/10/88) shall be paid time and one-half (1 1/2) for work on the sixth (6th) day in any one (1) week or the fifth (5th) day in a holiday week if the employee qualifies for holiday pay.
3. Any compensable absence pay provided in this Agreement shall be counted as time worked for the purpose of computing overtime.
4. Scheduled overtime shall be offered by seniority within each classification in each store. Daily overtime not previously scheduled shall be offered by seniority within each classification in the store among employees present when the need for overtime arises. Employees shall not be required or compelled to work overtime as above defined. In such cases, the Employer can require employees to work overtime in the reverse order of seniority, subject to their ability to perform the work in their classification within the department. Sufficient notice shall be given when overtime is necessary, and shall be judiciously requested. Sufficient reason must be given for the refusal of overtime. However, inverse seniority may be used to fill the need.
5. No employee will be forced to work over one (1) hour past their scheduled time if they notify management in writing no later than the first two (2) hours of their shift, and are scheduled to work eight (8) hours that day. Employees scheduled to work less than eight (8) hours will not be forced to work more than two (2) hours over their shift if they notify management in writing no later than the first two (2) hours of their shift.

6. There shall be no pyramiding of premium pay, and hours paid for at premium pay shall be set aside and not used in computation of other premium pay or the computation of overtime.

Such additional compensation shall be added to the employee's straight-time hourly rate and the total used in computing overtime and/or premium pay and shall be paid for vacations, holidays, supplemental days, etc.

B. Sunday and Holiday Pay:

1. Sunday and holiday work shall be defined as work performed from 12:01 a.m. on Sundays and/or holidays, to midnight Sundays and/or holidays.
2. For employees on the payroll as of (Farmer Jack 8/7/87) (A&P 4/10/88), work performed on Sunday and holidays shall be paid at time and one-half (1 1/2) the employees rate of pay. For employees hired after (Farmer Jack 8/7/87) (A&P 4/10/88), work performed on Sundays and holidays will be paid at the employee's regular straight-time rate of pay. Employees with one (1) year of service who have been hired after (Farmer Jack 8/7/87) (A&P 4/10/88), who work on Sundays or holidays shall receive \$1.00 per hour premium for work performed on Sundays or holidays. Two (2) years of service - \$2.00 per hour. Holiday pay as provided for in Article 12 shall be in addition to time paid for holiday work.

All employees hired after (3/4/01), shall be entitled to a Sunday premium based on the following scale: \$1.00 - After 24 months \$2.00 - After 48 months

C. PREMIUM PAY:

1. In the event of absence for a period of one (1) week or more of a Produce Manager, Head Cashier or Head Dairy, a full-time employee shall be appointed to fill the vacancy and shall receive the wage rate of the particular Department Head he is relieving, but in no event less than twenty cents (\$.20) per hour more than his own rate. Any employee designated by the Store Manager to relieve a Head Stock and Receiving, Assistant Head Cashier or Head Deli for a period of one (1) week or more shall receive the rate of the employee he is relieving, but in no event less than twenty cents (\$.20) more than his own rate.
2. Lead Frozen Food Clerk to receive thirty cents (\$.30) per hour premium for all hours worked, in stores with sales volume of two-hundred fifty

thousand dollars (\$250,000) or more per week.

3. Employees assigned to grocery receiving duties to receive thirty cents (\$.30) per hour premium for all hours worked in stores with sales volume of two-hundred fifty thousand dollars (\$250,000) or more per week. Only one employee in any qualifying store may receive the premium per week.
4. Employees assigned to Lead Seafood Clerk shall be entitled to a thirty cent (\$.30) per hour premium for all hours worked in stores where a Service Seafood Department exists.
5. Employees scheduled to work between 6:00 p.m. and 6:00 a.m. as part of a night stocking crew, shall receive a premium of thirty cents (\$.30) per hour. When the majority of the week's work is between 6:00 p.m. and 6:00 a.m., such additional compensation shall be paid on all hours worked

**ARTICLE 12
HOLIDAYS AND PAY**

A. For employees on the payroll as of (Farmer Jack 8/7/87) (A&P 4/10/88), the following shall be considered as holidays:

New Year's Day	Thanksgiving Day
Memorial Day	Christmas Day
Fourth of July	Supplemental Days (See Sec. C)
Labor Day	Stewards Holiday (See Sec. G)

or days customarily celebrated in lieu thereof. Full-time employees who have completed thirty (30) days of employment and who work the scheduled day before and the scheduled day after each holiday, excepting Sundays, shall receive holiday pay consisting of eight (8) hours pay at straight-time hourly rates. Full-time employees who are absent during a holiday week because of proven illness shall receive holiday pay if they have worked any part of the holiday week.

B. Part-time employees, who have completed thirty (30) days of employment and who work the scheduled day before and the scheduled day after each holiday, excepting Sundays, shall receive holiday pay consisting on four (4) hours holiday pay at straight-time hourly rates as they qualify. Part-time employees who are

absent during a holiday week because of proven illness shall receive holiday pay if they have worked any part of the holiday week.

Employees hired after (Farmer Jack 8/7/87) (A&P 4/10/88), shall receive paid holidays per the following schedule:

After thirty (30) days	Christmas Day
After one (1) year	Labor Day
After two (2) years	Memorial Day - Thanksgiving
After three (3) years	New Year's - July 4th
Total of six (6) national holidays after three (3) years of service.	

All employees to receive time and one-half (1½) their straight-time hourly rate for work performed after 9:00 p.m. on Thanksgiving Eve and for work performed after 6:00 p.m. on New Year's Eve.

All employees shall be afforded the option of taking time off without pay to observe the Martin Luther King Holiday, subject to the store's staffing needs. If, as the result of employees exercising this option, insufficient numbers of employees are available to properly staff the store, employees will be permitted to exercise this option on the basis of seniority, with the store being staffed by inverse application of seniority. This provision will not adversely affect an employee's twelve (12) week average.

C. 1. **Supplemental Days:** Employees on the payroll as of (3/4/01) shall receive five (5) supplemental days off with pay per year.

Employees hired after 3/4/01 (excluding Courtesy Clerks) shall receive supplemental days per the following schedule:

After 6 months	- two (2) days
After 12 months	- four (4) days
After 24 months	- five (5) days

2. Supplemental days may be used for the purpose of mini-vacations. Employees shall be entitled to such days at a time of their choice subject to personnel needs of the Employer, subject to store seniority preference in the event of conflict of employee choice.

Employee shall notify the store manager at least two (2) weeks in advance of his intention to use his supplemental days off for a mini-vacation.

3. Employee shall notify the store manager at least one (1) week in advance of his intention to take a supplemental day off (except in the case of using supplemental days for a mini-vacation), and the employee shall receive such day off or a mutually agreed upon day off. In event of a conflict of employee choice, seniority shall prevail.

4. Paid supplemental days will be given to those employees who call in sick providing that they call within an hour if they are scheduled for the opening shift, or at least one (1) hour prior if they are scheduled for any other shift.

5. An employee who separates or is separated from the Employer's service, voluntarily or involuntarily (including but not limited to separation occasioned by voluntary or involuntary termination of the Employer's business), except when such employee is duly discharged for dishonesty, shall on separation be paid for unused supplemental days on a pro rata basis.

6. Employees with five (5) or more years of service are permitted to accumulate up to four (4) unused Supplemental Days per year which will be paid to the employee the second pay period of December of each year.

D. Employees shall not receive holiday pay for any holiday that occurs during a leave of absence.

E. The Employer agrees to close the store no later than 5:30 p.m. on Christmas Eve. No employee shall be permitted or required to work after the closing hours, except those employees necessary to serve the customers in the store at closing time. The Employer shall close the stores on December 25th. The Union may enforce this section by injunction.

F. Hours of work after 6:00 p.m. on New Year's Eve and hours of work on New Year's Day shall be voluntary. Each employee shall be given an opportunity to post their name for New Year's Eve and/or New Year's Day work and shall be entitled to such work. The Employer shall schedule employees from this list and shall rotate all such employees, regardless of classification, equally for all such work, provided they have the ability to perform such work and are otherwise authorized by this Agreement to do so.

In the event an adequate staff cannot be obtained from this list, the Employer can require employees to work in the reverse order of seniority to meet staffing requirements.

G. The steward designated as per Article 5 - Section A shall be allowed one (1) day off per calendar year with pay; provided they attend the Union sponsored Steward Conference. This benefit shall not exceed one (1) day off per store per calendar year.

ARTICLE 13 LUNCH PERIODS AND REST PERIODS

A. **Lunch Period:** All employees shall be allowed at least thirty (30) minutes and up to one (1) hour lunch period without pay by mutual agreement. Lunch periods shall be scheduled some time during the fourth and fifth hours after starting work.

B. Rest Periods:

1. All employees, including full and part-time, shall receive a fifteen (15) minute rest period in each one-half (1/2) shift on Employer time. Rest periods are, as nearly as possible, to be assigned to the middle of each half shift, and to be adequately spaced away from employee lunch periods.

2. All employees shall have an unbroken rest period of not less than eight (8) hours between work periods. If an employee is called back during his eight (8) hour rest period, he shall be paid double (2x) the applicable rate for all work performed during his eight (8) hour rest period.

Notwithstanding the provisions of this section, employees scheduled to work Sunday and holiday hours, with less than an eight (8) hour rest period, may do so.

C. Rest Rooms and Break Rooms

Rest rooms and break rooms shall be cleaned and maintained on a daily basis by all employees. The store management shall plan and schedule the maintenance and cleaning.

Break room (areas) shall be designated by the Employer for both smokers and non-smokers, if requested.

**ARTICLE 14
CALL-IN PAY**

Any employee who reports for work upon request shall be guaranteed for that day not less than four (4) hours of work, or the pay to which he would have been entitled for such hours if worked (at his applicable straight-time, overtime or premium rate for such hours). Notwithstanding the provisions of Article 10-D-2, in the event hours become available because of an emergency, such additional hours shall first be rescheduled to the senior full-time and/or part-time employee not working eight (8) hours that day. Any other additional hours shall be given to the most senior employee. This provision shall not be construed to guarantee overtime for that day.

**ARTICLE 15
UNIFORMS AND TOOLS**

Any tools deemed necessary by the Employer shall be furnished by the Employer. The Employer agrees that, if an employee is required to wear any kind of uniform or protective garment, such uniform or garment shall be furnished and maintained by the Employer at the standard required by the Employer. Drip-dry uniforms furnished by the Employer will be laundered by the employee.

Female employees shall be allowed to wear slack suits and/or pantsuits of conservative color. However, the Employer may require the wearing of uniforms where they are furnished by the Employer.

**ARTICLE 16
VACATIONS**

A. All employees shall annually receive vacation with pay as follows:

After one (1) year of service	- One (1) week
After eight (8) years of service	- Two (2) weeks
After thirteen (13) years of service	- Three (3) weeks
After eighteen (18) years of service	- Four (4) weeks

For associates with three (3) or more years of service, one (1) additional week of vacation may be taken without pay each year with no loss of benefits.

All employees, excluding Department Heads, shall be permitted to take vacations consecutively by seniority. Department Heads shall be permitted to take three (3) consecutive weeks, if eligible, upon mutual agreement between the employee, the Employer and the Union. Any Department Head that has a special request for more than three (3) consecutive weeks of vacation will be reviewed by the Company and subject to Article 5.

Earned vacation may be split into weekly units by mutual agreement between the Employer and the employee. Vacations may be changed by mutual agreement between the Employer and the employee.

Service shall mean total time employed since the employee's latest hiring date whether full-time or part-time and/or a combination of both full-time and part-time employment.

B. Vacation with pay shall be deemed earned as of the employee's first (1st) or later anniversary date of employment, and again on the January 1st next following (regardless of the intervening period) and again on each succeeding January 1st.

C. Vacation pay shall be deemed payable as of the date of vacation; except as the employee and Employer may otherwise agree; provided, that an employee who separates or is separated from the Employer's service, voluntarily or involuntarily (including but not limited to separation occasioned by voluntary or involuntary termination of the Employer's business), except when such employee is duly discharged for just cause, shall on separation, be paid vacation pay earned as of his anniversary date or January 1st, whichever is applicable, but not yet paid, together with further vacation pay prorated from said anniversary date or January 1st, whichever is applicable, to date of separation, which he shall be deemed to have additionally earned.

D. Effective 1/1/02, vacation pay for full-time employees shall be based on forty (40) hours per week. Vacation for part-time shall be based on the average hours worked the preceding year to a maximum of forty (40) hours each week, and paid at the prevailing straight-time hourly rate at the time of vacation.

E. If any employee who would otherwise be entitled to a vacation under the provisions above set forth has had time off work, his vacation shall be affected as follows:

Time off work accumulative up through ninety (90) days shall be counted as time worked (eight (8) hours per day for full-time employees, four (4) hours per day for part-time employees) for the purpose of computing vacation pay.

Time off work - ninety-one (91) through one hundred eighty (180) days - vacation pay shall be reduced by one-quarter (1/4).

Time off work - one hundred eighty-one (181) days through two hundred seventy (270) days - vacation pay shall be reduced by one-half (1/2).

Time off work in excess of two hundred seventy (270) days makes the employee ineligible for any vacation pay.

In the event an employee is off work because of illness and/or injury through one hundred twenty (120) days, the Employer shall count all time off, as time worked for the purpose of computing vacation pay. Over one hundred twenty (120) days, the above formula shall apply.

F. Employees who qualify for vacation, as herein above provided, shall be entitled to their vacations at a time of their choice, subject to the personnel needs of the Employer, subject to store seniority preference in the event of conflict of employee choice.

The Employer shall, on January 1st, post a vacation request schedule. Employees shall on or before February 28th, designate desired vacation weeks. The Employer shall, on or before April 1st approve the vacation schedule. Once approved the vacation schedule may not be changed, except by mutual consent by the employee and Employer.

G. If a holiday falls during an employee's vacation, he shall receive an additional day's pay. Eligible full-time employees shall receive this on the basis of eight (8) hours at their straight-time hourly rate and eligible part-time employees on the basis of four (4) hours at their straight-time hourly rate. Vacations must be taken during the calendar year, unless, due to an emergency, management finds it necessary to request postponement. No employee shall be given pay in lieu of vacation, unless agreed to by management.

H. The Employer will within each store permit the employees off each week in scheduling vacations or mini-vacations, consistent with the needs of the business.

ARTICLE 17 SEVERANCE NOTICE OR PAY

A. All employees who have been in the employ of the Employer for a period of six (6) months or more shall be given one (1) week's notice or one (1) week's pay in lieu thereof (employees working less than forty (40) hours shall receive average pay), if laid off from employment due to lack of work. Dismissal notice or dismissal wages shall not apply to any employee who is discharged for just cause. Dismissal notice or dismissal wages shall not apply to any employee who is temporarily laid off in an emergency which is no fault of the Employer, and in no case shall any employee receive dismissal wages more than once in any twelve (12) month period.

B. In the event the Employer sells or closes a store and employees are terminated as a result thereof, employees with three (3) years of full-time service or frozen full-time service, shall be paid three (3) weeks of severance pay and one (1) additional week of severance pay for each additional year of full-time service or frozen full-time service up to a maximum of six (6) weeks of severance pay.

All monies due employees shall be paid upon termination in accordance with the Agreement, but not later than two (2) weeks after separation. An employee who does not accept severance pay shall retain recall rights as provided in the Agreement for a period of one (1) year, and if still not recalled to work by the Employer, shall receive his severance pay and have no further recall rights.

Employees voluntarily terminating their employment shall not be eligible for severance pay.

Employees who accept severance pay shall not retain seniority or recall rights.

Employees who refuse a transfer as outlined in the Agreement shall not receive severance pay.

C. The Company, whenever possible, shall give thirty (30) days advanced notice of a store closing.

**ARTICLE 18
GOOD FRIDAY**

Upon request employees shall be allowed time off between the hours of 12:00 noon and 3:00 p.m. on Good Friday for the purpose of attending religious services and shall not be required to make up such time off.

**ARTICLE 19
LEAVES**

A. Jury Duty Leave and Pay: If an employee is required to serve on a jury, he shall be paid for hours necessarily absent from work because of such service. The combined hours of work and jury duty will not exceed eight (8) hours in any one (1) day with the further understanding that upon release from jury service, such employee will report to work to complete the remaining portion of the employee's schedule, not to exceed eight (8) hours.

B. Death Leave and Pay: Up to three (3) days leave of absence with pay for scheduled time lost up to and including the day of the funeral shall be granted to an employee in the event of a death in the immediate family. "Immediate Family" is deemed to include employee's parents, step-parents, grandparents, current mother and father-in-law, brother, current brother-in-law, sister, current sister-in-law, wife, husband and child, whether or not any of said persons resides with the employee, and any other relative that resides with the employee. The Employer shall grant such employee up to an additional three (3) days leave of absence without pay if such additional leave shall be necessary or reasonable with respect to the employee's responsibilities arising out of the death and/or funeral of such relative.

C. Personal and Illness Leave: Employees may be granted a personal leave of absence, not exceeding thirty (30) days, upon the Employer's permission, and shall be granted a leave of absence for his or her certified illness (including but not limited to, pregnancy, miscarriage, childbirth, and recovery there from), not exceeding one (1) year and up to two (2) years by agreement between the Union and Employer. Employees who are on Workers' Compensation shall be granted a leave of absence not to exceed two (2) years. Seniority shall accrue during such personal and illness leave. Leaves of absence in excess of the foregoing periods may be granted by the Employer, but retention and/or accrual of seniority in such event shall require agreement by the Union and the Employer. Employees desiring a leave of absence other than for illness or injury must request this in writing. Employees returning from illness, injury and/or approved leave of absence shall

notify the manager by Wednesday noon of his availability for work the following week.

D. No leave of absence shall be granted to any employee for the purpose of trying another job or to venture into business for himself. Failure to comply with this provision shall result in the complete loss of seniority rights for the employee involved.

E. The Employer shall grant a leave of absence without loss of seniority for a period not to exceed one (1) year for any employee selected by the Union for the purpose of Union employment within the Local covered by this Agreement.

F. An employee who is a member of the National Guard or U.S. Government Reserve Program and desires to take a leave of absence, rather than use vacation time, shall be granted a leave of absence without pay for the purpose of participating in one of the above named programs. Seniority shall not be a factor in the scheduling of vacations, for those employees exercising the provisions of this section.

G. Any employee who enlists or is inducted into military service shall retain job rights and seniority in accordance with the provisions of applicable federal and state laws.

H. Employees promoted out of the bargaining unit into a supervisory position shall have their seniority frozen for a period of up to one (1) year.

I. **Illness and Accident Benefits:** Present full-time (A&P) employees on the payroll who were full-time prior to September 16, 1980, who are eligible for the Company sick leave plan, shall be covered by the plan subject to their continuing eligibility.

The maximum illness and accident benefit schedule for full-time employees who have completed more than one (1) year's continuous service shall be as follows:

LENGTH OF FULL-TIME SERVICE	MAXIMUM	
	FULL PAY	HALF PAY
1 - 2 years	Two (2) weeks	Three (3) weeks
2 - 5 years	Three (3) weeks	Five (5) weeks
5 - 10 years	Five (5) weeks	Seven (7) weeks
10 years and over	Seven (7) weeks	Nine (9) weeks

1.) When an eligible employee is hospitalized because of illness or injury, payment shall be made beginning with the first day.

2.) When an eligible employee is absent because of substantiated illness or injury, payment shall be made beginning with the fourth (4th) day.

3.) When an eligible employee is receiving payments from the **MICHIGAN UNITED FOOD AND COMMERCIAL WORKERS UNIONS & FOOD EMPLOYERS HEALTH AND WELFARE FUND**, the Employer shall pay the difference between the Union's health and welfare payment and the employee's daily and/or weekly pay in accordance with the benefit schedule and the following maximums:

Clerk-Cashier	-	\$290.00 per week
Assistant Head Cashier	-	\$300.00 per week
Head Cashier	-	\$315.00 per week
Head Deli	-	\$315.00 per week
Head Dairy	-	\$315.00 per week
Head Stock	-	\$315.00 per week
Head Produce	-	\$330.00 per week
Assistant Manager	-	\$350.00 per week

In the event the Union's health and welfare payments are increased, the Employer agrees to increase the above maximum payments by a like amount.

J. Job Injury: Employees injured on the job and unable to complete his/her day's work shall be paid for all hours scheduled for that day plus an additional one (1) day of scheduled lost time within seven (7) calendar days of the injury provided a doctor certifies an inability to return to work and such time will not be charged to supplemental days.

ARTICLE 20 **HEALTH AND WELFARE**

A. The Employer shall participate in and contribute to the Michigan United Food and Commercial Workers Unions and Employers Health & Welfare Fund ("Health Fund"), and adopts and agrees to be bound by the terms and conditions of the Health Fund's Trust Agreement, as amended, and to the actions taken pursuant to such provisions. The Employer shall execute the normal form of Participation Agreement concerning participation in the Health Fund.

B. Contributions to the Health Fund shall be made for all eligible employees on the Employer's active payroll as of the first (1st) day of each month and such contributions and related contribution report shall be received at the Health Fund Office, or other location which the Trustees may Designate, by the fifteenth (15th) day of such month.

C. The contribution to the Health Fund required by this Agreement for an eligible employee, as herein described, shall be the monthly contribution necessary to maintain the applicable Class of Benefits for the affected employee, which shall be determined in accordance with the Policy Statement on Employer Contribution Rates—Level of Reserves and Current Funding (the "Policy Statement") established from time to time by the Trustees of the Health Fund ("Trustees") relating to the contribution rate to maintain benefits and reserve levels. The contribution to maintain a Class of Benefits shall include the Employer's pro rata share of the Health Fund Reserve Levels established by the Policy Statement which shall include assets sufficient to satisfy incurred but not reported or paid (IBNR) obligations; plus assets sufficient to satisfy one month's eligibility lag obligations; plus assets sufficient to maintain the death benefit reserves; plus three months of net asset reserves. Health Fund Reserve Levels will be evaluated by the Trustees as of every January 1 and July 1 during the term of this Agreement and the contribution rate(s) for the Company shall be adjusted effective as of each such evaluation date to a rate that is projected by the Fund Consultant to be sufficient to maintain the Company's pro rata share of the cost of Plan Benefits and Health Fund Reserve Level for the next succeeding six (6) month period (i.e., until the next evaluation date.)

D. The parties agree to make their best efforts to direct the Trustees of the Health Fund to adopt as many cost containment measures as practical without reducing existing benefit levels. It is the desire of both parties that such cost containment measures, when implemented might require a contribution rate that is less than the contribution rates listed in the Agreement to maintain benefits. However, the existing applicable benefits may be modified by the Trustees only if the proposed modifications are unanimously agreed to by every Employer Trustee (or Alternate) and by every Union Trustee (or Alternate.)

E. The Employer is responsible for reporting the appropriate contribution rate for each eligible employee to the Health Fund Office on a contribution report each month. The Health Fund Office will provide, as a matter of convenience, a contribution report form, and the Employer shall have an obligation to update and

correct the information on that report on a monthly basis. The Employer accepts that failure to submit timely and correct contribution reports and contribution payments may result in interest charges, liquidated damages and cost assessments pursuant to the Health Fund's delinquency collection rules and/or applicable law. The Employer consents to the audit of its payroll records by persons designated by the Health Fund's Trustees for the purpose of verifying the accuracy of the Employer's contribution payments in accordance with uniform audit policies adopted by the Trustees. Any underpayments disclosed by such an audit shall be processed as delinquent contributions pursuant to the Health Fund's delinquency collection procedures. Contributions must be reported and paid for each month, without regard to any prior overpayments. Prior overpayments and mistaken contributions can be claimed by the Employer pursuant to the rules adopted by the Health Fund's Trustees for refund of mistaken contributions.

F. Full-Time Employee Eligibility: The Employer shall make monthly contributions for the following full-time employees:

1. Full-time employees on the payroll prior to February 1, 1985 (excluding courtesy clerks and high school student clerks) shall have contributions paid for Plan 5H Benefits (including student dependent coverage).

2. Full-time employees (excluding courtesy clerks and high school student clerks), who are hired on or after January 31, 1985 and prior to March 5, 2001, shall have contributions paid for Plan 5L Benefits (including student dependent coverage).

3. Full-time employees (excluding courtesy clerk and high school student clerks classification) hired after March 4, 2001 after completing 12 months of service shall have contributions paid for Plan 5L.

4. A full-time employee is one who is hired as such or who averages more than thirty two (32) hours during their basic workweek, as defined in Article 10, for twelve (12) consecutive weeks.

G. Part-Time Employee Eligibility:

1. Part-time employees (excluding courtesy clerks and high school student clerks) on the payroll prior to February 1, 1985 shall have contributions paid for Plan 6H Benefits.

2. Part-time employees (excluding courtesy clerks and high school student clerks) hired after January 31, 1985 and prior to March 5, 2001 shall have contributions paid for Plan 6L benefits.

3. Part-time employees (excluding courtesy clerks and high school student clerks) hired after March 4, 2001 after completing 24 months of service shall have contributions paid for Plan 6L.

4. A part-time employee is one who is hired as such or who averages thirty (30) hours or less per week for twelve (12) consecutive weeks. (For the months of July and August part-time employees may be scheduled up to forty (40) hours per week and any such week will not be counted toward the twelve (12) week qualifier.

H. The Employer shall continue contributions for a further period of three (3) months for any of the above-eligible full-time employees who are reduced to part-time through no fault of their own and will resume full-time contributions if any such employee thereafter is restored to or re-qualifies for full-time status.

I. The Employer shall continue contributions for any of said employees for up to three (3) months during absence from work due to an approved Worker's Compensation Leave and for a proven illness.

J. Legal Holidays and vacations shall be considered as time worked for benefit purposes.

K. The Employer agrees that the qualifying period shall be waived when hiring employees either currently covered under this Plan through another contributing employer or covered under another Health and Welfare Plan provided by an acquiring employer group, by making the delinquent contribution, if any, except that the Employer shall not be required to pay more than one (1) month delinquency.

L. Once an employee is eligible for contributions to the Health Fund, the employee shall remain eligible for contributions, as described above, as long as the employee is employed by the Employer; provided, however, that Employer contributions shall immediately be discontinued in any of the following events:

1. Leave of absence (not covered by FMLA).
2. Voluntary quit.
3. Termination for cause.
4. Layoff (except that a contribution shall be paid for the one (1) month immediately following the layoff.)

M. Employer contributions shall be resumed as of the first (1st) of the month immediately following return to work on the Employer's active payroll after illness, injury, leave of absence, or layoff.

N. Once covered by the Health and Welfare Plan, the employee shall remain eligible and the Employer shall continue to pay such contributions as required so long as the employee remains employed in a covered classification. In cases where an eligible employee voluntarily reduces himself to part-time status, the Employer will pay the lesser contribution until the employee returns to an eligible full-time status.

O. The foregoing provisions are intended to establish the basis and amount of Employer contributions to the Health Fund, and nothing herein contained shall be deemed to establish the eligibility, or the type or amount of benefits to be provided by the Health Fund, which determinations shall be in the sole discretion of the Health Fund's Trustees pursuant to empowerment under the Health Fund's Trust Agreement, as amended from time to time.

P. Health and Welfare Delinquencies: If the Employer fails to make monthly Health and Welfare contributions as set forth herein, he shall be notified in writing of his delinquency, by the Health and Welfare Fund Administrator, and if said remittance is not paid within ten (10) days, notwithstanding any provisions of this Agreement, the Union, without necessity of giving any other or further notice, shall have the right to strike or to take such action as it shall deem necessary until such delinquent payments are made, and it is further agreed that, in the event such action is taken, the Employer shall be responsible to the employees for any losses resulting there from. The Employer hereby waives the requirement of any notice or notices being given by the Health & Welfare Administrator or by the Union to him or to anyone else other than such notice or notices expressly provided for in this Article.

Q. Retiree Plan: The Employer agrees to contribute five cents (\$.05) per hour for all hours worked up to forty (40) hours per week per employee (except courtesy

clerks with less than six (6) months of service) to the Retiree Health Plan to provide Retiree Health benefits as may be determined by the Trustees of the Fund.

R. Coordination of Benefits Rules: When an eligible dependent has the option of receiving money in lieu of selecting health care coverage under a plan provided by such person's employer, the Michigan UFCW Unions and Employers Health & Welfare Fund will coordinate its benefits as if the other employer's benefit coverage was in force. This coordination of benefits provision will also extend to dependent coverage and, in that situation, the Fund also uses the "birthday rule" to determine which coverage is primary. It is the employee's responsibility to provide the Fund Office with information necessary to determine whether it will pay on a primary or secondary basis.

S. Service Eligibility for Employees Hired After March 4, 2001: Employees hired after March 4, 2001, will participate in Plan 5L (Full-Time) and Plan 6L (Part-Time) in the following manner (excluding courtesy clerks):

- 1) Employer contributions for Medical Benefits (including student dependent coverage) are due the first (1st) of the month following 12 months of service for full time, and 24 months of service for part time employees. Medical Benefits will begin the first (1st) of the month following receipt of such contributions.
- 2) Additional Employer contributions to add Vision benefits to the existing Plan are due the first (1st) of the month following 18 months of service for full time, and thirty (30) months of service for part time employees. The Vision benefit will begin the first (1st) of the month following receipt of the additional Employer contribution.
- 3) Additional Employer contributions to add Time-loss benefits to the existing Plan are due the first (1st) of the month following 24 months of service for full time, and thirty six (36) months of service for part time employees. The Time-loss benefit will begin the first (1st) of the month following receipt of the additional Employer contribution.
- 4) Additional Employer contributions to add Life Insurance benefits to the existing Plan are due the first (1st) of the month following thirty (30) months of service for full time, and 42 months of service for part time employees.

The Life Insurance benefit will begin the first (1st) of the month following receipt of the additional Employer contribution.

- 5) Additional Employer contributions to add Prescription Drug and Level 2 Dental benefits to the existing Plan are due first (1st) of the month following 36 months of service for full time, and 48 months of service for part time employees. The Prescription Drug and Level 2 Dental benefits will begin the first (1st) of the month following receipt of the additional Employer contribution.

ARTICLE 21 PENSION PLAN

The Employer agrees to participate in and contribute to the UFCW International Union-Industry Pension Fund. The Employer agrees to make contributions to the Fund in the following sums:

- A. The Employer shall continue contributions for all employees currently at the ninety cents (\$.90) per hour rate.
- B. The Employer shall continue contributions for current employees with more than three (3) years of service at the forty two cents (\$.42) per hour rate.
- C. The Employer shall contribute the following amounts for eligible employees:
- 1 year of service - \$.32/per hour
 - 2 years of service - \$.37/per hour
 - 3 years of service - \$.42/per hour

The above contributions shall commence the first of the month following eligibility.

Contributions are to be made for all hours worked up to eight (8) hours per day and up to forty (40) hours per calendar week by members of the bargaining unit (other than courtesy clerks), including hours of all compensable absence pay. No contributions shall be made by the employer for employees off work for any non-compensable absences.

The foregoing provisions are intended to establish the basis and amount of Employer contributions to the United Food and Commercial Workers International Union-Industry Pension Fund and nothing herein contained shall be deemed to establish the benefits or beneficiaries of the Fund, which shall be determined by the Trustees thereof, pursuant to the Trust Agreement, as from time to time amended, and applicable Pension Plan, as from time to time amended.

Notwithstanding the provisions of Article 6 of this Agreement, the Union reserves the right to exercise all lawful economic recourse, including strikes or other concerted activities in support of demands for delinquent contributions, if any, owed by the Employer to the United Food and Commercial Workers International Union-Industry Pension Fund. Provided, however such action shall not take place until the Fund Manager notifies the Employer, in writing, of the delinquency

The current ratio as of 3/14/01 will remain the same between grocery clerks and meat clerks for the life of this contract.

ARTICLE 21-1 PREPAID LEGAL PLAN

- A. The Employer shall participate in and contribute to the Michigan United Food and Commercial Workers Union and Employers Joint Pre Paid Legal Services Plan.
- B. The Employer shall contribute the sum of two cents (\$.02) per hour for all hours worked by all members of the bargaining unit except Courtesy clerks and other employees with less than one (1) year of non-Courtesy Clerk service.

ARTICLE 22 REVIEW OF EMPLOYER RECORDS

In order to facilitate the proper functioning of any employee benefit plan and to insure that contributions are being made for all employees covered by this Agreement, in accordance with the provisions of the Bargaining Agreement, the Employer hereby agrees in accordance with the provisions of the applicable Trust Agreements (Michigan United Food and Commercial Workers Unions and Employers Health and Welfare Fund, UFCW International Union-Industry Pension Fund, Michigan United Food and Commercial Workers Union and Employers Joint Prepaid Legal Services Fund) to the examination of those records deemed

necessary by a certified public accountant or by any other representative of the Funds or Union.

ARTICLE 23 SENIORITY

A. Seniority is the length of continuous employment with the Employer. Seniority shall be dated from the date employee actually reports for work. When two (2) or more employees are hired on the same date, their seniority standing will be determined by alphabetical order of the employee's last name at date of hire. Subsequent name changes will not affect seniority. Under this definition, the last employee hired shall be the first to be laid off. Recall to work shall be governed by the same principle of seniority.

Absence from work, as set forth in this Agreement, shall not break seniority. Seniority may be broken only by the following:

1. Quit.
2. Justifiable discharge.
3. Layoff of more than one (1) year.
4. Failure to return to work in accordance with the terms of leave of absence.
5. Failure to return to work after a layoff within one (1) week after receipt of notice from the Employer.

B. For purposes of this Article, a full-time employee is one who works more than thirty-two (32) hours per week and including all compensable absence pay for twelve (12) consecutive calendar weeks. The first day worked of the twelve (12) week qualifying period, except as provided under Article 10-A, shall be used to determine the seniority date, health and welfare, and vacation eligibility only. No other benefits are payable during the twelve (12) week qualifying period. A part-time employee is an employee who regularly works thirty-two (32) hours or fewer per week. (For the months of July and August, part-time employees may be scheduled up to forty hours per week and any such weeks will not be counted toward the twelve-week qualifier.) A full-time employee involuntarily reduced to part-time shall continue to be classified and treated as full-time until he has averaged thirty (30) or fewer hours per week (including all compensable absence pay) for twelve (12) consecutive weeks.

For the purpose of qualifying for full-time status the employer agrees to post full-time job bids on a quarterly basis per calendar year to equal 90% of the monthly total of those who have qualified for full-time benefits. If full-time hours exceed 50% of the total hours in any given store the Union and Company will meet to discuss resolution.

1. The Employer shall maintain and furnish from time to time upon the Union's request a seniority list of all employees covered by this Agreement as follows:

- (a) Department Heads by classification.
- (b) Full-time employees by classification.
- (c) Part-time employees by classification.

2. A Clerk-Cashier faced with a lay-off may exercise his or her Clerk-Cashier seniority and previous frozen Courtesy Clerk seniority, if any to displace a less senior Courtesy Clerk, or previous Specialty Clerk seniority, if any, to displace a less senior Specialty Clerk.

Part-time employees shall not accumulate seniority over full-time employees.

3. It is the intention of the parties that, subject to other provisions of this Agreement, the work hours and pay of senior full-time employees shall be maximized, up to the basic workweek, over junior full-time employees and over all part-time employees.

4. A full-time employee (including Department Head) suffering a reduction of hours or laid-off shall have the right to displace a less senior employee of the same job classification. If there is no junior full-time employee in the same job classification, then such full-time employee shall have the right to displace a part-time employee in the same job classification that will give him the maximum hours of work or displace a full-time employee in a lesser job classification for full-time work based on seniority in the job classification. Part-time employees shall have seniority among other part-time employees under the same conditions enumerated for full-time employees.

5. Within each seniority list, seniority shall be applied Employer-wide within the geographical jurisdiction of the Local Union. Expand current

seniority area to Company Wide in the event of store closings and full-time lay-off.

6. All employees working under this Agreement will be allowed to place their names on a list requesting, regular Clerk/Cashier work within their store, after a minimum of six (6) months seniority, provided qualification and skill and ability are equal, for openings as they occur in positions covered under the contract. These employees shall have preference over new hires.

C. When a full-time employee (other than department head) is involuntarily reduced to part-time his seniority shall be frozen, and shall pick up their previous full-time seniority date when returned to full-time. When a full-time employee voluntarily reduces himself in writing, his part-time seniority is dated from the original date of hire. The current ratio will remain the same between grocery clerks and meat clerks for pension purposes only.

When a department head is voluntarily or involuntarily reduced, he shall be returned to his previous department head classification with his total department head seniority.

In the event a department head is reduced and has no seniority in another department head classification, he shall have the right to use his total years of full-time seniority to displace a clerk-cashier.

When a full-time employee (other than Clerk-at-large) is involuntarily reduced to part-time, his seniority shall be frozen and shall pick up his previous full-time seniority date when returned to full-time. When a full-time employee voluntarily reduces himself to part-time, his part-time seniority is dated from the original date of hire and his full-time date shall be vacated.

When a department head (Clerk-at large) is involuntarily reduced, he shall be returned to his previous department head classification, with his total department head seniority. When a department head voluntarily reduces himself in writing, he shall be returned to his former department head classification in accordance with his previous department head seniority in that classification.

In the event a department head (Clerk-at-large) is reduced and has no seniority in another department head classification, he shall have the right to use his total years of full-time seniority to displace an employee in his previous classification.

In the event a department head (Clerk-at-large) in the bakery department is reduced and has no previous seniority in a bakery classification, he shall be granted his total bakery department seniority in a bakery department classification commensurate with his current qualification.

D. Promotions:

1. Senior part-time employees shall be promoted to full-time employment over new hires.
2. Promotions shall be based on skill and ability, skill and ability being equal, promotions shall be based on seniority.
3. Preference for Deli Head and Produce Head openings will be given to employees with previous experience in the department where the opening exists. However, the overall senior employee successfully bidding for the above named openings will be afforded the opportunity to train in the department they bid for (maximum thirty (30) days training). Once the training is complete the employee will be returned to their previous job and shift unless a permanent opening exists. Any employee who declines training for future job openings will be disqualified from bidding for any department head position for a period of one (1) year.
4. Preferences for Head Cashier openings will be given to employees in the Assistant Head Cashier classification.
5. Preference for Gourmet Decorator and Journeyman Baker opening will be given to the employees with previous experience in the department where the opening exists.
6. When a qualified candidate is unavailable in the current seniority area for Department Head or full-time opening, the position shall be posted outside the current seniority area.
7. Temporary vacancies of up to twelve weeks duration (unless extended by mutual agreement) created by vacations, leaves of absences, and short term illness, that cannot be filled through the scheduling language, (if filled) will be filled by management selection and any such temporary vacancies will not be posted.

Job openings for Department Heads shall be posted in the stores for a period of three (3) days. The employee selected shall be promoted on a ninety (90) day trial basis during which time the employee may be reduced to his former status for justifiable reasons. An employee who may be reduced to his former status for justifiable reasons shall be disqualified from re-bidding for the same department head job classification for six (6) months. The employee shall receive the classified department rate of pay during the trial period. The vacancy created by the promotion shall not be permanently filled until the original trial period is completed, after which the vacant job shall be posted. The temporary appointee shall receive the classified rate of pay.

Any employee who wins a job bid and declines to accept the position shall be disqualified from bidding for any Department Head position for a period of one (1) year.

Any employee who wins a job bid and voluntarily or involuntarily is reduced within ninety (90) days shall be returned to the store from which he came.

Permanent full-time vacancies for Clerk-Cashiers shall be posted in the stores within the jurisdiction of the Local Union for a period of three (3) days and the most senior employee bidding shall be reclassified to full-time.

Department Heads who have been involuntarily reduced and whose seniority has been frozen (as provided under Section C. above) shall by signing the job posting receive preference for the posted position in accordance with seniority in the posted job classification.

Courtesy Clerks may freeze their Courtesy Clerk seniority when being promoted to Clerk-Cashier.

Full-time Clerk-Cashiers whose seniority has been frozen as provided under Section C. above shall by signing the job posting, receive preference for the posted position in accordance with seniority.

Copies of the job posting results shall be furnished to the Union within thirty (30) days of the completion of the bid.

If the bid notice posted in Metro or Midstate/Northern area goes unsigned by members in that particular area then it shall be posted in the opposing area before hiring someone from outside the bargaining unit.

In the event the employer fails to post notices for promotions and job openings, the aggrieved employee shall be compensated for loss of hours, additional pay and/or both.

Once a Department Head position is posted, it must be filled unless mutually agreed to by the Union and the Company.

A copy of the successful bid signed and dated by the Personnel Department shall be furnished to the Union.

In the event the Employer fails to post notices for promotions and job openings, the aggrieved employee shall be compensated for loss of hours, additional pay and/or both.

E. Transfers: No employee will be transferred from his/her store without his/her consent (except Assistant Managers, Co-B Managers). It is understood, however, that in unusual cases, an employee may be transferred without his/her consent, but such cases will be discussed with the Union before the transfer is made.

When the transfer of an employee to a different store becomes necessary for justifiable reasons, such transfer shall be made in the reverse order of seniority or on a voluntary basis. The Employer shall make every effort to assign an employee to a store where such transfer shall require the lesser travel time from his home.

Such transfer will not be applied in an arbitrary, capricious or discriminatory manner, nor shall it be utilized as a device for creating hardship to the employee in order to provoke his resignation.

When a request for a transfer is made by the employee due to a reduction in hours, said request must be acted upon within fourteen (14) days. If the Employer fails to act upon the request within the allotted period of time, the Employer shall be liable for any loss of hours due to the failure to transfer. (Reduction of hours will be defined as four (4) consecutive weeks of work at less than the employee's twelve (12) week average).

Full-time employees who desire to transfer to a store closer to their homes shall notify the Store Manager in writing with a copy to the Union. The Employer agrees to transfer said employee if a permanent full-time vacancy exists in his classification or if another full-time employee agrees to exchange work shifts with said employee. Such transfers to new or remodeled stores are subject to the mutual agreement of the Employer. If two (2) or more employees request a transfer to a store, seniority shall apply. The intent of this clause is to reduce an employee's travel distance to and from work for the purpose of energy conservation.

Union stewards shall have top seniority with respect to layoffs (a reduction in hours shall be considered as a layoff) in their stores. No Union steward shall be transferred without the consent of the steward and the Union except in the event of a store closing.

In the event of store closing only, a full-time employee who is unable to bump in his present seniority area will have the right to bump in the geographical jurisdiction of the Local Union at the prevailing rate in the area to which the employee bumps.

F. Night Stocking and Receiving Crew: A full-time employee with two (2) years of service or more may exercise his seniority rights in transferring (a maximum of one (1) employee per store in the first week of April and the first week of October each year) to day hours, based on seniority and ability in their store. Once the shift choice is made, neither the employee nor the Employer will arbitrarily change the shift. Such employees must advise the Employer and the Union, in writing, of their desire for day hours. Where two (2) or more employees in the store make this request, seniority shall prevail. Such transfer requests shall be implemented within two (2) weeks of the date of request.

Transfers made other than each April and October shall be made under the applicable provisions of the Agreement.

Full-time day employees shall have the right to refuse a transfer to a night stocking and receiving crew and, in the event the employee refuses, it shall be considered an involuntary reduction.

If the Employer assigns an Assistant Store Manager to a night stocking and receiving crew, the Assistant Manager shall be in addition to the Head Night Stock Clerk.

ARTICLE 24 UNION COOPERATION

A. The Union agrees to the reasonable rules and regulations of the Employer in regard to punctual and steady attendance, conduct on the job, and all other reasonable rules and regulations established by the Employer.

B. The Union agrees to cooperate with the Employer in maintaining and improving safe working conditions and practices; in improving the cleanliness and good housekeeping of the stores; and in caring for equipment and machinery.

C. The Union agrees to cooperate in correcting inefficiencies of members which might otherwise necessitate discharge.

D. The Union recognizes the need for improved methods and output in the interest of the employees and the business, and agrees to cooperate with the Employer in the installation of such methods, in suggesting improved methods, and in the education of its members in the necessity for such changes and improvements.

E. The Union recognizes the need for conservation and the elimination of waste and agrees to cooperate with the Employer in suggesting and practicing methods in the interests of conservation and waste elimination.

ARTICLE 25 GENERAL

A. Notwithstanding anything herein to the contrary, the past practice of the industry as to coverage of employees shall prevail and the Employer shall take no action that shall circumvent or attempt to circumvent the Union representation of the employees who have been represented and are presently represented by the Union.

B. It is agreed that in the event any article, section or clause hereof shall be deemed invalid under applicable law or regulations that the various remaining Articles, Sections and Clauses of this Agreement shall be deemed to be separable and of continuing effect insofar as they shall not be affected thereby.

C. Use of the male gender herein shall, except as context requires otherwise, be deemed to include the female gender.

D. No employee or applicant for employment covered by this Agreement shall be requested or required by any representative of the Employer to be the subject of a Polygraph (lie detector) test for any reason whatsoever, nor shall the results of any Polygraph test or opinion based thereon be relied upon by the Employer or be admissible in any arbitration or judicial proceeding for any purpose whatsoever.

E. The Employer shall permit Stewards to post and maintain any notice pertaining to Union business in connection with employees covered by this Agreement on a bulletin board within the establishment.

F. The Employer and the Union shall not discriminate against any employee for reasons of sex, age, race, religion, handicap, sexual orientation, creed, color, national origin or Union activity.

G. The Employer shall display Union store cards which shall be furnished by the Union in each of the Employer's stores covered by the Agreement. Such cards shall remain the property of the Union and shall be surrendered on demand.

H. The Employer will not schedule meetings so as to conflict with regular or special meetings of the Union.

I. In the event that the Employer contemplates the introduction of major technological changes affecting bargaining unit work, advanced notice of such changes will be given to the Union. If requested to do so, the employer will meet with the Union to discuss the implementation of such changes before putting such changes into effect.

In any discussions that are forthcoming as a result of technological change, both parties are agreed that they will make every effort to arrive at mutually agreeable decisions with regard to those full-time members of the bargaining unit (on the payroll as of June 11, 1995) who may become displaced as a direct result of the technological change.

J. Employees required to use their automobile shall be paid thirty-two and one-half cents (\$.325) per mile for all miles in excess of the mileage between their home store and base store. The Employer shall not arbitrarily change the employee's base store.

Employees who use their automobile for Employer errands shall be paid thirty-two and one-half cents (\$.325) per mile.

The above rate will be adjusted periodically to coincide with Company policy.

K. Employees classified as Courtesy-Clerks may perform only the following duties:

- 1) Bag or box merchandise after it has been checked out and take it to the customer's vehicle.
- 2) Collect push carts and return them to the store.
- 3) Stock grocery bags in checkout stands.
- 4) All cleaning throughout the store except painting.
- 5) Keep sidewalks and parking areas orderly and free from refuse.
- 6) Accept, receive, and sort empty bottles, cans and other redeemable containers.
- 7) Obtain product from selling area requested by customer being checked out, check prices for customers and replace damaged and/or saleable merchandise accumulated at checkout counters.
- 8) Tie up cardboard and cartons.
- 9) Stock beer, wine and soft drinks. Such employees shall not be assigned to any stocking duties other than as outlined above or operate cash registers, take part in unloading of trucks, or be members of a night stocking crew.
- 10) Courtesy Clerks assigned to mechanical floor cleaning responsibility shall receive \$2.00 per hour in addition to their straight-time rate for each hour they are so employed. Should this time be more than four (4) hours, they will be paid this premium for all hours worked that day. If they are employed less than four (4) hours at this task, they will be paid the \$2.00 per hour rate.

L. A Joint Employee Relations Committee composed of a maximum of twelve (12) union officials and/or employees will be selected to meet within the first two (2) weeks of March and the first two (2) weeks of September of each calendar year, with members of operating management of the company to discuss the following: absenteeism, tardiness, scheduling problems, and any blanket type grievances affecting the bargaining unit.

The issues discussed must be answered or be acted upon within two (2) weeks. If no action is taken within the two (2) week time frame those issues will be submitted to the grievance procedure.

M. It is agreed that in the interest of improving customer service relating to Pharmacy operations, on those occasions that a bargaining unit employee is scheduled and not immediately available through no fault of their own to ring up a customer's Pharmacy purchase, a member of the Pharmacy staff will be permitted to do so. This is intended to be an occasional occurrence and is not intended to displace bargaining unit members.

N. **401(k) PLAN:** The Company agrees to make and transmit employee 401(k) payroll deductions to the Local 876 sponsored 401(k) Plan. Should it be decided that it is not feasible to do so, the Company will meet and explain to the Union why it would not be feasible.

O. In the event the Company implements a corporate wide tuition reimbursement program, Local 876 members shall be allowed to participate in the program.

**ARTICLE 26
EXPIRATION**

This Agreement shall be effective the 1st day of January, 2004, and shall continue in full force and effect to and including June 1, 2007, and thereafter from year to year unless either party serves notice in writing upon the other party at least sixty (60) days prior to June 1, 2007, or June 1st of any succeeding year, that such party desires to cancel or terminate such Agreement. It is agreed, however, that where no such cancellation or termination notice is served and the parties desire to continue said Agreement, but desire also to negotiate any changes or revisions in this contract, either party may serve written notice upon the other at least sixty (60) days prior to June 1, 2007, advising that such party desires to revise or change designated provisions of such Agreement. The respective parties shall be permitted all lawful economic recourse to support their request for such revisions if the parties fail to agree thereon.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first written above.

FOR THE EMPLOYER:
THE GREAT ATLANTIC &
PACIFIC TEA COMPANY INC.
(FARMER JACK)

FOR THE UNION:
UNITED FOOD & COMMERCIAL
WORKERS UNION,
LOCAL NO. 876

s/ Jack Witt _____

s/ Victoria R. Collins _____

Director Labor Relations _____

Secretary Treasurer _____

December 3, 2004
(Date) _____

December 3, 2004
(Date) _____

**APPENDIX A
WAGES**

Assistant Manager (Co-B Manager)

	<u>Current</u>	<u>1/01/04</u>	<u>1/01/05</u>	<u>1/01/06</u>	<u>1/01/07</u>
Start	\$16.57	\$15.74	\$16.57	\$17.40	\$17.65
6 months	\$17.07	\$16.22	\$17.07	\$17.92	\$18.17

Head Cashier, Head Deli, Head Produce, Head Stock, Head Dairy, Clerk-at-Large

	<u>Current</u>	<u>1/01/04</u>	<u>1/01/05</u>	<u>1/01/06</u>	<u>1/01/07</u>
Start	\$15.85	\$15.06	\$15.85	\$16.64	\$16.89
6 months	\$16.22	\$15.41	\$16.22	\$17.03	\$17.28

Assistant Head Cashier

	<u>Current</u>	<u>1/01/04</u>	<u>1/01/05</u>	<u>1/01/06</u>	<u>1/01/07</u>
	\$15.62	\$14.84	\$15.62	\$16.40	\$16.65

Home Center Manager

	<u>Current</u>	<u>1/01/04</u>	<u>1/01/05</u>	<u>1/01/06</u>	<u>1/01/07</u>
Start	\$13.97	\$13.27	\$13.97	\$14.67	\$14.92
6 months	\$14.22	\$13.51	\$14.22	\$14.93	\$15.18

Clerk/Cashier on payroll as of F.J. 8/7/87; A & P 4/10/88

	<u>Current</u>	<u>1/01/04</u>	<u>1/01/05</u>	<u>1/01/06</u>	<u>1/01/07</u>
	\$15.22	\$14.46	\$15.22	\$15.98	\$16.23

Clerk-Cashier Hired or Promoted After F.J. 8/7/87; A & P 4/10/88

	<u>1/01/04</u>	<u>1/01/05</u>	<u>1/01/06</u>	<u>1/01/07</u>
Start	\$6.65	\$ 7.00		
6 months	\$6.79	\$ 7.15		
12 months	\$6.98	\$ 7.35		
18 months	\$7.17	\$ 7.55		
24 months	\$7.65	\$ 8.05		
30 months	\$8.74	\$ 9.20		
36 months	\$9.45	\$ 9.95		
42 months	\$9.83	\$10.35		
48 months	\$10.99	\$11.57		
54 months	\$11.75	\$12.37		
60 months	\$12.56	\$13.22	\$13.88	\$14.13

New Clerks hired on or after January 1, 2004, shall be paid per the following schedule.

Start	\$6.00
6 months	\$6.50
12 months	\$7.00
24 months	\$7.75
36 months	\$8.50
48 months	\$9.50
60 months	\$11.00
72 months	\$13.22

Courtesy Clerk

Start	\$ 5.75
6 months	\$ 6.00

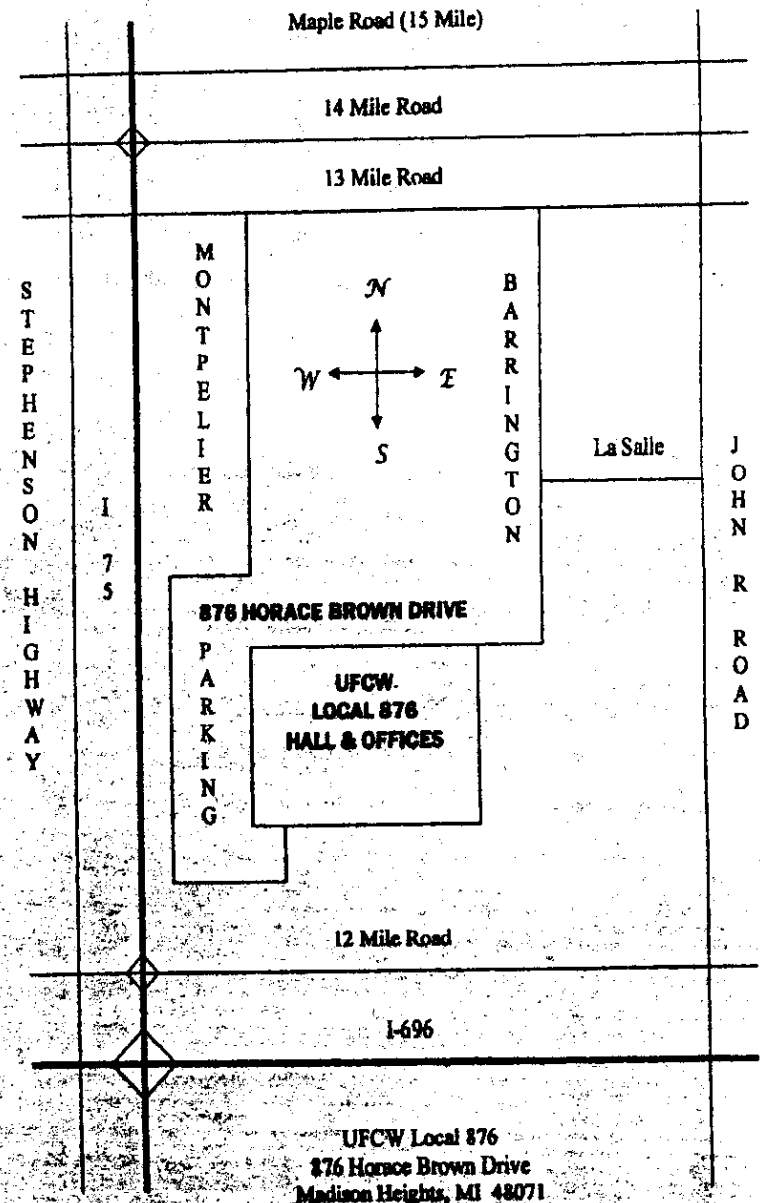
Courtesy Clerks after two (2) years of full-time service and promoted to the Clerk classification shall be credited with the twenty-four (24) month rate on the Clerk wage progression scale.

Limited Assortment Stores Initiative

1. The Company will open limited assortment stores to be operated under the banner of Food Basics, Inc., subsidiary of A&P, (or another proven discount banner).
2. Limited assortment stores are characterized by the principles of a fast in and fast out merchandising system, using only the minimums of storage and shelving facilities and avoiding any unnecessary services interfering with the simple system of transferring merchandise from the supplier to the customer. In addition:
 - Limited assortment stores will be limited in size to approximately 40,000 square feet (sales area). Stores in excess of this size may utilize this Addendum only by mutual written consent of the parties.
 - The products carried in each category will be the best selling products normally in a conventional supermarket with a limited number of brands and sizes.
 - Stock Keeping Units (SKU's) will be limited to 20,000. The parties agree to meet and discuss excluding certain categories of general merchandise products from this SKU limit.
 - The sales area layout of each store will normally follow the same basic pattern.
 - Customer services such as free bags, bagging orders, special preparation departments (i.e. meat, deli, bakeoff and produce) will not be provided.
3. Employees covered by the Main Grocery Agreement who work in a store designated for closure that meets the Company standards for a limited assortment store, will have the following options:
 - a. Exercise their seniority and bump into another Farmer Jack store as per the Main Grocery Agreement.

- b. Accept an enhanced severance package based upon their eligibility.
 - c. Accept available employment in the new limited assortment store under the conditions set forth in the Addendum that applies to limited assortment stores.
 - d. Employees shall make their election within fourteen (14) days from notification of store closure.
4. The specific terms of employment at limited assortment stores are different in several respects from the terms of employment at stores under the Main Grocery Agreement and the Midstate/Northern Agreement. When fifteen (15) limited assortment stores have become fully operational, the provisions for economics and employment conditions applicable to limited assortment stores will be incorporated in a separate, stand-alone collective bargaining agreement for such stores per the Addendum.

NOTES



Maple Road (15 Mile)

14 Mile Road

13 Mile Road

STEPHENSON HIGHWAY

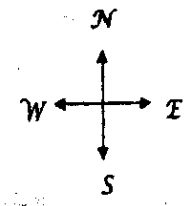
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MONTPELIER

BARRINGTON

LaSalle

JOHN R ROAD



876 HORACE BROWN DRIVE

PARKING

UFCW
LOCAL 876
HALL & OFFICES

12 Mile Road

I-696

UFCW Local 876
876 Horace Brown Drive
Madison Heights, MI 48071

(248) 585-9671